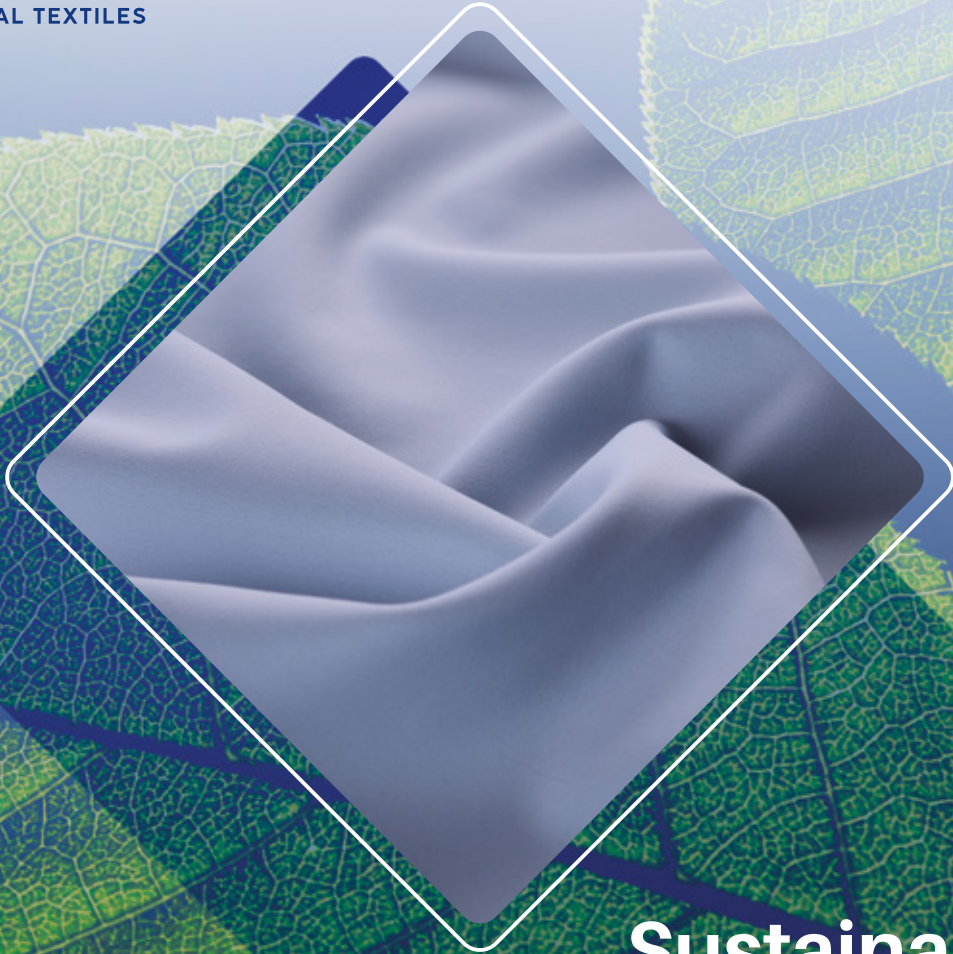




SITIP
TECHNICAL TEXTILES



**Sustainability
Report
2023**
Sitip Group



accoppiatura
di asolo spa



This Report is available at www.sitip.it
This report can be browsed on various devices, at www.sitip.it
and is compatible with Apple and Android systems



**Sustainability
Report
2023**
Sitip Group



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General Dis

1.

closures





1.1

General Disclosures

Letter to Stakeholders



For the third consecutive year we are publishing our Sustainability Report with due consideration for the rapidly changing and increasingly complex geopolitical context.

The textile sector is facing ever more demanding sustainability challenges, both environmental and social. In 2023 in this scenario, thanks to constant innovation and evolution to improve, our Group has reaffirmed itself as one of the most active national and international players in leading the way towards ever greater responsibility in the Technical Textile sector.

An evolution that we share in this Sustainability Report in order to make a difference, without waiting for the Corporate Sustainability Reporting Directive (CSRD) obligations, to which we will be subject, and which we want to communicate transparently in a proactive manner right from the start.

This commitment is proven first and foremost by the safeguards, strengthened over the years - above all the Code of Ethics, present in the Group companies - that are based on merit and on the prevention of discrimination, the selection of candidates, the management of employees and policies to foster talent by developing skills and professionalism.

Furthermore, we continued to strengthen sustainability governance, appointing a Sustainability

Committee to oversee these issues, as a strategic measure to achieve our goals.

The Sustainability Committee has played a key role in supporting ESG efforts and driving the cultural transition within the Group, starting to successfully implement our sustainability policy.

To ensure an even more structured approach, since 2022 the parent company has voluntarily adhered to the UN Global Compact and the subsidiaries Nylon Knitting Ltd. and Accoppiatura di Asolo S.p.A. have adopted its 10 Principles. In the same spirit, in 2023 Sitip S.p.A. obtained SA8000 social certification, the most authoritative standard for protecting workers' health, safety and rights within the company but also along the entire supply chain, also considering the workers of our suppliers.

With regard to environmental sustainability, the Group focuses on and is committed to a circular economy approach, spanning from ecodesign to cutting-edge technologies such as NATIVE Sustainable Textiles, applied to a wide range of fabrics produced in Italy with recycled yarns and low-impact chemicals. On this front other key roles are played by the collaborative networks, such as Sistema Moda Italia, a reference hub for Italian textiles, and the Retex.Green Consortium for textile waste management, of which Sitip is a founding member.

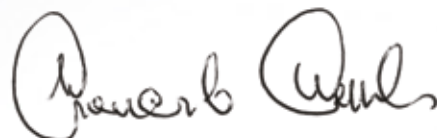
At Sitip, we are also frontrunners in containing energy consumption and mitigating greenhouse gas emissions, using technologies such as photovoltaics and cogeneration. A further important step in this direction is the calculation of Sitip S.p.A.'s carbon footprint.

The results presented in this Report, the first to be drafted using the European Reporting Standards ESRS metrics, are not the finishing line for us, but the starting point. There is still a lot of work to be done so that we can continue contributing to inclusive and participatory growth, together with all stakeholders and civil society.

For now, we wish you an enjoyable read, trusting that the transparent sharing of our commitment will also be a source of inspiration for our stakeholders, heightening their sense of responsibility towards people and the planet.

CEO

Giancarlo Pezzoli

A handwritten signature in black ink, appearing to read 'Giancarlo Pezzoli', written in a cursive style.



1.2 2023 Highlights



602
employees



88%
permanent employees



Gender balance in the composition
of the Board of Directors

50% women



Zero

accidents at work with serious consequences



Average training hours per employee of

12,1



Customer satisfaction level of

4,4 out 5



Energy intensity

8,88 MWh/t product



Carbon Intensity (Market Based Approach)

2,22 tCO₂/t product



% waste for recovery of total waste generated

66,20%



Water consumption intensity

10,95 m³/t product

water consumed



1.3

Outstanding expertise in a strategic sector

SBM-1 Strategy, business model and value chain

// The deep love for our Work.
Our trust in man and his abilities.
The strength of our ideas and the courage
to bring them to life.
The optimism that helps us to always give our best."

Luigi Pezzoli

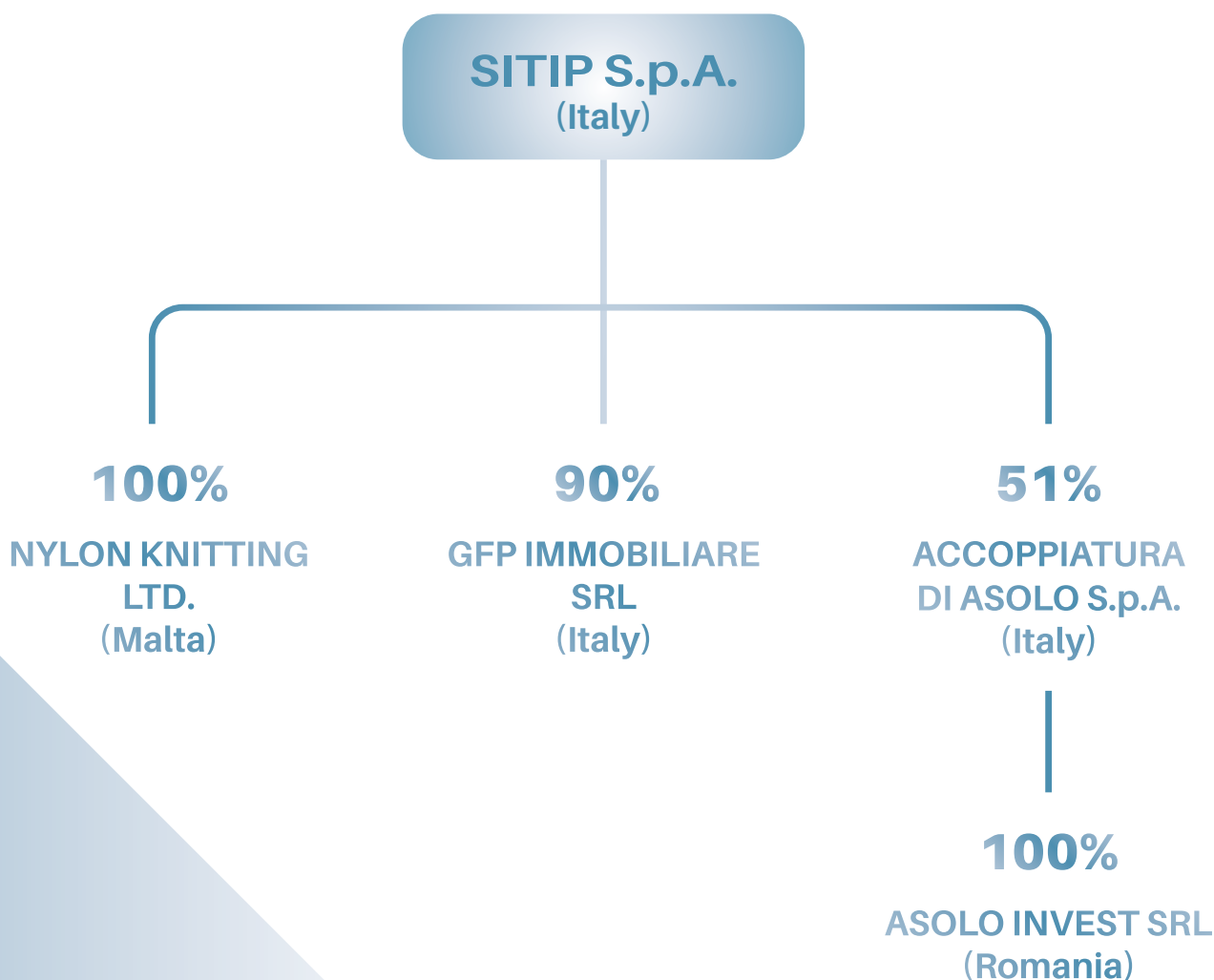


In Italy the Group operates through the parent company Sitip S.p.A., based in Cene (Bergamo) and the company **Accoppiatura di Asolo S.p.A.**, based in Asolo (Treviso). The Group has one operating company in Malta, **Nylon Knitting Ltd.**

Sitip S.p.A. is an Italian company with over 60 years of specialization in the production of **synthetic and stretch warp knitted fabrics, circular knitted fabrics and synthetic woven fabrics** for technical industrial applications and clothing.

Located in the Maltese town of Qormi, the subsidiary **Nylon Knitting** has over thirty years of experience in the **produzione di filati e tessuti in poliammide di tipo 6**, supporting Sitip's textile production to meet the needs of international markets.

With the acquisition of **Accoppiatura di Asolo**, boasting **over 40 years** of specialization in **flame and glue lamination**, enabling it to offer laminating solutions and self-adhesive treatments for every specific use.





The main stages of textile processing

Spinning

Sequence of operations required to transform textile fibres into yarn



Warping

Arranging threads in parallel (the warp) using a machine called a warper



Warp-knitting

transforming the warp into fabric by weaving it with a continuous thread (weft)



Circular knitting

Transforming the warp into fabric with a characteristic circular shape



Scouring

Preparing the raw textile for dyeing and finishing



Overflow dyeing

Method where the fabric passes continuously through the dye bath



Beam dyeing

Method where the fabric remains stationary while the dye bath circulates



Brushing

Finishing operation that raises the fabric to create a 'napped' effect



Shearing

Finishing process consisting of cutting the fluff on the finished pieces



Stentering

Finishing treatments to improve the characteristics of a fabric



Emerizing

Finishing operation consisting of sanding the surface to achieve a peach-skin effect

Flame lamination

Process that bonds a synthetic-based foam with various types of fabric



Glue lamination

Lamination by spreading glue on one of the substrates



Laboratory testing

Set of checks on performance and compliance with requirements



Final inspection and packaging

Quality control and packaging



Discovering high-quality synthetic fabrics



The Sitip Group operates in a niche area of technological excellence: high-quality synthetic fabrics, intended for use in both the industrial and clothing industries.

A **warp-knit fabric** features a type of weave that, thanks to its special processing, never snags, even after tearing. This feature is required for sports and technical garments, but also for numerous industrial applications. In addition to abrasion resistance, a warp-knit fabric also usually protects against moisture and UV radiation.

Also known as tubular fabrics, **circular fabrics** are produced using a circular loom, creating a tubular fabric that lends itself to many uses, such as bags, carrier bags, product wrapping or packaging. Lastly, **flat fabrics** are produced by tape looms that produce flat pieces suitable for a large number of applications.

The use of **synthetic fibres** makes it possible to obtain fabrics with a higher technical performance. More specifically, the main characteristics of polyamides (such as the **polyamide 6** used by Sitip) are their resistance to high temperatures and chemicals, their water absorption, their excellent cost/performance ratio and their durability.



History

1959

Luigi Pezzoli founded Società Italiana Tessuti Indemagiabili Pezzoli - Sitip.



1974

The Sitip dyeing plant was established in Cene and an investment was acquired in Mizar, a company specialised in the production of synthetic warp knitted and circular knitted fabrics.



1975

Sitip began using flame lamination in production.



1978

This was the first of two important years for Sitip: in 1978, it gained complete control of Mizar and established a new dyeing plant for knitted fabrics shortly thereafter.



1979

Sitip entered the cotton sector with the establishment of Sitip Cotton for the dyeing and finishing of cotton fabrics.



1980

Siat, a synthetic woven plant, was set up and Nylon Knitting Ltd was acquired, paving the way for the vertical integration of the synthetic sector.



1985 -1989

Sitip vertically integrated the cotton sector as well with the establishment of **Tania Tessitura**.

At the same time, Sitip Cotton was expanded with the creation of a **rotary printing department**.

1996

Sitip transformed from a multi-company structure into a **MULTI-DIVISION** structure, with operational headquarters in **Cene** (Bergamo).

2000 -2005

Conversion of the production site in Via Caduti, Cene from a cotton mill to a **synthetic warp knitted** and **circular knitted fabric plant**.

2012 -2015

Strengthening, expansion and redevelopment of the production plants in Cene through the creation of a **new, low environmental-impact technological hub**.

2019

Acquisition of 51% of the company **Accoppiatura di Asolo**, specialized for more than 40 years in flame and glue lamination.

2021

First publication of the **Sustainability Report**.

OGGI

The company continues its expansion and internationalisation under the management of the Pezzoli family, now in its second generation.





Mission

Sitip's mission is to offer a diversified range of **high-tech textile solutions**, to meet the various needs of the industrial and clothing sectors, striving to achieve **increasingly sustainable production**.

Thanks to a **customized service** and an **extremely flexible production model**, Sitip's mission is to achieve the **highest quality standards** at all levels: from production plants to production techniques, from the supply chain to **relations with all stakeholders**.

Our values

Ethics, Sustainability, Integration

Ethics in social and work contexts

Sitip pays constant attention to **ethical and social aspects** in its relations with internal and external stakeholders.

At social level, the goal is **equity** and the creation of **decent work** by developing the skills and professionalism of human resources at all levels of the organisation. The company also promotes **ethical and transparent relations** between the various company areas and with the outside world by complying with the **code of conduct** inspired by the **10 principles of the UN Global Compact** (see below) and by using tools such as continuous training, motivation, fair wage policy, inclusion and support for the weakest, health and safety policies.

Sustainability

Sitip's commitment to sustainable development is embodied in its application of processes to ensure environmental protection, and adoption of **a circular business model**. To this end, the company operates in compliance with **the most prestigious international certifications and initiatives** (see below).

The Group specifically **refers to the SDGs** as guiding principles for its actions and is committed to pursuing over time the goals that are most in line with its **potential to make a positive impact** (see computer graphics).

Sitip's commitment to the most relevant SDGs in the industry



Integration

Sitip's high level of integration makes it **unique in Europe**.

Thanks to synergies with its subsidiaries Nylon Knitting and Accoppiatura di Asolo, Sitip is able to monitor every stage of processing, from spinning to the finished fabric.

Sitip's specialized, flexible production process means it can **effectively meet** the most diverse market requirements.

1.3.1

The value chain: suppliers, products and markets served

While the Group's production is Italian at heart, it collaborates with positive results with internationally **certified supply chain partners**, establishing itself as an efficient **technical/production partner** for all those who share the company's **principles of sustainability and technical quality** and apply them daily in their production.

The supply chain for **the (virgin and/or recycled) raw material** for production consists of synthetic polymers (polyamide), synthetic yarns (polyamide, polyester, elastomer), warp-knitted, circular and flat unbleached fabrics, MTP (polyurethane foams). Yarn suppliers are **mainly located in Europe**.

Of the total tonnes of yarn and polymer purchased in 2023, as much as 52% came from suppliers of Italian origin; this percentage increases to 59% of purchases when foreign European suppliers are included. The remaining 40% is purchased mainly from South Korea (25%), while much smaller quantities come from China, Vietnam and Turkey (a total of 15%).

Other supplies to support production include utilities, chemicals (auxiliaries and dyes), packaging, transport, textile machinery and spare parts.

Sitip also collaborates with small and medium-sized companies to which it entrusts certain processes in the production process, for example circular weaving and processes to achieve certain fabric characteristics.

The Group's post-production business partners include **major players in the industrial sector and in fabrics intended for clothing**, with which Sitip has collaborated for many years.





Products

The Sitip Group offers a wide range of products, united by high quality and high technical performance.

Industrial fabrics

The industrial technical warp-knitted fabric sector, which was established at the same time as the company and is continuously evolving even after more than 60 years, is its greatest strength. Thanks to its integrated Polyamide 6 **production system**, Sitip applies the best textile technologies to ensure that the various solutions meet the **performance levels** demanded by the individual target markets: antibacterial, fire retardant, UV protection and water-oil repellent and abrasion resistant properties.

Continuous filament yarns (produced in an uninterrupted length) are used to make the fabrics, the result of ongoing research and development in synergy with the most important players in the supply chain. To meet all needs, Sitip studies the best fabrics, which can be applied individually as a **technical support** used in combination with other materials, to fully achieve the parameters defined with the customer, or for laminating supports, coating supports and membranes.

Fabrics for hook and loop fastening systems

Sitip's fabrics for hook and loop fastening systems stand out for their **high performance** and quality and because they are designed specifically for the type of product and application for which they are intended. To be used in combination with a hook, the Group's warp knitted fabrics are designed for multiple hook and loop fastening applications using the **most suitable materials** for each. The main applications for this type of product include abrasives, personal care, orthopaedic solutions, footwear, clothing supports, wiring for electronics and furniture.

Fabrics for clothing

Sitip produces technical fabrics for sportswear and urbanwear that combine technical performance and intrinsic production qualities **with sustainability**. The range of fabrics for clothing features warp knitted stretch and circular knitted fabrics. Their various applications for sportswear require ad hoc solutions designed to meet different performance, physiological comfort and environmental requirements, using the **highest performance technical fibres** available on the market.

Over the years, technical fabrics have been used not only in the sportswear world but also in urban fashion and athleisure collections, where sport and leisure meet. Sitip has grasped this need by developing the **Cosmopolitan Fashion-Tech** fabric line, which combines comfort and technical qualities in leisurewear.

Fabrics for lamination

Starting from the in-house production of industrial technical fabrics, the Group can develop complex textile solutions through **lamination**. The lamination division uses the main **lamination and adhesive technologies**, such as flame lamination, hot melt or acrylic glue lamination, self-adhesive/thermal adhesive treatments and perforation.

The machine fleet and the know-how developed over the years allow us to guarantee our customers the possibility of **producing specific, customised semi-finished products** according to the technical and stylistic requirements of the end product, for sectors such as technical footwear, casual footwear or trainers, insoles, helmet liners, abrasives, lining, technical clothing, furniture and orthopaedic devices.

	UoM	2023	2022	2021	2020
Products sold		4.108	4.325	4.652	4.151
Countries where the products are offered	number	61	60	56	52
Consolidated turnover from the sale of products	€/1000	97.738	119.353	116.461	84.855
Percentage of production sold in the EU	%	85%	80%	75%	76%

The Group supplies both national and international markets, thanks also to the presence of **agents in the territory**, e.g. in Europe, Asia or America. The customer can therefore count on **direct** and personal **contact** with the company.

Weight on turnover by product type



Warp-knit fabrics

69%

Laminated fabrics and ribbons

20%

Circular fabrics

11%

The Group is therefore a market player with a significant production capacity, as shown below:

	UoM	SITIP GROUP
Polyamide 6 spinning	t/year	9.000
Warp knitting	t/year	13.500
Circular knitting	t/year	2.400
Warp knitting stentering	t/year	8.400
Circular knitting stentering	t/year	2.400
Lamination	km/year	3.500



1.3.2

Quality, innovation and sustainability cornerstones of the strategy

The Sitip Group places **quality** at the heart of its strategy, striving daily to meet the different expectations of its internal and external stakeholders. The importance given to the creation of products that can satisfy these expectations has led the Group companies to establish an approach that **guarantees product quality and durability over time**.

It is also committed to investing in the **most advanced process technologies**, fostering a higher level of **innovation** to identify **specific solutions** designed to meet customer needs.

The Group intends to increase its use of technologies that unlock new areas for **more sustainable design and production**, and for implementing processes **that track resource consumption** and product use and savings on production waste.

The production chain uses **environmentally friendly** chemicals, guaranteeing that its finished products contain **no substances harmful to humans**. Still on the subject of sustainable innovation, the constant collaboration with **textile machinery** suppliers is important.

The journey towards **sustainability** is at the heart of our corporate philosophy. Each fabric is the result of the commitment to reducing the environmental impact, using **recycled yarns** as well as environmentally friendly chemicals.

The Group constantly strives to ensure the highest product quality and to operate in compliance with the most prestigious international certifications and initiatives, including **OEKO-TEX® Standard 100, Bluesign®, GRS and ZDHC**, as well as ISO certifications (see below), demonstrating its commitment to products and production processes that respect the environment and human health.

Also and especially on the matter of sustainability, Sitip is a company that looks to the future. This is why over the years it has committed to investing in **environmentally friendly systems** and solutions, establishing itself as a reliable partner within a supply chain committed to sustainability.










For product eco-design in particular, Sitip's **NATIVE Sustainable Textiles** technology is applied to a wide range of fabrics produced in Italy with **recycled yarns** and environmentally friendly chemicals. The development of these solutions also applies to industrial products. Still on the subject of recycled material products, the parent company is also a founding member of the **Retex.Green Consortium** (see below).

The Group's commitments are governed by the **Integrated Quality, Environment and Energy Policy** and monitored through the relevant **management systems (ISO 9001, ISO 14001 and ISO 50001)**, including its collaboration with strategic partners. With a view to preventing or mitigating any negative impacts, the system identifies aspects to be monitored and possible corrective actions, in line with the precautionary principle of the **United Nations Rio Declaration on Environment and Development**.






Sitip S.p.A. has also published its Social Policy **by obtaining SA8000 certification and calculated its CO2 footprint** for 2023 (ISO 14064 Carbon FootPrint of Organisation).

Sustainability goals achieved



Environmental goals

ISO 14001			
ISO 50001			
ISO 14064			
Product certification Bluesign®			
Product certification OEKO-TEX® Standard 100			
Product certification GRS			
Registration on the ZDHC platform ZDHC			
Development of the NATIVE Sustainable Textiles technology for Sitip and for Accoppiatura di Asolo a 'New Life' product line comprising exclusively recycled polyester or biopolymer fabrics and raw materials.			
Use of recycled yarn for the production of new fabrics applicable in various sectors, such as Colorado Seaqual®.			



Structural goals

Photovoltaic systems			
1.5 MWh cogeneration plant			
Wet electrofilters for over 200,000 m³ of treated air per hour			

Social goals

SA8000 Certification			
UN GLOBAL COMPACT			

Esg self assessment platforms

Registration on the HIGG platform with issue of the FEM (Facility Environmental Module), reports on essential data such as carbon emissions, water use and workers' well-being			
Registration on the ECOVADIS platform			

Also thanks to the adoption and implementation of the Code of Ethics and the Code of Conduct and the adhesion to the UN Global Compact in 2022, on a **social level** the Group is constantly committed to ensuring **respect for fundamental human rights** for its employees and for workers in the value chain.

The **code of ethics** in particular, is a fundamental charter of the rights and moral obligations defining the ethical and social responsibilities of every member of the corporate organisation.

In 2023, the parent company undertook to obtain **SA 8000** certification, which aims to value and protect all personnel within the sphere of control and influence of the organisations that adopt it. It is a standard for improving the social conditions of workers by promoting ethical and fair treatment based on compliance with international conventions on human rights.



In 2024 Sitip will continue working to define and perfect its **sustainability strategy**, in light of the new regulatory requirements and thanks to the performance analysis conducted also using the data collected for this sustainability report. In light of this work, the next document will highlight the goals and targets achieved by the Group for each of the impacts identified by the materiality analysis.

A certified commitment

The choice of certifications is geared towards the control of processes, product quality, energy consumption, environment and safety, both before and after processing.

Certifications are regularly renewed to ensure that **requirements are maintained and continuously improved**. The current certifications and programmes set out below cover management, environmental, energy, social and product areas. The parent company Sitip holds all the certifications stated, while Accoppiatura di Asolo is certified for **ISO 9001, ISO 14001 and GRS**, and Nylon Knitting for **ISO 9001, ISO 50001, GRS and OEKO-TEX Standard 100**.



ISO 9001

Compliance with technical standards on quality management systems with a view to continuous improvement and introduction of effective company policies and processes.



ISO 14001

Requirements and compliance for corporate environmental management systems (EMS) to reduce pollution risks and interact positively with the environment.



ISO 14064

The Carbon FootPrint of Organisation provides specifications for quantifying, reporting and removing greenhouse gas emissions.



ISO 50001

Requirements for creating, initiating, maintaining and improving an energy management system (EMS), with timely and systematic control of its uses.





SA8000

Accredited standard that responds to the needs of organisations wishing to stand out for their commitment to sustainable development, with a focus on social issues.



BLUESIGN®

Certification of a production system aimed at eliminating the use of harmful substances at every stage of the process, with standards for environmental and human-safe production.



OEKO-TEX® Standard 100

This certifies that products have undergone environmental toxicology testing. It indicates that the manufacturer has been certified and tested as environmentally friendly in both processes and plants.



GRS (Global Recycle Standard)

Certification that guarantees the presence of productions made from recycled materials, in accordance with environmental and social criteria applied in all stages of production, including the traceability of the raw materials used.



ZDHC (Zero Discharge of Hazardous Chemicals)

This programme focuses on the principles of transparency and proper management of chemicals according to an integrated prevention and precautionary approach.



HIGG Index

Self-assessment standard for the clothing and footwear industry that assesses environmental and social sustainability throughout the supply chain.



Rating EcoVadis

Platform that monitors the sustainability performance of suppliers. In April 2015, Sitip obtained a Europe-wide qualification for CSR (Corporate Social Responsibility) issues.





The following table shows the scope of each certification (which of the Group companies have already obtained certification) and the year in which the companies that haven't been certified are expected to obtain it.

CERTIFICATION	SITIP	NKL	AA	TARGET YEAR
ISO 9001	✓	✓	✓	
ISO 14001	✓		✓	To be defined
ISO 50001	✓	✓		To be defined
SA 8000	✓	🎯	🎯	2025
OEKO-TEX	✓	✓		To be defined
GRS	✓	✓	✓	
ISO 14064/GHG Protocol	✓	🎯	🎯	2026
Sustainability Report	✓	✓	✓	Review in 2026
ISO 45001	🎯	🎯	🎯	Accoppiatura di Asolo 2026 Sitip 2027 Nylon Knitting 2028
231 Organization MODEL	🎯	🎯	🎯	2030/2031

Valuable partnerships for a sustainable future

Full accountability requires the company to commit to monitoring impacts along the entire value chain, going beyond the company boundaries. At the same time, fair and proper ecological transition requires cooperation with players that are able to create a sustainable approach throughout the entire textile sector. This is why Sitip participates proactively in various industry initiatives.

Sistema Moda Italia



The Group is a member of Sistema Moda Italia (SMI), one of the largest organizations representing industrial textile and fashion companies in the western world, and the company's Deputy Chairperson sits on the General Council. Focusing intensely on the development trends in the sector also with regard to ethics and sustainability, SMI acts as exclusive representation for Italian companies in the sector.



Sistema Moda Italia groups its members into nine sections, and the one of special interest for Sitip is Tex Club Tec, which strives to enhance knowledge, development and promotion of technical and innovative textiles. In the section's new Steering Committee, the Group is represented by Sergio Alibrandi, Marketing Manager.

SMI is also a founding member of the **Cluster Tecnologico Nazionale Made in Italy (MiniT)**, an association recognised by the **Ministry of University and Research (Miur)**, whose members include entities engaged in research, technology transfer and business and market development, such as universities, research organisations, business associations, companies and institutions. In this association, Sitip's Executive Deputy Chairperson **Silvana Pezzoli** holds the office of Chairperson of the Coordination and Management Committee.

National Technology Clusters and Sitip's commitment

There are currently **12** National Technological Clusters set up at the initiative of the Ministry of University and Research (Miur) as aggregators of expertise and drivers of **sustainable economic growth** in the territories and in the entire economic system in technological areas considered strategic for the country.

The cluster of which Sitip is a member addresses issues of interest to a cross section of chains and sectors in the made in Italy industry. Of particular interest for the textile-clothing sector are the **Giotto project**, dedicated to new processes linked to the circular economy, and the **Funk Italy** project, dedicated to the research, design and prototyping of innovative products by developing functions to create high-performance products, with a focus on fabrics and leathers.

Consorzio Retex.green



Sitip S.p.A. is a founding member of the **Retex.green consortium** launched by **Sistema Moda Italia** and **Fondazione del Tessile Italiano**. It is network for managing waste in the textile, clothing, footwear and leather goods sector, which aims to **stay ahead of the legislation** on the recovery and recycling of production waste, soon to be implemented in Italy.

Among its objectives, the Consortium is committed to improving the quality of **separate waste collection and management** in the clothing, footwear and leather goods sectors, as well as **promoting ways to prevent** waste production, including through synergies, and supporting members in all practices and obligations required by environmental legislation.

UN Global Compact

WE SUPPORT



The parent company Sitip S.p.A. voluntarily adheres to the **UN Global Compact**, while the subsidiaries Nylon Knitting Ltd. and Accoppiatura di Asolo S.p.A. have adopted its 10 Principles (see computer graphics).

The Global Compact encourages companies around the world to create an economic, social and environmental framework to promote a healthy and sustainable global economy that ensures everyone has the opportunity to share in its benefits. To this end, the Global Compact requires participating companies and organizations to share, support and enforce within their sphere of influence a set of core principles relating to human rights, labour standards, environmental protection and anti-corruption.

Partnership with Alcantara S.p.A.

Sitip has joined the Carbon Neutrality Partnership of Alcantara S.p.A. with the aim of embarking on a path to carbon neutrality for the products and services that it supplies to Alcantara, by adopting a rigorous process of measuring, reducing and offsetting the CO₂ deriving from the production process, through verified and certified projects.

Decathlon and BOSCH

In line with the CO₂ emission reduction targets certified by the Science-Based Target Initiative (SBTi), as a supplier, Sitip has made an official commitment to cooperate to achieve the targets by 2030.



Sitip and the ten principles of the Global Compact

Sitip has voluntarily adhered to the **UN Global Compact**, which sets out ten principles.



Human Rights

Principle I

Businesses should support and respect the protection of internationally proclaimed human rights

Principle II

They should make sure that they are not complicit in human rights abuses



Work

Principle III

Businesses should uphold the freedom of association and the effective recognition of the right to collective bargaining

Principle IV

They should eliminate all forms of forced and compulsory labour

Principle V

They should effectively abolish child labour

Principle VI

They should eliminate discrimination in respect of employment and occupation



Environment

Principle VII

Businesses should support a precautionary approach to environmental challenges

Principle VIII

They should undertake initiatives to promote greater environmental responsibility

Principle IX

They should encourage the development and diffusion of environmentally friendly technologies



Fighting Corruption

Principle X

Businesses should work against corruption in all its forms, including extortion and bribery



1.4

Sound and transparent corporate governance

GOV-1 The role of the administrative, management and supervisory bodies

The Group's governance is based on the principles of **integrity, transparency and fairness** and plays a fundamental role in the company's operating model, allowing the definition of **clear rules** on the implementation of strategic guidelines and the monitoring of ESG impacts, risks and opportunities.

The Group's administration, management and supervisory bodies are:

- **Board of Directors (BoD)**
- **Board of Statutory Auditors**
- **Steering Committee**
- **Sustainability Committee.**

The Board of Directors: objectives and strategies

As the Group's highest governance body, the Board of Directors is responsible for **setting objectives and approving strategies** for their achievement, in line with the resolutions passed by the shareholders, also with regard to promoting environmental, social and economic sustainability.

The Group has adopted a traditional governance model in which the Board of Directors is responsible for **strategic management**, without prejudice to the matters to be decided by the shareholders. In this context, the parent company Sitip S.p.A. exercises **management and coordination activities** pursuant to Article 2497 et seq. of the Italian Civil Code. While respecting the management autonomy of the individual companies, it pursues a policy to **manage the Group as a whole** through the full application and integration of its hallmark **rules, principles and values**.

OFFICE/ROLE

CHAIRPERSON	ELISABETTA CORTINOVIS	Executive member
DEPUTY CHAIRPERSON	SILVANA PEZZOLI	Executive member
CHIEF EXECUTIVE OFFICER	GIANCARLO PEZZOLI	Executive member
DIRECTOR	GIAN BATTISTA CORTINOVIS	Executive member
DIRECTOR	MINA MAFFI	Non-executive member
DIRECTOR	ALBERTO ASTOLFI	Non-executive member

Composition of the Board of Directors of Sitip S.p.A. as at 31 December 2023

The composition of the Board of Directors is gender-balanced, with **50% of the positions held by women**.

The Chairperson, Deputy Chairperson and Chief Executive Officer are also members of the **Board of Directors of Nylon Knitting Ltd**. The CEO of Sitip S.p.A. is also a member of the **Board of Directors of Accoppiatura di Asolo S.p.A.**



The Board of Statutory Auditors

In accordance with the provisions of the Italian Civil Code, the Board of Statutory Auditors has **an important supervisory role** in the prevention and mitigation of potential conflicts of interest, closely monitoring any transactions with related parties.

OFFICE/ROLE	NAME AND SURNAME
CHAIRPERSON	Bruno Arsuffi
STATUTORY AUDITOR	Antonio Coffetti
STATUTORY AUDITOR	Francesca Daminelli

Composition of the Board of Statutory Auditors of Sitip S.p.A. as at 31 December 2023

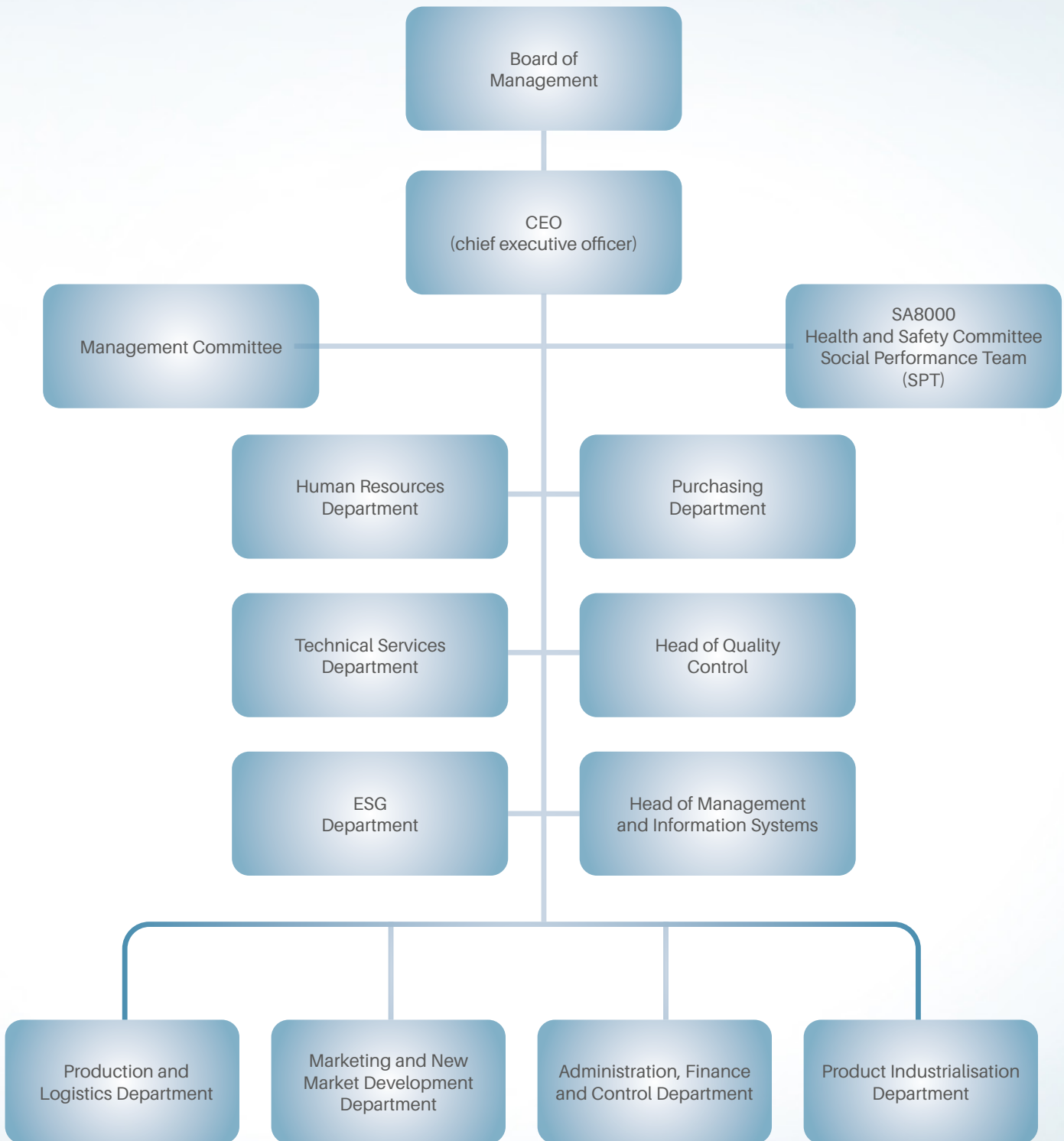
The Steering Committee

Coordinated by the Chief Executive Officer and composed of members of the Departments, this committee is **the advisory and coordination body** for production performance, commercial, logistic and quality issues, as well as for environmental, energy and social aspects.

It meets on a monthly basis to report to the Board of Directors on the progress in implementing the strategies and achieving the objectives set by the Board of Directors. All the Departmental Heads and the Steering Committee are responsible for decision making and for overseeing the management of the organization's impacts on the economy, the environment, energy and society.

The Central Departments

Human Resources Department, Technical Services Department, Product Industrialisation Department, Head of Management and Information Systems, Head of Quality Control, Sales, Marketing and New Market Development Department, Production and Logistics Department, Administration, Finance and Control Department.





1.4.1

Governance of Sustainability

GOV-2 Information provided to and sustainability matters addressed by the undertaking's administrative, management and supervisory bodies

GOV-3 Integration of sustainability-related performance in incentive schemes

GOV-5 Risk management and internal controls over sustainability reporting

The Board of Directors is the **body that is most sensitive to sustainability issues** and coordinates the **Sustainability Committee**, which deals with specific matters, such as the management of environmental impacts arising from business activities.

As far as the definition of sustainability commitments, policies, objectives and strategies is concerned, **the CEO** supervises and approves the work of the individual departments, which are given responsibility for managing the economic, environmental, energy and social impacts of their respective areas.

Business objectives are formally approved and discussed with the **Departments** through the budget process, which takes account of any Department needs in the implementation of strategies. All the Departments and the Steering Committee are responsible for decision making and for overseeing the management of the organization's impacts on the economy, the environment and people.

Each month, the Committee **reports to the CEO** on the progress in implementing the strategy, achieving the company's objectives and implementing preventive or corrective actions to mitigate the company's potential and actual impacts, also with respect to sustainability objectives.

The following are members of the Sustainability Committee:

- **Administration Finance and Control (AFC)**

- **Technical Services**

- **Human Resources**

- **ESG Manager**

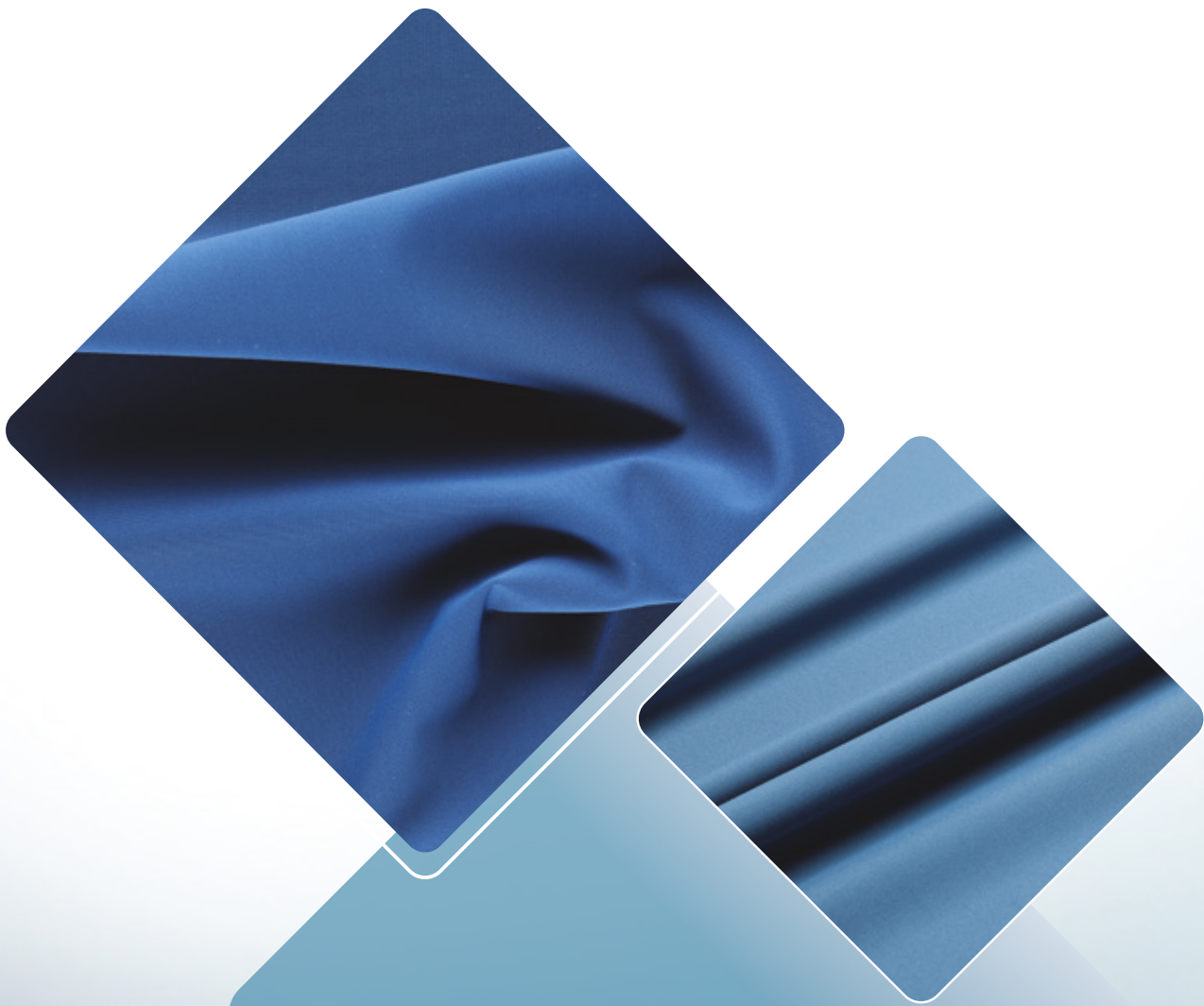
- **Head of Management Systems**

The Sustainability Committee also coordinates the preparation of this **Sustainability Report**, for which in-depth **context and benchmark analyses of the main competitors** are carried out. The process is agreed with the management, ensuring that knowledge of sustainable development is developed and enhanced **throughout the governance structure**. In 2023, a training course on SA8000 certification was provided to the Sitip Group's top management.

In preparing this Sustainability Report, the Sustainability Committee oversaw the information exchanged between the parent company and the consolidated companies; for the management areas covered by system or product certification, the data provided are reviewed and certified by the appropriate certification bodies. This Sustainability Report has not been externally audited; assurance will be introduced within the year the CSRD Directive is assimilated.

In order to obtain an assessment of its sustainability strategy, the Group decided to use for the third year in a row an independent body to obtain an **ESG rating**. For the Sustainability Report, it selected Cerved Rating Agency to issue the rating in order to receive a respected and reliable rating in line with the standards applied by top Italian banking and corporate groups.

There is currently no provision for an incentive mechanism for board members and management linked to the achievement of sustainability targets, but the Group will assess this possibility as part of its strategy review.





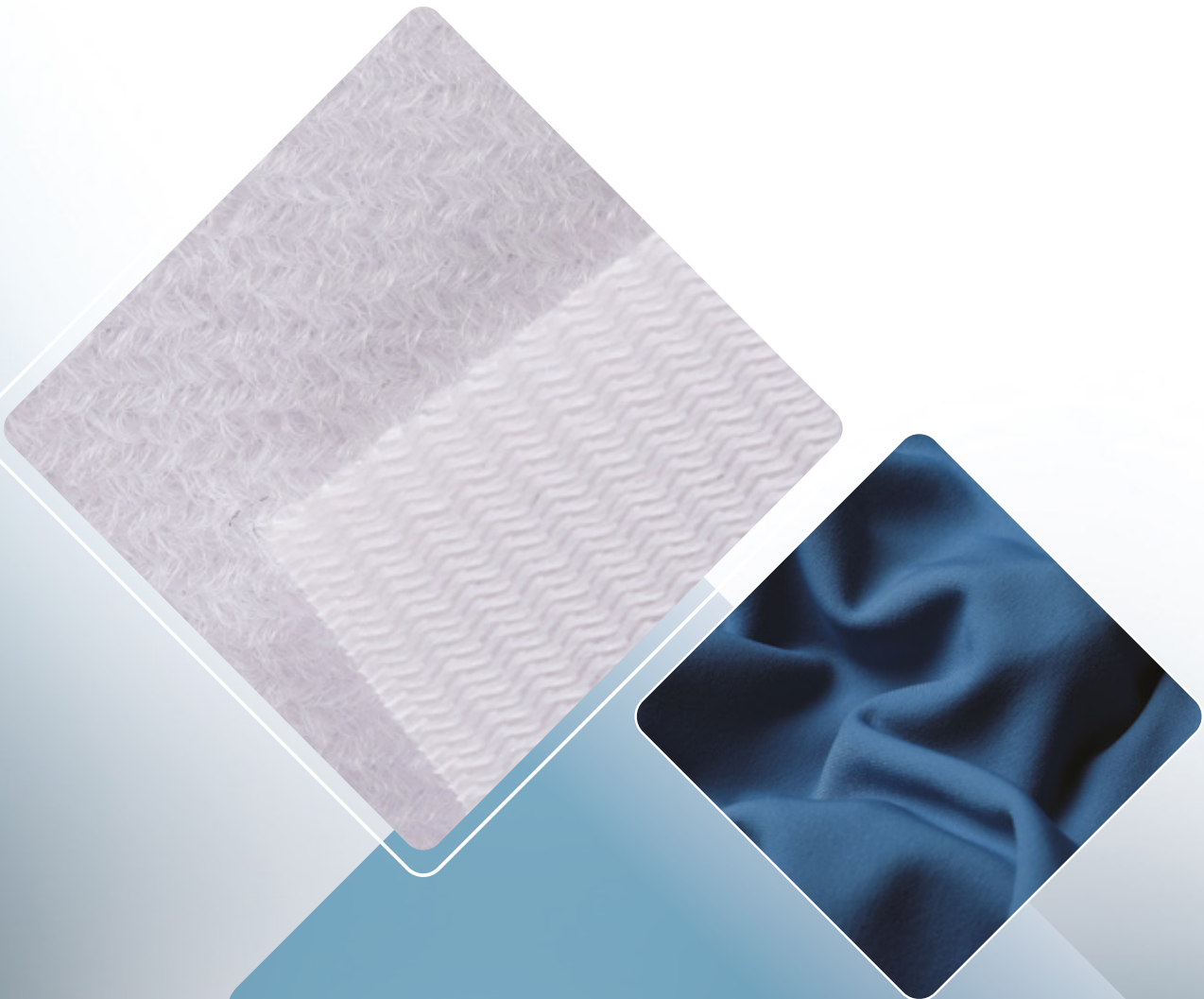
1.5

Valuable stakeholders: the Sitip Group's stakeholders

SBM-2 Interests and views of stakeholders

The Sitip Group believes in taking a proactive, collaborative and respectful attitude towards all its stakeholders, laying the foundation for **long-term sustainable socio-economic success**.

For this purpose, pre-empting and, wherever possible, satisfying their interests is a key element of the **stakeholder engagement** process.



The key stakeholders for engagement activities are:

KEY STAKEHOLDERS	PURPOSE	MODE OF ENGAGEMENT
SHAREHOLDERS	Group performance; Sharing of strategic management	Shareholders' meetings
SUPPLIERS AND WORKERS IN THE VALUE CHAIN	Supplier qualification according to economic and quality parameters and ESG aspects	Assessment questionnaire Audit
EMPLOYEES AND CONTRACT WORKERS	Raising awareness of ESG issues within the company and identifying sustainability issues relevant to the Group Gathering ideas for improvement from those who spend all their time in the department Ensure the application of and compliance with the rules set out in the Code of Ethics	ESG questionnaire (in 2023 mandate to workers' representatives) Suggestion box, personal interviews with HR manager Whistleblowing channel (for Sitip S.p.A. only)
TRADE UNIONS	Keeping up to date with regulations and establishing fair working conditions	Regular meetings (usually monthly)
SCHOOLS, UNIVERSITIES, RESEARCH INSTITUTIONS AND TRADE ASSOCIATIONS	Membership of national and international networks for research into new technologies Talent search	Meetings and working groups
CUSTOMERS	Understanding customers' perceptions of service and product quality Implement improvements to resolve any product and service quality concerns	Customer satisfaction questionnaire Group completion of their ESG questionnaires Forms for making complaints and/or returns

In 2023, the strategic stakeholders, in particular customers, suppliers and workers' representatives, were involved in the **new materiality analysis** to identify **ESG risks, opportunities and impacts** according to a double materiality perspective.



1.6

Materiality Analysis

IRO-1 Description of the processes to identify and quantify material impacts, risks and opportunities

With the entry into force of the **Corporate Sustainability Reporting Directive (CSRD)** in January 2023, the Sitip Group will be required to report from the fiscal year 2025. The Group decided to prepare for the obligation by **carrying out a materiality analysis in advance** according to the methodology set out in the **European Sustainability Reporting Standards (ESRS)**, undertaking a first 'double materiality' exercise. According to the double materiality analysis, an impact can be material from an inside-out perspective, i.e. as the effect of the company on its stakeholders (materiality of impacts), and/or outside-in, i.e. from a financial perspective (how ESG factors influence the company's operations and their financial performance).

The process involved 6 steps:

- 1. Analysis of the Group's internal context**, by compiling a list of in-depth questions for the ESG Manager and the Head of Management Systems, enabling the identification of the Group's sustainability context and its value chain;
- 2. Analysis of the external context** by benchmarking competitors, or companies in the same sector, with regard to their sustainability profile, in order to identify sustainability issues material to the sector and position the Group against its competitors;
- 3. Identification of a list of potential risks, opportunities and impacts.** A pre-selected list based on the activities carried out in steps 1 and 2 was identified as the most material, while a second list of impacts was subject to internal and external assessment;
- 4. Impact materiality assessment** by the Sustainability Committee (internal materiality analysis) and by a group of stakeholders - in particular customers, suppliers and workers' representatives;
- 5. Financial materiality assessment** by the CFO and ESG Manager;
- 6. Aggregation of results** and identification of risks, opportunities and impacts of the SITIP Group.

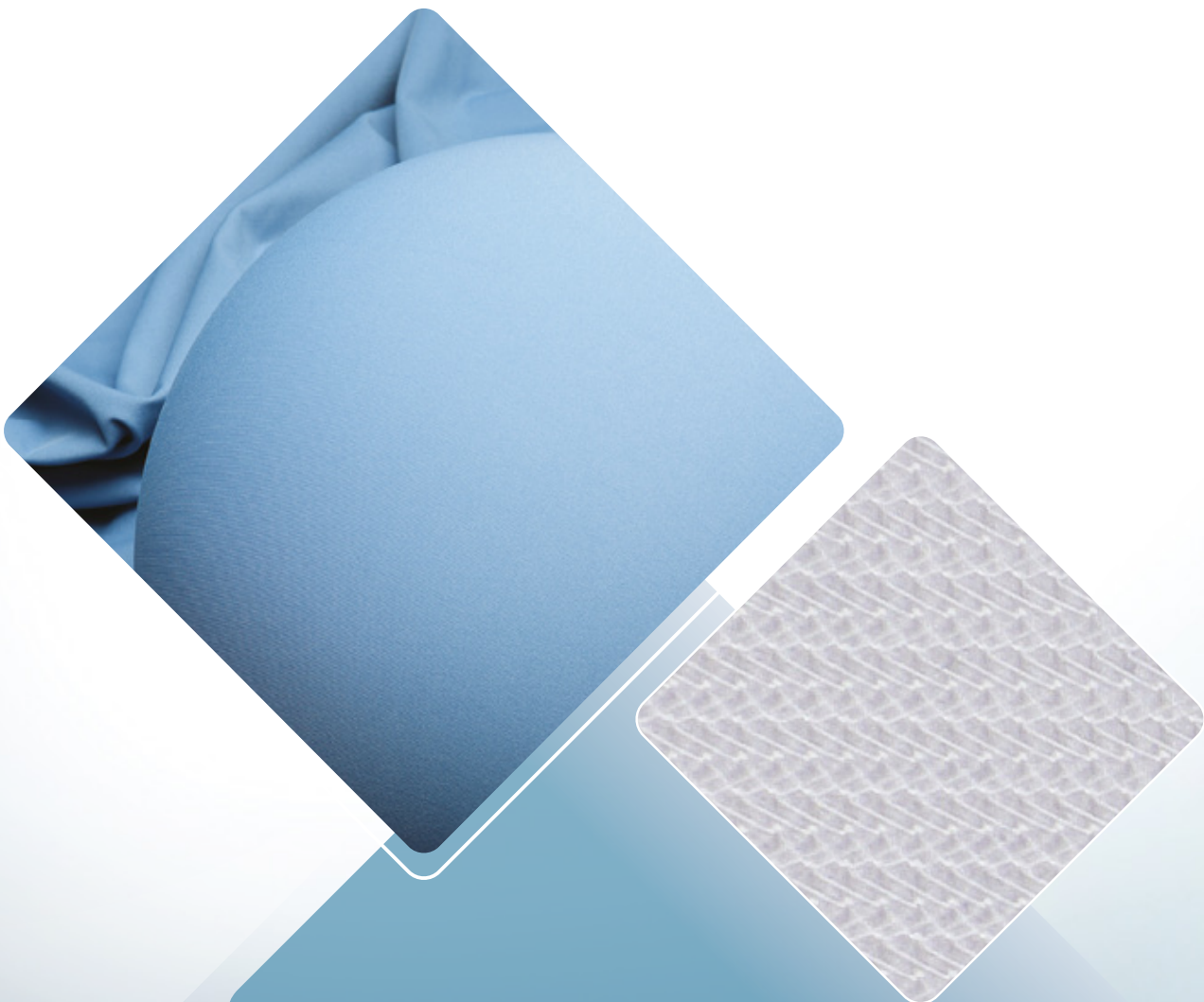
The process adopted is also in line with the **GRI Standards (Universal Standard 2021)** regarding the identification of the materiality of impacts, i.e. the effects of the Sitip Group's actions on its stakeholders.

For the **impact materiality assessment (step 4)**, the following criteria were considered, as required by ESRS1: **scale, scope and irremediable character**. All impacts were considered over the short-term time horizon, with the aim of **making an accurate assessment** also over the medium- and long-term time horizons in the coming years.

For the financial impact assessment, **the magnitude and likelihood** were taken as parameters, considering two different time horizons: short-term and medium- to long-term.

The rating scale used was 1-5, where 1 indicates the minimum value of materiality and 5 the maximum value. The materiality threshold was **set at 3**.

External stakeholders were presented with the same list of impacts assessed by the Sustainability Committee, with the addition of **qualitative questions** to understand the **stakeholders' perception** of the sustainability challenges regarding certain social and environmental macro-issues.





1.6.1

Material impacts, risks and opportunities

ESRS 2 SBM-3 Material impacts, risks and opportunities and their interaction with the strategy and business model

The outcome of the materiality process is described in the following tables.

S1 Own work force

DESCRIPTION	TYPE	SCOPE
Contributing to improving employee well-being generated by: <ul style="list-style-type: none"> • guarantee of stable employment • transparent and fruitful dialogue between employees and organisation • work-life balance • organisation's ability to provide its employees with social protection against loss of income • appropriate wages in the light of national economic and social conditions 	ACTUAL POSITIVE IMPACT	OWN OPERATIONS
Updating employees' knowledge and skills through company development and training plans	ACTUAL POSITIVE IMPACT	OWN OPERATIONS
Compromising the health and safety of employees	POTENTIAL NEGATIVE IMPACT	OWN OPERATIONS
Creating an employee health culture that goes beyond work-related aspects (e.g. health monitoring activities and prevention of non-work-related risks)	ACTUAL POSITIVE IMPACT	OWN OPERATIONS
Contributing to enhancing diversity and inclusion in the company	POTENTIAL POSITIVE IMPACT	OWN OPERATIONS
Organisation's ability to attract or retain a skilled workforce while guaranteeing its employees a good level of satisfaction	OPPORTUNITY	OWN OPERATIONS
Continuous improvement of new skills related to updating activities	OPPORTUNITY	OWN OPERATIONS

S2 Lavoratori nella catena del valore

DESCRIPTION	TYPE	SCOPE
Compromising the health and safety of workers in the value chain	POTENTIAL NEGATIVE IMPACT	UPSTREAM OPERATIONS (SUPPLIERS)
Violation of the fundamental rights of workers in the value chain (e.g. unfair conditions, child labour)	POTENTIAL NEGATIVE IMPACT	UPSTREAM OPERATIONS (SUPPLIERS)
Responsible supply chain management with focus on workers in the value chain	POTENTIAL POSITIVE IMPACT	UPSTREAM OPERATIONS (SUPPLIERS)
Economic impact arising from increased costs due to discontinued supplies or damage due to a loss of reputation in the market related to compromised working conditions and conditions of workers in the value chain	RISK	UPSTREAM OPERATIONS (SUPPLIERS)

S4 Consumers and end-users

DESCRIPTION	TYPE	SCOPE
Impact on safety (potential non-conformities) for the end-user with regard to the chemicals used to manufacture the product	POTENTIAL NEGATIVE IMPACT	OWN OPERATIONS; DOWNSTREAM OPERATIONS (CUSTOMERS)
Facilitating access to quality information also through processes and technologies enabling full product traceability	POTENTIAL POSITIVE IMPACT	UPSTREAM OPERATIONS (SUPPLIERS);
Continuous improvement of product quality	OPPORTUNITY	UPSTREAM OPERATIONS (SUPPLIERS); OWN OPERATIONS; DOWNSTREAM OPERATIONS (CUSTOMERS)
Potential customer dissatisfaction, with particular reference to the issue of effectiveness in preventing damage to the health and safety of the end user and with regard to the product's sustainability profile	RISK	DOWNSTREAM OPERATIONS (CUSTOMERS)



E1 Climate change

DESCRIPTION	TYPE	SCOPE
Energy consumption to carry out production activities	ACTUAL NEGATIVE IMPACT	OWN OPERATIONS
Contribution to climate change through Scope 1 and Scope 2 GHG emissions for fossil fuel use	ACTUAL NEGATIVE IMPACT	OWN OPERATIONS
Contribution to climate change through GHG emissions along the value chain (Scope 3)	ACTUAL NEGATIVE IMPACT	UPSTREAM (SUPPLIERS) and DOWNSTREAM (CUSTOMERS) OPERATIONS
Procurement with renewable technologies and energy sources with more stable costs	OPPORTUNITY	OWN OPERATIONS
Securing production facilities to ensure greater production stability against possible natural disasters	OPPORTUNITY	OWN OPERATIONS
Possible damage to company infrastructure, possible disruptions in the value chain and related restoration and adaptation costs caused by extreme weather events and other natural disasters	RISK	OWN OPERATIONS AND UPSTREAM (SUPPLIERS) AND DOWNSTREAM (CUSTOMERS) OPERATIONS
Fluctuation of energy supply costs	RISK	OWN OPERATIONS AND UPSTREAM OPERATIONS (SUPPLIERS)

E2 Pollution

DESCRIPTION	TYPE	SCOPE
Atmospheric emissions other than GHG from production facilities	ACTUAL NEGATIVE IMPACT	OWN OPERATIONS
Production of industrial effluents from dyeing activities	ACTUAL NEGATIVE IMPACT	OWN OPERATIONS
Release of microplastics into water following the consumption phase (washing) of the product sold	ACTUAL NEGATIVE IMPACT	OWN OPERATIONS AND DOWNSTREAM OPERATIONS (END CONSUMERS)
Optimising the use of resources (e.g. water and chemicals) resulting in reduced impacts and lower operating costs	OPPORTUNITY	OWN OPERATIONS
Economic impact of microplastics restrictions introduced by the Global Plastic Pollution Treaty	RISK	OWN OPERATIONS AND UPSTREAM (SUPPLIERS) AND DOWNSTREAM (CUSTOMERS) OPERATIONS
Economic impact related to possible litigation and/or the need for action to comply with emission and discharge limits - costs of penalties and/or technical modernisation of facilities	RISK	OWN OPERATIONS

E5 Resource use and circular economy

DESCRIPTION	TYPE	SCOPE
Consumption of synthetic fibres with a sustainability profiles that require monitoring (e.g. GRS certification) and that have significant impacts at the end-user consumption stage	ACTUAL NEGATIVE IMPACT	OWN OPERATIONS AND UPSTREAM (SUPPLIERS) and DOWNSTREAM (CUSTOMERS) OPERATIONS
Production of waste that is difficult to recover/recycle (offcuts, scraps, end-of-life of the end product, packaging)	ACTUAL NEGATIVE IMPACT	OWN OPERATIONS
Impacts on the quality and durability of marketed textiles (with reference to the requirements of the European Strategy for Sustainable and Circular Textiles)	ACTUAL POSITIVE IMPACT	OWN OPERATIONS AND DOWNSTREAM OPERATIONS (CUSTOMERS)
New procurement opportunities arising from the use of recycled textile fibres	OPPORTUNITY	OWN OPERATIONS AND UPSTREAM OPERATIONS
The product traceability requirements introduced by the European Strategy for Sustainable and Circular Textiles will allow better control and knowledge of the value chain	OPPORTUNITY	OWN OPERATIONS AND UPSTREAM OPERATIONS (SUPPLIERS)
Costs incurred to carry out controls along the value chain	RISK	OWN OPERATIONS AND UPSTREAM OPERATIONS (SUPPLIERS)
Costs of membership of the textile waste collection consortium	RISK	OWN OPERATIONS AND DOWNSTREAM OPERATIONS (TRADE CONSORTIUM)

G1 Governance

DESCRIPTION	TYPE	SCOPE
Impacts on the sustainability of suppliers for verification of compliance with the social and environmental criteria followed in the selection of suppliers (in particular, for sector certifications)	ACTUAL POSITIVE IMPACT	OWN OPERATIONS AND UPSTREAM (SUPPLIERS) and DOWNSTREAM (CUSTOMERS) OPERATIONS
Negative impacts on stakeholders arising from unlawful behaviour or behaviour contrary to their own code of conduct or internal regulations, with particular reference to episodes of active and passive corruption (loss of trust in the company by customers and employees)	POTENTIAL NEGATIVE IMPACT	OWN OPERATIONS
Costs related to possible delays in the supply of raw materials and increased costs related to transport activities	RISK	UPSTREAM OPERATIONS (SUPPLIERS)



1.7

Sustainability reporting criteria

ESRS2 BP-1 General basis for preparation of sustainability statements

ESRS2 BP-2 Disclosures in relation to specific circumstances

The Sitip Group's Sustainability Report has been drawn up with reference to the **ESRS Standards**, issued by EFRAG. This is a voluntary document, issued ahead of the sustainability reporting obligation introduced by the Corporate Sustainability Directive (CSRD), which will affect the Group as of the fiscal year beginning 1 January 2025. The Group has decided to produce a stand-alone document, separate from the Directors' Report, as the obligation to provide sustainability information in the Financial Statements document has not yet come into force. This choice also meets the SITIP Group's communication purposes towards its stakeholders.

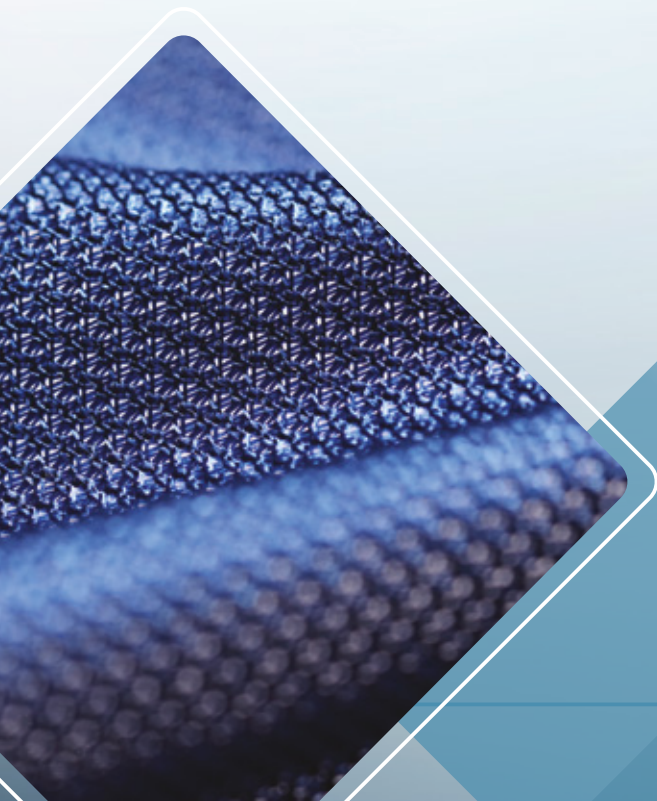
The ESRS Standards were selected thanks to the double materiality analysis described in section "1.6 Materiality Analysis". Any limitations in terms of data scope and methodology are specified in the paragraphs on the ESRS Standards. The GHG emission data points (scopes 1-2-3) are based on the GHG Protocol. The document has also been drawn up in **accordance with the GRI Standards (Universal version)**.

The data refer to the SITIP Group and in particular to Sitip S.p.A., Accoppiatura di Asolo S.p.A and Nylon Knitting Ltd. The subsidiaries GFP Immobiliare S.r.l. and Asolo Invest S.r.l. have not been included in the scope of this report in view of their limited sustainability impacts. Next year, the Group will consider whether to extend the scope, also taking into account possible changes in its corporate composition.

The document provides information as at 31.12.2023. Where possible, data from the year 2022 (base year) are also reported, to allow comparison of the data points reported. Current and anticipated financial effects of the impacts, risks and opportunities have not been described (**SBM - 3** Material impacts, risks and opportunities and their interaction with the strategy and business model .48 b) No information on intellectual property, know-how or results of the innovation process has been omitted from this Sustainability Report.

In this Sustainability Report, some changes have been made to the presentation of the sustainability information compared to the 2022 Sustainability Report. In particular:

- a double materiality analysis was performed, as described in paragraph 1.6, to identify material impacts, risks and opportunities;
- new metrics required by the ESRS were collected compared to the 2022 Sustainability Report, in particular metrics related to E-1 Climate Change and E2 Pollution; metrics related to Standard E4 Biodiversity and Ecosystems, an issue present in the previous Report, have not been reported, as the materiality analysis did not reveal any related impacts, risks and opportunities;
- to assess the impacts, risks and opportunities, different time horizons were considered: in particular, for the materiality of impacts, the short-term time horizon (1 January - 31 December 2023) as defined by the ESRS Standards was taken as reference, while for the financial materiality, a medium-term time horizon (5 years) was considered.
- In the light of a recalculation, the 2022 scope2 market-based emission value was corrected.





Social Dis

2.

closures





2.1 SITIP Group people

ESRS S1 Own workforce



// Coming together is the beginning;
keeping together is progress;
working together is success.

Henry Ford

ESRS 2- SBM -3 S1 Material impacts, risks and opportunities and their interaction with the strategy and business model

The Sitip Group is committed to being an organisation that can attract and retain skilled human resources, guaranteeing a positive corporate climate and a high level of satisfaction among its employees, with particular attention to **health and safety, personal and professional growth** and a **work-life balance**, as well as guaranteeing adequate salaries and decent working conditions. The impacts pursued by Sitip mitigate the risk faced by the Italian textile sector of difficulties in finding and retaining key skills to meet the high level of technical complexity of processing, and required to constantly pursue innovation and product quality, the hallmark of the Group's strategy.

2.1.1

People, the heart of Sitip's social sustainability

S1-1 Policies related to own workforce

S1-3 Processes to remediate negative impacts and channels for workers to raise concerns

S1-17 Incidents, complaints and severe human rights impacts

Not only an essential factor for business success, but also the heart of the commitment to the social sustainability of activities. This is what **the employees, collaborators and business operators** represent for the Group.

This is why Sitip fully protects and promotes the **value of human resources** to improve and expand the skills and competitiveness of everyone. Sitip is convinced that healthy competition, in the form of a **commitment to improvement**, is an essential factor for the development and advancement of people working together as a team.

The company therefore carries out recruitment, training, management and professional development **without any form of discrimination** and **according to criteria based on merit**, expertise and professionalism. The Group also offers appropriate tools and opportunities for **professional growth** and considers **learning and training a lifelong process**, by which to gain knowledge, understand and effectively interpret change, develop new ideas, improve productivity and achieve individual and overall company growth.

To guarantee the effectiveness of its processes and the impacts achieved in this area, the parent company Sitip SpA, **has obtained SA8000 certification** and adopted a **social policy in accordance with SA8000 standards**, which can be consulted by all stakeholders on the company website. The main objectives include **monitoring risk situations**, contributing positively to **employee satisfaction** and **enhancing its reputation** with customers, local communities and all stakeholders.

The subsidiaries Accoppiatura di Asolo SpA and Nylon Knitting Ltd also embrace the SA8000 requirements and the parent company has informed its subsidiaries that it has undertaken the certification process. In order to ensure maximum sharing and transparency, Sitip SpA shared the document 'Letter to Stakeholders (Subsidiaries) - SA8000' and asked them to read it and display it on their company notice boards.

The Group also intends to pursue these goals by committing to **constant compliance with existing national and local legislation** on social responsibility and work ethic and with **international conventions and recommendations**, including the resolutions of international bodies such as the ILO - International Labour Organisation and the UN.



Here's how Sitip makes the SA 8000 spirit its own



Compliance with the requirements of the SA 8000 standard is the result of a systematic and punctual commitment that Sitip has been pursuing for several years, with the aim of:

- promoting a culture of respect for the individual and for health and safety in the workplace and environmental protection
- eliminating the use of child labour
- eliminating all possible forms of discrimination, whether on the grounds of nationality or ethnicity, gender, religion, political or trade union membership, sexual orientation, disability, marital status or other
- promoting the freedom of association and workers' participation in trade union organizations and collective bargaining

To further guarantee the effectiveness of the procedures adopted, Group companies are also regularly asked by customers to sign the **Codes of Ethics** to which they adhere, and in some cases this commitment also involves verification through specific external audits. During these audits, Sitip's workers are often interviewed about respect for human rights in the company, with a **high degree of transparency** testifying to the absence of negative incidents in this regard.

To date, there have been no incidents of violation of workers' human rights or of disrespect for company ethics.

Group employees and collaborators by gender (2023)



The number of female employees has remained the same as in 2022. This disparity is easily explained by **the nature of the Group's production activity** which, in keeping with what is generally the case in the industry for this type of work, employs mainly male workers.

The number of female employees and collaborators changed by one from 129 in 2022 to 128 in 2023. The change in men is more significant, with a decrease of 23, or 4.5% of the total. The change in the number of employees and collaborators is largely attributable to the characteristic turnover of manufacturing companies, and is below sector averages.

**S1-6** Characteristics of the undertaking's employees

Employees (fixed-term and permanent) by type of employment and gender as at 31 December	Group		Sitip S.p.A.		Nylon Knitting Ltd.		Accoppiatura di Asolo S.p.A.	
	2022	2023	2022	2023	2022	2023	2022	2023
Permanent	543	530	343	339	170	157	30	34
Women	110	107	87	86	12	10	11	11
Men	433	423	256	253	158	147	19	23
Fixed-term	83	72	13	5	70	67	0	0
Women	8	7	5	2	3	5	0	0
Men	75	65	8	3	67	62	0	0
Total permanent and fixed-term employees	626	602	356	344	240	224	30	34

At Group level, the percentage of permanent hires in 2023 stood at **88%**, with a **peak of 100%** for **Accoppiatura di Asolo**. The company that deviates the most is **Nylon Knitting**, which employs a large number of fixed-term staff, 31% of the total employees. In keeping with the characteristics of the local labour market, where there is a high turnover in the manufacturing sector due to the greater attractiveness of the tertiary sector (tourism), Nylon Knitting Ltd prefers to initially hire its employees on a fixed-term basis, allowing greater organisational flexibility, in accordance with production needs. In accordance with current legislation, fixed-term contracts are converted into permanent contracts after the period permitted by law. The proportions have not changed significantly compared to 2022, with regard to both the individual companies and the Group as a whole. In the previous year, the share of permanent employees stood at 87%.

The high level of **technical complexity** of Sitip's productions, combined with the current difficulties in recruiting candidates with the necessary technical experience in the sector, has led to the development of a recruitment policy **for those working in production** based on an initial 12-month fixed-term employment contract.

During this period of time an **objective assessment of the employee's previous skills** can be conducted and **appropriate training on the Group's technical specificities** can be provided. The aim is to **transform the employment relationship into a permanent one, according to merit-based criteria**, on the understanding that, when the skills are already present, the company will prefer to recruit on a permanent basis.

Confirming the effectiveness of this policy, which testifies to Sitip's commitment to building constructive long-term relationships with workers, in 2023 **all of the contracts, 13 out of 13, were converted into permanent contracts**.

S1-6 Characteristics of the undertaking's employees

Employees and collaborators 2023 by geographic area



The perimeter defined as Italy includes the employees and collaborators of both Sitip S.p.A. and Accoppiatura di Asolo. The sum of the two companies constitutes **65%** of the Group's total employees, with **Nylon Knitting Ltd** contributing the remaining **35%**. The total number of employees has decreased compared to 2022, a phenomenon affecting all Group companies, with the exception of Accoppiatura di Asolo SpA. The Italy perimeter lost approximately 4.1% while the Foreign perimeter lost 6.4%. This slight decrease is due to the normal turnover of employees that occurs naturally every year.

S1-7 Characteristics of non-employees in the undertaking's own workforce

The total number of people employed by the Group (employees and other workers) is 657, 26 fewer than in 2022 (683). Of this total, 58 are external collaborators (interns, temporary workers, agents and business procurers), i.e. personnel not directly employed by Group companies. This number represents 8.3% of the total number of workers and is consistent with 2022. The largest category is that of agents, with 30 collaborators, of which 24 agents and 6 business procurers, spread between Sitip S.p.A. and Accoppiatura di Asolo. Agents represent 49% of the total number of external collaborators.



The well-being of employees, an indispensable priority

S1-10 Adequate wages

S1- 8 Collective bargaining coverage and social dialogue

S1-11 Social protection

S1-15 Work-life balance

The Sitip Group is committed to guaranteeing **the fundamental rights of workers** first and foremost by applying collective agreements, such as the **CCNL (National Collective Labour Agreement) for the textile industry** under which the employees of the Group's companies are employed. In a spirit of **transparency and cooperation** between owners and workers, the contracts provide for continuous relations with trade unions, with whom all aspects useful for **improving individual and collective company wellbeing** are discussed and shared. The CCNL is also the point of reference for determining working wages. The Group pays a higher wage than the minimum established by the contract through the recognition of collective 'superminimum' payments, production and attendance bonuses, performance bonuses and corporate welfare.

In detail, all employees of **Sitip SpA and Accoppiatura di Asolo SpA** are covered by collective agreements. For **Nylon Knitting Ltd.**, in keeping with local regulations and practices, skilled personnel are covered by individual bargaining between company and worker rather than by a collective agreement.

However, as the Group does not intend to limit itself to the provisions of regulations and contracts, it is committed to proactively promoting **work-life balance**. More specifically, Sitip S.p.A. has introduced **flexible working hours** for all employees who clock in, giving them the possibility of opting for a half-hour lunch break, rather than an hour and a half, and leaving work earlier at 5 p.m. when a short break has been taken.

In this way, the employee is able to **optimise the hours spent at the workplace**, leaving more hours for their private life. As far as technical and organisational requirements allow, all Group companies also provide the possibility of **requesting part-time working hours** or shift changes between colleagues, combining the needs of workers with company requirements as much as possible. Special working hours (part-time and shifts) are also granted to **student workers** in order to facilitate proper attendance of study courses and exams.

S1-6 Characteristics of the undertaking's employees

Employees (fixed-term and permanent) by type of employment and gender as at 31 December	Group		Sitip S.p.A.		Nylon Knitting Ltd.		Accoppiatura di Asolo S.p.A.	
	2022	2023	2022	2023	2022	2023	2022	2023
Full time	604	577	341	330	235	215	28	32
Women	103	99	82	78	12	12	9	9
Men	501	478	259	252	223	203	19	23
Part time	22	25	15	14	5	9	2	2
Women	15	15	10	10	3	3	2	2
Men	7	10	5	4	2	6	0	0
Total permanent and fixed-term employees	626	602	356	344	240	224	30	34



The number of employees employed on a **full-time contract** represents **almost the entire** workforce. There are no significant deviations either between the values recorded among the various Group companies or with respect to 2022. In all cases, the percentage of full-time workers stands at **around 95%**.

One aspect of **corporate welfare** is the allocation of **electronic meal vouchers** to all employees. From May 2022, Sitip grants a voucher worth **EUR 4** to each worker present for the entire **8-hour working day**. Depending on the number of working days in the month, it is possible to accumulate an average amount of **up to EUR 80 per month**, which is automatically loaded onto an electronic card that the employee can use at numerous points of sale in the Edenred system. During meetings with the workers' representatives, the tool was highly appreciated by all.

In Sitip S.p.A., the most relevant corporate welfare issue is however the possibility of converting the performance bonus into **goods and services**. Since 2021, under an agreement signed between the parties, an annual bonus can be accrued based on the economic, quality, training and individual absenteeism indices achieved, with the possibility for the employee to use the amount in this form.

As provided for by legislation, this possibility is an alternative to payroll settlement with the required social security and tax withholdings. For those who opt for this formula, in order to incentivise conversion and promote corporate welfare Sitip grants **an additional 15%** bonus as an on-top bonus. With regard to the 2023 performance bonus, which can be spent during 2024, **as many as 170 employees** opted for the bonus conversion, confirming the year-on-year growth in the number of participating employees.

The goods and services can be purchased from **a portal made available by the company**. The portal is provided by **Willis Towers Watson**, a leading provider of corporate welfare services with a wide range of goods and services that can be purchased by employees.

Another important aspect is **the Sanimoda health insurance policy** that Sitip SpA makes available to all employees through the relevant CCNL. Upon recruitment, all workers are **automatically enrolled in the fund** and are therefore eligible for reimbursements under the plan for themselves and their dependent relatives. The cost of the health insurance policy is **fully borne by the company**.

The objective for the coming years is not only to consolidate existing corporate welfare aspects but to increase them further, where possible, consistent with the company's financial balance. A key point that HR will work on is the **commitment to achieve full employee participation in the conversion of the performance bonus into corporate welfare**.

S1-6 c. Total number of employees who left the undertaking during the reporting period and turnover rate

Turnover rates (stated in %) by gender and age group (not including retirements)	Total		Sitip S.p.A.		Nylon Knitting Ltd.		Accoppiatura di Asolo S.p.A.	
	2022	2023	2022	2023	2022	2023	2022	2023
Number of employees who left the company in the reporting period	68	60	21	24	38	33	9	3
Overall turnover rate	18,37	13,46	9,27	6,69	25,42	21,43	70,00	29,41
Incoming turnover rate	10,06	6,31	6,18	3,49	12,08	8,48	40,00	20,59
Women	11,02	7,89	6,52	7,95	20,00	6,67	36,36	9,09
Men	9,84	5,94	6,06	1,95	11,56	8,61	42,11	26,09
Under 30 years old	25,00	12,69	15,79	1,45	34,62	25,00	75,00	20,00
Women	35,29	13,33	25,00	11,11	33,33	25,00	100,00	0,00
Men	23,48	12,61	14,06	0,00	34,69	25,00	50,00	33,33
Between 30 and 50 years old	10,15	4,82	10,53	6,74	7,28	2,44	30,00	12,50
Women	10,71	9,09	8,11	12,82	18,18	0,00	12,50	0,00
Men	10,00	3,47	12,07	2,00	6,43	2,65	41,67	20,00
Over 50 years old	1,32	4,17	0,00	2,69	0,00	2,44	50,00	30,77
Women	2,22	4,55	0,00	2,50	0,00	0,00	100,00	33,33
Men	1,09	4,08	0,00	2,74	0,00	2,50	40,00	30,00
Outgoing turnover rate	8,31	7,14	3,09	3,20	13,33	12,95	30,00	8,82
Women	0,85	0,88	0,00	0,00	0,00	0,00	9,09	9,09
Men	1,57	0,41	0,00	0,00	0,00	0,00	42,11	8,70
Under 30 years old	2,27	0,00	0,00	0,00	0,00	0,00	75,00	0,00
Women	0,00	0,00	0,00	0,00	0,00	0,00	0,00	0,00
Men	2,61	0,00	0,00	0,00	0,00	0,00	150,00	0,00
Between 30 and 50 years old	1,50	0,44	0,00	0,00	0,00	0,00	20,00	6,25
Women	0,00	0,00	0,00	0,00	0,00	0,00	0,00	0,00
Men	1,90	0,58	0,00	0,00	0,00	0,00	33,33	10,00
Over 50 years old	0,88	0,83	0,00	0,00	0,00	0,00	33,33	15,38
Women	2,22	2,27	0,00	0,00	0,00	0,00	100,00	33,33
Men	0,55	0,51	0,00	0,00	0,00	0,00	20,00	10,00

For the year 2023, the Sitip Group's turnover rate stands at 16.28%, corresponding to 59 employees leaving the company. When the 16 employees who left the Group upon reaching retirement age are subtracted from the number of resignations, the Group's overall turnover rate falls to 13.46%.

A higher rate can be noted for **Accoppiatura di Asolo**, which stood at **29.4%**, but was sharply down from the previous year, when it reached 70%. The turnover rate for the other two Group companies also decreased, though more moderately. The turnover rate is below the industry average according to Confindustria data, standing at around 28% in 2023.



Diversity and inclusion: respect for all is an asset

S1-9 Diversity metrics

Each Group company refers to the values of diversity and inclusion in its Code of Ethics, emphasising the importance and commitment of respecting them. Furthermore, in the SA8000 certification obtained by Sitip SpA, the company undertakes not to discriminate or to permit discrimination in the company, including between workers, with regard to race, social class, age, gender, sexual orientation, and any other characteristic. An employee who encounters such a situation, and believes that the company is not taking action to eliminate the form of discrimination found, may use the complaint procedure.

A further guarantee is provided by the Codes of Ethics, which specifically state that no worker is to be subjected to **any form of discrimination in any aspect of their employment**: from recruitment, remuneration received, career advancement, to discipline, dismissal and retirement.

Special attention is paid to the **in-house communication of inclusion initiatives**, focusing on greater transparency in this regard that fosters a positive perception of the working environment and stimulates discussion among colleagues.

Meetings are held with company managers so that the Group's approach can be **put into practice** and any negative impacts related to this aspect of personnel management can be brought to light.

With regard to gender diversity, all Group companies take care to recruit new candidates or assign tasks to employees, **without any gender limitation**, consistent with the objective characteristics of the job, e.g. physically demanding work. Candidates are always selected exclusively on the basis of criteria of **professionalism, experience and skills** best suited to the role and position sought.

S1-9 Diversity metrics

Composition of the Board of Directors by gender and age group	Group	
	2022	2023
Under 30 years old	0%	0%
Women	0%	0%
Men	0%	0%
Between 30 and 50 years old	0%	0%
Women	0%	0%
Men	0%	0%
Over 50 years old	100%	100%
Women	44%	50%
Men	56%	50%
Total	100%	100%
Total women	44%	50%
Total men	56%	50%

With regard to the composition of the Board of Directors by gender and age group, it can be seen that the total number of members is **equally divided between men and women**, standing at exactly 50%. At the same time, all six members of the Board of Directors are in the over-50 age bracket.

S1-9 Diversity metrics

Fixed-term and permanent staff, by contractual category, gender and age group	Group					
	2022			2023		
	Women	Men	Total	Women	Men	Total
Managers	12,5%	87,5%	100,0%	10,0%	90,0%	100,0%
under 30 years old	0,0%	0,0%	0,0%	0,0%	0,0%	0,0%
between 30 and 50 years old	0,0%	0,0%	0,0%	0,0%	0,0%	0,0%
over 50 years old	100,0%	100,0%	100,0%	100,0%	100,0%	100,0%
Junior managers	0,0%	100,0%	100,0%	15,4%	84,6%	100,0%
under 30 years old	0,0%	0,0%	0,0%	50,0%	0,0%	7,7%
between 30 and 50 years old	0,0%	25,0%	25,0%	50,0%	27,3%	30,8%
over 50 years old	0,0%	75,0%	75,0%	0,0%	72,7%	61,5%
White collar workers	34,9%	65,1%	100,0%	36,6%	63,4%	100,0%
under 30 years old	11,1%	11,9%	11,6%	13,3%	9,0%	10,6%
between 30 and 50 years old	60,0%	48,8%	52,7%	62,2%	43,6%	50,4%
over 50 years old	28,9%	39,3%	35,7%	24,4%	47,4%	39,0%
Blue collar workers	15,2%	84,8%	100,0%	14,4%	85,6%	100,0%
under 30 years old	16,7%	26,1%	24,7%	12,1%	29,1%	26,6%
between 30 and 50 years old	40,3%	39,8%	39,9%	39,4%	34,7%	35,4%
over 50 years old	43,1%	34,1%	35,4%	48,5%	36,2%	38,0%
Total	19,1%	80,9%	100,0%	18,9%	81,1%	100,0%

Of the 602 people employed by Sitip SpA in 2023, divided into 114 women and 488 men, **134** are in the **under-30** bracket, **228** in the **30-50** bracket and **240** in the **over-50** category.

Over the years, the Managers category has always been composed exclusively of employees over 50 years of age. Furthermore, its members are predominantly men, reaching **90%** of the total in 2023. The **Junior Manager** category also reflects this trend: men make **up about 85%** and **women 15%**, although the average age is lower and there are **female members under 30**.



White collar and blue collar workers are the two most numerous categories and where age and gender differ the most. For White collar workers, the age composition is very similar between the years 2022 and 2023, with a greater presence of the 30-50 year old category, accounting for approximately half of the total. The gender breakdown shows 65% men and 35% women.

The **Blue collar** category contains the highest percentage of **employees under the age of 30**, with 26% **of the total**, but once again the gender balance is dominated by men, reaching **85%** in 2023. Overall, the percentage of male workers is also higher at Group level, accounting for **approximately 81%** of the workforce. Younger workers, i.e. those **under 30**, account for **23%**, while those **over 30** make up 77%, divided almost equally between the categories **30-50** and **over 50**.

As far as **inclusion** is concerned, for several years now Sitip SpA has signed an agreement with the **Province of Bergamo** for the placement of disabled personnel. The agreement is also implemented through **ABF, Azienda Bergamasca Formazione**, which proposes personnel belonging to protected categories, based on the compatibility of the job between search and offer.

As part of this agreement, the company has committed to hiring **four people** from protected categories over the next two years (2024-2025). With regard to the inclusion of disabled people in **Malta**, the obligation in place there is being complied with, as there are currently **3 disabled people employed**.

The objective for the coming years is to move towards an **"ecology of inclusion"**: a commitment to non-discrimination and social justice that no longer focuses only on the categories that have been traditionally considered "sensitive", such as gender, religion, sexual identity and race, but also on **socio-demographic characteristics** like age, schooling, disabilities, belonging to cultural minorities and low income.

Among the possible future actions Sitip is considering providing **ad hoc training to employees** on these issues.

Training: personal as well as professional growth

S1-13 Training and skills development metrics

In providing training, the Group sets several objectives, such as improving **communication and internal dialogue**, developing and supporting **employees' skills and competences**, expanding knowledge for the company, and assigning **shared** goals, encouraging employees to achieve them.

The Sitip Group also seeks to foster a vision of the **company as a place of growth**, at both personal and professional level, to motivate daily performance and **adherence to corporate values**, and to promote a sense of belonging, making **relationships more positive** and stimulating productivity.

The Group recognises the utmost importance of support for the professional growth of their resources from **each sector or department manager**, taking into account individual aptitudes in the assignment of tasks, in order to achieve real operational efficiency.

Each manager reports any training needs for their staff, based on new **professional growth requirements** and new career plans, **continuously monitoring their professional development**. For this purpose, a **training plan** is drawn up and updated each year. The draft is presented by the Head of the Organisational Unit and submitted to the General Management for approval.

The entire process is described in the Group's **Management Procedure - Professional Training Development**, with particular reference to the **training of employees** within the organisation. The procedure devotes special attention to the **training of new recruits**, providing them not only with useful **operational** information, but also with information on the **business environment**.

The training provided in 2023 mainly covered regulatory compliance, IT, linguistic, technical and professional, and soft skills areas.

S1-13 Training and skills development metrics

Training hours by type (2023)



In 2023, compared to the previous year, there was an overall increase in training hours of **approximately 26%**, from 5,797 to **7,330 hours**. The figure is the result of growth in the areas of **Technical and Operational Skills, Health and Safety, Environment, Quality and Sustainability** and **Human Rights**.

With regard to the individual Group companies, **Sitip SpA and Accoppiatura di Asolo SpA** are the two companies that experienced an increase in training hours, **doubling their number** compared to the previous year. At Group level, significant attention is given to the training required to obtain **voluntary certifications**, which the parent company intends to extend to its subsidiaries.



Training is also one of the aspects most closely examined in the many **audits requested by customers**. Corporate training activities are also required by **certifying bodies**, when certification of a standard (ISO9001, ISO14001, ISO50001, SA8000, GRS, Bluesign®, OekoTex® Standard 100, ZDHC) is obtained or renewed.

In the knowledge that raising people's awareness and training is a fundamental preventive action for safeguarding their safety and physical well-being, the Group provides all the required **health and safety** training so as to operate in full compliance with regulations (see paragraph on health and safety).

All the training provided is assessed through **special tests**, where applicable, or through the **measurement of KPIs**, such as the number of accidents with regard to health and safety, as well as through **discussions with the area or department managers** who submitted the request for training.

S1-13 Training and skills development metrics

Average training hours by employee category and gender	Group	
	2022	2023
Total managers	2,3	2,4
Women	0,0	0,0
Men	2,6	2,7
Total junior managers	10,8	27,2
Women	0,0	77,0
Men	10,8	18,1
Total white collar workers	15,6	20,7
Women	15,8	28,9
Men	15,5	15,9
Total blue collar workers	7,4	9,7
Women	10,0	6,1
Men	6,9	10,3
Total	9,1	12,2
Total women	12,1	16,3
Total men	8,3	11,2

The number of average hours of training recorded a general increase between 2022 and 2023, for all categories and for both genders. The only significant decrease concerned **women** in the **blue collar** category, who lost **an average of approximately 4 hours** of training, dropping from 10 to 6.1. At the same time, **men** in the same category went from an average of 6.8 hours of training in 2022 to **10.3 in 2023**.

It is also interesting to note that the average training hours for women in the **white collar category** almost doubled to **approximately 29 hours in 2023**.

In addition to training, **performance appraisal** is a key component in people's growth. At Sitip SpA, **a structured process** is in place to provide employees with an appraisal of their performance at least once a year. In **Accoppiatura di Asolo SpA** and **Nylon Knitting Ltd**, the appraisal is carried out **on the job** by the managers, who are in charge of people's development, without a structured process. It is thanks to this factor that, at Group level, the total number of employees who participated in a formalised feedback procedure **stands at 57%**. Between 2022 and 2023, the percentages remained stable by category and gender.

S1-13 Training and skills development metrics

Employees who participated in regular reviews	Total	
	2022	2023
Total managers	100,0%	100,0%
Women	100,0%	100,0%
Men	100,0%	100,0%
Total junior managers	100,0%	92,3%
Women	0,0%	100,0%
Men	100,0%	90,9%
Total white collar workers	65,6%	64,2%
Women	71,1%	68,9%
Men	62,7%	61,5%
Total blue collar workers	52,9%	53,1%
Women	81,9%	81,8%
Men	47,8%	48,2%
Total	56,7%	57,0%

Health and safety

S1-14 Health and safety metrics

A **health and safety management system** is in place, covering **all activities** performed by employees and non-employees (contractors, transporters) as well as, more generally, visitors and anyone accessing the Group's workplaces.

In Italy the system complies with the **legal provisions in force (Italian Legislative Decree 81/08)**: through the **workers' safety representatives** (RLS/trade union representatives), employees participate in collaborative monitoring activities to identify possible risks, which can then be reported by the workers themselves.

The main safety documents available to employees

Among others, employees have access to these documents which help implement and monitor safety:

- **Risk assessment** and related improvement plans (given to the RLS to share with the workforce)
- **Safety procedures** with prevention and protection measures;
- **Safety data sheets** of the hazardous substances and mixtures used to carry out individual tasks
- **Safety procedures** for plant and machinery



In the same collaborative approach, **regular meetings** are also held between the employer, the workers' representatives, the head of the prevention and protection service and the occupational health specialist. The meetings review **risk assessments, occupational accident and illness statistics, health surveillance practices, selection criteria and characteristics of personal protective equipment, and training and information programmes.**

As far as **Nylon Knitting Ltd** is concerned, the company follows the requirements of Maltese legislation and is accountable to the national body responsible for occupational safety and health, **OHSA-Malta**. Discussions are held within the company on health and safety aspects in relation to company requirements and in response to any **regulatory updates**.

S1-14 Health and safety metrics

a) percentage of employees covered by a health and safety management system

Percentage of employees covered by a health and safety management system	Sitip S.p.A.		Nylon Knitting Ltd.		Accoppiatura di Asolo S.p.A.	
	2022	2023	2022	2023	2022	2023
% of total employees	100%	100%	100%	100%	100%	100%

In all the Sitip Group companies, all employees are covered by a health and safety management system.

Although it implements all possible measures to prevent and mitigate accidents, the Sitip Group is a manufacturing company with major production facilities, which inevitably entail **a margin of risk**, even if minimised by the procedures adopted. The effectiveness of the measures implemented is however highlighted by the **reduction in the number of accidents in 2023 compared to the previous year**. More specifically, during the reporting year no **accidents with severe consequences were recorded**, i.e. events obliging the worker to be absent from work for more than 180 days.

It should also be noted that a significant share of the total figure is accounted for by **Nylon Knitting Ltd**, which alone has a total population of **344 employees** on which it recorded 28 accidents in 2023, all of which were not severe and in any case **down sharply from 37 in 2022**. All registered accidents occurred to company employees, while no external workers were involved.

Due to the absence of severe events, the accident severity index was significantly reduced **from 0.80 in 2022 to 0.46 in 2023**. In both 2022 and 2023, there were no incidents of occupational diseases or deaths in the Group.

S1-14 Health and safety metrics

Employee accident data	Group	
	2022	2023
Number of recordable accidents as at 31 December	49	44
of which involving company employees	49	44
of which involving external workers	0	0
Of which, accidents with non-severe consequences (between 24 hours and 180 days' absence from work)	48	44
of which involving company employees	48	44
of which involving external workers	0	0
Of which, accidents with severe consequences (more than 180 days' absence from work)	1	0
of which involving company employees	1	0
of which involving external workers	0	0
Number of deaths at work	0	0
of which involving company employees	0	0
of which involving external workers	0	0

S1-14 Health and safety metrics

Calculation of accident rates	Group	
	2022	2023
Rate of recordable accidents at work (including deaths)	46,19	46,84
involving company employees	49,29	49,73
of which involving external workers	0,00	0,00
Rate of accidents at work with severe consequences (excluding deaths)	0,94	0,00
involving company employees	1,01	0,00
of which involving external workers	0,00	0,00
Rate of deaths as a result of accidents at work	0	0
involving company employees	0,00	0,00
of which involving external workers	0,00	0,00
Accident severity index	0,80	0,46



Recordable cases of work-related illnesses	Group		Sitip S.p.A.		Nylon Knitting Ltd.		Accoppiatura di Asolo S.p.A.	
	2022	2023	2022	2023	2022	2023	2022	2023
Total number	0,00	0,00	0,00	0,00	0,00	0,00	0,00	0,00
Recorded cases of occupational illnesses	0	0	0	0	0	0	0	0
Recorded cases of occupational illnesses	0	0	0	0	0	0	0	0
Cases of deaths related to occupational illnesses	0	0	0	0	0	0	0	0
Cases of deaths related to occupational illnesses	0	0	0	0	0	0	0	0

Between 2022 and 2023, the number of days lost due to an accident at work was significantly reduced **from 850 to 428**, effectively **halving the number of recovery days** to return to work. Given the characteristics of the jobs and the prevalence of the male gender in the category, almost all accidents are concentrated among male blue collar workers. While for men the trend is certainly significant and positive, for women there was an even sharper and almost total decrease in recovery days, from 283 in 2022 to **only 22 in 2023**.

S1-14 Health and safety metrics

Recovery days	Group			
	2022		2023	
	Women	Men	Women	Men
Totale giorni di recupero	283	567	22	406
Total number of recovery days - Managers	0	0	0	0
Total number of recovery days - Junior managers	0	0	0	0
Total number of recovery days - White collar workers	0	0	0	3
Total number of recovery days - Blue collar workers	283	567	22	403
Total number of recovery days - External workers	0	0	0	0

Knowledge is prevention: health and safety training

S1-13 Training and skills development metrics

S1-14 Health and safety metrics

The topics covered in health and safety training in 2023 were both general, such as **national occupational safety legislation** or **emergency management**, and specific, such as the safe use of **work equipment or chemicals**, the use of **personal protective equipment and specific equipment** or **signposting**. Specific topics also included **residual risks** in the workplace and practices for **first aid**, fire prevention and use of specific equipment.

Health and safety training **is compulsory for all Group employees** and is provided upon recruitment and at regular intervals for all employees, for example, **when they change positions, when new equipment and chemicals are introduced or following legislative updates**.

In addition to the training required by law, as the company attaches great importance to the matter it has decided to add continuous **on-the-job training and coaching**, enabling employees to acquire all the skills and precautions needed to perform their jobs to the best of their ability.





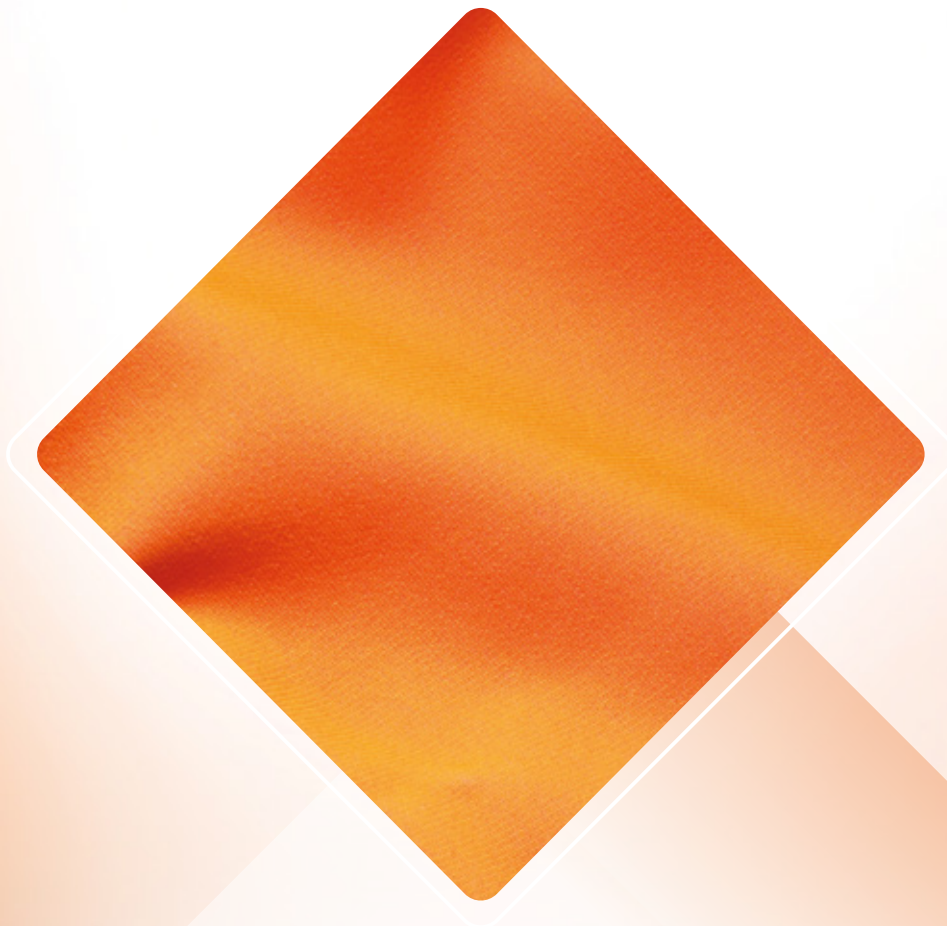
2.2

Workers in the value chain

ESRS S2 Workers in the value chain

ESRS 2 SBM-3 S2 Material impacts, risks and opportunities and their interaction with strategy and business model

The Sitip Group is aware that it operates in a sector that can have significant **impacts on people**, as it is a manufacturing company, with facilities in Italy and Malta, and part of a supply chain whose suppliers are located both in Italy and abroad. In relation to these features, which can therefore represent elements of risk, the Group pays particular attention when **selecting** its business partners and when adopting **safeguards** that can protect the **health and safety of workers in the value chain**, as well as their **fundamental rights**.



2.2.1

A strategy based on best standards

S2-1 Policies related to value chain workers

S2-2 Processes for engaging with value chain workers

This commitment to respect workers throughout the value chain is embodied in **close cooperation with customers and suppliers** on the part of all Group companies. Specifically, questionnaires are distributed to check that the suppliers of products and services comply with certain **quality requirements**, as well as matters of **environmental compliance and occupational health and safety**.

In order to guarantee that the actions undertaken are effective and efficient, in addition to obtaining the **most authoritative certifications** for process, quality, environment and personal safety control, the Group has also chosen to pursue an approach guaranteed by the best standards in **corporate social responsibility**: with this in mind from 2023, **Sitip S.p.A. has obtained the SA8000 certification**, relevant to these issues.

Supplier evaluation: reliable long-term partners

S2-3 Processes to remediate negative impacts and channels for workers to raise concerns

S2-4 Taking action on material impacts on value chain workers, and approaches to managing material risks and pursuing material opportunities related to value chain workers, and effectiveness of those actions

With regard to **suppliers**, the Group implements an **evaluation process according to specific qualitative, environmental and social criteria** before entering into business relations. The selection process involves the distribution of a **special questionnaire** to collect information on processes, structure and organisation. Responses are analysed to assess compliance with Group requirements and, only if the outcome is positive, the supplier will be approved.

The Group assesses whether strategic suppliers have adequate safeguards with regard to the aspects of ethics, integrity and respect for workers' rights set out in their own documents such as the Code of Ethics or Code of Conduct. While the possession of these documents is considered a plus for the supplier, for further protection Sitip SpA requires the supplier to countersign the **letter of adherence to the principles of the SA8000 Standard**. This practice is also required for Accoppiatura di Asolo SpA and Nylon Knitting Ltd.

The adhesion letter requires suppliers to take note of **Sitip SpA's Social Responsibility Policy** and to inform their **suppliers, subcontractors and sub-suppliers** about it, undertaking to ensure that they comply with the provisions it contains. They are also requested to promptly report to Sitip SpA any



breaches that come to their knowledge, indicating the internal contact people to whom the report can be sent.

For suppliers who have no documentation of their own that guarantees attention to ethics and workers' rights, Sitip sent a self-assessment questionnaire to collect useful information for assessing the supplier's oversight of social issues. At present, the questionnaire seeks to map the state of the art of suppliers with respect to social issues with the aim of proposing, from 2024, that all suppliers adopt a Code of Ethics in which the SA8000 principles are set out and respected.

For the Group's subcontractors, Sitip SpA carries out quality, environmental, safety and social audits on an annual basis.

At present, the SITIP Group does not have a process of direct engagement with workers in the value chain; engagement is mediated through the relationship with the organisational contact person of the supplier company.

Commitment to ethics, put in writing



In the letter of adherence to the SA8000 principles, suppliers are asked to comply with the following principles within their organisation and along the value chain:

- 1. not using or advocating the use of child labour** (up to 15 years of age) and allowing child labour (15 to 18 years of age) only after verification of fulfilment of school obligations and in any case in compliance with national legislation;
- 2. not encouraging or advocating "forced and compulsory labour"** through coercion or threats, including psychological threats;
- 3. ensuring a safe and healthy workplace**, preventing occupational accidents and illnesses;
- 4. respecting the right of workers** to join **trade union organisations** and collective bargaining;
- 5. not discriminating** on the grounds of race, sex, religion, etc.;
- 6. not using or advocating disciplinary practices**, such as corporal punishment, physical or mental coercion, verbal abuse;
- 7. observing ordinary and overtime working hours** as provided for by national and local laws and agreements;
- 8. remunerating employees** in accordance with the national collective labour agreement and the company's supplementary agreement.

Lastly, they undertake to provide Sitip S.p.A. with the necessary data to monitor application of the requirements.

The companies **Accoppiatura di Asolo SpA** and **Nylon Knitting Ltd** also send their strategic suppliers **an evaluation questionnaire**, which contains a section on compliance with social issues. **In order to further strengthen the monitoring of these issues Sitip SpA's subsidiaries are also expected to obtain SA8000 certification by 2025.**

Side by side: suppliers operating within the company perimeter

S2-3 Processes to remediate negative impacts and channels for workers to raise concerns

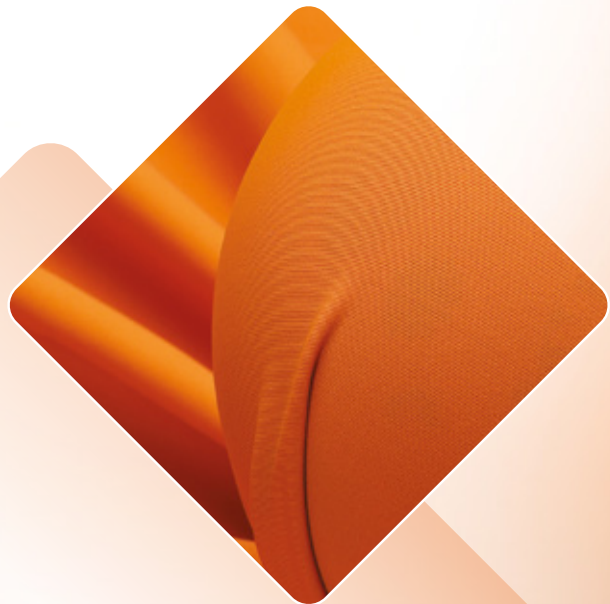
S2-4 Taking action on material impacts on value chain workers, and approaches to managing material risks and pursuing material opportunities related to value chain workers, and effectiveness of those actions

The Group uses the services of **a number of workers who are self-employed or belong to external companies**, who provide their services on a continuous basis within the company perimeter: for example, cleaning companies, maintenance workers and security services that work regularly at the Group's premises.

Sitip SpA is the only Group company that employs external workers with continuous employment contracts. For this reason, the company has an integrated quality, environment and energy management system that places particular emphasis on the commitment **to comply with safety, environmental and energy regulations** and protect health, safety and well-being at work.

Sitip monitors and checks that suppliers fully meet the requirements for carrying out their activities, e.g. by acquiring the **Chamber of Commerce certificate or the updated DURC** (certificate of social security compliance). With regard to the specific risks present in the company with respect to their activity, Sitip also draws up the **DUVRI** (interference risk assessment document). During the performance of the services, internal contact persons **monitor and check** that the contractors' activities are carried out in compliance with the mandatory legislative requirements and in complete safety.

Sitip has a **procedure for reporting** near-misses and accidents, which also applies to external workers and contractors working within the company perimeter, so that they can be analysed and corrective action taken with a view to continuous improvement.





2.3

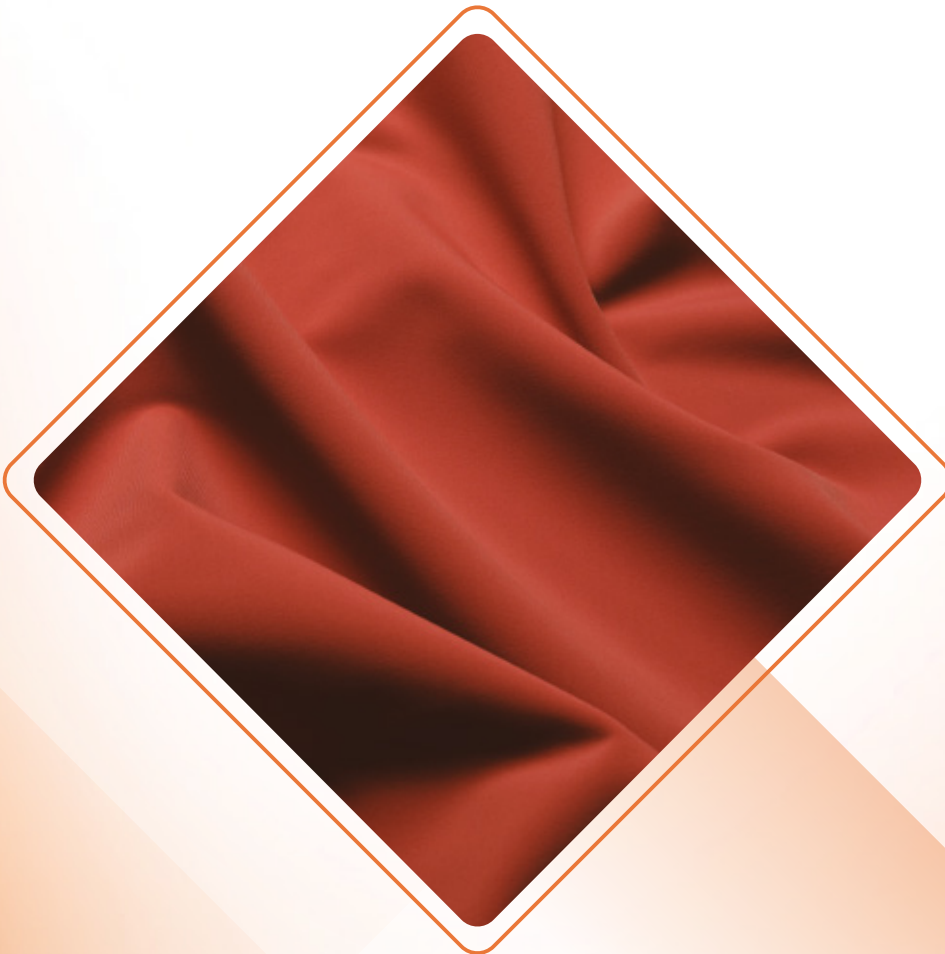
Customer and end-user focus

ESRS S4: Consumers and end-users

ESRS 2 SBM-3 S4 Material impacts, risks and opportunities and their interaction with strategy and business model

In keeping with its mission to offer **high tech textile solutions**, the Group is committed to the **continuous improvement** of its products, which are aimed at business customers with **high quality requirements** in both the industrial and clothing sectors.

That is why it is particularly important for the Group to facilitate access to correct information, including through processes and technologies that enable **full traceability**. **Continuous product improvement** also makes it possible to **minimise the risks for the end user** - as in the case of technical clothing - with particular reference to the impact of the chemicals used to make the product.



2.3.1

A strategy that is all about quality

Group companies operate in the **B2B market** and therefore have no direct contact with the end user of their products. Therefore, the business strategy seeks to foster end-users' perception of **indirect positive impacts** linked to the properties and quality of fabrics and processes, while preserving and enhancing key factors such as **innovation and safety** towards their business customers.

To this end, **improving efficiency and effectiveness** in all aspects of the company is a fundamental objective in Group's choices. Quality management in fact entails **an in-depth analysis of business processes** to identify areas for improvement. A fundamental tool in achieving this objective is the integrated quality, environment, energy and social management system, which allows structured processes to be adopted and numerous parameters to be monitored, leading to a series of possible improvement actions.

Further information on the Group's business strategy can be found in Chapter *1.3.2 Quality, innovation and sustainability cornerstones of the strategy*.

2.3.2

Quality and innovation: Sitip's raison d'être

S4-1 Policies related to consumers and end-users

S4-4 Taking action on material impacts on value chain workers, and approaches to managing material risks and pursuing material opportunities related to value chain workers, and effectiveness of those actions

The Group places **quality** at the heart of its strategy, striving daily to meet the different expectations of its internal and external stakeholders. This is shown in the commitment to renew and maintain existing **certifications**, expand their scope where possible and consider obtaining new ones.

As part of the certification process, the Group companies have defined their own management systems, consisting of **specific policies and procedures** for procurement and production to ensure product quality and consistency over time. Thanks to this commitment, **there have been no cases of non-compliance** with regulations or codes of conduct in the last three years. Further information can be found in chapter *1.3.2 Quality, innovation and sustainability cornerstones of the strategy*.

L'importanza di realizzare prodotti in grado di soddisfare le aspettative degli stakeholder ha portato a definire un approccio che ne garantisca la qualità e durabilità.



The importance of being able to produce products that satisfy stakeholder expectations has led to the establishment of an approach that guarantees quality and durability.

Working upstream with its suppliers, the Group ensures compliance with quality parameters right from the selection of partners. Once the collaboration has begun, the quality of the products and services provided is evaluated **on a yearly basis**. Each supplier is classified into one of three levels based on the assessment. If the assessment is not successful, **critical points and areas for improvement** are shared. In the subsequent period, the supplier is kept under observation and is required to demonstrate **significant improvement parameters** in order to continue business relations with the Group.

In production, the Group constantly pursues a strong approach to **innovation** as a competitive and differentiating leverage. Innovation in processes and in the use of raw and ancillary materials has a twofold objective: to improve **process efficiency** and to comply with **quality and safety** requirements, while minimising possible negative impacts on end-users. More specifically, the Group works steadily to **track resource consumption and minimise production waste** in partnership with a number of key players in the supply chain. For this purpose, its collaboration with textile machinery suppliers and participation in innovative clusters such as the Retex Green consortium (*see par. 1.1.2 Valuable partnerships for a sustainable future*) prove fundamental.



NATIVE SUSTAINABLE TEXTILES

SITIP Group research strives to promote new products and applications in collaboration with customers and suppliers. A key component of product innovation is the focus on using yarns and raw materials with **reduced or lower environmental impact**. This research has led to the development of **NATIVE Sustainable Textiles**, a technology that is applied to fabrics made from recycled yarns and chemicals with a low environmental impact. The eco-friendly products are **OEKO-TEX® Standard 100, BLUESIGN® and GRS certified**. Sustainable fabrics are available in the BLIZZARD Thermal Comfort, COSMOPOLITAN Fashion-Tech, SPORTAGE White Opacity, THUNDERBIKE POWER Stretch&Shield product lines.

Transparency, traceability and end-user health and safety

Responsible supply chain management, and in particular, promotion of the transparency and traceability of raw materials along the entire supply chain, is a key issue for the Group. In line with the technical standards of the adopted certification schemes, suppliers are carefully selected in order to encourage and guarantee **high product traceability**. For example, **GRS certification** guarantees that **products are made with recycled materials**, in accordance with environmental and social criteria applied in all stages of production, including the traceability of the raw materials used. Further information can be found in chapter 1.3.2 Quality, innovation and sustainability cornerstones of the strategy.

Operating on a B2B market (see par. 3.3.1 A strategy that is all about quality), the Group protects the health and safety of its end customers mainly through the guarantees represented by product certifications according to specific international standards, such as **OEKO-TEX® Standard 100** (Sitip SpA and Nylon Knitting Ltd) or **Bluesign®** (Sitip SpA only), throughout the entire product life cycle.

More specifically, from the earliest stages of the production chain, Sitip takes great care to prefer the purchase of **local or European raw materials**, operating in full compliance with national and international regulations. In the procurement phase, it works with suppliers to define the requirements of raw materials with reference to the **standards and certifications** to be met.

Even with corporate customers, the Group has taken and shared various actions to protect the health and safety of end-users, always fine-tuning the product features on the basis of **quality criteria and safety policies**. The actions have involved changes in the terms of purchase and production, which are defined in the operating procedures as part of the quality management system.

The parent company Sitip SpA, in particular, adheres to the **ZDHC programme**, focusing on the principles of transparency and management of chemicals according to an integrated prevention and precaution approach. Furthermore, in accordance with **BLUESIGN®** certification guidelines, since July 2015 Sitip SpA has ensured a responsible and sustainable production system for eliminating the use of harmful substances from the very beginning of the production process.

How certifications benefit the end user



In addition to enabling and supporting more efficient and sustainable processes, certifications are also a guarantee for the consumer. This is how.

OEKO-TEX® Standard 100

The OEKO-TEX® Standard 100 allows each certified product to carry the Confidence in textiles label, which guarantees the end user that the purchased product was manufactured using environmentally friendly processes and tested for harmful substances.

Bluesign®

The Bluesign Approved label is awarded to components that are tested and produced in a sustainable manner. In order to apply the Bluesign® label, at least 90% of the fabric and 30% of the accessories must be approved.

ZDHC Programme

The Zero Discharge of Hazardous Chemicals (ZDHC) programme is an initiative committed to achieving zero discharge of hazardous chemicals in the textile, leather and footwear value chain to ensure the health and safety of the end user.



Customer satisfaction: the measure of commitment

S4-2 Processes for engaging with consumers and end-users about impacts

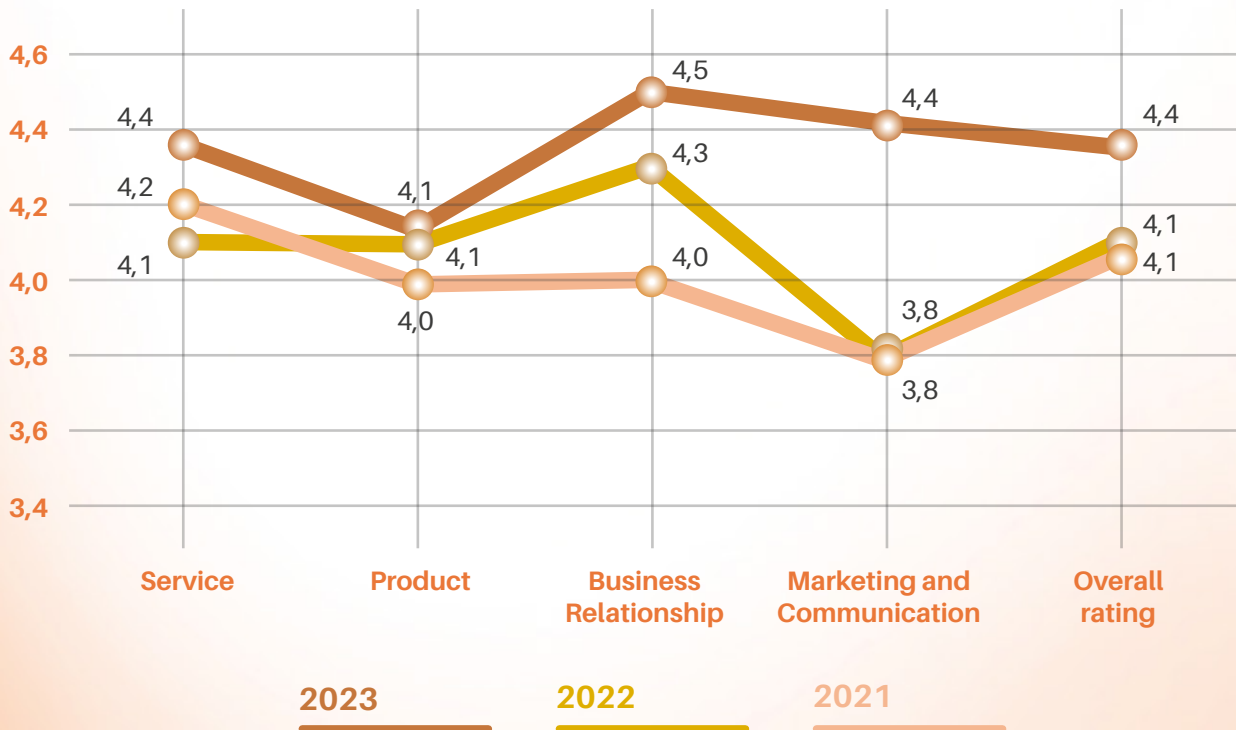
To ensure a high level of customer satisfaction, Sitip must establish an open dialogue to achieve continuous cooperation. To this end, the Group maintains regular customer engagement through the distribution of a questionnaire.

This tool allows it to obtain direct feedback and monitor the interest and satisfaction level of its customers. **Feedback is collected by sending a link** that customers can access to fill in online.

The aim is not only to make customer collaboration easier, but also more personalised, as the link is in fact sent by their salesperson in an individual email. In the questionnaire customers provide a rating from 1 (not at all satisfied) to 5 (extremely satisfied) on **4 macro-areas (Service, Product, Business Relationship and Marketing and Communication)**, which are in turn divided into sub-categories that contribute to the rating of both the individual category and the relationship between Sitip and its customers.

The areas for improvement highlighted by the results are taken care of by implementing corrective actions with a view to offering increasingly effective services and products.

Sitip Group Customer Satisfaction



The year 2023 recorded a considerable improvement in results, with values **above the average** of recent years. In particular, the score for the Marketing & Communication category stands out, rising **from a stable 3.8 to 4.4**. This also improves the overall rating, from 4.1 in 2022 **to 4.4 in 2023**, certifying the Group's commitment and results.

Returns and complaints, a further sign of attention

S4-3 Processes to remediate negative impacts and channels for consumers and end-users to raise concerns

The Group has established a series of procedures for handling returns and complaints, from their acceptance to their resolution, in order to promptly manage the incidents and ascertain whether improvements can be made. As a B2B company, Sitip **does not receive reports directly from the end user**, but their reports can however be traced back to the production chain via the respective supplier, who generally sends a report by email directly to their sales representative.

The Sales Department is responsible for analysing the nature of returns and complaints and, in the case of qualitative complaints, the Quality Control area is also involved to analyse the product in question. Furthermore, the Central Production and Logistics Department regularly conducts a technical analysis to assess pending requests, especially those generated by quality or production problems. At Group level, the incidence of returns and complaints for quality defects was 0.48% in 2022 and **0.46% in 2023**, a slight decrease on an already very low figure. The indicator is calculated in terms of the incidence of returns and complaints on turnover.

	Consolidated
Total incidence of returns and complaints on 2023 turnover for quality defects	0,46%
Total incidence of returns and complaints on 2022 turnover for quality defects	0,48%

The resolution time for returns and complaints is particularly short at **Accoppiatura di Asolo**, which takes an average of **four to five days** to complete the process. Instead at Sitip S.p.A. and Nylon Knitting Ltd. the average time was approximately 15 days. The difference in the average number of days for the resolution of returns and complaints is attributable to the size of the parent company Sitip SpA and Nylon Knitting Ltd, which handle larger volumes of product than Accoppiatura di Asolo SpA, and also have a more complex approval process.





Environment

Dis

3.



mental closures



3.

Environmental Disclosures

// Caring for the environment means an attitude of human ecology. In other words, we cannot say: the person and Creation, the environment, are two separate entities. Ecology is total, it is human. You cannot separate humanity from the rest; there is a relationship of mutual impact, both of the environment on the person, and of the person in the way he treats the environment; and also the rebound effect when the environment is abused.

Papa Francesco

ESRS E1, E2, E3, E5 – SBM3 Material impacts, risks and opportunities and their interaction with strategy and business model

The textile sector has long been one of the sectors most affected by regulatory initiatives due to its significant effects on the environment. The main environmental issue concerns the consumption of raw materials and the production of waste, which in turn are linked to impacts such as water consumption and greenhouse gas emissions. Every year, EU consumers produce 5.8 million tonnes of textile waste, of which 1.7 million tonnes is exported to non-OECD countries, a fivefold increase compared to 20 years ago.

These issues also affect synthetic textiles, whose fibres have a well-known sustainability profile: while they have a lower impact than natural fibres in terms of water and land consumption, there are problems associated with their non-renewability and greater contribution to the issue of climate change.

Lastly, the phenomenon of microplastic pollution cannot be disregarded. This occurs further down the manufacturers' value chain and is associated with garment washing. The issue has received much attention from the public and also from the World Treaty on Plastic Pollution currently being discussed at UN level.

As the Sitip Group is a manufacturing organisation, it pays particular attention to any initiative that can reduce **energy consumption** in production activities. It also seeks to contribute to combating climate change by mitigating **greenhouse gas emissions**, both direct (**Scope 1**) and indirect (**Scope 2**), and, in the future, all along the value chain (**Scope 3**).

In addition to GHG emissions into the atmosphere, the industrial nature of the Group also has an **impact on pollution** with the production of effluents from dyeing activities and the emission of air pollutants. Downstream in the value chain, there is awareness of the spread of microplastics in water as a result of the washing of the sold product in the consumption phase.

Considerable attention is also given to prudent **water** management, with careful monitoring of **water stress**, as well as to the use of resources in a **circular economy** approach.



3.1

Climate Change

Climate change mitigation strategy and policy

E1-1 Transition plan for climate change mitigation

E1-2 Policies related to climate change mitigation and adaptation

E1-3 Actions and resources in relation to climate change policies

E 1-4 Objectives of climate change mitigation and adaptation

A current approach to climate change mitigation

Due to the very nature of its activities, the **Sitip Group** is aware that it is energy intensive (with specific regard to Sitip SpA and Nylon Knitting): in order to **guarantee a high quality product**, the spinning, warping, weaving, dyeing, finishing and laminating processes require high energy consumption.

Energy efficiency is therefore a major issue for the Group. As early as 2014, the Sitip parent company started implementing a **consumption monitoring system** to report on energy saving projects and obtain the '**White Certificates**' issued by **GSE** (the Italian energy services company). Over the following years, Sitip SpA and Nylon Knitting Ltd consolidated an approach to energy efficiency management based on **concrete actions**, implemented within the framework of the **ISO 50001 certification**, obtained in 2022 by Sitip SpA and in 2023 by Nylon Knitting.

What are GSE White Certificates



White certificates are tradable certificates certifying the achievement of savings in energy end-use through actions and projects to increase energy efficiency. One certificate is equivalent to saving **one Tonne of Oil Equivalent (TOE)**. GSE awards a certificate for each TOE of savings achieved. On GSE's instructions, the certificates are then issued by GME (the Italian energy market operation) on special accounts.

White certificates can be **traded and valued** on the market platform operated by GME, or through bilateral trading. To enable trading, all entities admitted to the mechanism are entered in GME's **Electronic Register of Energy Efficiency Certificates**.

Also called Energy Efficiency Certificates (EEC), white certificates are the **main incentive mechanism for energy efficiency in industry**, grid infrastructure, services and transport, but also cover actions taken in the civil sector and behavioural measures.

To ensure **continuous monitoring** of the effectiveness of the implemented actions, Sitip SpA. and Nylon Knitting Ltd carry out **measurements on multimeters and other flow meters**. A special monitoring software called **SW Volta**, implemented in 2021, allows a better understanding of energy consumption **at each individual stage of the production process**. The objective is to assess the actual increase in efficiency of machinery and plant consumption, considering targeted actions and possible upgrading investments.

In addition to natural gas and electricity, the Group also procures **fuels**, such as LPG, to **power the machinery** used in the flame lamination of fabrics, to power boilers and rameuse (machines for drying the fabric after washing or other wet treatment), diesel for vehicles and to power motor generators when electricity from the grid is unavailable and petrol for the **company car fleet**.

Concrete actions for improving efficiency

In order to increase efficiency and reduce the impacts of their energy consumption, the three companies have implemented systems to improve the efficiency of energy use. Here are the main ones, company by company.

Sitip S.p.A.

- In June 2018, it installed a natural gas cogeneration plant with a capacity of 1.5 MW. The electricity produced supplements the energy purchased from the grid, generating steam and hot water as by-products used in the production process (dyeing and washing) and for heating spaces.
- A 1 MW photovoltaic plant was installed in 2022, brought on stream in 2023, and capable of generating approximately 1,000 MWh per year with a planned expansion to approximately 2 MWh by 2025.
- Since 2022, it buys 100% renewable energy with Guarantees of Origin. This makes it possible to deal more effectively with cost volatility and to significantly reduce climate-changing emissions.

Nylon Knitting Ltd.

- The company installed a photovoltaic system that produced 193 MWh of electricity in 2023

Accoppiatura di Asole S.p.A.

- In 2022, it installed a photovoltaic system that generated 126.8 MWh of electricity in 2023.



Sitip Group energy consumption

E1-5 - Energy consumption and mix

Energy consumption and mix	UoM	2022	2023
Consumption of fuel from crude oil and petroleum products	MWh	10.331,10	10.253,54
Consumption of fuel from natural gas	MWh	58.216,77	51.266,43
Consumption of electricity, heat, steam and cooling from fossil fuels, purchased or acquired	MWh	31.872,18	26.764,07
Total energy consumption from fossil sources	MWh	93.028,87	81.747,97
Share of fossil sources in total energy consumption	%	95,28%	94,97%
Consumption of electricity, heat, steam and cooling from renewable sources, purchased or acquired	MWh	4.956,00	3.578,00
Total energy consumption from renewable sources	MWh	4.968,50	4.332,80
Share of renewable sources in total energy consumption	%	5,07%	5,03%
Total energy consumption	MWh	97.996,37	86.081,77
€ net revenue	k€	138.707	114.562
t of fabric produced	t	11.672	9.696
Energy intensity based on net revenue	MWh/k€	0,71	0,75
Energy intensity on product	MWh/t	8,40	8,88
Self-generated electricity from non-renewable sources	MWh	7.392,08	6.536,38
Self-generated electricity from renewable sources	MWh	20,23	1.329,80

Breakdown of energy consumption



Consumption of fuel from natural gas

59,56%

Consumption of electricity, heat, steam and cooling from fossil fuels, purchased or acquired

23,50%

Consumption of fuel from crude oil and petroleum products

11,91%

Total energy consumption from renewable sources

5,03%





2022

Real estate assets	Book value	Energy class
SITIP S.p.A.		
LAND	74,286 k€	N/A
BUILDINGS AND LIGHT CONSTRUCTIONS	4.993,367 k€	CLASS F (Year 2017)
INSTALLATIONS	432,665 k€	N/A
LAND	1.154,235 k€	N/A
BUILDINGS AND LIGHT CONSTRUCTIONS	16.284,172 k€	CLASS F (Year 2017)
INSTALLATIONS	3.485,853 k€	N/A
BUILDINGS AND LIGHT CONSTRUCTIONS	56,521 k€	N/A
INSTALLATIONS	8,163 k€	N/A
BUILDINGS AND LIGHT CONSTRUCTIONS	226,077 k€	N/A
BUILDINGS AND LIGHT CONSTRUCTIONS	4.767,740 k€	CLASS D (Year 2022)
INSTALLATIONS	141,892 k€	N/A
BUILDINGS AND LIGHT CONSTRUCTIONS	455,305 k€	A4
BUILDINGS AND LIGHT CONSTRUCTIONS	0 k€	N/A
LAND	3,895 k€	N/A
BUILDINGS AND LIGHT CONSTRUCTIONS	379,685 k€	N/A
BUILDINGS AND LIGHT CONSTRUCTIONS	77,800 k€	CLASS F (Entire Building)
BUILDINGS AND LIGHT CONSTRUCTIONS	78,904 k€	N/A
INSTALLATIONS	31,095 k€	N/A
BUILDING	8.515,000 k€	A1 or B according to SUB-PARCEL (Shop/Business)
Attivo immobiliare	Valore contabile	Classe energetica
Nylon Knitting		
BUILDING	4.740,965 k€	N/A
LAND	8.368,031 k€	N/A
INSTALLATIONS	6.398.915,25 €k€	N/A
Attivo immobiliare	Valore contabile	Classe energetica
Accoppiatura Asolo		
BUILDING FOR INDUSTRIAL USE	1.046,038 k€	N/A
LAND	110,000 k€	N/A
WAREHOUSE	306,519 k€	F

2023

Real estate assets	Book value	Energy class
SITIP S.p.A.		
LAND	74,286 k€	N/A
BUILDINGS AND LIGHT CONSTRUCTIONS	5.252,862 k€	CLASS F (Year 2017)
INSTALLATIONS	409,483 k€	N/A
LAND	1.154,235 k€	N/A
BUILDINGS AND LIGHT CONSTRUCTIONS	16.951,857 k€	CLASS F (Year 2017)
INSTALLATIONS	3.33,384 k€	N/A
BUILDINGS AND LIGHT CONSTRUCTIONS	59,010 k€	N/A
INSTALLATIONS	13,672 k€	N/A
BUILDINGS AND LIGHT CONSTRUCTIONS	216,671 k€	N/A
BUILDINGS AND LIGHT CONSTRUCTIONS	4.751,476 k€	CLASS D (Year 2022)
INSTALLATIONS	0 k€	N/A
BUILDINGS AND LIGHT CONSTRUCTIONS	0 k€	N/A
BUILDINGS AND LIGHT CONSTRUCTIONS	30,425 k€	N/A
LAND	3,895 k€	N/A
BUILDINGS AND LIGHT CONSTRUCTIONS	379,685 k€	N/A
BUILDINGS AND LIGHT CONSTRUCTIONS	77,800 k€	CLASS F (Entire Building)
BUILDINGS AND LIGHT CONSTRUCTIONS	78,904 k€	N/A
INSTALLATIONS	31,095 k€	N/A
BUILDING	11.500, k€	A1 or B according to SUB

Attivo immobiliare	Valore contabile	Classe energetica
Nylon Knitting		
BUILDING	5.061,535 k€	N/A
LAND	8.503,837 k€	N/A
INSTALLATIONS	6.025.629,5k€	N/A

Attivo immobiliare	Valore contabile	Classe energetica
Accoppiatura Asolo		
BUILDING FOR INDUSTRIAL USE	1.098.961,00 €	N/A
LAND	110.000,00 €	N/A
WAREHOUSE	344.052,00 €	F

**E 1-6 - Scopes 1 and 2 and total GDG emissions****E 1-7 GHG removals and GHG mitigation projects financed through carbon credits****E 1-8 Fissazione del prezzo interno del carbonio**

To prepare this second Sustainability Report, the greenhouse gas emissions were calculated according to the parameters defined by the GHG Protocol: A Corporate Accounting and Reporting Standard, as well as the **ESRS** guidelines.

More specifically, the calculation focused on **Scope 1** emissions (direct emissions from sources owned or controlled by the companies, i.e. fuel in stationary sources such as gas boilers, engines, cogeneration) and **Scope 2** emissions (indirect emissions related to consumption of externally purchased electricity). For Scope 2 emissions, both Location Based and Market Based methodologies were used. It is emphasised that the latter is the most appropriate to take into account the **Group's commitment to purchasing electricity with a Guarantee of Origin**.

As far as **Scope 3** emissions are concerned, i.e. the CO₂ emissions that occur along the value chain, the Group calculated Sitip S.p.A.'s carbon footprint using the **ISO 14064-1 certified methodology Carbon FootPrint of Organisation**. The sustainability goals include the extension of certification to the entire Group.

GHG emissions t CO ₂ e	2022	2023	% 2023 / 2022
Scope 1 emissions			
Gross GHG Scope 1 emissions	14.373,41	13.404,76	-6,74%
Scope 2 emissions			
Scope 2 - Location Based	9.758,25	7.900,57	-19,04%
Scope 2 - Market Based	9.923,14	8.198,31	-17,38%
Total emissions			
Scope 1 + Scope 2 Location Based	24.131,44	21.305,25	-11,71%
Scope 1 + Scope 2 Market Based	24.297,56	21.602,99	-11,09%

Sources

Scope 1 emissions: Defra Greenhouse gas reporting: conversion factors 2022/2023

Scope 2 Location Based Emissions: ISPRA report 363/2022

Scope 2 Market Based Emissions: European Residual Mix | AIB (aib-net.org)

Emission intensity		2022	2023
€ net revenue	€	138.707	114.562
t of fabric produced	tCO ₂ e	11.672	9.696
Scope 1 + Scope 2 Location Based on net revenue	tCO ₂ e/k€	0,174	0,186
Scope 1 + Scope 2 Market Based on net revenue	tCO ₂ e/k€	0,175	0,188
Scope 1 + Scope 2 Location Based on product	tCO ₂ e/ kg	2,067	2,197
Scope 1 + Scope 2 Market Based on product	tCO ₂ e/ kg	2,081	2,228

For the two most energy-intensive companies in the group (Sitip SpA and Nylon Knitting Ltd), it is specified that, as the basic energy consumption (heating, lighting, compressed air, etc.) is not affected by the level of plant saturation, the incidence is considerably higher at reduced load. As far as Sitip SpA and Nylon Knitting Ltd are concerned, the consumption of the electrofilters and weaving plants is not directly proportional to the drop in kg produced. The basic electricity consumption of up to 1.5 MWh is generated directly by the cogenerator; in the event of a decrease in total demand, the request for electricity with a Guarantee of Origin from the grid is reduced.

However, the challenge of **climate change mitigation** cannot be met without an overall vision providing **a structured framework** for all existing and future actions. The Sitip Group has therefore decided to organise its actions against climate change, defining **time frames and areas of intervention**.





Reference year	Objective of the transition to change strategy	Area of action	Description of the action planned or implemented	Decarbonisation lever	Scope	Expected/achieved results
2023	Reducing Scope 2 emissions	Mitigation	Installation of photovoltaic systems at Sitip, Nylon Knitting and Accoppiatura di Asolo facilities	Renewable energy	Production	Consumed 1,136.66 MWh of photovoltaic energy corresponding to 519 t CO ₂ (Market Based) avoided
2023	Monitoring GHG emissions	Monitoring for Measurement (first year)/Mitigation	ISO 14064 Organisation Certification for Sitip SpA	Efficiency and energy saving	Entire value chain	Better monitoring of emissions
2024	Monitoring energy consumption	Monitoring for Mitigation	Full implementation of the SW Volta system for Sitip SpA, Nylon Knitting Ltd	Efficiency and energy saving	Production	Increase in monitoring points
2025	Monitoring energy consumption	Monitoring for Mitigation	Full implementation of the SW Volta system for Accoppiatura di Asolo SpA	Efficiency and energy saving	Production	Increase in monitoring points
2025	Monitoring GHG emissions	Monitoring for Mitigation	Extension of ISO 14064/GHG Protocol to all Group companies	Efficiency and energy saving	Entire value chain	Better monitoring of emissions
2025	Reducing Scope 2 emissions	Mitigation	Photovoltaic plant expansion at Sitip SpA	Renewable energy	Production	Production forecast photovoltaic expansion approx. 1,100,000 kWh per year

E1-2 Policies related to climate change mitigation and adaptation

The Sitip Group does not currently have a formalised policy on climate change, having in any case decided to draw on **important international references and partnerships with strategic stakeholders** to define its approach.

The Group's main references for environmental issues



- **UN Global Compact Environmental Principles** (Principles VII - Support a precautionary approach to environmental challenges, VIII - Undertake initiatives that promote greater environmental responsibility and IX - Encourage the development and diffusion of environmentally friendly technologies) with reference to the energy and climate goals
- **Partnership signed with Decathlon** to achieve climate targets by 2030 through the products and services provided
- **Carbon Neutrality partnership with Alcantara**, with the aim of embarking on a pathway to Carbon Neutrality, again through the products and services provided;
- **CO₂ Reduction Agreement** signed with Bosch for the reduction of customer emissions following the path defined by the SBTi (Science Based Target Initiative).
- **ISO 14064-1:2019 Carbon FootPrint of Organisation certification**: first mapping of emissions in order to proceed with targeted actions to reduce the most significant sources

To date, the Sitip Group has no projects in place to offset the emissions it generates, nor any carbon credit purchasing commitments.

3.2

Pollution

ESRS E2 Pollution

The need to contain the impact associated with pollution, and the requirement to comply with limits and regulations, represent both a risk and an opportunity. The Group intends to exploit the opportunities offered in these momentous changes, with specific regard to the implications of the Global Plastic Pollution Treaty and compliance with emission and discharge limits, by optimising the use of resources such as water and chemicals, which will lower impacts and reduce operating costs.

Policies related to pollution

E2-1 Policies related to pollution

The main pollution phenomena other than greenhouse gas emission concern the **emission of other atmospheric pollutants** for all Group companies, while for Sitip SpA and Nylon Knitting Ltd only, they also concern the **production of industrial waste** and phenomena of **potential soil pollution** linked to the use of chemical products. These aspects are at the heart of the issues managed by the **ISO 14001 certified Environmental Management System of Sitip SpA and Accoppiatura Asolo SpA**. At regulatory level, Sitip SpA complies with the requirements stated in the Integrated Environmental Authorisation received, while Accoppiatura Asolo refers to the Atmospheric Emissions Authorisation.

More specifically, Sitip SpA has worked to compile a detailed mapping and analysis of the **company's processes and operations** that generate emissions and industrial waste, and of the chemicals used.

Sustainability efforts are also embodied in the constant search for and implementation of the best **industrial practices** for minimising emissions, or the best technologies for reducing pollutants.

On the one hand, the actions focus on choosing chemicals that are more environmentally friendly. In this regard, the Sitip Group's adherence to the ZDHC and Bluesign programmes attests to its commitment to align its choice of raw materials with international best practices for minimising risks.

Following these actions, the installation of **abatement systems** (such as wet electrofilters) represents one method for reducing the pollutants found in the emissions and associated with the use of chemicals.



How abatement systems are monitored

In order to ensure the highest possible performance over time, monitoring the performance of abatement systems involves a number of practical measures. Here are the main ones.

- **Automatic online controls** of emission values that self-regulate the abatement systems
- **Regular checks** of process parameters
- Automatic control system in accordance with emission values that self-regulate abatement systems
- Periodic checks of process parameters
- **Regular routine maintenance**
- **Extraordinary maintenance** as required
- **Laboratory analyses** on the concentration of pollutants released into the atmosphere and of industrial waste, also in order to verify compliance with binding national regulations and with the integrated environmental authorisation
- **Regular review** of the adequacy of actions taken based on monitoring results and technological progress

Thanks to management based on the best available standards and technologies, regular audits and careful and continuous maintenance, **no prolonged production stoppages** due to abatement system malfunctions or episodes of exceeding regulatory limits **were recorded** during the reporting period.

Furthermore, the laboratory analyses showed that the limits of pollutant concentration in emissions **were not exceeded at any time**, confirming compliance with binding national legislation and the integrated environmental authorisation.

As far as waste water is concerned, the largest **water consumption**, equal to 80% of the Group's total consumption, is accounted for by the parent company, which is consequently most affected by the related pollution. In this case, the **waste water** is collected in separate pipes and conveyed to an **equalisation tank** (physical, chemical or biological purification tank) which in turn discharges into a **purification plant** operated by a public body in accordance with the Integrated Environmental Authorisation in force for the company.

The **minimum quality standards** for discharges are set by the binding national legislation and the environmental authorisation. The public body to which the company delivers the discharges also took the **water profile** of the receiving basin into consideration.

In practical terms, the actions taken involved **detailed mapping and analysis** of the company's processes and operations that require water and that generate and/or may generate discharges of waste water and of the chemicals used and/or generated (see computer graphics).

The main measures against water pollution

This analysis made it possible to determine the possible risks of water pollution and to define the measures to be implemented to minimise its impact.

- **Installation of spill containment tanks** and monthly check of their watertightness
- **Verification of conformity of packaging and containers** for chemicals and storage
- **Preparation of emergency plans**
- **Provision of emergency equipment**
- **Training and drills** for the immediate management of chemical spills
- **Use of environmentally friendly chemicals**
(Bluesign®, ZDHC e Oeko-Tex® Standard 100 certification)

After identifying the actions to be taken, the types of controls and checks required to **ensure continued compliance** with current national legislation and with international voluntary technical standards, such as **ISO 14001**, were identified, and measures to monitor performance were implemented.

These include **monthly checks** of the main parameters in line with the integrated environmental authorisation, such as the **quantity of water withdrawn for industrial use** and comparison with the maximum quantities that can be withdrawn, or the quantity of **water discharged at the single indirect discharge point** (collected at the consortium purification plant) and comparison with the maximum quantities that can be discharged. An additional check concerns the **compliance** of the consortium purification plant with the **concentration limits of the pollutants present**, and their compliance with the regulations, and involves **weekly analyses** by the in-house laboratory corroborated by **monthly counter-analyses** by an external laboratory.

To check the effectiveness of water resource management, the department head conducts a **regular review**, assessing the actions taken based on the results of the monitoring and technological progress.



E2-2 Actions and resources related to pollution

E2-3 Targets related to pollution

Actions already taken

Area of action	Description	Scope	Results
Reducing pollutants in industrial water discharges and hazardousness of the chemicals	Bluesign® certification and Gateway ZDHC registration	Production and supply chain	Obtaining and renewing membership

Future actions

Area of action	Target set	Description	Scope	KPI	Time frame
Reducing pollutants in industrial water discharges	For the parent company SITIP: target to achieve 100% Bluesign® certified chemicals; eliminate solvent resins	Reducing the concentration of pollutants in discharges through the constant search for new, less polluting chemicals according to the Bluesign® and ZDHC guidelines	Production and supply chain	% Bluesign® products of total	Resin elimination 2024 While 100% Bluesign® products in progress
	For the parent company SITIP and Nylon Knitting: reducing pollutants before conveying them to the consortium	For the parent company Sitip: building a waste water purification plant in order to be able to reduce the equivalent load of waste water For Nylon Knitting: target of building a waste water purification plant	Production	% reduction in pollutants	Parent company: contract definition 2024 and implementation 2025 Nylon Knitting: long term

E2 - 4 Pollution of air and water

Atmospheric emissions

Type of atmospheric pollutant	UoM	2022	2023
Dust	kg	547	1.929
VOC	kg	8.771	6.346
Hydrogen cyanide	kg	1,14	1,79
Ethyl acetate	kg	531,87	440,46
Acetone	kg	174,21	138,78
Isocyanates	kg	0,01	0,01
Ozone	kg	0,01	0,01
Acetic acid	kg	6,61	8,35
Acrylates	kg	22,04	19,90
Ammonia	kg	4,86	23,29
Amines + ammonia	kg	233	680
Formaldehyde	kg	876	312
Phthalates	kg	0	0
Glycols	kg	22,04	31,91
Carbon monoxide	kg	608	481
Nitrous oxide	kg	9.991	5.423
Tetrachloroethylene	kg	not detected	249

* Consolidated data

**Pollutants in waste water**

Type of pollutant in waste water	UoM	2022	2023
BOD5	kg	135.235	122.099
COD	kg	356.335	298.711
Total suspended solids	kg	24.372	25.369
Ammonia nitrogen	kg	864	778
Nitrous nitrogen	kg	75	25
Nitric nitrogen	kg	132	111
Total nitrogen	kg	4.706	4.467
Chlorides	kg	148.588	137.196
Sulphates	kg	30.530	29.260
Sulphites	kg	1.173	3.202
Sulphides	kg	7	4
Aluminium	kg	32	29
Arsenic	kg	0,2	0,1
Boron	kg	48	43
Cadmium	kg	0,04	0,04
Total chrome	kg	51	53
Hexavalent chromium	kg	24	21
Iron	kg	61	31
Total phosphorus	kg	336	393
Manganese	kg	8	8
Mercury	kg	0,1	0,22
Nickel	kg	0,6	0,50
Lead	kg	0,6	0,42
Copper	kg	26	9
Selenium	kg	0,04	0,04
Organic tin compounds	kg	24	21
Zinc	kg	43	32
Animal and vegetable fats and oils	kg	25.670	24.247
Total hydrocarbons	kg	1.066	1.103
Total surfactants	kg	9.276	8.212
Chlorinated solvents	kg	3,0	2,9

*Consolidated data

Year	Chemicals used category	Quantity of chemicals consumed per category (tonnes)	Quantity of dangerous substances/mixtures consumed per category divided by danger indication H (tonnes)																	
			317	334	340	341	350	351	360	361	370	371	372	373	400	410	411	412	413	420
2023	Total	1,243,9	42,85	0,81	-	3,27	0,002	6,27	0,37	9,21	0,002	-	0,18	4,79	2,75	6,57	25,51	27,28	0,09	-
	Basic chemicals	144,5	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	206	-	-
	Auxiliaries	374,5	8,89	-	-	3,27	-	-	0,18	7,53	0,002	-	0,18	1,68	0,80	0,34	5,92	17,95	-	-
	Dyes	101,8	29,30	0,02	-	-	-	-	-	0,50	-	-	-	1,06	1,43	5,74	15,70	6,04	0,04	-
	Printing paste	19,2	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
	Optical whitener	11,2	-	-	-	-	-	-	-	-	-	-	-	0,06	-	-	-	-	-	-
	Water-based resin	78,1	0,06	-	-	-	-	1,65	-	-	-	-	-	-	0,09	0,06	-	-	-	-
	Solvent-based resin	10,7	0,05	0,0001	-	0,001	0,001	0,04	-	1,15	-	-	-	1,20	-	-	-	1,20	-	-
	Tetrachloroethylene	3,7	3,74	-	-	-	-	3,74	-	-	-	-	-	-	-	-	3,74	-	-	-
	Laminating adhesives	98,3	0,79	0,79	-	0,001	0,001	0,81	-	-	-	-	-	0,79	0,001	0,001	-	0,02	-	-
	Water/air treatment	395,3	0,01	-	-	-	-	-	-	0,04	-	-	-	-	0,24	0,24	-	0,01	-	-
	Lubricants	3,1	-	-	-	-	-	-	-	-	-	-	-	-	-	-	0,13	-	0,05	-
	Machine cleaning	3,5	-	-	-	-	-	0,02	0,20	-	-	-	-	-	0,19	0,19	0,02	-	-	-

Year	Chemicals used category	Quantity of chemicals consumed per category (tonnes)	Quantity of dangerous substances/mixtures consumed per category divided by danger indication H (tonnes)																	
			317	334	340	341	350	351	360	361	370	371	372	373	400	410	411	412	413	420
2022	Total	1,407,4	50,73	0,98	-	3,19	0,002	7,58	0,64	9,86	-	-	0,42	4,40	2,71	3,78	35,56	36,10	0,10	-
	Basic chemicals	166,0	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	5,05	-	-
	Auxiliaries	477,2	10,01	-	-	3,19	-	-	0,42	8,74	-	-	0,42	2,01	1,41	0,61	6,15	22,73	-	-
	Dyes	122,9	35,08	0,01	-	-	-	-	-	0,17	-	-	-	0,53	0,53	2,28	24,69	7,45	0,06	-
	Printing paste	19,0	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
	Optical whitener	13,9	-	-	-	-	-	-	-	-	-	-	-	0,09	-	-	-	-	-	-
	Water-based resin	111,9	0,09	-	-	-	-	1,96	-	-	-	-	-	-	0,09	0,07	-	-	-	-
	Solvent-based resin	11,2	0,00	-	-	0,001	0,01	0,04	-	0,85	-	-	-	0,81	-	-	-	0,85	-	-
	Tetrachloroethylene	4,6	4,57	-	-	-	-	4,57	-	-	-	-	-	-	-	-	4,57	-	-	-
	Laminating adhesives	126,9	0,98	0,97	-	0,001	0,001	0,99	-	-	-	-	-	0,97	0,001	0,001	-	0,002	-	-
	Water/air treatment	345,2	-	-	-	-	-	-	-	0,09	-	-	-	-	0,14	0,14	-	-	-	-
	Lubricants	6,2	-	-	-	-	-	-	-	-	-	-	-	-	-	-	0,13	-	0,04	-
	Machine cleaning	2,4	-	-	-	-	-	0,02	0,22	-	-	-	-	-	0,17	0,17	0,02	-	-	-

* Consolidated data



3.3

Water, a strategic resource

ESRS E3 Water and marine resources

Water is mostly used by Sitip SpA for the dyeing, washing and finishing stages. There is also limited water consumption in Nylon Knitting Ltd for a finishing machine. Both Nylon Knitting Ltd and Accoppiatura di Asolo SpA use water for air pollutant **abatement systems** and utilities.

This aspect is carefully monitored, as the consumption of water resources represents an area of significant impact, especially in light of the effects of climate change.

Proactive policies to conserve water resources

E3-1 Policies related to water and marine resources

Water is withdrawn from bodies of surface water, the ground, wells and aqueducts, in accordance with the public water derivation concession. The concession provides for annual monitoring of the quality of the water withdrawn, with analyses carried out by an accredited laboratory, and annual reporting to the competent bodies of the quantities withdrawn and the results of the analyses.

In light of these data, and of the water stress assessments (see box), the Sitip Group pays special attention to the potential negative impacts on the economy and on people caused by **water withdrawals**. If not properly managed, withdrawals can lead to impoverishment due to over-exploitation of aquifers and surface water basins, making it more difficult to find water resources. With regard to the **company's operating activity**, in the long term this could also lead to insufficient availability of water resources to meet the company's needs, and possible prolonged production stoppages.

Water stress areas and how they were identified



The **World Resources Institute** defines water stress as **the ratio of water demand to renewable supply** of surface and groundwater. Water stress can therefore refer to the availability, quality or accessibility of water. It can be measured at watershed level and is based on elements such as the potability of water or accessibility requirements for ecosystems. **A water stressed area** is therefore an area considered particularly sensitive with respect to the ability or inability to meet the human and ecological water demand.

To identify the water-stressed areas where the Group is present, the **World Resource Institute's** Water Risk Atlas was consulted, as it provides a complete overview, drawing from a highly granular database, and gives access to hydrological models aligned with the analyses of the most recent Assessment Reports of the Intergovernmental Panel on Climate Change (IPCC). An analysis of the document showed that the regions of **Veneto (Italy)** and **Nofsinhar (Malta)** are subject to water stress, while, as already mentioned, in Italy most of the water is withdrawn by the parent company in **Lombardy**.

The Group does not have a specific policy for **water management**, as this is covered by the integrated quality, environment and energy policy. This topic is part of the aspects monitored under the ISO 14001-certified environmental management system of the parent company Sitip SpA and its subsidiary Accoppiatura di Asolo SpA. Sitip SpA's commitment to purchase **water-efficient dyeing machinery** testifies to the particularly high focus placed on this issue.

Adherence to the environmental principles of the **UN Global Compact** also includes commitments to water resource management.

The Plan of action

E3-2 Actions and resources related to water and marine resources policies

E3-3 Targets related to water and marine resources

The actions already implemented by the Group for the proper management of water consumption and those to be adopted are stated below.

Actions already taken

Area of action	Description	Scope	Results achieved
Actions to avoid the use of water and marine resources	Purchase of machinery requiring less water and choice of dope-dyed yarn supply (Parent Company)	Production	Sitip SpA bath ratio Comparing old FLOW 1:11 with new FLOW 1:8 Old torpedoes 1:11 New torpedoes 1:9 Therefore, replacement of machinery requiring 11 litres of water per kg of fabric to be dyed with machinery requiring 8 litres per kg Improvement of Bath Ratio KPI

Future actions

Area of action	Description of the action	Scope	Expected results	Reference period
Reducing water consumption	Purchase of water-efficient dyeing machinery	Production	Reducing the water needed through continuous research and the implementation of new high-tech machinery.	2024-2026

**E3-4 Water consumption**

Category	Subcategory	UoM	2022	2023	Δ 2023/2022
Water withdrawals	Total water withdrawals from all areas	m ³	363.347,1	320.169,1	-11,88%
Water withdrawals	Total water withdrawals - water risk zones	m ³	80.601	61.448	-23,76%
Water withdrawals	Surface water	m ³	45.274,1	44.600,1	-1,49%
Water withdrawals	Surface water - water risk zones	m ³	37.721	28.758	-23,76%
Water withdrawals	Groundwater	m ³	237.472	214.121	-9,83%
Water withdrawals	Groundwater - water risk zones	m ³	42.880	32.690	-23,76%
Water discharges	Total water discharges	m ³	237.672	214.005	-0,10%
Water discharges	Total water discharges - water risk zones	m ³	0	0	
Water discharges	Surface water (indirect discharge sent to the Ranica purification plant)	m ³	237.672	214.005	-9,96%
Water consumption	Total water consumption from all areas	m ³	125.675,1	106.164,1	-0,15%
Water consumption	Total water consumption - water risk areas	m ³	80.601	61.448	-0,23%
Water intensity	Water intensity (compared to water consumed)	1,000 m ³ / €	0,90	0,92	+0,01%
Water intensity	Water intensity (compared to water consumed)	m ³ / t product	10,77	10,95	+0,02
Water intensity	Tonnes of fabric produced	t	11.672	9.696	
Water intensity	Net revenue	k€	138.707	114.562	

*Consolidated data

It is specified that water discharges into surface water refer to the waste water sent to the Ranica purification plant and therefore to indirect discharge. A portion of the discharge evaporates, a portion turns into sludge which is disposed of in landfills or spread on fields as fertiliser, and only a portion (purified) ends up in the Serio river.





3.4

Using resources in a circular economy approach

ESRS E5 Resource use and circular economy

For the Sitip Group, **the circular economy** is a key concept that combines sustainability, innovation and value creation. This approach seeks to reduce the consumption of virgin synthetic resources by using them more efficiently, with the objective of **preserving the environment**, compatibly with economic and business development. The Group believes that the benefits of greater product sustainability and a global circular economy include the optimisation of materials, better relationships with stakeholders, a stronger reputation for the brand and risk reduction.

The **use of synthetic fibres** requires monitoring with the support of specific certifications (such as GRS certification) with regard to the supply chain, while downstream in the value chain one of the most significant impacts is the release of microplastics in the washing phase by the end user. In line with the demands of the European Strategy for Sustainable and Circular Textiles, these impacts are related to the **quality and durability** of textiles placed on the market. It is particularly important for the Group to also monitor and minimise the production of waste that is difficult to recover or recycle, such as scrap, final product end-of-life or packaging waste.

The European Strategy and the Ecodesign regulation also introduced **traceability requirements** which, while on one hand entail costs for carrying out controls along the value chain and participating in consortia, on the other allow better **oversight and knowledge of the value chain**, with the selection of the most virtuous suppliers, while participation in consortia such as **Retex.green** facilitates the collection of textile waste by offering additional opportunities for sourcing from **recycled raw material**.



Responsible use of resources as a quality factor

E5-1 Policies related to resource use and circular economy

For years, the Group has constantly invested in environmental sustainability and circularity, and the **constant appreciation of customers** testifies to **the effectiveness of the actions taken** and their sustainability in business terms.

The Group is making an effort to **increase the share of recycled raw materials** by exploiting waste material not only through technologies, but also thanks to the continuous improvement of **product quality**, so as to generate less waste.

The parent company Sitip has initiated a search for **new supply chains** that enable the reuse of an ever-increasing amount of production waste and scrap products, and is working to emphasize the use of recycled materials **during the purchasing stage**. It also collaborates with customers to study **circular products**, e.g. **single-material fabrics** with suitable characteristics to meet performance requirements.

For waste management in the strictest sense, the main legislation affecting Sitip S.p.A. and Accoppiatura di Asolo S.p.A. consists of binding national regulations on waste management: production, classification, separation methods, collection, storage and final destination. Weaving, gauzing, inspection and packaging activities generate **non-hazardous solid waste**, while for all Group companies, maintenance activities, performed internally or by external companies, tend to generate both solid and liquid, hazardous and non-hazardous waste.

The classifications are based on current regulations, and specifically the EWC codes, also through analyses by external laboratories and specialised external consultants. **Specific procedures** define how waste is to be sorted, collected, stored and disposed of. Dedicated in-house personnel deal with the **collection phase** at the production sites, as well as the transfer to and management of the temporary storage areas.

The external companies specialized in waste recovery and disposal are selected after **verifying that they have the necessary authorisations and certifications** to perform the service in accordance with mandatory regulations. Third parties (transporters, consignees and intermediaries) are regularly monitored and audited to ensure that they continue to meet the requirements over time, which includes submitting documentation on environmental authorisations and respective expiry dates.

Regulation and digitisation as keys to improvement

The parent company Sitip SpA has adopted a **centralised computer system** that ensures full traceability **in real time** of all waste management data such as the quantities produced in the company's temporary waste storage area, divided by type, and the quantities delivered to third parties, divided by type.

Following these processes, **approximately one half of the waste** resulting from these activities (classified as by-products of processing in accordance with Legislative Decree 152/06) is collected separately and sorted before it is put back on the market as **secondary raw material** so it they can be used by third-party companies in subsequent production or utilisation processes. Secondary raw materials (SRM) consist of production scraps or materials from recycling processes that can be fed back into the economic system as new raw materials, without becoming waste.



Accoppiatura di Asolo SpA complies with Italian regulations by using loading and unloading registers to manage the waste identified by specific EWC codes and stored in the ecological area, and lastly by issuing forms when the waste is collected by an authorised transporter.

As far as **Nylon Knitting Ltd** is concerned, all production activities in spinning, draw-warping, weaving and finishing produce **non-hazardous solid waste**. Liquid fabric washing (finishing) and spinning waste is **collected in tanks and mechanically separated**. The separated waste is then collected by specialised certified service providers. Specific activities, such as the maintenance of many plants, also produce **hazardous liquid waste**.

Internal company procedures define how and where to separate the various materials, based on the European Waste Code (EWC). These materials are picked up on site by authorised transporters for disposal or recycling. The company verifies the certificates and licences of service providers on an annual basis. The traceability of disposed materials is ensured by a **spreadsheet** recording the quantities of all outgoing waste materials.

The Plan of action

E5-2 Actions and resources related to resource use and circular economy

E5-3 Targets related to resource use and circular economy

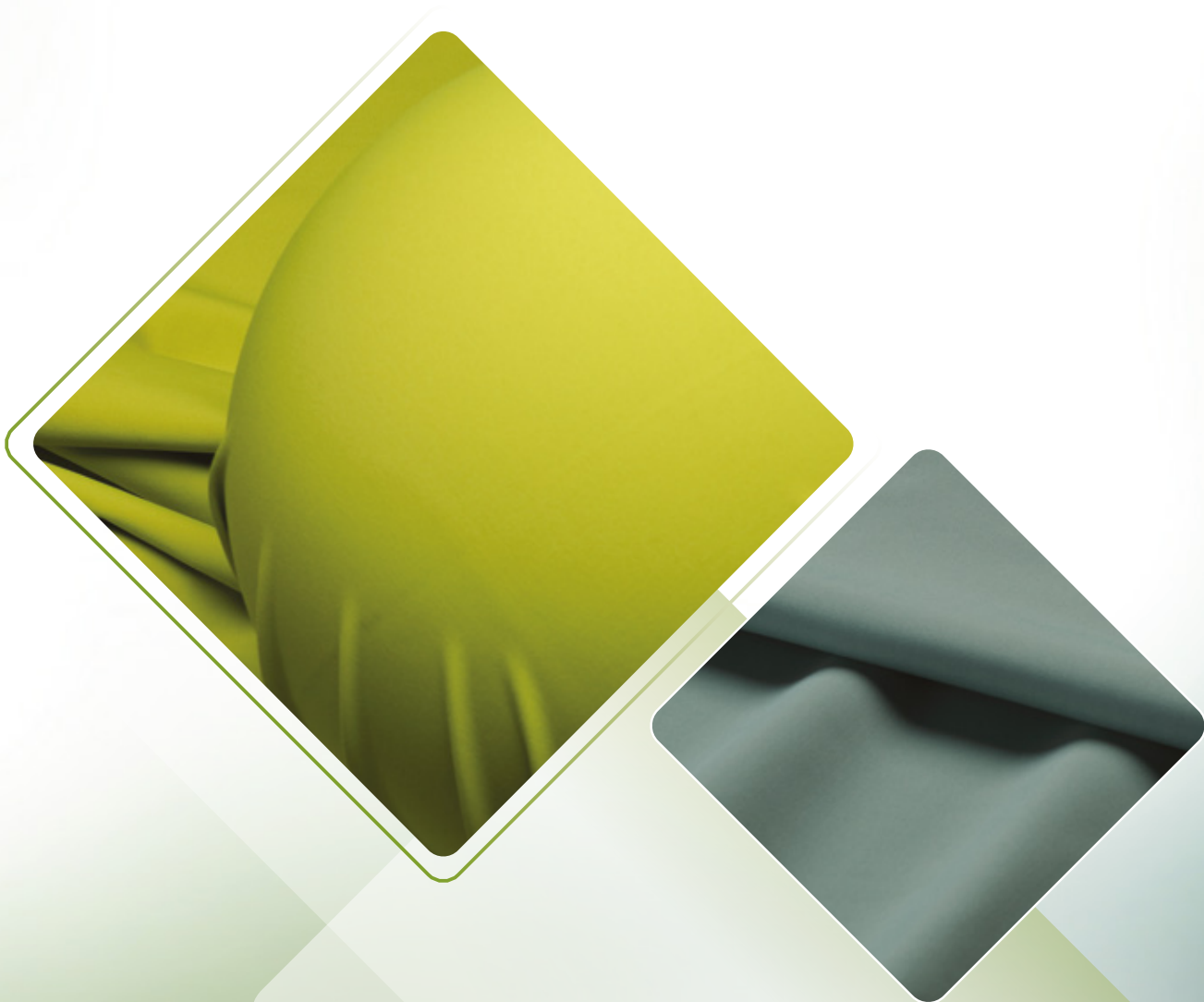
Actions already taken

Area of action	Description	Scope	Expected or achieved results
Maintenance, repair, collection of components, modernisation and reverse logistics, closed circuit systems, second-hand retail	The Group undertakes to sell machinery no longer needed in the second hand market instead of destroying it	Production	Reduction of waste for disposal - in progress
Product-service systems, collaborative and sharing economy business models	Participation in SMI and Retex.Green Consortium	Waste management	Establishment of the ReteX. Green consortium for a better circular economy - membership achieved, establishment of consortium in progress
Product ecodesign: products made from sustainable materials, designed to last longer and to be easily repaired/reused	The Group is committed to the durability of materials through improved raw material and processing quality.	Products	Making more durable products - already in place and always in progress
System efficiency actions (industrial symbiosis): stakeholder engagement (suppliers and customers) for reducing waste generation and increasing the level of circularity	Verification of GRS certification for suppliers	Supply chain	Alignment of suppliers with industry best practice certification - already in place and always in progress
Actions to prevent waste generation	For all Group companies: scrap waste reduction by using self-regulating machinery	Production	Reduction of waste generated by production - already in place and always in progress

Actions to optimise waste management (waste hierarchy)	<p>For the parent company: SW management for registration and traceability;</p> <p>For all Group companies: creation of a physical space (ecological site) where waste is temporarily stored before collection</p>	Waste management	Improving waste management - already in place and always in progress
--	--	------------------	---

Future actions

Area of action	Target set	Description of future action	Scope	Implementation time frame
Product ecodesign: products made from sustainable materials, designed to last longer and to be easily repaired/reused	Possibility of product recovery at end-of-life	The Group is committed to designing single-component items to facilitate reuse at the end of life.	Research and Development / Production	Long



**E5-4 Resource inflows**

Category	Qualitative description of the material	UoM	2022	2023
Raw materials for production	POLYESTER	t	2.500,848	1.923,965
Raw materials for production	RECYCLED POLYESTER	t	135,008	90,371
Raw materials for production	POLYAMIDE	t	6.335,348	4.147,932
Raw materials for production	RECYCLED NYLON	t	81,381	85,667
Raw materials for production	ELASTANE	t	299,234	243,243
Raw materials for production	RECYCLED ELASTOMER	t	0,339	0,00
Raw materials for production	VARIOUS FIBRES (EXCLUDING WOOL AND COTTON)	t	3,547	3,158
Raw materials for production	COTTON	t	9,566	8,795
Raw materials for production	WOOL	t	1,157	0,215
Semi-finished goods	POLYESTER	t	46,869	52,043
Semi-finished goods	POLYAMIDE	t	10,025	4,769
Finished products	POLYESTER	t	1,613	2,001
Finished products	MISC. FIBRES	t	0,089	0,014
Packaging materials	Paper	t	18,480	18,276
Packaging materials	Wood	t	15,758	12,863
Packaging materials	Plastic	t	4,600	3,453

% of input raw materials from recycling

Category	UoM	2022	2023
RECYCLED POLYESTER	%	5,12	4,49
RECYCLED NYLON	%	1,27	2,02
RECYCLED ELASTOMER	%	0,11	0

Products and materials

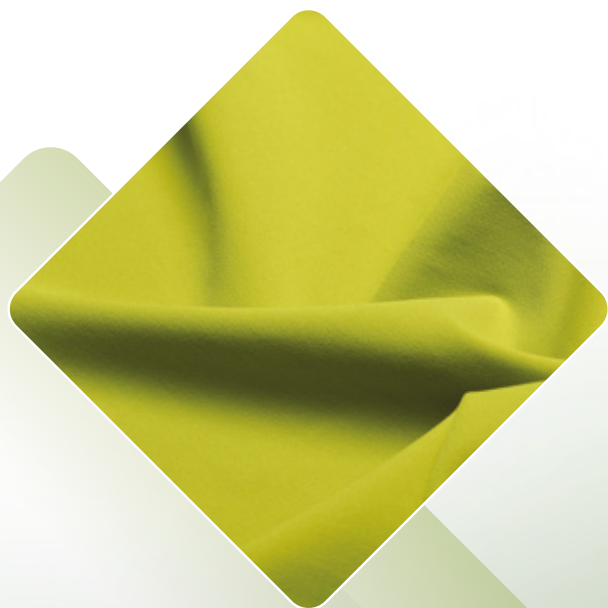
E5-5 Resource outflows

The recyclable content rate is calculated on Sitip SpA's output products only, stated in kg, and is equal to 62.21% for 2022 and 68.39% for 2023. Due to the characteristics of the Group's business, it was not possible to assess the durability and reparability of the output products.

Waste *

	Type of waste	UoM	2022	2023
Non-hazardous	Total non-hazardous waste	t	1.157,42	795,07
Hazardous	Total hazardous waste	t	86,68	84,23
Non-hazardous + hazardous	Total waste production	t	1.244,10	879,30
Non-hazardous + hazardous	Waste for disposal	t	292,38	222,75
Non-hazardous + hazardous	Total waste production sent for recycling	t	96,33	74,44
Non-hazardous + hazardous	Share of recycled waste	%	7,74%	8,47%
Non-hazardous + hazardous	Waste for recovery (including recycling)	t	855,39	587,32
Non-hazardous + hazardous	Waste for forms of recovery (including recycling)	%	68,75%	66,77%

* the 2022 figures differ slightly from those published in the previous sustainability report due to improved calculation operations





Disclosure on E Cor

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4.1

Business Culture and Ethics

// When there is trust first, there will results later

Jurgen Appelo

ESRS S2 Workers in the value chain

ESRS 2 SBM-3 S2 Material impacts, risks and opportunities and their interaction with strategy and business model

Creating a **sound corporate culture** is the key to ensuring correct conduct on the part of all persons working on behalf of the Group, enabling them to **put its values into practice** and **prevent reputational risks**.

For this reason, in addition to adopting internal safeguards that ensure employees can report situations of non-compliance with corporate ethics, the Group implements a careful process for **selecting and monitoring its suppliers**.

It is also committed to conducting its business and all stakeholder relations with integrity, **complying with all the laws and regulations** of each country in which it operates.

4.1.1

A corporate culture based on integrity and transparency

G1-1 Corporate culture and business conduct policies

G1-3 Prevention and detection of corruption and bribery

G1-4 Incidents of corruption or bribery

The Group is committed to building day-by-day a corporate culture based on awareness of values such as **integrity and transparency** and on adoption of **virtuous behaviour**, also by defining precise **internal rules and controls** to prevent incidents of corruption and non-compliance with regulations in force in the various jurisdictions in which it operates.

This commitment was consolidated in 2022 when the parent company Sitip S.p.A. adhered to the **UN Global Compact of the United Nations** with a special focus on the prevention of corruption, as set out in **Principle 10**. More specifically, this Principle requires participants not only to avoid corruption in all forms, but also to **develop strong policies and concrete programmes to prevent it**.

The goal for companies is therefore to actively contribute, working with governments, UN agencies and civil society, to **a more transparent world economy**.

The main tool through which the Group promotes a corporate culture of transparency, loyalty and integrity is the **Code of Ethics**. All three companies have a Code of Ethics and, more specifically, Sitip SpA approved a new updated version of the document, integrating the whistleblowing section (see below) on 1 January 2024.

Sitip relies on this safeguard to prevent the risk of illegitimate or unlawful conduct. In particular, the Code of Ethics devotes a specific paragraph (3.6) to the **prevention of corruption**, both direct and indirect, including extortion and bribery which all Group companies are committed to combating.

Consequently, the Sitip Group does **not tolerate any kind of behaviour** aimed at offering or receiving unfair or unjustified advantages. Therefore, it will not initiate or continue a relationship with anyone who does not intend to comply with these principles.

The Code of Ethics has been shared with all internal and external stakeholders, starting from the highest governance body (Board of Directors), and is **made known to all employees** of the companies as soon as they join the company. All addressees are obliged to promptly report any non-compliances and any requests entailing a breach, made by anyone.

Each company's Steering Committee verifies compliance with the provisions of the Code and, in order to manage, and preferably prevent, conflicts as soon as they arise, takes steps to **deal with problems on a day-to-day basis**. The Code of Ethics is also one of the documents implementing the strategy of transparent business ethics towards external stakeholders, providing support in audits conducted by customers or suppliers, where ethics is one of the aspects inspected.

In compliance with the provisions of Legislative Decree 24/2023, and after consulting the trade union representatives, Sitip SpA has adopted a special **whistleblowing procedure** since 2024. To this end, the company has implemented **a digital platform** guaranteeing the confidentiality or anonymity of those wishing to report alleged misconduct.



Reports are received by the **Sustainability Committee** and are handled so as to ensure that whistleblowers are not subject to any form of retaliation or discrimination. Workers have been informed of the procedure through display on **notice boards** in the workplace and posting on the **company intranet**. It is also made available to every newly recruited employee and the company plans to include training on the matter in its training plans.

Asolo SpA and Nylon Knitting Ltd have a procedure for internal and external reports and communications.

In 2023, the companies **Accoppiatura di Asolo SpA and Nylon Knitting Ltd.** provided training to all employees on the Code of Ethics, the Code of Conduct and the principles of the UN Global Compact.

No incidents of corruption occurred in any of the three Group companies during the reporting year.

A tool to give employees a voice



In addition to the whistleblowing channel set up in the parent company's Management System, all three companies already have a **Suggestion Box**: a more informal channel of communication to bring out ideas, difficulties and possible improvements.

The aim is to engage all staff in **continuous improvement** by fostering collaboration and communication between employees and management by means of written suggestions on topics such as services, productivity and quality, use of materials and machinery, work safety, energy efficiency, **environmental and social aspects**.

The spirit of the Suggestion Box therefore fits perfectly into the Group's **corporate culture**, which sets **listening to employees** as one of its core values. Thanks to the suggestion box, workers can feel freer to report, for instance, that they believe that one or more points of the SA 8000 standard have not been applied, or have been incorrectly applied.

4.1.2

Supplier relationship management

G1-2 Supplier relationship management

Section S2 of this document has already introduced the topic of supplier management, illustrating how, through the process to select and evaluate strategic suppliers, the Group monitors and manages the risk of human rights violations by its partners.

Some details of the supplier management process are provided below.

Commodities whose suppliers are considered strategic

- Dyes and auxiliaries
- Consultancy
- Yarns (continuous and discontinuous)
- Unbleached fabrics (flat, warp and circular)
- External companies
- Outdoor processing
- Testing and instrument calibration laboratories
- Packaging materials
- Spare materials
- MTP/PVC
- Waste disposal
- Transport



Each new prospective supplier is subjected to a preliminary evaluation **by the purchasing department** of the company concerned, which requires the completion of the Supplier Evaluation Questionnaire. The evaluation is carried out annually and the Group processes the evaluations in the **Annual Supplier Evaluation Report**.

In addition to the product class (see computer graphics), suppliers are evaluated according to **qualitative, economic, social, environmental and safety parameters**. In this questionnaire, the supplier's sustainability is also assessed (see below). Scores range from a minimum of 1 to a maximum of 5, with values varying according to a rating matrix. This results in 'weighted' scores, the sum of which determines the supplier's class.

According to pre-established scoring levels, suppliers are then classified as **preferred, ordinary or under observation**, with the latter considered as non-validated, and informed of the result. In order to remain partners, suppliers under observation must **show clear signs of improvement** in the next evaluation period. If the problem areas are not overcome during the observation period, the company will be excluded from the list of suppliers.

On the issue of **sustainability**, the presence of social and environmental certifications and of a code of ethics or conduct, as well as the publication of a Sustainability Report or statement, is checked, and **appropriate supporting documentation** is requested.

As the parent company has SA8000 social certification, suppliers who are not SA8000 certified, or who do not have a code of ethics or code of conduct, are considered to be at high social risk. The purchasing department sends out a questionnaire for self-assessment of SA8000 requirements and, in the event of an insufficient evaluation, requires an improvement plan and a possible on-site audit (see Chapter 2: S2 workers in the value chain).

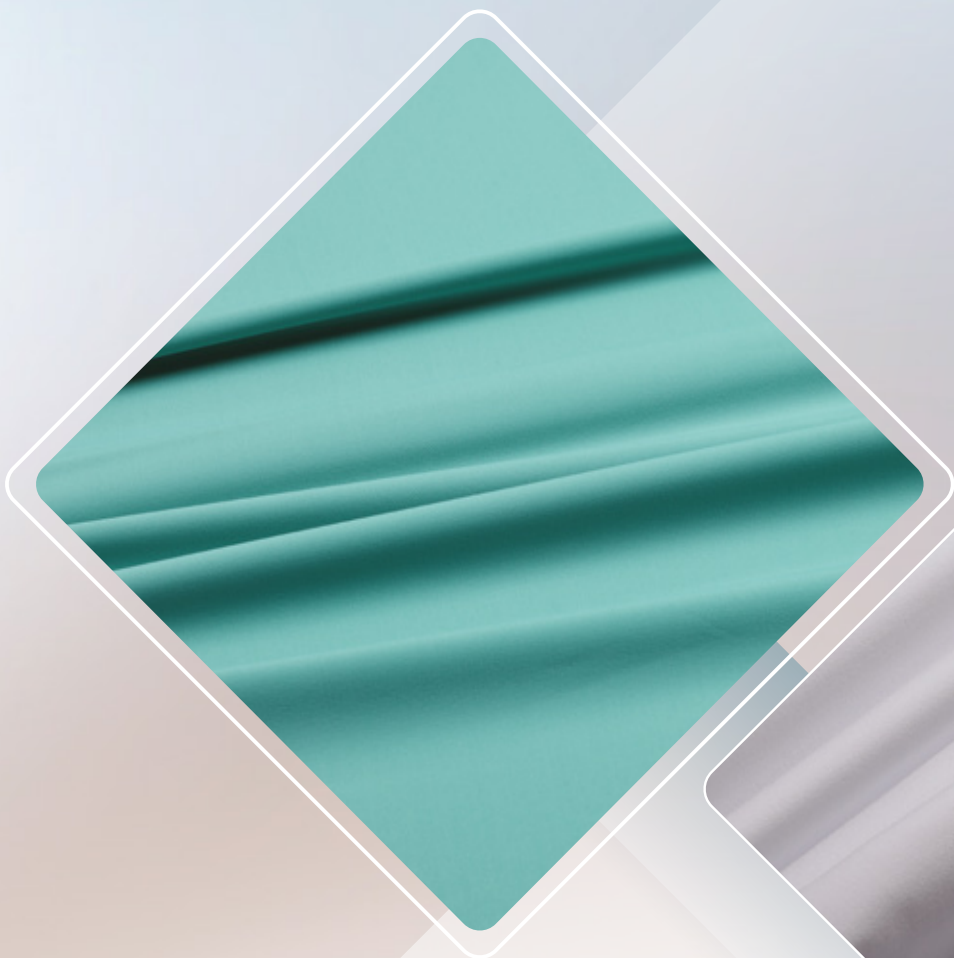
As further confirmation of the soundness of the selection procedures, **no evaluated supplier was placed under observation in 2023**. The goal for the immediate future is to draw up a code of conduct for the suppliers of all three Group companies.

The spirit of cooperation underlying the Group's relations with its partners also requires the utmost care in **complying with agreed payment methods and time frames**, with a **special focus on small and medium-sized enterprises**, for which regularity in payments is a key factor for economic sustainability.

When the contract is signed, the supplier is informed of the payment procedures and once the relationship has been finalised, the terms are entered into a schedule ensuring that this **aspect of economic sustainability** is monitored throughout the supply chain.

In 2023, the Sitip Group's average payment days were 89 and there were no disputes relating to non-payment or excessive delays in payments to suppliers.

As already discussed in paragraph S2, the procedure and the code are instruments that also have indirect impacts **on the employees** of the supplier companies.





GRI

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Tab

5.

A close-up photograph of tall grasses, likely a type of ornamental grass, captured during the golden hour of sunset. The grasses are illuminated by warm, low-angle light, creating a soft, ethereal glow. The background is a pale, hazy sky, and the overall composition is a vertical rectangle with rounded corners. The text 'erence' and 'le' is overlaid on the left side of the image.

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GRI reference table

Declaration of use The SITIP group submitted a report in accordance with GRI standards for the period from 1 January 2023 to 31 December 2023.

GRI 1 used GRI 1 - Fundamental Principles - Version 2021

Relevant GRI sector standards Not present at the time of approval of this Report

GRI STANDARD	DISCLOSURE	LOCATION	OMISSION		
			REQUIREMENTS OMITTED	REASON	EXPLANATION
General Disclosures					
GRI 2: General Disclosures 2021	2-1 Organisational details	Par. 1.3 Outstanding expertise in a strategic sector			
	2-2 Entities included in the organisation's sustainability reporting	Par. 1.7 Sustainability reporting criteria			
	2-3 Reporting period, frequency and contact point	Par. 1.7 Sustainability reporting criteria			
	2-4 Restatements of Information	Par. 1.7 Sustainability reporting criteria			
	2-5 External assurance	Not present			
	2-6 Activities, value chain and other business relationships	Par. 1.3 Outstanding expertise in a strategic sector			
	2-7 Employees	Par. 2.1 SITIP Group people			
	2-8 Workers who are not employees	Par. 2.1 SITIP Group people			
	2-9 Governance structure and composition	Par. 1.4 Sound and transparent corporate governance			
	2-10 Nomination and selection of the highest governance body	With regard to the appointment process of the members of the Board of Directors, the parent company Sitip follows the provisions of its Articles of Association and the Italian Civil Code (Article 2383 et seq.).			
	2-11 Chair of the highest governance body	Par. 1.4 Sound and transparent corporate governance			

2-12 Role of the highest governance body in overseeing the management of impacts	Par. 1.4.1 Governance of Sustainability			
2-13 Delegation of responsibility for managing impacts	Par. 1.4.1 Governance of Sustainability			
2-14 Role of the highest governance body in sustainability reporting	Par. 1.4.1 Governance of Sustainability			
2-15 Conflicts of Interest	Par. 1.4 Sound and transparent corporate governance			
2-16 Communication of critical concerns	Par. 1.4.1 Governance of Sustainability			
2-17 Collective knowledge of the highest governance body	Par. 1.4.1 Governance of Sustainability			
2-18 Evaluation of the performance of the highest governance body	The performance of Sitip's highest governance body in the field of sustainability is regularly evaluated through the following activities: - validation of its environmental and energy impact management systems by external certification bodies; - satisfaction of its Stakeholders; - commitment to maintaining certifications that provide for scheduled renewals at the end of which the maintenance of requirements and the achievement of any improvement objectives are certified. In the near future, the Board of Directors will consider whether to introduce an MBO system linked to the achievement of sustainability targets.			
2-19 Remuneration policies		2-19 Remuneration policies	Confidentiality constraints	Sitip considers its remuneration policies to be sensitive information, the disclosure of which could affect the company's strategy. As part of the progressive approach to the Corporate Sustainability Directive (CSRD) obligation, the information required under the new ESRS Standards will be provided
2-20 Process to determine remuneration		2-20 Process to determine remuneration	Confidentiality constraints	Sitip considers its remuneration policies to be sensitive information, the disclosure of which could affect the company's strategy. As part of the progressive approach to the Corporate Sustainability Directive (CSRD) obligation, the information required under the new ESRS Standards will be provided



	2-21 Annual total compensation ratio		2-21 Annual total compensation ratio	Confidentiality constraints	Sitip considers its remuneration policies to be sensitive information, the disclosure of which could affect the company's strategy. As part of the progressive approach to the Corporate Sustainability Directive (CSRD) obligation, the information required under the new ESRS Standards will be provided
	2-22 Statement on sustainable development strategy	Par. 1.3.2 Quality, innovation and sustainability cornerstones of the strategy			
	2-23 Policy commitments	2-23 Policy commitments Par. 1.3.2 Quality, innovation and sustainability cornerstones of the strategy			
	2-24 Embedding policy commitments	Par. 1.3.2 Quality, innovation and sustainability cornerstones of the strategy; 4.1.1 A corporate culture based on integrity and transparency; 4.1.2 Supplier relationship management			
	2-25 Processes to remediate negative impacts	Par. 2.1 SITIP Group people; 2.2. Workers in the value chain; 2.3 Customer and end-user focus			
	2-26 Mechanisms for seeking advice and raising concerns	Par. 2.1 SITIP Group people; 2.2. Workers in the value chain; 2.3 Customer and end-user focus			
	2-27 Compliance with laws and regulations	4.1.1 A corporate culture based on integrity and transparency;			
	2-28 Membership associations	Par. Valuable partnerships for a sustainable future			
	2-29 Approach to stakeholder engagement	Par. 1.5 Valuable stakeholders: the Sitip Group's stakeholders			
	2-30 Collective bargaining agreements	Par. 2.1.1 People, the heart of Sitip's social sustainability			
Material Topics					
GRI 3: Material Topics 2021	3-1 Process to determine material topics	Par. 1.6 Materiality Analysis			
	3-2 List of material topics	Par. 1.6 Materiality Analysis			
Business conduct					
GRI 3: Material Topics 2021	3-3 Management of material topics	Par. 4.1.1 A corporate culture based on integrity and transparency			
GRI 205: Anti-corruption 2016	205-2 Communication and training about anti-corruption policies and procedures	Par. 4.1.1 A corporate culture based on integrity and transparency			
	205-3 Confirmed incidents of corruption and actions taken	Par. 4.1.1 A corporate culture based on integrity and transparency			

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GRI 3: Material Topics 2021	3-3 Management of material topics	Par. 3.4 Using resources in a circular economy approach	
GRI 301: Materials 2016	301-1 Materials used by weight or volume	Par. 3.4 Using resources in a circular economy approach - The plan of action	
GRI 301: Materials 2016	301-2 Recycled input materials used	Par. 3.4 Using resources in a circular economy approach - The plan of action	
GRI 306: Waste	3-3 Management of material topics	Par. 3.4 Using resources in a circular economy approach - Responsible use of resources as a quality factor	
	306-2 Managing of significant waste-related impacts	Par. 3.4 Using resources in a circular economy approach - The plan of action	
	306-3 Waste generated	Par. 3.4 Using resources in a circular economy approach - The plan of action	
	306-4 Waste diverted from disposal	Par. 3.4 Using resources in a circular economy approach - The plan of action	
	306-5 Waste directed to disposal	Par. 3.4 Using resources in a circular economy approach - The plan of action	

Energy and climate change

GRI 3: Material Topics 2021	3-3 Management of material topics	Par. 3.1 Climate Change	
GRI 302: Energy 2016	302-1 Energy consumption within the organisation	Par. 3.1 Climate Change - Energy consumption of the SITIP Group	
GRI 305: Emissions 2016	305-1 Direct (Scope 1) GHG emissions	Par. 3.1 Climate Change - Energy consumption of the SITIP Group	
	305-2 Energy indirect (Scope 2) GHG emissions	Par. 3.1 Climate Change - Energy consumption of the SITIP Group	
	305-7 Other indirect (Scope 3) emissions	Par. 3.2 Pollution - Atmospheric Emissions	

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GRI 3: Material Topics 2021	3-3 Management of material topics	Par. 3.3. Water, a strategic resource	
GRI 303: Water and effluents	303-1 Interactions with water as a shared resource	Par. 3.3. Water, a strategic resource - Proactive policies to preserve water resources	
	303-2 Management of water discharge-related impacts	Par. 3.3. Water, a strategic resource	
	303-3 Water discharges	Par. 3.3. Water, a strategic resource - The plan of action	



Working conditions			
GRI 3: Material Topics 2021	3-3 Management of material topics	Par. 2.1 SITIP Group people	
GRI 401: Employment 2016	401-1 New employee hires and employee turnover	Par. 2.1.1 People, the heart of Sitip's social sustainability	
	401-2 Benefits provided to full-time employees that are not provided to temporary or part-time employees	Par. 2.1.1 People, the heart of Sitip's social sustainability - The well-being of employees, an indispensable priority	
Occupational health and safety			
GRI 3: Material Topics 2021	3-3 Management of material topics	Par. 2.1.1 People, the heart of Sitip's social sustainability - Health and Safety	
GRI 403: Occupational health and safety 2018	403-1 Occupational health and safety management system	Par. 2.1.1 People, the heart of Sitip's social sustainability - Health and Safety	
	403-2 Hazard identification, risk assessment and accident investigation	Par. 2.1.1 People, the heart of Sitip's social sustainability - Health and Safety	
	403-3 Occupational health services	Par. 2.1.1 People, the heart of Sitip's social sustainability - Health and Safety	
	403-4 Worker participation, consultation and communication on occupational health and safety	Par. 2.1.1 People, the heart of Sitip's social sustainability - Health and Safety	
	403-5 Worker training on occupational health and safety	Par. 2.1.1 People, the heart of Sitip's social sustainability - Knowledge is prevention: health and safety training	
	403-7 Prevention and mitigation of occupational health and safety impacts directly linked by business relationships	Par. 2.2.1 A strategy based on best standards - Supplier evaluation: reliable long-term partners	
	403-9 Work-related injuries	Par. 2.1.1 People, the heart of Sitip's social sustainability - Health and Safety	
Training and skills development			
GRI 3: Material Topics 2021	3-3 Management of material topics	Par. 2.1.1 People, the heart of Sitip's social sustainability - Training: personal as well as professional growth	
GRI 404: Training and Education 2016	404-1 Average hours of training provided by employee category and gender	Par. 2.1.1 People, the heart of Sitip's social sustainability - Training: personal as well as professional growth	
	404-2 Programmes for upgrading employee skills and transition assistance programs	Par. 2.1.1 People, the heart of Sitip's social sustainability - Training: personal as well as professional growth	
	404-3 Percentage of employees receiving regular performance and career development reviews	Par. 2.1.1 People, the heart of Sitip's social sustainability - Training: personal as well as professional growth	

Equal treatment and opportunities for all			
GRI 3: Material Topics 2021	3-3 Management of material topics	Par. 2.1.1 People, the heart of Sitip's social sustainability - Diversity and inclusion: respect for all is an asset	
GRI 405: Diversity and Equal Opportunity 2016	405-1 Diversity of governance bodies and employees	Par. 2.1.1 People, the heart of Sitip's social sustainability - Diversity and inclusion: respect for all is an asset	
GRI 406: Non-discrimination 2016	406-1 Incidents of discrimination and corrective actions taken	No incidents of discrimination against employees occurred in 2023	
Consumer and end-user protection			
GRI 3: Material Topics 2021	3-3 Management of material topics	Par. 2.3 Customer and end-user focus	
GRI 416: Customer health and safety 2016	416-1 Assessment of the customer health and safety impacts of products	Par. 2.3.2 Quality and innovation: Sitip's raison d'être - Transparency, traceability and end-user health and safety	
	416-2 Incidents of non-compliance concerning the customer health and safety impacts of products	In 2023, there were no cases of incidents related to the health and safety of the end user. Please note that the SITIP Group is a B2B company; therefore, it has no direct contact with the end user. However, no complaints were received from SITIP's customers regarding end-user health and safety issues.	

Other indicators

TOPIC	INDICATOR	LOCATION
Quality and customer satisfaction	3-3 Management of material topics	Par. 1.3.2 Quality, innovation and sustainability cornerstones of the strategy Par. 2.3.2 Quality and innovation: Sitip's raison d'être
	Customer satisfaction	Par. 2.3.2 Quality and innovation: Sitip's raison d'être - Customer Satisfaction: the measure of commitment





ESRS

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ESRS reference table

An ESRS reference table has been included because, although the Sustainability Report is 'inspired' by the requirements of the new ESRS Standards, the SITIP Group has decided to carry out an initial reporting exercise according to the new European Standards; this decision is voluntary, as specified in the section 'Sustainability reporting criteria'.

ESRS 2 - GENERAL DISCLOSURES	Reference in the text	Notes
BP- 1 – General basis for preparation of the sustainability statements	Par. 1.7 Sustainability reporting criteria	
BP-2 Disclosures in relation to specific circumstances	Par. 1.7 Sustainability reporting criteria	
GOV-1 – The role of the administrative, management and supervisory bodies	Par. 1.4 Sound and transparent corporate governance - The Board of Directors: objectives and strategies - The Board of Statutory Auditors	
GOV-2 Information provided to and sustainability matters addressed by the undertaking’s administrative, management and supervisory bodies	Par. 1.4.1 Governance of Sustainability	
GOV-3 Integration of sustainability-related performance in incentive schemes	Par. 1.4.1 Governance of Sustainability	
GOV-4 Statement on sustainability due diligence		This information is not currently included in the Report. When the obligation introduced by the CSRD comes into force, the company will report this requirement of the Standards.
GOV-5 - Risk management and internal controls over sustainability reporting	Par. 1.4.1 Governance of Sustainability	
SBM-1 Strategy, business model and value chain	Par. 1.3 Sound and transparent corporate governance	
SBM-2 Interests and views of stakeholder	Par. 1.5 Valuable stakeholders: the Sitip Group's stakeholders	
SBM-3 - Material impacts, risks and opportunities and their interaction with strategy and business model	Par. 1.6.1 Material Impacts, risks and opportunities	
IRO-1 Description of the processes to identify and assess material impacts, risks and opportunities	Par. 1.6 Materiality Analysis	
IRO-2 Disclosure requirements in ESRS covered by the undertaking’s sustainability statement	Par. 1.6 Materiality Analysis Par. 1.7 Materiality Analysis	In this document, the table of other disclosures required by other EU legislative acts listed in Appendix B has not been published. This content will be included as from the year covered by the sustainability transparency obligation (fiscal year 2025)

ENVIRONMENTAL DISCLOSURES		
ESRS E1 - Climate Change	Text reference	Notes
E1-1 Transition plan for climate change migration	Par. 3.1 Climate Change - Climate change mitigation strategy and policy	
ESRS 2 SBM-3 - Material impacts, risks and opportunities and their interaction with strategy and business model	Par. 3.1 Climate Change	
ESRS 2 IRO-1 - Description of the processes to identify and assess material climate-related impacts, risks and opportunities	Par. 3 Environmental disclosures	
E1-2 - Policies implemented to manage climate change mitigation and adaptation	Par. 3.1 Climate Change - Climate change mitigation strategy and policy	
E1-3 - Climate change policy action plans and resources	Par. 3.1 Climate Change - Climate change mitigation strategy and policy	
E1-4 - Measurable targets for climate change mitigation and adaptation	Par. 3.1 Climate Change - Climate change mitigation strategy and policy	
E1-5 - Energy consumption and mix	Par. 3.1 Climate change - Sitip Group energy consumption	
E1-6 - Gross Scopes 1, 2, 3 and total GHG emissions	Par. 3.1 Climate change - Sitip Group energy consumption	
E1-7 - GHG removals and GHG mitigation projects financed through carbon credits	Par. 3.1 Climate change - Sitip Group energy consumption	
E1-8 - Internal carbon pricing	Par. 3.1 Climate change - Sitip Group energy consumption	
E1-9 - Anticipated financial effects from material physical and transition risks and potential climate-related opportunities		As far as material impacts, risks and opportunities are concerned, current and anticipated financial effects have not been described. This information was collected to carry out the gap analysis and to report it from the obligation introduced by the CSRD (fiscal year 2025)
ESRS E2 - Pollution	Text reference	Notes
ESRS 2 IRO-1 - Description of the processes to identify and assess material climate-related impacts, risks and opportunities	Par. 3 Environmental disclosures	
E2-1 - Policies related to pollution	Par. 3.2 Pollution- Policies related to pollution	
E2-2 - Actions and resources related to pollution	Par. 3.2 Pollution- Policies related to pollution	
E2-3 - Targets related to pollution	Par. 3.2 Pollution- Policies related to pollution	



E5-4 - Pollution of air, water and soil	Par. 3.2 Pollution- Policies related to pollution	
E2-5 - Substances of concern and substances of very high concern	Par. 3 Environmental disclosures	
E2-6 - Anticipated financial effects of pollution-related impacts, risks and opportunities		As far as material impacts, risks and opportunities are concerned, current and anticipated financial effects have not been described. This information was collected to carry out the gap analysis and to report it from the obligation introduced by the CSRD (fiscal year 2025)
ESRS E3 - Water and marine resources	Text reference	Notes
ESRS 2 IRO-1 - Description of the processes to identify and assess impacts, risks and opportunities related to marine waters and resources	Par. 3 Environmental disclosures	
E3-1 - Policies related to water and marine resources	Par. 3.3 Water, a strategic resource - Proactive policies to preserve water resources	
E3-2 - Actions and resources related to water and marine resources	Par. 3.3 Water, a strategic resource - The plan of action	
E3-3 - Targets related to water and marine resources	Par. 3.3 Water, a strategic resource - The plan of action	
E3-4 - Water consumption	Par. 3.3 Water, a strategic resource - The plan of action	
E3-5 - Anticipated financial effects of material water and marine resources-related risks and opportunities		As far as material impacts, risks and opportunities are concerned, current and anticipated financial effects have not been described. This information was collected to carry out the gap analysis and to report it from the obligation introduced by the CSRD (fiscal year 2025)
ESRS E5 - Resource use and circular economy	Text reference	Notes
ESRS 2 IRO-1 - Description of the processes to identify and assess material resource use and circular economy-related impacts, risks and opportunities	Par. 3 Environmental disclosures	
E5-1 - Policies related to resource use and the circular economy	Par. 3.4 Using resources in a circular economy approach - Responsible use of resources as a quality factor	
E5-2 - Actions and resources related to resource use and circular economy	Par. 3.4 Using resources in a circular economy approach - The plan of action	
E5-3 - Targets related to resource use and circular economy	Par. 3.4 Using resources in a circular economy approach - The plan of action	

E5-4 - Resource inflows	Par. 3.4 Using resources in a circular economy approach - The plan of action	
E5-5 - Resource outflows	Par. 3.4 Using resources in a circular economy approach - The plan of action	
E5-6 - Anticipated financial effects of material resource use and circular economy-related risks and opportunities		As far as material impacts, risks and opportunities are concerned, current and anticipated financial effects have not been described. This information was collected to carry out the gap analysis and to report it from the obligation introduced by the CSRD (fiscal year 2025)

SOCIAL DISCLOSURES		
ESRS S1- Own workforce	Text reference	Notes
ESRS 2 SBM-2 - Interests and views of stakeholders	Par. 1.5 Valuable stakeholders: the Sitip Group's stakeholders	
ESRS 2 SBM-3 - Material impacts, risks and opportunities and their interaction with strategy and business model	Par. 1.6.1 Material Impacts, risks and opportunities	
S1-1 - Policies related to own workforce	Par. 2.2.1 People, the heart of Sitip's social sustainability	
S1-2 - Processes for engaging with own workforce and workers' representatives about impacts	Par. 1.5 Valuable stakeholders: the Sitip Group's stakeholders Par. 4.1.1 A corporate culture based on integrity and transparency	
S1-3 - Processes to remediate negative impacts and channels for its own workforce to raise concerns	Par. 2.2.1 People, the heart of Sitip's social sustainability	
S1-4 - Taking action on material impacts on own workforce, and approaches to managing material risks and pursuing material opportunities related to own workforce, and effectiveness of those actions	Par. 2.2.1 People, the heart of Sitip's social sustainability - The well-being of employees, an indispensable priority; Health and safety; Training: personal as well as professional growth; Diversity and inclusion: respect for all is an asset	
S1-5 - Targets related to managing material negative impacts, advancing positive impacts, and managing material risks and opportunities		In this document, we have voluntarily chosen not to report objectives linked to targets and KPIs for improvement, as the SITIP Group has embarked on a path to define the Strategic Sustainability Plan. Once the Plan has been formalised, the Group's targets for Standard S1 will be announced
S1-6 - Characteristics of the undertaking's employees	Par. 2.2.1 People, the heart of Sitip's social sustainability	
S1-7 - Characteristics of non-employees in the undertaking's own workforce	Par. 2.2.1 People, the heart of Sitip's social sustainability	



S1-8 - Collective bargaining coverage and social dialogue	Par. 2.2.1 People, the heart of Sitip's social sustainability - the well-being of employees, an indispensable priority	
S1-9 - Diversity metrics	Par. 2.2.1 People, the heart of Sitip's social sustainability - Diversity and inclusion: respect for all is an asset	
S1-10 - Adequate wages	Par. 2.2.1 People, the heart of Sitip's social sustainability - the well-being of employees, an indispensable priority	
S1-11 Social protection	Par. 2.2.1 People, the heart of Sitip's social sustainability - the well-being of employees, an indispensable priority	
S1-13 - Training and skills development metrics	Par. 2.2.1 People, the heart of Sitip's social sustainability - Training: personal as well as professional growth	
S1-14 - Health and safety metrics	Par. 2.2.1 People, the heart of Sitip's social sustainability - Health and Safety	
S1-15 - Work-life balance metrics	Par. 2.2.1 People, the heart of Sitip's social sustainability - the well-being of employees, an indispensable priority	
S1-17 - Incidents, complaints and severe human rights impacts	Par. 2.2.1 People, the heart of Sitip's social sustainability	

ESRS S2 - Workers in the value chain	Text reference	Notes
ESRS 2 SBM-2 - Interests and views of stakeholders	Par. 1.5 Valuable stakeholders: the Sitip Group's stakeholders	
ESRS 2 SBM-3 - Material impacts, risks and opportunities and their interaction with strategy and business model	Par. 2.2 Workers in the value chain	
S2-1 - Policies related to value chain workers	Par. 2.2.1 A strategy based on best standards	
S2-2 - Processes for engaging with value chain workers about impacts	Par. 2.2.1 A strategy based on best standards	
S2-3 - Processes to remediate negative impacts and channels for value chain workers to raise concerns	Par. 2.2.1 A strategy based on best standards - Supplier evaluation: reliable long-term partners - Side by side: suppliers operating within the company perimeter	
S2-4 - Taking action on material impacts on value chain workers, and approaches to mitigating material risks and pursuing material opportunities related to value chain workers, and effectiveness of those actions	Par. 2.2.1 A strategy based on best standards - Supplier evaluation: reliable long-term partners - Side by side: suppliers operating within the company perimeter	

S2-5 - Targets related to managing material negative impacts, advancing positive impacts, and managing material risks and opportunities	Par. 2.2 Workers in the value chain	
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ESRS S4 - Consumers and end-users	Text reference	Notes
ESRS 2 SBM-2 - Interests and views of stakeholders	Par. 1.5 Valuable stakeholders: the Sitip Group's stakeholders	
ESRS 2 SBM-3 - Material impacts, risks and opportunities and their interaction with strategy and business model	Par. 2.3 Customer and end-user focus	
S4-1 - Policies related to consumers and end-users	Par. 2.3.2 Quality and innovation: Sitip's raison d'être	
S4-2 - Processes for engaging with consumers and end-users about impacts	Par. 2.3.2 Quality and innovation: Sitip's raison d'être - Customer Satisfaction: the measure of commitment	
S4-3 - Processes to remediate negative impacts and channels for consumers and end-users to raise concerns	Par. 2.3.2 Quality and innovation: Sitip's raison d'être - Returns and complaints, a further sign of attention	
S4-4 - Taking action on material impacts on consumers and end-users, and approaches to mitigating material risks and pursuing material opportunities related to consumers and end-users, and effectiveness of those actions	Par. 2.3.2 Quality and innovation: Sitip's raison d'être	
S4-5 - Targets related to managing material negative impacts, advancing positive impacts, and managing material risks and opportunities	Par. 2.3 Customer and end-user focus	

GOVERNANCE DISCLOSURES

G1- Business conduct	Text reference	Notes
ESRS 2 GOV-1 - Role of administrative, management and supervisory bodies	Par. 1.4 Sound and transparent corporate governance - The Board of Directors: objectives and strategies - The Board of Statutory Auditors	
ESRS 2 IRO-1 - Description of the processes to identify and assess material impacts, risks and opportunities	Par. 1.6 Materiality Analysis	
G1-1 - Corporate culture and business conduct policies	Par. 4.1.1 A corporate culture based on integrity and transparency	
G1-2 - Management of relationships with suppliers	Par. 4.1.2 Supplier relationship management	
G1-3 - Prevention and detection of corruption and bribery	Par. 4.1.1 A corporate culture based on integrity and transparency	
G1-4 - Confirmed incidents of corruption or bribery	Par. 4.1.1 A corporate culture based on integrity and transparency	
G1-6 - Payment practices	Par. 4.1.2 Supplier relationship management	







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