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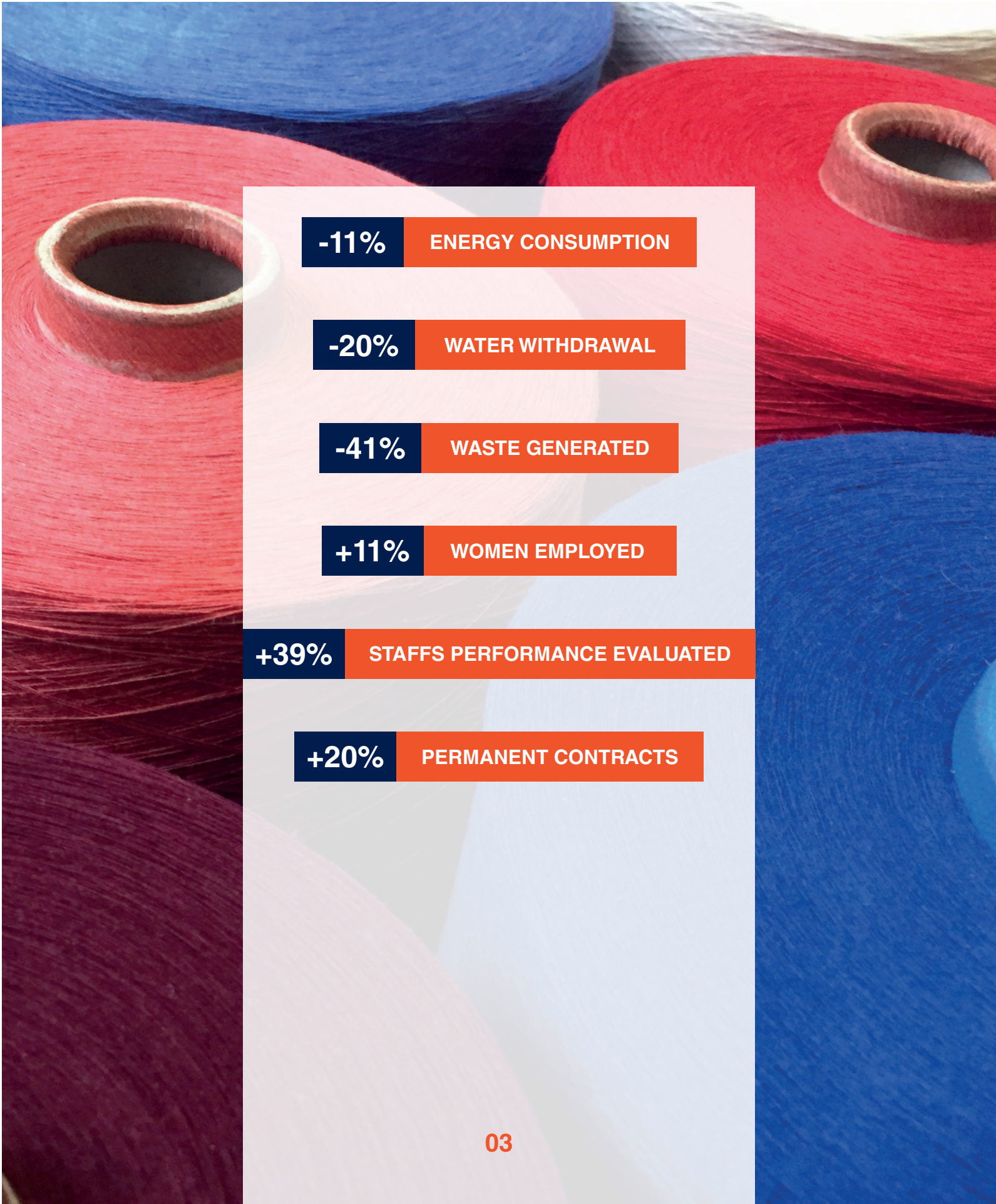
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Since 2022, the Marchi & Fildi Group (hereinafter also “Group”) has been consolidating its sustainability performance starting with sustainability reporting activities. The Sustainability Report, with this document representing its second edition, serves as the starting point for a self-analysis aimed at promoting the continuous improvement of company performance. The Report aims to describe the company profile, management model, initiatives implemented, and key results achieved during the year within the ESG - Environmental, Social and Governance - framework. The reporting perimeter includes the performance of the companies Marchi & Fildi S.p.A. and Filidea S.r.l. (Italian perimeter), and, starting from 2023, the reporting scope was broadened to encompass additional Group entities, including Filidea Tekstil Sanayi ve Ticaret A. (Turkey), Superfios LTDA (Brazil), and Prispin D O O (Serbia).

The Report is also available on the Group website: [www.marchifildi.com](http://www.marchifildi.com)

The data and information reported in this Document refer to the period that goes from January 1st to December 31st, 2023. In order to frame the data in an evolutionary context, a comparison was made with the data for 2022 for the Italian perimeter. The Group's consolidated financial statement, used to calculate the directly generated and distributed value (as per GRI 201-1), includes companies that are outside the present reporting perimeter. In particular, the companies outside the perimeter are Giovanni Marchi S.r.l., Madifin and Hoftex Coretech GMBH. The Report was prepared by reporting a selection of the “GRI Sustainability Reporting Standards” (GRI-referenced claims), which has been extended for the Italian perimeter, published by the Global Reporting Initiative (GRI), as shown in the “GRI Standards Selection” table at the end of the Report. Indicators considered are based on the relevant topics for the Group and its stakeholders, which also constitute the elements on which ESG actions and strategies are focused. In 2023, the materiality analysis process was enhanced, leading to a more comprehensive and refined approach. The aim of the process was to assess the external impacts of the Group on the environment, on people, and the economy, in relation to the key material topics already identified. This additional step aims to deepen the understanding of the Group's performance and commitment to ESG principles.. This report is the next step in the Group's journey toward alignment with CSRD, through deepening the Group's understanding of the Group, the entities involved, the ESG areas, and the business activities normally carried out. During the 2023 reporting period, there were no revisions to information from previous years. This Report is not subject to external assurance. The publication of the document is set at an annual frequency. For any information regarding this Report, please contact the following e-mail address: [info@marchifildi.com](mailto:info@marchifildi.com)







# 1 THE MARCHI & FILDİ GROUP

## 1.1 OUR HISTORY

The Marchi & Fildi Group was founded in 2007 by the merger of Fildi and Filatura Marchi, companies that have been active since the 1960's in the Biella textile district. The Group produces yarns for fashion, furnishing and technical uses, and has always relied on innovation and sustainability to compete in a sector characterized by strong international competition.

The strength of the Marchi & Fildi Group stems from strategic acquisitions of various industrial entities, both nationally and internationally. This choice has enabled the Group to expand and strengthen its know-how along the entire production chain, through a combination of skills and resources, creating synergies and improving the ability to respond effectively to market needs.

The strength of the Marchi & Fildi Group is the result of strategic acquisitions of industrial entities, both nationally and internationally.



The Group's production model, characterized by a short supply chain, offers numerous advantages, enabling the establishment of strong relationships with all collaborators and close monitoring of work progress and compliance with company policies. The geographical proximity of the various players in the supply chain promotes collaboration, knowledge sharing, and the alignment of operational practices among the different companies within the value chain. Additionally, it facilitates the swift resolution of potential issues and the fostering of a cohesive and shared working environment.

The Company's core business is the production of yarns based on natural and artificial fibers, pure or in blends, for the apparel and upholstery sectors, marketed under the brands Marchi & Fildi, ECOTEC® and Filidea, and for technical applications, such as protective clothing and automotive, under the brand Filidea Technical Yarns.





Sustainability and the circular economy have always been fundamental elements in the proposal and values of the **Marchi & Fildi Group**, which have resulted in a constant effort of product and process innovation and have been realized through a series of investments and organizational actions aimed at reducing the environmental impact of the Group's productions.

This commitment has driven the development of the **ECOTEC®** product line, featuring a range of pure and blended yarns crafted from pre-consumer and post-consumer textile waste, all produced through an innovative, internally developed process.

This process is traceable and certified, ensuring energy and resource savings, as well as waste recycling.

Through the **ECOTEC®** brand, **Marchi & Fildi** expresses its commitment to promoting the circular economy in the textile sector.

The facilities are outfitted with modern, eco-friendly machinery for spinning and dyeing, reflecting high efficiency and minimal environmental impact.

These investments highlight the Group's commitment to improve the performance of its processes, with the aim of creating products of the highest quality, while maintaining a strong focus on environmental impact.

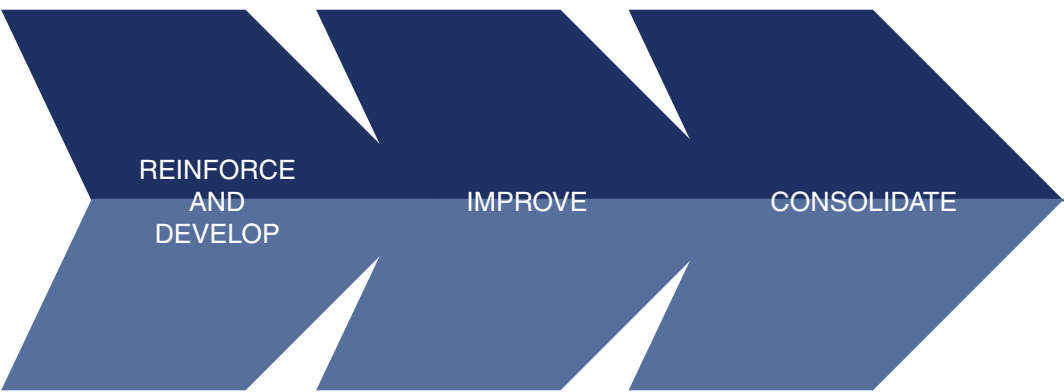
In addition, The Group is outstanding for its ability to collaborate with partners and customers to develop customized projects with a cooperative approach that allows the creation of innovative solutions, generating added value for customers and promoting long-term relationships with significant results in terms of skills and know-how.

Acknowledging the importance of technology transfer, the Group has also established long-term partnerships with universities and research centers to foster the exchange of knowledge and to share breakthroughs in textile innovation. This integrated approach, combining research, development, and collaboration, allows the Group to remain at the forefront, offering quality products and promoting a culture of sustainability, with the aim of meeting the needs of the market and its customers and consolidating its position.





1.2 GOVERNANCE AND MISSION



The Marchi & Fildi Group has rooted the concepts of fairness and transparency in the conduct of business activities in its culture, to protect company's image and reputation and to meet the expectations of its stakeholders. The production processes of Marchi & Fildi and Filidea have their roots in Italy, in Biella's headquarters, where the spinning plant, offices and administrative area are located. The logistics center is located in Verrone (BI), and the R&D center and the dyeing plant are located in Cerrione (BI). The Group encompasses additional companies, such as Prispin D.O.O., situated in Prijepolje (Serbia), a 70 percent subsidiary of Madifin, which in turn is an 80 percent subsidiary of Giovanni Marchi S.r.l. At the heart of the company's operations lies fiber preparation and yarn production, with a spinning plant in Biella. Furthermore, there's Filidea Tekstil Sanayi ve Ticaret A.Ş, based in Denizli (Turkey), a joint venture between Marchi & Fildi and the Abalioglu Group, and Superfios Textil LTDA, located in Paulista (Brazil), a wholly owned subsidiary of the Marchi & Fildi Group specialized in cotton yarn production and sales to third parties.

The Board of Directors, appointed by the Shareholders' Assembly for three years, plays a crucial role in the organization. The Board appoints the President and the Chief Executive Officer, while the Shareholders' Assembly also appoints a Board of Statutory Auditors consisting of three regular auditors and two substitutes.

Marchi & Fildi ensures role clarity by separating the positions of President and Chief Executive Officer. Conversely, Filidea combines these roles to enable flexible decision-making. A strict code of ethics helps mitigate conflicts of interest.

Although there is no dedicated oversight committee, the Chief Executive Officer annually approves information regarding impacts and material topics contained in the sustainability report. The company actively endeavors to prevent and mitigate conflicts of interest through the code of ethics, accessible to all Stakeholders on the corporate website.

Currently, no specific actions have been taken to enhance the governing body's expertise in sustainable development, but the company is evaluating this possibility. Performance evaluations of the BoD have not yet been conducted.

Marchi & Fildi is committed to pursuing and promoting core values, including customer satisfaction, respect for the environment, and protection of employee health and safety. The Group prioritizes customer information and support, alongside a continuous focus on enhancing management system effectiveness and adopting sustainable innovations. The Group is also active in taking all the necessary measures to promote respect for the environment and protection of people, ensuring compliance to pollution prevention laws.

In addition, Marchi & Fildi invests in employees training and collaborates with the competent authorities to achieve these goals which are systematically monitored by the general management, as well as the management system and integrated quality, safety, environment, and social policy, according to the objectives of strengthening and developing the current market position. The attention to the elements above, allows the organization's functionality to be flexible for a prompt response to the needs of customers and stakeholders.

The Board of Directors and the Board of Statutory Auditors of Marchi & Fildi and Filidea have the following composition:

Board of Directors of Marchi & Fildi	
Name	Role
Massimo Marchi	President
Giovanni Marchi	Managing Director
Mariarosa Dissegna	Board member
Vittoria Marchi	Board member
Paolo Petruccioli	Independent board member

Board of Directors of Filidea	
Name	Role
Massimo Marchi	President
Luca Cinguino	Board member
Abalogliu Ismet	Board member
Mariarosa Dissegna	Board member
Abalogliu Oguz	Board member
Abalogliu Ahmet	Board member
Abalogliu Cafer Sadik	Board member
Giovanni Marchi	Board member

Board of Statutory Auditors of Marchi & Fildi	
Name	Role
Alberto Blotto	Auditor
Gabriele Mello Rella	Auditor
Alberto Grosso	Auditor

Board of Statutory Auditors of Filidea	
Name	Role
Gabriele Mello Rella	Auditor
Alberto Blotto	Auditor
Alberto Grosso	Auditor

The Group's values form the foundation of its corporate ethics and relationships with customers, collaborators, and all other stakeholders.

These values are shared and upheld throughout the entire supply chain.



1.3 THE SUSTAINABILITY JOURNEY

In 2022, the Group started a Sustainability Journey, recognizing the importance of more effectively integrating sustainability issues into its business. The objectives of this journey are identification of relevant sustainability themes, development of appropriate strategies, initiation of operational actions, monitoring, and sharing sustainability performance trends, and systematically drive the enhancement of its standards by setting new targets.

One of the distinctive and defining elements of the Group's business is the circular economy. Marchi & Fildi recovers and reintroduces its own textile waste into production while also extending its efforts to acquire and recycle pre-consumer waste from other companies and post-consumer waste from certified supply chains.

The Group's aim is to develop innovative, environmentally certified products using strategic textile waste, thus fostering a cycle of material reuse and reduction.

In pursuing this strategy and business objective Marchi & Fildi recognizes the necessity of collaborative efforts to foster a genuinely circular textile industry.

In this context the Group has contributed as a founding partner in two important system projects recently set up: ReHubs and RETEX.Green. ReHubs is the most important system initiative activated in EU27 to support the transition of the European textile industry to circularity.

Launched in 2021 by Euratex, ReHubs aims to recover 2.5 million tons of textile waste in EU27 by 2030, including the construction of 150-250 sorting and recycling facilities. RETEX.Green is a consortium founded by SMI-Confindustria Moda for the management of textile waste in compliance with the obligations of Extended Producer Responsibility (EPR) for Manufacturer, that will become law in Italy as of 2024.

The Group's sustainability journey includes, not only the self-production of renewable energy from photovoltaic sources, which was realized in the Biella and Cerrione plants, but also the research for new energy efficiency targets for the definition of which the company has commissioned an energy audit of its plants to an E.S.Co. in order to identify actions to improve efficiency and reduce CO2 emissions.

The journey initiated in 2022 has now progressed further. The context analysis and benchmarking against industry best practices have been updated to meet current and future regulatory requirements.

Areas investigated in this analysis, as better discussed in the following paragraphs, were the categories of stakeholders, the relevant sustainability issues, the circular economy, and the areas of interest for the definition of short, medium, and long-term objectives.

OUR MAIN POINTS OF SUSTAINABILITY



1.4 OUR STAKEHOLDERS

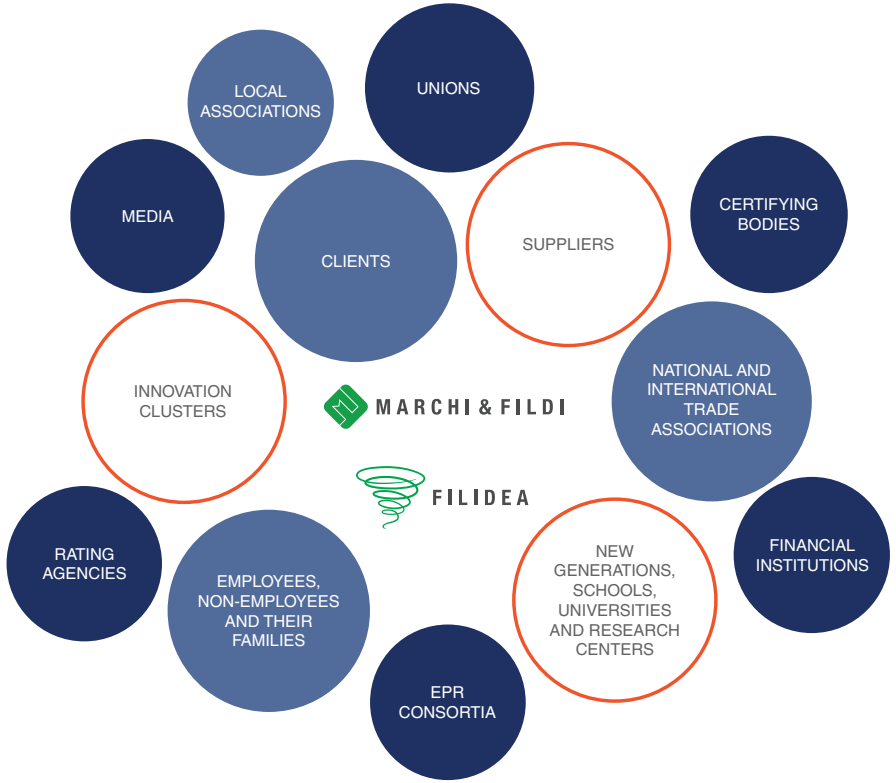
The Group is committed to maintaining transparent dialogue with its stakeholders, both inside and outside the organization. Understanding the expectations and needs of those who interact with the Group helps plan and execute activities that improve business management.

Thirteen categories of stakeholders have been identified to define the Group's positioning with respect to market players.

The following map represents the identified stakeholders, subjects that have influence for the Group's companies or on which the Group's activities have influence.

This definition, together with the identification of the expectations and interests of each stakeholders' category, represents an indispensable moment for the definition of the contents of the Sustainability Report, in order to illustrate the main initiatives carried out in the ESG context during the year, as well as to devise strategies and actions for the future.

In addition, a benchmark analysis was carried out on a sample of companies operating in textile production and processing sector, aimed at investigating the modalities of involvement, as well as expectations and opportunities, in relation to a complete and transparent communication of the sustainability path undertaken.



**Stakeholders** are entities or individuals who can reasonably be impacted by the organization's activities and who, in turn, may influence the company's performance. For this reason, Marchi & Fildi places the **active involvement** of its stakeholders at the center of its **sustainability journey**.



1.5 MATERIALITY ANALYSIS

With the production of this Report, the Marchi & Fildì Group takes another step of its journey towards a more structured awareness and communication of its business activities and performances in environmental, social and governance areas.

A preliminary context and benchmark analysis was conducted to strengthen the KPIs used by the Group to measure ESG performances. The goal is to align sustainability reporting and key stakeholders with international best practices.

The topics reported in this document, together with the identification of stakeholders, allow for the definition of sustainability objectives and structuring a real strategic plan aimed at evolving the Group's performance.

The table below shows the list of the material topics identified to produce this first Sustainability Report, which will be constantly updated to reflect the evolution of the company's reference context and business strategies adopted:

ENVIRONMENTAL	SOCIAL	GOVERNANCE
Energy consumption, emissions, and fight against climate change	Health and safety at work	Ethics, Integrity, Compliance, and transparency
Responsible management of water resources and waste	Diversity, fairness, and inclusion	Privacy and data protection
Circular economy	Staff development and talent attraction	Responsible supply chain management
Promotion of biodiversity protection	Community involvement and value creation	Research, development, and sustainable innovation

Material topics are the most relevant aspects of ESG as they represent the most significant impacts of the company's activity in relation to the environment, people, and governance. Recognizing material themes allows for the conscious management of risks and opportunities arising from the business.

During 2023, the materiality analysis begun in the previous year has been further expanded, focusing on identifying and selecting impacts related to the Group's material issues.

This in-depth analysis involved the selection of impacts generated by the Group during normal business activities on the external environment. Impacts, related to all ESG issues, can be positive or negative in terms of their consequences and potential or actual in terms of the likelihood of their occurrence. All impacts are reported in the table below, complete with their description and their correlation with material topics.

MATERIAL TOPIC	NATURE OF THE IMPACT	ACTUAL/ POTENTIAL	ACTUAL/ POTENTIAL
ENVIRONMENT			
Energy consumption, emissions, and combating climate change	Negative	Actual	<b>Energy consumption</b> -Energy consumption from renewable and nonrenewable sources, resulting in negative impacts on the environment and reduction of the energy stock.
	Negative	Actual	<b>Generation of direct and indirect GHG emissions (Scope 1 and 2)</b> - Contribution to climate change through GHG emissions, direct and indirect, arising from energy consumption, related to the activities carried out in the Group's offices and sites.
Responsible water resource and waste management	Negative	Potential	<b>Generation of waste and possible improper disposal</b> - Environmental impacts related to the generation of hazardous and nonhazardous wastes and their inadequate disposal.
	Negative	Potential	<b>Water consumption and possible water contamination due to discharge process</b> - Use of water in its production processes affecting the availability of the water resource and possible release of pollutants into the water resulting from suboptimal management of water discharges.
Promotion of biodiversity protection	Negative	Potential	<b>Contribution to biodiversity loss</b> - Implementation of activities that may cause damage to biodiversity (terrestrial and marine ecosystems), such as water pollution and alteration of pre-existing environmental conditions.
Circular economy	Positive	Actual	<b>Use of used products and reuse of processing waste</b> - Circular practices through the recovery and reintroduction of fibers from used and discarded fabrics within the production process.



PEOPLE			
Occupational health & Safety	Negative	Actual	<b>Occupational accidents and illnesses in the workplace</b> - Injuries, accidents in the workplace, or the occurrence of diseases due to unhealthy or risky production processes, with negative consequences for the health of direct workers or contractors.
	Positive	Potential	<b>Employee satisfaction and well-being</b> - Promoting employee well-being through the implementation of dedicated well-being activities and benefits within a healthy and stimulating work environment.
Diversity, equity and inclusion	Positive	Potential	<b>Creating an inclusive work environment</b> - Respecting diversity and promoting an inclusive business climate through company activities and initiatives that counter discrimination.
	Positive	Actual	<b>Development and enhancement of workers' skills through training activities</b> - Improving workers' skills through training and professional development activities, general and technical programs, including those linked to personalized growth and assessment goals (e.g., career development plans).
Staff development and talent attraction	Positive	Actual	<b>Remuneration policies for employees</b> - Remuneration policies that enhance workers' skills.
	Positive	Actual	<b>Job creation</b> - Recruitment of workers from the local communities where the company operates, with positive impacts on local economies.
Community engagement and value creation	Positive	Actual	<b>Positive economic impacts generated on local communities and economic support for local associations</b> - Supporting local development through contributions and donations to associations in the area where the Organization has a physical presence and contributing to the development of professional and social opportunities in the area.
	Positive	Actual	<b>Generation and distribution of economic value</b> - Direct and indirect positive economic impacts generated by the organization through its business activities for workers, local communities and other stakeholders.

GOVERNANCE			
Ethics, integrity, compliance and transparency	Positive	Potential	<b>Frequent engagement of one's stakeholders and transparent communication</b> - Commitment to engage and transparently communicate to its stakeholders the actions taken in the area of sustainability with the aim of creating a shared culture along the entire value chain.
	Negative	Potential	<b>Non-compliance with laws, fiscal and non-fiscal regulations, and standards</b> - Non-compliance with applicable laws, regulations, internal and external standards, with indirect economic impacts on stakeholders and the economy of the country in which the organization operates due to non-payment of due taxes and fees.
Privacy and data protection	Negative	Actual	<b>Non-technologically advanced infrastructure and systems for protecting sensitive data</b> - Risk of loss of sensitive data of employees, customers and other stakeholders due to technologically undeveloped or insufficiently complex infrastructure and systems.
Responsible supply chain management	Positive	Actual	<b>Creation of a local, certified and traceable supply chain</b> - Ways and procedures for establishing a panel of suppliers located in the vicinity of the places where the organization operates and produces, and for tracing the source, origin or production conditions of raw materials and finished products.
	Positive	Potential	<b>Contribution to the improvement of ESG performance of suppliers</b> - Contributing to the improvement of suppliers' ESG performance and social and environmental impact in the communities where they operate through ESG audits inherent in the supply chain.
Sustainable research, development and innovation	Positive	Potential	<b>Development of sustainable design and technological innovation of processes and products</b> - Promotion of sustainable product design, including through investment in research and development, with a view to reducing their environmental impact, with positive impacts on people and economic systems.
	Positive	Actual	<b>Support for enterprises and startups and development and innovation programs</b> - Positive contribution on the territory through the development of initiatives related to technological innovation, in collaboration with universities and research organizations, institutions or other business entities.





## 2 ENVIRONMENTAL RESPONSIBILITY

### Health, safety and environmental protection

The Group operates in an environmentally sustainable and responsible manner

-11%	GJ consumed (Italy)
-4,4%	t CO <sub>2</sub> scope (Italy)
-20%	Megalitres of water withdrawn (Italy)
-41%	Tons of waste (Italy)

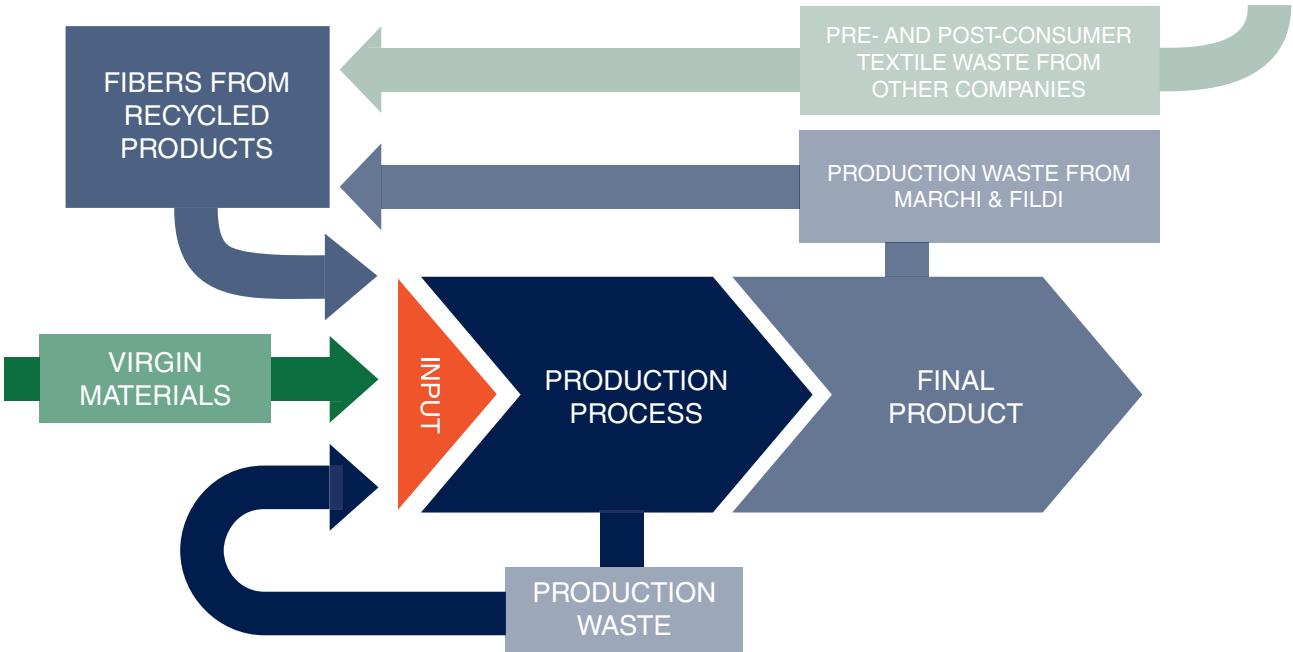
The Group strongly emphasizes environmental responsibility and the principles of the circular economy as key elements of its value proposition. These core values are evident in the strategic decisions made across industrial processes, organizational structures, and product development strategies. The next section will provide detailed descriptions and analyses of these choices.



2.1 CIRCULAR ECONOMY

At the industrial level, the Group's commitment to the circular economy has led to continuous process improvements, minimizing production waste and fully recycling these materials within production.

At the product level, this commitment has resulted in the development of **ECOTEC®** technology and its corresponding range of yarns. These yarns are characterized by the use of recycled fibers from pre- and post-consumer textile waste and the absence of over-dyeing in order to maximize the environmental footprint.



The analysis covered the quantification of environmental impacts related to the yarn dyeing process, the production and transportation of chemical products (including dyes and process aids), the evaluation of environmental benefits or drawbacks from alternative textile finishing technologies, and the identification of potential strategies for enhancing the environmental performance of the production system.

2.2 RESOURCES AND MATERIALS

The ongoing pursuit of solutions to minimize the environmental impact of yarn production has always been a priority guiding the Group's growth objectives and actions. Protecting the environment is a value that influences and guides all choices related to Group sustainable innovation processes and decisions. Filidea commissioned **ICEA** to conduct a study on the environmental performance of specific alternative textile finishing technologies. The study was conducted using the Life-Cycle Assessment (LCA) methodology, comparing the three dyeing technologies single-cycle, double-cycle, and traditional double-cycle.

**ECOTEC®** is a trademark owned by Marchi & Fildi that identifies the process developed by the company to produce new yarns by reintroducing mechanically recycled fibers from knitting and weaving mills' textile waste (pre-consumer) and used clothing (postconsumer), as well as fibers from other certified recycling sources such as polyester from plastic bottles.

Over the years, the **ECOTEC®** gamma has expanded in terms of fibers and compositions, the process has been refined and has gradually established itself on the market.

The process is GRS certified and fully traceable; the environmental footprint has been tested by ICEA's Life-Cycle Assessment (LCA) analysis.

Yarns produced with **ECOTEC®** technology are used in various sectors such as flat knitting, circular knitting, weaving, and furnishing, supported by the development of fully customized projects.

-46,9%

EMISSIONS

-46,9%

ENERGY

-61,6%

WATER



Values based on ICEA's LCA (Life-Cycle Assessment) study on the Polaris article from the Ecotec® collection (Ecotec® Virgin cotton blend) compared to a 100% virgin cotton yarn.





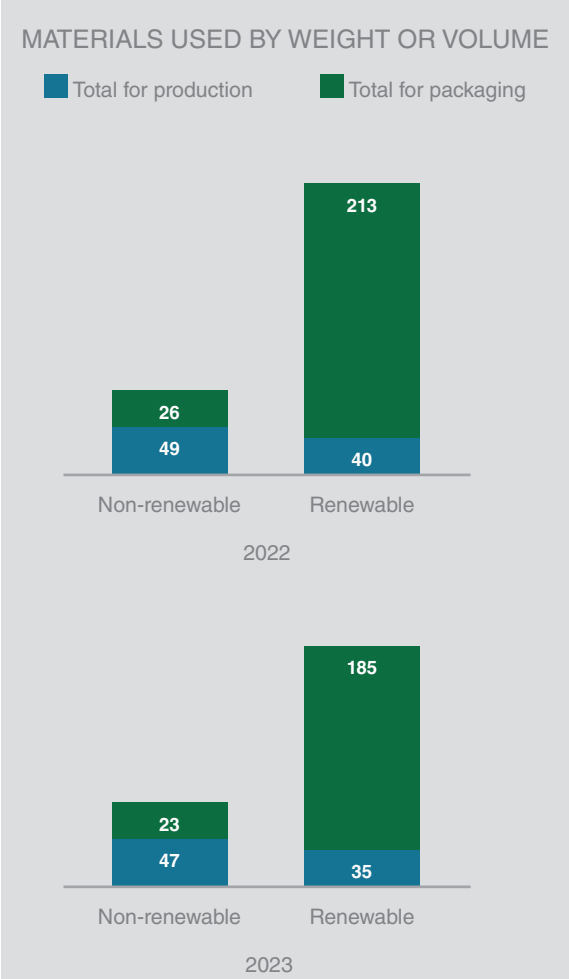
2.2.1 MATERIALS

The Group is committed to sustainable materials management as a core aspect of its operational strategy.

By prioritizing the use of eco-friendly and responsibly sourced materials, the Group aims to minimize the environmental footprint while maintaining high-quality production standards.

The approach includes rigorous selection processes, innovative recycling initiatives, and continuous collaboration with suppliers to ensure the sustainability of our raw materials.

This commitment not only reduces waste and conserves natural resources but also supports the broader goal of fostering a more sustainable and resilient supply chain.



In 2023, the consumption of materials at Marchi & Fildi saw a notable reduction of 11% compared to the previous year, decreasing from 329 tonnes to 291 tonnes.

The material inputs are categorized into those used for production and those used for packaging, both of which include renewable and non-renewable materials.

Specifically, the production processes utilized 82 tonnes of materials, primarily consisting of plastic cones, cardboard cones, antistatic, and paraffin. Out of this, 35 tonnes (43%) were renewable.

For packaging, the company used 209 tonnes of materials such as cardboard boxes, separators, duct tape, shelves, pallets, stretch film, labels, spools, pouches, and strapping, with 185 tonnes (89%) being renewable.

Overall, renewable materials accounted for 220 tonnes, representing 76% of the total material usage.

This reflects a stable trend compared to 2022, where 77% of the materials were renewable, with 45% in production and 89% in packaging. In 2023, the total input materials amounted to 161.4 tonnes, with 159.8 tonnes (99%) being recycled.

This reflects a continued commitment to sustainability, closely aligned with the previous year's figures, where the total was 198.0 tonnes, of which 194.8 tonnes (98%) were recycled.

Marchi & Fildi

In 2023, the majority of input materials used - 220 tonnes (76%) - were recycled, consistent with 2022, when 291 tonnes (76%) were recycled.

The categories of materials that were entirely recycled include cardboard cones, cardboard boxes, separators, shelves, and pallets.

In contrast, stretch film and spool pouches were only partially recycled.

Filidea

In 2023, Filidea's material consumption decreased by 15% compared to the previous year, reducing from 140 tonnes to 119 tonnes.

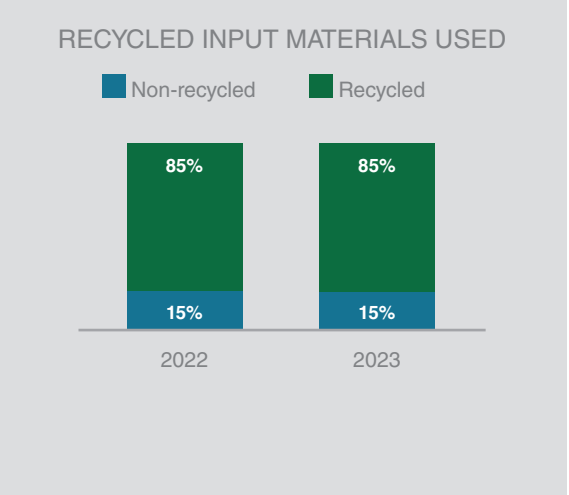
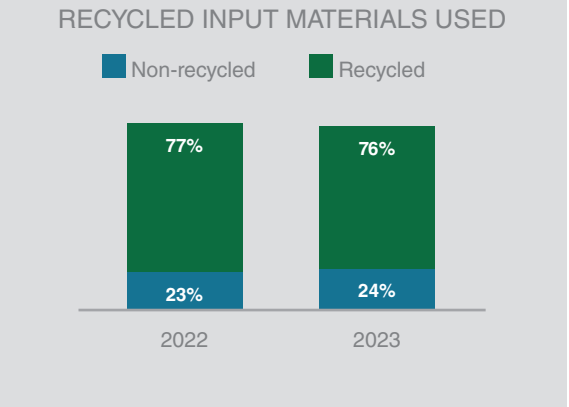
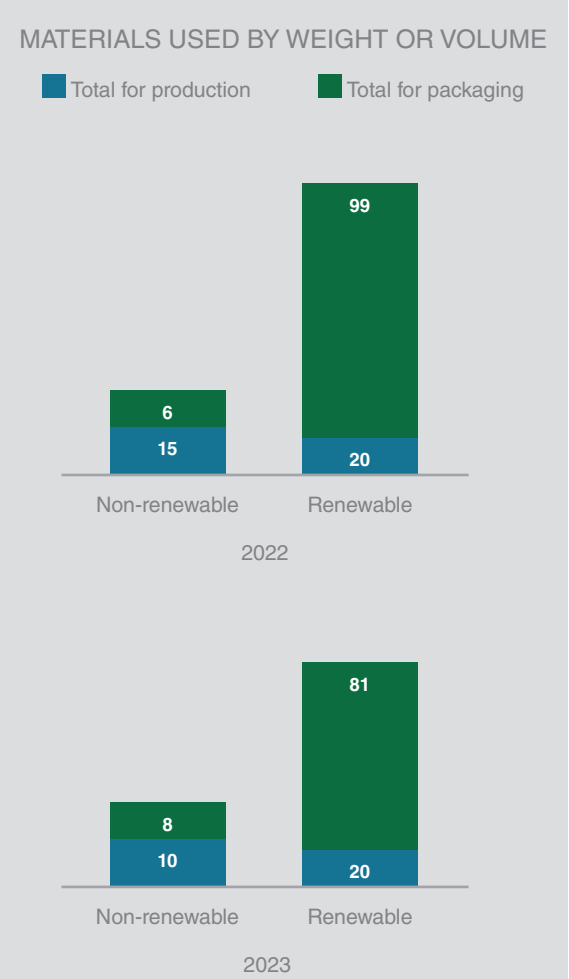
Material inputs are divided into production and packaging categories, both encompassing renewable and non-renewable resources.

The production processes consumed 30 tonnes of materials, primarily plastic and cardboard cones, with 20 tonnes (67%) being renewable.

For packaging, the company used 89 tonnes of materials, including cardboard boxes, separators, duct tape, shelves, pallets, stretch film, labels, spools, pouches, and strapping, with 81 tonnes (91%) being renewable.

Overall, renewable materials constituted 101 tonnes, accounting for 85% of total material usage.

This trend remains consistent with 2022, where 85% of materials were renewable, with a slight increase in the renewable percentage for production and a slight decrease for packaging.



In 2023, 101 tonnes of input materials (85%) were recycled, maintaining the same percentage as in 2022, when 119 tonnes (85%) were recycled.

The fully recycled material categories include cardboard cones, cardboard boxes, separators, shelves, duct tape and pallets.

Conversely, stretch film and spool pouches were only partially recycled.



2.2.2 RESPONSIBLE WASTE MANAGEMENT

Marchi & Fildi

Marchi & Fildi’s waste management includes specific waste and scrap sorting procedures, monitoring and proper disposal measures, and employee awareness and training initiatives.

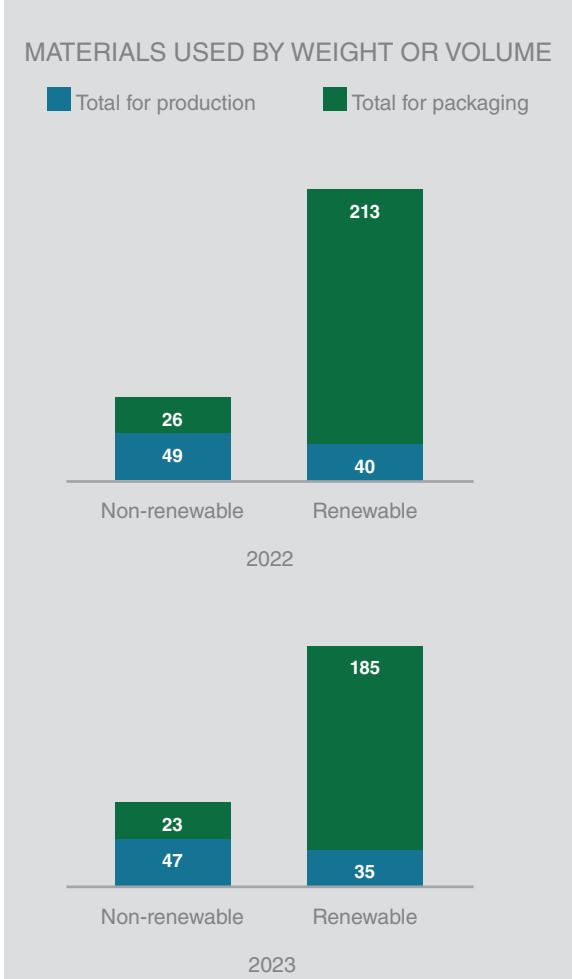
Since 2018, the Company has successfully implemented actions to reduce the production of waste, that is then either recovered and reused in production processes or resold as Millefiori yarn, thus implementing a total circular material reuse.

Total waste generated by Marchi & Fildi in 2023 decreased by 19.9 % compared to 2022, from 254.1 to 196.5 tons.

The total waste produced includes non-hazardous waste, which is mainly divided in packaging (plastic, paper and cardboard, wood, mixed materials), processing waste (mixed waste from textile fibers), and discarded electronic equipment, and hazardous waste that mainly includes waste paints and varnishes, organic waste containing hazardous substances and other solvents.

Non-hazardous waste decreased by 19.4% (from 242.3 to 195.4 tons), and hazardous waste decreased from 2.8 to 1.1 tons in 2023, an entirely contingent decrease caused by the absence of waste produced by the reorganization of business spaces that happened in 2022.

Excluding this extraordinary component, the downward trend in waste is confirmed, as result of the company’s commitment to reduce environmental impact.



Filidea

Filidea’s waste management includes specific procedures for the separate collection of production waste and scraps, managing its disposal in a precise and timely manner, in full compliance with the regulations in force in the countries in which it operates.

Should situations of non-conformity arise, the company will fill out specific forms, committing itself, through the involvement of experts in the field, to research and develop measures for improvement and adaptation of its practices.

The waste generated by Filidea can be grouped in packaging (plastic, paper and cardboard, wood, mixed materials), sludge, iron, and steel. The minimum amount of hazardous waste is made up of insulating materials containing or consisting of hazardous material and gear and lubrication motor oils.

In 2023, Filidea generated 59.2 tons of waste, nearly all of which was non-hazardous, down from 109.8 tons in 2022—a spike driven by the reorganization of previously disused spaces for the construction of the MagnoLab pilot plant.

In 2023 there was a limited amount of hazardous waste consisting of 0.1 tons of other gear and lubrication motor oils.





Filidea Tekstil Sanay Ticaret

Filidea Tekstil Sanay Ticaret mirrors the Italian parent company's approach to responsible waste management, conducting environmental impact analyses, implementing containment strategies, and monitoring actions' effectiveness.

The sustainability report reveals positive outcomes like economic gains, enhanced environmental quality, and community health benefits, alongside negative impacts such as financial losses, ecosystem degradation, and health risks.

Emphasizing preventive measures and eco-friendly technologies, the company commits to continuous improvement and community investment projects.

Integration of environmental concerns into processes, carbon footprint reduction, and stakeholder engagement are central to its strategy, guided by lessons from impact assessments and evolving sustainability standards.

Open communication with stakeholders, periodic evaluations, and active participation in environmental discussions ensure effectiveness and transparency.

The waste generated by Filidea Tekstil Sanay Ticaret in 2023 is mainly composed by waste from production (72%) and by plastic (10%) and paper and cardboard (10%) packaging.

Hazardous waste amounts to only 0.01. tons.



**826.82 tons**  
Non-hazardous waste  
(entirely recovered)

Prispin D.O.O.

Prispin mainly produces textile waste, such as powders and scraps resulting from production. The scraps are resold as by-products, while the powders are disposed of as they are not reusable.

The total waste generated in 2023 amounted to 74.4 tons, entirely non-hazardous, of which the main categories are waste for production (54%), toner, paints and inks (20%), and urban waste collected regularly by the municipality (20%).



**77.4 tons**  
Non-hazardous waste


Superfios Textil Ltda

Superfios Textil specializes in producing cotton yarn, with waste generation being an inherent part of its production process. A portion of this waste is efficiently reused to create new threads for various segments.

Waste that cannot be repurposed is responsibly discarded through certified contractors, ensuring environmentally safe disposal.

The company handles other types of waste following this same rigorous process. Adhering to group policies and norms, Superfios Textil ensure compliance through regular audits, inspections, and thorough document checks to manage progress effectively.

The waste generated in 2023 amounted to 168.1 tons, entirely non-hazardous, of which the main category is waste for production (99.9%), and a residual 0.1% is wood used for packaging.



**168.1 tons**  
Non-hazardous waste  
(entirely discharged)

2.2.3 PROTECTION OF THE WATER RESOURCE

The Group responsibly manages water resources by applying procedures and technical solutions that minimize consumption and enhance efficiency.

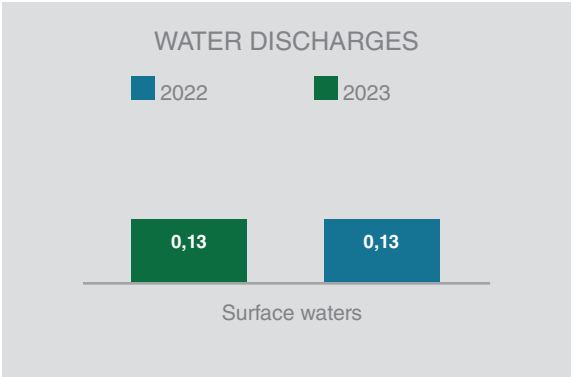
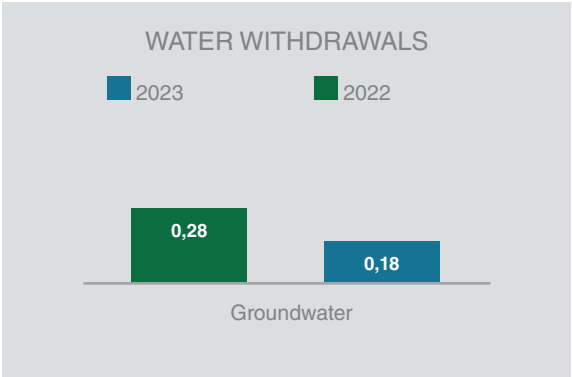
This commitment is particularly relevant since Italian and Turkish sites are in areas characterized by water stress.



ICEA's LCA study conducted in 2020 showed a reduction in water use compared to the traditional double-cycle process (pre-2011), quantifiable as:

- 8.0%, for double cycle dyeing;
- 47.4%, for single cycle dyeing;
- 42.9% of direct water consumption in the one-cycle dyeing process compared to the twocycle dyeing applied after 2018 to produce the product subject of the present study.
- 48.9% compared to Eutrophication, which quantifies the effect of growing plant organisms in the aquatic ecosystem due to excessive nitrogen and phosphorus emissions.

The functional unit chosen for the present study is represented by the process of textile finishing of 1 kg of yarn through the application of three different dyeing technologies.



Unitary water withdrawals and discharges is calculated by dividing the megaliters of water drawn and discharged by the total of millions of kilograms of yarn produces

<sup>1</sup> The Group has chosen to report, for Marchi & Fildi, the unitary water withdrawal and consumption, calculated as total megaliters/total kg of yarn produced.

Marchi & Fildi

The water consumption of Marchi & Fildi is modest and is managed through routine monitoring, reporting and verification procedures and preventive maintenance interventions to avoid malfunctions and leaks. No extraordinary management activities are necessary. The measurement is conducted by an operator reading a meter. The discharge of water is lower compared to the intake due to most of the prewashed water being utilized for conditioning production areas, thus being released as steam. In 2023, Marchi & Fildi achieved a 34% reduction in water withdrawals, decreasing from 0.70 megaliters to 0.46 megaliters. Additionally, water discharges were reduced by 3%, from 0.33 megaliters in 2022 to 0.32 megaliters.

Unitary water withdrawals and discharge (Marchi & Fildi)<sup>1</sup>



Filidea

Filidea's water consumption is higher due to the presence of the dyehouse in the plant and requires very careful management of the resource. The procedures provide a systematic monitoring of unit consumption (referring to kg produced) to identify micro and macro interventions to improve process efficiency. The groundwater withdrawal is periodically monitored and calculated annually by summing the readings from the meters installed on the wells, subtracting the volumes of water used for steam production and the volumes used for thermal cooling, which are then reused in the industrial production process.

Filidea's dyeing plant, located in Cerrione Magnonevolo (BI), mainly uses water coming from an underground aquifer, which is purified and released into surface water at the end of the production cycle.

In 2023, water consumption amounted to 97 megaliters, representing a 20% reduction compared to 121 megaliters in 2022.

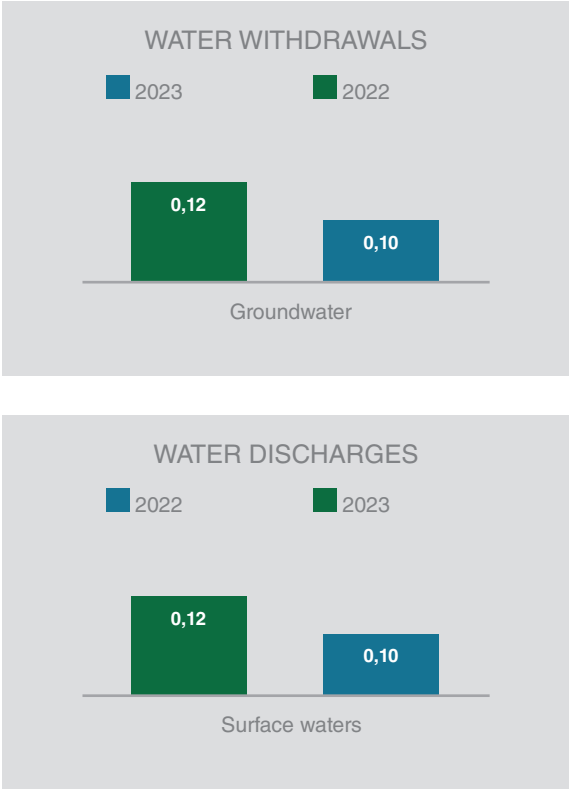
Concurrently, water discharges decreased by 19%, from 117 megaliters in 2022 to 95 megaliters.

Thanks to the continuous improvement of processes and the application of cutting-edge technologies in dyeing, Filidea has achieved a water saving of 200 million liters per year, 55% less consumption than a traditional plant, complying with all the parameters required by the ZDHC protocol.

This excellent performance compared to a traditional dyeing process were also supported by an LCA analysis performed by ICEA.

Among the performance improvement actions, Filidea is considering introducing new dyeing water treatment systems, with the aim of achieving a recycling of 100%, and has improved the planning of production in dyeing by reducing the washing of plant machinery.

Unitary water withdrawals and discharge<sup>2</sup>



Unitary water withdrawals and discharges is calculated by dividing the megaliters of water drawn and discharged by the total of thousands of kilograms of dyed spools.

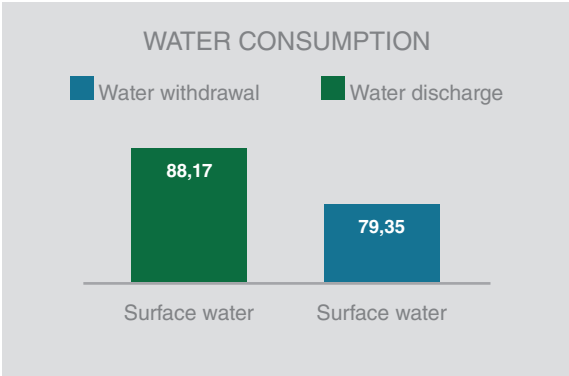
The effectiveness of the interventions will be monitored from 2023 through annual consumption audits by the company Sinergia Consulting S.r.l. Currently, the control is carried out through periodic reporting activities.

Filidea Tekstil Sanay Ticaret

The water management of Filidea Tekstil Sanay Ticaret examines the impacts of waste management practices, highlighting positive outcomes like cost savings and environmental conservation, alongside negative effects such as resource depletion and ecosystem harm. To address these challenges, the organization commits to comprehensive environmental policies, water conservation measures, and responsible wastewater treatment investments.

The report emphasizes ongoing improvements, regulatory compliance, and stakeholder engagement to ensure effective water management and minimize negative impacts. Filidea Tekstil Sanay Ticaret's efficient water management practices lead to cost savings, resource efficiency, environmental conservation, and improved community well-being through better access to clean water. Inefficient water use, however, results in increased costs, resource depletion, ecosystem damage, and negative impacts on community health and rights, often due to water-intensive processes and inadequate wastewater management compounded by poor business relationships.

To tackle these issues, Filidea Tekstil is committed to comprehensive environmental management policies and regulatory compliance. Their strategies focus on prevention and mitigation, including conservation measures, collaboration with communities and authorities, and investing in responsible wastewater treatment. Managing positive impacts involves continuous improvement and community engagement, using audits, monitoring, and setting targets to reduce consumption and comply with standards. Policy updates and practice adaptations are guided by assessments, while active communication with communities and collaboration with experts ensure effective action and initiative evaluation.

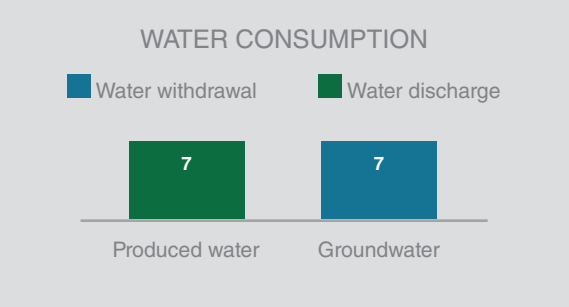


In 2023, Filidea Tekstil has withdrawn 88.1 Megaliters and has discharged 79.3 Megaliters in surface water.

Superfios Textil Ltda

Superfios Textil plant operates without using water in the production process, and it actively promotes awareness about minimal water

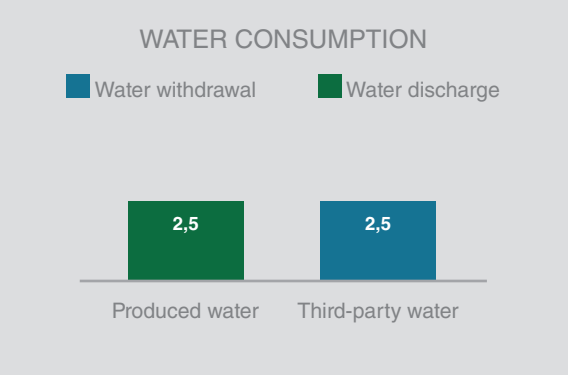
consumption for personal use. The company ensures compliance with these practices through regular audits, inspections, and comprehensive document checks to monitor and verify progress.



In the year 2023, Superfios' water consumption has amounted to 7 Megaliters of produced water and has discharged the same amount in groundwater.

Prispin D.O.O.

Water consumption within Prispin operations is presently limited to communal services. The water usage is meticulously tracked on a monthly basis, with the final annual figure derived from the cumulative volume of water consumed over the course of the entire year. This water, utilized for communal purposes, originates from the municipal waterworks, where rigorous quality assessments are conducted by the public utility company to ensure its safety and integrity. Prispin maintains a steadfast commitment to overseeing all procedures associated with water management, with monitoring, control, and assurance measures overseen by the public utility company. This collaborative approach underscores the company's dedication to responsible water stewardship and upholding the highest standards of environmental sustainability.



In the year 2023, Prispin's water consumption has amounted to 2.4 Megaliters of produced water and has discharged the same amount in third-party water.

<sup>2</sup> The Group has chosen to report, for Filidea, the unitary water withdrawal and consumption, calculated as total megaliters/total kg of dyed spools, in order to show not only the reduction of the impact in absolute value, but also to apply it to the increase in production recorded in 2022.



2.3 COMBATING CLIMATE CHANGE

The Group's commitment to respecting and protecting the environment is also reflected in its efforts to contain its energy consumption and consequently reduce the emissions released into the atmosphere. As proof of this dedication, all the companies included in the reporting scope have an environmental function in charge of monitoring and implementing an environmental management system, rely on external consultants, or, in the absence of a specific figure, carry out their activities in accordance with the guidelines dictated industry best practices.

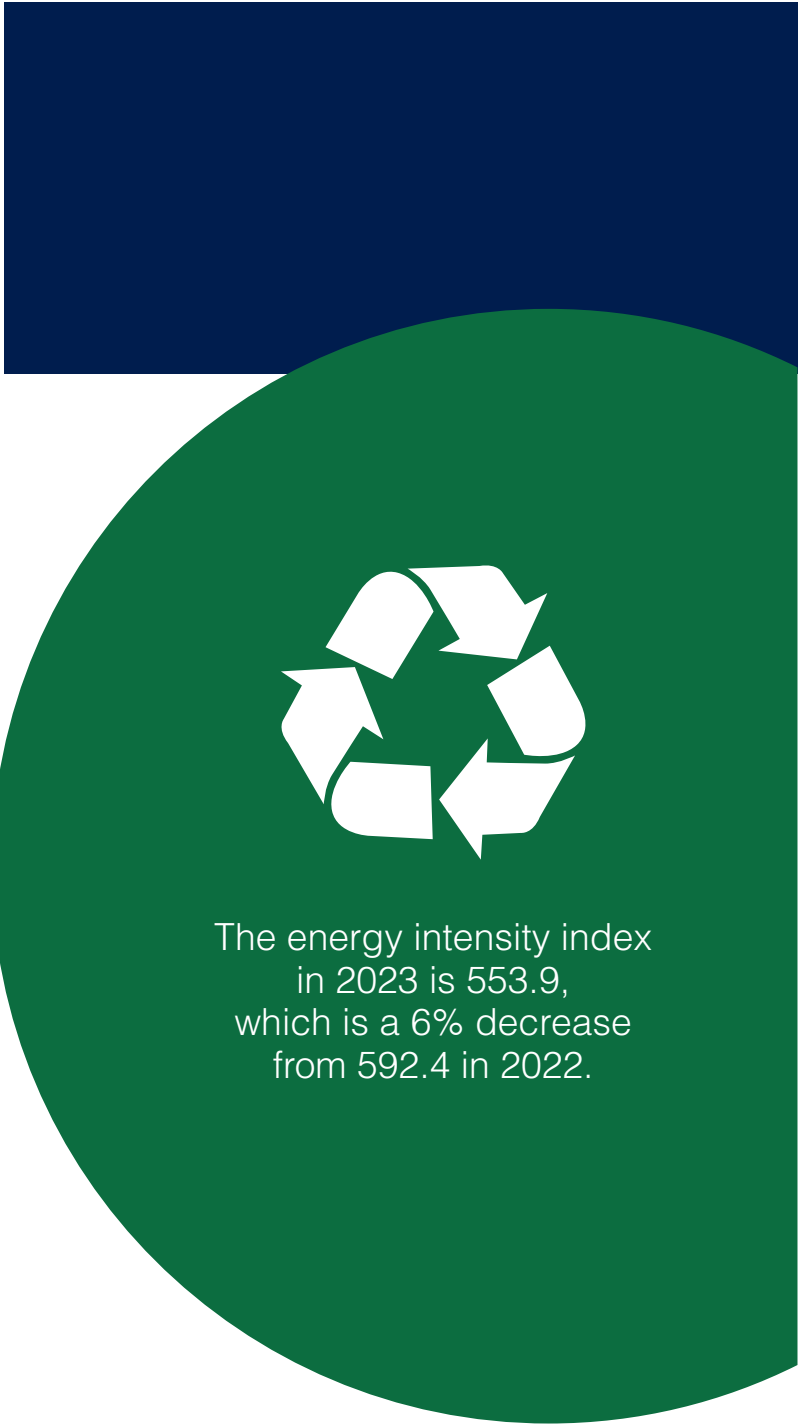
2.3.1 ENERGY CONSUMPTION<sup>3,4</sup>

Marchi & Fildi

Spinning mills are energy-intensive businesses whose production involves high energy consumption, mostly electricity.

Marchi & Fildi consumes about 2 kWh of electricity per kilogram of yarn produced, aligned with best practices in the sector. Electricity consumption in 2023 was 16,497 GJ, a decrease of 11% compared to 2022.

Moreover, in 2023 the company produced 2,172 GJ of photovoltaic energy, equal to about 13% of electricity consumption, helping to mitigate the environmental impact of its production.



<sup>3</sup> The energy intensity index is calculated by dividing the total energy consumption (in GJ) by the production value, which includes revenues, changes in product inventories, work-in-progress, semi-finished goods, finished goods, and other income, measured in millions of euros.  
The GHG emission intensity index is determined by dividing the total tCO<sub>2</sub> emissions from Scope 1 and Scope 2 (both Location Based and Market Based) by the same production value, also measured in millions of euros.  
<sup>4</sup> Filidea Tekstil Sanay Ticaret, Prispin D.O.O. and Superfios Textil Ltda have been included in the reporting perimeter in 2023, so all data reported about these companies refer to 2023.

UNIT CONSUMPTION MARCHI & FILD<sup>5, 6</sup>



The reported unitary data was calculated by dividing the total consumption of electricity, natural gas, and diesel fuel in GJ by the total kg of yarn produced by Marchi & Fildi during the year 2023.

To achieve this performance, the company implements procedures to systematically monitor machine consumption to prevent anomalies and periodically check the energy consumption of compressors.

In addition to this, the company commissions an annual energy audit from an E.S.Co in which it receives precise indications on interventions to improve energy efficiency, among which the ones to be pursued in the following year are selected. In addition to electricity, the company consumes natural gas and diesel fuel.

Gas consumption in 2023 was 329 GJ, down 4% from 2022. Diesel fuel consumption was 666 GJ, a decrease of approximately 11% compared to 2022, caused by the inclusion of gasoline cars in the company fleet, that consumed 123 GJ.

<sup>5</sup> The Group has chosen to report the unit data of its consumption using, for Marchi & Fildi, the total kg of yarn produced.  
<sup>6</sup> The following factors were used for the conversion of consumption into GJ:  
- Electricity: Constant 1kWh = 0.0036 GJ;  
- Diesel: NIR ITALIAN GREENHOUSE GAS INVENTORY – NATIONAL INVENTORY REPORT (1 liter of diesel fuel = 0.84 kg of diesel fuel) and UK Government GHG Conversion Factors for Company Reporting (42.85 GJ/t in 2023 and 42.86 GJ/t in 2022);  
- Natural Gas: NIR ITALIAN GREENHOUSE GAS INVENTORY – NATIONAL INVENTORY REPORT and FIRE: Guidelines Energy Manager (0.0343 GJ/SMC in 2023 and 2022);  
- Gasoline: NIR ITALIAN GREENHOUSE GAS INVENTORY – NATIONAL INVENTORY REPORT (1 liter of gasoline = 0.74 kg gasoline) and UK Government GHG Conversion Factors for Company Reporting (43.13 GJ/t in 2023 and 2022).



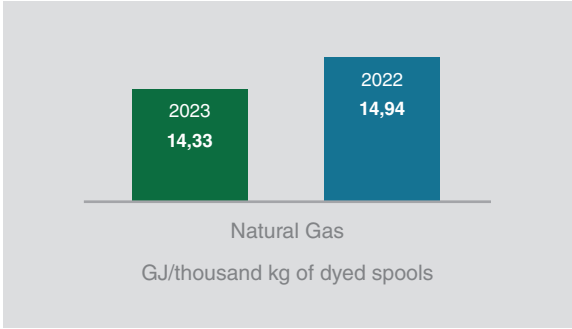
Filidea

Filidea's energy consumption for production concerns electricity and natural gas, to a greater extent than Marchi & Fildi due to the presence of the dyehouse.

To improve the energy efficiency of the dyehouse while preserving the productive performance, Filidea intervened on the process, reducing the fraction of cycle time (kWh) and the use of steam (smc) per kilogram of yarn. As a result, Filidea consumes about 1.5 kWh of electrical energy and 0.46 smc of methane gas to produce 1 kg of dyed yarn.

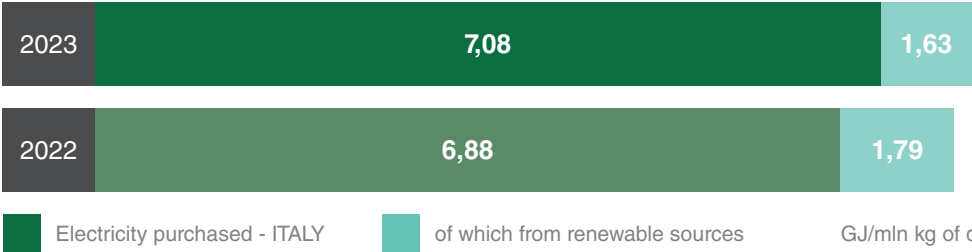
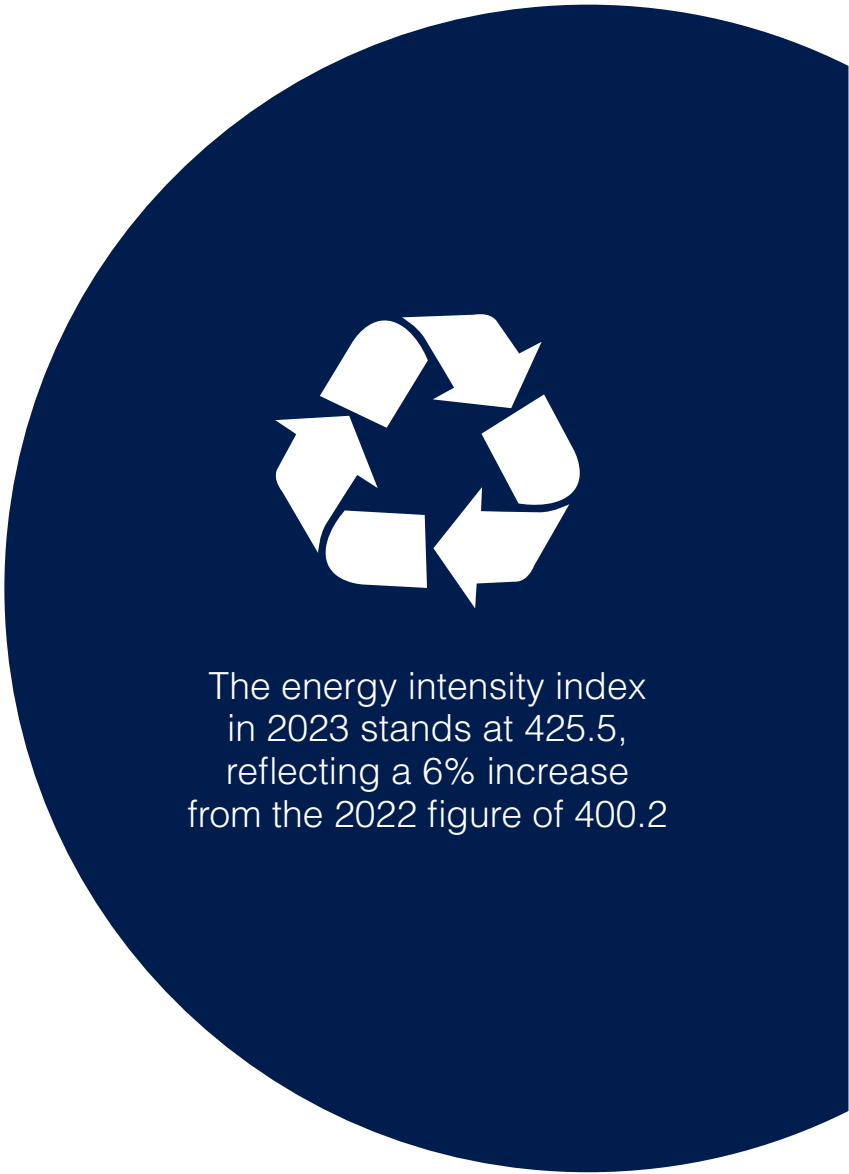
These improvements in efficiency and environmental footprint compared to a traditional dyeing process were also supported by an LCA analysis performed by ICEA.

UNITARY CONSUMPTION FILIDEA<sup>7</sup>



The reported unitary consumption was calculated by dividing the total consumption of natural gas and diesel used for motor vehicles, expressed in GJ, by the total weight in kilograms of dyed spools produced by Filidea in 2023.

<sup>7</sup> The following factors were used for the conversion of consumption into GJ:  
- Electricity: Constant 1kWh = 0.0036 GJ;  
- Diesel: NIR ITALIAN GREENHOUSE GAS INVENTORY – NATIONAL INVENTORY REPORT (1 liter of diesel fuel = 0.84 kg of diesel fuel) and UK Government GHG Conversion Factors for Company Reporting (42.85 GJ/t in 2023 and 42.86 GJ/t in 2022);  
- Natural Gas: NIR ITALIAN GREENHOUSE GAS INVENTORY – NATIONAL INVENTORY REPORT and FIRE: Guidelines Energy Manager (0.0343 GJ/SMC in 2023 and 2022).



In 2023, Filidea consumed a total of 13,639 GJ of natural gas, marking a 6% reduction from the 14,488 GJ consumed in 2022.

For the Italian branch, diesel consumption has been reduced to zero following the renewal of the company fleet, which resulted in the elimination of diesel vehicles. Additionally, overall electricity consumption increased by 1%, from 6,672 GJ in 2022 to 6,743 GJ in 2023, despite a slight decrease in the purchasing of photovoltaic energy, which reduced from 1,739 GJ in 2022 to 1,556 GJ in 2023.

Filidea Tekstil Sanay Ticaret

Filidea Tekstil Sanay Ticaret focuses on assessing both the economic and environmental impacts of its energy management practice. Positive outcomes include economic savings from energy efficiency measures, reduced greenhouse gas emissions, and improved community health due to cleaner air.

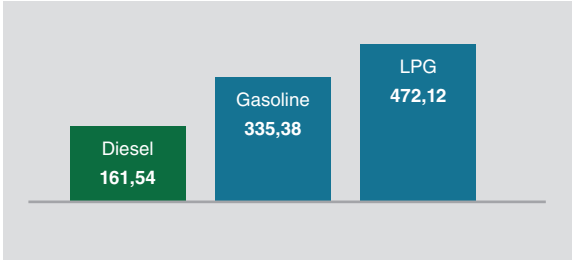
Conversely, negative impacts stem from economic losses due to inefficient energy use and environmental harm caused by increased carbon emissions, potentially affecting nearby communities' health.

To tackle these challenges, the organization implements an energy efficiency and sustainability policy, adheres to regulations, and takes measures to prevent negative impacts such as using energy-efficient technologies and conducting audits.


Positive impacts are managed through continuous improvement efforts, investments in renewable energy, and setting goals for energy consumption reduction. Regular communication with stakeholders, participation in energy-related forums, and feedback assessments ensure effective energy management.

<sup>8</sup> The following factors were used for the conversion of consumption into GJ:  
- Electricity: Constant 1kWh = 0.0036 GJ;  
- Diesel: NIR ITALIAN GREENHOUSE GAS INVENTORY – NATIONAL INVENTORY REPORT (1 liter of diesel fuel = 0.84 kg of diesel fuel) and UK Government GHG Conversion Factors for Company Reporting (42.85 GJ/t in 2023);  
- Gasoline: NIR ITALIAN GREENHOUSE GAS INVENTORY – NATIONAL INVENTORY REPORT (1 liter of gasoline = 0.74 kg gasoline) and UK Government GHG Conversion Factors for Company Reporting (43.13 GJ/t in 2023).  
- LPG: UK Government GHG Conversion Factors for Company Reporting (1 liter of LPG = 1,887.84 tonnes in 2023; 45.86 GJ/t In 2023).

ENERGY CONSUMPTION (FILIDEA TEKSTIL SANAY TICARET)<sup>8</sup>



In 2023, Filidea Tekstil Sanay Ticaret's energy consumption consisted of diesel fuel (162 GJ), gasoline (335 GJ) and LPG (472 GJ). Electricity consumption amounted to 103.417 GJ, entirely non-renewable.

 **103.42 GJ of electricity**  
Purchased from non-renewable sources



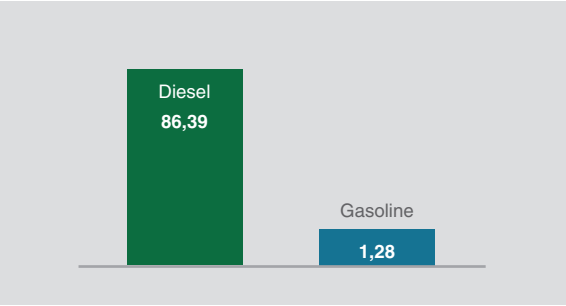
Prispin D.O.O.

As spinning companies are inherently energy-intensive, bringing about several negative consequences, Prispin has installed an inverter compressor, achieving a 40% energy saving compared to previous technology.

The fiber preparation and yarn production process involve eight spinning machines that produce a distinct yarn compared to Prispin's parent company (using ring cotton spinning technology).

The company's production capacity is of 70 tons of yarn per month. The energy policies are aligned with the group's standards, and consumption is monitored via a meter and recorded in Excel files.

ENERGY CONSUMPTION (PRISPIN D.O.O.)<sup>9</sup>



In 2023, the company's energy consumption included 86 GJ of diesel and 1 GJ of gasoline. Additionally, the company utilized 16.03 GJ of electricity, all of which was sourced from non-renewable sources.

**16.03 GJ of electricity**  
Purchased from non-renewable sources

<sup>9</sup> The following factors were used for the conversion of consumption into GJ:  
- Electricity: Constant 1kWh = 0.0036 GJ;  
- Diesel: NIR ITALIAN GREENHOUSE GAS INVENTORY – NATIONAL INVENTORY REPORT (1 liter of diesel fuel = 0.84 kg of diesel fuel) and UK Government GHG Conversion Factors for Company Reporting (42.85 GJ/t in 2023);  
- Gasoline: NIR ITALIAN GREENHOUSE GAS INVENTORY – NATIONAL INVENTORY REPORT (1 liter of gasoline = 0.74 kg gasoline) and UK Government GHG Conversion Factors for Company Reporting (43.13 GJ/t in 2023).

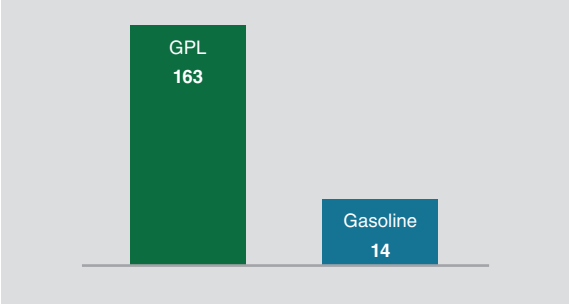
Superfios Textil Ltda

Spinning companies inherently consume significant amounts of energy, leading to various negative environmental impacts. Superfios Textil Ltda's environmental policy is aligned with the group's overarching strategy.

To mitigate these impacts, the company has undertaken several actions: installing more modern machines to reduce energy consumption; implementing continuous initiatives to raise employee awareness through courses and lectures; and ensuring compliance with our procedures via regular audits, inspections, and documentary checks on the proper management of production processes.

To track the effectiveness of these actions, the company monitors energy consumption through meter readings recorded in Excel files, implements an action plan for constant monitoring and reduction of energy consumption, conducts regular inspections, and ensures continuity of actions based on group policy.

ENERGY CONSUMPTION (SUPERFIOS TEXTIL LTDA)<sup>10</sup>



In 2023, Superfios's energy consumption comprised 163 GJ of GPL, 14 GJ of gasoline, and a minimal amount of burning oil at 0.017 GJ. Additionally, the company purchased 23.070 GJ of electricity, all sourced from non-renewable sources.

**23,070 GJ of electricity**  
Purchased from non-renewable sources

2.3.1.1 EMISSIONS<sup>11</sup>

Scope 1 emissions are those generated from sources owned or controlled by the organization, and Scope 2 Indirect emissions are those arising from the production of electricity, heat or steam imported and consumed by the organization.<sup>12</sup>

Marchi & Fildi

Emissions generated in 2023, in relation to millions of kg of yarn produced, globally decreased compared to the previous year. Scope I emissions, generated by the organization's internal energy consumption, increased by 5.08%, from 30.30 tCO<sub>2</sub> to 31.84 tCO<sub>2</sub>.

Scope II Location-based emissions, related to electricity consumption purchased from outside the organization and calculated according to average emission factors related to power generation within specific geographical boundaries, decreased by 12.76%, from 1,622.60 tCO<sub>2</sub> to 1,415.53 tCO<sub>2</sub>, consistent with declining trends in unitary energy consumption.

Taken together, Scope I and Scope II Location-based emissions decreased by 11.97% compared to 2022.

Scope II Market-based emissions, calculated according to the emission factors defined by the purchasing contracts or, where not present, by the local residual mix, have also decreased because of improvements in the performance of machinery and electricity saving actions, from 2,164.95 tCO<sub>2</sub> to 1,818.45 tCO<sub>2</sub> (- 16.00%). Scope I and scope II Market-based emissions decreased overall by 15.29% between 2022 and 2023.

<sup>10</sup> The following factors were used for the conversion of consumption into GJ:  
- Electricity: Constant 1kWh = 0.0036 GJ;  
- Burning oil: UK Government GHG Conversion Factors for Company Reporting (46.17 GJ/t in 2023);  
- Gasoline: NIR ITALIAN GREENHOUSE GAS INVENTORY – NATIONAL INVENTORY REPORT (1 liter of gasoline = 0.74 kg gasoline) and UK Government GHG Conversion Factors for Company Reporting (43.13 GJ/t in 2023).  
- LPG: UK Government GHG Conversion Factors for Company Reporting (1 liter of LPG = 1,887.84 tonnes in 2023; 45.86 GJ/t In 2023.).  
<sup>11</sup> The data for the Italian perimeter has changed compared to last year due to the expansion to international countries. Consequently, the emission factors used in 2023 for calculations are based on international standards.

<sup>12</sup> The disclosure of emissions generated by the Group is a requirement contained in the GRI Standards 2021 (GRI 305), which relate to emissions generation. For the calculation of the Scope 2 emissions, two distinct calculation approaches are adopted: "Location-based" and "Market-based". The "Location-based" approach involves the use of average emission factors relating to energy generation for well-defined geographic boundaries, including local, sub-national, or national boundaries. The "Market-based" approach takes into account the total purchased electricity, including electricity purchased from renewable sources through Guarantee of Origin certificates.

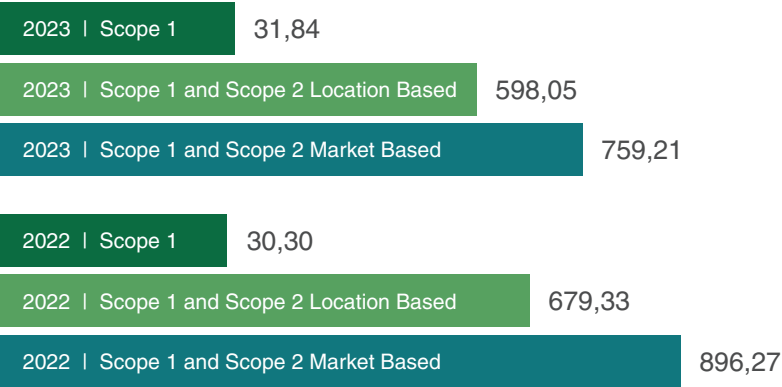


The GHG emission intensity index for Scope 1 and Scope 2 Location Based in 2023 is 47.0, an 8% decrease from 51.3 in 2022.

The GHG emission intensity index for Scope 1 and Scope 2 Market Based in 2023 is 59.7, a 12% reduction from 67.7 in 2022.



Unitary emissions (Marchi & Fildi)<sup>13</sup>



tCO<sub>2</sub>/mln kg of yarn produced

Filidea

As a result of the increase in volumes produced, in 2023 Filidea recorded a decrease in overall energy consumption and, consequently, in emissions generated compared to 2022. Thanks to energy efficiency measures in 2023, the emissions generated were reduced in relation to the thousands of kg of spools dyed.

Scope I emissions, generated by the organization's internal energy consumption, decreased by 3.35%, from 855.62 tCO<sub>2</sub> to 810.80 tCO<sub>2</sub>. Scope II Location-based emissions, related to electricity consumption purchased from outside the organization, calculated according to average emission factors related to energy generation within specific geographical boundaries, increased by 34.0%, from 431.65 tCO<sub>2</sub> to 578.59 tCO<sub>2</sub>, caused by the reduction in the of renewable energy in 2023.

Taken together, Scope I emissions and Scope II Location-based emissions increased by 7.9% compared to 2022. Scope II Market-based emissions, calculated according to the emission factors defined by the purchase contracts or, where not present, by the local residual mix, have also increased as a result of the decrease in the use of photovoltaic energy, from 626.23 tCO<sub>2</sub> to 658.49tCO<sub>2</sub> (5.2%). Scope I and scope II Market-based emissions decreased overall by 0.8 % between 2022 and 2023.

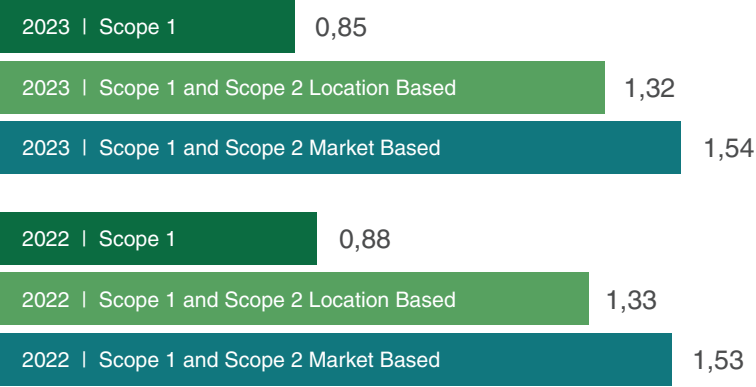


The GHG emission intensity index for Scope 1 and Scope 2 Location Based in 2023 is 29.0, marking a 19% rise from 24.3 in 2022.

For Scope 1 and Scope 2 Market Based, the index in 2023 is 30.7, reflecting a 10% increase from 28.8 in 2022.

<sup>13</sup> The following factors were used for the conversion of consumption into tCO<sub>2</sub>:  
- Scope 1 Diesel: DEFRA - GHG Conversion Factors for Company Reporting (2.755 kgCO<sub>2</sub>/litres in 2023 and 2.758 tCO<sub>2</sub>/litres in 2022);  
- Scope 1 Natural gas: DEFRA - GHG Conversion Factors for Company Reporting (2.038 kgCO<sub>2</sub>/litres in 2023 and 2.015 tCO<sub>2</sub>/litres in 2022);  
- Scope 2 Electricity Location-Based: ISPRA National Inventory Report (308.9 gCO<sub>2</sub>/Kwh in 2023 and 315.0 gCO<sub>2</sub>/Kwh in 2022);  
- Scope 2 Electricity Market-Based: AIB - European Residual Mixes 2022 (457 gCO<sub>2</sub>/Kwh in both 2023 and 2022).

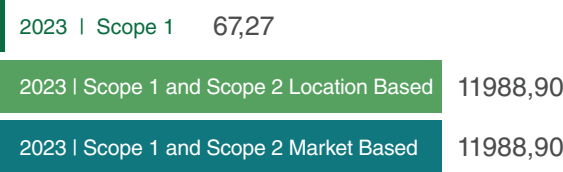
Unitary emissions (Filidea)<sup>14</sup>



tCO<sub>2</sub>/mln kg of yarn produced

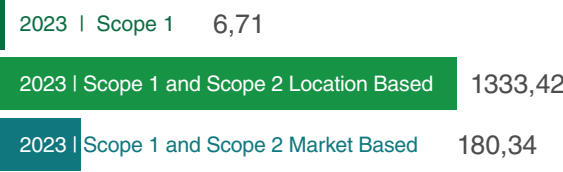
Filidea Tekstil Sanay Ticaret<sup>15</sup>

In 2023, the energy efficiency measures adopted resulted in relatively low emissions. Scope I emissions, generated from the internal consumption of diesel, gasoline, and LPG, totaled 67.27 tCO<sub>2</sub>. Scope II Location-based emissions, related to purchased electricity and calculated using average emission factors specific to geographical energy generation, amounted to 11,921.62 tCO<sub>2</sub>. Scope II Market-based emissions, determined by emission factors from purchase contracts or local residual mixes, also totaled 11,921.62 tCO<sub>2</sub>.



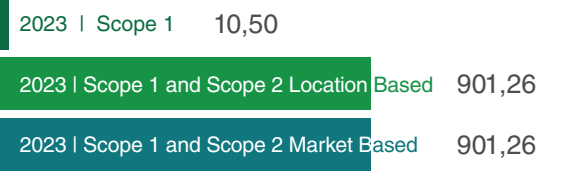
Prispin D.O.O.<sup>16</sup>

In 2023, the implementation of energy efficiency measures led to relatively low emissions. Scope I emissions, from internal consumption of diesel and gasoline, amounted to 6.71 tCO<sub>2</sub>. Scope II Locationbased emissions, associated with purchased electricity and calculated using geographical average emission factors, totaled 1,326.71 tCO<sub>2</sub>. Scope II Market-based emissions, based on emission factors from purchase contracts or local residual mixes, totaled 173.63 tCO<sub>2</sub>.



Superfios Textil Ltda<sup>17</sup>

In 2023, the implementation of energy efficiency measures resulted in relatively low emissions. Scope I emissions, stemming from the internal consumption of LPG, burning oil, and gasoline, totaled 10.50 tCO<sub>2</sub>. Scope II location-based emissions, associated with purchased electricity and calculated using geographical average emission factors, amounted to 980.76 tCO<sub>2</sub>. Similarly, Scope II market-based emissions, calculated using emission factors from purchase contracts or local residual mixes, also amounted to 980.76 tCO<sub>2</sub>.







<sup>14</sup> The following factors were used for the conversion of consumption into tCO<sub>2</sub>:  
- Scope 1 Diesel: DEFRA - GHG Conversion Factors for Company Reporting (2.755 kgCO<sub>2</sub>/litres in 2023 and 2.758 tCO<sub>2</sub>/litres in 2022);  
- Scope 1 Natural gas: DEFRA - GHG Conversion Factors for Company Reporting (2.038 kgCO<sub>2</sub>/litres in 2023 and 2.015 tCO<sub>2</sub>/litres in 2022);  
- Scope 2 Electricity Location-Based: ISPRA National Inventory Report (308.9 gCO<sub>2</sub>/Kwh in 2023 and 315.0 gCO<sub>2</sub>/Kwh in 2022);  
- Scope 2 Electricity Market-Based: AIB - European Residual Mixes 2022 (457 gCO<sub>2</sub>/Kwh in both 2023 and 2022).

<sup>15</sup> The following factors were used for the conversion of consumption into tCO<sub>2</sub>:  
- Scope 1 Diesel: DEFRA - GHG Conversion Factors for Company Reporting (2.755 kgCO<sub>2</sub>/litres in 2023);  
- Scope 1 Gasoline: DEFRA - GHG Conversion Factors for Company Reporting (2.345 kgCO<sub>2</sub>/litres in 2023);  
- Scope 1 LPG: DEFRA - GHG Conversion Factors for Company Reporting (1.557 kgCO<sub>2</sub>/litres in 2023);  
- Scope 2 Electricity Location-Based: ISPRA National Inventory Report (415 gCO<sub>2</sub>/Kwh in 2023);  
- Scope 2 Electricity Market-Based: AIB - European Residual Mixes 2022 (415 gCO<sub>2</sub>/Kwh in 2023).

<sup>16</sup> The following factors were used for the conversion of consumption into tCO<sub>2</sub>:  
- Scope 1 Diesel: DEFRA - GHG Conversion Factors for Company Reporting (2.755 kgCO<sub>2</sub>/litres in 2023);  
- Scope 1 Gasoline: DEFRA - GHG Conversion Factors for Company Reporting (2.345 kgCO<sub>2</sub>/litres in 2023);  
- Scope 2 Electricity Location-Based: ISPRA National Inventory Report (298 gCO<sub>2</sub>/Kwh in 2023);  
- Scope 2 Electricity Market-Based: AIB - European Residual Mixes 2022 (39 gCO<sub>2</sub>/Kwh in 2023).

<sup>17</sup> The following factors were used for the conversion of consumption into tCO<sub>2</sub>:  
- Scope 1 LPG: DEFRA - GHG Conversion Factors for Company Reporting (1.557 kgCO<sub>2</sub>/litres in 2023);  
- Scope 1 Gasoline: DEFRA - GHG Conversion Factors for Company Reporting (2.345 kgCO<sub>2</sub>/litres in 2023);  
- Scope 1 Burning oil: DEFRA - GHG Conversion Factors for Company Reporting (2.345 kgCO<sub>2</sub>/t);  
- Scope 2 Electricity Location-Based: ISPRA National Inventory Report (139 gCO<sub>2</sub>/Kwh in 2023);  
- Scope 2 Electricity Market-Based: AIB - European Residual Mixes 2022 (139 gCO<sub>2</sub>/Kwh in 2023).



### 3 ECONOMIC AND GOVERNANCE RESPONSIBILITY

The Group's dedication to sustainability is evident through its activities and the production of a Sustainability Report, underpinned by its Integrated Policy and Code of Ethics.

The report seeks to establish sustainability as a core principle while integrating new social and governance objectives.

The Group has developed a sustainability plan to raise awareness and promote a culture of sustainability internally and along its value chain.

To enhance transparency and stakeholder cooperation, the Group has set up channels for reporting complaints, non compliance, or alleged corruption, with ongoing efforts to improve these systems.

**+20,3%**  
spending on local suppliers (Italy)

**81%**  
distributed value\*

**17%**  
employee compensation

\* Distributed value has been calculated using the Group's consolidated financial statement and it's not 100% representative of the present reporting perimeter, as stated in the methodological note.



### Respect for laws and regulations

The Group operates in full compliance with the law and ensures that all personnel, including consultants, suppliers, customers, and anyone engaged with the company, act in the same manner.

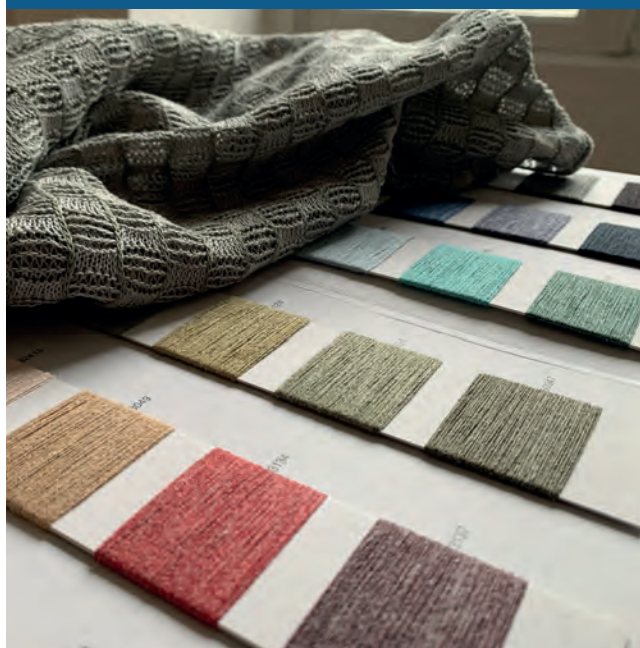


### Integrity of conduct

The Group delivers high-quality services and competes in the market based on principles of fair and free competition and transparency, maintaining proper relations with public institutions, governmental bodies, citizens, and businesses.

### Fairness in contractual matters

Contracts and employment assignments must be carried out in accordance with the terms agreed upon by the parties, in transparent conditions.



### Competition protection

The Group safeguards fair competition, a fundamental requirement for all parties operating with the Group, also in the context of defending and promoting 'Made in Italy.'

### Maximizing the Group's investment

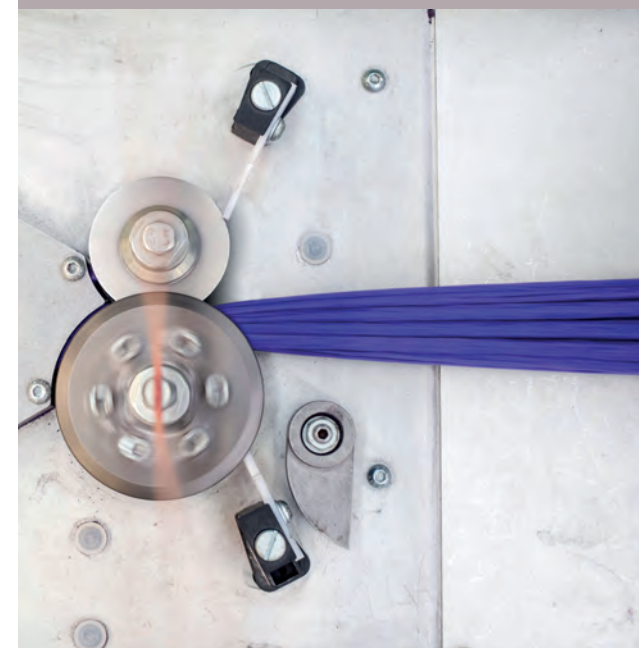
The Group works to ensure that even economic and financial results are such as to maximize the shareholder's investment as much as possible.

### Transparency and completeness of information

In formulating any contracts or rules governing relationships with third parties, the Group takes care to specify the relevant clauses clearly and comprehensibly.

### Protection of personal data

The Group collects and processes personal and/or sensitive data of customers, collaborators, employees, and natural and legal persons. Therefore, the Group ensures the management of this data within the limits and in compliance with current regulations (Legislative Decree 196/2003), promoting awareness of the subject among its own people.



### Information management

Information regarding counterparts is handled by the Group with due respect for the confidentiality of the individuals concerned, as necessary.



3.1 VALUE CHAIN AND RELATIONSHIP WITH OTHER SUPPLIERS

area, both in economic and social terms, for instance, by creating jobs and promoting the entrepreneurial fabric of the Biella region.

In this regard, through the reclassification of the income statement as of December 31, 2023, it was possible to estimate the economic value directly generated by Marchi & Fildi and Filidea in 2023 and its distribution to the main stakeholders who, directly or indirectly, have contributed to the creation of this value.

The Group's procurement processes are guided by the pursuit of the best advantage for the Company, while also ensuring equal opportunities for suppliers, loyalty, and impartiality.

Supplier selection and the definition of purchasing conditions are determined by an objective evaluation of product or service quality, price, as well as warranties and prompt assistance.

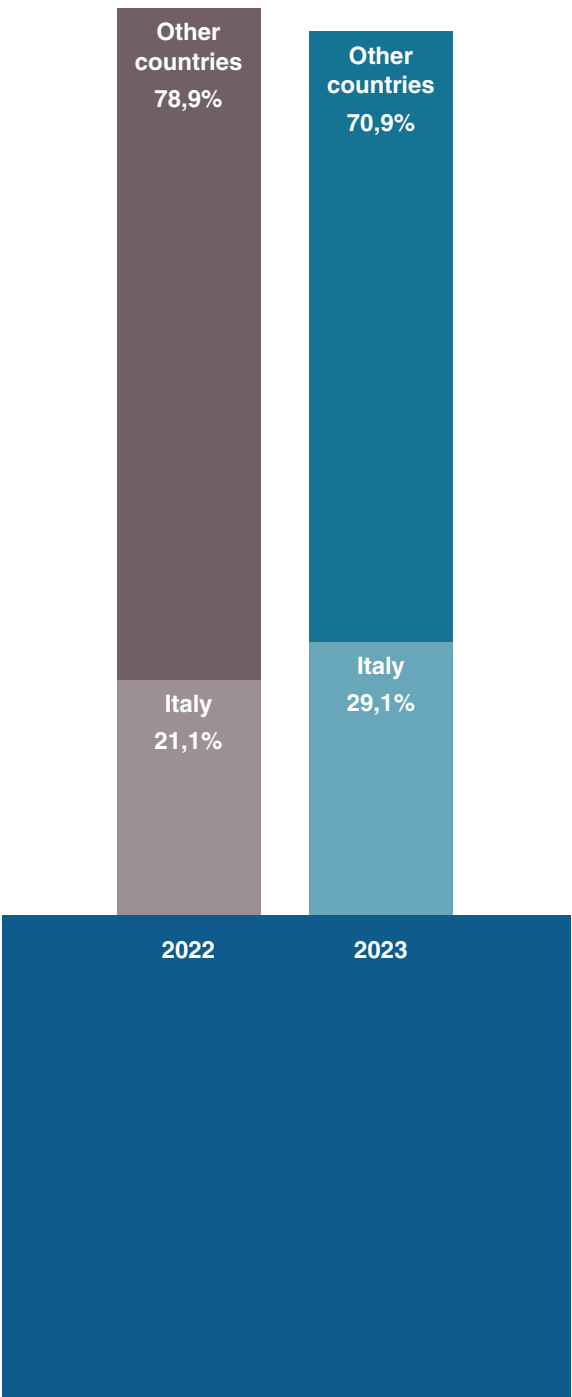
The Group constantly monitors its relationships with suppliers and meticulously maintains relevant documentation, especially in terms of accounting and tax matters, in accordance with applicable regulations.

In 2023, a systematic audit began to assess the social compliance of third-party suppliers at their production units or operational locations.

This includes, in addition to ensuring the quality of the product and/or service provided, checks on the respect for fundamental workers' rights, principles of equality and non-discrimination, protection of child labor, worker health and safety, and environmental compliance.

The Group aims to expand this mechanism for verifying compliance with the Group's Code of Ethics to other types of suppliers in the future.

MARCHI & FILDI AND FILIDEA  
CONSOLIDATED GROUP'S PERCENTAGE  
OF SPENDING ON LOCAL  
AND FOREIGN SUPPLIERS

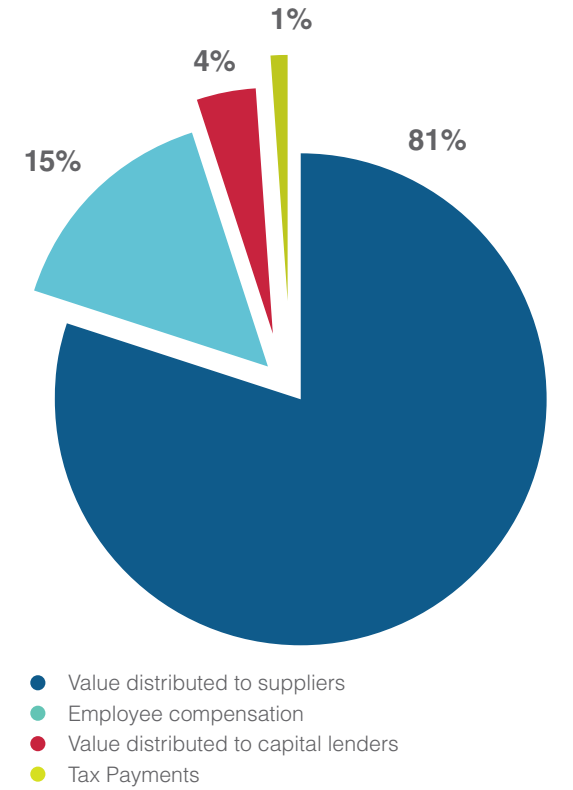


3.2 SHARED VALUE CREATION

Through its activities, the Group actively contributes to creating economic and social value in the local area, for example, by generating jobs and supporting the entrepreneurial fabric of the Biella region.

In this context, the reclassification of the income statement as of December 31, 2023, allowed for an estimation of the economic value directly generated by Marchi & Fildi and Filidea in 2023 and its distribution to the key stakeholders who, directly or indirectly, contributed to its creation.

The economic value<sup>18</sup> directly generated as of December 31, 2023, by the companies included in this report amounts to 79.8 million euros, with EUR. The majority share is attributed to the "value distributed to suppliers" category (80.5, equivalent to EUR 48.2 million). Employee compensation stands at EUR 8.8 million (14.7%). The portion of value retained by the Group corresponds to EUR 2.0 million. The portion allocated for tax payments, i.e., the Group's contribution to the Public Administration, amounts to 1.2%, which is EUR 0.7 million.



Marchi & Fildi

In 2023, the majority of the company's spending on suppliers was directed to countries outside of Italy, accounting for 82.7% of the total.

This represents a slight decrease from 2022, when 86.6% of the spending was on foreign suppliers. The suppliers are predominantly from France (27.9%), followed by India (20.1%), Turkey (19.9%), with smaller contributions from Pakistan (5.3%) and Austria (4.4%).

Notable changes compared to last year include a significant increase in spending on suppliers from France, rising from 4.8% to 27.9%, and a decrease in spending on suppliers from India, dropping from 34.3% to 20.1%.

Additionally, the percentage of spending on Italian suppliers increased by 28.8%, from 13.4% to 27.3%.

Filidea

In 2023, the company's spending on suppliers was more balanced, with 40.9% allocated to Italian suppliers and 59.1% to foreign suppliers. This is an improvement compared to 2022, when 71.2% of the spending was on foreign suppliers and only 28.8% on Italian suppliers.

The primary country of procurement is Germany (60.6%), with minimal contributions from China (16.9%), Belgium (7.8%), and Turkey (3.4%).

Significant changes from the previous year include a sharp decrease in spending on suppliers from Turkey, which dropped from 28.6% to 3.4%, and the complete elimination of spending on suppliers from Switzerland, which was 1.9% in 2022.

<sup>18</sup> Distributed value has been calculated using the Group's consolidated financial statement and it's not 100% representative of the present reporting perimeter, as stated in the methodological note.



3.3 PRIVACY AND CYBERSECURITY

Marchi & Fildi, Filidea and Prispin D.O.O. all share the same cybersecurity system. Management of privacy within the company significantly impacts employees due to the processing and storage of sensitive personal data, and to a lesser extent, suppliers, and customer data.

To address this, newly hired personnel are informed about appropriate behaviors regarding the use of computer and electronic equipment.

The company is dedicated to ensuring privacy, with general policies outlined in the ethical code distributed to all employees. This code provides behavioral guidelines. A disaster recovery plan is in place to manage data security issues, detailing measures for situations like hacker attacks or other incidents.

Precautions to prevent privacy breaches or data loss include physical segregation of computers with sensitive data, a customized network with firewalls, and regular backups on physical disks and cloud servers.

An external cybersecurity company, contracted since September 2023, helps identify vulnerabilities and provides first response actions for hacker attacks or data loss. This company monitors the network daily and reports anomalies.

Customer data is stored on separate servers based on usage type, with backups and cloud storage for the accounting server at the Biella headquarters. The ERP server, backed up and replicated in a server farm, requires username and password access, including for third parties, increasing vulnerability. The company is evaluating dual authentication to restrict access.

For email privacy, multi-factor authentication is implemented for cloud-hosted accounts. An external company, contracted since September 2023, monitors IT resources, and detects attack risks and vulnerabilities.



Filidea Tekstil Sanay Ticaret is committed to customer privacy and GDPR compliance through detailed privacy policies, minimal data collection, and encryption. Data is protected with restrict access to authorized personnel and regular audits. Clear consent processes and robust breach response plans are in place, and employees receive training on data protection. The company monitors third party vendors and appoint a Data Protection Officer to oversee compliance.

Cybersecurity is integral to the sustainability strategy; therefore, the company enforces strict access controls, uses licensed products, and installs antivirus software to mitigate risks. Regular security assessments, including penetration tests, ensure system integrity. Only authorized personnel access programs, and external access is granted selectively.

Filidea Tekstil Sanay Ticaret implements robust measures to prevent negative impacts, such as data breaches, and have incident response plans and collaborations with authorities. Positive impacts include enhanced trust and protection of infrastructure.

The company conducts regular audits, monitors network traffic, and updates the infrastructure to comply with regulations, ensuring our cybersecurity measures meet stakeholder expectations and needs.

Regarding cybersecurity, Superfios Textil Ltda is autonomous, as it's not connected to the Group's VPN and IT infrastructure, and owns its own data protection system, which consists of an antivirus software installed on every device. This system keeps all customer and sensitive data safe, as no complaints nor violations have been registered yet.



### 3.4 RESEARCH, INNOVATION, AND PARTNERSHIP

Marchi & Fildi Group stands out for its constant attention to innovation and its proactivity in the development of new technologies and solutions, with a focusing sustainability and the circular economy.

In pursuing these objectives, the Group strongly believes in collaboration, both with knowledge and technology developers and with supply chain partners, recognizing that sustainable results are achieved through sharing advanced knowledge and a coordinated approach among partners addressing systemic challenges together.



#### PNRR Project - MAGNOLAB

In 2022, the Group, together with four other companies, founded the MagnoLab project, a network of textile companies with different and complementary roles in the supply chain, whose primary mission is to collaborate in a structured manner to develop innovation, research, and projects related to sustainability and the circular economy through lean experimentation cycles.

The distinctive aspect of MagnoLab is the pilot supply chain facility that was established at the Group's research and development facility in Cerrione (BI).

This facility, unique in the world, allows for prototyping activities by leveraging the exchange of knowledge among technicians from complementary companies in the supply chain. It operates on dedicated machinery, accelerating the scalability of the solutions developed.

In 2022, the MagnoLab facility was ranked first among the 'Faro' projects in the circular economy, funded by the Ministry of the Environment and Energy Security as part of the National Recovery and Resilience Plan (PNRR).



#### ReHubs

ReHubs is the most important system initiative launched by EU27 to support the transition of the European textile industry to circularity.

Launched in 2021 by Euratex, ReHubs aims to recover 2,5 million tons of textile waste within the 27 Countries, by 2030, including the construction of 150-250 new sorting and recycling plants.

Marchi & Fildi is one of the founding companies of ReHubs and has been actively involved in the work of the Business Council and in the launch of the first three collaborative projects on a European scale.



#### RETEX.Green

RETEX.Green is the consortium founded by SMI-Confindustria Moda for the management of textile waste in compliance with the Extended Producer Responsibility (EPR) obligations that will become law in Italy starting in 2024.

The scope of the EPR regulation covers four product categories: clothing, fashion accessories, footwear, and home textiles.

The consortium's activities are dedicated to the reuse and recycling of textile waste, as well as the scraps and by-products of the industry, with the goal of reintroducing them into the production cycle to create new high-value-added products.

Additionally, the consortium promotes product lifespan extension through repair and eco-design. RETEX.Green was established in 2022, and Marchi & Fildi is one of its founding members.



#### ITS TAM

For years, the Marchi & Fildi Group has been collaborating with ITS TAM (Istituto Tecnico Superiore – Tessile Abbigliamento Moda) in Biella.

This partnership, focused on workplace, enables students to acquire technical, creative, and managerial skills to operate confidently and effectively across the entire supply chain and work with the best Italian companies in the industry.

Since the institute's inception, the Group has been hosting students in its departments to contribute to their training during the internship programs specified in their training courses,



#### TRICK

Marchi & Fildi and Filidea are participating in TRICK, a European project aimed at developing traceability in the circular textile supply chain based on blockchain technology.

The project involves 29 partners from 6 countries and aims to support a circular economy model in the textile sector by creating a digital platform that is traceable and immutable for stakeholders in the textile supply chain.

Marchi & Fildi and Filidea contribute to the project by conducting two pilot applications of the technology and providing their expertise in yarn production, knowledge of the supply chain, and circular economy.

The Group has always considered ensuring the traceability of its supply chain a top priority, as it is a key function for responding with transparency and measurability to the sustainability and circular economy demands of brands and consumers.

furthering its goals of supporting education and preserving the know how and knowledge related to the sector and the region.

In addition to the training programs, two educational projects have been carried out with second-year students in the knitting course, where they created garments based on stylistic, technical, and educational content.

The garments from these projects were exhibited during two editions of Pitti Filati, in January 2022 and January 2023, respectively.

Furthermore, the Group has decided to award two scholarships following a technical, educational, and aesthetic evaluation of the projects.



Group certifications



Marchi & Fildi has obtained the Certificate of Compliance with the Global Recycled Standard (GRS 4.0:2017), issued by ICEA, for the recycled products in the Ecotec® gamma.



Marchi & Fildi has obtained certification of compliance with the requirements of the Forest Stewardship Council® A.C. based on the FSC® Chain of Custody standards for its viscose yarns.



The yarns of all the Marchi & Fildi and Filidea gamma are Oeko-Tex Standard 100 certified (Class I or II depending on the individual items).



Filidea is European Flax certified: the yarns made with linen use certified fiber sourced from European coastlines along the Atlantic Ocean.



Filidea is ISO 14001 Certified since 2019 aiming mitigation and prevention of any negative environmental impact linked to the Company's activities.



Filidea has obtained the following certificates issued by Control Union Certifications B.V.: Certificate of Compliance with the Global Organic Textile Standards (GOTS) Version 6.0. Certificate of Compliance with Organic Content Standards (OCS) Version 3.0, Global Recycled Standards (GRS) Version 4.0, and Recycled Claim Standards (RCS) Version 2.0. Certificate of Compliance with Responsible Animal Fiber Version 1.0 and Responsible Wool Standard (RWS).



Both Marchi & Fildi and Filidea are members of "Tessile e Salute" (Textile and Health). All yarns meet the requirements of "Textile and Health" and participation in the Textile and Health Project funded by the Ministry of Health, ensuring the protection of end consumers.



Marchi & Fildi has obtained the Traceability and Fashion Certificate for finished products, applied to ECOTEC® branded yarns, issued by the Italian Chambers of Commerce system.



Marchi & Fildi has obtained the ISO 9001:2015 Certificate of Conformity for the design and production of yarns, issued by Bureau Veritas Italia S.p.A. Filidea has obtained the ISO 9001:2015 Certificate of Conformity for research, development, production, and sale of yarns, issued by Bureau Veritas Italia S.p.A.





# 4 SOCIAL RESPONSIBILITY

The organization is deeply committed to adhering to both international and national regulations, and to fostering a fair and safe working environment. In line with this commitment, this chapter outlines the policies and actions undertaken to comply with the International Labour Organization (ILO) guidelines, national laws, and collective bargaining agreements. These efforts are aimed at combating child labor and forced labor, while also promoting an inclusive, secure workplace with transparent contractual practices, in full compliance with the regulations of the countries in which the Group operates.

## Rejection of all forms of discrimination

In decisions concerning its stakeholders, the Group is committed to combating all forms of discrimination, including in hiring and in its relationships with personnel.

## Valuing human resources

Human resource management is based on respect for the individual's personality and professionalism, as well as the protection of physical and moral integrity. Personnel must adhere to the conduct principles defined in company documents. The Group operates with complete respect for human rights.



**+11%**

women  
in the staff  
(Italy)

**+21%**

permanent  
contracts  
(Italy)

**+39%**

employees  
receiving  
performance  
evaluation (Italy)

**+12%**

people  
employed  
(Italy)



4.1 OUR PEOPLE

The Group acknowledges the paramount importance of its people and is dedicated to fostering an inclusive and engaging workplace environment conducive to unleashing the full potential of each individual.

In our recruitment process, careful consideration is given to aligning candidate profiles with the specific requirements of the Company.

We prioritize assessing professional competencies and psychoaptitude traits while upholding the utmost respect for candidates' privacy.

Our selection process encompasses various channels, including the review of resumes submitted via designated Company channels, the dedicated section on our website19, or through collaborations with specialized recruitment agencies.

The process initiates with an initial screening phase aimed at identifying candidates who best match our organizational needs.

Subsequently, selected candidates undergo interviews, first conducted by the HR department, followed by joint interviews with both HR and departmental managers.

For senior-level positions, additional interviews are conducted in collaboration with the executive management team.

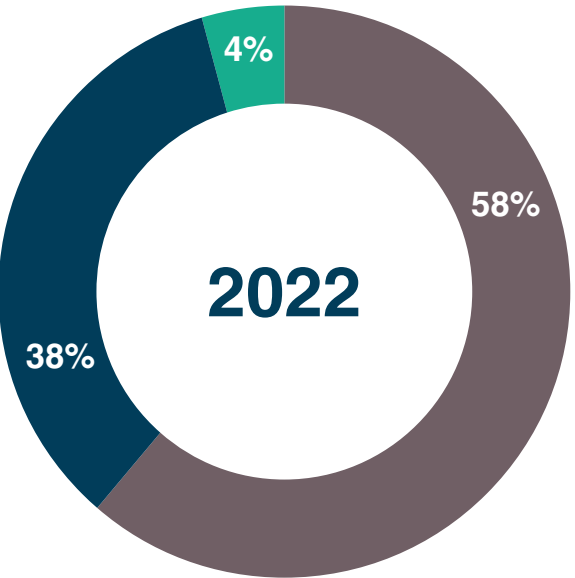
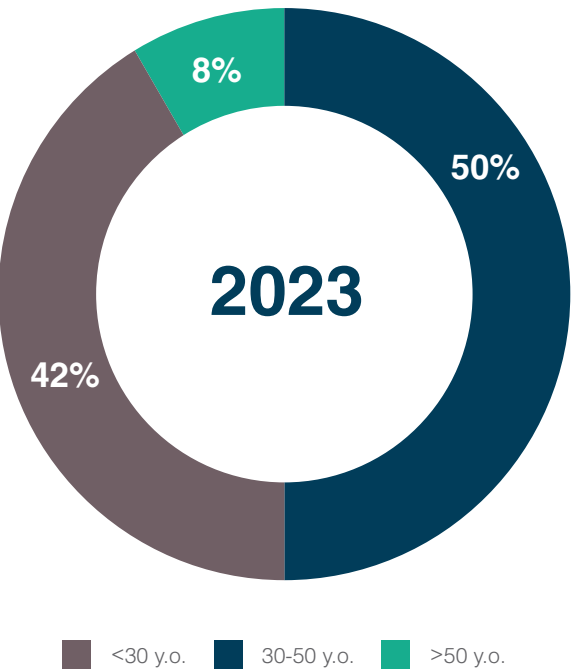
Furthermore, internal talent within relevant departments may be considered for certain roles. The Group is committed to maintaining a regulated and responsible work environment, ensuring clarity and transparency during contract negotiations.

This includes defining employee roles, regulatory compliance, compensation terms, and ensuring adherence to mandatory health and safety regulations.

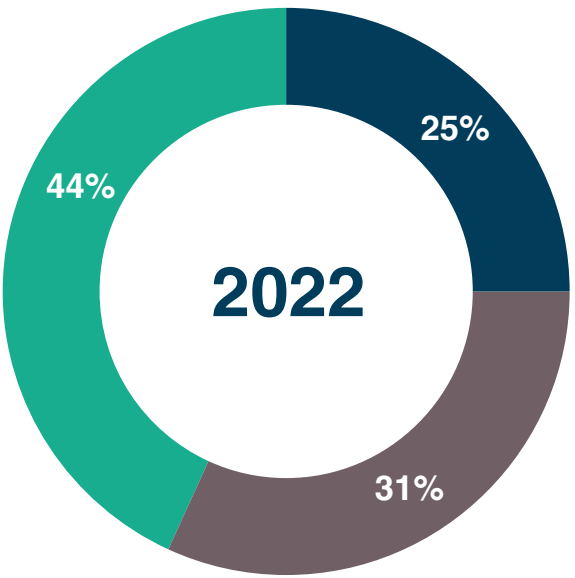
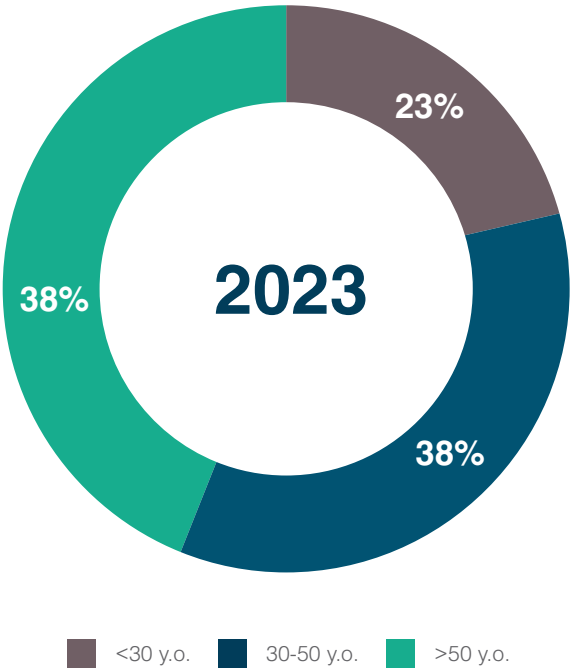
4.1.1 ATTRACTION & RETENTION

In 2023, the analysis of staff dynamics was expanded to include turnover within Italian operations, covering both new hires and departures.

Italian peremeter - New hired by age group



Italian perimeter - Terminations by age group



Marchi & Fildi

In 2023, Marchi & Fildi welcomed 20 new employees into its workforce, comprising 12 men and 8 women, a composition closely resembling that of the previous year, where 20 individuals were hired, consisting of 11 men and 9 women.

Notably, the age distribution of new hires in both years predominantly fell within the 30-50 age bracket.

The company's retention rate remained commendable, with 11 individuals departing the organization in 2023, including 6 men and 5 women.

This figure is favorable compared to the previous year, when 9 employees—5 men and 4 women—departed from the company.

These departures were evenly distributed across various age groups, indicating a consistent pattern of workforce management and stability.

Filidea

Filidea, on the contrary, maintains a low turnover rate, attributable to its smaller organizational size.

In 2023, the company welcomed 4 new employees, comprising 3 men and 1 woman, whereas in 2022, 6 individuals were hired, including 4 men and 2 women.

Notably, a significant portion of the new hires in 2023 belonged to the <30 age group, indicating Filidea's commitment to fostering opportunities for younger generations.

Regarding terminations, 2 employees left the company in 2023, comprising 1 man and 1 woman, contrasting with 2022 when 7 individuals were terminated, including 6 men and 1 woman.

The predominant age categories among those who left were <30 and >50.

This pattern highlights the tendency of younger employees to seek new job opportunities, while older employees typically move towards retirement.



4.1.2 STAFF COMPOSITION

The Group's approach to managing human resources contracts reflects its dedication to offering stability to its employees while acknowledging their individual requirements.

The Group predominantly relies on a core team of internal staff, with external collaborators engaged primarily for consultancy purposes. In instances of prolonged employee absences, temporary workers may be enlisted to ensure operational continuity.

During periods of heightened workload, the Group adopts a more flexible approach to resource allocation.

All members of the workforce, including administrators and interns, are bound by the Code of Ethics, which safeguards their rights and interests.

Additionally, adherence to the Integrated Policy is mandatory, establishing guidelines for employee conduct and responsibilities, with a primary focus on preventing discrimination in any form.



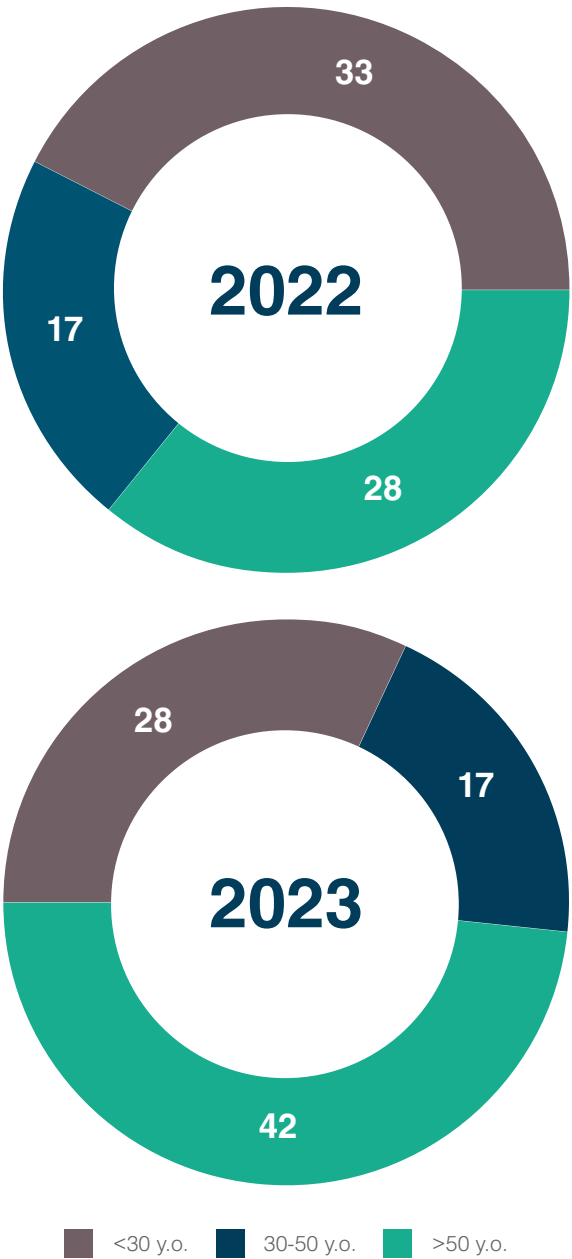
Marchi & Fildi

Marchi & Fildi has 87 employees, 58 men and 29 women.

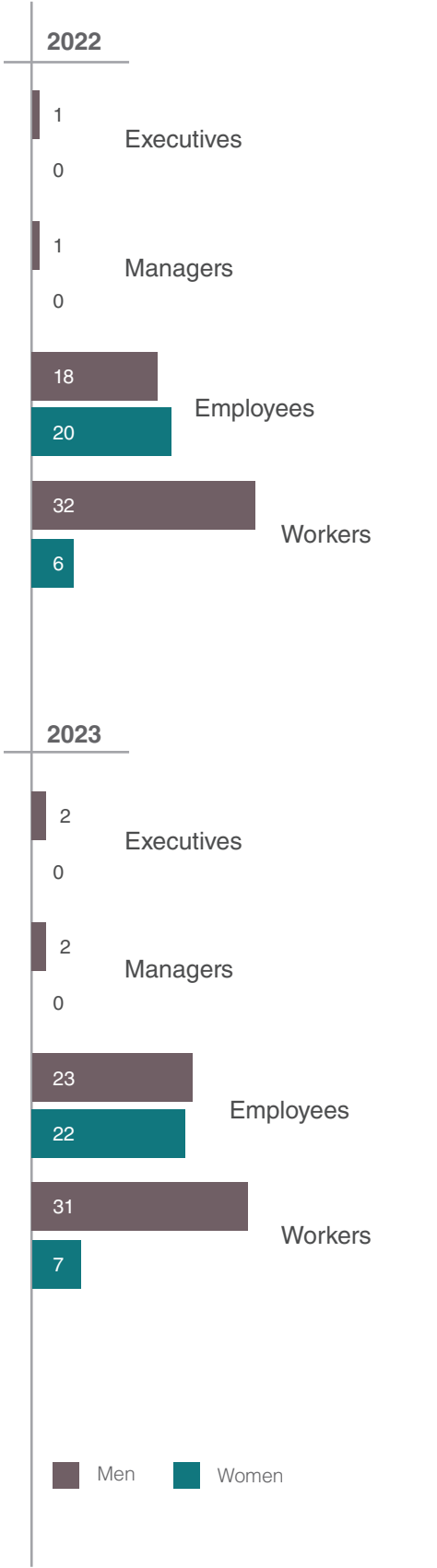
As of December 31, 2023, only 7% of employees (6 people) had a fixed-term contract and 93% (81 people) have permanent contracts.

The staff is fairly diverse in terms of age, with 20% of people unders 30 years old, 48% between 30 and 50 years old, and 32% over 50 years old.

Employee breakdown by age group



Employees breakdown by professional category and gender



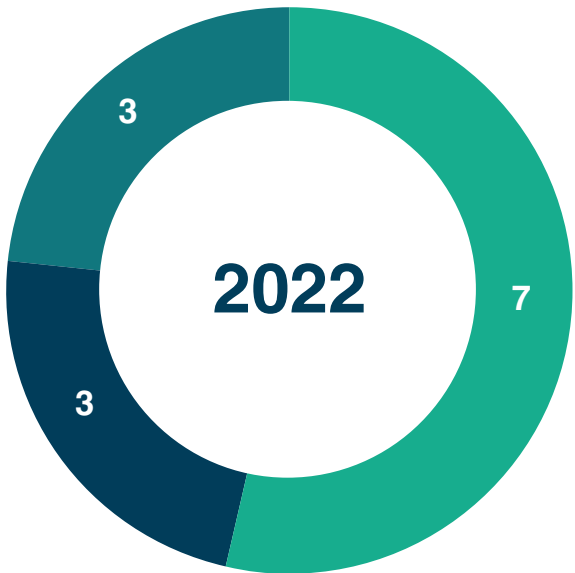


Filidea

Filidea's staff is made of 15 people, 13 men and 2 women. Two of them have a fixed-term contract, while the others have permanent contracts.

All of them have full-time contracts. 53% of the employees is over 50 years old, while the remaining is composed of 20% under 30 years old, and 27% between 30 and 50 years old.

Employee breakdown by age group



<30 y.o. 30-50 y.o. >50 y.o.

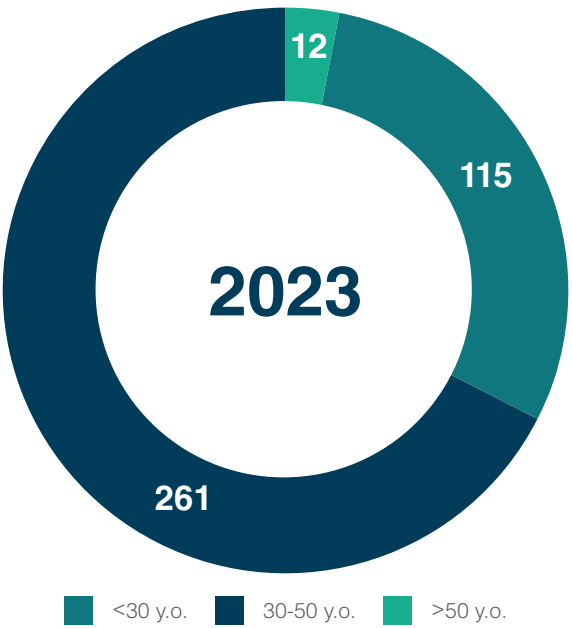
Employees breakdown by professional category and gender



Filidea Tekstil Sanay Ticaret

Filidea Tekstil Sanay Ticaret personnel comprises 388 employees, of which 280 are men and 108 are women, all owning a permanent, full-time contract. The majority of the employees belongs to the 30-50 age category (67%), while 30% is under 30 years of age, and only the 3% is over 50 years old. The company also has 3 interns.

Employee breakdown by age group



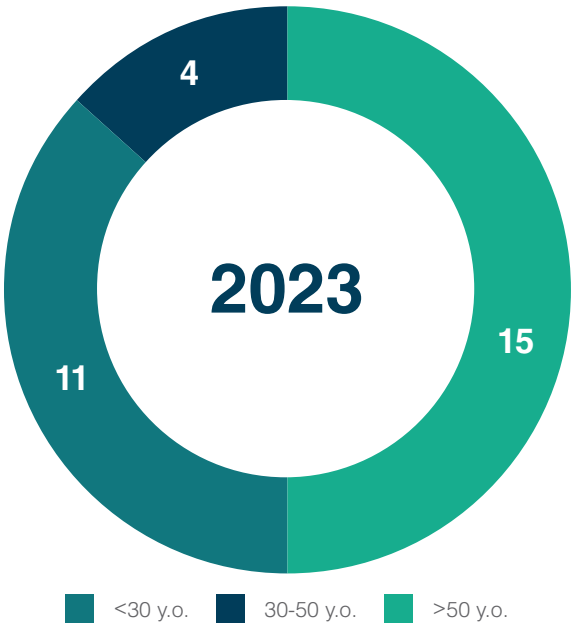
Employees breakdown by professional category and gender



Prispin D.O.O

Prispin has 9 employees, 6 men and 3 women, all with a full-time contract. In 2023, 33% of employees (3 people) has a fixed-term contract. All employees are under 50 years of age, 33% of them under 30 years of age, and 67% of them between 30 and 50 years of age.

Employee breakdown by age group



Employees breakdown by professional category and gender

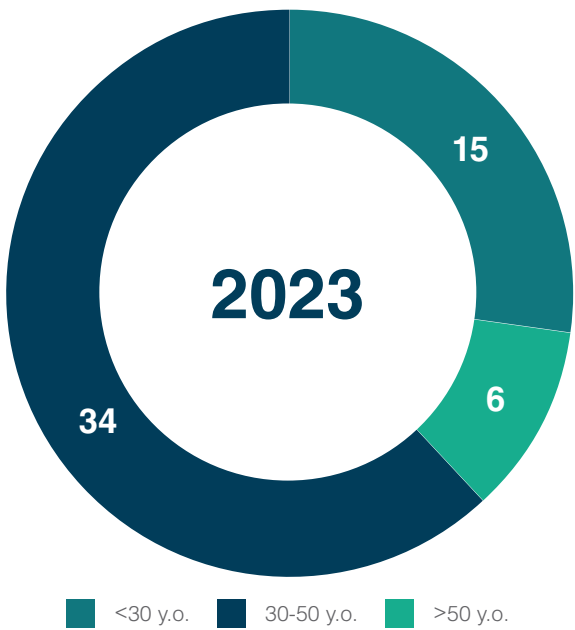




Superfios Textil Ltda

Superfios employs 55 staff members, comprising 51 men and 4 women, all of whom hold full-time contracts. In 2023, all employees were on permanent contracts. The majority of the workforce falls within the 30 to 50-year-old age category (62%), followed by those over 50 years old (27%), and those under 30 years old (11%).

Employee breakdown by age group



Remuneration of BoD members is determined by the Shareholders' Assembly and consists of a fixed compensation, allocated among BoD members based on their specific delegations and roles.

Employees breakdown by professional category and gender



4.1.3 NON-DISCRIMINATION

The Group demonstrates a significant sensitivity to the issue, ensuring that hiring decisions are entirely uninfluenced by such considerations. This is evident from the presence of foreign personnel in not only productive but also other departments.

The company upholds a policy of non-discrimination based on gender, as evidenced by the hiring women for managerial positions while also providing growth opportunities for younger employees.

Among the management objectives concerning this issue, the establishment of a whistleblowing system to report abuses of any nature is prioritized.

Additionally, anonymous reporting boxes are available in the facilities to encourage individuals to report unpleasant or embarrassing situations.

Personnel regularly engage with the HR and internal Health and Safety Representative (RSPP) to monitor employee morale.

The company has supported individuals, regardless of gender, who have previously requested salary advances, and no disrespectful or discriminatory behavior towards anyone has been observed.

During the hiring process, preference is given to individuals with professional conduct and teamwork skills, as the company philosophy advocates against role centralization, which may lead to dissatisfaction among colleagues.

For the company, individuals are first and foremost people entitled to equal protection, fostering mutual respect. The company monitors its approach to this issue primarily through the Whistleblowing platform and regularly undergoes social audits from various clients.

The results demonstrate a company highly receptive to collaboration, sensitive to the issue, and consistently prepared to refine its systems to more closely align with current regulations.

For example, the implementation of virtual timekeeping for office personnel at the end of 2023 was introduced as a control methodology to prevent excessive overtime hours.

Filidea Tekstil Sanay Ticaret is committed to preventing discrimination across all activities and business relationships through comprehensive policies and initiatives. The company promotes diversity and inclusion via training programs, awareness campaigns, and inclusive hiring practices.

This includes conducting investigations and taking corrective action whenever discrimination is identified. The effectiveness of said actions is tracked through regular assessments, employee feedback, and thirdparty audits. The company sets clear goals for a diverse workforce and inclusive workplace, using indicators like employee satisfaction and diversity metrics.

Continuous improvement is driven by lessons learned and stakeholder engagement. No corrective actions or non-compliances have been reported in recent social compliance audits, reflecting the commitment to equality and inclusivity.

Prispin D.O.O. and Superfios Textil Ltda adhere to their respective national regulations by providing all employees with comprehensive legal information at the time of hiring. Additionally, a designated contact person is available to address any employee concerns or reports.

To ensure the effectiveness of its compliance efforts, the companies implement rigorous procedures that include regular inspections and thorough documentation checks.

These measures help maintain proper management and continuous improvement in adherence to legal standards and internal policies.

Notably, in both 2023 and 2022, no instances of discrimination were reported within both the Italian and international operations, affirming the efficacy of current policies and procedures in preventing discriminatory behavior and fostering equality across all business segments.



4.2 HUMAN RESOURCES DEVELOPMENT AND ENHANCEMENT

Enhancing staff  
Within the Group, human resources are fully appreciated, and it is believed that success derives from the talent and contributions of everyone. A culture of performance evaluation is promoted through individual interviews, in which both the positive aspects and areas for improvement of each employee are considered. Flexible work arrangements, including flexible hours and remote work, are encouraged.

This allows for full adaptation to the individual needs of employees and enables effective and efficient balancing of family responsibilities with work. Additionally, support and resources are provided to help employees manage the challenges that may arise when balancing work and family.

4.2.1 TRAINING<sup>20</sup>

Training within the Company is tailored to meet the specific professional development needs of both groups and individual employees. Additionally, supplementary remote training opportunities are accessible via digital platforms, allowing employees to pursue learning aligned with their personal interests on a voluntary basis. In the event of activity restructuring necessitating changes to employees' roles, the Company is dedicated to offering appropriate additional training to support the professional requalification of all affected individuals. In 2023, the training reporting scope is limited to the Italian companies Marchi & Fildi and Filidea, with consistent training provided across both entities.

Throughout the reporting period, mandatory safety training sessions were conducted, covering a range of essential topics including refresher courses, emergency procedures, fire safety, first aid, work-at-height protocols, supervisor training, and qualifications for operating Aerial Work Platforms (AWP) and/or forklifts.

Additionally, specific non-mandatory training sessions were organized to enhance understanding of management systems, encompassing both quality and environmental aspects, as well as codes of conduct and ethics. Furthermore, professional training sessions tailored to individual job tasks were provided to support ongoing skill development and competence enhancement among employees.



<sup>20</sup> The data regarding training refers solely to the Italian perimeter.

Average training hours by gender and professional category						
	2023			2022		
	Men	Women	Total	Men	Women	Total
Executives	0,67	-	0,67	8	-	8
Managers	6,5	-	6,5	6	-	6
Employees	3,33	3,17	3,26	10,23	9,05	9,65
Workers	8,97	3	7,96	9,1	2	8,02
Total	6,41	3,13	5,41	9,43	7,29	8,77

Average health and safety training hours by gender and professional category						
	2023			2022		
	Men	Women	Total	Men	Women	Total
Executives	0	-	0	6	-	6
Managers	4	-	4	6	-	6
Employees	2,74	1,13	2	7,23	4,76	6,02
Workers	0,87	3	1,23	8,49	1,71	7,46
Total	1,63	1,61	1,63	7,97	4	6,75

4.2.2 STAFF EVALUATION

Employee evaluations are conducted in the form of competency assessment interviews. These interviews also serve the purpose of determining whether the employee is placed in the most suitable department, and they assess job satisfaction and career aspirations.





Marchi & Fildi

In Marchi & Fildi, during 2023, a performance evaluation process involving 30 employees was conducted, marking a 58% increase compared to the total of 19 employees evaluated in 2022.

There was observed a greater engagement in evaluations among the categories of employees and workers, with a total of 18 and 11 employees evaluated in 2023 compared to 10 and 9 in 2022, respectively.

Filidea

Regarding Filiea, only 2 individuals underwent performance evaluations, marking a 50% decrease compared to 2022, when 4 employees were evaluated, proportionate to the workforce reduction.

4.3 HEALTH AND SAFETY

The Group is dedicated to maintaining a safe and healthy work environment by raising awareness of risks and promoting responsible behavior among both direct employees and external workers. All employees must adhere to internal procedures for risk prevention and health and safety, and report any deficiencies or non-compliance promptly.

Legally required training, periodically updated, covers all professional categories. New hires receive training from qualified staff, and continuous improvements in health and safety positively impact both the environment and the workforce. Specific roles within the Company encourage departmental involvement and accountability, boosting employee motivation.

The company demonstrates effective health and safety practices through collaborative efforts, rigorous work protocols, and consistent use of personal protective equipment.

Active communication with the Responsible for Prevention and Protection Service (RSPP) ensures timely issue resolution.

The Group follows legislative provisions (particularly Legislative Decree 81/08) for its health and safety management system, covering all facilities and employees. Regular inspections, targeted training, and data analysis maintain process quality, with ongoing technical, structural, and training improvements.

Employees report hazards directly to the RSPP or the Workers' Safety Representative (RLS), with anonymous reporting options available. Incident procedures involve analyzing causes, updating risk assessments, and implementing corrective actions to prevent recurrence. Workers are actively involved through targeted meetings and direct communication with the RSPP.

The implementation of the system is bolstered by strong internal relationships, with ongoing updates on improvements and challenges. Although there is no formal committee, the RSPP frequently consults with area managers and foremen, who relay findings to employees. Specific training sessions emphasize system implementations and address critical issues, ensuring a comprehensive and inclusive health and safety management approach.

Health and safety training in the workplace are conducted internally by trained and competent personnel to directly involve all organizational and working levels.

The company places a strong emphasis on direct training, offering focused and targeted sessions on task-specific risks and hazards.

During training sessions, homogeneous groups are created to allow direct interaction between operational staff and trained instructors. Training activities are also carried out directly in production departments to work concretely on specific situations.

Risk containment

Hazards are assessed by expert personnel trained in accordance with Legislative Decree 81/08 and its subsequent amendments. The system operates on a basis of checks: the RSPP relies on company figures such as Safety Managers and Foremen who constantly supervise the implementation and adherence to internal procedures. Direct communication exists between Managers, foremen, and RSPP to report any anomalies, issues, and/or health and safety hazards.

To prevent accidents, practical risk containment measures are in place at all locations, such as safety barriers, hooks, and collective devices at the Biella facility, where machinery and forklift risks are prevalent. In addition to risk containment measures, there are specific work procedures required of employees in carrying out their tasks.

At the Filidea facilities, the risks associated with machinery and forklifts in the Research & Development department are managed in the same way as at Marchi & Fildi. Regarding the risks in the dyeing process, which are primarily related to contact with hazardous chemicals, the company has implemented an automatic dosing system to minimize the risk of direct contact as much as possible.

Thanks to these preventive measures, no workplace injuries were recorded during the years 2022 and 2023.

The organization is committed to quality processes through regular inspections, targeted training, and data analysis, continuously enhancing health and safety management systems.

Workers can report hazards directly to the RSPP or through the RLS, with anonymous reporting options via complaints boxes and a Whistleblowing platform.

In case of incidents, causes are analyzed, risk assessments are updated, and corrective actions are implemented with the support of executives and foremen under the RSPP's supervision. Incident closures are reviewed to prevent recurrence and enhance internal security. Every security role is responsible for proposing system improvements.

Workers participate in the development, implementation, and consultation of the health and safety management system through meetings with the RSPP, with foremen discussing any issues with employees. System implementation occurs naturally due to strong internal relationships, with continuous communication of improvements and issues.

There is no formalized committee, but the RSPP consults regularly with area managers and foremen, who relay information to employees. Meetings, except for the annual art. 35 meeting, are not always verbalized unless danger or specific issues arise. Specific training sessions emphasize system implementations and address critical issues.

Filidea Tekstil Sanay Ticaret

Filidea Tekstil has established an Occupational Health and Safety Management System (OHSMS) to provide a safe and healthy work environment for all employees. While the company's OHSMS is not certified, it is integrated within the ISO 9001:2015 quality management framework and adheres to labor law No. 6331 as mandated by the Ministry of Labor. The OHSMS is based on recognized risk management and management system standards, specifically outlined in the organization's TL-51 Occupational Health and Safety working rules. The scope of OHSMS encompasses all employees, activities, and workplaces within the organization, with no exceptions, as remote work is not supported. This comprehensive scope underscores Filidea Tekstil's commitment to promoting a culture of safety and well-being across all phases of its operations, ensuring uniform protection for all workers.



**Prispin D.O.O.**

Prispin is in the process of formalizing a management system, pending guidance from the Group to ensure compliance with Italian standards.

Meanwhile, a contract is underway with an external agency tasked with monitoring and auditing our production site.

This partnership is designed to strengthen oversight and guarantee adherence to the highest standards of operational excellence.

**Superfios Textil Ltda**

Superfios Têxtil is dedicated to enhancing workplace safety and health, which has led to notable reductions in absenteeism and increased employee satisfaction.

The company complies with the Ministry of Labor's Regulatory Standards and the federal constitution's requirements for decent work, as well as Decree No. 8373/2014, which mandates the use of the ESOCIAL system for reporting employment-related information.

This includes details on social security contributions, payroll, work accidents, and more.

As part of the fiber preparation and spinning industry, classified under CNAE 1311-1/00 with a risk level 3, Superfios Têxtil prioritizes customer satisfaction, environmental respect, accident prevention, and employee health.

Partnering with Prevenor Tecnologia Ambiental and SESI, the company implements robust safety measures, such as managing PPE, conducting risk assessments, and offering health programs. The PGR (Risk Management Program) outlines actions to mitigate environmental risks, with progress monitored through regular meetings involving management, supervision, HR, and safety engineers.

The Internal Accident Prevention Commission (CIPA) actively contributes to safety initiatives, ensuring compliance with legislation like the Federal Constitution, the Ministry of Labor's standards, and specific fire safety codes.

Superfios Têxtil's health and safety management system supports employees across all work sectors, from administrative to maintenance and production, and includes provisions for outsourced workers in line with Law 13,429/2017.

This comprehensive approach underscores the company's commitment to a safe and healthy work environment, benefiting all stakeholders.







5 ANNEXES



GRI 2-7 Employees							
Number of employees by contract type, gender and region							
Site	Type of contract	As of December 31 <sup>st</sup> , 2022			As of December 31 <sup>st</sup> , 2023		
		Men	Women	Total	Men	Women	Total
Marchi&Fildi	Permanent	45	22	67	55	26	81
	Temporary	7	4	11	3	3	6
	Total	52	26	78	58	29	87
	Full-time	50	23	3	57	25	82
	Part-Time	2	3	5	1	4	5
	Total	52	26	78	58	29	87
Filidea	Permanent	10	1	11	12	1	13
	Temporary	1	1	2	1	1	2
	Total	11	2	13	13	2	15
	Full-time	11	2	13	13	2	15
	Part-time	0	0	0	0	0	0
	Total	11	2	13	13	2	15
Filidea Tekstil Sanay Tikaret	Permanent	-	-	-	280	108	388
	Temporary	-	-	-	0	0	0
	Total	-	-	-	280	108	388
	Full-time	-	-	-	280	108	388
	Part-time	-	-	-	0	0	0
	Total	-	-	-	280	108	388
Prispin D.O.O.	Permanent	-	-	-	4	2	6
	Temporary	-	-	-	2	1	3
	Total	-	-	-	6	3	9
	Full-time	-	-	-	6	3	9
	Part-time	-	-	-	0	0	0
	Total	-	-	-	6	3	9
Superfios Textil Ltda	Permanent	-	-	-	51	4	55
	Temporary	-	-	-	0	0	0
	Total	-	-	-	51	4	55
	Full-time	-	-	-	51	4	55
	Part-time	-	-	-	0	0	0
	Total	-	-	-	51	4	55
TOTAL GROUP	Permanent	55	23	78	400	140	540
	Temporary	8	5	13	8	6	15
	Total	63	28	91	408	146	554
	Full-time	61	25	86	407	142	549
	Part-time	2	3	5	1	4	5
	Total	63	28	91	408	146	554

GRI 405-1: Diversity of governance bodies and employees							
Number of people per category and gender							
		As of December 31 <sup>st</sup> , 2022			As of December 31 <sup>st</sup> , 2023		
		Men	Women	Total	Men	Women	Total
Marchi & Fildi	Executives	1	0	1	2	0	2
	Managers	1	0	1	2	0	2
	Employees	18	20	38	23	22	45
	Workers	32	6	38	31	7	38
	Total	52	26	78	58	29	87
Filidea	Executives	0	0	0	1	0	1
	Managers	0	0	0	0	0	0
	Employees	4	1	5	4	1	5
	Workers	7	1	8	8	1	9
	Total	11	2	13	13	2	15
Filidea Tekstil Sanay Ticaret	Executives	-	-	-	8	3	11
	Managers	-	-	-	0	0	0
	Employees	-	-	-	20	13	33
	Workers	-	-	-	252	92	344
	Total	-	-	-	280	108	388
Prispin D.O.O.	Executives	-	-	-	0	2	2
	Managers	-	-	-	1	0	1
	Employees	-	-	-	4	1	5
	Workers	-	-	-	1	0	1
	Total	-	-	-	6	3	9
Superfios Textil Ltda	Executives	-	-	-	1	0	1
	Managers	-	-	-	2	0	2
	Employees	-	-	-	48	4	52
	Workers	-	-	-	0	0	0
	Total	-	-	-	51	4	55
TOTAL GROUP	Executives	1	0	1	12	5	17
	Managers	1	0	1	5	0	5
	Employees	22	21	43	99	41	140
	Workers	39	7	46	292	100	392
	Total	63	28	91	408	146	554



GRI 405-1 Diversity of governance bodies and employees							
Number of people per category and gender (percentage)							
Number of persons (%)		As of December 31 <sup>st</sup> , 2022			As of December 31 <sup>st</sup> , 2023		
		Men	Women	Total	Men	Women	Total
Marchi & Fildi	Executives	1.3%	0.0%	1.3%	2.3%	0.0%	2.3%
	Managers	1.3%	0.0%	1.3%	2.3%	0.0%	2.3%
	Employees	23.1%	25.6%	48.7%	26.4%	25.3%	51.7%
	Workers	41.0%	7.7%	48.7%	35.6%	8.0%	43.7%
	Total	66.7%	33.3%	100.0%	66.7%	33.3%	100.0%
Filidea	Executives	0.0%	0.0%	0.0%	6.7%	0.0%	6.7%
	Managers	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
	Employees	30.8%	7.7%	38.5%	26.7%	6.7%	33.3%
	Workers	53.8%	7.7%	61.5%	53.3%	6.7%	60.0%
	Total	84.6%	15.4%	100.0%	86.7%	13.3%	100.0%
Filidea Tekstil Sanay Ticaret	Executives	-	-	-	2.1%	0.8%	2.8%
	Managers	-	-	-	0.0%	0.0%	0.0%
	Employees	-	-	-	5.2%	3.4%	8.5%
	Workers	-	-	-	64.9%	23.7%	88.7%
	Total	-	-	-	72.2%	27.8%	100.0%
Prispin D.O.O.	Executives	-	-	-	0.0%	22.2%	22.2%
	Managers	-	-	-	11.1%	0.0%	11.1%
	Employees	-	-	-	44.4%	11.1%	55.6%
	Workers	-	-	-	11.1%	0.0%	11.1%
	Total	-	-	-	66.7%	33.3%	100.0%
Superfios Textil Ltda	Executives	-	-	-	1.8%	0.0%	1.8%
	Managers	-	-	-	3.6%	0.0%	3.6%
	Employees	-	-	-	87.3%	7.3%	94.6%
	Workers	-	-	-	0.0%	0.0%	0.0%
	Total	-	-	-	92.7%	7.3%	100.0%
TOTAL GROUP	Executives	1.1%	0.0%	1.1%	2.2%	0.9%	3.1%
	Managers	1.1%	0.0%	1.1%	0.9%	0.0%	0.9%
	Employees	24.2%	23.1%	47.3%	17.9%	7.4%	25.3%
	Workers	42.9%	7.7%	50.5%	52.7%	18.1%	70.8%
	Total	69.2%	30.8%	100.0%	73.6%	26.4%	100.0%

GRI 405-1: Diversity of governance bodies and employees									
Number of people per category and age group									
Number of person (%)		As of December 31 <sup>st</sup> , 2022				As of December 31 <sup>st</sup> , 2023			
		<30 y.o.	30-50 y.o.	>50 y.o.	Total	<30 y.o.	30-50 y.o.	>50 y.o.	Total
Marchi & Fildi	Executives	0	0	1	1	0	0	2	2
	Managers	0	0	1	1	0	1	1	2
	Employees	10	13	15	38	11	20	16	47
	Workers	7	20	11	38	6	21	9	36
	Total	17	33	28	78	17	42	28	87
Filidea	Executives	0	0	0	0	0	0	1	1
	Managers	0	0	0	0	0	0	0	0
	Employees	2	2	1	5	2	2	1	5
	Workers	1	1	6	8	1	2	6	9
	Total	3	3	7	13	3	4	8	15
Filidea Tekstil Sanay Ticaret	Executives	-	-	-	-	0	9	3	12
	Managers	-	-	-	-	0	0	0	0
	Employees	-	-	-	-	11	19	2	32
	Workers	-	-	-	-	104	233	7	344
	Total	-	-	-	-	115	261	12	388
Prispin D.O.O.	Executives	-	-	-	-	0	2	0	2
	Managers	-	-	-	-	0	1	0	1
	Employees	-	-	-	-	2	3	0	5
	Workers	-	-	-	-	1	0	0	1
	Total	-	-	-	-	3	6	0	9
Superfios Textil Ltda	Executives	-	-	-	-	0	1	0	1
	Managers	-	-	-	-	0	2	0	2
	Employees	-	-	-	-	6	31	15	52
	Workers	-	-	-	-	0	0	0	0
	Total	-	-	-	-	6	34	15	55
TOTAL GROUP	Executives	0	0	1	1	0	12	6	18
	Managers	0	0	1	1	0	4	1	5
	Employees	12	15	16	43	32	75	34	141
	Workers	8	21	17	46	112	256	22	390
	Total	20	36	35	91	144	347	63	554



GRI 405-1: Diversity of governance bodies and employees									
Number of people per category and age group (percentages)									
Number of person (%)		As of December 31 <sup>st</sup> , 2022				As of December 31 <sup>st</sup> , 2023			
		<30 y.o.	30-50 y.o.	>50 y.o.	Total	<30 y.o.	30-50 y.o.	>50 y.o.	Total
Marchi & Fildi	Executives	0.00%	0.00%	1.28%	1.28%	0.00%	0.00%	2.30%	2.30%
	Managers	0.00%	0.00%	1.28%	1.28%	0.00%	1.15%	1.15%	2.30%
	Employees	12.82%	16.67%	19.23%	48.72%	12.64%	22.99%	18.39%	54.02%
	Workers	8.97%	25.64%	14.10%	48.72%	6.90%	24.14%	10.34%	41.38%
	Total	21.79%	42.31%	35.90%	100.00%	19.54%	48.28%	32.18%	100.00%
Filidea	Executives	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	6.67%	6.67%
	Managers	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
	Employees	15.38%	15.38%	7.69%	38.46%	13.33%	13.33%	6.67%	33.33%
	Workers	7.69%	7.69%	46.15%	61.54%	6.67%	13.33%	40.00%	60.00%
	Total	23.08%	23.08%	53.85%	100.00%	20.00%	26.67%	53.33%	100.00%
Filidea Tekstil Sanay Ticaret	Executives	-	-	-	-	0.00%	2.32%	0.77%	3.09%
	Managers	-	-	-	-	0.00%	0.00%	0.00%	0.00%
	Employees	-	-	-	-	2.84%	4.90%	0.52%	8.25%
	Workers	-	-	-	-	26.80%	60.05%	1.80%	88.66%
	Total	-	-	-	-	29.64%	67.27%	3.09%	100.00%
Prispin D.O.O.	Executives	-	-	-	-	0.00%	22.22%	0.00%	22.22%
	Managers	-	-	-	-	0.00%	11.11%	0.00%	11.11%
	Employees	-	-	-	-	22.22%	33.33%	0.00%	55.56%
	Workers	-	-	-	-	11.11%	0.00%	0.00%	11.11%
	Total	-	-	-	-	33.33%	66.67%	0.00%	100.00%
Superfios Textil Ltda	Executives	-	-	-	-	0.00%	1.82%	0.00%	1.82%
	Managers	-	-	-	-	0.00%	3.64%	0.00%	3.64%
	Employees	-	-	-	-	10.91%	56.36%	27.27%	94.55%
	Workers	-	-	-	-	0.00%	0.00%	0.00%	0.00%
	Total	-	-	-	-	10.91%	61.82%	27.27%	100.00%
TOTAL GROUP	Executives	0.00%	0.00%	1.10%	1.10%	0.00%	2.17%	1.08%	3.25%
	Managers	0.00%	0.00%	1.10%	1.10%	0.00%	0.72%	0.18%	0.90%
	Employees	13.19%	16.48%	17.58%	47.25%	5.78%	13.54%	6.14%	25.45%
	Workers	8.79%	23.08%	18.68%	50.55%	20.22%	46.21%	3.97%	70.40%
	Total	21.98%	39.56%	38.46%	100.00%	25.99%	62.64%	11.37%	100.00%

GRI 405-1: Diversity of governance bodies and employees			
Number of people per age group and gender (percentages)			
Composition of the Presidency Council			
Marchi & Fildi	Age	As of December 31 <sup>st</sup> , 2022	As of December 31 <sup>st</sup> , 2023
Men %	< 30 y.o.	0.0%	0.0%
	30 ≤ x ≤ 50	25.0%%	33.3%
	> 50 y.o.	75.0%	67.0%
Total Men %		80.0%	60.0%
Women %	< 30 y.o.	0.0%	0.0%
	30 ≤ x ≤ 50	0.0%	50.0%
	> 50 y.o.	100.0%	50.0%
Total Women %		20.0%	40.0%
Total members of the Presidency Council (n)		5	5
Filidea	Age	As of December 31 <sup>st</sup> , 2022	As of December 31 <sup>st</sup> , 2023
Men %	< 30 y.o.	0.0%	0%
	30 ≤ x ≤ 50	33.3%	42.9%
	> 50 y.o.	66.7%	57.1%
Total Men %		75.0%	87.5%
Women %	< 30 y.o.	0.0%	0.0%
	30 ≤ x ≤ 50	0.0%	0.0%
	> 50 y.o.	100.0%	100.0%
Total Women %		25.0%	12.5%
Total members of the Presidency Council (n)		4	8
Total Group	Age	As of December 31 <sup>st</sup> , 2022	As of December 31 <sup>st</sup> , 2023
Men %	< 30 y.o.	0.0%	0.0%
	30 ≤ x ≤ 50	28.6%	30.8%
	> 50 y.o.	71.4%	46.2%
Total Men %		77.8%	76.9%
Women %	< 30 y.o.	0.0%	0.0%
	30 ≤ x ≤ 50	0.0%	7.7%
	> 50 y.o.	100.0%	15.4%
Total Women %		22.2%	23.1%
Total members of the Presidency Council (n)		9	13



GRI 405-1 Diversity of governance bodies and employees							
Number of people per category and gender (percentage)							
Number of persons (%)		As of December 31 <sup>st</sup> , 2022			As of December 31 <sup>st</sup> , 2023		
		Men	Women	Total	Men	Women	Total
Marchi & Fildi	Executives	0	0	0	0	0	0
	Managers	0	0	0	1	0	1
	Employees	5	5	10	9	9	18
	Workers	6	3	9	9	2	11
	Total	11	8	19	19	11	30
Filidea	Executives	0	0	0	0	0	0
	Managers	1	0	1	0	0	0
	Employees	0	0	0	0	1	1
	Workers	1	2	3	1	0	1
	Total	2	2	4	1	1	2
TOTAL GROUP	Executives	0	0	0	0	0	0
	Managers	1	0	1	1	0	1
	Employees	5	5	10	9	10	19
	Workers	7	5	12	10	2	12
	Total	13	10	23	20	12	32

GRI 302-1: Energy consumption within the organization				
Energy consumption		Unity of measure	2022	2023
Marchi & Fildi	Fuel consumption	GJ	1,062	995
	<i>of which natural gas</i>	GJ	315	329
	<i>of which diesel/diesel fuel</i>	GJ	747	666
	Electricity consumption	GJ	18,543	15,443
	<i>of which from renewable sources</i>	GJ	1,489	2,172
	Total	GJ	19,606	17,615
	of which from renewable sources	GJ	1,489	2,172
Filidea	Fuel consumption	GJ	14,539	13,639
	<i>of which natural gas</i>	GJ	14,448	13,639
	<i>of which diesel/diesel fuel</i>	GJ	50	0
	Electricity consumption	GJ	6,672	6,743
	<i>of which from renewable sources</i>	GJ	1,738	1,556
	Total	GJ	21,211	20,328
	of which from renewable sources	GJ	1,738	1,556
Filidea Tekstil Sanay Ticaret	Fuel consumption	GJ	-	969
	<i>of which LPG</i>	GJ	-	472
	<i>of which diesel/diesel fuel</i>	GJ	-	162
	<i>of which gasoline</i>	GJ	-	335
	Electricity consumption	GJ	-	103,417
	<i>of which from renewable sources</i>	GJ	-	0
	Total	GJ	-	104,386
	of which from renewable sources	GJ	-	0
Prispin D.O.O.	Fuel consumption	GJ	-	88
	<i>of which diesel/diesel fuel</i>	GJ	-	86
	<i>of which gasoline</i>	GJ	-	1
	Electricity consumption	GJ	-	16,027
	<i>of which from renewable sources</i>	GJ	-	0
	Total	GJ	-	16,115
	of which from renewable sources	GJ	-	0
Superfios Textil Ltda	Fuel consumption	GJ	-	177
	<i>of which LPG</i>	GJ	-	163
	<i>of which gasoline</i>	GJ	-	14
	<i>of which burning oil</i>	GJ	-	0.017
	Electricity consumption	GJ	-	23,07
	<i>of which from renewable sources</i>	GJ	-	0
	Total	GJ	-	23,247
	of which from renewable sources	GJ	-	0
TOTAL GROUP	Fuel consumption	GJ	15,601	15,99
	<i>of which natural gas</i>	GJ	14,804	13,968
	<i>of which diesel/diesel fuel</i>	GJ	797	914
	<i>of which gasoline</i>	GJ	0	473
	<i>of which LPG</i>	GJ	0	635
	<i>of which burning oil</i>	GJ	0	0.017
	Electricity consumption	GJ	25,216	165,754
	<i>of which from renewable sources</i>	GJ	3,228	3,728
	Total	GJ	40,817	181,744
	of which from renewable sources	GJ	3,228	3,728



GRI 305-1 e 305-2: Direct (Scope 1) and energy indirect (Scope 2) emissions				
Emissions		2022	2023	
Marchi & Fildi	Scope 1 (tCO <sup>2</sup> )	76	79	
	Scope 2 (tCO <sup>2</sup> )			
	Market based	2,165	1,818	
	Location based	1,623	1,416	
Filidea	Scope 1 (tCO <sup>2</sup> )	856	811	
	Scope 2 (tCO <sup>2</sup> )			
	Market based	626	658	
	Location based	432	579	
Filidea Tekstil Sanay Ticaret	Scope 1 (tCO <sup>2</sup> )	-	67	
	Scope 2 (tCO <sup>2</sup> )			
	Market based	-	11,921	
	Location based	-	11,921	
Prispin D.O.O.	Scope 1 (tCO <sup>2</sup> )	-	7	
	Scope 2 (tCO <sup>2</sup> )			
	Market based	-	174	
	Location based	-	1,327	
Superfios Textil Ltda	Scope 1 (tCO <sup>2</sup> )	-	10	
	Scope 2 (tCO <sup>2</sup> )			
	Market based	-	891	
	Location based	-	891	
TOTAL GROUP	Scope 1 (tCO <sup>2</sup> )	931	975	
	Scope 2 (tCO <sup>2</sup> )			
	Market based	2,791	15,463	
	Location based	2,054	16,133	

GRI 302-3 and 305-4: Energy intensity and GHG emissions intensity			
		2022	2023
Marchi & Fildi	Production value (mln€)	33.1	31.8
	Energy intensity (GJ/mln€)	592.4	553.9
	GHG emissions intensity - Scope 1 + Scope 2 Location Based (tCO2/mln/€)	51.3	47.0
	GHG emissions intensity - Scope 1 + Scope 2 Market Based (tCO2/mln/€)	67.7	59.7
Filidea	Production value (mln€)	53	47.9
	Energy intensity (GJ/mln€)	400.2	425.5
	GHG emissions intensity - Scope 1 + Scope 2 Location Based (tCO2/mln/€)	24.3	29.0
	GHG emissions intensity - Scope 1 + Scope 2 Market Based (tCO2/mln/€)	28.0	30.7

GRI 303-3: Water withdrawal			
Water withdrawal by source (ML)		2022	2023
Marchi & Fildi	Groundwater	0.7	0.5
	Fresh water (≤ 1000 mg/L total dissolved solids)	0.7	0.5
	Other water (> 1000 mg/L total dissolved solids)	0	0
Filidea	Groundwater	121	97
	Fresh water (≤ 1000 mg/L total dissolved solids)	121	97
	Other water (> 1000 mg/L total dissolved solids)	0	0
Filidea Tekstil Sanay Ticaret	Surface waters	-	88
	Fresh water (≤ 1000 mg/L total dissolved solids)	-	88
	Other water (> 1000 mg/L total dissolved solids)	-	0
Prispin D.O.O.	Produced water	-	2.5
	Fresh water (≤ 1000 mg/L total dissolved solids)	-	2.5
	Other water (> 1000 mg/L total dissolved solids)	-	0
Superfios Textil Ltda	Produced water	-	7
	Fresh water (≤ 1000 mg/L total dissolved solids)	-	7
	Other water (> 1000 mg/L total dissolved solids)	-	0
TOTAL GROUP	Surface waters	0	88
	Fresh water (≤ 1000 mg/L total dissolved solids)	0	88
	Other water (> 1000 mg/L total dissolved solids)	0	0
	Groundwater	122	97
	Fresh water (≤ 1000 mg/L total dissolved solids)	122	97
	Other water (> 1000 mg/L total dissolved solids)	0	0
	Produced water	0	9.5
	Fresh water (≤ 1000 mg/L total dissolved solids)	0	9.5
	Other water (> 1000 mg/L total dissolved solids)	0	0



GRI 303-4: Water discharge			
Water discharge by source (ML)		2022	2023
Marchi & Fildi	Groundwater	0.3	0.3
	<i>Fresh water (≤ 1000 mg/L total dissolved solids)</i>	0.3	0.3
	<i>Other water (&gt; 1000 mg/L total dissolved solids)</i>	0	0
Filidea	Surface waters	117	95
	<i>Fresh water (≤ 1000 mg/L total dissolved solids)</i>	117	95
	<i>Other water (&gt; 1000 mg/L total dissolved solids)</i>	0	0
Filidea Tekstil Sanay Ticaret	Surface waters	-	79
	<i>Fresh water (≤ 1000 mg/L total dissolved solids)</i>	-	79
	<i>Other water (&gt; 1000 mg/L total dissolved solids)</i>	-	0
Prispin D.O.O.	Third-party water	-	2.5
	<i>Fresh water (≤ 1000 mg/L total dissolved solids)</i>	-	2.5
	<i>Other water (&gt; 1000 mg/L total dissolved solids)</i>	-	0
Superfios Textil Ltda	Groundwater	-	7
	<i>Fresh water (≤ 1000 mg/L total dissolved solids)</i>	-	7
	<i>Other water (&gt; 1000 mg/L total dissolved solids)</i>	-	0
TOTAL GROUP	Surface waters	117	174
	<i>Fresh water (≤ 1000 mg/L total dissolved solids)</i>	117	174
	<i>Other water (&gt; 1000 mg/L total dissolved solids)</i>	0	0
	Groundwater	0.3	7
	<i>Fresh water (≤ 1000 mg/L total dissolved solids)</i>	0.3	7
	<i>Other water (&gt; 1000 mg/L total dissolved solids)</i>	0	0
	Third-party water	0	2.5
	<i>Fresh water (≤ 1000 mg/L total dissolved solids)</i>	0	2.5
	<i>Other water (&gt; 1000 mg/L total dissolved solids)</i>	0	0

GRI 306-3: Waste generated			
Total weight of waste generated		2022	2023
Marchi & Fildi	Total waste (t)	245	196
	<i>of which hazardous</i>	3	1
	<i>of which non-hazardous</i>	242	195
Filidea	Total waste (t)	191	59
	<i>of which hazardous</i>	0	0
	<i>of which non-hazardous</i>	191	59
Filidea Tekstil Sanay Ticaret	Total waste (t)	-	827
	<i>of which hazardous</i>	-	0
	<i>of which non-hazardous</i>	-	827
Prispin D.O.O.	Total waste (t)	-	74
	<i>of which hazardous</i>	-	0
	<i>of which non-hazardous</i>	-	74
Superfios Textil Ltda	Total waste (t)	-	168
	<i>of which hazardous</i>	-	0
	<i>of which non-hazardous</i>	-	186
TOTAL GROUP	Total waste (t)	436	1,325
	<i>of which hazardous</i>	3	1
	<i>of which non-hazardous</i>	433	1,324



GRI 403-9: Work-related injuries			
Number of work-related injuries		2022	2023
Marchi & Fildi	Total number of fatalities as a result of work-related injury	0	0
	Total number of high-consequence work-related injuries (excluding fatalities)	0	0
	Total number of recordable work-related injuries	0	0
Filidea	Total number of fatalities as a result of work-related injury	0	0
	Total number of high-consequence work-related injuries (excluding fatalities)	0	0
	Total number of recordable work-related injuries	0	0
Filidea Tekstil Sanay Ticaret	Total number of fatalities as a result of work-related injury	-	0
	Total number of high-consequence work-related injuries (excluding fatalities)	-	1
	Total number of recordable work-related injuries	-	53
Prispin D.O.O.	Total number of fatalities as a result of work-related injury	-	0
	Total number of high-consequence work-related injuries (excluding fatalities)	-	0
	Total number of recordable work-related injuries	-	5
Superfios Textil Ltda	Total number of fatalities as a result of work-related injury	-	0
	Total number of high-consequence work-related injuries (excluding fatalities)	-	0
	Total number of recordable work-related injuries	-	2
TOTAL GROUP	Total number of fatalities as a result of work-related injury	0	0
	Total number of high-consequence work-related injuries (excluding fatalities)	0	1
	Total number of recordable work-related injuries	0	60

GRI 201-1: Direct economic value	
Generated and distributed	Total Group <sup>22</sup>
Value distributed to suppliers and other operating costs	48.225.323,00 €
Employee wages and benefits	8.794.183,00 €
Payments to providers of capital	2.133.945,00 €
Remuneration of the members	- €
Community investments	- €
Payments to government	721.797,00 €
Distributed value	59.875.248,00 €
Value retained by the Company	2.071.370,00 €
Economic value generated	79.786.709,00 €

<sup>22</sup> Distributed value has been calculated using the Group's consolidated financial statement and it's not 100% representative of the present reporting perimeter, as stated in the methodological note.

5.1 GRI CONTENT INDEX

SELECTION OF GRI STANDARDS	
STATEMENT OF USE	The Marchi & Fildi Group has produced this Sustainability Brochure reporting the information mentioned in this GRI content index for the period 01/01/2023 – 31/12/2023 with reference to GRI Standards.
GRI 1 used	GRI 1: Foundation 2021

GRI Standard	Disclosure	Location	Notes
GRI 2 – General Disclosures (2021)	2-1 Organizational details	Our history	
	2-2 Entities included in the organization's sustainability reporting	Methodological note	
	2-3 Reporting period, frequency and contact point	Methodological note	
	2-4 Restatements of information	Methodological note	
	2-5 External assurance	Methodological note	
	2-6 Activities, value chain and other business relationships	Methodological note	
	2-7 Employees	Our history; Value chain and relationship with other suppliers; Research, innovation, and partnership	
	2-8 Workers who are not employees	Staff composition	
	2-9 Governance structure and composition	Governance and mission	In the current fiscal year there are no external workers.
	2-10 Nomination and selection of the highest governance body	Governance and mission	
	2-11 Chair of the highest governance body	Governance and mission	
	2-12 Role of the highest governance body in overseeing the management of impacts	Governance and mission	
	2-13 Delegation of responsibility for managing impacts	Governance and mission	
	2-14 Role of the highest governance body in sustainability reporting	Governance and mission	
	2-15 Conflicts of interest	Governance and mission	

GRI Standard	Disclosure	Location	Notes
GRI 2 – General Disclosures (2021)	2-15 Conflicts of interest	Governance and mission	
	2-16 Communication of critical concerns	Governance and mission	
	2-17 Collective knowledge of the highest governance body	Governance and mission	
	2-18 Evaluation of the performance of the highest governance body	Governance and mission	
	2-19 Remuneration policies		
	2-22 Statement on sustainable development strategy		
	2-23 Policy commitments	Our history; Circular economy; Resources and materials; Research, innovation, and partnership	
	2-24 Embedding policy commitments	Our history; Governance and mission; Environmental responsibility	
	2-25 Processes to remediate negative impacts	Our history; Governance and mission; Environmental responsibility	
	2-26 Mechanisms for seeking advice and raising concerns	Resources and materials	
	2-27 Compliance with laws and regulations	Non-discrimination; Health & safety; Value chain and relationship with other suppliers	There were no cases of non-compliance during 2023.
	2-28 Membership associations	Research, innovation, and partnership	
	2-29 Approach to stakeholder engagement	Our stakeholders	

Material topics			
GRI 3 - Material Topics (2021)	3-1 Process to determine material topics	Our material topics	Materiality analysis
	3-2 List of material topics	Our material topics	Materiality analysis

Topic-specific Standards		
GRI Standard	Disclosure	Location
ETHICS, INTEGRITY, COMPLIANCE AND TRANSPARENCY		
3-3	Management of material topics	Economic and governance responsibility
205-3	Confirmed incidents of corruption and actions taken	Economic and governance responsibility
COMMUNITY INVOLVEMENT AND VALUE CREATION		
3-3	Management of material topics	Economic and governance responsibility
201-1	Direct economic value generated and distributed	Shared value creation
ENERGY CONSUMPTION, EMISSIONS AND THE FIGHT AGAINST CLIMATE CHANGE		
3-3	Management of material topics	Environmental responsibility
302-1	Energy consumption within the organization	Combating Climate Change; Energy consumption; Emissions
302-3	Energy intensity	Energy consumption
302-4	Reduction of energy consumption	Energy consumption
302-5	Reductions in energy requirements of products and services	Energy consumption
305-1	Direct (Scope 1) GHG emissions	Energy consumption
305-2	Energy indirect (Scope 2) GHG emissions	Emissions
305-4	GHG emissions intensity	Emissions
RESPONSIBLE MANAGEMENT OF WATER RESOURCES AND WASTE		
3-3	Management of material topics	Environmental responsibility
301-1	Materials used by weight or volume	Circular economy; Resources and materials; Protection of the water resource
301-2	Recycled input materials used	Materials
301-3	Reclaimed products and their packaging materials	Materials
303-2	Management of water discharge related impacts	Protection of the water resource
303-3	Water withdrawal	Protection of the water resource
303-4	Water discharge	Protection of the water resource
306-3	Waste generated	Responsible waste management



Topic-specific Standards		
GRI Standard	Disclosure	Location
HEALTH AND SAFETY AT WORK		
3-3	Management of material topics	Health and safety
403-1	Occupational health and safety management system	Health and safety
403-9	Work-related injuries	Health and safety
DIVERSITY, FAIRNESS, AND INCLUSION		
3-3	Management of material topics	Our people
405-1	Diversity of governance bodies and employees	Staff Composition
406-1	Incidents of discrimination and corrective actions taken	Non-discrimination
PRIVACY AND DATA PROTECTION		
3-3	Management of material topics Economic and governance responsibility	Privacy and cybersecurity
418-1	Substantiated complaints concerning breaches of customer privacy and losses of customer data	Privacy and cybersecurity
PROMOTION OF BIODIVERSITY PROTECTION		
3-3	Management of material topics Environmental responsibility	Environmental responsibility
STAFF DEVELOPMENT AND TALENT ATTRACTION		
3-3	Management of material topics	Our people; Human Resources development and enhancement
401-1	New employee hires and employee turnover	Attraction & retention
404-1	Average hours of training per year per employee	Training
404-3	Percentage of employees receiving regular performance and career development reviews	Staff evaluation
RESPONSIBLE SUPPLY CHAIN MANAGEMENT		
3-3	Management of material topics	Value chain and relationship with other suppliers
204-1	Proportion of spending on local suppliers	Value chain and relationship with other suppliers
308-1	New suppliers that were screened using environmental criteria	Value chain and relationship with other suppliers
414-1	New suppliers that were screened using social criteria	Value chain and relationship with other suppliers
RESEARCH, DEVELOPMENT AND SUSTAINABLE INNOVATION		
3-3	Management of material topics	Economic and governance responsibility







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