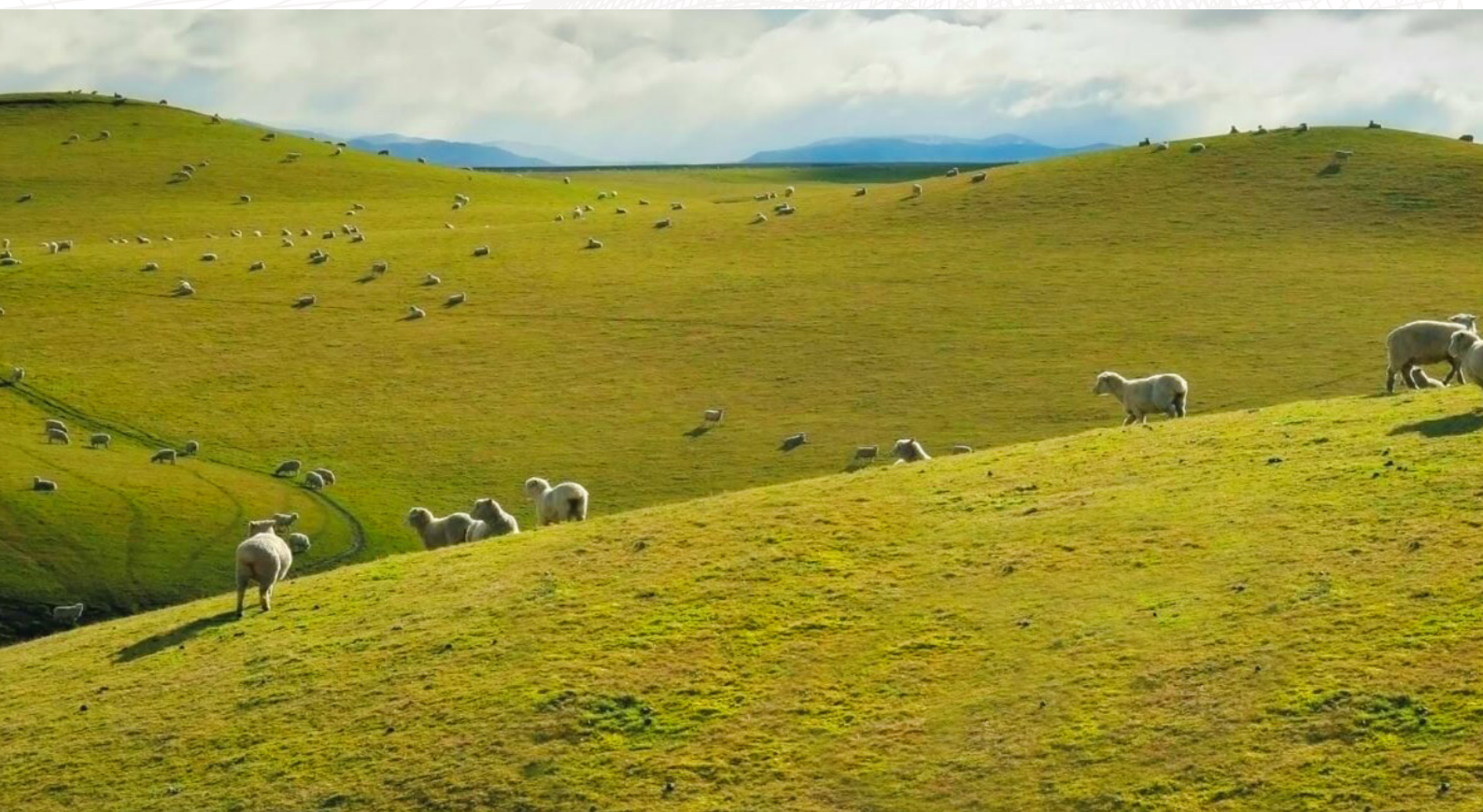




1836
MARZOTTO

GROUP



2022
SUSTAINABILITY REPORT



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Letter to Stakeholders

Over the years, the Marzotto Group has sought to put the pursuit of environmental, social and governance (ESG) objectives at the heart of its work, as it does not consider it sufficient to solely achieve its goals in purely financial, economic and balance sheet terms.

This is our first set of financial statements; we have endeavoured to draw them up at this historic moment, so full of concerns about climate change, in such a way that they summarise the journey that has made us - as evidenced by our history of almost two centuries - a Group sensitive to environmental and social issues.

We decided, starting in 2022, to publish this document, embarking on a path to promote sustainable development, conscious of the fact and in the belief that the Marzotto Group should proudly and publicly announce the goals it has achieved.

After the dark financial years related to the pandemic, the market continued its recovery in 2022, allowing the Group to address sustainability issues in the best way, developing environmental monitoring and implementing effective and efficient energy saving initiatives.

Our overriding wish is that sustainability is not only focused on slavish compliance with regulations and processes, but, above all, must also involve the production stages beginning with their conception.

Product innovation has therefore been combined with circular economy experiments, with a particular focus on the use of recycled and regenerated fibres, and disposal initiatives through the circular economy, in order to reduce the impact of our activities on the environment. Also important is the new method of finishing used with state-of-the-art treatments that allows us to make bi-stretch fabrics, without resorting to the use of elastomers.

Significant investments in the safety and training of employees have also been made, as described in the various chapters of the document.

An attentive reader, while scrolling through these pages, will not fail to realise that, although much has already been done, there is still room for improvement, but this document represents a litmus test to stimulate the achievement of even more important goals, with policies focused on human capital and the environment.

You will notice that within the Group, a company first became a Benefit Company and then B Corp.

The way forward is clear: sustainability is a beacon that illuminates our path and that will probably lead us to achieve a competitive advantage over time, which we hope will be decisive, and to further increase initiatives with a view to continuous responsibility towards society and the planet in which we live.

The Board of Directors

Highlights

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

369,5

million in turnover
at 31 December 2022

12

trademarks recognised
worldwide

10

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

♦ **A logistics and shipping centre**

♦ Nearly **3,000 employees**, 64%
of whom are women

♦ **A water treatment company**

♦ Over **27,000 hours of training**
provided to employees

♦ Approximately **4,000 tonnes**
of yarn sold in 2022

♦ Approximately **78% permanent**
employees

♦ Approximately **21,200 km**
of fabric sold in 2022

A look back

1.

Marzotto Group

The Marzotto Group (hereinafter also the Group) boasts almost two centuries of history, starting in 1836 when Luigi Marzotto founded the small Marzotto **textile mill** in **Valdagno**, in the province of Vicenza. At the end of the nineteenth century, under the guidance of his son Gaetano Sr., the company numbered around two hundred workers, in addition to being one of the first textile companies in Italy to produce worsted yarn, of a higher quality than the more common carded yarn. Vittorio Emanuele Marzotto provides a boost to the Group with the construction of modern factories and electrical plant; this work continues with his son, Gaetano Jr. who propels the Group towards further growth, over a twenty year time span, by making major acquisitions and achieving full electrification of equipment and production departments.

In the early 1950s of the 20th century the company strengthened its presence in the Italian market,

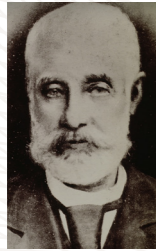
producing **garments** as well as its own yarns and fabrics. Growth continued in the following decades, both through the acquisition of iconic companies such as Hugo Boss and Valentino and through significant commercial deals with large clothing brands.

In the early 2000s, however, the new market approach led the Marzotto Group to concentrate its resources in the textile business. In subsequent years there have been numerous acquisitions of established companies that have made the Group an important player in the **high-quality yarns and fabrics** sector throughout the world.

The Marzotto Group currently has 12 brands, with plants both in Italy and abroad (Czech Republic, Lithuania and Tunisia), as well as a worldwide commercial network, as shown in the geographical map below.



History



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



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

Marzotto goes down the **clothing** path. "I usually wear Marzotto" was a rather famous refrain some years ago.

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

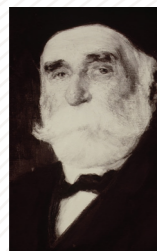
In 2000, Lithuanian **Liteksas** joined the Group, and in 2002 **Valentino**, one of the most famous Italian fashion brands, which mainly operates in the high-end women's clothing and accessories segment. In 2004, the Group's turnover amounted to €1,550 million.

2008 saw the incorporation of important companies into the Group, such as the **Fratelli Tallia di Delfino** woollen mill and "**Lanificio G.B. Conte**" which extends its offering to women under the Estethia - G.B. Conte brand, and 100% control of Linificio and Canapificio Nazionale.

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

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

The Marzotto Interiors brand was launched, bringing together Prosetex and Redaelli Velluti's furnishing businesses.



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



Having inherited the company from his father at an early age, Gaetano Marzotto Jr. grows the company from 2,500 to 12,500 employees by acquiring companies in the wool sector. Marzotto continues to grow and establish itself on world markets, in spite of the Wall Street crash in 1929.

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

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

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

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

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

Acquisition of Prosetex, a company that for more than 60 years has had a presence in the district of Brianza, a renowned manufacturer of furnishing fabrics, both jacquard and velvets.

Founding values

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

Gaetano Marzotto Jr, 1957

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

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

Vision

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

Mission

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



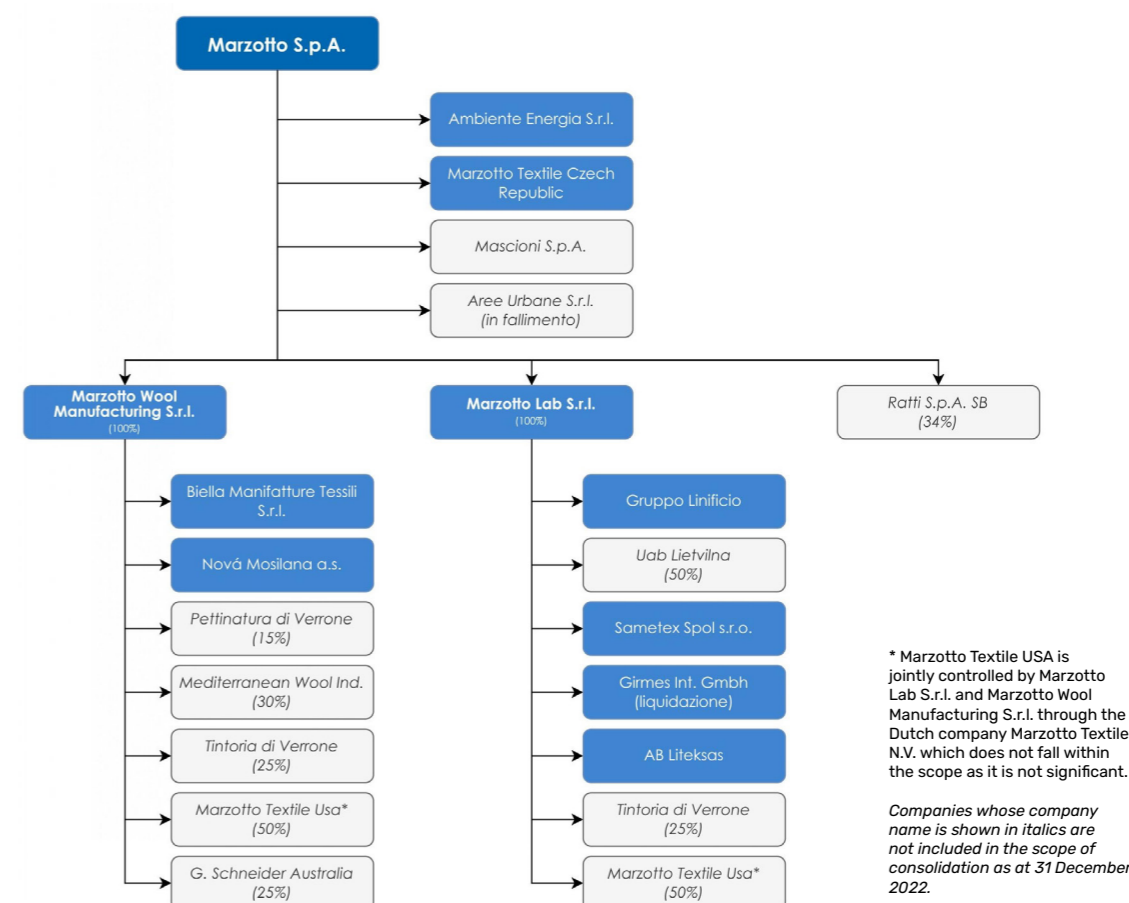
The Group as a network of companies

2.

The corporate organisation

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

and the business unit consisting of the linen, cotton, velvet and textile accessories businesses (Marzotto Lab S.r.l.) were transferred. The 2022 Sustainability Report includes all operating companies consolidated on a line-by-line basis (according to IFRS 11), with the exception of Marzotto Textiles Czech Republic S.r.o., which, as a service company, does not generate significant impacts for the purposes of sustainability reporting. The perimeter therefore includes Ambiente Energia S.r.l., Marzotto Wool Manufacturing S.r.l. with its subsidiaries Biella Manifatture Tessili S.r.l. and Nová Mosilana a.s. and, finally, Marzotto Lab S.r.l. with its subsidiaries Linificio e Canapificio Nazionale S.r.l. SB, AB Liteksas and Sametex spol. S.r.o. (for more details see company chart).



MARZOTTO WOOL MANUFACTURING S.R.L.

Over the years, the Marzotto Group made significant acquisitions which consolidated the Group's presence in the wool sector: in 1994, as part of an internationalisation process, the Group acquired the company Nová Mosilana a.s. di Brno (Czech Republic), which already exported its fabrics to North America and many European countries; in 2008, it acquired the company Fratelli Tallia di Delfino S.p.A. (now Biella Manifatture Tessili S.r.l.), a symbol of fine fabrics made entirely in Italy, which owned the Guabello, Marlane, Fratelli Tallia di Delfino and Opera Piemontese brands acquired over the years.

In 2008, the Marzotto Group extended its range of products for women with the Estethia - G.B. Conte brand.

In 2015, the following were transferred to **Marzotto Wool Manufacturing S.r.l.** which includes the wool businesses: (i) the production plant located in Valdagno (VI), (ii) the entire equity investment in Biella Manifatture Tessili S.r.l., and (iii) the entire equity investment in the company "Nova Mosilana a.s."

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



MARZOTTO FABRICS

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

ESTETHIA | *G.B. Conte 1757*



ESTETHIA/G.B.CONTE

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

- Estethia, mainly focused on combed ("solid" and elasticated) fabrics which are block colours and patterned
- G.B. Conte, oriented towards carded and combed patterned fabrics for coats and jackets, "boiled wools" (felted jersey) and jersey. The Estethia - G.B. Conte collection, synonymous with a young, modern and dynamic look, has its main sales markets in Italy, France, Spain, Germany, United States, South Korea and China. Since 2017 Estethia G.B. Conte, under an exclusive distribution agreement with the Scottish company Harris Tweed Hebrides, markets the iconic pure virgin wool fabric in the most important markets in the world.

GUABELLO

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

MARLANE

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

MARLANE

FRATELLI TALLIA DI DELFINO

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



OP
OPERA PIEMONTESE

OPERA PIEMONTESE

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

MARZOTTO LAB S.R.L.

Unlike Marzotto Wool Manufacturing S.r.l., **Marzotto Lab S.r.l.** groups together companies and divisions belonging to various sectors, which are partly complementary to each other. Following the operation carried out in December 2014, Marzotto Lab S.r.l., which includes the linen, cotton, velvet and textile accessories businesses, received, inter alia: (i) the production plant located in Sondrio; (ii) the entire equity interest in the "Linificio e Canapificio Nazionale S.r.l. SB" Group¹, which has established itself as one of the most important players in the world for linen and hemp processing. It should be noted

that in 2018 it received the "100 Italian Excellence" award; (iii) the Lithuanian company "AB Liteksas A.S."². The combination of Italian and Lithuanian tradition has brought innovation in terms of style and quality to the company's wide range of products, which already included throws, blankets, scarves and pillowcases, made of natural fibres such as wool, silk and linen; (iv) the entire equity interest in the Czech company "Sametex spol s.r.o." based in Kraslice (Czech Republic), to date one of the leading producers of high-quality velvet and jacquard fabrics and products for women's, men's and children's fashion.

¹ The acquisition by Marzotto S.p.A. began in 1985 and ended in 2008. Linificio e Canapificio Nazionale has a 150-year history.

² Founded in 1927.

Marzotto Lab S.r.l. brands:



LINIFICIO E CANAPIFICIO NAZIONALE

Linificio e Canapificio Nazionale is synonymous with linen and hemp fibre yarns all over the world, not only for the fashion and furnishings sectors, but also in the future for food packaging and for applications for composite materials, such as the automotive, naval and audio systems sectors. The brand is the only producer of the finest Nm110 yarn available in the world, and is constantly looking for new applications for linen, such as Leonardo, an elasticated linen yarn with core spun technology.

LANEROSI

Lanerossi, founded in 1817, is responsible for the design and manufacture of textile products for interiors, such as blankets, throws, duvets and furnishing accessories such as household linen and towelling. The brand focuses its attention on finding products that offer greater comfort and convenience while having limited environmental and social impacts. The various seasonal collections cater for a wide variety of customers, from those who want to make their home as a cosy, warm home to those wishing to embellish it with iconic and stylish elements.



TESSUTI DI SONDRIO

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



NUOVA TESSILBRENTA

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



REDAELLI VELLUTI

Present in various markets, such as elegant clothing and accessories. The brand, which has been operating since 1893, now offers warp and weft rib velvets fabrics. The collections comprise more than 200 types of velvets which attempt to offer customers all over the world as customised a solution as possible, in line with the latest market trends and possible thanks to innovative processes such as pattern brushing, hot embossing, jacquard weaving and star dyeing.

MARZOTTO INTERIORS

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

marzottointeriors

AMBIENTE ENERGIA S.R.L.

The Marzotto Group owns a subsidiary active in the **purification of wastewater** and the treatment of liquid waste. Ambiente Energia S.r.l. deals with various types of liquid waste and slurry, separating the components to be disposed of through a series of chemical and physical

treatments, and releasing the purified water into surface reservoirs. The company currently manages 120,000 tonnes of waste per annum, and is able to undertake innovative investments, such as automating control systems and measuring parameters in processing plants.



Governance

The Marzotto Group has a governance structure consisting of various organisational, statutory and legal instruments.

At parent company Marzotto Spa, the governing body is represented by the **Board of Directors** (hereinafter also the BoD), which is entrusted with the strategic management of the Group.

The Board of Directors of the parent company Marzotto S.p.A., appointed on 26 June 2023, currently consists of 6 members, including 2 women and 4 men, who hold this position until the approval of the financial statements for the year ended 31.12.2023. No member of the Board of Directors holds additional positions of responsibility that may adversely affect the available time and attention that each individual can devote to the company. Furthermore, the Chairman does not hold senior positions in any Group company.

At 31 December 2022, the Board of Directors consisted of the following members:

Members and positions of the Board of Directors	
Antonio Favrin	Executive Chairman
Andrea Guaccero	Non-Executive Vice-Chairman
Davide Favrin	Chief Executive Officer
Federica Favrin	Non-executive director
Vittorio Marzotto	Non-executive director
Donatella Ratti	Non-executive director
Federico Torresi ³	Non-executive director

³ Left on 31/03/2023.

Il CdA della Società ha il compito di prefissare gli obiettivi strategici della Compagnia e responsabile per setting its strategic objectives and defining the way in which they will be pursued. During this process, the body delegates certain operational powers to delegated directors, who may also grant special powers of representation within the limits of their powers. With regard to the health and safety of its workplaces, the Board of Directors has identified and named the Employer, which may grant special powers within these areas.

Furthermore, at meetings of the Board of Directors, the Chairman informs all other members of any critical issues that have come to light and been communicated by the Chief Executive Officer. The organisation of the Group's governance is defined in the **Articles of Association of each Company**, a document drawn up in accordance with the Italian Civil Code.

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

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

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

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

The Supervisory Board also has an e-mail address to which both employees and actors outside the Group can report any breaches of the Model. In the event of receipt of a report of breach of the Model, the Supervisory Board is responsible for assessing whether it actually exists, together with its extent and urgency. It is then delegated to the offices responsible for identifying corrective actions necessary to mitigate any risks and remedy any negative effects. There were no reports of offences against the Model in 2022.

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

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

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

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

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

It should be noted that there were no confirmed incidents of corruption in 2022.

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

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



FAIRNESS

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



TRANSPARENCY

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



LAWFULNESS

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



CLARITY

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



TRUTH

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



3.

The group and sustainable development

Materiality analysis

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

Materiality analysis is a fundamentally important tool that plays a crucial role in identifying and assessing significant and material topics for the company. The analysis starts by identifying the **impacts** that an organisation can have on the economy, the environment and the well-being of people, including impacts on their human rights. In accordance with the GRI Standard, the entire **value chain** was analysed in detail, taking into account not only the activities under the direct control of the Marzotto Group relating to textile manufacturing, but also all activities **upstream** and **downstream** of the production process. In particular, the Group's **value chain** consists of the following phases:

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

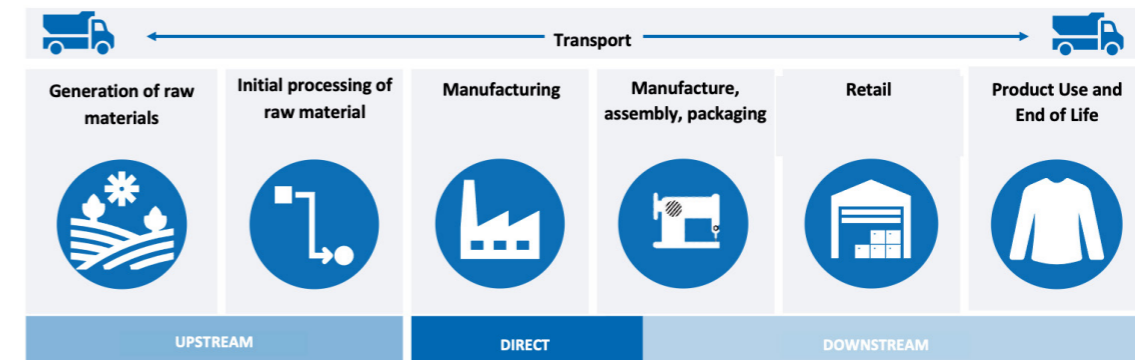
3. **downstream** phase, includes the sale, use phase, i.e. secondary processing by third parties, and end-of-life of the product.

Finally, **logistics** plays a transversal role in the various phases listed above.

In order to conduct the materiality analysis of the Marzotto Group, a process was followed that was divided into four phases:

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

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



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

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

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

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

1. **Severity scale (Scale):** how grave the impact is;

2. **Scope of application (Scope):** how widespread the impact is along the value chain;

3. **Irremediable character:** how hard it is to make good the resulting harm.

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

With regard to potential impacts, the estimate of the likelihood of occurrence has taken into account all the procedures, policies and actions that the Group implements or has implemented to prevent and mitigate the impact. This allowed the impacts to be classified on the basis of the significance determined. Finally, with the aim of creating a list of the related material topics, all the significant and very significant impacts, i.e. those exceeding a specific materiality threshold, have been grouped together. This list of impacts was then submitted to the first company lines for their approval.

The table below shows the findings of the process of identifying the material topics of the Marzotto Group.

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

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



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



The sustainability journey

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

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

The stakeholders of the Marzotto Group:



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

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

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

The sustainable development of the Marzotto Group

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

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

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

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

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

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

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

- **European Confederation for Flax and Hemp (CELC)**, a European federation made up of public and private organisations representing the flax and hemp industry in Europe, representing and promoting the use of flax and hemp fabrics and products grown in Europe.

- **Fondazione Biella Master delle Fibre Nobili**, a post-university course that offers a unique curriculum, combining theory with practice to further knowledge of the textile and clothing sector. The course includes theoretical lessons

hosted in the classrooms of the Città Studi di Biella and experience of internships in companies in the textile, clothing and distribution sector, both in Italy and abroad.

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

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

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

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

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

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

Over the years, the Marzotto Group has demonstrated a strong commitment and responsibility towards protecting the environment, the regions in which it operates and people. The Group has realised this commitment through the implementation of policies and concrete actions aimed at reducing the environmental and social impacts of its activities all along the value chain.

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

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

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

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

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

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

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

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



4.

Protection of the environment

Environmental protection is a key priority for the Marzotto Group, to which the company is committed on an ongoing basis.

This commitment can be seen primarily in the decision taken by Marzotto to obtain and maintain ISO - *International Organisation for Standardisation* certifications for its **Management Systems**, which embody a set of responsibilities, practices and policies agreed upon in order to achieve business and sustainability objectives.

This process began in 2015 after Ambiente Energia obtained **ISO 14001** certification, the first Group company to implement the Environmental Management System. In 2022, ISO 14001 certification was obtained for all Marzotto Wool Manufacturing sites, while with regard to the Marzotto Lab Group, the Tunisian plant Filin S.A. (100% controlled by Linificio e Canapificio Nazionale) and the Sondrio Fabrics division were certified. In addition, the Marzotto Interiors division is expected to obtain certification in the near future.

In order to increase the effectiveness and efficiency of its internal processes, Marzotto also implemented the **ISO 9001** certified Quality

Management System. In particular, the Tunisian plant of Linificio e Canapificio Nazionale (Marzotto Lab Group), Ambiente Energia and Nová Mosilana (Marzotto Wool Manufacturing Group) are **ISO 9001** certified for quality management .

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

ISO 14001

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

ISO 9001

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

Energy consumption and GHG emissions

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

In 2022, the energy consumption of the Marzotto Group amounted to 1,009,231 GJ. Most of this is attributable to the use of **methane gas** (62%) and **electricity** (33%), used to power the production plants, for lighting and the air conditioning of offices and plants. The remaining portion (5%) is attributable to the consumption of **diesel**, mainly used to power machinery in the Marzotto Lab Group's production plants, but also as fuel for company cars, as well as the use of **petrol** and **LPG**, also for company cars.

Type of fuel (GJ)	2022				
	Marzotto Lab Group	Marzotto Wool Group	Ambiente Energia	Marzotto Holding Company	Marzotto Group
Natural gas	293,725	317,822	14,061	2,176	627,784
Electricity	138,759	185,379	8,494	2,518	335,150
Diesel	40,979	3,717	111	948	45,755
including diesel for the fleet	2,902	3,627	111	948	7,588
including equipment	38,076	90	-	-	38,166
Petrol	273	133	3	4	413
including petrol for the fleet	272	133	3	4	412
including equipment	1	-	-	-	1
LPG	-	129	-	-	129
Total	473,736	507,180	22,669	5,646	1,009,231

Initiatives for sustainable energy management

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

In Italy, self-generated electricity, through **photovoltaic** systems installed on the roofs of various Group plants, represents 5% of the energy purchased. In particular, solar energy production plants can be found on-site at Piovone Rocchette of Marzotto S.p.A. and Tessuti di Sondrio of the Marzotto Lab Group. Marzotto Wool Manufacturing also has three photovoltaic systems: two at Biella Manifatture Tessili and a third, installed in 2022, at its Valdagno site.

Overall, in 2022, these plants produced more solar energy than could be consumed in plants, thereby providing an opportunity to inject 4,372 GJ of renewable electricity in the grid.

In addition to electricity generated by photovoltaic systems, Marzotto purchases renewable electricity certified by Guarantees of Origin (GO). Overall, in 2022, the consumption of **energy from renewable sources** amounted to 42,560 GJ. However, this quantity is expected to increase over the next few years, thanks to initiatives planned in the area of energy management.

Certified renewable energy via Guarantee of Origin (GO)

The GO-certified electricity component, which amounts to 38,393 GJ, is significant. **Guarantee of Origin (GO)** is a certification that verifies the renewable origin of the sources used by qualified plants for the production of electricity. For each MWh of renewable electricity fed into the grid by one of these installations, a GO licence is issued in accordance with Directive 2009/28/EC. In particular, the plants of **Marzotto Interiors, Tessuti di Sondrio and Linificio e Canapificio Nazionale** purchase **100% of their electricity through GO**. **Uab Lietlinen**, on the other hand, **purchased 44% of its electricity through GO** in 2022.

Electricity consumption (GJ)	2022				
	Marzotto Lab Group	Marzotto Wool Group	Ambiente Energia	Marzotto Holding Company	Marzotto Group
Electricity purchased from the grid	137.864	183.122	8.494	1.504	330.984
including from certified renewable energy sources (GO)	38.393	-	-	-	38.393
Self-produced electricity	1.043	2.816	-	4.681	8.540
including consumed	895	2.258	-	1.014	4.167
including sold	148	558	-	3.666	4.372
Tot. consumed	138.759	185.380	8.494	2.518	335.151
Tot. consumed - renewable	39.288	2.258	-	1.014	42.560



Finally, in 2022, the Group also invested a large amount of resources in energy efficiency. Various solutions have been implemented to reduce overall electricity consumption, such as the installation of new air conditioners, roof insulation and new LED lighting systems.

Greenhouse gas emissions (GHG - Scope 1 and 2)


Monitoring greenhouse gas (GHG) emissions is the starting point for developing an effective management and reduction strategy. For this reason, the Marzotto Group monitors its **Scope 1** GHG emissions, directly generated by the company, and **Scope 2**, i.e. indirect energy emissions.

This measurement and reporting process follows the requirements of the **GHG Protocol**, the most common international standard for calculating GHG emissions.


In 2022, **Scope 1** GHG emissions amounted to 38,961 tCO₂e and were mainly due to the consumption of **methane gas** (91%) and the use of **diesel** (8%). The remainder (1%) is due to F-gas losses and the consumption of petrol and LPG. With regard to the Group's **Scope 2** GHG emissions, these relate to the purchase of electricity and are calculated according to the two approaches defined by the GHG Protocol:

- **Location-based:** requires the application to the electricity consumed of the emission factor which reflects the national average energy mix, including all the country's electricity production sources, including renewables.

- **Market-based:** is based on the electricity market and reflects the emissions deriving from the type of electricity (coming from renewable or non-renewable sources) that companies choose to buy. This second approach is particularly important because it takes into account the choice of energy supplier, which can have a significant effect on emissions and their environmental impact.



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



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



GHG Emissions (tCO ₂ e)	2022				
	Marzotto Lab Group	Marzotto Wool Group	Ambiente Energia	Marzotto Holding Company	Marzotto Group
Direct (Scope 1) GHG emissions					
Natural gas	16,685	18,053	799	124	35,661
Diesel	2,865	260	8	66	3,199
F-gas losses	45	48	-	-	93
LPG	-	8	-	-	8
Total Scope 1 emissions	19,595	18,369	807	190	38,961
Indirect (Scope 2) GHG emissions					
Electricity - Location-based	13,816	21,784	743	132	36,475
Electricity - Market-based	13,823	31,897	1,079	191	46,990
Direct (Scope 1) and indirect (Scope 2) GHG emissions					
Total Scope 1 + Scope 2 (Location-based)	33,429	40,162	1,550	322	75,463
Total Scope 1 + Scope 2 (Market-based)	33,436	50,275	1,886	381	85,978

Pollutant emissions

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

The atmospheric emissions of the Marzotto Group mainly occur during the production process and relate to the burning, drying and/or thermofixation of fabrics, the sizing of yarns, the decatisation

and steaming, cleaning of fabrics, as well as the emissions generated by the combustion that takes place in thermal power plant. There are also fugitive emissions, of minor magnitude, at the location points of fume hoods present in the departments.

It should be noted that all Group companies manage this environmental aspect by monitoring emission points through periodic sampling, in accordance with the requirements of the single/integrated environmental authorisation or in accordance with the reference legislation. In 2022, the values recorded by the such studies were far below the **emission limits** i defined by the reference legislation.

Type of pollutant (t)	2022				
	Marzotto Lab Group	Marzotto Wool Group	Ambiente Energia	Marzotto Holding Company	Marzotto Group
Oxides of nitrogen - NOx	10.7	15.5	-	-	26.2
Volatile organic compounds (VOC)	3.9	5.1	9.9	-	18.9
Carbon monoxide - CO	9.2	5.7	-	-	14.9
Particulate Matter (PM)	2.8	0.2	-	-	3.0
Sulphur oxides SOx	< 0.1	-	-	-	< 0.1
Heavy metals	< 0.1	-	< 0.1	-	< 0.1
Other pollutants	0.1	-	< 0.1	-	0.1
Total	26.7	26.5	9.9	-	63.1

Waste

For the Marzotto Group, **waste management** is a crucial factor in promoting circular economy practices. This approach aims to reduce the amount of waste produced and to re-use it in the production process, where possible, resulting in a reduction in the amount of waste directed to disposal.

Of the total waste produced in 2022, which amounts to 5,254 tonnes, 45% is sent for reuse, recovery or recycling, while the remaining 55% is sent for disposal. All waste is managed externally by specialised and authorised third parties.

With regard to the types of waste produced by the Marzotto Lab Group, the Marzotto Wool Manufacturing Group and the Marzotto Holding company, 39% consists of **mixed waste** (e.g. unsorted and bulky waste), followed by **packaging** which represents 28% overall and includes paper and cardboard, wood and metal packaging and

mixed packaging. In addition, 15% consists of **textile waste**, such as fabric waste and residual yarn, while the remaining 18% consists of **other types of waste** (such as absorbent materials, electronic waste, organic waste, solvents, powders, oils, toners, waxes, batteries and insulators) and **sludge** which results from the purification of water used in the fabric dyeing and finishing processes.

It should be noted that the most significant component of mixed waste is attributable to the plants of Linificio e Canapificio Nazionale (Marzotto Lab Group) and also includes certain processing scrap that does not fall into any other category. This is the case, for example, with flax, the processing of which requires the aspiration of a large amount of particulates and fibres. In addition, when spinning takes place through wet processing, waste made up of wet particulates and fibres is generated, with a consequent increase in the weight of the waste produced.



Water consumption

Waste type [t]	2022				
	Marzotto Lab Group	Marzotto Wool Group	Ambiente Energia	Marzotto Holding Company	Marzotto Group
Sludge	47	166	2.616	-	2.829
Mixed waste	797	171	4	-	972
Packaging	350	325	6	24	705
Textile	341	38	-	-	379
Other waste	63	145	159	2	369
Total	1.598	845	2.785	26	5.254
including non-hazardous	1.584	795	412	26	2.817
including hazardous	14	50	2.373	-	2.437

97% of the waste produced by Marzotto Lab, Marzotto Wool and the Group's holding company consists of non-hazardous waste, while the remaining 3% consists of hazardous waste. At the **Group level, it should be noted that the portion of hazardous waste, mainly consisting of sludge, is mainly attributable to Ambiente Energia (2,616 tonnes), a company that provides wastewater purification and liquid waste treatment services as a core business.**

Waste reduction initiatives within the Group

Thanks to the **circularity of the processes** involved, in 2022 the Group was able to reduce production waste and reuse it as secondary raw materials, as in the case, for example, of linen-nylon and linen-wool-nylon yarn, obtained from the by-products of linen processing mixed with nylon flakes. Particulates produced during spinning also find a new life and are destined for the production of buttons.

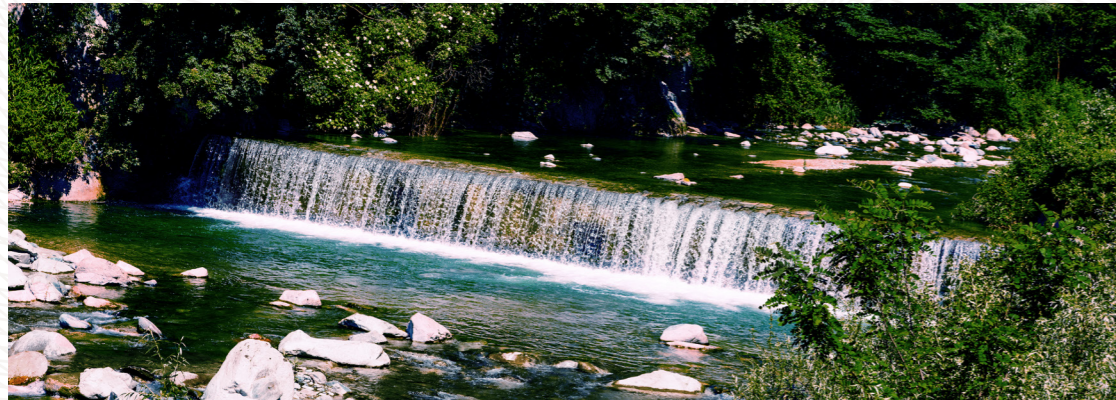
In addition, the practice of **reusing plastic packaging** and wooden pallets used to transport incoming materials and outgoing products was established.

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

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

consumed is also used for health/civil purposes. Total water withdrawal during 2022 was 2,121 ML⁴. Most of the water used comes from **groundwater** (51%) and the **public aqueduct** (35%). The remaining portion, equivalent to 14% of the total volume withdrawn, comes from **surface water**.

Water withdrawal (ML)	2022				
	Marzotto Lab Group	Marzotto Wool Group	Ambiente Energia	Marzotto Holding Company	Marzotto Group
Total withdrawal - surface water	175	106	-	17	298
including water originating from areas of high water stress	-	-	-	-	-
Total withdrawal - groundwater	415	599	65	-	1.079
including water originating from areas of high water stress	-	-	-	-	-
Total withdrawal - third parties (e.g. public aqueducts)	604	135	1	4	744
including water originating from areas of high water stress	339	-	-	-	339
Total water withdrawal	1.194	840	66	21	2.121
including water originating from areas of high water stress	339	-	-	-	339



Overall, the water used is taken from areas not subject to **water stress**⁵, except for the plant in Tunisia.

In 2022, **water discharge** by the Marzotto Group, mainly managed through sewers (80% of the total), amounted to 2,282 ML, including 460⁶ which are attributable to Ambiente Energia. Discharge onto

surface and into the ground represents a smaller share (20%) of the total water discharged over the course of the year. All the companies belonging to the Marzotto Group have obtained the necessary authorisation to perform water discharges, fully complying with the limits imposed by current rules and regulations.

⁴ ML = Megalitres (1,000,000 L)

⁵ The analysis was carried out based on the mapping conducted by the Water Risk Atlas of the World Resources Institute (WRI, www.wri.org/applications/aqueduct/water-risk-atlas), which classified the overall water risk level of the various global regions, estimating all water-related risks and taking into account all the indicators belonging to the categories of Physical Quantity, Quality and Regulatory and Reputational Risk.

⁶ It should be noted that water discharges by Ambiente Energia are largely (394 ML) attributable to the treated sludge purification process.

Water discharge (ML)	2022				
	Marzotto Lab Group	Marzotto Wool Group	Ambiente Energia	Marzotto Holding Company	Marzotto Group
Water discharge to surface water	-	-	460	-	460
Water discharge to sewerage system	1.032	769	-	21	1.822
Total water discharge	1.032	769	460	21	2.282
including water withdrawals	1.032	769	66	21	1.888
including water diverted for the purposes of purification by the treatment plant	-	-	394	-	394

In 2022, **water consumption**, deriving from the difference between withdrawals and water discharges from withdrawals, was 233 ML.

Water consumption (ML)	2022				
	Marzotto Lab Group	Marzotto Wool Group	Ambiente Energia	Marzotto Holding Company	Marzotto Group
Total water withdrawal	1.194	840	66	21	2.121
Total water discharge of water withdrawn	1.032	769	66	21	1.888
Total water consumption	162	71	-	-	233

Initiatives for the sustainable management of water resources

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

The Group is committed to implementing virtuous corporate policies and investing in cutting-edge technologies that involve recycling wastewater and reducing water consumption.

Among the main actions implemented by the Group, it should be noted that in 2022, at the offices of Marzotto Wool Manufacturing in Valdagno and Biella Manifatture Tessili, water treatment plants have been designed featuring **reverse osmosis filtration**, which will enable the recovery of 50% more of the water resource. The installation of this system, scheduled for 2024, will avoid all forms of waste and reduce the environmental impact of production activities.



Biodiversity

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

In order to identify the areas most at risk in terms of biodiversity, an analysis⁷ of the regions in which the Group operates has been carried out. The use

of the **Natura 2000** database, a project conceived and funded by the European Union, has enabled the Group to identify the main natural reserves, habitats and fauna present in the areas surrounding its production plants. This analysis showed that most of the Group's plants are in moderate risk areas⁸, while some plants are located in very low risk areas⁹. In addition, the protected area closest to one of the plants was 5 km away.

⁷ The WWF tool "WWF Risk Filter Suite" was used to determine areas at risk for biodiversity, taking into account a minimum risk threshold of 3 "Moderate Risks".

⁸ The overlap between the site and the protected area is between 0% and 10% of their surfaces.

⁹ There is no overlap between the site and the protected area, the distance is at least 15 km.

5.

Traceability and supply chain

The value chain

The Marzotto Group recognises the importance of conducting its business activities with transparency throughout all phases of the value chain. Marzotto is aware of the importance of acting responsibly, not only within its own operations, but also in the way it influences other players in the value chain, including suppliers and customers.

Thanks to its deep-rooted presence in the textile sector, the Group possesses the skills necessary to identify and anticipate the needs of its customers. This is achieved, not only through its well-established ability to manage the complex chain, but also by incorporating some additional services in its own business model. The objective is to fulfil the role of a **service textile company**, providing end-to-end service to its customers.

However, the Marzotto Group is aware that the manufacture of a product that fully reflects its ethical values and sustainability involves action outside of its ordinary scope as well. Indeed, for Marzotto, the promotion of responsible business conduct towards all players in the value chain, particularly its suppliers and customers, has become a priority.

Relationship with suppliers

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

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

The supplier register of **Marzotto Wool Manufacturing** includes operators in the raw

materials sector located in various parts of the world, such as Italy, Australia, Uruguay, the Czech Republic, South Africa, Germany, Argentina and China, as well as two contractors in Italy and Egypt, which the company relies on for specific types of processing. With reference to the selection and assessment of suppliers (direct and indirect) and contractors, the company manages the qualification process via the periodic sending of a **questionnaire** that takes into account various environmental, social and economic parameters, such as: the adoption of an Integrated Management System (e.g. ISO 14001, ISO 9001, ISO 50001, SA8000) and the existence of certifications in the social and environmental sphere. For indirect purchases, the Marzotto Wool Group implements a specific procedure that provides for financial, economic, general conditions and safety ratings through the RSPP's (Health and Safety Officer) office. Compliance with the REACH Regulation is also assessed (see the note "*Reach Regulation for the Proper Management of Chemicals*"), adherence to the ZDHC protocol, technical and professional adequacy, competence and reliability.

The **Marzotto Lab** Group also selects its raw material suppliers following internal assessments. Among the various trading partners are French and Belgian companies for linen fibres and other suppliers from different countries, including Turkey, Pakistan and China, for other raw materials and semi-finished products (raw cotton yarns and fabrics) required for production. For indirect purchases, the rating process adopted is the same as that used by the Marzotto Wool Manufacturing Group.

In addition, Tessuti di Sondrio's cotton suppliers are required to sign a declaration ensuring that the sourced material does not come from Uzbekistan, Turkmenistan or the Chinese region of Xinjiang, in compliance with the UFLPA amendment for the protection of the Uyghurs. Within the next two years, a formalised procedure for the social and environmental assessment of suppliers is expected to be implemented for all Marzotto Group companies.

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

Raw materials and certification

The Reach regulation for the proper management of chemicals

Operating in a supply chain that involves the use of substances harmful to human health and the environment, Group companies, as companies located within the EU, are required to comply with **Regulation (EC) No. 1907/2006 – Reach** (Registration, Evaluation, Authorisation and Restriction of Chemicals).

In the manufacturing industry, European legislation imposes obligations on companies relating to the use of chemicals used both in the product and for health and safety.

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

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

Services offered to customers

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

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



The Group is continually committed to protecting and developing its wealth of textile skills consolidated over time. The art of manufacturing, in fact, constitutes for Marzotto a precious legacy to be passed on, expertly combined with new elements of creativity and the trend to create fabrics with unique characteristics. An essential element for achieving the perfect combination of tradition and innovation lies in the choice of quality raw materials, ensuring a responsible approach in their selection. For this reason, Marzotto undertakes to use raw materials supplied through a transparent supply chain that

guarantees the protection of the environment and animal welfare, as well as full respect of fundamental rights.

The main categories of materials sourced include **raw fibres**, such as wool and linen, and **yarns and fabrics**, respectively representing 42% and 21% of total purchases. This is followed by **consumables** (27%) such as lubricants, dyes and additives used in the transformation of fibres into yarns and fabrics yarns. Finally, **packaging**, which represents around 10% of the materials sourced, consists mostly of pallets, plastic, paper and cardboard.

Type of material [t]	2022				
	Marzotto Lab Group	Marzotto Wool Group	Ambiente Energia	Marzotto Holding Company	Marzotto Group
Raw materials and semi-finished products	10.479	7.346	-	-	17.825
Raw fibres	6.583	5.175	-	-	11.758
Yarns and fabrics	3.896	2.171	-	-	6.067
Consumables	2.434	1.976	3.149	-	7.559
Dyes	34	151	-	-	185
Chemicals	2.340	1.680	3.148	-	7.168
Lubricants	1	10	1	-	12
Other	59	135	-	-	194
Packaging	2.692	352	-	19	3.063
Paper and cardboard	510	207	-	14	731
Wood	1.474	22	-	4	1.500
Plastic	700	117	-	1	818
Other	8	6	-	-	14
Total	15.605	9.674	3.149	19	28.447



The Marzotto Group has decided to adopt responsible procurement policies, with a particular focus on **renewable materials**. In particular, 46% of materials purchased consist of renewable materials, including natural raw fibres of wool and linen, natural yarns and fabrics made of wool, cotton, linen and silk and paper, cardboard and wooden packaging.




Marzotto has also chosen to become increasingly involved in the use of **recycled materials**. In 2022, it purchased 135 tonnes of recycled raw fibres, reclaimed yarns and fabrics. Through this choice, individual companies are working to progressively reduce and/or replace virgin materials, in line with the Group's commitment to increasingly sustainable and responsible production.

At Group level, particular attention has been paid to sustainable procurement policies for packaging, with around 10% of the packaging purchased made up of recycled material. In particular, at Marzotto Wool Manufacturing, 20% of the packaging purchased consists of recycled paper and cardboard, while at Marzotto Lab this figure is 9%. In line with the Group's commitment to

sustainability, Linificio e Canapificio Nazionale has chosen to adopt innovative solutions to reduce the environmental impact of its packaging. In partnership with two suppliers, the company is currently testing and developing new solutions to achieve 35% in terms of recycled material packaging. In addition, Linificio e Canapificio Nazionale has started to use regenerated plastic packaging.

Finally, to reduce the environmental impact of its products, the Marzotto Group undertakes to obtain or request from its suppliers a series of sector certifications, as indicated in the table below.

These reference standards include, *inter alia*, certification relating to a responsible supply chain, animal protection, the health and safety of workers, respect for human rights and protection of the environment. Applying for and obtaining these certifications represents an important commitment by the Group, which endeavours to guarantee its customers high-quality, sustainable products that comply with ethical and environmental standards.

	Marzotto Wool Group	Marzotto Lab Group
 <p>OEKO-TEX Standard 100 The standard certifies that the products are made from fabrics free from substances harmful to human health and guarantees that the substances released during the use of yarn are below the expected thresholds.</p>	✓	✓ <small>(only Linificio e Canapificio Nazionale and Redaelli Velluti)</small>
 <p>GOTS - Global Organic Textile Standard This is the most rigorous international standard. It certifies that the supply chain is environmentally sustainable and socially responsible, from raw materials to finished products.</p>	✓	✓
 <p>GRS - Global Recycle Standard This certification provides that the finished product contains at least 20% pre- and post-consumption recycling material, in addition to the absence of hazardous chemicals or chemicals below a certain threshold.</p>	✓	✓
 <p>OCS - Organic Content Standard This standard guarantees that intermediate or finished textile products are at least 5% made up of organic natural fibres and that traceability is guaranteed throughout the production process.</p>	✓	✓



	Marzotto Wool Group	Marzotto Lab Group
 <p>RWS Responsible Wool Standard This standard is a set of voluntary rules that must be respected to ensure the welfare and fundamental freedoms of animals. These principles include freedom from hunger, thirst, pain, discomfort, illness and fear. Marzotto Wool Manufacturing collaborates exclusively with suppliers who undertake to protect the quality of life of each animal involved in textile production, ensuring that it enjoys good health and adequate psychological well-being.</p>	✓	✓ <small>(only Furnishing Fabrics)</small>
 <p>BCI - Better Cotton Initiative This association brings together different players along the entire cotton supply chain to ensure that cotton producers have adequate working conditions and returns, as well as better soil and water management during the cultivation and processing of cotton.</p>	✓	✓
 <p>ZDHC - Zero Discharge of Hazardous Chemicals The Marzotto Group is a contributor to the programme, which has been aimed at the textile and tanning industries since 2019, complying with specific limits on the use of polluting substances during manufacturing activities and also requesting that its suppliers do the same. For Linificio e Canapificio Nazionale, more than 75% of chemical products are registered or in the process of being certified for ZDHC, while for Marzotto Wool Manufacturing the aim is to achieve 100% by 2023. At the headquarters of Biella Manifatture Tessili, a project was implemented with a dye-works, also a contributor to ZDHC, in order to carry out more precise assessment of suppliers of chemical products and dyes.</p>	✓	✓
 <p>Masters of Linen This brand brings together European flax companies with a chain of excellence using local fibres made using environmentally friendly and people-friendly techniques.</p>	N/A	✓ <small>(only Linificio e Canapificio Nazionale, Tessuti di Sondrio and Nuova Tessibrenta)</small>
 <p>European Flax This certification ensures the use of flax fibres - exclusively European - the product of agriculture that reduces the use of water and soil and does not provide for the use of GMOs. This certification covers 100% of the flax supply.</p>	N/A	✓ <small>(only Linificio e Canapificio Nazionale, Tessuti di Sondrio and Nuova Tessibrenta)</small>
 <p>Woolmark The internationally recognised Woolmark certifies that a product is made entirely of pure virgin wool, representing a prestigious quality brand.</p>	✓	✓ <small>(only the Furnishing Textiles division)</small>
 <p>Authentico This certification obtained in 2018 guarantees compliance with a code of integrity that establishes strict principles of transparency and ethics for the entire wool chain.</p>	✓	N/A
 <p>ZQ Merinos This certification ensures that during the upstream stages of the merino wool value chain, the 5 freedoms of animal welfare have been respected: freedom from hunger, thirst and poor nutrition; environmental stress; disease and wounds; freedom to display normal patterns of species-specific behaviour; fear and stress.</p>	✓	N/A
 <p>No Mulesing This certification attests that the wool comes from farms that do not practice mulesing, a medical practice used in merino sheep farms to prevent parasitic infections that can have unpleasant consequences for the psychophysical state of the animals.</p>	✓	N/A

Circular economy

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

Supporting this ambition is the strategy promoted by the European Union - *EU Strategy for Sustainable and Circular Textiles* - which aims to create an offering of European textile products

consisting of recycled, durable fibres, free from hazardous substances and made with respect for human rights and the environment. The document provides important guidelines that allow the main players in the sector to adopt circular business models, to reduce the environmental impact of textile products throughout their entire life cycle, while at the same time creating **new business opportunities**.

The companies of the Marzotto Group, in line with the EU objectives, propose a range of innovative solutions to reduce the environmental impact of textile products through the use of sustainable materials, the recovery of textile waste, energy efficiency in production processes and the development of innovative solutions for packaging and logistics.

DURABLE FABRICS

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

REGENERATED FIBRES

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

COMPOSTABLE MATERIALS

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

REUSE OF WASTE

The Marzotto Lab Group has collaborated with some universities to create yarns from by-products generated during processing. In particular, Linificio e Canapificio Nazionale has implemented a new system for the aspiration of particulates and small fibres from flax processing processes, which allows them to be reused as **fuels** or as **button padding**. The largest waste elements can be treated as straw and therefore is directed to the zootechnical area for bedding.

At the Marzotto Wool Group, all processing "scraps" deriving from the process for the production of worsted wool fabrics have always been directed to recovery; the noblest by-products are re-used in the carded wool cycle, and others are used in various areas (padding, insulation). In recent years, in collaboration with universities and manufacturing partners, the Marzotto Wool Group has been studying other forms of recovery during the worsted wool process itself, in order to create a kind of closed cycle.





6.

The team

The people in the Group

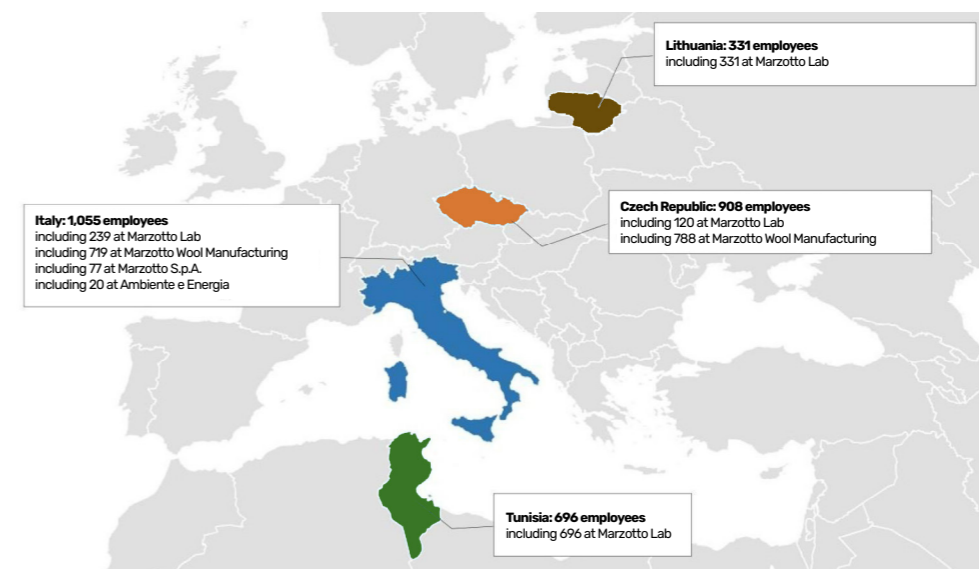
The Marzotto Group puts employees at its centre. Their valuable experience and specialist skills (know-how and expertise) are an essential element for the creation of value and products of excellence and for achieving the Group's goals.

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

Marzotto cares about respecting the rights of its workers, not only in terms of safety, but also adequate working conditions and fair pay. This is why, over the years, the Group has put in place policies to promote equality, inclusion and diversity, recognising the value and importance of each individual and ensuring a corporate culture focused on protecting workers' rights.

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

At an organisational level, employee management is coordinated by the Group's Human Resources Department, which is responsible for identifying the main objectives within the scope of its duties and introducing a model of strategies aimed at achieving them. Each company cascades these instructions and implements them flexibly in the form of different initiatives depending on the company's characteristics and requirements. As of 31 December 2022, the Marzotto Group had **2,990 employees¹⁰** mainly employed in Italy (35%) and the Czech Republic (31%). The remaining percentage is employed in production plants in Tunisia and Lithuania, respectively 23% and 11% of the total.



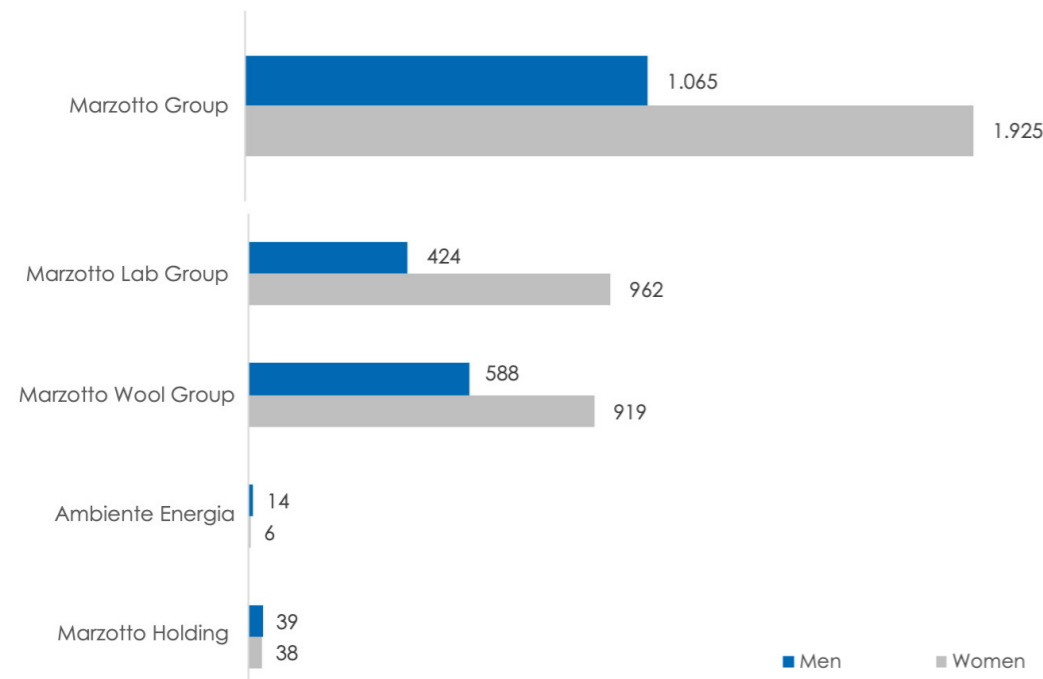
¹⁰ It should be noted that the total number of employees (2,990) differs from the number of employees reported in the Consolidated Financial Statements for the 2022 financial year (2,995). This difference (5 employees) is attributable to Marzotto Textile Czech Republic s.r.o., excluded from the scope of these Sustainability Report, but included in the Consolidated Report.

The Group uses external contractors, albeit to a minimal extent. As at December 31, 2022, there were 162 non-salaried employees, most of whom were temporary workers, mainly involved during periods of intensive production or maintenance activities. In addition, there were self-employed workers, such as consultants or sales representatives and interns.

Number of employees (no.)	2022				
	Marzotto Lab Group	Marzotto Wool Group	Ambiente Energia	Marzotto Holding Company	Marzotto Group
Total employees	1.386	1.507	20	77	2.990
Total non-salaried employees	67	91	1	3	162

With regard to the breakdown by gender, the distribution of Marzotto Group employees reflects the trend in the textile sector, which traditionally employs more female professionals. **64%** of the Group's employees are **women**. This figure is also confirmed within the two main corporate divisions: in the Marzotto Lab Group, women represent 69% of the workforce, while in the Marzotto Wool Manufacturing Group, this figure is 61%.

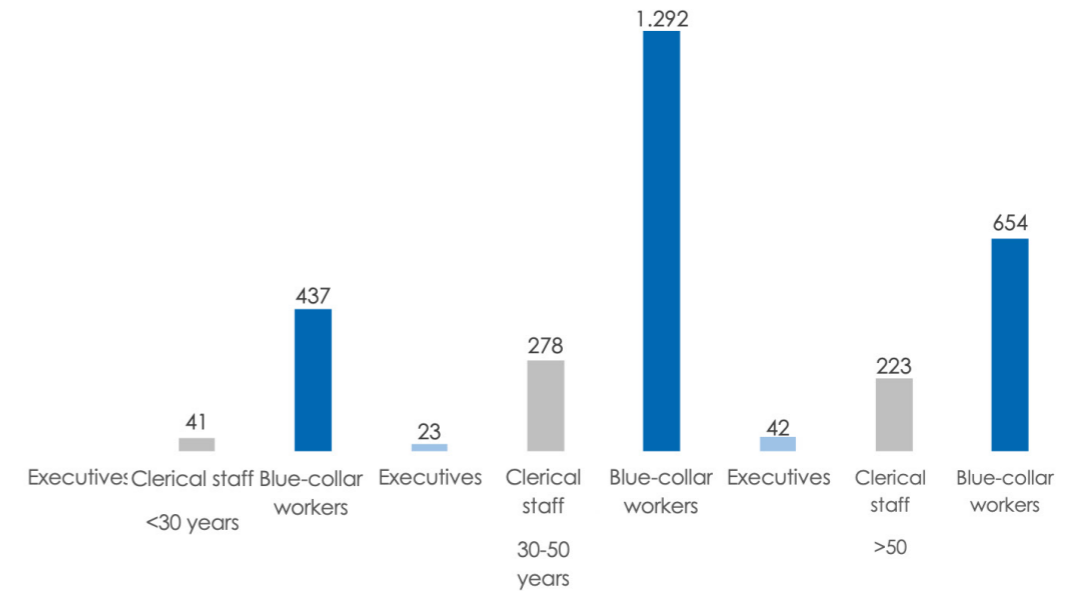
Employee breakdown by gender (2022)



The company's workforce is mainly divided into three professional categories. 80% of the employees fall into the category of **blue-collar workers** (2,383 people). This is mainly due to the sector in which the Group operates, which is strongly characterised by the high number of operators required. **Office workers** are the second largest group, with a total of 542 people (18%), while **executives and managers** account for 2% of the total (65 people).

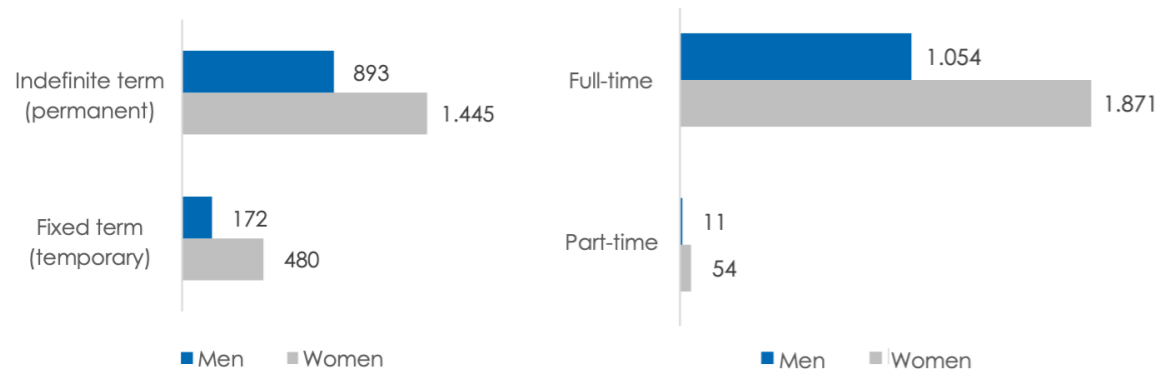
With regard to personal statistics, the majority of employees (53%) are aged 30 to 50, followed by those aged over 50 (31%). Finally, employees under the age of 30 account for 16% of the total corporate population. However, the Marzotto Group is actively working to integrate an increasing number of young talents into the workforce. This is an important commitment, representing an opportunity both for young professionals, to acquire specific knowledge and skills in the field, and for the company itself, in terms of innovation and generational renewal.

Employees by age and employee category (2022)



Marzotto also undertakes to guarantee stable working conditions for its employees, preferring permanent contracts as the main mode of employment. In 2022, this type of contract accounted for 78% of personnel at Group level. Temporary or fixed-term contracts account for the remaining percentage and mainly concern foreign offices, such as those in Tunisia and the Czech Republic. Finally, it should be noted that **98% of the entire workforce works full-time**, with a minimal number of part-time contracts offered to meet employees' particular personal or family needs. There are no employees who are not guaranteed a minimum or fixed number of working hours.

Employee breakdown by contract type (2022)



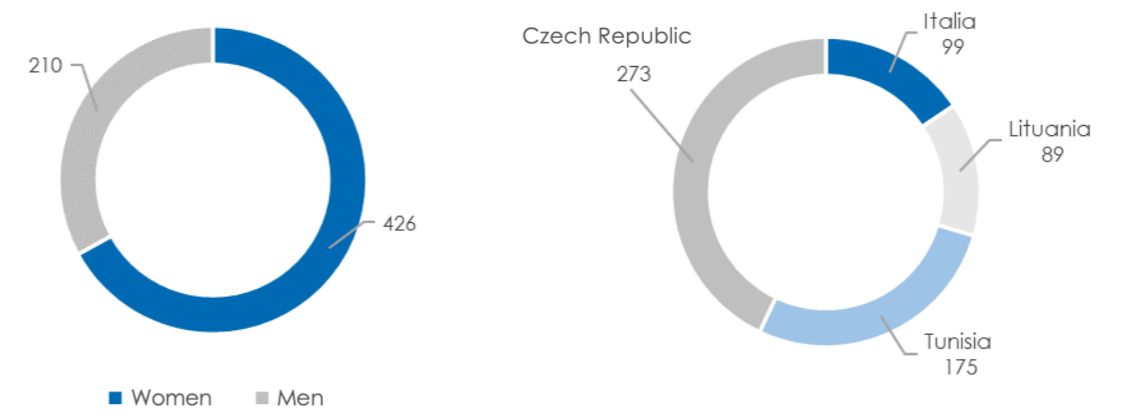
The Group's employees are covered by collective agreements: in Italy by the National Agreement and by the company's agreements, while abroad the only collective agreements are company agreement, which, in any case, cover all employees. In both cases, the contract fulfils the obligations imposed by national laws by ensuring compliance with the minimum wage and working conditions in line with those of the collective agreements adopted by the Group's other plants. Overall, at the Group level, **636 new hires** were recorded in 2022, corresponding to a rate of 21%¹¹. Among new employees, the majority are female (67%), which is in line with business population numbers. In particular, most of the new hiring was concentrated mainly in the Czech Republic and Tunisia.

With regard to severance, the attrition rate is 15%¹², which corresponds to 456 leavers. This figure, which is lower than that of new employees, is the result of the **retention** policy adopted by the Group, which aims to maintain a low severance rate and to create a calm and stimulating working environment which respects the individual needs of employees. Furthermore, the Marzotto Group has always paid close attention to creating solid, long-term relationships with its employees. This is demonstrated by the continued employment of a majority of employees, who have worked at the company for more than twenty years, maintaining long-term continuity of work.

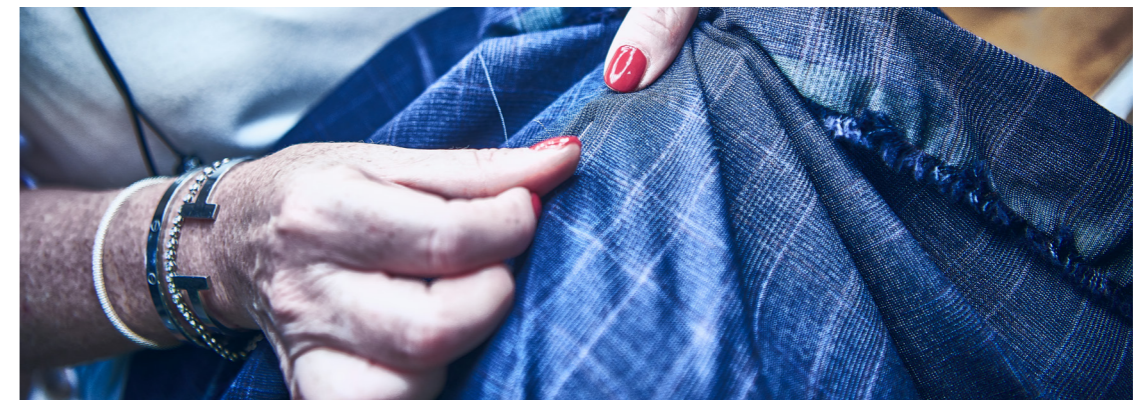
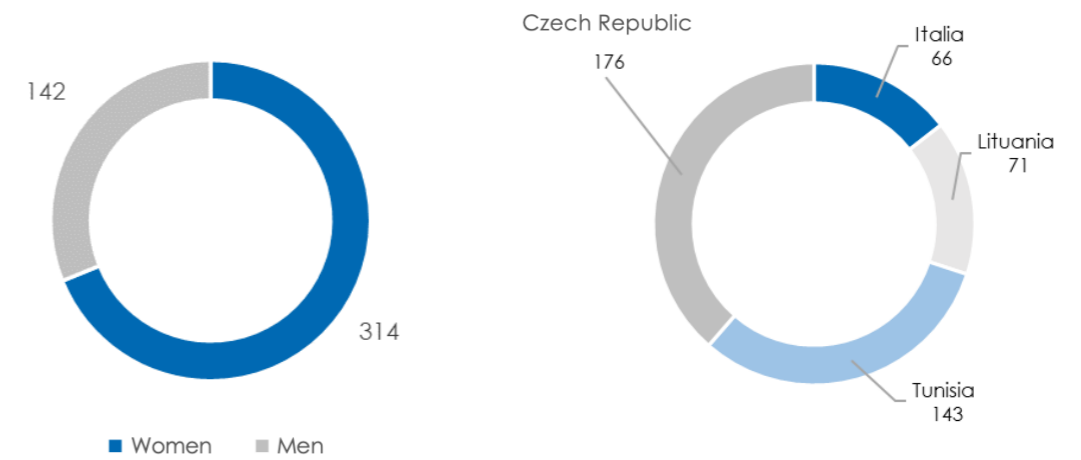
¹¹ The hiring rate was calculated as the ratio between total new employees recorded in 2022 and total employees as of 31 December 2022.

¹² The employee turnover rate was calculated as the ratio between total terminations in 2022 and total number of employees as of 31 December 2022.

Recruitment by gender and country (2022)



Employee turnover by gender and country (2022)



The well-being and growth of employees

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

First of all, the Group constantly listens to the needs and wishes of its employees through annual analysis, in order to introduce new measures that can meet their needs. For example, in order to increase the motivation of workers and employees, specific initiatives have been put in place for the two professional categories. With regard to personnel, an **attendance bonus** will be introduced in 2023, during the renewal of second-level agreements at all Italian plants, for workers who have accumulated the fewest days of absence.

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

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

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

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

For **business benefits**, it is up to each site to define and implement them. For example, in the plants of Biella Manifatture Tessili (Marzotto Wool Manufacturing) and Tessuti di Sondrio (Marzotto Lab division), a welfare platform will be introduced in 2023 to which each employee will have access. This offers employees a credit to be used for the purchase of different categories of goods and services, which can also be spent by workers' family members and can be used over a period of three years.

In addition, thanks to its close collaboration with the Marzotto Foundation, the Group offers employees a free childcare service for their children. Furthermore, the Group provides facilitated access to the **Villaggio Marzotto** a holiday village in Jesolo, where employees and their families can enjoy a large private beach, a water park, swimming pools and many dedicated sports areas. In addition, the Marzotto Group also takes care of employees who have already retired by offering them support services.

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

Occupational health and safety training is addressed in various ways according to the various professional categories. Its aim is to provide concepts and skills applicable to work activities on a daily basis. In particular, in the production departments, where some processes demand highly specialised skills, which are difficult to acquire externally, new recruits are provided with **high-level technical training**, which also occurs during job changeovers.

In 2022, a total of **27,224 hours of training** was provided at Group level, averaging approximately 9 hours per employee. Almost all of the training hours were provided to workers from the Marzotto Lab Group and the Marzotto Wool Manufacturing Group.



Protecting health and safety

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

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

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

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

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

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

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

	2022				
	Marzotto Lab Group	Marzotto Wool Group	Ambiente Energia	Marzotto Holding company	Marzotto Group
Hours worked	2.196.050	2.049.124	30.221	123.329	4.398.724
Injuries	41	23	1	-	65
Including commuting incidents (<i>where the transport was organised by the Group itself</i>)	1	-	-	-	1
Injuries with serious consequences ¹³	-	-	-	-	-
Fatal accidents	-	-	-	-	-
Injury frequency rate ¹⁴	18,67	11,22	33,09	-	14,78
Frequency of work-related injuries with serious consequences	-	-	-	-	-
Mortality rate	-	-	-	-	-
Number of cases of occupational illhealth	-	2	-	-	2

¹³ "Serious consequences" are injuries that can cause permanent irreversible damage to the injured person or injuries entail being out of work for more than 180 days.

¹⁴ Injury frequency rate: (Number of injuries at work/hours worked) x 1.000.000.



In the 2022 financial year, at Group level, a total of 65 injuries were sustained among employees, one of which was on the way to or from work. This figure was recorded in view of more than 4 million hours worked, and corresponds to a frequency rate of 14.78.

Most of the injuries are due to slippage, particularly at the Linificio e Canapificio Nazionale plants. This is mainly due to the constant presence of water in work areas. In departments dedicated to wet spinning it is necessary to use a significant amount of water when manufacturing the product which makes the danger of slipping high. At the other plants of both the Marzotto Lab Group and the Marzotto Wool Manufacturing Group, the injuries recorded are of a similar nature. Injuries occurring within the Group were all minor and

therefore did not have serious consequences for workers. The main causes are related to the erroneous perception of the risk by workers (lack of attention and failure to completely apply the procedures) and the company (underestimating certain risks). The causes of injuries are always analysed by the company, including with the collaboration of managers, workers and the injured persons themselves, in order to implement new procedures or put into practice structural interventions aimed at continually improving health and safety.

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

<p>INCIDENT PREVENTION PROCEDURES</p>	<ul style="list-style-type: none"> • At Tessuti di Sondrio (Marzotto Lab division), there are specific procedures for the duties to be performed on each machine. Whenever an injury or <i>near-miss</i> occurs, i.e. a situation that could have caused an injury, these procedures are updated and operators undergo a training session. • At Marzotto Wool (Marzotto Wool Manufacturing), controls on the actual operation of machinery safety systems are periodically planned in order to ascertain that there have been no changes. Moreover, when health and safety procedures are updated, end users are required to test the new proposals. When the new procedure is validated, an additional training session is provided. • At Biella Manifatture Tessili (Marzotto Wool Manufacturing Group), in order to create awareness of the importance of adopting prevention measures. On the basis of reports by all the managers of the production departments, recorded in the relevant reporting forms which are compiled on a monthly basis, all the managers meet with the Prevention and Protection Service at a meeting during which they communicate not only the main problems indicated in the minutes, but also the new actions that will be introduced to reduce the sources of danger and any risks.
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<p>SAFETY MEASURES IN PRODUCTION DEPARTMENTS</p>	<ul style="list-style-type: none"> • At Marzotto Wool, disposable ear defenders, used as personal protection devices against loud noises in the production departments, were replaced with custom-made devices following tests carried out and tested by some operators. On the occasion of the release of the new ear defenders, a training session was organised to increase awareness about the risk of noise. In addition, in the dyeing and weaving preparation departments, a ban on the use of mobile phones was introduced within production departments to avoid the risk of accidents due to distractions. • At Biella Manifatture Tessili (a company owned by Marzotto Wool Manufacturing), in order to ensure the highest safety standards, further enclosures have been installed around machinery, in addition to those required under current laws.
<p>SAFER INTERNAL TRAFFIC</p>	<ul style="list-style-type: none"> • At Tessuti di Sondrio (a division of the Marzotto Lab Group), in order to reduce risks from internal traffic, forklift trucks are programmed to slow down automatically in the areas most at risk of accidents. • At Marzotto Wool, the new measures introduced to reduce the risk of accidents between forklifts and pedestrians were defined via a participatory approach directly involving drivers working in pedestrian areas. In addition, towing equipment was introduced in the dyeing department to automate the movement and lifting of heavy loads. • At the Valdagno plant and the Biella Manifatture Tessili plant (Marzotto Wool Manufacturing), purple rear lights were added to all forklifts in order to increase their visibility during reversing manoeuvres.
<p>HEALTH AND WELLBEING OF WORKERS</p>	<ul style="list-style-type: none"> • In the plant located in Tunisia (Marzotto Lab), through a col-laboration with a local association, a campaign was launched to prevent breast cancer as the population is predominantly female. • At Marzotto Wool, given that the working-class population is in constant motion and required to manually move heavy loads, postural gymnastics sessions were organised by experts (physiotherapists and specialists in motor science). This initiative has been achieved in synergy with the competent doctor. In addition, at the same time as introducing the ban on smoking within the entire production plant, a collaboration was set up with the local health authority to allow workers to take part in personalised meetings (including during working hours) with the aim of providing tools to raise awareness about smoking and to provide support for those who want to stop smoking. • At Biella Manifatture Tessili (a company of the Marzotto Wool Manufacturing Group), various measures were adopted to improve the well-being of employees, such as the ability to choose between various daily start/finish time options for employees, the replacement of the cooling system to cope with future very hot summer seasons, the distribution of fresh water and mineral salts and the creation in the restroom of an area with a television where breaks can be spent. • All Group employees are given the opportunity each year to receive, on a voluntary basis, the flu vaccine to ensure greater prevention against seasonal influences, particularly for fragile or vulnerable workers.

7.

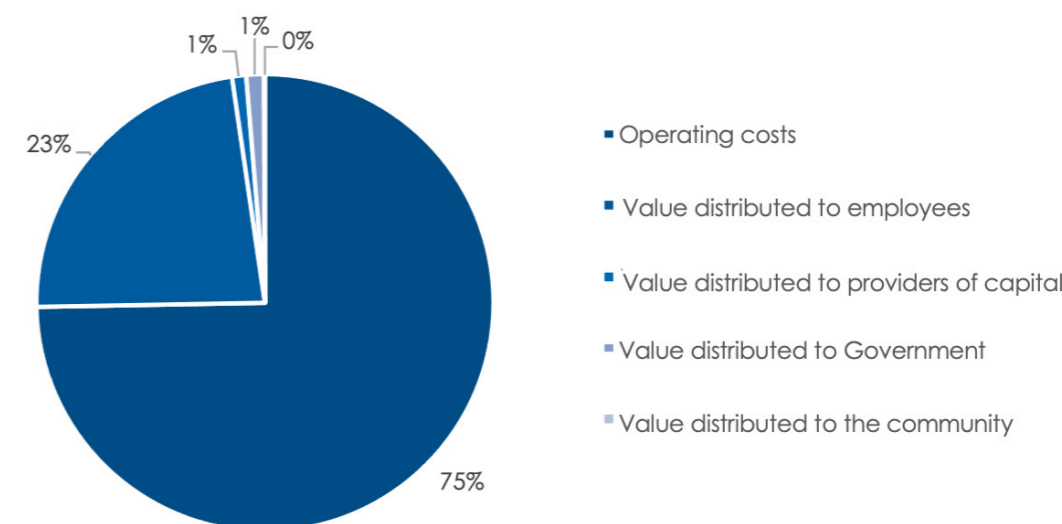
Commitment to the Community



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

The Marzotto Group, although particularly linked to its home city of Valdagno, strives to promote the development of all regions in which it operates. This approach reflects the Group's desire to be a positive agent of change, both locally and internationally.

Economic value distributed in 2022



The value generated and distributed

In 2022, the economic value generated by the Marzotto Group amounted to approximately €408 million, while the distributed value amounted to €375 million.

In particular, the economic value distributed can be broken down into suppliers (about €281.5 million) through the purchase of raw materials and services, employees (about €86.6 million) in the form of wages and benefits, the government (about €4.7 million)

through the payment of taxes, providers of capital (€2 million) and shareholders (about €0.2 million) through interest and dividends, and the community (about €244,000) through voluntary donations.

Finally, the economic value retained by the Group, equal to 8% (approximately €33 million), mainly consists of profit (approximately €17 million) and depreciation and amortisation (approximately €15 million).

Community Initiatives

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

The proximity to people living in the regions in which Marzotto operates is a fundamental pillar for the Company; for this reason, the Group constantly renews its multiple partnerships with voluntary associations, cultural associations and schools, thus making a significant social contribution to the entire community.

Open Factory



For a number of years, the Group has been promoting an initiative called **"Open Factory"**, which enables employees' families and the entire community to visit the company's facilities and factories, enabling them to closely explore the work, technologies and production processes taking place within the company.

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

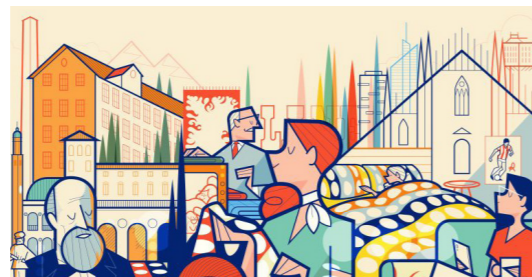
The Education Group

The Marzotto Group recognises the important role of education in any sustainable development process. For this reason, it organises guided tours at the production plants for middle and high school students, to show boys and girls how the Group carries on its work and to stimulate their curiosity and interest in this sector.

For many years, Marzotto has collaborated with the Technical Institute of Valdagno and, in particular, in terms of Fashion Textiles. The exchange of ideas and training proposals with teachers is well established and takes the form of guided tours in the Production Departments, in the Chemical-Physical Textile Laboratory, in the Design Office. The students, supported by an IT technician and a Marzotto designer, can produce fabrics with various designs using CAD and "put them on the loom" in the school classroom inside the plant, alongside our weaving technician. In 2022, a two-year project began for the creation of various garments by students from the Fashion Textiles department. The initiative will culminate in a fashion show to be held on the Marzotto premises in Valdagno, scheduled for 2023.



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



Also in the field of education, the Group works with Città Studi Biella to support the **Biella Master delle Fibre Nobili**, providing support for the development of training activities, the financing of scholarships and the creation of job opportunities for young graduates. The aim of this partnership is to promote the development of technical and specific skills and to encourage the entry of young talents into the noble fibres sector.

The Group also provides **psychological support** and **language courses** to foreign employees in order to facilitate the integration of their daily lives within the local community.

Through these initiatives, the Marzotto Group demonstrates its commitment to supporting the training, education and development of future generations, contributing to the sustainable progress of the textile and manufacturing industry.

Donations and volunteering activities

The Marzotto Group has always been committed to promoting and supporting the activities of local communities, promoting cultural heritage and craftsmanship. One of the most important charitable initiatives is the **donation of fabrics** to volunteer associations and parishes so that they can be used to create clothes for those in need. In addition, textiles are donated to fashion schools to enable students to acquire the necessary technical skills and demonstrate their talent through fashion shows.

Since 2022, the Marzotto Group has been collaborating with the non-profit **"Filo di seta"** charity, which manages Casa Enrico in Fara Vicentino, a centre where disabled children are employed for manual work. They are provided with fabric clippings that are used to create, with cutting boards, sewing machines, hot glues and other tools, furnishing items and various gadgets, which are then sold at local markets. At the **Fiera del Bitto 2022**, the Marzotto Group donated fabrics for the clothes worn by participants in the fashion show. Fabric donations were also made in the same year to make decorations for the **Spring Festival** throughout the whole city of Sondrio. Also in Sondrio, the Group donates fabrics for the creation of works of art for the **Cittadellarte - Fondazione Pistoletto**. In 2022, the Marzotto Group also decided to take an active part in certain community environmental initiatives, including the **planting of 1,000 trees** in the Calabrian region and participation in the independent environmental association **Marevivo**,

which promotes the conservation of biodiversity, sustainable development and the protection of marine protected areas. These initiatives took place in 2023. These actions demonstrate the Marzotto Group's focus on supporting local initiatives and the creative use of waste materials.

The Marzotto Group further demonstrated its support for the community of the **Municipality of Sondrio** by sponsoring a **bus** that enables the transport of disabled people in and around the city. It also helped the **Fondazione Cerino Zegna** to set up a therapeutic garden for Alzheimer's patients in Occhieppo Inferiore (BI), designed to stimulate patient rehabilitation through olfactory, visual and tactile stimulation.

Contribution to combating the spread of COVID-19

During 2021-2022, characterised by the health emergency related to the COVID-19 pandemic, the Marzotto Group actively supported the promotion of a preventive healthcare culture through specific initiatives. In particular, within its factory in Valdagno, the Group has established a **Vaccination Point** open to the community, providing information on the pandemic and how to limit the spread of the virus.

Thanks to the Group's organisational structure, all the strict hygiene and safety protocols have been followed, ensuring a safe and protected environment for the population. In this way, the Group has played a fundamental role in the fight against the spread of the virus and in promoting of a culture of preventive healthcare, testifying to its commitment to the community.

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

The Marzotto Group demonstrates a strong commitment to local communities and to its employees, including where located outside Italy. A tangible example is the **provision of affordable homes** for employees of the Nová Mosilana plant in Brno, in the **Czech Republic**. In addition, **dedicated transportation** has been set up to facilitate employees' daily commuting.

The Marzotto Group also operates in **Tunisia**, engaging in activities for local schools, providing food to community canteens and funding a local football team. Each year, the company organises a **"Montone Day"** where a donation is made to employees. The Marzotto Group's commitment to local communities is always present and concrete, even outside Italy. This commitment attests to the Group's focus not only on the quality of its employees' working life, but also on the region in which it operates.

8.

Methodological Note

This document constitutes the first Sustainability Report of the Marzotto Group and relates to the 2022 financial year (from 1 January 2022 to 31 December 2022). The reporting period coincides with that of the consolidated and statutory financial statements. From this reporting year onwards, the Group expects to publish a Sustainability Report annually; therefore, in subsequent versions it will be possible to compare it with previous years.

The 2022 Sustainability Report aims to report the Group's operations in terms of environmental, social and economic aspects. The reporting perimeter includes the Parent Company Marzotto S.p.A., which has its registered office at Largo Santa Margherita 1, Valdagno (VI), and the Companies consolidated according to the line-by-line consolidation method (IFRS 11) and coincides with the perimeter of the consolidated and statutory financial statements. Details of the Companies and the sites included in the scope of this Sustainability Report are provided in the

chapter entitled "Corporate organisation".

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

The document was not audited by an independent third-party company and was approved by the Marzotto S.p.A. Board of Directors on 12/01/2024.

The Report, published in December 2023, can be viewed and downloaded through the website www.marzottogroup.it. For more information or clarification, please email sustainability@marzottogroup.it.

Principles for defining the contents of the Report

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

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

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

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

Table of correlation between material topics and GRI disclosure

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

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

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

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

Main calculation criteria

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

1. Energy consumption

The energy consumption of the Marzotto Group is reported in Gigajoule (GJ). Conversion factors published by the UK Government's Department for Environment, Food and Rural Affairs (DEFRA) in 2022 were used to homogenise energy sources.

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

In line with the Greenhouse Gas Protocol (GHG Protocol) instructions, the reporting of greenhouse gas emissions has been calculated in terms of CO2 equivalent. The following emission categories are included in the 2022 Sustainability Report:

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

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

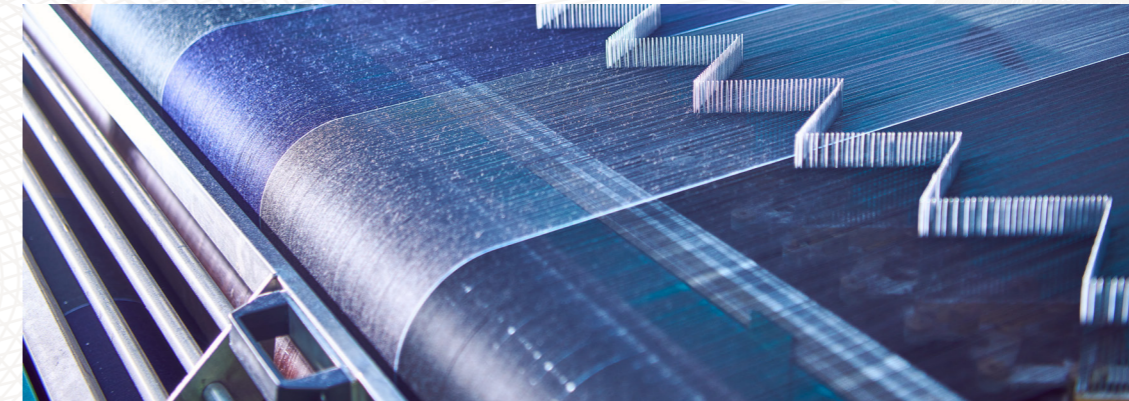
- **Scope 2 - Location-based emissions:** the emission factor used for electricity purchased from the national electricity grid according to the Location-based method comes from Terna International Comparisons, 2019 edition on Enerdata data. In the case of the Tunisian plant, in the absence of a national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

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

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

Conversion factors:

Category	Source
Fuel density (l/t)	UK Department for Environment, Food & Rural Affairs (DE-FRA), Conversion factors - Full set, 2022
Fuel density kg/m ³	UK Department for Environment, Food & Rural Affairs (DE-FRA), Conversion factors - Full set, 2022
Net CV (GJ/t)	UK Department for Environment, Food & Rural Affairs (DE-FRA), Conversion factors - Full set, 2022



Scope 1 GHG emission factors:

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

Scope 2 GHG emission factors:

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

9.

GRI Content Index

Statement of use	The Marzotto Group reported the information mentioned in this GRI Content Index for the period 01/01/2022 – 31/12/2022 with reference to the GRI Stand-ards.
GRI 1 used	GRI 1: Foundation 2021
Applicable GRI Sector Standard	Not applicable

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

GRI Standard General disclosures	Disclosure	Location	Notes
GRI 2: General disclosures 2021	2-10 Nomination and selection of the highest governing body	2.2 Governance	
	2-11 Chair of the highest governance body	2.2 Governance	
	2-12 Role of the highest governance body in overseeing the management of impacts	2.2 Governance	
	2-13 Delegation of responsibility for managing impacts	2.2 Governance	
	2-14 Role of the highest governance body in sustainability reporting	8 Methodological note	
	2-15 Conflicts of Interest	2.2 Governance	
	2-16 Communication of critical concerns	2.2 Governance	
	2-17 Collective knowledge of the highest governance body	2.2 Governance	
	2-18 Evaluation of the performance of the highest governance body	8 Methodological note	
	2-22 Statement on Sustainable Development Strategy	Letter to Stakeholders	
	2-23 Policy commitment	2.2 Governance	
	2-24 Embedding policy commitments	2.2 Governance	
	2-25 Processes to remediate negative impacts	2.2 Governance	
	2-26 Mechanisms for seeking advice and raising concerns	2.2 Governance	
	2-27 Compliance with laws and regulations		No incidents of non-compliance with laws and regulations were recorded in 2022.
	2-28 Membership of associations	3.2 The sustainability journey	
	2-29 Approach to stakeholder engagement	3.2 The sustainability journey	
	2-30 Collective labour agreements	6.1 The people in the Group	

Material topics	Disclosure	Location	Notes
GRI 3: Material Topics 2021	3-1 Process for determining material topics	3.1 Materiality analysis	
	3-2 List of material topics	3.1 Materiality analysis 8.2 Table of correlation between material topics and GRI disclosure	
Economic performance			
GRI 3: Material topics 2021	3-3 Management of material topics	3.1 Materiality analysis 8.2 Table of correlation between material topics and GRI disclosure 7.1 The value generated and distributed	
GRI 201: Economic Performance 2016	201-1 Direct economic value generated and distributed	7.1 The value generated and distributed	
Materials			
GRI 3: Material Topics 2021	3-3 Management of material topics	3.1 Materiality analysis 8.2 Table of correlation between material topics and GRI disclosure 5.2 Raw materials and certifications	
GRI 301: Materials 2016	301-1 Materials used by weight or volume 301-2 Recycled input materials used	5.2 Raw materials and certifications	Recycled materials accounted for 1.4% of the total amount of incoming materials in 2022.
Energy			
GRI 3: Material Topics 2021	3-3 Management of material topics	3.1 Materiality analysis 8.2 Table of correlation between material topics and GRI disclosure 4.1 Energy consumption and GHG emissions	
GRI 302: Energy 2016	302-1 Energy consumption within the organisation	4.1 Energy consumption and GHG emissions	
Water and Water Effluent			
GRI 3: Material Topics 2021	3-3 Management of material topics	3.1 Materiality analysis 8.2 Table of correlation between material topics and GRI disclosure 4.4 Water consumption	
GRI 303: Water & Effluents 2018	303-3 Water withdrawal	4.4 Water consumption	
	303-4 Water discharge	4.4 Water consumption	
	303-5 Water consumption	4.4 Water consumption	

Emissions	Disclosure	Location	Notes
GRI 3: Material Topics 2021	3-3 Management of material topics	3.1 Materiality analysis 8.2 Table of correlation between material topics and GRI disclosure 4.1 Energy consumption and GHG emissions	
GRI Standard General information			
GRI 305: Emissions 2016	305-1 Direct greenhouse gas (GHG) emissions (Scope 1)	4.1 Energy consumption and GHG emissions	
	305-2 Indirect greenhouse gas (GHG) emissions from energy consumption (Scope 2)	4.1 Energy consumption and GHG emissions	
	305-7 Oxides of nitrogen (NOx), sulphur oxides (SOx) and other significant atmospheric emissions	4.2 Polluting emissions	
Waste			
GRI 3: Material Topics 2021	3-3 Management of material topics	3.1 Materiality analysis 8.2 Table of correlation between material topics and GRI disclosure 4.3 Waste	
GRI 306: Waste 2022	306-3 Waste generated	4.3 Waste	
	306-4 Waste diverted from disposal	4.3 Waste	
	306-5 Waste directed to disposal	4.3 Waste	
Biodiversity			
GRI 3: Material Topics 2021	3-3 Management of material topics	3.1 Materiality analysis 8.2 Table of correlation between material topics and GRI disclosure 4.5 Biodiversity	
GRI 304: Biodiversity 2016	304-1 Operational sites owned, leased, managed in, or adjacent to, protected areas and areas of high biodiversity value outside protected areas	4.5 Biodiversity	
Employment			
GRI 3: Material Topics 2021	3-3 Management of material topics	3.1 Materiality analysis 8.2 Table of correlation between material topics and GRI disclosure 6.1 The people in the Group 6.2 The well-being and growth of employees	
GRI 401: Employment 2016	401-1 New employee hires and employee turnover	6.1 The people in the Group	
	401-2 Benefits provided to full-time employees that are not provided to temporary or part-time employees	6.2 The well-being and growth of employees	

Occupational health and safety	Disclosure	Location	Notes
GRI 3: Material Topics 2021	3-3 Management of material topics	3.1 Materiality analysis 8.2 Table of correlation between material topics and GRI disclosure 6.3 La tutela della salute e della sicurezza	
GRI 403: Occupational Health and Safety 2018	403-1 Occupational health and safety management system	6.3 Protecting health and safety	
	403-2 Hazard identification, risk assessment and accident investigation	6.3 Protecting health and safety	
	403-9 Work-related injuries	6.3 Protecting health and safety	During the 112,672 hours worked by non-salaried employees, there were no work-related accidents. Please note that this information relates to the following locations: AB Liteksas, Sametex, Nová Mosilana.
	403-10 Work-related ill health	6.3 Protecting health and safety	
Training and education			
GRI 3: Material Topics 2021	3-3 Management of material topics	3.1 Materiality analysis 8.2 Table of correlation between material topics and GRI disclosure 6.2 The well-being and growth of employees	
GRI 404: Training and education 2016	404-1 Average hours of training per year per employee	6.2 The well-being and growth of employees	
Diversity and equal opportunities			
GRI 3: Material Topics 2021	3-3 Management of material topics	3.1 Materiality analysis 8.2 Table of correlation between material topics and GRI disclosure 6.1 The people in the Group	
GRI 405: Diversity and equal opportunities 2016	405-1 Diversity of governance bodies and employees	6.1 The people in the Group	
Non-discrimination			
GRI 3: Material Topics 2021	3-3 Management of material topics	3.1 Materiality analysis	
GRI 406: Incidents of discrimination 2016	406-1 Incidents of discrimination and corrective actions taken		No incidents of discrimination occurred during 2022.

Anti-Corruption	Disclosure	Location	Notes
GRI 3: Material Topics 2021	3-3 Management of material topics	3.1 Materiality analysis 8.2 Table of correlation between material topics and GRI disclosure 2.2 Governance	
GRI 205 Anti-Corruption 2016	205-2 Communication and training about anti-corruption policies and procedures		In 2022, 619 hours of training were delivered in relation to anti-corruption policies and procedures. The training involved 1,137 employees at all levels. Such information is available to the following companies: Marzotto S.p.A., Ambiente Energia S.r.l., AB Liteksas A.S., Biella Manifatture Tessili S.r.l., Novà Mosilana A.S. and Marzotto Lab S.r.l., limited to the Furnishing Fabrics division.
GRI 406: Incidents of discrimination 2016	205-3 Confirmed incidents of corruption and actions taken	2.2 Governance	
Supplier assessment			
GRI 3: Material Topics 2021	3-3 Management of material topics	3.1 Materiality analysis 8.2 Table of correlation between material topics and GRI disclosure 5.1 The value chain	
GRI 308: Supplier Environmental Assessment 2016 GRI 414: Supplier Social Assessment 2016	308-1 New supplier environmental assessment 414-1 New supplier social assessment	5.1 The value chain 5.1 The value chain	
Local communities			
GRI 3: Material Topics 2021	3-3 Management of material topics	3.1 Materiality analysis 8.2 Table of correlation between material topics and GRI disclosure 7.2 Community initiatives	
GRI 413: Local communities 2016	413-1 Operations with local community engagement, impact assessments, and development programmes	7.2 Community initiatives	

10. Quantitative appendix

Economic indicators

201-1 | Direct economic value generated and distributed

Economic value generated and distributed (€)	2022
Economic value generated	408.364.000
Economic value distributed	375.022.000
Operating costs	281.534.000
Employee wages and benefits	86.579.000
Value distributed to providers of capital	1.871.000
Payments to government	4.709.000
Payments to shareholders	85.000
Community investments	244.000
Economic value retained	33.342.000

Environmental indicators

301-2 | Recycled input materials used

Type of material [t]	2022				
	Marzotto Lab Group	Marzotto Wool Group	Ambiente Energia	Marzotto Holding company	Marzotto Group
Raw materials and semifinished products	37	97	-	-	134
Raw fibres	2	95	-	-	97
Yarns and fabrics	35	2	-	-	37
Consumables	-	-	-	-	-
Dyes	-	-	-	-	-
Chemicals	-	-	-	-	-
Lubricants	-	-	-	-	-
Other	-	-	-	-	-
Packaging	210	61	-	-	271
Paper and cardboard	62	56	-	-	118
Wood	105	-	-	-	105
Plastic	43	5	-	-	48
Other	-	-	-	-	-
Total	247	158	-	-	405

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

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

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

Division	Company /Brand	Location of the site	Type of activity carried out	Biodiversity Risk Filter ¹⁵	Protected area name	Location of the site with respect to the protected area	Size of protected area [km ²]	Natural habitats within the protected area	Protected species within the protected area
Marzotto Lab Group	Sametex	Kraslice - Czech Republic	production	Moderate risk	Plateau of the Iron Mountains	10 km North-East	117.80	9 such as forests and swamps	2 including bats
	Linificio e Canapificio Naz.le SB	Villa d'Almè (BG) - Italy	production	Moderate risk	Canto Alto e Valle del Giongo	5 km North-East	5.65	8 such as Illyrian oak and hornbeam forests	5 species including falcon and robins
		Naassen - Tunisie	production	Moderate risk	n/a	n/a	n/a	n/a	n/a
		Kaunas - Lithuania	production	Moderate risk	The plain of Nevěží	6 km North-West	11.7362	8 including forests and grassland	7 almost all invertebrates
	Banks and islands of the Nemunas river				5 km South-West	35.32	-	2 birds (swallows and terns)	
	Valruva Forests				15 km North-West	44.187	-	3 including crane and woodpecker	

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

Social indicators

2-7 | Employees (number of heads) – 2022

306-4 | Waste diverted from disposal

Waste diverted from disposal (t) ¹⁶		2022				
		Marzotto Lab Group	Marzotto Wool Group	Ambiente Energia	Marzotto Holding Company	Marzotto Group
including preparation for re-use	including hazardous	-	-	-	-	-
	including non-hazardous	-	-	-	-	-
including sent for recycling	including hazardous	11	28	-	-	39
	including non-hazardous	449	451	-	-	900
including sent to other recovery operations	including hazardous	-	-	1.016	-	1.016
	including non-hazardous	-	-	412	-	412

306-4 | Waste directed to disposal

Waste directed to disposal (t)		2022				
		Marzotto Lab Group	Marzotto Wool Group	Ambiente Energia	Marzotto Holding Company	Marzotto Group
including sent to incineration (with energy recovery)	including hazardous	1	14	817	-	832
	including non-hazardous	131	138	-	-	269
including sent to incineration (without energy recovery)	including hazardous	-	-	-	-	-
	including non-hazardous	-	-	-	-	-
including sent to landfill	including hazardous	2	5	-	-	7
	including non-hazardous	1.002	59	-	24	1.085
including sent to other disposal operations	including hazardous	-	3	540	-	543
	including non-hazardous	-	147	-	-	147

¹⁶ The total does not include 4.74 tonnes of non-hazardous waste and 0.15 tonne of hazardous waste in storage in 2022 and which will be disposed of in 2023.

Type of contract		Marzotto Lab Group		Marzotto Wool Group		Ambiente Energia		Marzotto Holding Company		Marzotto Group	
Country		Men	Women	Men	Women	Men	Women	Men	Women	Men	Women
Indefinite term (permanent)	Italy	133	104	326	386	14	5	37	36	510	531
	Lithuania	77	224	-	-	-	-	-	-	77	224
	Tunisia	126	309	-	-	-	-	-	-	126	309
	Czech Republic	45	43	135	338	-	-	-	-	180	381
Total (Permanent employees)		381	680	461	724	14	5	37	36	893	1.445
Fixed term (temporary)	Italy	-	2	5	2	-	1	2	2	7	7
	Lithuania	2	28	-	-	-	-	-	-	2	28
	Tunisia	27	234	-	-	-	-	-	-	27	234
	Czech Republic	14	18	122	193	-	-	-	-	136	211
Total (Temporary employees)		43	282	127	195	-	1	2	2	172	480
Total		424	962	588	919	14	6	39	38	1.065	1.925

Type of contract		Marzotto Lab Group		Marzotto Wool Group		Ambiente Energia		Marzotto Holding Company		Marzotto Group	
Country		Men	Women	Men	Women	Men	Women	Men	Women	Men	Women
Full-Time	Italy	132	89	324	362	14	6	39	33	509	490
	Lithuania	76	249	-	-	-	-	-	-	76	249
	Tunisia	153	543	-	-	-	-	-	-	153	543
	Czech Republic	59	59	257	530	-	-	-	-	316	589
Total (Full-Time)		420	940	581	892	14	6	39	33	1.054	1.871
Part-Time	Italy	1	17	7	26	-	-	-	5	8	48
	Lithuania	3	3	-	-	-	-	-	-	3	3
	Tunisia	-	-	-	-	-	-	-	-	-	-
	Czech Republic	-	2	-	1	-	-	-	-	-	3
Total (Part-Time)		4	22	7	27	-	-	-	5	11	54
Total employees		424	962	588	919	14	6	39	38	1.065	1.925

GRI 401-1 | Total number and rate of new hires by gender and country in 2022 (number of heads)

Country	Men		Women		Total	
	Tot. (n.)	Tot. (%)	Tot. (n.)	Tot. (%)	Tot. (n.)	Tot. (%)
Italy	59	11%	40	7%	99	9%
Lithuania	23	29%	66	26%	89	27%
Tunisia	22	14%	153	28%	175	25%
Czech Republic	106	34%	167	28%	273	30%
Total	210	20%	426	22%	636	21%

GRI 401-1 | New employee hires and employee turnover in 2022 (number of heads)

	<30	30-50	>50	Tot. (n.)	Turnover (%)
New hires					
Women	189	209	28	426	22%
Men	66	107	37	210	20%
Total (no.)	255	316	65	636	21%
% Turnover	53%	20%	7%	21%	
Turnover					
Women	118	146	50	314	16%
Men	33	68	41	142	13%
Total (no.)	151	214	91	456	15%
% Turnover	32%	13%	10%	15%	

GRI 401-1 | Total number and rate of employee turnover by gender and country in 2022 (number of heads)

Country	Men		Women		Total	
	Tot. (n.)	Tot. (%)	Tot. (n.)	Tot. (%)	Tot. (n.)	Tot. (%)
Italy	37	7%	29	5%	66	6%
Lithuania	21	27%	50	20%	71	21%
Tunisia	22	14%	121	22%	143	21%
Czech Republic	62	20%	114	19%	176	20%
Total	142	13%	314	16%	456	15%

GRI 401-1 | Average hours of training per year by employee category and gender - 2022

Employee categories	Total number of hours	Average number of hours
Executives	1.457	22,4
Clerical staff	5.635	10,4
Blue-collar workers	20.132	8,4
Total	27.224	9,1

Gender	Total number of hours	Average number of hours
Women	19.068	9,9
Men	8.156	7,7
Total	27.224	9,1



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