

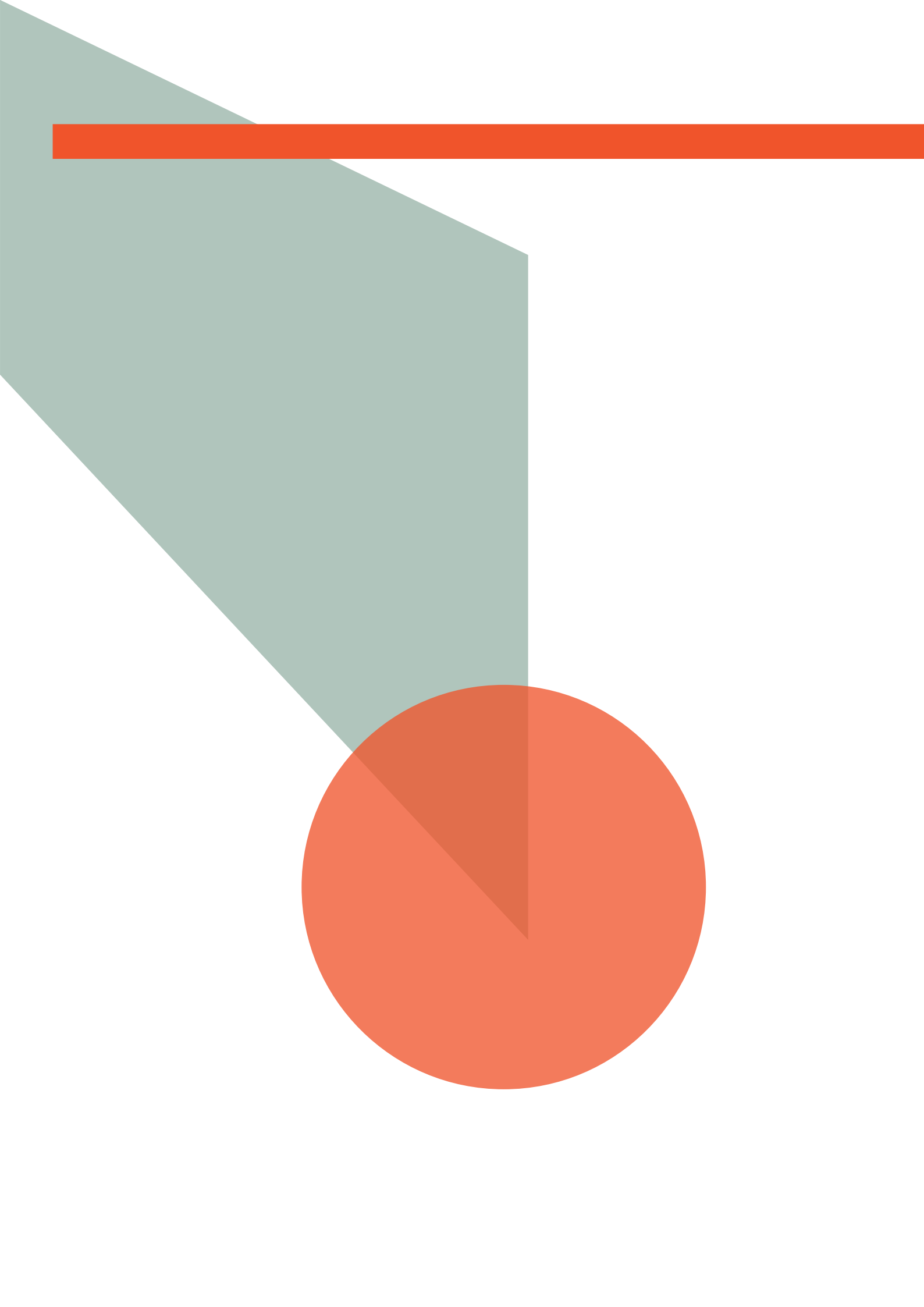
**SUSTAINABILITY REPORT
2022**



MARCHI & FILDI



FILIDEA



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METHODOLOGICAL NOTE

Since 2022, the **Marchi & Fildi Group** (hereinafter also “Group”) has embarked on a journey of consolidation of its sustainability performance starting with sustainability reporting activities. The Sustainability Report, the first edition of which is represented by this Document, is in fact the starting point for a self-analysis aimed at supporting the progressive improvement of company performance.

The report aims to describe the company profile, the management model, the initiatives implemented and the main results achieved during the year in the context of **ESG – Environmental, Social e Governance**.

The data and information reported in this Document refer to the period that goes from January 1st to December 31st, 2022. The reporting perimeter includes the performance of the companies **Marchi & Fildi S.p.A.** e **Filidea S.r.l.** (Italian perimeter). In order to frame the data in an evolutionary context, a comparison was made with the data for 2021.

The reported data are the result of measurement and, only in limited and duly highlighted cases, estimates. It should be noted that no significant changes were made to the organization or its supply chain during 2022.

The Report was prepared by reporting a selection of the “**GRI Sustainability Reporting Standards**” (GRI-referenced claim) published by the **Global Reporting Initiative (GRI)**, as shown in the “GRI Standards Selection” table at the end of the Report. The indicators considered are based on the relevant topics for the Group and for stakeholders, that constitute the area where to focus ESG actions and strategies.

This Report is the first step in a strategic plan that the Group has undertaken to orchestrate and formalise its commitment to improve ESG performance. The publication of the document will be annual.

For any information regarding this Report, please contact the following e-mail address: info@marchifildi.com

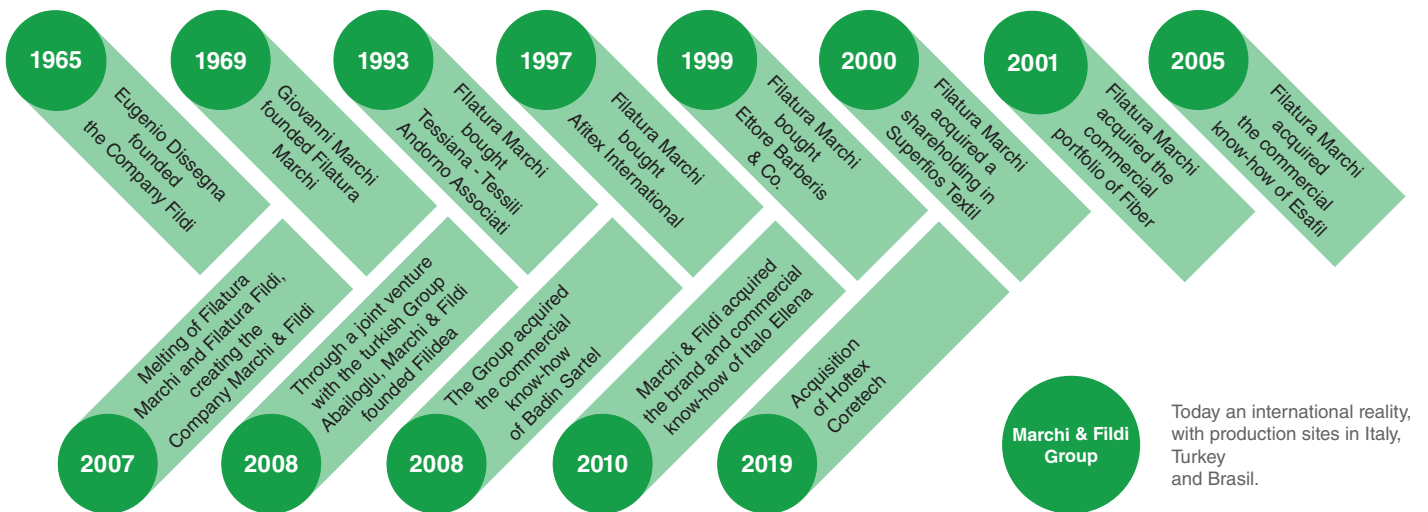
The Report is also available on the Group website: www.marchifildi.com

1 THE MARCHI & FILDİ GROUP

1.1 OUR HISTORY

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


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



The Group's predominantly Italian production matrix, which is characterized by a short supply chain, is a source of numerous advantages, making it possible to establish strong relationships with all the collaborators and to thoroughly check the progress of work and the compliance with the company policies. The territorial proximity of the different players in the supply chain favors collaboration, the exchange of knowledge and the alignment of operational practices between the value chain's different companies. It also facilitates the timely resolution of any problems and the promotion of a cohesive and shared working environment.

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

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



This commitment has led to the creation of a portfolio of products under the **ECOTEC®** brand, developed in-house and characterizing the production process based on the reuse of pre-consumer and post-consumer textile waste, creating a range of pure or blended yarns. This process is traceable and certified, and it saves energy resources and raw materials and foresees recycling of production waste. Through the **ECOTEC®** brand, **Marchi & Fildi** expresses its commitment to promoting the circular economy in the textile sector.

Marchi & Fildi's production sites are equipped with modern machinery and plants, both for spinning and dyeing, which use high-efficiency and low environmental impact processes. These investments highlight the Group's commitment to improve the performance of its processes, with the aim of creating products of the highest quality, while maintaining a strong focus on environmental impact.

In addition, The Group is outstanding for its ability to collaborate with partners and customers to develop customized projects with a cooperative approach that allows the creation of innovative solutions, generating added value for customers and promoting long-term relationships with significant results in terms of skills and know-how. Acknowledging the importance of technology transfer, the Group has also established long-term partnerships with universities and research centers to foster the exchange of knowledge and to share breakthroughs in textile innovation. This integrated approach, combining research, development, and collaboration, allows the Group to remain at the forefront, offering quality products and promoting a culture of sustainability, with the aim of meeting the needs of the market and its customers and consolidating its position.



MagnoLab

TEXTILE INNOVATION DISTRICT

In a context of collaborative innovation, the **MagnoLab** project was launched in 2022, a network of textile companies with different and complementary roles in the supply chain. Its primary mission is to collaborate in a structured way to develop innovation, research and projects related to sustainability and the circular economy, with lean experimental cycles. Besides **Marchi & Fildi** and **Filidea**, the other partner companies are **Maglificio Maggia**, **DBT**, **De Martini**, **Tintoria Finissaggio 2000**, **Di.Vé**. e **Pinter Caipo**. **MagnoLab's** distinguishing feature is the supply chain pilot plant that was built in the Cerrione (BI) plant that already houses the Group's R&D department.

The plant, the only one of its kind in the world, allows the companies involved to carry out end-to-end prototyping activities, benefiting from the exchange of knowledge between technicians of complementary companies in the supply chain and operating on dedicated machinery, in order to accelerate the scalability in production of the developed solutions.

Another fundamental aspect for the Group is to support the generational turnover of skills. The Company actively collaborates with training institutes, research bodies and other companies in the sector to encourage innovation and cross-fertilization between different textile entities. This synergy helps stimulate progress and develop cutting-edge solutions.

1.2. GOVERNANCE, MISSION AND VALUES

The **Marchi & Fildi Group** has embedded the concepts of correctness and transparency in its company culture, in order to protect the company's image and reputation and to meet the expectations of its stakeholders.

The production process of **Marchi & Fildi** and **Filidea** has its roots in Italy, in Biella's headquarters, where the spinning plant, offices and administrative area are located. The logistics center is located in Verrone (BI), the R&D center and the dyeing plant are located in Cerrione (BI).



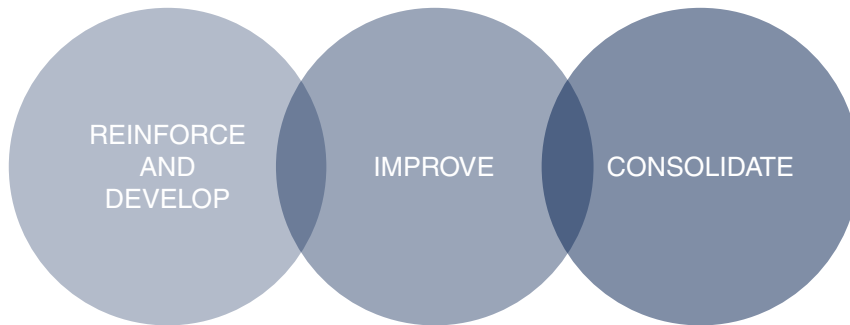
The Board of Directors and the Board of Statutory Auditors of Marchi & Fildi and Filidea have the following composition:

Board of Directors of Marchi & Fildi	
Name	Role
Massimo Marchi	President
Giovanni Marchi	Managing Director
Mariarosa Dissegna	Administrator
Luca Cinguino	Administrator
Davide Rossetti	Administrator

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

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

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



Marchi & Fildi is committed to pursuing and promoting core values, including customer satisfaction, respect for the environment and the protection of the health and safety of its employees.

The Group considers customer information and assistance essential, as well as constant attention to improving the effectiveness of the management systems and the adoption of sustainable innovations.

The Group is also active in taking all the necessary measures to promote respect for the environment and the protection of people, ensuring that it complies with pollution prevention laws, cooperating with the competent authorities.

In addition, **Marchi & Fildi** invests in employees training and systematically monitors the achievements of its goals, by the general management, as well as the management system and integrated quality, safety, environment and social policy, according to the objectives of strengthening and developing the current market position.

The attention to the above elements allows the organization's functionality to be adapted, making it flexible for a prompt response to the needs of customers and stakeholders.

OUR VALUES

The Group's values constitute the set of founding principles that govern corporate ethics and relationships with its customers, collaborators, and all the parties with which it engages in both business and non-business interactions. These values are shared and upheld throughout the entire supply chain.

Respect for laws and regulations: the Group operates in full compliance with the law and ensures that all personnel, including consultants, suppliers, customers, and anyone who has relationships with the company, act in the same manner.

Integrity of conduct: the Group provides quality services and competes in the market according to principles of fair and free competition and transparency, maintaining proper relationships with public, governmental, administrative institutions, citizens and businesses.

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

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

Health, safety, and environmental protection: the Group conducts its business in an environmentally sustainable and responsible manner.

Fairness in contractual matters: contracts and work assignments must be carried out in accordance with the terms agreed upon by the parties, in transparent conditions.

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

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

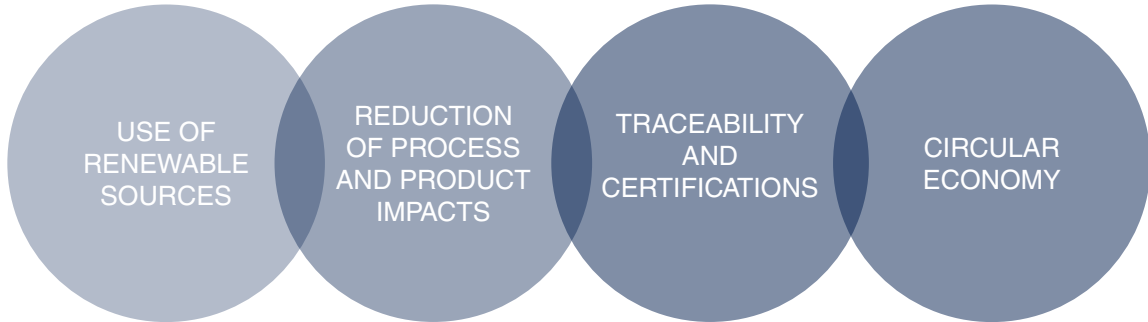
Transparency and completeness of information: in formulating any contracts or rules governing relationships with third parties, the Group takes care to specify the relevant clauses clearly and comprehensibly.

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

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

THE SUSTAINABILITY JOURNEY

OUR MAIN POINTS OF SUSTAINABILITY



In 2022, the Group initiated a **Sustainability journey**, recognizing the importance of more effectively integrating sustainability issues into its business. The objectives of this journey are identification of relevant sustainability themes to be addressed by appropriate strategies, implementing operational actions, monitoring and sharing sustainability performance trends, and establishing new targets by systematically driving the enhancement of its standards.

One of the distinctive and defining elements of the Group's business is the circular economy.

Marchi & Fildi not only recovers and reintroduces its own waste into production but also carries out a broader initiative by acquiring and recycling pre-consumer textile waste generated by other companies and post-consumer waste from qualified supply chains. The business objective is to develop new high-performance and environmentally certified products. Textile waste has always been a strategic resource for the Group, enabling the development of qualified products and the creation of a virtuous cycle for material recovery and waste reduction.

In pursuing this strategy and business objective, **Marchi & Fildi** is aware of the need to work as a system to create a truly circular textile industry. In this context, the Group has contributed as a founding partner to two important system projects recently set up: **ReHubs** and **RETEX.Green**.

ReHubs is the most important system initiative activated in EU27 to support the transition of the European textile industry towards circularity. Launched in 2021 by **Euratex**, **ReHubs** aims to recover 2.5 million tons of textile waste in EU27 by 2030, also by promoting the construction of 150-250 sorting and recycling facilities.

RETEX.Green is the consortium founded by **SMI-Confindustria Moda** for the management of textile waste in compliance with the obligations of extended liability of the Manufacturer (EPR) that will become law in Italy as of 2024.

The Group's sustainability journey includes not only the self-production of renewable energy from photovoltaic sources, which was realized in the Biella, Verrone and Cerrione plants, but also the definition of energy efficiency and CO₂ reduction targets, an activity supported by an audit carried out by a qualified E.S.Co.

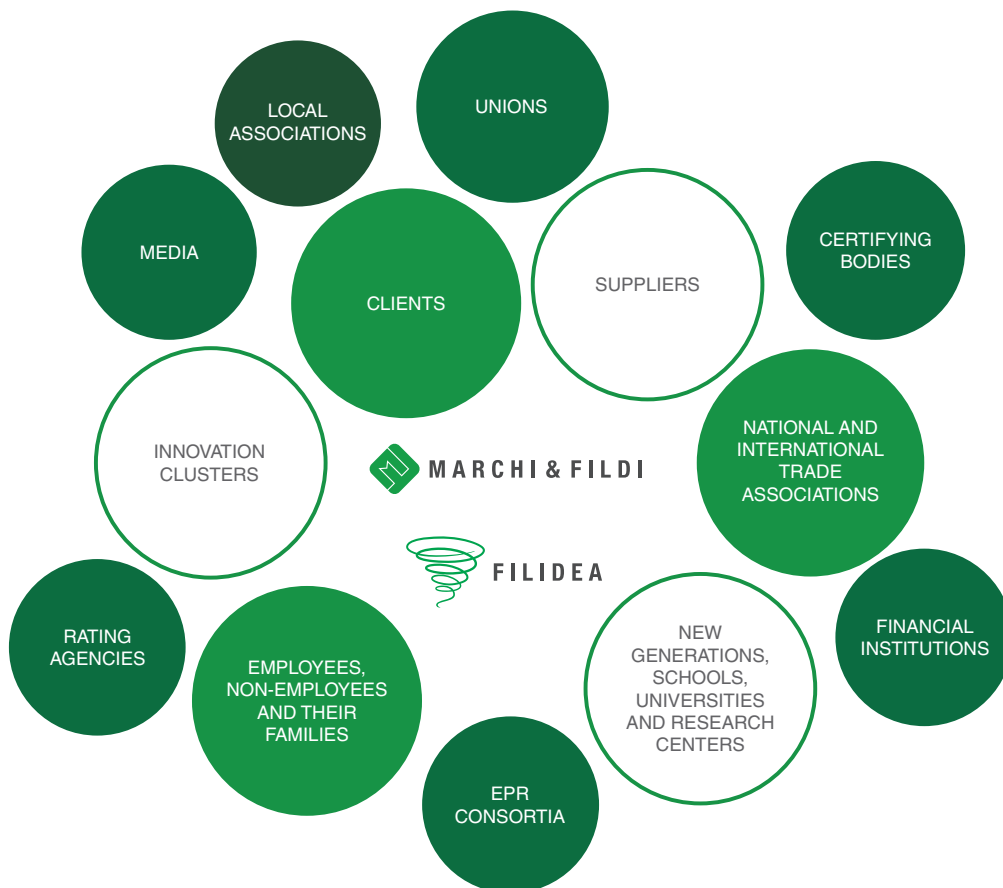
Marchi & Fildi Group started its sustainability journey conducting a context and benchmark analysis that will be systematically updated and strengthened, to comply with current and future regulatory requirements and to remain up-to-date with peer and competitor actions. Areas investigated in this analysis, as better discussed in the following paragraphs, were the categories of stakeholders, the relevant sustainability issues, the circular economy, and the areas of interest for the definition of short, medium, and long-term objectives.

OUR STAKEHOLDERS

The Group pays the utmost attention to relations with its stakeholders, to ensure transparency in dialog both inside and outside the Group. Understanding the expectations and needs of the people who interact with the Group allows, in the planning and carrying out the activities, to improve the management of the business.

Thirteen categories of stakeholders have been identified to define the Group's position with respect to market players. The following map represents the identified stakeholders, subjects that have influence for the Group's companies or on which the Group's activities have influence. This definition, together with the identification of the expectations and interests of each stakeholders' category, represents an indispensable moment for the definition of the contents of the Sustainability Report, in order to illustrate the main initiatives carried out in the **ESG** context during the year, as well as to devise strategies and actions for the future.

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



Stakeholder are those entities or individuals who can reasonably be affected by the organization's activities and that may affect the performance of the company.

For this reason, **Marchi & Fildi** places the active involvement of its stakeholders at the center of its sustainability journey.

1.5. OUR MATERIAL TOPICS

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

With the production of this Report, the **Marchi & Fildi Group** begins a journey towards a more structured awareness and communication of its business activities and performance in environmental, social and governance areas. A preliminary context and benchmark analysis was carried out to consolidate the **KPIs** used internally by the Group to measure **ESG** performance. The goal is to align sustainability reporting and key stakeholders with international best practices of the sector.

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

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

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

Environmental responsibility and the circular economy are, as mentioned, fundamental elements of the Group's value proposition and they are translated into concrete industrial, organizational and product choices that are described and analyzed below.

2.1 CIRCULAR ECONOMY

At an industrial level, the Group's commitment to the circular economy has translated into continuous process improvements to minimize production waste and the complete recycling of these waste materials within the production processes.

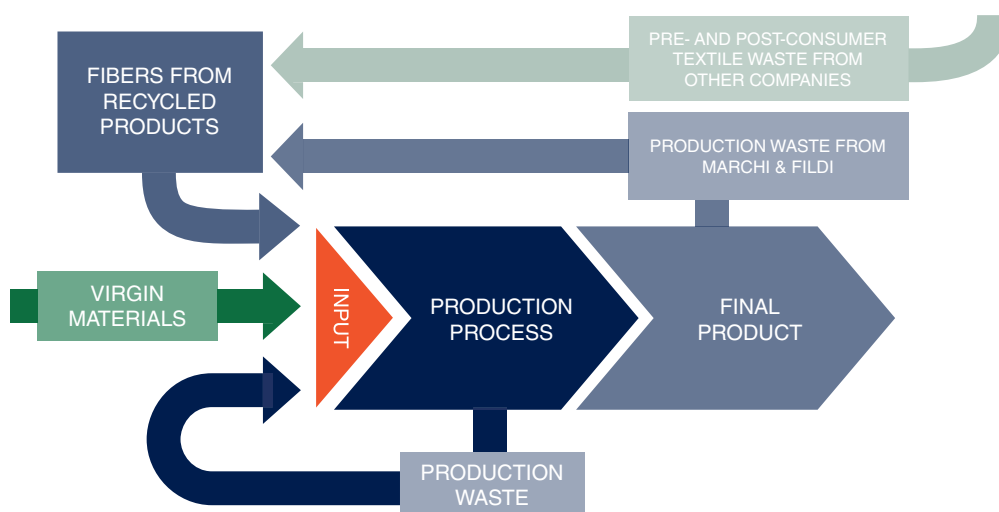
At the product level, this commitment has materialized in the development of the **ECOTEC®** technology and the corresponding range of yarns. These yarns are characterized by the use of recycled fibers from pre- and post-consumer textile waste and the absence of over-dyeing in order to maximize the environmental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

ECOTEC® is a trademark owned by **Marchi & Fildi** that identifies the process, developed by the company, that enables the production of new yarns by reintroducing mechanically recycled fibers from textile waste (pre-consumer) from knitting and weaving mills, used clothing (post-consumer), but also fibers obtained from other certified recycling routes such as polyester from plastic bottles.

Over the years, the **ECOTEC®** range has expanded in terms of fibers and compositions, the process has been refined and has gradually established itself on the market. The process is **GRS** certified and fully traceable; the environmental footprint has been assessed by **ICEA's** LCA analysis.



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



The flow diagram is a schematic representation of Marchi & Fildi's production process that produces new yarns by valorising production waste and pre- and post-consumer secondary materials.

2.2 RESOURCES AND MATERIALS

The constant search for solutions to reduce the environmental impact linked to the production of yarns has always been a priority that guides the Group's growth objectives and actions. Protecting the environment is a value that influences and guides all choices related to the Group's sustainable innovation processes and decisions.

Filidea commissioned ICEA to carry out a study to evaluate the environmental performance of specific alternative textile finishing technologies. The study was conducted using the **Life-Cycle Assessment (LCA)** methodology, comparing the three dyeing technologies single-cycle, double-cycle, and traditional double-cycle.



The analysis included:

- the quantification of the environmental impacts associated with the yarn dyeing process, the production and transport of chemical products (dyes and process auxiliaries).
- the determination of the environmental benefits or burdens of alternative technological solutions of textile finishing processes.
- the evaluation and identification of possible strategies to improve the environmental performance of the production system.

RESPONSIBLE WASTE MANAGEMENT

MARCHI & FILDI

Marchi & Fildi waste management includes specific waste and scrap sorting procedures, monitoring and proper disposal measures, and staff awareness and training initiatives. Since 2018, the Company has successfully implemented actions to reduce the production of waste, that is then either recovered and reused in production processes or resold as Millefiori yarn, thus implementing a complete circular recovery of materials.



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

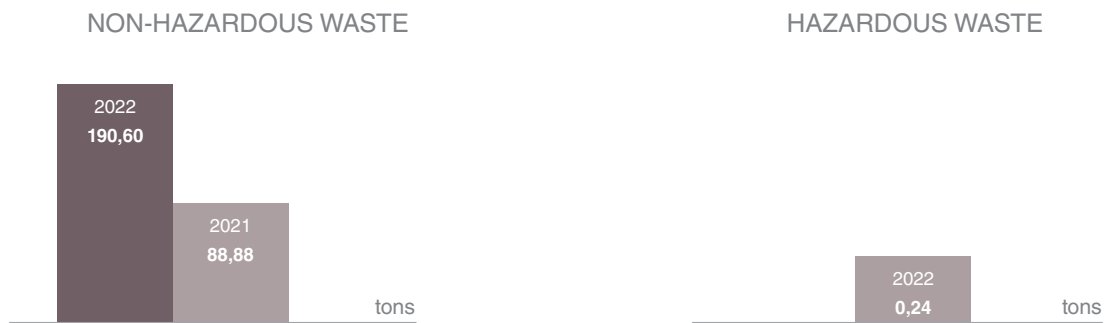
The total waste generated by Marchi & Fildi in 2022 was reduced by 10.7% compared to 2021, from 274 to 245 tons. Non-hazardous waste decreased by 11.6% (from 274 to 242 tons), while hazardous waste increased from 0.39 to 2.84 tons in 2022, a purely contingent increase caused by the reorganization of business spaces with the elimination, among others, of hazardous substances that were stored in controlled areas.

Excluding this extraordinary component, the waste reduction trend is confirmed, which is the result of the company's commitment to reduce environmental impact.



Filidea's waste management includes specific procedures for the separate collection of production waste and scraps, managing its disposal in a precise and timely manner, in full compliance with the regulations in force in the countries in which it operates. Should situations of non-conformity arise, the company will fill out specific forms, committing itself, through contacts and experts in the field, to research and develop measures to improve and adapt its practices. In 2022, the total waste generated by Filidea, almost entirely non-hazardous, amounted to 191 tons, up from 89 tons in 2021, a contingent increase due to the reorganization of previously disused spaces used for the construction of the MagnoLab pilot plant.

In 2022 there was a limited amount of hazardous waste consisting of 0.24 tons of insulating materials.



The waste generated by Filidea can be grouped in packaging, sludge, iron, and steel. The minimum amount of hazardous waste is made up of insulating materials containing or consisting of hazardous material.

Correct disposal management is also addressed through awareness-raising initiatives aimed at operating personnel and training of managers in charge of monitoring the correct containment of the waste, to achieve the best application of the environmental management system in compliance with the ISO 14001:2015 standard.

The ISO 14001 certification was obtained in 2019 by Filidea in order to prevent and mitigate any negative impact on the environment due to the company's activities.



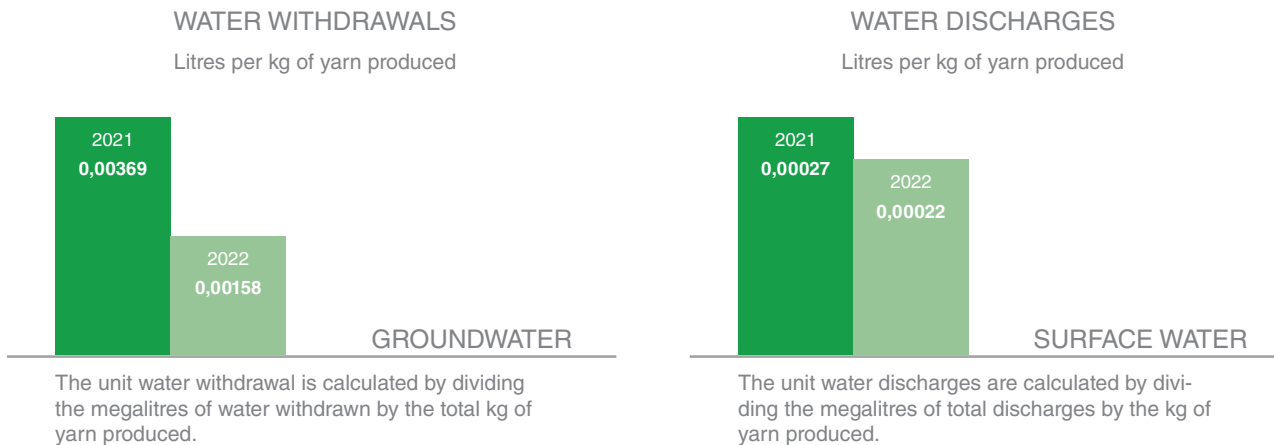
PROTECTION OF WATER RESOURCES

The Group adopts responsible and careful management of water resources, applying procedures and technical solutions that minimize consumption and promote efficiency. This commitment is particularly relevant in view of the fact the Italian sites are located in areas characterized by water stress.

MARCHI & FILDI

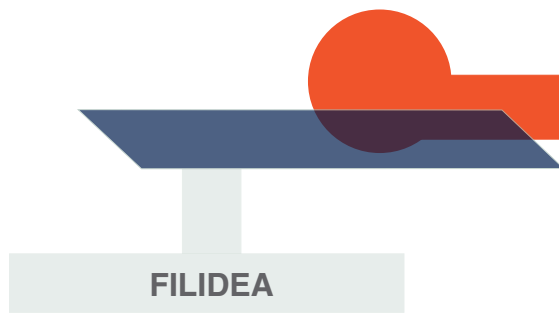
The water consumption of **Marchi & Fildi** is modest and is managed through routine monitoring, reporting and verification procedures and preventive maintenance interventions to avoid malfunctions and leaks. No extraordinary management activities are necessary.

UNIT WATER WITHDRAWALS AND DISCHARGES MARCHI & FILDI ¹



Despite modest absolute values, in 2022 **Marchi & Fildi** reduced both water consumption by 57% and water discharges by 19% compared to 2021. It is important to emphasize that these reductions have been achieved against an increase in production volumes, thus achieving a significant reduction in unit consumption and discharges.

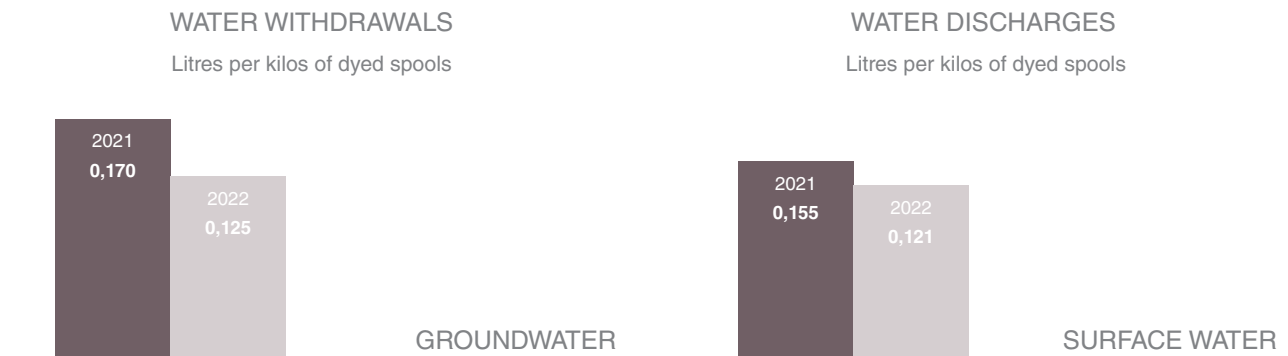
¹ The Group has chosen to report, for **Marchi & Fildi**, the unit water withdrawal and consumption, calculated as total megalitres/total kg of yarn produced in order to highlight both the absolute reduction of the impact and the higher efficiency achieved in water management in 2022.



Filidea's water consumption is high due to the presence of the dyehouse in the plant and requires very careful management of the resource. The procedures provide for systematic monitoring of unit consumption (referring to kg produced) to identify micro and macro interventions to improve process efficiency.

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

UNIT WATER WITHDRAWALS AND DISCHARGES ²



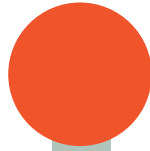
Unit water withdrawals and discharges is calculated by dividing the megaliters of water drawn and discharged by the total of kilograms of dyed spools.

Water consumption in 2022 amounted to 121 Megalitres, saving 2% compared to 2021, while water discharges increased by 4%. It is important to emphasize that these values have been obtained in the face of a 34% increase in production volumes, achieving a considerable reduction in unit consumption and discharges.

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

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

²The Group has chosen to report, for **Filidea**, the unit water withdrawal and consumption, calculated as total megalitres/total kg of dyed spools, in order to highlight both the absolute reduction of the impact and the higher efficiency achieved in water management in 2022.



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



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

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

Among the performance improvement actions, **Filidea** is considering introducing new dyeing water treatment systems, with the aim of achieving 100% recycling, and has improved the planning of dyeing production by reducing the washing of plant machinery. The effectiveness of the interventions will be monitored starting from 2023 through annual consumption audits by the company **Sinergia Consulting S.r.l.** Currently, the checks are carried out through periodic reporting activities.

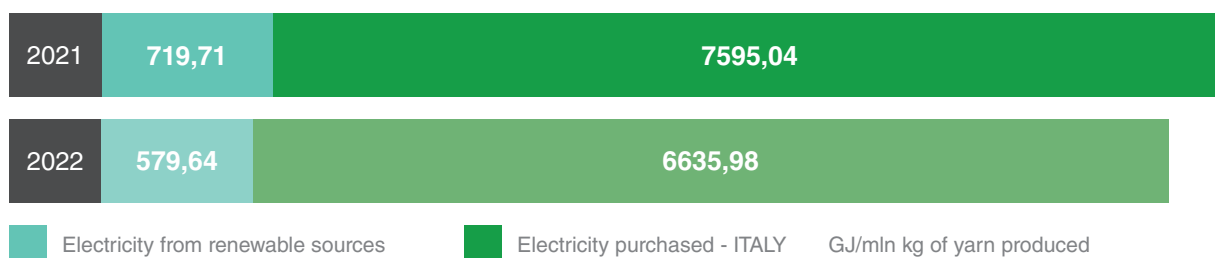
2.3 COMBATING CLIMATE CHANGE (CONSUMPTION AND EMISSIONS)

MARCHI & FILDI

Spinning mills are energy-intensive businesses whose production involves high energy consumption, mostly electricity. **Marchi & Fildi** consumes about **2 kWh** of electricity per kilogram of yarn produced, aligned with best practices in the sector. Electricity consumption in 2022 was 18,544 GJ, a decrease of 10.8% compared to 2021, despite a 2.7% increase in volumes produced thanks to efficiency improvements. Moreover, in 2022 the company produced 1,490 GJ of photovoltaic energy, equal to about 8% of electricity consumption, helping to mitigate the environmental impact of its production.

To achieve this performance, the company implements procedures to systematically monitor machine consumption to prevent anomalies and periodically check the energy consumption of compressors. In addition to this, the company commissions an annual energy audit from an E.S.Co in which it receives precise indications on interventions to improve energy efficiency, among which the ones to be pursued in the following year are selected.

UNIT CONSUMPTION MARCHI & FILDI ^{3, 4}



The reported unit data were calculated by dividing the total consumption of electricity, natural gas, and diesel fuel in GJ by the total kg of yarn produced by Marchi & Fildi during the year 2022.

In addition to electricity, the company consumes natural gas and diesel fuel. Gas consumption in 2022 was 352 GJ, down 39% from 2021. Diesel fuel consumption was 747 GJ, an increase of approximately 10% compared to 2021.

³ The Group has chosen to report the unit data of its consumption referred, for Marchi & Fildi, to the total kg of yarn produced.

⁴ The following factors were used for the conversion of consumption into GJ:

- Electricity: 1kWh = 0.0036 GJ;

- Diesel: NIR ITALIAN GREENHOUSE GAS INVENTORY – NATIONAL INVENTORY REPORT (1 liter of diesel fuel = 0.84 kg of diesel fuel) and FIRE: Guidelines Energy Manager (42.86 GJ/t in 2022 and 42.78 GJ/t in 2021);

Natural Gas: NIR ITALIAN GREENHOUSE GAS INVENTORY – NATIONAL INVENTORY REPORT and FIRE: Guidelines Energy Manager (0.0343 GJ/SMC in 2022 and 2021).

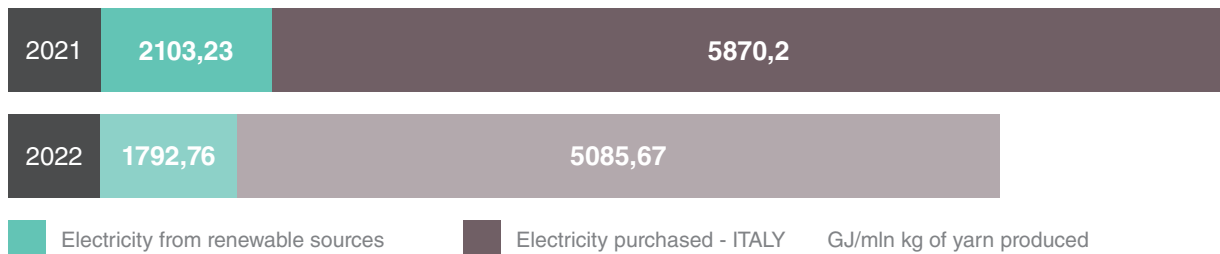
In 2022, Filidea consumed a total of 14,488 GJ of natural gas and 6.72 GJ of electricity, up 23.4% and 14.6%, respectively, compared to 2021.

The higher consumption was due to an increase in volumes and hours worked, but the percentage increase was lower than that of volumes thanks to energy efficiency measures and resulted in a 7% reduction in unit consumption per kg of yarn produced.

Moreover, in 2022 the company produced 1,738 GJ of photovoltaic energy, equal to about 26% of its electricity consumption, helping to mitigate the environmental impact of its production.

The consumption of diesel fuel for motor vehicles was 50 GJ, a strong reduction (-65%) compared to 2021.

UNIT CONSUMPTION FILIDEA ^{5, 6}



The reported unit consumption was calculated by dividing the total consumption of natural gas, and diesel by motor vehicle in GJ, by the total amount in kg of dyed spools produced by Filidea during the year 2022.

The energy consumption for production concerns electricity and natural gas, to a greater extent than Marchi & Fildi due to the presence of the dyeing plant.

To improve the energy efficiency of the dyehouse while preserving the production performance, Filidea intervened on the process, by reducing the fraction of cycle time (kWh) and the use of steam (smc) per kilogram of yarn.

As a result, Filidea consumes about 1.9 kWh of electrical energy and 0.44 smc of natural gas to produce 1 kg of dyed yarn. These improvements in efficiency and environmental footprint compared to a traditional dyeing process were also supported by the LCA analysis performed by ICEA.

⁵ The Group has chosen to report the unit figure of its consumption referred, for Filidea, to the total kg of dyed spools.

⁶ The following factors were used for the conversion of consumption into GJ:

- Electricity: 1kWh = 0.0036 GJ;

- Diesel: NIR ITALIAN GREENHOUSE GAS INVENTORY – NATIONAL INVENTORY REPORT (1 liter of diesel fuel = 0.84 kg of diesel fuel) and FIRE: Guidelines Energy Manager (42.86 GJ/t in 2022 and 42.78 GJ/t in 2021);

Natural Gas: NIR ITALIAN GREENHOUSE GAS INVENTORY – NATIONAL INVENTORY REPORT and FIRE: Guidelines Energy Manager (0.0343 GJ/SMC in 2022 and 2021).

For the reporting of consumption, it was chosen to carry out the unit calculation of energy consumption referred to millions of kg of yarn produced for Marchi & Fildi, and millions of dyed spools for Filidea.



The LCA study conducted by ICEA has shown that the modification of the production process and the introduction of a single dyeing cycle allows for a 37.6% reduction in overall energy resource consumption compared to the traditional double-cycle dyeing process (pre-2011).

Furthermore, it is evident that the technological and plant modifications made since 2018 to the double-cycle dyeing process result in a decrease of approximately 11% in overall energy resource consumption compared to the traditional double-cycle dyeing process.

In addition to the benefits brought by the elements mentioned above, the following improvements have also been identified:

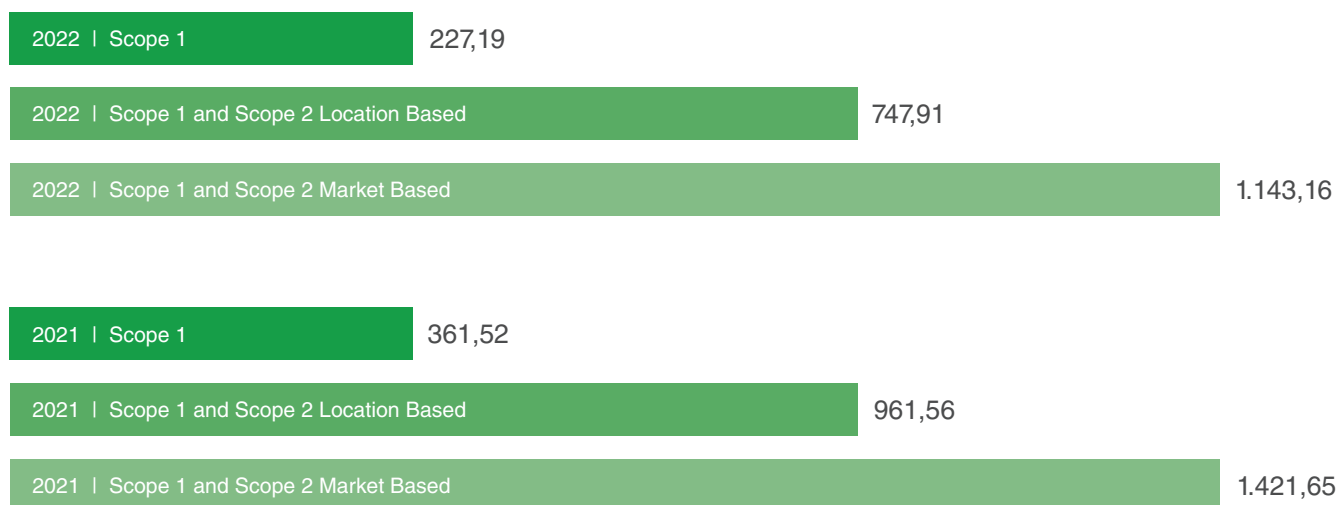
- 43.5% reduction in Global Warming impact;
- 9.3% reduction in the consumption of abiotic resources (such as metals and minerals);
- 36.8% reduction in the consumption of abiotic resources in terms of fossil fuels;
- 43.0% reduction in Acidification (lowering of pH caused by emissions of acidic substances with harmful effects on living organisms);
- 25.0% reduction in direct electricity consumption;
- 9.4% reduction in direct thermal energy consumption (steam).

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

EMISSIONS

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

Unit emissions Marchi & Fildi



tCO2/mln kg of yarn produced

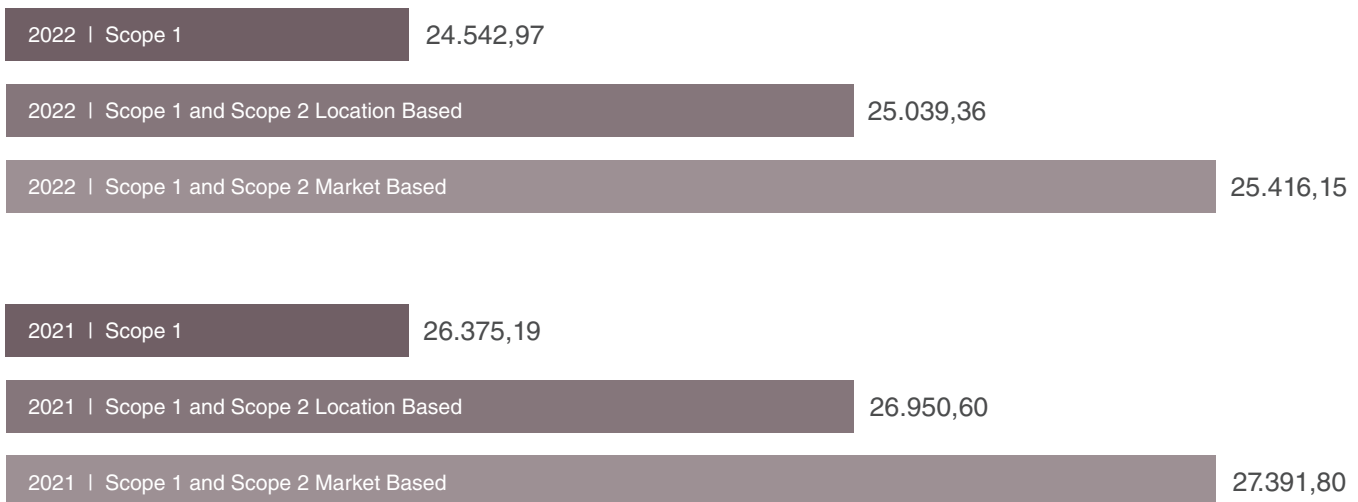
The unit emissions of Marchi & Fildi were calculated by dividing the total tons of CO2 by the total kg of yarn produced during 2022.

Emissions generated in 2022, referred to millions of kg of yarn produced, decreased compared to the previous year. Scope I emissions, generated by the organization's internal energy consumption, decreased by 37.2%, from 362 tCO₂ to 227 tCO₂. Scope II Location-based emissions, related to electricity consumption purchased from outside the organization and calculated according to average emission factors related to power generation within specific geographical boundaries, also decreased by 13.2%, from 600 tCO₂ to 521 tCO₂, consistent with declining trends in unit energy consumption. Taken together, Scope I and Scope II Location-based emissions decreased by 22.2% compared to 2021.

Scope II Market-based emissions, calculated according to the emission factors related to the purchase contracts or, where not present, by the local residual mix, have also decreased as a result of improvements in the performance of machinery and electricity saving actions, **from 1,060 tCO₂ to 916 tCO₂ (-13.6%)**. Scope I and scope II Market-based emissions decreased overall by 19.6% between 2021 and 2022.

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

Unit emissions Filidea



tCO₂/mln kg of dyed spools.

The unit emissions of Filidea were calculated by dividing the total tons of CO₂ by the total kg of dyed spools produced during 2022.

As a result of the increase in volumes produced, in 2022 Filidea recorded an increase in overall energy consumption and, consequently, in emissions generated compared to 2021. Thanks to energy efficiency measures in 2022, the emissions generated were reduced in relation to the millions of kg of yarn produced.

Scope I emissions, generated by the organization's internal energy consumption, decreased by 8%, from 26,375 tCO₂ to 24,543 tCO₂. Scope II Location-based emissions, related to electricity consumption purchased from outside the organization, calculated according to average emission factors related to energy generation within specific geographical boundaries, decreased by 13.7%, from 575 tCO₂ to 496 tCO₂. Taken together, Scope I emissions and Scope II Location-based emissions decreased by 7.1% compared to 2021.

Scope II Market-based emissions, calculated according to the emission factors defined by the purchase contracts or, where not present, by the local residual mix, have also decreased as a result of improvements in the performance of machinery and electricity saving actions, **from 1,017 tCO₂ to 873 tCO₂ (-14.1%)**. Scope I and scope II Market-based emissions decreased overall by 7.2% between 2021 and 2022.

ECONOMIC AND GOVERNANCE RESPONSIBILITY

The Group has always paid great attention to sustainability issues, consistent with the provisions of the Integrated Policy and the **Group's Code of Ethics**, whose principles inspire the activity, in particular of directors and collaborators and all the other stakeholders. As a demonstration of its commitment, the Group has chosen to embark on a sustainability journey, starting from the production of this Sustainability Report, with the aim of systemizing the numerous activities and initiatives carried out over time in this area and the inspiring principles.

Regarding environmental aspects, **Filidea** has already identified its objectives within the process of obtaining and maintaining ISO 14001 certification. On the other hand, **Marchi & Fildi** is beginning a path towards achieving such certification, although a significant portion of its operations already aligns with the related principles.

Drawing up a sustainability plan will help raise awareness of the entire company structure, as well as integrate new goals, including social and governance ones. The culture of sustainability is promoted both inside the Company, through training activities, as well as outside the Company, along the value chain, through the acceptance and signing by subcontractors of a contract of approval and compliance with the Ethical Code and the Integrated Policy.

To promote maximum transparency and cooperation with its stakeholders, the Group has provided appropriate channels for reporting complaints, possible non-compliance, or alleged corruption. The Group is also working to improve these systems, aiming for continuous improvement.

3.1

VALUE CHAIN AND SHARED VALUE CREATION

Through its activities, the Group actively contributes to the creation of value and well-being in the local area, both in economic and social terms, for instance, by creating jobs and promoting the entrepreneurial fabric of the Biella region. In this regard, through the reclassification of the income statement as of December 31, 2022, it was possible to estimate the economic value directly generated by **Marchi & Fildi** and **Filidea** in 2022 and its distribution to the main stakeholders who, directly or indirectly, have contributed to the creation of this value.

The economic value directly generated as of December 31, 2022, by the companies included in this report amounts to EUR 86.49 million, of which EUR 33.45 million generated by **Marchi & Fildi** and EUR 53.04 million generated by **Filidea**.

The majority share is attributed to the item "value distributed to suppliers" (93.13%, equivalent to EUR 74.26 million). Employee compensation stands at EUR 4.38 million (5.49%). The portion of value retained by the Group corresponds to EUR 1.34 million. The portion allocated for tax payments, i.e., the Group's contribution to the Public Administration, amounts to 1.37%, which is EUR 1.09 million.

Privacy and cyber security are priority aspects of the Group's management and translate into technological investments, organizational procedures, and employee involvement, as well as regular maintenance plans for its security systems.

Processing of employees' personal data is managed in accordance with Legislative Decree 196/2003. During the recruitment process, the candidate is provided with information on the protection of personal data which clarifies the methods and purposes of the processing, the subjects to whom the data are communicated and the information necessary to exercise the right of access referred to in article 13 of Legislative Decree 196/2003.

Where required by the law, people are asked to accept the processing of personal data. Personal matters are never investigated unless when strictly linked to necessary job requirements.

Customer data are stored primarily for commercial and administrative purposes. All are stored on servers differentiated by use and secured through back-ups and cloud systems. The Group has set specific procedures to access data and is working to improve systems to increase security such as double authentication.

In 2022, no customer privacy violations or data leaks were reported. As previously stated, the Group is aware of the growing risk of external cyber-attacks and is working to strengthen its privacy management policies and data protection procedures.

To do so, the Group has also engaged external consultants and technicians to work at enhancing cybersecurity and its ability to promptly respond to potential external attacks.

Marchi & Fildi Group is outstanding out for its constant attention to innovation and its proactivity in the development of new technologies and solutions, with particular focus on sustainability and the circular economy.

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

PNRR PROJECT - MAGNOLAB



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

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

This facility, unique in the world, allows for prototyping activities to leverage the exchange of knowledge among technicians from complementary companies in the supply chain and the availability of dedicated industrial machinery, thus accelerating the scalability in production of the solutions developed.

In 2022, the **MagnoLab** facility ranked first overall among the "Circular economy lighthouse projects" funded by the Ministry of the Environment and Energy Security as part of the National Recovery and Resilience Plan (PNRR).

REHUBS



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

Launched in 2021 by Euratex, **ReHubs** aims to recover 2.5 million tons of textile waste within the 27 Countries, by 2030, also through the construction of 150-250 new sorting and recycling plants.

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

RETEX.GREEN

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

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

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

Additionally, the consortium promotes product lifespan extension through repair and eco-design.

RETEX.Green was established in 2022, and **Marchi & Fildi** is one of its founding members.



TRICK

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

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

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

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



ITS TAM

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

This institute linked to the industrial world allows students to acquire technical, creative and managerial skills and abilities to operate safely and effectively along the entire supply chain and to collaborate with the best Italian companies in the sector.

Since the institute's inception, the Group has been hosting students in its departments to contribute to their training during the internship programs specified in their training courses, furthering its goals of supporting education and preserving the know-how and knowledge related to the sector and the region.

In addition to the training programs, two educational projects have been carried out with second-year students in the knitting course, where they created garments based on stylistic, technical, and educational content. The garments from these projects were exhibited during two editions of Pitti Filati, in January 2022 and January 2023, respectively. Furthermore, the Group has decided to award two scholarships following a technical, educational, and aesthetic evaluation of the projects.



GROUP CERTIFICATIONS

GLOBAL RECYCLED STANDARD

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



FSC

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



TRACEABILITY AND FASHION

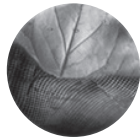
Marchi & Fildi has obtained the Traceability and Fashion Certificate for finished products, applied to ECOTEC® branded yarns, issued by the Italian Chambers of Commerce system.



OEKO TEX STANDARD 100

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





Associazione Tessile e Salute

ASSOCIAZIONE TESSILE E SALUTE

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

GOTS - OCS- RCS



Filidea has obtained the following certificates issued by Control Union Certifications B.V.:

- Certificate of Compliance with the Global Organic Textile Standards (GOTS) Version 6.0;
- Certificate of Compliance with Organic Content Standards (OCS) Version 3.0, Global Recycled Standards (GRS) Version 4.0, and Recycled Claim Standards (RCS) Version 2.0;
- Certificate of Compliance with Responsible Animal Fiber Version 1.0 and Responsible Wool Standard (RWS).



European Flax
Premium
linen fibre

EUROPEAN FLAX

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

ISO 9001

BUREAU VERITAS
Certification



ISO 9001:2015

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

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

ISO 14001

BUREAU VERITAS
Certification



ISO 14001

Filidea has been ISO 14001 Certified since 2019 with the aim of mitigating and preventing any negative environmental impact linked to the Company's activities.

The organization places compliance with international and national regulations, as well as the promotion of a fair and safe working environment, at the core of its values. In line with this commitment, this chapter highlights the policies and actions implemented to ensure compliance with the recommendations of the International Labour Organization (ILO), national legislation, and the conditions established through national bargaining, which materialize in the fight against child labor and any form of forced labor, ensuring an inclusive and safe workplace, transparent contractual conditions, and adherence to the norms of the countries in which the Group operates.

PERSONNEL SELECTION

The Group recognizes that people are a fundamental value and is committed to creating an inclusive and stimulating work environment in which every individual can contribute at their maximum potential.

In the selection process, the candidate profiles are carefully evaluated in relation to the specific needs of the Company. The information required is aimed at assessing professional skills and psycho-aptitude characteristics, while fully respecting the privacy of candidates.

The search for personnel takes place both through applications to the designated company emails or in the dedicated section of the website (<https://www.marchifildi.com/lavora-con-noi/>), or through agencies specialized in recruitment.

The selection process begins with an initial screening to identify candidates who best match the Group's requirements. Subsequently, the chosen candidates undergo interviews conducted first by the HR department and then by both the HR department and the area manager. For top-level positions, an interview is also scheduled with the management in collaboration with the HR department.

Additionally, certain roles may be filled through internal selection process within the relevant department.

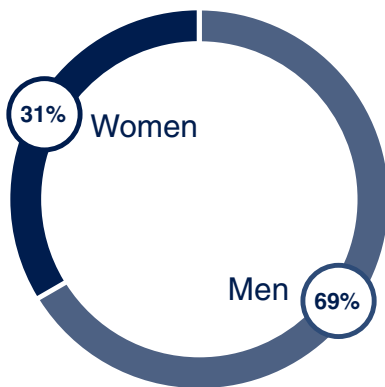
The Group promotes a regulated and responsible work environment. During the contract negotiation, the employee's duties, regulatory and compensation aspects, as well as mandatory provisions regarding health and safety, are clearly defined.

STAFF COMPOSITION

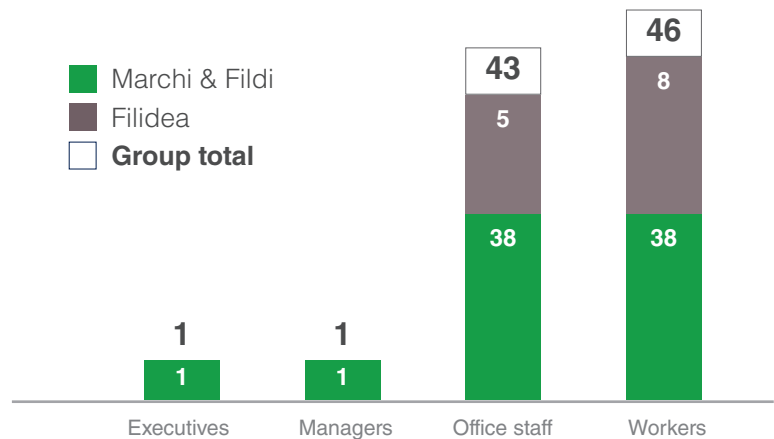
Filidea's staff is made up of 13 people, 11 men and 2 women. Two of these have a fixed-term contract, while the others have permanent contracts. All have full-time contracts.

Marchi & Fildi has 78 employees, 52 men and 26 women. As of December 31, 2022, only 16% of employees (11 people) had a fixed-term contract and only 7% (5 people) had part-time contracts.

Staff breakdown by gender



Breakdown by professional category

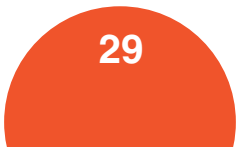
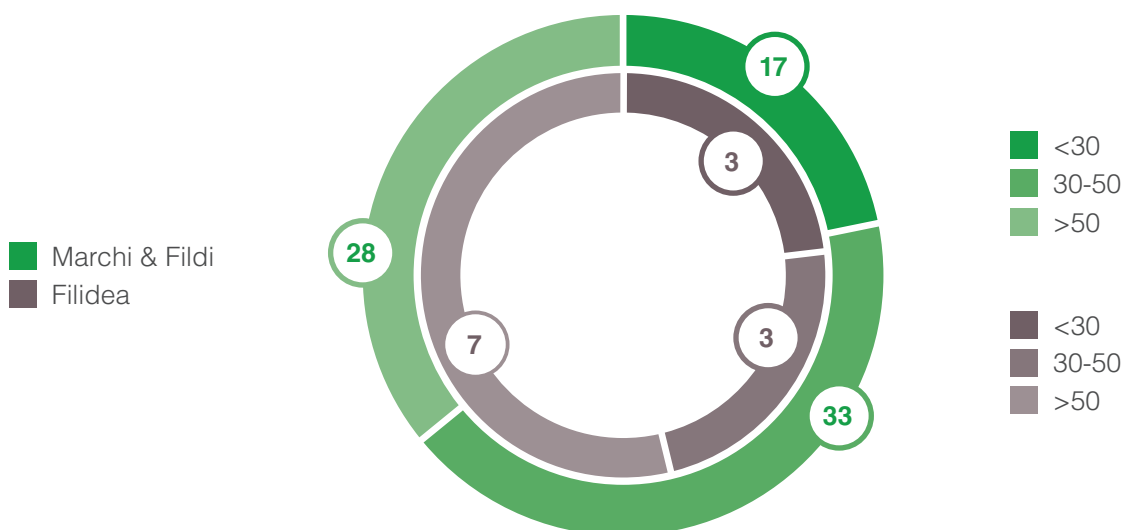


This approach to the contractual management of human resources underlines the Group's commitment to providing stability to its employees while respecting their relative needs.

The Group relies on a limited number of external collaborators, except for consultants, and turns to temporary workers in cases of prolonged employee absences. When there are periods of high workloads, more flexibility is applied.

All employees, including administrators and interns, are subject to the Code of Ethics, which provides them with protection, as well as the Integrated Policy, that regulates behavior and responsibilities of the staff, but above all to avoid and prevent any form of discrimination.

Employee breakdown by age group



The Group safeguards workers from any form of psychological and physical violence, discriminations, and any situation that may disturb their sensibilities. To prevent any form of discrimination, the Group has established a system for receiving complaints and reports, disseminated through the document “Complaint Procedure,” which encourages its use. The procedure ensures the complete anonymity of reports, protecting the individuals involved.

The Group has also appointed Mariarosa Dissegna, in her role as HR Director, responsible for social rights management aspects, who monitors compliance, ensures that company personnel are informed in the local language about the content of the minimum social criteria and any other information related to them provided by the relevant standard. Company personnel can also appoint their own representative for Social Responsibility aspects to engage with management regarding the state of implementation of the social criteria and compliance with them. The person responsible for social rights management also monitors that disciplinary measures or termination of employment are not used as a form of discrimination against employees. However, disciplinary measures are allowed when necessary if valid reasons exist.

During the annual audit activities, conducted at predefined intervals or requested by clients, special attention is given to safeguarding against any form of discrimination. The checks performed during these audits aim to ensure that there are no discriminatory practices within the Group, promoting a fair and inclusive working environment.

During 2022, no cases of discrimination were reported, confirming the effectiveness of the policies and procedures for preventing discriminatory behavior and promoting equality currently in place.

HUMAN RESOURCES DEVELOPMENT AND ENHANCEMENT

ENHANCING STAFF

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

Flexible work arrangements, including the possibility of flexible hours or remote work, are encouraged. This allows for full adaptation to the individual needs of employees and enables effective and efficient balancing of family responsibilities with work. Additionally, support and resources are provided to help employees manage the challenges that may arise when balancing work and family.

TRAINING

Training is assigned to groups or individual employees based on their specific professional development needs, and additional remote training is available through digital tools, based on personal interests and in a non-compulsory manner.

If it becomes necessary to reorganize activities by altering employees' duties, the Company commits to providing adequate additional training to professionally requalify each individual affected

STAFF EVALUATION

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

The Group is committed to providing a work environment that protects the health and safety of its personnel, raising awareness of risks, and promoting responsible behavior. The preventive actions implemented are intended not only for direct employees but also for external workers. All internal procedures related to risk prevention and health and safety protection must be respected by employees, and any deficiencies or failure to comply with applicable regulations must be promptly reported to supervisors. Particular attention is given to training and information on risks and implementation relating to the field of workplace hygiene and safety.

Training encompasses all professional categories, according to law, with periodic updates based on the topic being covered. New hires are internally trained by qualified and competent staff.

The continuous improvement of workers' health and safety conditions has a positive impact on both the environment and individuals. The management's focus on health and safety is also reflected in the introduction of specific roles within the Company, which encourage departmental functions' involvement and accountability, thereby increasing employee motivation.

The effectiveness of these actions is evident through collaboration with the personnel involved in improvements, employees' diligence in their work, and the constant use of personal protective equipment (PPE). Additionally, active communication with the Manager for Prevention and Protection Service (RSPP) is promoted to promptly address any issues that may arise during all work shifts.

The implementation of the system is evident through concrete actions, targeted interventions, and activities to constantly improve working conditions. To effectively manage all aspects related to health and safety, all employees are involved and consulted through direct contact with the RSPP or by reporting to the Workers' Safety Representative (RLS). The Group does not have a certified health and safety management system but follows the legislative provisions (in particular Legislative Decree 81/08).

The scope of the occupational health and safety management system applies to every facility.



RISK CONTAINMENT

Practical risk containment measures have been adopted at each facility to prevent serious accidents. For example, in the **Marchi & Fildi** Biella facility, the risks are associated with machinery and forklifts, so the company has implemented a series of safety measures, including the installation of protective barriers, safety hooks, and collective safety devices.

In addition to risk containment measures, there are specific work procedures required of employees in carrying out their tasks.

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

Thanks to these preventive measures, no workplace injuries were recorded during the years 2021 and 2022.



4.4



RELATIONSHIPS WITH SUPPLIERS

The Group's procurement processes are guided by the pursuit of the best advantage for the Company, while also ensuring equal opportunities for suppliers, loyalty, and impartiality. Supplier selection and the definition of purchasing conditions are based on an objective assessment of product or service quality, price, as well as warranties and prompt assistance.

The Group constantly monitors its relationships with suppliers and meticulously maintains the relevant documentation, especially regarding accounting and tax matters, in compliance with applicable regulations.

In 2023, a systematic auditing activity commenced regarding the social compliance of third-party suppliers at their production units or operational facilities. This includes, in addition to ensuring the quality of the product and/or service provided, checks on the respect for fundamental workers' rights, principles of equality and non-discrimination, protection of child labor, worker health and safety, and respect for the environment. The Group aims to expand this mechanism for verifying compliance with the Group's Code of Ethics to other types of suppliers in the future.

GRI 2-7 Employees							
Number of employees by contract type, gender and region							
Site	Type of contract	As of December 31 st , 2021			As of December 31 st , 2022		
		Men	Women	Total	Men	Women	Total
Marchi&Fildi	Permanent	46	20	66	45	22	67
	Temporary	1	1	2	7	4	11
	Total	47	21	68	52	26	78
	Full-time	46	18	64	50	23	3
	Part-Time	1	3	4	2	3	5
	Total	47	21	68	52	26	78
Filidea	Permanent	12	2	14	10	1	11
	Temporary	1	0	1	1	1	2
	Total	13	2	15	11	2	13
	Full-time	13	2	15	11	2	13
	Part-time	0	0	0	0	0	0
	Total	13	2	15	11	2	13
Total Group	Permanent	58	22	80	55	23	78
	Temporary	2	1	3	8	5	13
	Total	60	23	83	63	28	91
	Full-time	59	20	79	61	25	86
	Part-time	1	3	4	2	3	5
	Total	60	23	83	63	28	91

GRI 406-1: Incidents of discrimination and corrective actions taken		
Total number of discrimination episodes during the reporting period		
Company	2021	2022
Marchi & Fildi	0	0
Filidea	0	0
Total Group	0	0

GRI 405-1: Diversity of governance bodies and employees							
Number of people per category and gender							
		As of December 31 st , 2021			As of December 31 st , 2022		
		Men	Women	Total	Men	Women	Total
Marchi & Fildi	Executives	0	0	0	1	0	1
	Managers	1	0	1	1	0	1
	Employees	18	15	33	18	20	38
	Workers	28	6	34	32	6	38
	Total	47	21	68	52	26	78
Filidea	Executives	0	0	0	0	0	0
	Managers	1	0	1	0	0	0
	Employees	6	1	7	4	1	5
	Workers	6	1	7	7	1	8
	Total	13	2	15	11	2	13
Total Group	Executives	0	0	0	1	0	1
	Managers	2	0	2	1	0	1
	Employees	24	16	40	22	21	43
	Workers	34	7	41	39	7	46
	Total	60	23	83	63	28	91

GRI 405-1 Diversity of governance bodies and employees							
Number of people per category and gender (percentage)							
Number of persons (%)		As of December 31 st , 2021			As of December 31 st , 2022		
		Men	Women	Total	Men	Women	Total
Marchi & Fildi	Executives	0%	0%	0%	1.3%	0%	1.3%
	Managers	1.5%	0%	1.5%	1.3%	0%	1.3%
	Employees	26.5%	22.1%	48.5%	23.1%	25.6%	48.7%
	Workers	41.2%	8.8%	50%	41%	7.7%	48.7%
	Total	69.1%	30.9%	100%	66.7%	33.3%	100%
Filidea	Executives	0%	0%	0%	0%	0%	0%
	Managers	6.7%	0%	6.7%	0%	0%	0%
	Employees	40%	6.7%	46.7%	30.8%	7.7%	38.5%
	Workers	40%	6.7%	46.7%	53.8%	7.7%	61.5%
	Total	86.7%	13.3%	100%	84.6%	15.4%	100%
Total Group	Executives	0%	0%	0%	1.1%	0%	1.1%
	Managers	2.4%	0%	2.4%	1.1%	0%	1.1%
	Employees	28.9%	19.3%	48.2%	24.2%	23.1%	47.3%
	Workers	41%	8.4%	49.4%	42.9%	7.7%	50.5%
	Total	72.3%	27.7%	100%	69.2%	30.8%	100%

GRI 405-1: Diversity of governance bodies and employees									
Number of people per category and age group									
Number of person (%)		As of December 31 st , 2021				As of December 31 st , 2022			
		<30 y.o.	30-50 y.o.	>50 y.o.	Total	<30 y.o.	30-50 y.o.	>50 y.o.	Total
Marchi & Fildi	Executives	0	0	0	0	0	0	1	1
	Managers	0	0	1	1	0	0	1	1
	Employees	3	16	14	33	10	13	15	38
	Workers	4	16	14	34	7	20	11	38
	Total	7	32	29	68	17	33	28	78
Filidea	Executives	0	0	0	0	0	0	0	0
	Managers	0	0	1	1	0	0	0	0
	Employees	3	2	2	7	2	2	1	5
	Workers	0	1	6	7	1	1	6	8
	Total	3	3	9	15	3	3	7	13
Total	Executives	0	0	0	0	0	0	1	1
	Managers	0	0	2	2	0	0	1	1
	Employees	6	18	16	40	12	15	16	43
	Workers	4	17	20	41	8	21	17	46
	Total	10	35	38	83	20	36	35	91

GRI 405-1: Diversity of governance bodies and employees									
Number of people per category and age group (percentages)									
Number of person (%)		As of December 31 st , 2021				As of December 31 st , 2022			
		<30 y.o.	30-50 y.o.	>50 y.o.	Total	<30 y.o.	30-50 y.o.	>50 y.o.	Total
Marchi & Fildi	Executives	0%	0%	0%	0%	0%	0%	1.28%	1.28%
	Managers	0%	0%	1.47%	1.47%	0%	0%	1.28%	1.28%
	Employees	4.41%	23.53%	20.59%	48.53%	12.82%	16.67%	19.23%	48.72%
	Workers	5.88%	23.53%	20.59%	50%	8.97%	25.64%	14.10%	48.72%
	Total	10.29%	47.06%	42.65%	100%	21.79%	42.31%	35.90%	100%
Filidea	Executives	0%	0%	0%	0%	0%	0%	0%	0%
	Managers	0%	0%	6.67%	6.67%	0%	0%	0%	0%
	Employees	20%	13.33%	13.33%	46.67%	15.38%	15.38%	7.69%	38.46%
	Workers	0%	6.67%	40%	46.67%	7.69%	7.69%	46.15%	61.54%
	Total	20%	20%	60%	100%	23.08%	23.08%	53.85%	100%
Total	Executives	0%	0%	0%	0%	0%	0%	1.10%	1.10%
	Managers	0%	0%	2.41%	2.41%	0%	0%	1.10%	1.10%
	Employees	7.23%	21.69%	19.28%	48.19%	13.19%	16.48%	17.58%	47.25%
	Workers	4.82%	20.48%	24.10%	49.40%	8.79%	23.08%	18.68%	50.55%
	Total	12.05%	42.17%	45.78%	100%	21.98%	39.56%	38.46%	100%

GRI 405-1: Diversity of governance bodies and employees

Number of people per age group and gender (percentages)

Composition of the Board

Marchi & Fildi	Age	As of December 31 st , 2021	As of December 31 st , 2022
Men %	< 30 y.o.	0.0%	0.0%
	30 ≤ x ≤ 50	25.0%	25.0%
	> 50 y.o.	75.0%	75.0%
Total Men %		80.0%	80.0%
Women %	< 30 y.o.	0.0%	0.0%
	30 ≤ x ≤ 50	0.0%	0.0%
	> 50 y.o.	100.0%	100.0%
Total Women %		20.0%	20.0%
Total members of the Board (n)		5	5

Filidea	Age	As of December 31 st , 2021	As of December 31 st , 2022
Men %	< 30 y.o.	0.0%	0%
	30 ≤ x ≤ 50	33.3%	33.3%
	> 50 y.o.	66.7%	66.7%
Total Men %		75.0%	75.0%
Women %	< 30 y.o.	0.0%	0.0%
	30 ≤ x ≤ 50	0.0%	0.0%
	> 50 y.o.	100.0%	100.0%
Total Women %		25.0%	25.0%
Total members of the Board (n)		4	4

Total Group	Age	As of December 31 st , 2021	As of December 31 st , 2022
Men %	< 30 y.o.	0.0%	0.0%
	30 ≤ x ≤ 50	28.6%	28.6%
	> 50 y.o.	71.4%	71.4%
Total Men %		77.8%	77.8%
Women %	< 30 y.o.	0.0%	0.0%
	30 ≤ x ≤ 50	0.0%	0.0%
	> 50 y.o.	100.0%	100.0%
Total Women %		22.2%	22.2%
Total members of the Board (n)		9	9

GRI 302-1: Energy consumption within the organization				
Energy consumption		Unity of measure	2021	2022
Marchi & Fildi	Fuel consumption	GJ	1,129	1,062
	<i>of which natural gas</i>	GJ	515	315
	<i>of which diesel/diesel fuel</i>	GJ	677	747
	Electricity consumption	GJ	20,786	18,543
	<i>of which from renewable sources</i>	GJ	1,799	1,489
	Total	GJ	21,979	19,606
	<i>of which from renewable sources</i>	<i>GJ</i>	<i>1,799</i>	<i>1,489</i>
	<hr/>			
Filidea	Fuel consumption	GJ	11,881	14,539
	<i>of which natural gas</i>	GJ	11,737	14,448
	<i>of which diesel/diesel fuel</i>	GJ	144	50
	Electricity consumption	GJ	5,820	6,672
	<i>of which from renewable sources</i>	GJ	1,535	1,738
	Total	GJ	17,702	21,211
	<i>of which from renewable sources</i>	<i>GJ</i>	<i>1,535</i>	<i>1,738</i>
	<hr/>			
Total Group	Fuel consumption	GJ	13,074	15,601
	<i>of which natural gas</i>	GJ	12,525	14,804
	<i>of which diesel/diesel fuel</i>	GJ	821	797
	Electricity consumption	GJ	26,607	25,216
	<i>of which from renewable sources</i>	GJ	3,334	3,228
	Total	GJ	39,681	40,817
	<i>of which from renewable sources</i>	<i>GJ</i>	<i>3,334</i>	<i>3,228</i>

GRI 305-1 e 305-2: Direct (Scope 1) and energy indirect (Scope 2) emissions				
Emissions			2021	2022
Marchi & Fildi	Scope 1 (tCO2)		903.79	583.87
	Scope 2 (tCO2)			
		<i>Market based</i>	2,650.32	2,354.05
		<i>Location based</i>	1,500.12	1,338.26
<hr/>				
Filidea	Scope 1 (tCO2)		19.253,89	23.806,68
	Scope 2 (tCO2)			
		<i>Market based</i>	742.13	846.98
		<i>Location based</i>	420.05	481.50
<hr/>				
Total Group	Scope 1 (tCO2)		20,157.68	24,390.55
	Scope 2 (tCO2)			
		<i>Market based</i>	3,392.46	3,201.04
		<i>Location based</i>	1,920.17	1,819.76

GRI 303-3: Water withdrawal			
Water withdrawal by source (ML)		2021	2022
	Groundwater	9	4
Marchi & Fildi	Fresh water (\leq 1000 mg/L total dissolved solids)	0	0
	Other water ($>$ 1000 mg/L total dissolved solids)	0	0
	Groundwater	124	121
Filidea	Fresh water (\leq 1000 mg/L total dissolved solids)	0	0
	Other water ($>$ 1000 mg/L total dissolved solids)	0	0
	Groundwater	133	125
Total Group	Fresh water (\leq 1000 mg/L total dissolved solids)	0	0
	Other water ($>$ 1000 mg/L total dissolved solids)	0	0

GRI 303-4: Water discharge			
Water discharge by source (ML)		2021	2022
	Groundwater	0.7	0.6
Marchi & Fildi	Fresh water (\leq 1000 mg/L total dissolved solids)	0	0
	Other water ($>$ 1000 mg/L total dissolved solids)	0	0
	Surface waters	113	117
Filidea	Fresh water (\leq 1000 mg/L total dissolved solids)	0	0
	Other water ($>$ 1000 mg/L total dissolved solids)	0	0
	Surface waters	113	117
Total Group	Fresh water (\leq 1000 mg/L total dissolved solids)	0	0
	Other water ($>$ 1000 mg/L total dissolved solids)	0	0
	Groundwater	0.7	0.6
	Other water ($>$ 1000 mg/L total dissolved solids)	0	0

GRI 306-3: Waste generated			
Total weight of waste generated		2021	2022
	Total waste (t)	274	245
Marchi & Fildi	of which hazardous	0	3
	of which non-hazardous	274	242
	Total waste (t)	89	191
Filidea	of which hazardous	0	0
	of which non-hazardous	89	191
	Total waste (t)	263	436
Total Group	of which hazardous	0	3
	of which non-hazardous	263	433

GRI 303-9: Work-related injuries			
Number of work-related injuries		2021	2022
	Total number of fatalities as a result of work-related injury	0	0
Marchi & Fildi	Total number of high-consequence work-related injuries (excluding fatalities)	0	0
	Total number of recordable work-related injuries	0	0
	Total number of fatalities as a result of work-related injury	0	0
Filidea	Total number of high-consequence work-related injuries (excluding fatalities)	0	0
	Total number of recordable work-related injuries	0	0
	Total number of fatalities as a result of work-related injury	0	0
Total Group	Total number of high-consequence work-related injuries (excluding fatalities)	0	0
	Total number of recordable work-related injuries	0	0

GRI 418-1: Substantiated complaints concerning breaches of customer privacy and losses of customer data			
		2021	2022
	Total number of substantiated complaints received concerning breaches of customer privacy	0	0
Marchi & Fildi	<i>of which received from outside parties and substantiated by the organization</i>	0	0
	<i>of which received from regulatory bodies</i>	0	0
	Total number of substantiated complaints received concerning breaches of customer privacy	0	0
Filidea	<i>of which received from outside parties and substantiated by the organization</i>	0	0
	<i>of which received from regulatory bodies</i>	0	0
	Total number of substantiated complaints received concerning breaches of customer privacy	0	0
Total Group	<i>of which received from outside parties and substantiated by the organization</i>	0	0
	<i>of which received from regulatory bodies</i>	0	0
	Total number of substantiated complaints received concerning breaches of customer privacy	0	0

GRI 205-3: Confirmed incidents of corruption and actions taken			
Number of incidents		2021	2022
Marchi & Fildi	Total number and nature of confirmed incidents of corruption	0	0
	<i>Total number of confirmed incidents in which employees were dismissed or disciplined for corruption</i>	0	0
	<i>Total number of confirmed incidents when contracts with business partners were terminated or not renewed due to violations related to corruption</i>	0	0
Filidea	Total number and nature of confirmed incidents of corruption	0	0
	<i>Total number of confirmed incidents in which employees were dismissed or disciplined for corruption</i>	0	0
	<i>Total number of confirmed incidents when contracts with business partners were terminated or not renewed due to violations related to corruption</i>	0	0
Total Group	Total number and nature of confirmed incidents of corruption	0	0
	<i>Total number of confirmed incidents in which employees were dismissed or disciplined for corruption</i>	0	0
	<i>Total number of confirmed incidents when contracts with business partners were terminated or not renewed due to violations related to corruption</i>	0	0

GRI 201-1: Direct economic value			
Generated and distributed	Marchi & Fildi	Filidea	Total Group
Value distributed to suppliers and other operating costs	26,644,013.27 €	47,611,689.49 €	74,255,702.76 €
Employee wages and benefits	3,600,318.15 €	780,168.99 €	4,380,487.14 €
Payments to providers of capital	- €	- €	- €
Remuneration of the members	- €	- €	- €
Community investments	- €	- €	- €
Payments to government	80,869.00 €	1,012,274.00 €	1,093,143.00 €
Distributed value	30,325,200.42 €	49,404,132.48 €	79,729,332.90 €
Value retained by the Company	869,815.94 €	444,226.70 €	1,314,042.64 €
Economic value generated	33,453,257.59 €	53,040,041.60 €	86,493,299.19 €

SELECTION OF GRI STANDARDS

SELECTION OF GRI STARDARDS	
STATEMENT OF USE	The Marchi & Fildi Group has produced this Sustainability Brochure reporting the information mentioned in this GRI content index for the period 01/01/2022 – 31/12/2022 with reference to GRI Standards.
GRI 1 used	GRI 1: Foundation 2021

GRI Standard	Disclosure	Location	Notes
GRI 2 – General Disclosures (2021)	2-1 Organizational details	Our history	
	2-2 Entities included in the organization's sustainability reporting	Our history	
	2-3 Reporting period, frequency and contact point		
	2-6 Activities, value chain and other business relationships		
	2-7 Employees	Our people	
	2-9 Governance structure and composition	Governance, mission and values	
	2-27 Compliance with laws and regulations		There were no cases of non-compliance during 2022.
	2-29 Approach to stakeholder engagement	Our stakeholders	
Material topics			
GRI 3 - Material Topics (2021)	3-1 Process to determine material topics	Our material topics	
	3-2 List of material topics	Our material topics	

Topic-specific Standards			
GRI Standard	Disclosure	Location	Notes
ETHICS, INTEGRITY, COMPLIANCE AND TRANSPARENCY			
3-3	Management of material topics	Economic and governance responsibility	
205-3	Confirmed incidents of corruption and actions taken	Economic and governance responsibility	
COMMUNITY INVOLVEMENT AND VALUE CREATION			
3-3	Management of material topics	Economic and governance responsibility	
201-1	Direct economic value generated and distributed	Value chain and shared value creation	
ENERGY CONSUMPTION, EMISSIONS AND THE FIGHT AGAINST CLIMATE CHANGE			
3-3	Management of material topics	Environmental responsibility	
302-1	Energy consumption within the organization	Combating climate change (consumption and emissions)	
305-1	Direct (Scope 1) GHG emissions	Combating climate change (consumption and emissions)	
305-2	Energy indirect (Scope 2) GHG emissions	Combating climate change (consumption and emissions)	
RESPONSIBLE MANAGEMENT OF WATER RESOURCES AND WASTE			
3-3	Management of material topics	Environmental responsibility	
303-3	Water withdrawal	Protection of water resources	
303-4	Water discharge	Protection of water resources	
306-3	Waste generated	Resources and materials	
HEALTH AND SAFETY AT WORK			
3-3	Management of material topics	Social responsibility	
403-1	Occupational health and safety management system	Health and safety	
403-9	Work-related injuries	Health and safety	
DIVERSITY, FAIRNESS, AND INCLUSION			
3-3	Management of material topics	Social responsibility	
405-1	Diversity of governance bodies and employees	Our people	
406-1	Incidents of discrimination and corrective actions taken	Our people	

PRIVACY AND DATA PROTECTION			
3-3	Management of material topics	Economic and governance responsibility	
418-1	Substantiated complaints concerning breaches of customer privacy and losses of customer data	Privacy and cybersecurity	
PROMOTION OF BIODIVERSITY PROTECTION			
3-3	Management of material topics	Environmental responsibility	
STAFF DEVELOPMENT AND TALENT ATTRACTION			
3-3	Management of material topics	Social responsibility	
RESPONSIBLE SUPPLY CHAIN MANAGEMENT			
3-3	Management of material topics	Social responsibility	
RESEARCH, DEVELOPMENT AND SUSTAINABLE INNOVATION			
3-3	Management of material topics	Economic and governance responsibility	

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