

2023 Sustainability Report

CARVICO

CARVICO
Sustainability Report
2023

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LETTER TO STAKEHOLDERS

Dear Stakeholders,

I am proud to present to you Carvico's first **Sustainability Report**.

Before diving into the contents of this document, I would like to share a thought with you: when we talk about change, whether it has to do with environmental, social or economic policies, one of the most problematic phrases is "we have always done it this way"; yet, since long before European directives and ESG came into force, Carvico has always directed its efforts towards tangible and efficient environmental responsibility policies. For more than sixty years in our factories we have been paying special attention to our people, the local communities and the environment that surrounds us by reducing the use of water, energy and polluting products and lowering the production and emission of waste.

Change is triggered not only by complying with the law but also by creating a shared, everyday culture of environmental responsibility and protection. In a nutshell: we have always done this because it was the right thing to do.

The fashion industry is being called upon to question the impact of its supply chains and its business philosophy. Carvico, as an active part of the industry, will not stop asking questions and questioning itself on how to face these decisive years to bring the fashion world back to fair and acceptable standards for all.

The vision that guides Carvico's every action is not limited to creating excellent products and responsible supply chains but has the goal that every Company should have: the protection and safeguard of people and the planet. This way of doing things has allowed us to give more and more space to

research, the implementation of state-of-the-art technologies and the selection of raw materials, so that we have full control over our supply chain and are able to make important decisions in the direction of sustainability.

I am sure that the market will return to appreciate and seek out high-quality products, because they stem from the care, respect and commitment that every worker puts into the production of all our collections. Carvico knows that it can contribute to and accompany this change of mentality.

Transparency and our continuous organizational introspection are two of the values we are most proud of.

You can only be transparent if you have the courage to look inside yourself and offer yourself to the world with honesty.

I hope these few words can express Carvico's willingness to share with all its stakeholders a common path towards a better world.

Stefano Eretti
Chief Executive Officer
Carvico S.p.A.



METHODOLOGICAL NOTE

As from the financial year 2023, **Carvico S.p.A.** (hereinafter also referred to as “Carvico” or “Company” or “Organisation”) has committed to reporting on its ESG (environmental, social and governance) performance by drawing up this **Sustainability Report** (hereinafter also “Report”). The objective of this document is to outline the Company profile, management model, initiatives, results and impacts on material issues in the ESG area during the financial year 2023.

This Report has been issued in accordance with the **Global Reporting Initiative (GRI) Standards**, applied in a referenced manner, which are listed in the table “**GRI Table of Contents**” to provide thorough evidence of the coverage of material issues and related GRI indicators. Regarding GRI Universal Standard 1 (Fundamental Principles) and GRI 2 (General Disclosures), the most recent version of 2021 has been adopted.

In line with the GRI Standards, Carvico was inspired by the principles of materiality, stakeholder inclusiveness, sustainability context and completeness for the definition of content; by the principles of balance, clarity, accuracy, timeliness, comparability and reliability, to ensure the quality of information and the appropriateness of the way it is presented.

The information contained in this Report, which is drawn up on an annual basis, refers to the year 2023

(from 1st January 2023 to 31st December 2023) regarding Carvico S.p.A.¹

This document accompanies the annual report, which is also prepared annually during the same period. Furthermore, to allow for comparability of data over time, a comparison has been made, where possible, with data for the period from 1st January 2022 to 31st December 2022.

To correctly represent performance and ensure the reliability of the data, the use of estimates has been limited as far as possible and, if present, they have been appropriately reported, describing the method of calculation.

The definition of the contents of the Report and the related indicators to be reported were selected starting from the results of the **materiality analysis** - carried out in application of the GRI 3 (Material Topics) Standards - as explained in more detail in the section “Materiality Analysis and ESG Impacts”.

Furthermore, this Report is not subjected to external Assurance.

For information on Carvico S.p.A.’s Sustainability Report, please contact the following e-mail address: sustainability@carvico.com.

1. The following locations are not included in these financial statements because they are not relevant:
 - Waring production department in Bottanuco, which will be transferred to the Carvico headquarters by the end of 2024);
 - Warehouse in Via Brugari, Carvico.

HIGHLIGHTS

-11,5%
of energy consumed compared to 2022

39,3%
women within the Company

-13%
of emissions (Purpose 1 + Purpose 2 Location-Based) produced by the organisation in relation to 2022

100%
purchased renewable electricity

9.413.486 KWH
of self-generated electricity through cogeneration

100%
of employees¹ employed on a permanent basis

54,1%
local suppliers

100%
of employees hired under a National Collective Labor Contract

3305
training hours provided to employees

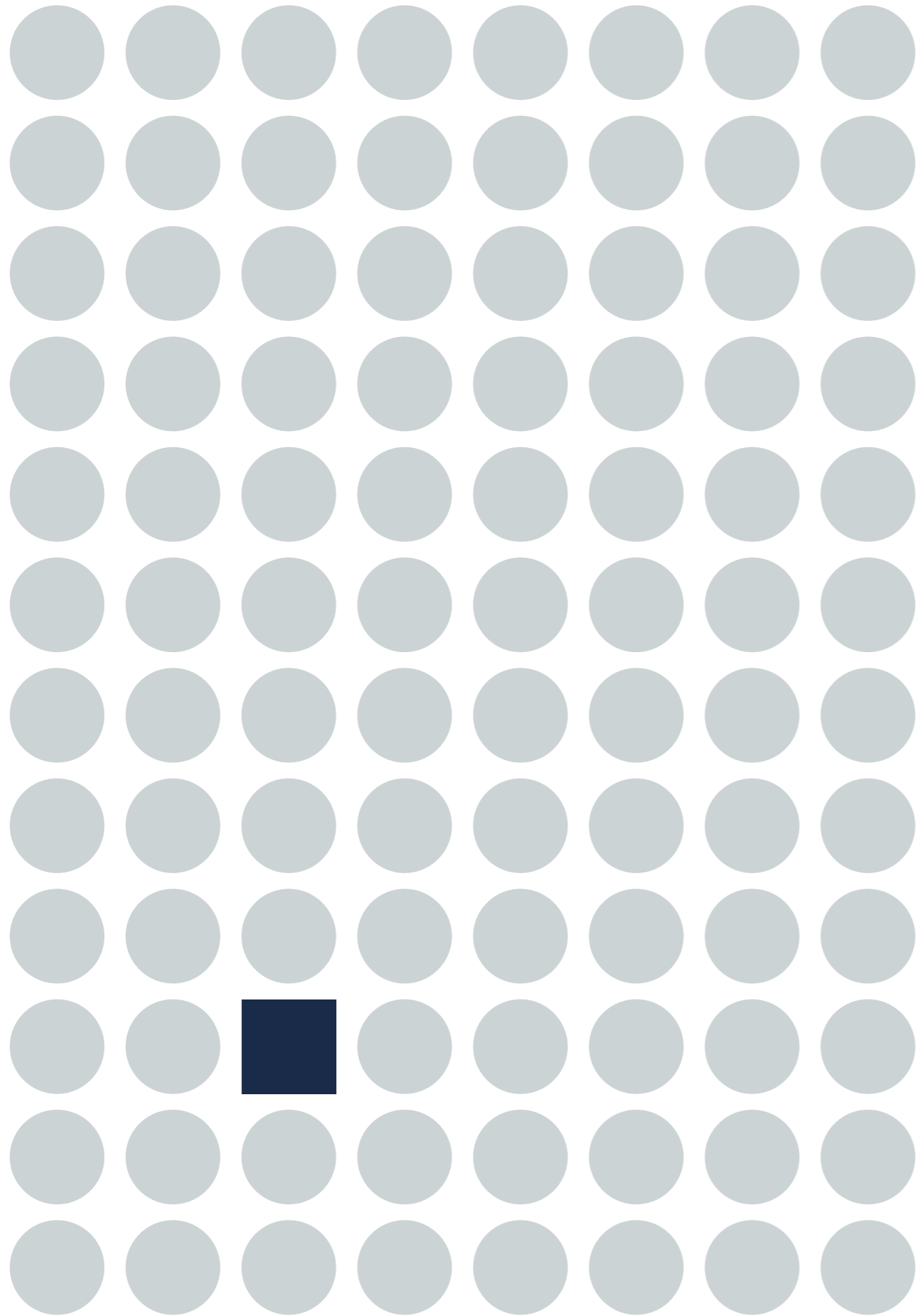
99,8%
waste for recycling/reuse

18,1%
waste generated compared to 2022

1. By "employees" we mean those people who have an employment relationship with the organisation (as per GRI Standard 2-7), thus excluding categories such as temporary workers. please refer to Chapter 5 for more information.

40%
of yarns used come from recycling

84,6%
economic value generated and distributed



1. About us

1.1 OUR HISTORY

For over **60 years** Carvico has stood out from its competitors thanks to its high-tech performance fabrics, its focus on advanced technology, its constant pursuit of qualitative excellence, its concern for people and the environment, as well as the continuous evolution of the technologies used, the quality of its products and the variety of its offer. These distinctive elements have turned Carvico into the undisputed leader of its reference market and have gained the company worldwide appreciation.

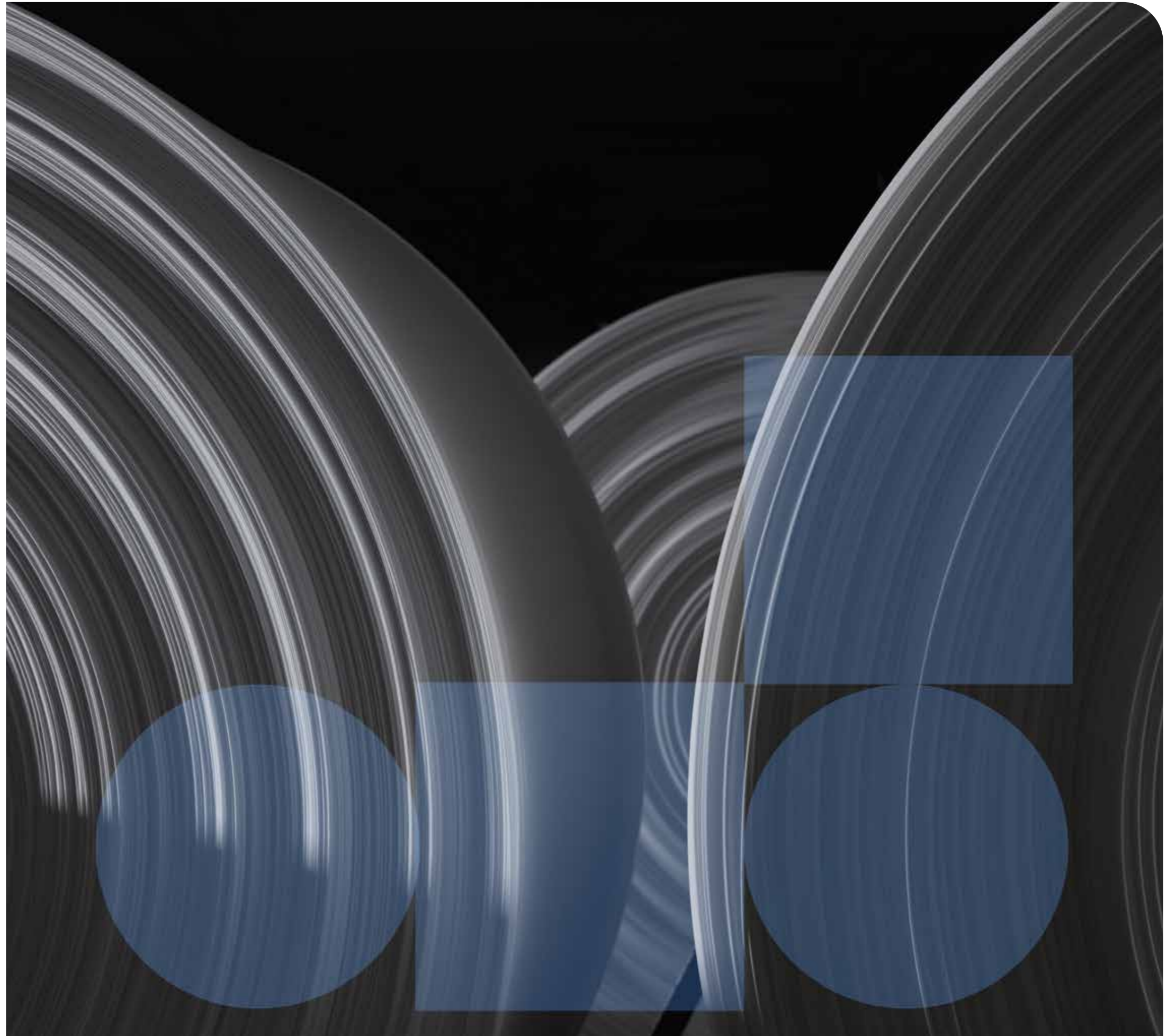
Carvico's business philosophy is firmly rooted in **tradition**, which has always been considered a fundamental value. These roots have given the Company the necessary solidity to grow resiliently, projecting its gaze into the future and facing every challenge with determination.

Knowledge handed down from generation to generation combined with advanced technologies developed in-house have enabled it to become both large and flexible.

The versatility of its products, which are designed to adapt to changing market needs, and the willingness to explore new horizons have helped to consolidate the company's position on the international market.

This mentality has allowed Carvico to expand its global presence from a solid base. Today Carvico is recognised as a leading manufacturer of warp-knitted and stretch fabrics for the Swimwear, Sportswear and Outerwear sectors.

The **key stages** in the **history** of Carvico are illustrated in the next page.



1962

Giuseppe Colnaghi founds Tessitura di Carvico sas, Italy's first woven fabric manufacturer specialising in knitting, dyeing and finishing.

1970s

with the introduction of elastomer, Carvico moves into the world of warp-knitted stretch fabrics and in just a few years becomes a pioneer and Italian leader in the production of fabrics for swimwear, underwear, sportswear, furnishings and leisurewear.

2000s

In 2001 Carvico Hong Kong Ltd. is set up and the first overseas warehouse opens in 2002 in Brisbane, Australia.

2005

Following the founder's premature death, his wife Lawyer Laura Colnaghi Calissoni takes over all the Company's corporate positions, becoming the majority shareholder of what has in the meantime become a Group.

2008

Carvico expands to Shanghai and Carvico Trading (Shanghai) Co., Ltd. is founded.

2009

Based in northern Vietnam and operational since 2009, Hung Yen Knitting & Dyeing Co.Ltd produces high-performance elastomeric knitted fabrics in recycled and virgin nylon and polyester for swimwear, sportswear and underwear.

CARVICO

Today

The Carvico Group is a symbol of Made in Italy quality, a combination of undisputed technical know-how and stylistic excellence.

2020

Carvico prides itself on its world-leading fabric production, aware of the importance of tradition as well as of keeping up with the future by facing new challenges.

2017

President and CEO Laura Colnaghi Calissoni is awarded the prestigious title of Cavaliere del Lavoro. In addition, Carvico Ethiopia PLC, a production plant powered solely by renewable energy and zero emissions, is established.

2012

Years of great expansion of investment in new technologies, of experimentation with new fabrics, to increase and diversify the offer to achieve worldwide competitiveness.

2010

In 2010 Carvico lands in the USA with sales offices first in New York and later also in Los Angeles.

1.2 CARVICO'S PRODUCTS

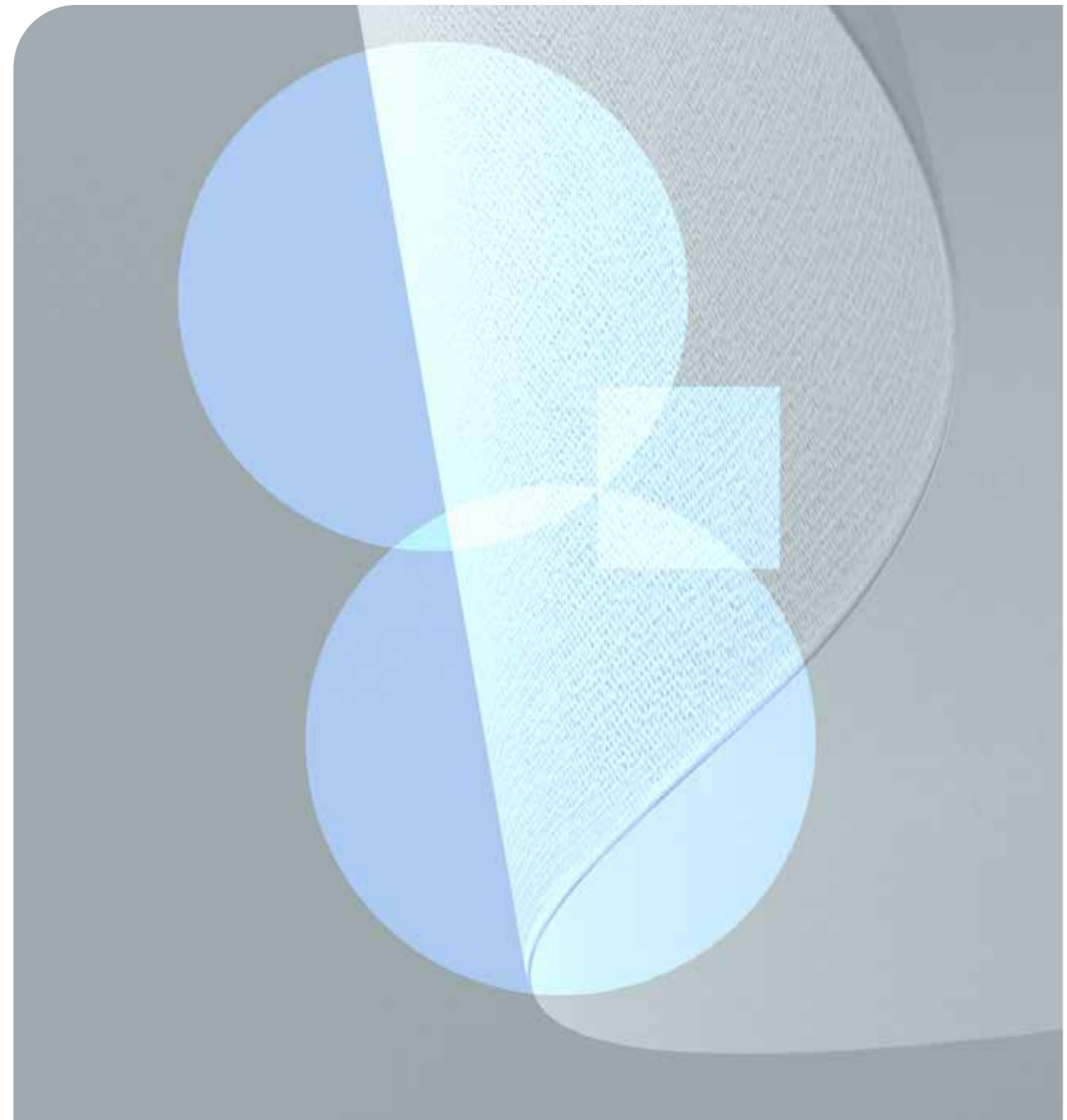
Carvico, a member of Confindustria and Sistema Moda Italia, represents excellence in the Italian textile industry worldwide. Driven by **advanced technologies** and a **team of passionate experts**, the Company is distinguished by its history of innovation and market focus. The production of **high-quality** performance fabrics, with attention to every detail, is the Company's constant promise **to meet the diverse needs of its customers**.

The Company produces and sells warp-knitted stretch fabrics made of synthetic fibres for a wide range of sectors, including beachwear, sportswear, athleisure,

underwear and clothing. Fabric production is mainly based on the use of rigid yarns, such as polyamide, polyester and PBT, processed with elastomeric fibres such as elastane and elastolefin.

Carvico supplies its products to the major brands in the textile industry, as well as to important garment manufacturers around the world.

During 2023, Carvico confirmed its business model, successfully operating in its field of expertise by focusing specifically on the creation of fabrics with regenerated yarn.



BEACHWEAR The Company's strength for over 50 years

The production of stretch fabrics for swimwear is the core business of Carvico, which has been studying, designing, selecting and testing technical fabrics for beachwear for over 50 years. High-quality raw materials ensure optimal performance to meet consumers' summer demands.



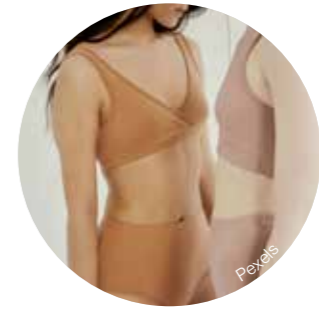
CLOTHING FABRICS Experimentation, style and innovation

In addition to sportswear, high-performance fabrics are now also becoming a predominant trend in the world of fashion. Through experimentation and research, using the most innovative technologies, we create new styles with fabrics in textures and colours that suit sportswear as well as formal wear, without sacrificing comfort, aesthetics and practicality.



COMPETITION Competition fabrics: versatile and resistant

Resistant to chlorine, sun creams and oils, competition fabrics offer SPF 50+ sun protection and maintain performance over time. These fabrics guarantee fast drying, perfect fit and excellent durability, even after long training sessions.



UNDERWEAR FABRICS Enhancing and supporting all shapes, needs and lifestyles

Underwear fabrics are designed to meet different needs, aesthetics and performance, offering a wide range of styles, designs, shapes and colours. Underwear fabrics combine comfort and durability, meeting more elegant or sporty styles, without ever compromising the final performance of the garment and the quality of the raw materials chosen.

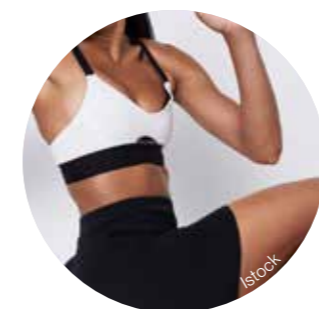
HIGH-PERFORMANCE/SPORTWEAR Improved performance, more durability

High-performance, sportswear fabrics are constantly being improved through continuous study, research and development to enhance their properties and durability. Made from high-quality materials, they support athletes by offering muscle compression, thermal protection, breathability, comfort and exceptional fit



FOOTWEAR FABRICS Excellent performance to enhance the design of each product

Highly technological and shapable, techno-fabrics combined with other raw materials result in high quality footwear. Thanks to water-repellent treatments, excellent performance is guaranteed, making the footwear cutting-edge in terms of performance, style and trend.



FITNESS FABRICS Comfort, beauty and muscle support

Fabrics dedicated to the fitness world offer perfect adaptability to movement, constant comfort and extreme pleasantness of touch. Thanks to constant research and selection of the best raw materials, these fabrics are versatile, breathable, pilling and abrasion resistant. Their technical characteristics ensure ideal coverage, a perfect fit and an excellent ability to support every athletic gesture.



FURNISHING FABRICS For every style, innovative and impressive settings.

The furnishing fabrics are designed for indoor and semi-outdoor environments, ideal for every style. With highly responsive technical characteristics, distinct versatility and refined aesthetics, they offer a rich range of colours, prints and textures that can be customised on demand.



2.

Our approach to sustainability

**Business communities grow and evolve
through dialogue and exchange between people.**

2.1 OUR STAKEHOLDERS

In the context of planning and managing its activities and initiatives, Carvico considers the **relations with its Stakeholders** the highest priority. The Company is firmly committed to establishing and maintaining a **transparent and continuous dialogue** both within and outside the organisation. The fundamental objective is to gain an **in-depth understanding of the expectations** and requirements of all interested parties, to implement initiatives aimed at promoting a mutual and improving exchange.

Carvico acknowledges that its reputation, the result of a well-established track record, depends crucially on collaboration with stakeholders.

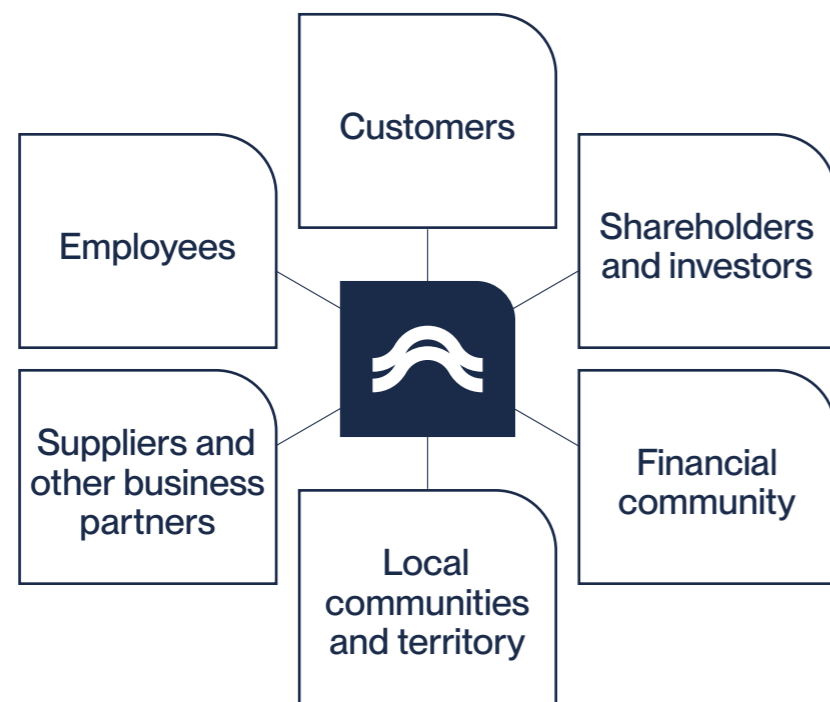
The Company is therefore committed to cultivating this relationship through **inclusive and participatory management**, extending this approach to the **involvement of the surrounding area and strategic partners**.

Through a workshop held by management, aimed at further understanding the complex reality in which Carvico operates, **10 categories of Stakeholders** relevant to the Company were identified, who are directly or indirectly impacted by the Company's activities and who, at the same time, influence its operations. Below is the result of the analysis.

Regarding **communication channels** with the main categories of Stakeholders, the Company actively involves its employees through various methods, including the more institutional ones, such as trade unions, and by communications shared with more informal tools, such as notice boards, e-mail and the intranet. In addition, there is a **whistleblowing** channel, managed through a mailbox and an email address operated by the Ethics Committee, channels that guarantee the opportunity of reporting possible violations, raising concerns and making specific requests, also anonymously.

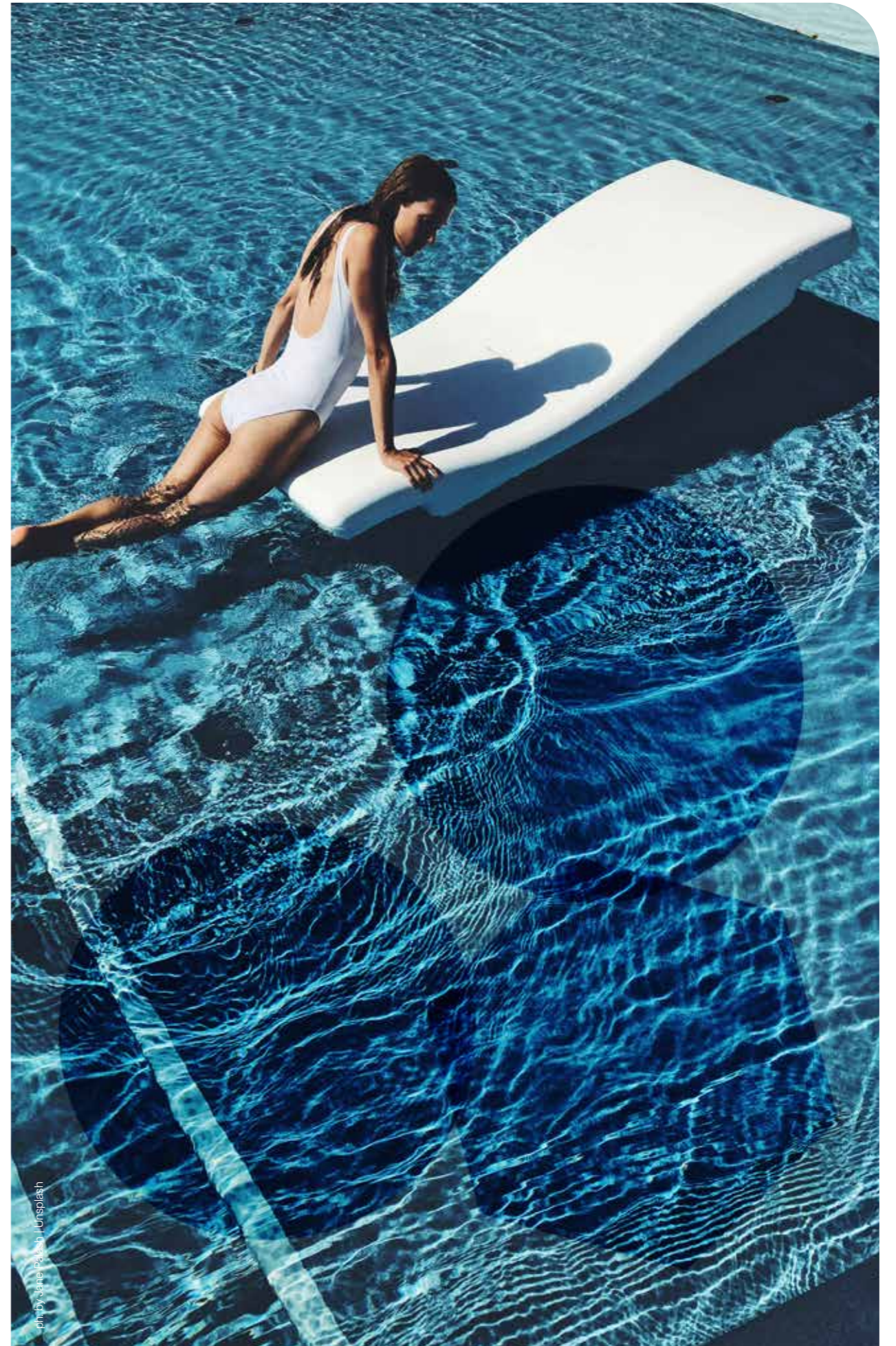
Carvico also provides all its employees with regular information meetings on Company progress. Carvico believes in the need to create a working environment where employees and stakeholders feel comfortable in their conduct, way of being and expressing themselves.

In addition, the Company organises **periodic meetings** with shareholders to report on the Company's performance and discusses the objectives and results of products on the market with the most strategic partners in the value chain. Finally, Carvico is committed to involving local schools to launch projects and campaigns aimed at training future textile operators.



"Stakeholders are those entities or individuals who can reasonably be expected to be significantly affected by the organisation's activities, products and services or whose actions can reasonably be expected to affect the organisation's ability to successfully implement its strategies and achieve its objectives".

Source: GRI Standards: from Organisation for Economic Co-operation and Development (OECD), OECD Guidance on Duty of Care for Responsible Business Conduct, 2018.



2.2 MATERIALITY ANALYSIS AND ESG IMPACTS

One of the fundamental pillars for the generation of value for all stakeholders and the community in which the Company operates is the responsible management of social, environmental and governance aspects in everyday operations. This process begins with a clear identification of the **impacts** generated by the Company's operations on both the internal and external community.

The **materiality analysis** process, aimed at identifying the most **relevant sustainability** topics for the Company and consequently the contents of this Report, was developed in accordance with the recent guidelines established by the non-profit organisation Global Reporting Initiative (GRI) in its latest version of 2021.

In accordance with the GRI Standard "**GRI 3: Material Issues**" 2021 version, a targeted analysis was carried out to identify the key aspects that represent the **significant economic, environmental and social impacts** (both positive and negative, existing or potential) generated by the Company on the economy, the environment and people, including their human rights, in the context of the Organisation's

business activities and relationships. These aspects can substantially influence Stakeholders' perceptions and decisions.

The first phase of the materiality analysis process focused on a **benchmarking assessment** of companies operating in the relevant sector, including major customers, suppliers and competitors. The purpose of this activity was to identify current trends and best reporting practices within the target market.

The analysis then continued with the definition of a list of **existing and potential positive and negative impacts** arising from Carvico's activities and business relations. Subsequently, the impacts were assessed by members of Top Management during a dedicated **Workshop**, considering a scale from 1 (not very relevant impact) to 5 (very relevant impact), allowing the classification and **prioritisation** of the most critical impacts, as well as the identification of the material issues to be included in the Sustainability Report.

The following is a list of the material themes and their respective impacts, around which the structure of this document has been developed.



ESG AREA	MATERIAL THEMES	MATERIAL IMPACTS GENERATED BY CARVICO S.P.A.	NATURE OF IMPACT
ENVIRONMENT	Atmospheric emissions and countering climate change	Direct and indirect emissions from the Company's activities (Purpose 1 and 2)	Negative, existing
	Energy efficiency and the use of renewable energies	Promotion of energy efficiency initiatives	Positive, existing
		Energy consumption	Negative, existing
		Use of renewable energy sources	Positive, existing
	Responsible waste management	Generation of textile waste and scrap	Negative, existing
	Circular economy	Contribution to circularity of raw material	Positive, existing
	Responsible use of water resources	Water resource abstraction and consumption	Negative, existing
		Water discharges/soil and groundwater contamination	Negative, potential
	Creation of shared economic value	Generation and distribution of economic value	Positive, existing
	GOVERNANCE	Responsible management of the supply chain	Creating a traceable supply chain
Cases of non-conformity along the value chain			Negative, potential
Business ethics and integrity		Non-compliance regulations	Negative, potential
Health and safety at work		Accidents in the workplace	Negative, potential
	Occupational Diseases in the Workplace	Negative, potential	
SOCIAL	Diversity, equal opportunities and non-discrimination	Discrimination in terms of responsibility, compensation and career advancement	Negative, potential
		Creating an inclusive working environment	Positive, existing
	Development and Training	Development and enhancement of worker's skills through training activities	Positive, existing
	Talent attraction and development	Loss of Company know-how	Negative, potential
	Responsible management and employee welfare	Employee satisfaction and well-being	Positive, existing
	Involvement and support of local communities	Positive social impact on local communities	Positive, existing
Positive economic impacts generated on local communities		Positive, existing	
PRODUCT	Research, development, innovation and product sustainability	Development of fabrics made from regenerated materials	Positive, existing
		Measuring the environmental impact of products	Positive, existing
	Safety, product quality and customer satisfaction	Offering products of high quality and durability	Positive, existing
Non-conformity in the field of product health and safety		Negative, potential	
	Satisfaction of customers and their expectations	Positive, existing	


3. Governance, Ethics and Integrity





3.1 ETHICS AND GOVERNANCE


Carvico is a well-established Company, made up of people united by a deep passion, a strong sense of belonging and guided by a clear vision based on shared essential principles: produce whilst maintaining a high quality of **work, product** and **service** while preserving the environment in which we live.

Carvico guides its operations in adherence to **values shared** by the Board of Directors, managers, employees and third parties working on behalf of the Company, and which are formalised in the Company's **Code of Ethics**. These values are based on the fundamental principles of:

 **Integrity and loyalty:** Carvico emphasises respect for the laws in the countries in which it operates, placing compliance with the applicable regulatory framework as a fundamental principle. It prohibits any conduct contrary to the law, emphasising that the pursuit of corporate interests does not justify breaches of regulations and actively prohibits inducing unlawful conduct.

 **Honesty and transparency:** Carvico is committed to its relations with Stakeholders by looking at criteria such as consistency, fairness and mutual respect. Dialogue takes place in an honest, transparent manner, guided by corporate values. All initiatives undertaken, communications made, and reports prepared constitute essential elements of corporate management and are inspired by the above-mentioned values.

 **Social responsibility:** Carvico is committed to ensuring respect for the individual and a working environment favourable to everyone's development, allowing each person the opportunity to express their professional and human qualities in the best possible way. It prohibits discrimination based on race, age, gender, opinion, religion, orientation, nationality and health, promoting equal opportunities. It respects laws and contracts for compensation, right to work and freedom of association. It actively condemns exploitation, child labour, forced labour and abuse, prohibiting false statements in hierarchical relationships. Furthermore, the Company is committed to ensuring a safe working environment, committing to zero accidents and devoting resources to risk prevention.

 **Environmental responsibility:** Carvico has always directed its efforts towards tangible and efficient environmental responsibility policies by encouraging the correct use of resources and reducing the production and emission of waste. In this context, some of the key principles for the Company are the attention and monitoring of performance, the assessment of environmental impacts and the promotion of appropriate technology.

The Company's Code of Ethics was approved by the Board of Directors in May 2022, becoming a tool to define the rules of conduct to be observed, a true **"moral contract"** to which all stakeholders inside and outside the Company are bound.

The body in charge of verifying compliance with the Code of Ethics is the **Ethics Committee**, which remains in office until the end of the term of mandate of the Board of Directors that appointed it, reports to the Board of Directors any violations committed by Company personnel or external counterparties and intervenes, if necessary, with appropriate sanctions.

In June 2023, Carvico defined and published the **anti-corruption procedure** to define the rules of conduct and moral integrity of all those who work directly (e.g. shareholders, directors, statutory auditors, consultants, suppliers, and partners who have business relations with the Company), or indirectly with the Company (e.g. subcontractors and suppliers' collaborators), binding them to comply with the procedure. In particular, the addressees must:

- observe the terms of the Company's Code of Ethics;
- exercise the utmost diligence and rigour in compliance with the laws, both national and of the countries in which they operate, directly or through their representatives
- maintain a correct and transparent relationship with all bodies of the Public Administration and with all bodies of the Public Authorities, both Italian and foreign
- ensure that all persons required to comply with the same procedure respect the laws and regulations in force, preventing the commission of crimes and offences of any kind.

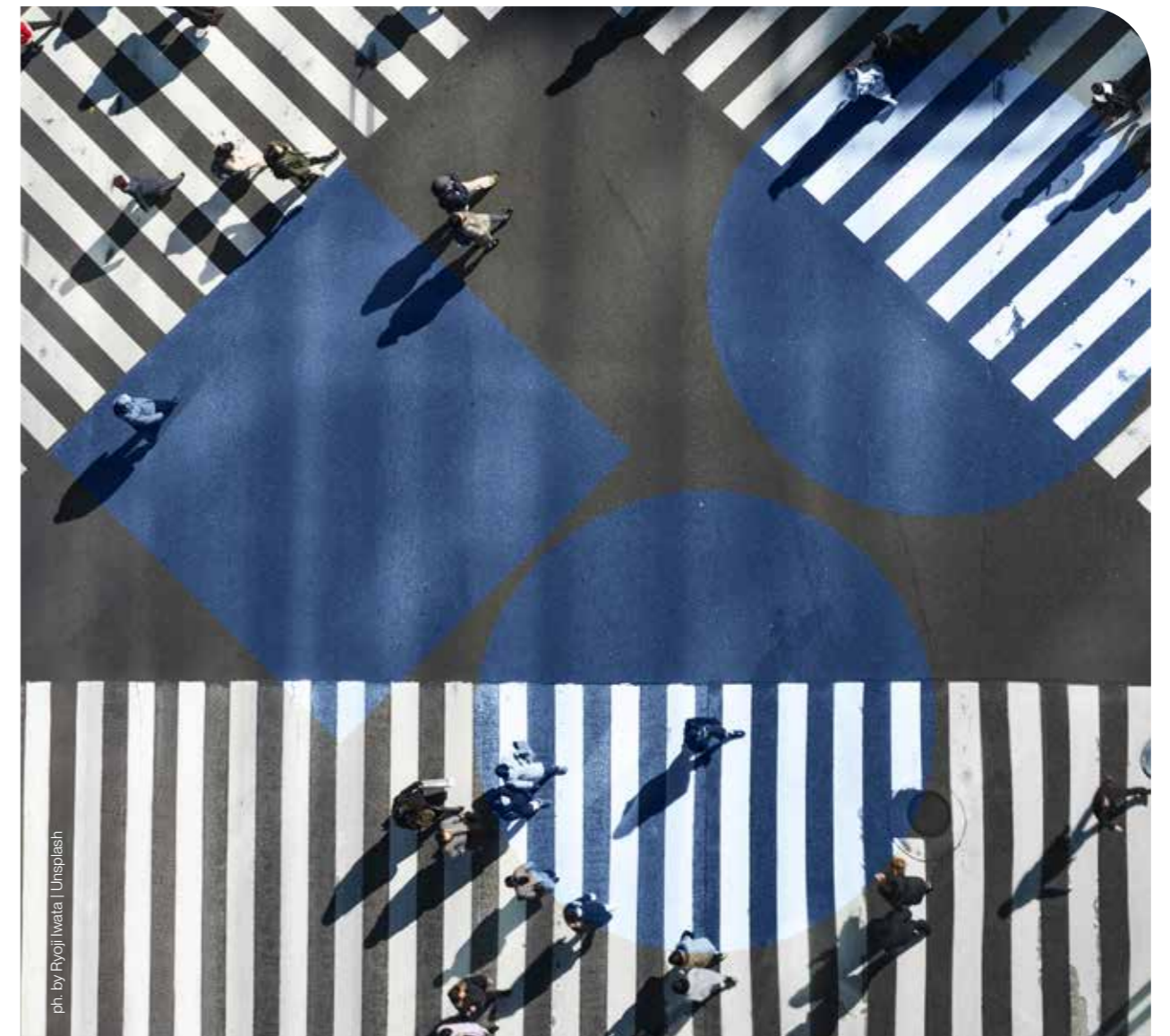
The Company also introduced a specific **whistleblowing** procedure in 2023, in accordance

with the new Italian regulations set out in Legislative Decree No. 24/2023. In this regard, a new platform has been implemented, using computer-based methods and encryption tools to ensure the anonymity of the whistleblower, the persons involved, and the content of the report and related documentation. The Ethics Committee receives all **reports**, including those relating to possible violations of the Code of Ethics and the anti-corruption procedure, which are treated confidentially and with discretion, safeguarding anonymity.

Between 2022 and 2023, an assessment of the Company's **cybersecurity** status was also conducted. As a result of this assessment, a path for continuous improvement of IT security was undertaken, divided into short- and medium-term activities and objectives. For example, over the next few years, the Company

plans to offer training courses to employees and gradually introduce a multi-factor authentication system, with the aim of ensuring secure access to IT resources.

It should be noted that during the financial years 2022 and 2023, there were no episodes of active or passive corruption or significant cases of non-compliance with laws and regulations. During the two-year period, seven lawsuits were also filed against competing companies that attempted to use trademarks similar in name or filing class to the "Carvico" trademark. The two cases opened in 2022 ended with the withdrawal of the opposing trademark, while of the five cases opened in 2023, one ended with the withdrawal of the opposing trademark, one with agreement of the other party, and three are pending to date.



3.2 CORPORATE STRUCTURE

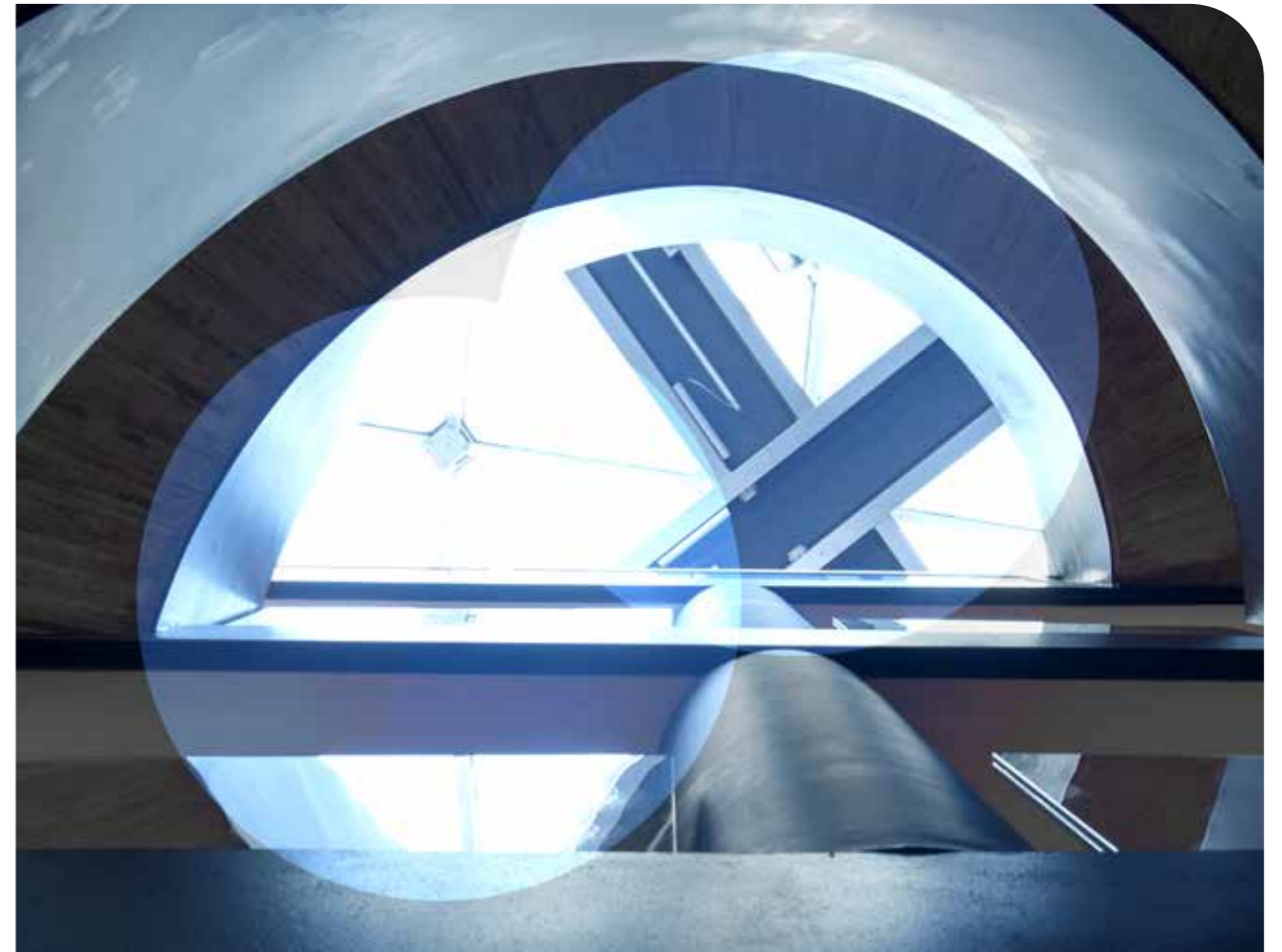
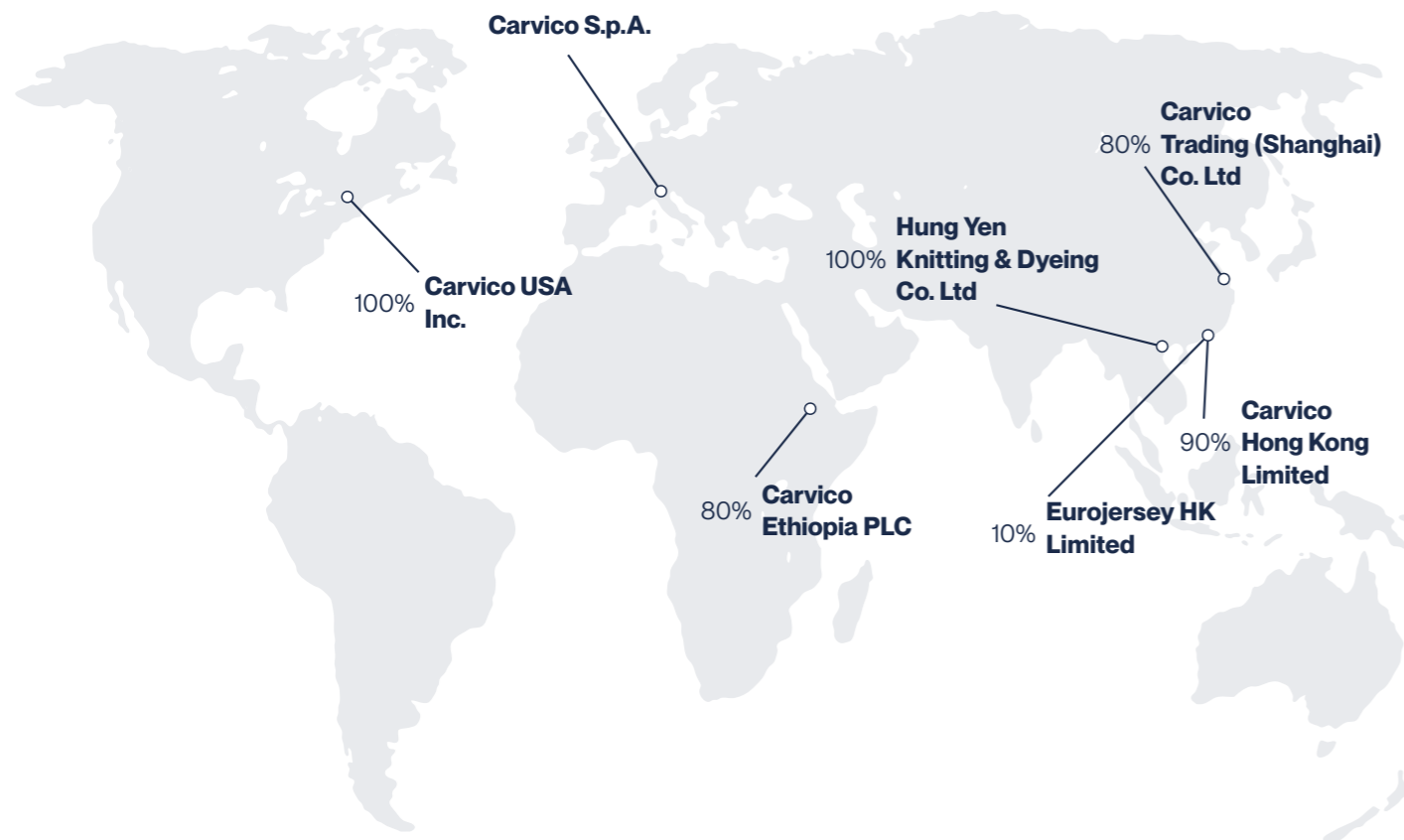
Carvico S.p.A., takes its name from the town where it was founded, in the province of Bergamo, where it has its registered, administrative and production headquarters. The Company has a consolidated presence in Italy and a significant export activity to 80 countries worldwide.

It is wholly controlled by **Finanziaria Il Belvedere S.p.A.** but can be defined as a sub-holding Company by virtue of its controlling interests in sales offices in the USA, China and Hong Kong and operating companies in Vietnam and Ethiopia. In fact, the Company controls 80% of Carvico Ethiopia PLC and 100% of Hung Yen Knitting & Dyeing Co., Ltd based in Vietnam, both manufacturing companies, as well as Carvico Trading (Shanghai) Co., Ltd. (100%), a Company based in Shanghai, Carvico USA Inc. (100%), based in the United States, Carvico Hong Kong Limited (90%) and holds a 10% stake in Eurojersey HK Limited, both based in Hong Kong.

The Board of Directors (B.o.D) of Carvico is entrusted with the administrative and management responsibility

of the Company by adopting a traditional administration system. The B.o.D, whose renewal is expected every three years, has jurisdiction over everything expressly reserved to it by law and the by the Articles of Association. Board members meet in person both at statutory meetings and at executive committees, during which, on a bimonthly basis, a detailed analysis of the Company's performance is carried out with the contribution of both the General Manager and the CFO.

Founded in 2008 in South-East Asia, **Hung Yen Knitting & Dyeing Co. Ltd**, is a manufacturer of performance fabrics, a trusted partner of major global brands. The Company is embarking on an important sustainability path based on the gradual abandonment of dependence on fossil fuels, prioritising the use of 100% renewable sources.



Carvico Ethiopia PLC's main ESG initiatives: on focus

Carvico Ethiopia PLC, opened in 2022, is an innovative textile plant based in Kombolcha in north-central Ethiopia, equipped with state-of-the-art machinery and characterised by a strong focus on environmental sustainability, which translates into responsible production that is mindful of the needs of the local area. The Company is dedicated to the production of warp-knitted stretch fabrics.

Since its foundation, **Carvico Ethiopia PLC** has been committed to:

- implement environmental measures such as the use of **100 % renewable energy**, from solely hydroelectric sources, with the aim of reducing its emissions to zero;
- strengthen social responsibility through **engagement in the community and territory** in which it operates, through initiatives aimed at fostering **diversity, inclusion and fair labour practices**;
- improve governance practices through **transparency, accountability** and **ethical** decision-making processes.

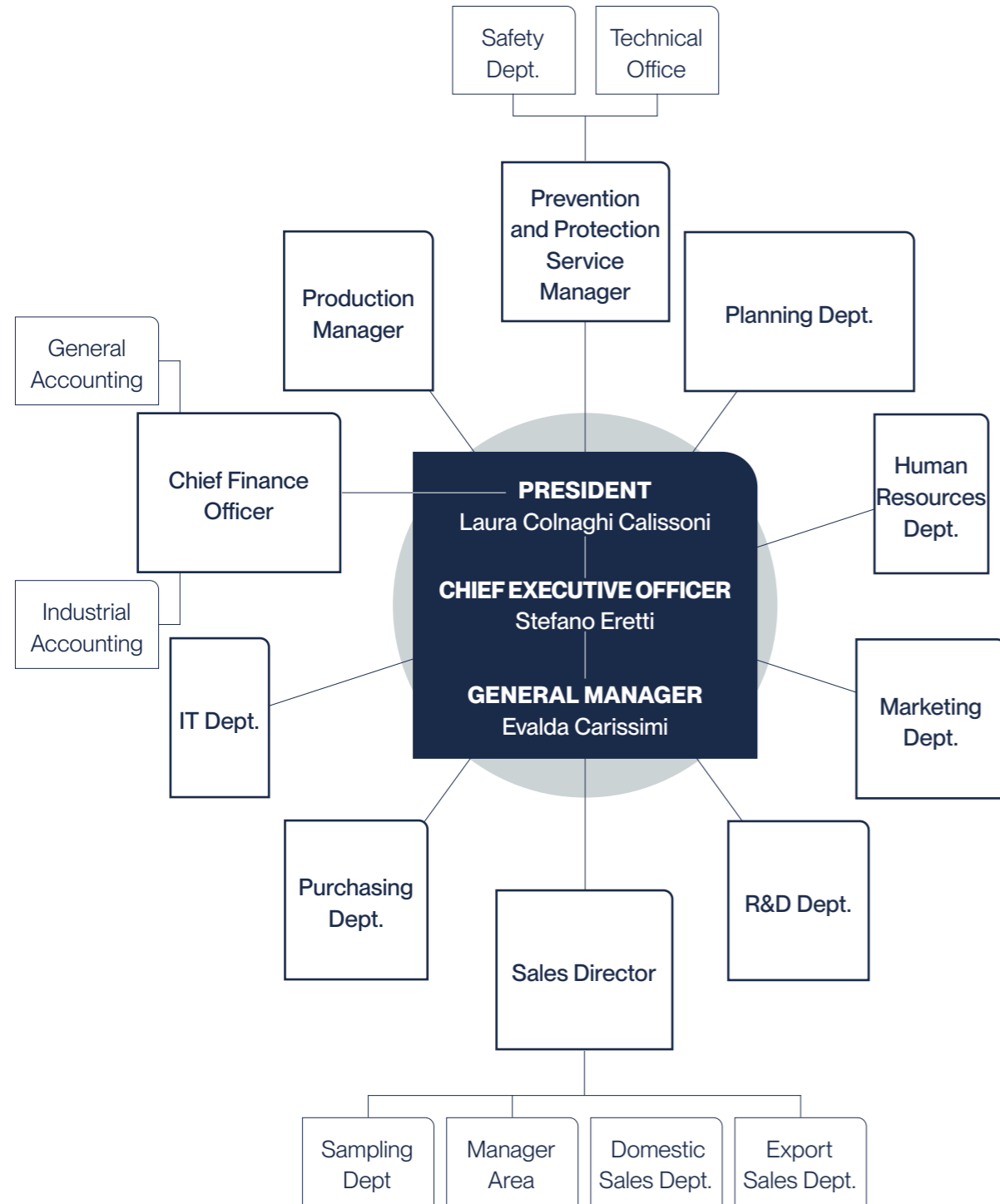
The Company reports on the progress of the implementation of its commitments to the **Amhara National State Environment, Forest and Wildlife Protection and Development Authority**, which was founded in 2015 with the aim of establishing policies, laws and strategies enabling the community to contribute to environmental security, to attend to sustainability in the conduct of social and economic activities in the region, and to protect, develop and create a favourable environment for government forests in the region.

With reference to the workforce, the Company had **220 employees as of 31st December 2023**, all with full-time permanent contracts.

With reference to diversity, as of 31 December 2023 the workforce is made up of 50% men and the remaining 50% women, demonstrating a **perfect gender balance**.

Furthermore, it is important to point out that 87% of workers belong to the **under 30 age** group, reflecting a rather **young** Company population.

Finally, the training hours provided during the year amounted to 9,456, +18% from 2022, in line with the increase in the workforce compared to the previous year.



Composition of the Carvico Board of Directors	Laura Colnaghi Calissoni (Chairwoman of the Board)	Composition of the Board of Auditors of Carvico	Gabriella Gerosa (Chairwoman of the Board of Auditors)
	Stefano Eretti (CEO)		Laura Panzeri (Auditor)
	Nino Carlo Colnaghi (Board member)		Roberto Riva (Auditor)
	Costantino Colnaghi (Board member)		Marco Gerosa (Substitute Auditor)
	Filippo Giorgio Colnaghi (Board member)		Enrico Rossi (Substitute Auditor)
	Carlo Poletti (Board member)		
	Achille Colombo (Board member)		
	Pio De Gregorio (Board member)		

Carvico's Board of Directors, which is responsible for corporate governance, as of December 31st, 2023 consists of eight members: the President Laura Colnaghi Calissoni, six Directors, and one Managing Director, composed 12.5% by women and 87.5% by men; 50% of the B.o.D members are in the age group of thirty to fifty, with the remaining 50% being part of the over-fifty age group.

The **Board of Directors**, in particular through the roles of the C.E.O and the General Manager, **is the body that most influences the achievement of the Company's sustainability goals**. In fact, by certifying the corporate budget, it approves investments and economic and capital targets, providing the tools to pursue sustainability policies. In addition, through the role of the **Ethics Committee**, which meets every three months, it exercises control over compliance with the Code of Ethics, the Supplier Code of Conduct, the anti-corruption procedure and generally on all ethical issues.

The B.o.D. grants powers of attorney in the areas of occupational safety, hygiene, and environment, as well as for the ordinary and extraordinary management of the Company. In particular, the C.E.O. has been designated as the safety employer and given broad powers for the ordinary and extraordinary management of the Company.

The General Manager, on the other hand, has been given broad powers for hygiene, safety and the environment, with the ability to delegate these powers to the Production Manager and the Environmental Protection Manager. Finally, the President of the B.o.D. granted special power of attorney to the General Manager and C.F.O. for ordinary and extraordinary administration.

In Carvico, **there are no specific rules regarding the remuneration** of members of the highest governing body.



3.3 ECONOMIC PERFORMANCE


The year **2023** was marked by a significant slowdown in the growth values of the global economy, although at uneven levels across economies, compared with the previous two particularly bright years. The still lingering effects of the Covid-19 pandemic, especially on the Asian continent, in addition to the conflict in Ukraine have contributed to rising energy costs and inflationary pressures. Added to this is the situation of severe tension in the Gaza Strip, which has brought additional elements of socio-economic uncertainty. **The knitting sector**, specifically, experienced a decrease in the first nine months of 2023 compared to the average for the textile sector, penalized by declining exports and domestic demand.


Against this backdrop is the economic and financial situation of Carvico, the world leader in warp-knitted stretch fabrics, which reported a 6.8 percent decrease in sales in the domestic market and a 27.2 percent decrease in foreign markets compared to 2022.


However, the Company generated a **net profit** of 2.434 million euros, as well as made **investments** aimed at continuously improving quality and existing technologies, containing production costs and increasing productivity.


The data in the following table, obtained by reclassifying the items in the Income Statement as of December 31st, 2023, show that the Company distributes 91 percent of the value generated, and the categories that benefit most from this distribution are suppliers and employees.


Specifically:

 **Suppliers** were compensated € 79.634.147, about 67% of the economic value generated by the Company in 2023

 The share allocated to **personnel** is €19.159.482, about 16% of the economic value generated by Carvico in 2023.

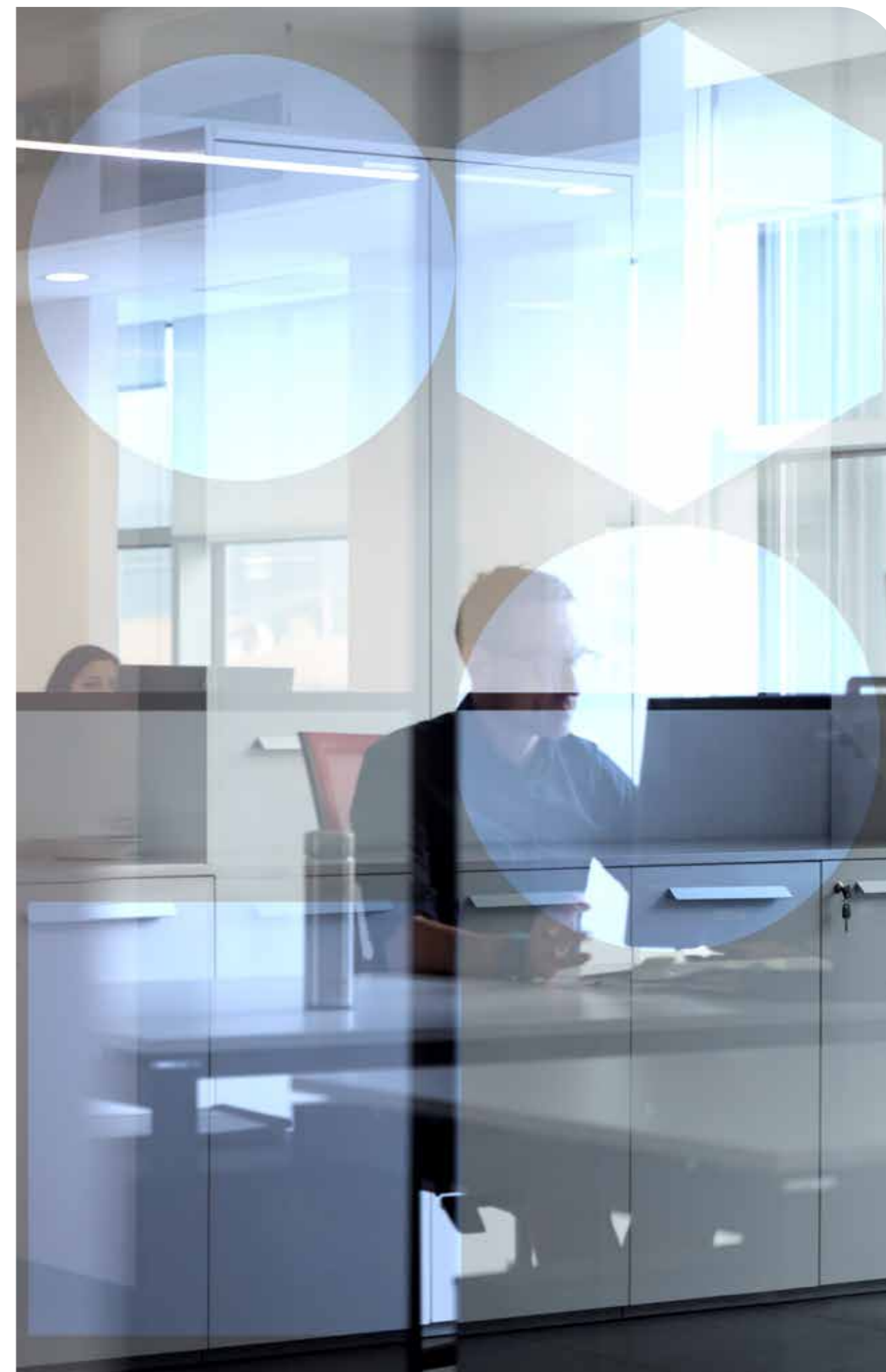
 The portion distributed to the **Public Administration** was €2.640.438 as the sum of taxes and fees for the period.

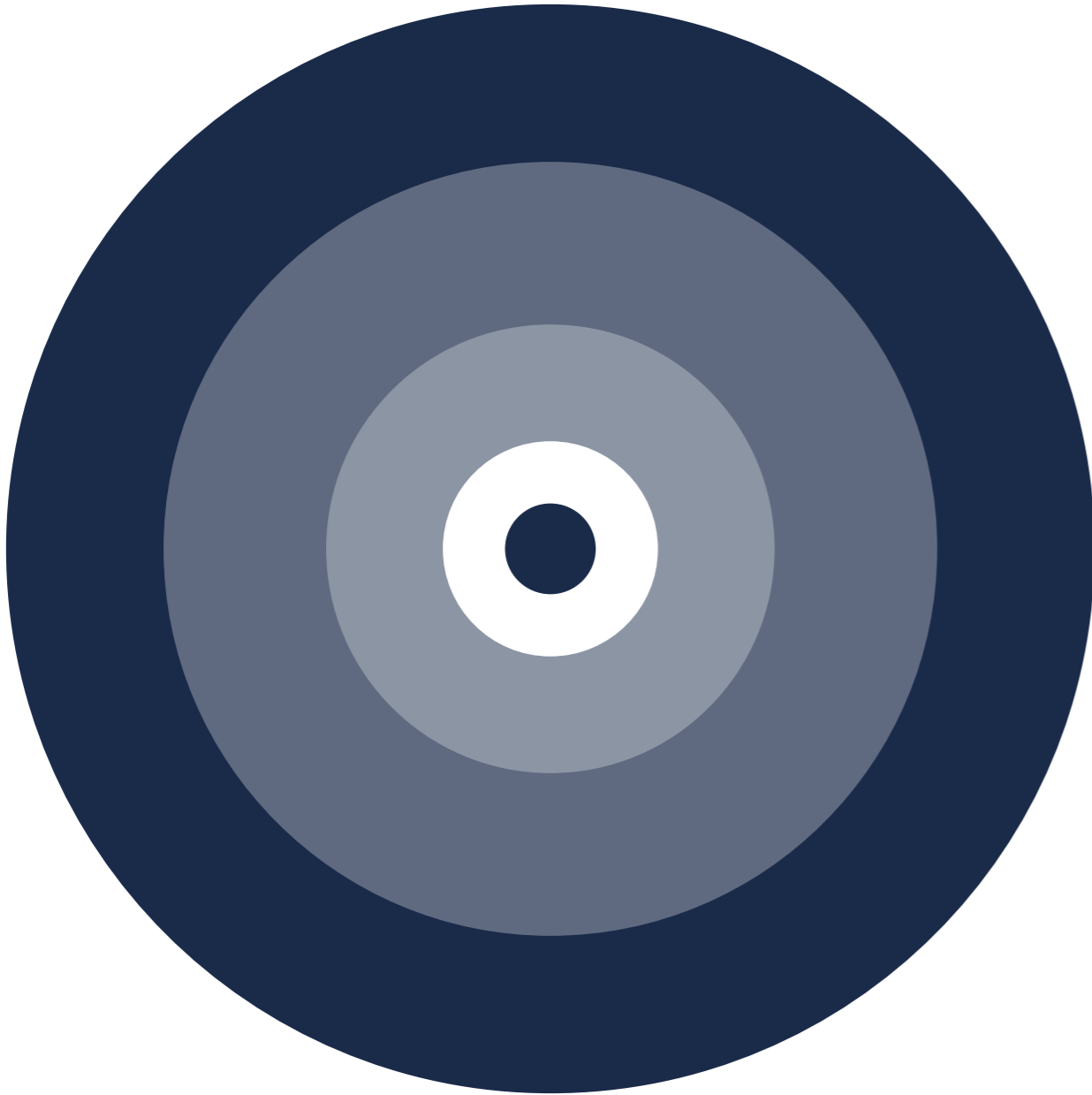
 Banks and other investors received € 6.876.266 as a result of interest paid on loans, financing and dividends.

 Finally, investments in the community amounted to € 405,386.

GRI 201-1: Directly generated and distributed economic value

	Economic value (million euro)	
	2023	2022
Directly generated economic value	119.472.312 €	147.508.321 €
Distributed economic value	108.715.719 €	130.919.886 €
Operating Costs	79.634.147 €	99.393.002 €
Employee remuneration	19.159.482 €	20.484.603 €
Compensation of public administration	2.640.438 €	4.068.733 €
Compensation of investors	6.876.266 €	6.627.773 €
Community investment	405.386 €	345.775 €
Retained economic value	10.756.593 €	16.588.435 €





4. **Environmental Responsibility**

4.1 ENERGY EFFICIENCY AND REDUCING ENVIRONMENTAL IMPACT

Carvico is actively committed to following responsible operations through the implementation of innovative energy practices. In pursuit of this objective, the Company has adopted an Environmental Management System certified according to **ISO 14001:2015**, as well as formalising an **energy policy** in 2023, which is embodied in the following management principles:

- compliance with European, Italian and regional regulatory requirements in the energy field;
- constant monitoring of energy consumption with a view of continuous improvement;
- provision of information, human resources, technological resources and financial resources to pursue energy objectives;
- evaluation, planning and purchasing of efficient and advanced products and installations aimed at improving energy performance.

The Company purchases electricity from completely renewable sources (wind, solar, water and ocean), **ensured by Guarantee of Origin certificates**, reflecting its commitment to reducing the environmental impact of its production activities.

Carvico has also invested significantly in advanced energy recovery technologies over the years, which are essential to ensure high efficiency in all Company operations. The Company **recovers part of the thermal energy** from production processes. The recovered energy is then used both within the production chain and in the heating process of the premises, with a saving in natural gas consumption (-12.98% of the total consumed in the year 2023) that guarantees an important benefit in terms of both costs and emissions.

In connection with energy optimisation measures, Carvico has also implemented a series of strategic measures aimed at maximising the efficiency of

production processes. These include the replacement of **the lighting system** with latest-generation **LED lamps**, the implementation of **energy-efficient inverters and motors**, and the installation of an advanced **cogeneration plant**. This plant not only produces electricity, but also steam and heat that are then used in the Company's processes, thus contributing to operational sustainability.

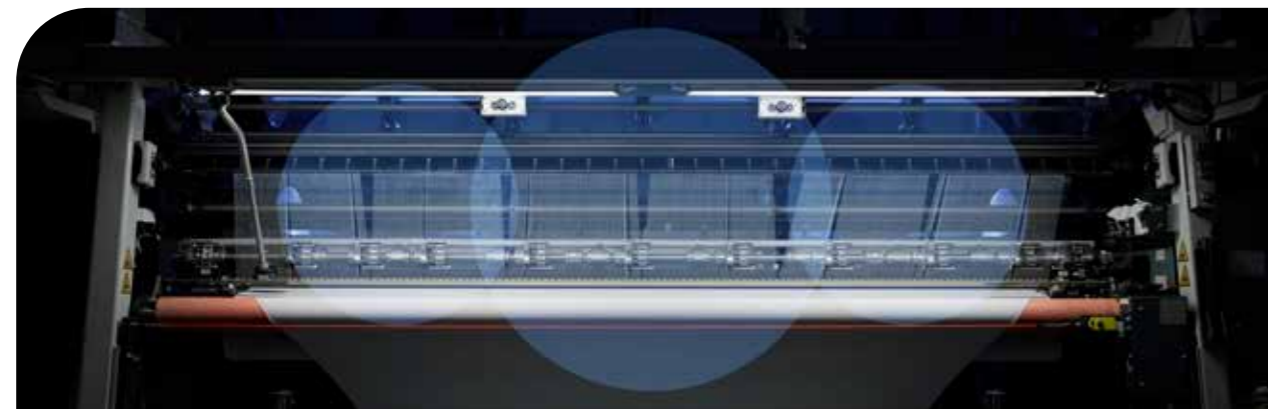
The cogeneration plant is an innovative solution that has enabled the Company not only to generate electricity and steam for the production sites, but also to significantly reduce methane consumption per kg produced by more than 15%. This was achieved through the recovery of thermal waste, a practice that demonstrates a commitment to maximising the use of resources and reducing environmental impact.

While electricity plays a crucial role in the production process, gas is mainly used to fuel the cogenerator and produce steam, as well as for the heating of rooms and machinery. Through the cogeneration plant, Carvico **self-produced 9,413,486 kWh of electricity** (equivalent to 33,889 GJ) and 32,762,151 kWh (equivalent to 117,944 GJ) of **steam and hot water** during 2023.

About steam, which is essential for the production process, Carvico uses a combination of sources, which contribute to a sustainable supply of steam for the production processes.

In 2023, Carvico's car fleet had a total of 9 mixed-use cars (including 1 diesel hybrid, 1 petrol hybrid, 1 petrol and 6 diesel) and 9 Company vehicles (including 3 petrol and 6 diesel), as well as 3 electric vehicles.

In 2023, the higher energy impact is mainly determined by the mix of products the market requires: fabrics with a lower weight or with a specific colour require more energy for the same processing.



Objectives

As far as future goals and commitments are concerned, Carvico is dedicated to the continuous improvement of energy efficiency through a series of targeted measures. These interventions include:

- the installation of a **photovoltaic station** to allow on-site charging of electric vehicles;
- the replacement of petrol and diesel vehicles with **hybrid solutions**;
- the replacement of existing systems with **higher-performance solutions**;
- the development of investments to **improve the thermal recovery system** to maximise the use

of thermal energy generated during production processes;

- the implementation of **alternative technologies to cogeneration** to optimise the ratio of CO₂ emissions to energy produced.
- conducting a detailed feasibility study to **optimise the use of compressed air** in order to reduce electricity consumption;
- a **4% reduction in the use of gas for non-industrial uses** by exploiting heat recovery systems from thermal waste from fabric-washing production processes.

GRI 302-1: Energy consumed within the organisation

Energy consumption (GJ) ¹		
Fuel consumption	2023	2022
Natural gas	296.488,8	334.908,9
Diesel (for heating or production processes)	5,1	4,9
Diesel (for Company-owned or long-term lease/hire vehicles) ²	191,9	264,5
Petrol (for Company-owned vehicles or long-term leasing/rental)	75,9	77,9
Total fuel consumption	296.761,7	335.256,2
Electricity consumption	2023	2022
Self-generated electricity	33.888,5	38.801,5
of which, from renewable energy sources	-	-
Electricity sold	-	-
of which, from renewable energy sources	-	-
Electricity purchased from the national grid	51.324,7	58.114,6
of which, from (certified) renewable energy sources	51.324,7	58.114,6
Total electricity consumption	85.213,2	96.916,1
Total consumption	348.086,4	393.370,8

GRI 302-3: Energy intensity

Energy intensity ³			
Energy intensity	Units of measurement	2023	2022
Production	Ton	8.204,4	10.157,3
Energy consumption	GJ	348.086,4	393.370,8
Energy intensity	GJ/Ton	42,4	38,7

1. Energy consumption (conversions to GJ): (i) for all fuels, the conversion factors used are those published by the Department of Environment, Food and Rural Affairs (DEFRA UK) 2022-2023. (ii) for electricity, the conversion factor used is 0.0036 GJ/kWh (Source: UK Government - GHG Conversion Factors for Company Reporting-DEFRA).

2. The value reported for diesel and petrol consumption for vehicles concerns both vehicles for exclusive Company use and those for mixed use. The starting litres, then converted to GJ, were calculated by Carvico by relating the consumption per litre to the kilometres driven.

3. For the calculation of energy intensity, energy consumption (GJ) was related to tonnes produced.

4.2 EMISSIONS AND FIGHTING CLIMATE CHANGE



SCIENCE
BASED
TARGETS

Climate change represents one of the greatest challenges for humanity and the planet. For this reason, Carvico, with a view to aligning itself with the principles of the **Science Based Targets initiative (SBTi)**, has defined targets for reducing and improving consumption and related climate-changing emissions Purpose 1 and 2¹.

In fact, the Company, in its pursuit to reduce emissions, has implemented specific interventions, for example, it has installed an advanced fume removal system, characterised by high voltage systems designed to eliminate the main atmospheric pollutants, including dust, carbon monoxide (CO) and chemical compounds such as ammonia.

In addition, **heat recovery** units were installed on the

steam generators to optimise their efficiency, helping to increase generator efficiency by around 1%, which is significant considering the considerable gas consumption of up to 800 mc/h.

Furthermore, the **reduction of pollutants** produced by the plants is guaranteed by thermal boilers with high-efficiency combustion systems that ensure excellent efficiency.

Thanks to these two important interventions, carried out during 2021, Carvico has depowered almost all its thermal production plants, bringing them to a value that allows them to exit the Emission Trading System², demonstrating its tangible commitment to reducing emissions and environmental sustainability.

1. According to the GHG Protocol, emissions can be divided into the following three categories:

- Purpose 1: Direct emissions from sources owned and controlled by the organisation, e.g. plant and Company vehicles, as well as fugitive emissions;
- Purpose 2: Indirect emissions from the purchase of electricity, steam, heating or cooling. The GHG Protocol provides for two different methods of calculating emissions Purpose 2::
 - (i) The "Location-based" approach is based on average emission factors related to energy production for well-defined geographical boundaries, including local, sub-national or national boundaries;
 - (ii) The "Market-based" approach involves the use of emission factors defined on a contractual basis with the electricity supplier. In the absence of specific contractual agreements between the organisation and the electricity supplier (e.g. purchase of guarantees of origin), the emission factor for the national "residual mix" is used for this approach.
- Purpose 3: Indirect emissions from the rest of an organisation's value chain, produced before (upstream) or as a result (downstream) of its activities.

The GHG Protocol divides these emissions into 15 distinct subcategories.

2. The European Union Emissions Trading System (EU ETS) is the main instrument adopted by the European Union to achieve CO₂ reduction targets in the main industrial sectors and aviation. The system was introduced and regulated in European legislation by Directive 2003/87/EC (ETS Directive).



Objectives

Regarding future goals and commitments, Carvico has set itself two important objectives about air emissions:

- pursuing efforts **to reduce air pollutants**, focusing on the innovation of thermal power plant equipment.
- Certify, through **ISO 14064-1:2018**, the actual reduction of greenhouse gas emissions Purpose

1 and 2, also analysing the possibilities to reduce emissions Purpose 3, through active involvement of customers and suppliers to promote best practices in product shipment and raise awareness of the importance of environmental sustainability. These goals and commitments represent the constant search for an increasingly sustainable and energy-efficient business management.

GRI 305-1: Direct GHG emissions (Purpose 1) and GRI 305-2: Indirect GHG emissions from energy consumption (Purpose 2)

Emissioni di GHG in tCO ₂		
Direct GHG emissions - Purpose 1 (tCO ₂ e) ³	2023	2022
Natural gas	16.699,6	18.812,7
Diesel (for heating or production processes)	0,4	0,4
Diesel ⁴ (for Company-owned or long-term leased/rented vehicles)	13,5	18,8
Petrol (for Company-owned or long-term leased/rented vehicles)	4,9	5,2
Refrigerant Gas Leakage	5,8	48,8
Total emissions Purpose 1	16.724,2	18.885,9
Indirect GHG emissions from energy consumption Purpose 2 (tCO ₂ e) ⁵	2023	2022
Purchased electricity (Location-Based)	4.719,0	5.763,0
Purchased electricity (Market-Based)	-	-
Purpose 1 and Purpose 2 (Location-Based)	21.443,2	24.648,9
Purpose 1 and Purpose 2 (Market-Based)	16.724,2	18.885,9

GRI 305-4: Intensity of GHG emissions

Emissive intensity ⁶			
Emissive intensity	Units of Measurement	2023	2022
Value of production	Ton	8.204,4	10.157,3
Emissions (Purpose 1 + Purpose 2 Location-Based)	tCO ₂ e	21.443,2	24.648,9
Emissions (Purpose 1 + Purpose 2 Market-Based)	tCO ₂ e	16.724,2	18.885,9
Emission Intensity (Purpose 1 + Purpose 2 Location-Based)	tCO₂e/Ton	2,6	2,4
Emission Intensity (Purpose 1 + Purpose 2 Market-Based)	tCO₂e/Ton	2,0	1,9

3. For the calculation of Purpose 1 emissions, the factors used are those published by the Department for Environment, Food and Rural Affairs (DEFRA UK) 2022-2023.

4. The value reported for diesel and petrol consumption for vehicles concerns both vehicles for Company use only and those for mixed use. The starting litres, then converted to GJ, were calculated by Carvico, relating the consumption per litre to the kilometres driven.

5. For the calculation of Purpose 2 emissions, in line with the GRI Sustainability Reporting Standards, both calculation methods were used, i.e. Market Based (MB) and Location Based (LB).

The MB method is based on the CO₂ emissions emitted by energy suppliers from which the organisation purchases electricity through a contract and can be calculated by considering: certificates of origin guarantees and direct contracts with suppliers, supplier-specific emission factors, emission factor related to the "residual mix". The source used is AIB- Residual Mixes 2022, 2023.

On the other hand, the LB method is based on average emission factors related to power generation for well-defined geographical boundaries, including local, sub-national or national boundaries. In this case, the source used is AIB- Supplier Mixes 2022, 2023.

6. For the calculation of emission intensity, emissions (tCO₂e) were related to production expressed in tonnes of product.

4.3 WATER RESOURCES

In the context of the water resource management, mainly used for the production process and residually for civil use, supplies are mainly **from four wells** for industrial, irrigation and fire-fighting purposes, as well as from the **municipal water** network for civil use.

The Company periodically monitors the quantity of water withdrawals, discharges and consumption values, with particular attention to the values of pollutants present in outgoing water, to ensure compliance of environmental standards, regulatory requirements and the continuous improvement of water management practices. In fact, the Company is subject to the IEA (Integrated Environmental Authorisation), which imposes rules on the periodic monitoring of discharged water to control the limits of the parameters it defines.

Before reaching the discharge phase, the industrial water used in the production process is treated to reduce its pollutants concentration by means of a homogenisation plant, and then flows to the consortium treatment plant to ensure proper disposal

to protect the environment. In addition, regarding the efficient use of water resources, Carvico recovers water from production processes at various stages, reusing it several times to try to exploit the heat or low temperature it contains, heating or cooling the plants at different stages of production.

Finally, the water indicated as consumption corresponds to a share mainly related to evaporative losses in the steam production process.

Objectives

Looking to the future, the targets set are crucial for water consumption and optimising water management. These include:

- the continuous search for machinery with a more efficient water consumption rate, in order to reduce both water and chemical consumption;
- the evaluation for the construction of a new purification plant in order to allow the reuse of waste water.

GRI 303-3: water abstraction

Water collection (megalitres)				
Source of collection	2023		2022	
	All areas	Water-stressed areas	All areas	Water-stressed areas
Fresh underground water	728,8	-	644,5	-
Fresh water from third parties	3,8	-	4,3	-
Total	732,6	-	648,8	-

GRI 303-4: Drainage of water

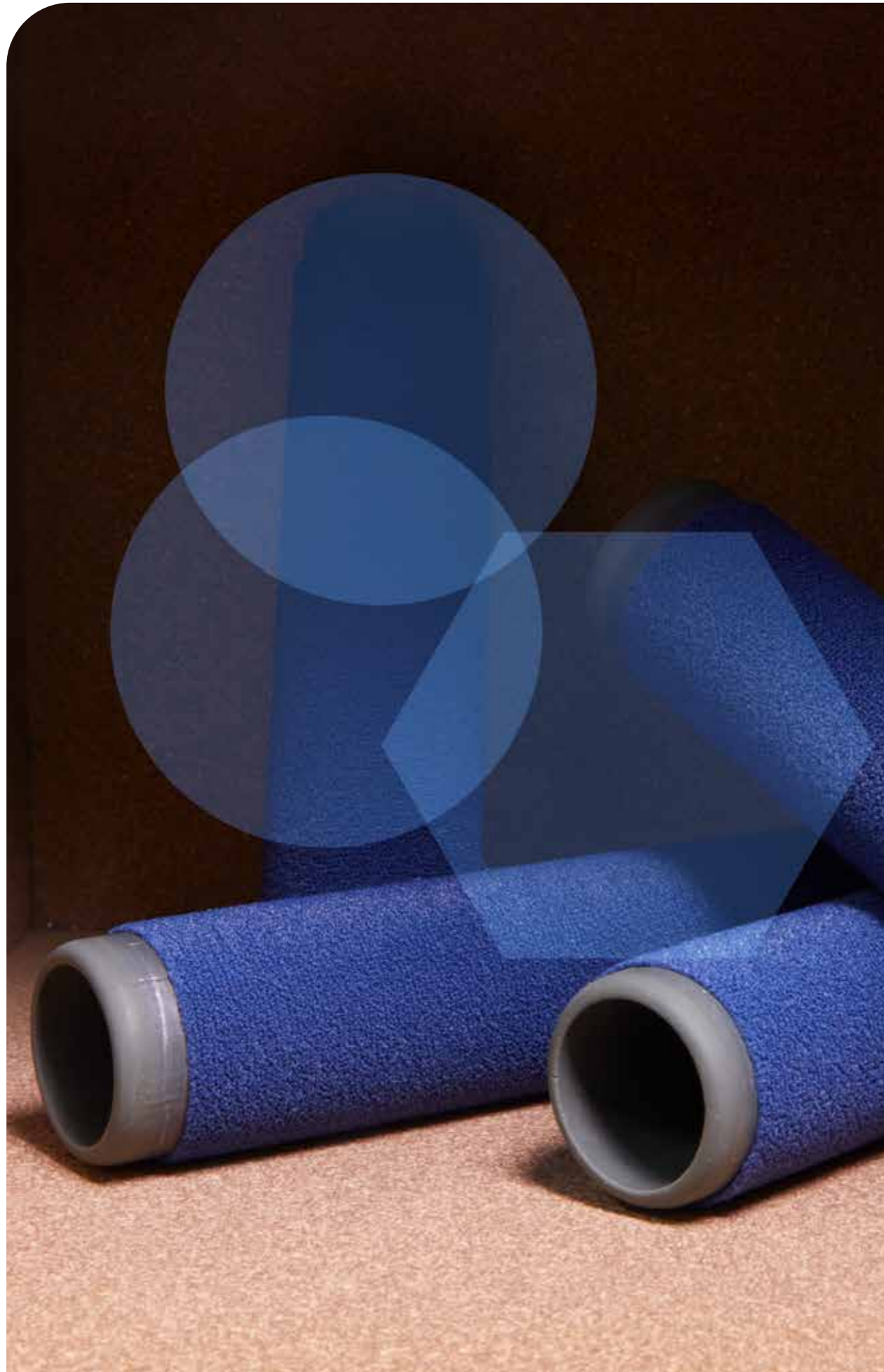
Water drainage (megalitres)				
Destination of drains	2023		2022	
	All areas	Water-stressed areas	All areas	Water-stressed areas
Freshwater from third parties	630,2	-	610,2	-
Total	630,2	-	610,2	-

GRI 303-5 Water consumption

Consumo idrico (megalitri)				
Destination of drains	2023 ¹		2022	
	All areas	Water-stressed areas	All areas	Water-stressed areas
Water consumption	102,4	-	38,6	-

1. During 2023, the Company recorded an increase in water consumption compared to 2022, both for irrigation uses and due to a leak in the underground pipes used to transport water from the wells to the plant.





4.4 WASTE

Responsible waste management is a priority for Carvico. During the two-year period 2022-2023, within the framework of ISO 14001:2015, a **training course** was provided to the Company population to raise awareness of **the correct way to manage and collect waste**.

The main category of waste generated is textile waste from both the production and finishing phases.

Carvico is constantly looking for solutions to reuse such waste, especially during the production process, where the main challenge is to separate elastomer from the rigid fibres that make up almost all the yarns used for its products. Other waste categories include the main waste categories concern mixed material packaging and emulsions used in the treatment of fabrics to enhance their properties.

GRI 306-3: Waste generated

Waste generated (ton)		
Type of waste	2023	2022
Hazardous Waste ¹	151,3	209,3
Non-hazardous waste ²	749,5	890,8
Total	900,8	1.100,1

GRI 306-4: Waste not intended for disposal

Waste not sent for disposal by type of recovery (ton) ³		
Recovery Operations	2023	2022
Hazardous waste		
Recycling	149,2	209,2
Non-hazardous waste		
Recycling	749,5	889,1
Total	898,7	1.098,3

GRI 306-5: Waste for disposal

Waste sent for disposal (ton)		
Disposal operations	2023 ⁴	2022
Hazardous waste		
Landfill	2,1	0,1
Non-hazardous waste		
Landfill	-	1,7
Total	2,1	1,8

In general, the commitment to reduce the volume of materials used for packaging and the selection of recycled and recyclable ones, as well as the priority given to recycling and the constant search for products generated by the recovery of industrial waste, allow Carvico to pursue its mission to promote and support **circular economy**.

With the aim of achieving its sustainability goals, the Company has over the years increased the number of fabrics produced from recycled material, 43% in 2022 and 51% in 2023⁵, as well as continuing the replacement of its current plants with more innovative and energy-efficient versions.

1. Hazardous waste consists almost entirely of emulsions used in manufacturing processes, and to a small extent of other engine, gear and lubrication oils, as well as packaging, protective clothing and other waste containing or contaminated by residues of hazardous substances.
2. Non-hazardous waste consists mainly of iron and steel, waste from processed and unprocessed textile fibres, and packaging from paper and cardboard, plastic, wood and mixed materials.
3. The waste listed in the table is recovered by external sites.
4. During 2023, maintenance programmes were carried out on the Company's co-generator, which resulted in the replacement and subsequent disposal of obsolete filters in the hydraulic systems.
5. These percentages were calculated as the ratio of the number of items made of recycled wire to total production.

4.5 RESPONSIBLE USE OF MATERIALS

For years Carvico has been committed to identifying and implementing alternative solutions in order to produce fabrics made from up to 100% recycled material. For this purpose, the Company adheres to environmental policies aimed at creating a truly efficient and assessable production chain to contribute to a circular economy model, where the reduction of consumption and the use of recycled raw materials represent the core of Carvico's business.

The focus on sustainability has prompted companies in the sector to make circularity the centre around which their activities revolve. At Carvico, despite the careful use of yarns composed of recycled material (40%), the biggest challenge is the post-consumer recycling of the fabrics produced, which are mainly

composed of polyamide, a recyclable material, and elastomer, a non-recyclable material. The separation of the two materials is a very complex and costly process, on which the Company, however, intends to work, studying alternative solutions and still guaranteeing durable, high-performance products. "Circularity" is therefore the key word on which the Company's research and development activities are focusing, thanks to dialogue and continuous contact with suppliers and customer brands.

The main materials used by the Company are yarns consisting of polyamide, polyester and PBT, synthetics used for their strength, elasticity and lightness, as well as elastane and elastolefin.

GRI 301-1: Materials used by weight or volume

Materials used by weight (ton)			
Materials	Units of Measurement	2023	2022
Renewables			
Cardboard boxes (packaging)	Pz	28.971	25.243
Cardboard tubes (packaging)	Pz	353.325	405.233
Non-renewable			
Polyamide	Ton	3.937,2	5.147,5
Polyester	Ton	1.132,4	1.087,7
PBT (Polibutilentereftalato)	Ton	285,1	260,7
Spandex	Ton	1.219,2	1.516,9
Elastolefin	Ton	50,5	64,8
Cellophane (packaging)	Ton	133,8	162,8
Dyestuffs	Ton	281,8	330,5
Auxiliary materials ¹	Ton	1.299,2	1.507,4

Carvico uses yarns made from **recycled** and **GRS-certified materials**: in 2023, 47% of polyamide compound yarns, 70% of polyester compound yarns and 3% of PBT compound yarns will come from recycled materials.

As far as packaging is concerned, Carvico uses **100% recycled materials** such as tubes, cardboard boxes and cellophane, thus contributing to waste reduction and the sustainable life cycle of products.

GRS certification (Global Recycled Standard) consists of a third-party verified environmental declaration that ensures the recycled content of both intermediate and finished products, the maintenance of traceability throughout the production process, restrictions on the use of chemicals, and the fulfilment of environmental and social criteria at all stages of the production chain from the recycling of materials to the labelling of the finished product.

1. Auxiliary materials are chemicals used in production, e.g. salt, soda ash and formic acid.

GRI 301-2: Materials used that originate from recycling

Materials	Mu	Materials used from recycling (ton)					
		2023			2022		
		Materials used	Recycled quota	% Recycled material	Materials used	Recycled quota	% Recycled material
Polyamide	Ton	3.937,2	1.832,8	47%	5.147,5	2.531,3	49%
Polyester	Ton	1.132,4	791,3	70%	1.087,7	408,6	38%
PBT (Polibutilentereftalato)	Ton	285,1	7,8	3%	260,7	-	-
Spandex	Ton	1.219,2	-	-	1.516,9	-	-
Elastolefin	Ton	50,5	-	-	64,8	-	-
Dyestuffs	Ton	281,8	-	-	330,5	-	-
Auxiliary materials	Ton	1.299,2	-	-	1.507,4	-	-
Cellophane (packaging)	Ton	133,8	133,8	100%	162,8	162,8	100%
Cardboard boxes (packaging)	Pz	28.971	28.971	100%	25.243	25.243	100%
Cardboard tubes (packaging)	Pz	353.325	353.325	100%	405.233	405.233	100%

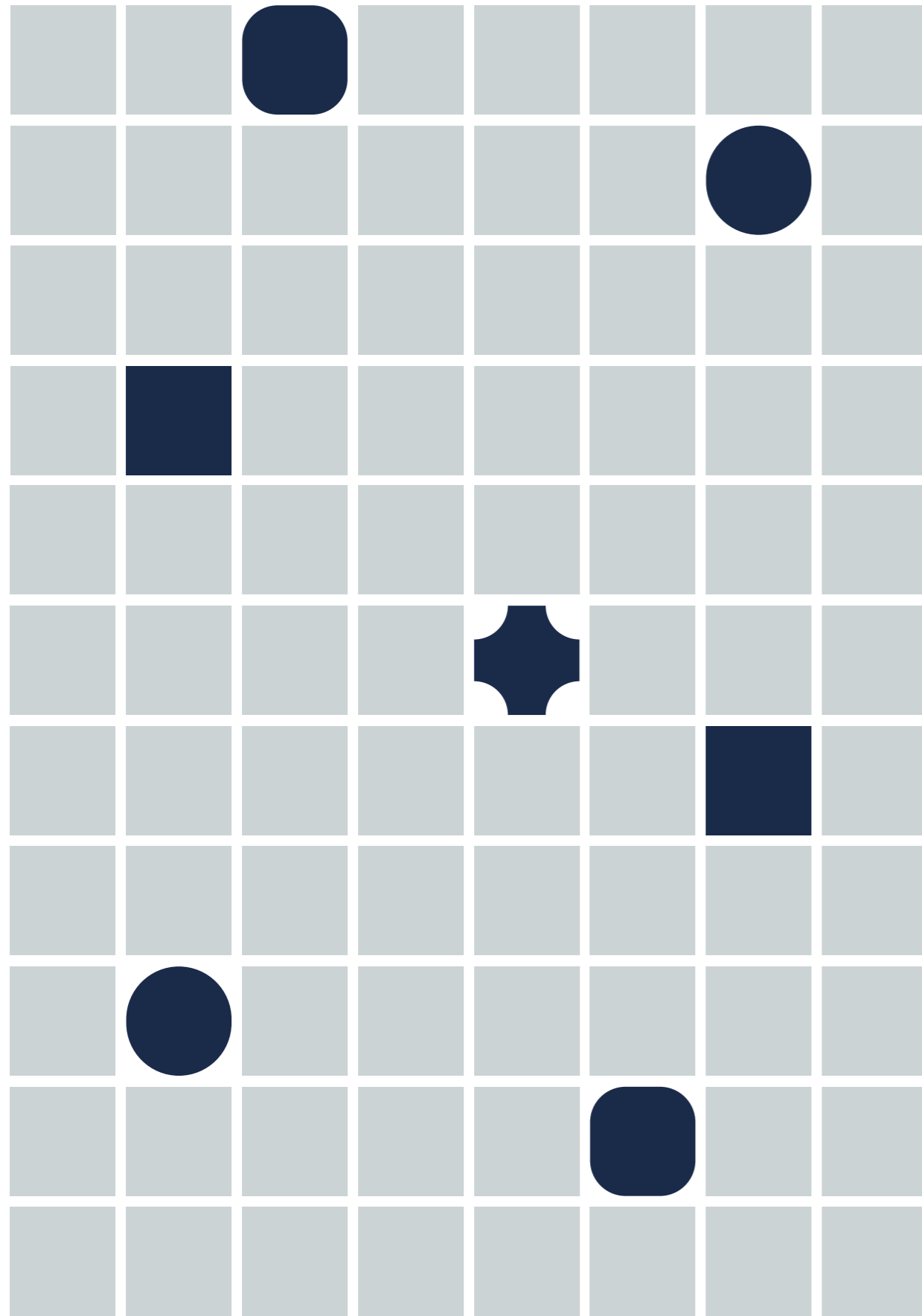
100% regenerated nylon fabric range

For years, Carvico has been offering a wide range of fabrics made with **ECONYL®** yarn, a 100% Nylon yarn regenerated from pre- and post-consumer waste materials, which instead of being disposed of in landfills and polluting the Planet, are recovered and recycled by **Aquafil S.p.A.** through a complex chemical process.

The **ECONYL®** remanufacturing process starts with the recovery of waste from around the world such as **fishing nets, used carpets and industrial plastics.**

Once cleaned, the process begins with the recovery of as much nylon as possible. The nylon waste is then taken to Aquafil's regeneration plant, where, thanks to a sophisticated and complex recycling process, it is regenerated back to its original quality. The material obtained is **ECONYL®** nylon, a new polyamide yarn with the same characteristics and performance as virgin polyamide, but in this case no non-renewable fossil raw materials have been used.





5. Social Responsibility

5.1 OUR PEOPLE

Human resources represent a fundamental pillar for Carvico, which is constantly committed to guaranteeing the **respect and wellbeing of everyone**, allowing each employee to fully express both their professional and personal capabilities. The Company has always invested in the development of individual potential, promoting fairness and respect for human rights and firmly condemning all forms of discrimination. **All employees are protected in their rights**, including their freedom of association and collective bargaining, and are protected from any form of abuse or exploitation. The Company, which is committed to prosecuting and punishing all acts of harassment or physical and moral violence, pursues this objective by providing employees with reporting channels for

any violations, not only through e-mail boxes (info@comitatoetico.carvico.com), but also through physical boxes in the Company, which are regularly checked. Moreover, as for all other stakeholders, employees can make reports through the **whistleblowing** section on the Company's website, of which they are informed through regular meetings.

As of 31st December 2023, Carvico had **313 employees**, a slight decrease from the previous year (317 employees). The entire workforce is employed under an open-ended contract, while the percentage of part-time workers is around 6%. In addition, 100% of the employees are covered by National Collective Labor Contract: NCLC Textile Clothing Fashion and Level II contracts.

GRI 2-7: Employees

Total number of employees by gender and geographical origin						
Geographical origin	Up to 31 st December 2023			Up to 31 st December 2022		
	Male	Female	Total	Male	Female	Total
Italy	178	118	296	184	116	300
EU (excluding Italy)	-	2	2	-	2	2
Extra-UE	12	3	15	12	3	15
Total	190	123	313	196	121	317

Total number of employees by type of contract and gender						
Type of contract	Up to 31 st December 2023			Up to 31 st December 2022		
	Male	Female	Total	Male	Female	Total
Fixed-term contract	-	-	-	-	2	2
Permanent contract	190	123	313	196	119	315
Total	190	123	313	196	121	317

Total number of employees broken down by full-time/part-time and gender						
Full/Part-time	Up to 31 st December 2023			Up to 31 st December 2022		
	Male	Female	Total	Male	Female	Total
Full-time	189	106	295	195	101	296
Part-time	1	17	18	1	20	21
Total	190	123	313	196	121	317

Human resources data are collected monthly through **computerised files**, which are then consolidated at the end of the year, and through the **Zucchetti management system**, guaranteeing the accuracy of the information collected, which is periodically analysed to provide

statistics and information for the Company's balance sheet and payroll, managed by an external consultant. Regarding external workers, in both 2022 and 2023, all of them entered the Company through **staffing agencies**.

GRI 2-8: Non-employees

Number of external workers (HC) by professional category and gender						
Professional category	Up to 31 st December 2023			Up to 31 st December 2022		
	Male	Female	Total	Male	Female	Total
Administered	6	7	13	18	8	26
Total	6	7	13	18	8	26

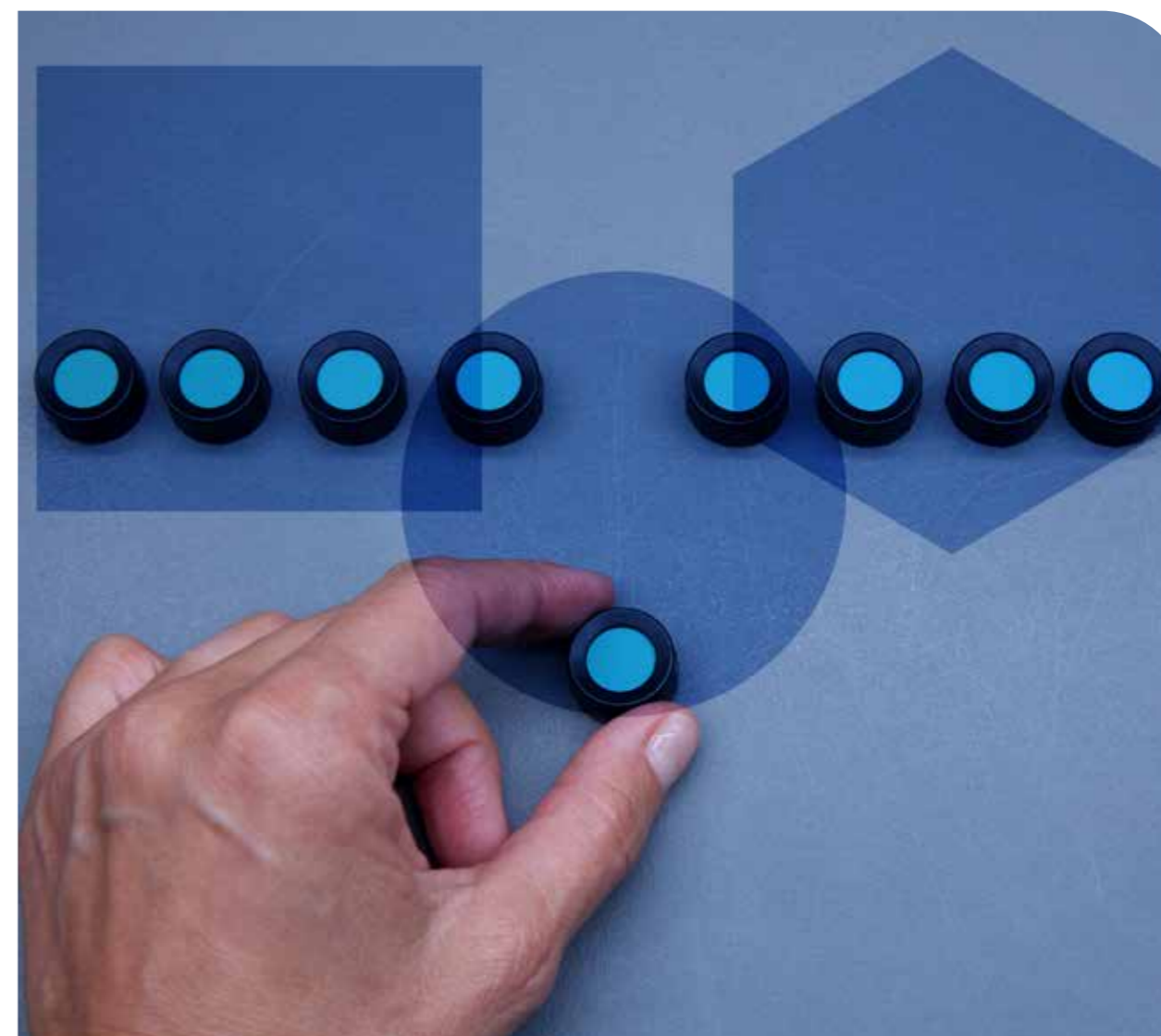
Carvico ensures that temporary hires are exclusively intended as preliminary to permanent employment, usually after a period of one year. Generally, the hiring process involves entry into the Company by means of job agencies, with a training period of about six months, which is followed, if the resource is valid, by permanent employment. Moreover, although part-time employment is not the main mode of recruitment, this option is available in case of specific needs.

Formal processes for human resources management, such as on-boarding, follow well-defined internal procedures with several steps, including the medical examination, the letter of

employment, the job-specific operating instructions for the employee's job and the distribution of the badge, as well as training. Once the new employee's data have been acquired, the information is transferred to the human resources department, which coordinates all the above-mentioned procedures, from the moment the employee is hired by the Company until the first day of work, including aspects such as the configuration of utilities.

In 2023, the number of newcomers amounted to **27**, while the number of terminations added up to **31**¹, with no change from the previous year.

1. Most of the turnover is due to a generational change linked to staff who have left due to retirement.



GRI 401-1: New recruitments and turnover

Number and rate of new hirings ¹										
Number of people	2023					2022				
	<30 years	30-50 years	>50 years	Total	Rate %	<30 years	30-50 years	>50 years	Total	Rate %
Male	13	5	-	18	9%	14	4	-	18	9%
Female	5	3	1	9	7%	2	8	-	10	8%
Total	18	8	1	27	9%	16	12	-	28	9%
Rate %	26%	6%	1%	9%		27%	8%	-	9%	

Number and rate of terminations ²										
Number of people	2023					2022				
	<30 years	30-50 years	>50 years	Total	Rate %	<30 years	30-50 years	>50 years	Total	Rate %
Male	5	11	8	24	13%	4	9	6	19	10%
Female	-	3	4	7	6%	-	4	8	12	10%
Total	5	14	12	31	10%	4	13	14	31	10%
Rate %	7%	10%	11%	10%		7%	9%	13%	10%	

In terms of classification, **68.4 per cent** of the workforce are men, while **27.5 per cent** are office staff, where a greater female presence can be noted.

GRI 405-1b: Diversity among employees

Total number of employees (headcount) by classification and gender						
Number of people	Up to 31 st December 2023			Up to 31 st December 2022		
	Male	Female	Total	Male	Female	Total
Executives	0,3%	0,6%	1,0%	0,6%	0,6%	1,3%
Managers	1,9%	1,3%	3,2%	2,2%	1,6%	3,8%
Office workers	11,8%	15,7%	27,5%	13,6%	15,1%	28,7%
Factory workers	46,6%	21,7%	68,4%	45,4%	20,8%	66,2%
Total	60,7%	39,3%	100,0%	61,8%	38,2%	100,0%

In addition, as of 31st December 2023, **43.8 per cent** of workers were in the 30-50 age range, **33.9 per cent** in the over-50s range and the remaining **22.4 per cent** in the under-30s range. Compared to the total workforce, there are **18** resources from protected categories in the year 2023 and **21** in the year 2022.

GRI 405-1b: Diversity among employees

Total number of employees (headcount) by classification and age group								
Number of people	Up to 31 st December 2023				Up to 31 st December 2022			
	<30 years	30-50 years	>50 years	Total	<30 years	30-50 years	>50 years	Total
Executives	-	-	1,0%	1,0%	-	0,6%	0,6%	1,3%
Managers	-	1,3%	1,9%	3,2%	-	1,3%	2,5%	3,8%
Office workers	5,8%	15,0%	6,7%	27,5%	5,7%	16,7%	6,3%	28,7%
Factory workers	16,6%	27,5%	24,3%	68,4%	13,2%	27,8%	25,2%	66,2%
Total	22,4%	43,8%	33,9%	100,0%	18,9%	46,4%	34,7%	100,0%

GRI 405-1b: Diversity among employees (protected categories)

Protected categories ³						
Number of people	Up to 31 st December 2023			Up to 31 st December 2022		
	Male	Female	Total	Male	Female	Total
Executives	-	-	-	-	-	-
Managers	-	-	-	-	-	-
Office workers	2,3%	12,5%	14,8%	2,7%	8,2%	10,9%
Factory workers	-	21,2%	21,2%	-	19,1%	19,1%
Total	2,3%	33,7%	36,0%	2,7%	27,3%	30,0%

1. The percentage rate corresponds to the ratio of new hires by gender and age group to the number of employees as at 31.12 considering the same categories.
2. The percentage rate corresponds to the ratio of terminations by gender and age group to the number of employees as at 31.12 considering the same categories.
3. The percentages given in this table correspond to the ratio of the number of employees belonging to protected categories to the total number of employees by gender and professional category.

Welfare

Carvico places the well-being of its employees at the centre of its daily operations, with the aim of creating an inclusive workplace that guarantees personal and professional satisfaction for everyone.

In 2012 the **WHP (Workplace Health Promotion)** project was launched, focusing on the overall wellbeing of employees. As part of the initiative, awareness-raising meetings dedicated to promoting physical wellbeing were organised with the support of external trainers, with a focus on addictions and their prevention. The topics covered ranged from healthy eating to road safety and the central role of physical activity.

In addition, Carvico offers **annual conventions** for free medical examinations and vaccinations against influenza and Covid-19 to the entire Company workforce. Furthermore, in 2023, breast examinations for female employees were offered.

As far as work-life balance is concerned, employees are allowed **30 minutes of flexibility** in clocking in and clocking out, and **lunch breaks** can last from

1h to 1.30h in accordance with specific personal needs. Family incentives such as gift vouchers for weddings and births and scholarships for children with excellent academic results are also guaranteed. Other Company benefits include a **Company canteen** and a free 730-form filling-in service.

Other than internal initiatives, **agreements are available with various local merchants**, including mechanics, doctors, clinics and opticians. Through the **welfare platform**, employees can also access discounts and conventions, with the possibility of allocating their performance bonus to the purchase of goods and services offered by the Company. The Company also organises Company events, sports tournaments and dinners for employees and their families, including Christmas gatherings.

Finally, a project related to corporate wellbeing was launched in 2023, which took the form of a questionnaire to be filled out anonymously to investigate employee satisfaction.

In 2023, a second-level agreement was renewed to include bonus policies, such as the production bonus, the Departement Result Plan (DRP), the fixed availability bonus and the variable availability bonus.

and pay between men and women shows an almost complete alignment in the categories of the office workers, factory workers and executives.

It should also be noted that no incidents of discrimination were recorded during the reporting period.

In 2023, for Carvico, the comparison of basic salary

GRI 405-2 Ratio of basic wage and salary of women vs. men

Ratio of female vs male basic salary		
Average basic salary	2023	2022
Executives	1,1	1,4
Managers	0,9	0,8
Office workers	0,7	0,8
Factory workers	0,8	0,9

Ratio of total remuneration for women vs men		
Average total remuneration	2023	2022
Executives	0,8	1,5
Managers	0,6	0,6
Office workers	0,7	0,7
Factory workers	0,7	0,7

5.2 TRAINING IN CARVICO

Promoting staff training to develop skills and awareness has always been a key aspect for Carvico, which invests in development paths aimed at enhancing the technical, managerial and organisational skills of its people.

on the use of Excel. Moreover, courses were provided on privacy and the new whistleblowing procedure. In addition, customised training courses were organised for career advancement in the various departments, production and non-production, and specific courses on textile technology.

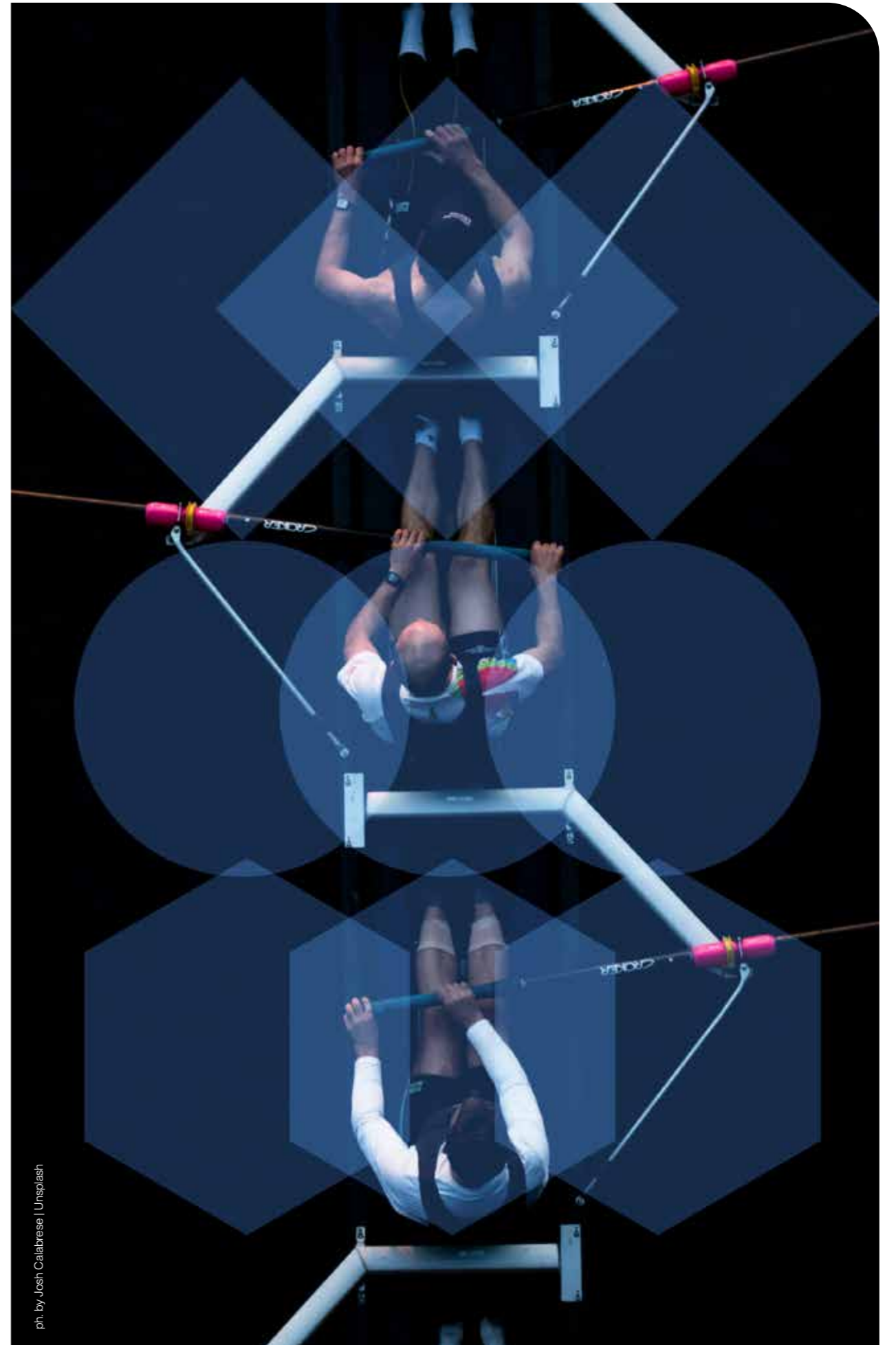
In 2023, total training hours amounted to **3.305**, up by 41% from 2022 due to the upgrading of compulsory health and safety courses during the year. In addition to mandatory courses, resources received technical and soft skills training, English courses and courses

All training hours are recorded manually in monitoring files and then uploaded to the Zucchetti portal, as participation in training courses is an important parameter for the performance bonus.

GRI 404-1: Average hours of training per year per employee

Average hours of training per professional category		
Average hours	2023	2022
Executives	30,2	22,9
Managers	20,1	13,5
Office workers	11,2	6,8
Factory workers	9,6	7,0
Total	10,6	7,4

Average hours of training by gender		
Average hours	2023	2022
Male	13,3	7,0
Female	6,4	8,0
Total	10,6	7,4



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5.3 WORKERS' HEALTH AND SAFETY

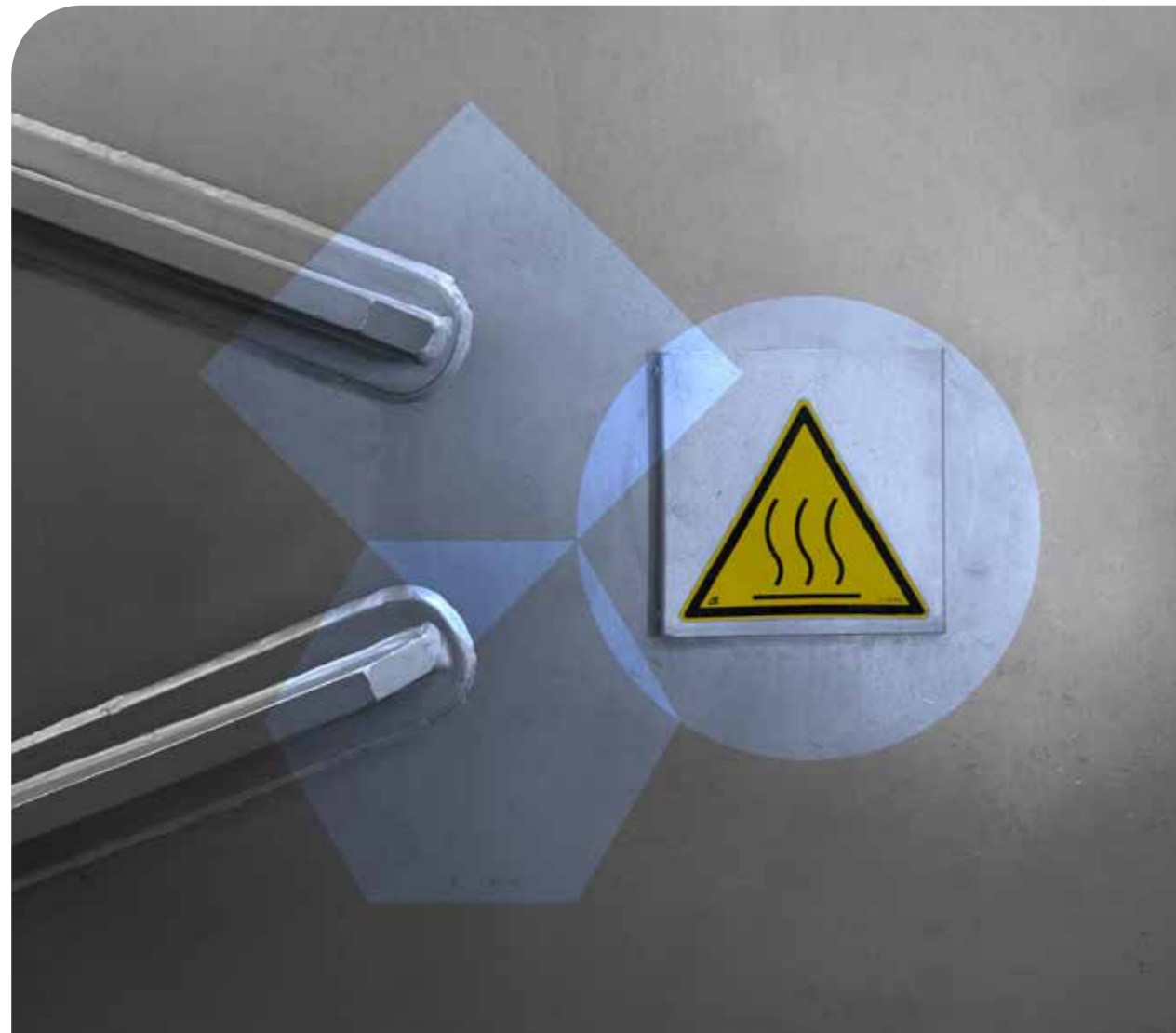
Continuous training on safety at work, the drafting of operating instructions containing safety provisions, health surveillance and periodic checks on plant and equipment are fundamental for Carvico. The aim is **to spread and consolidate a safety culture** to increase risk awareness among all personnel.

Occupational safety training and related updates follow the provisions set out in **Legislative Decree 81/08**. These include general training courses for all workers, specific courses for individual tasks, training for Workers' Safety Representatives (WSR), as well as courses for the use of specific equipment such as forklifts, elevating platforms and personal protective equipment (PPE). Specific courses are also conducted for the emergency team, first aid team, safety officers and those working in hazardous environments, as well as for Safety, Prevention and Protection Managers

(PPSM) and Safety Prevention and Protection Officers (PPSO). Other courses include those on the International Carriage of dangerous goods by road (ADR), the handling of explosive-hazardous equipment (ATEX), the use of Automated External Defibrillators (AED), the use of lifting equipment and working in confined spaces.

Regarding health protection, each department is equipped with a semi-automatic defibrillator, with a total of 9 in the factory, and staff trained in its use in case of emergency.

In addition, at Carvico there are **regular safety meetings** at departmental level, in addition to the annual ones required by law, involving Production Manager, department supervisors, PPSM, H&S Workers and RLS. During these meetings, further training needs are assessed in the event of changes



in regulations or production processes, actions for improvement following environmental and safety investigations are planned, and accidents, near-misses and injuries that have occurred in the period since the last meeting are examined.

Management system, consultation and communication on occupational health and safety

Carvico's health and safety management system follows all the provisions required by **Legislative Decree 81/08**, applied uniformly to all employees and contract workers. Carvico has an organised structure of individuals with active roles in safety issues, including:

- The employer;
- A delegated employer;
- A prevention and protection service manager (PPSM);
- A prevention and protection service officer (PPSO);
- A competent doctor;
- 3 workers' safety representatives;
- 14 safety managers;
- 40 supervisors;
- 48 emergency workers;
- 41 first-aid workers.

Danger identification

The **Risk Assessment Document (RAD)** identifies and analyses the risks present in the Company, supported by specific health and safety assessments and investigations. For each of these investigations or assessments, the possibility of improvements to further reduce the level of risk is assessed, through the implementation of additional preventive and protective measures to those already in place.

Over the years, several investments have been made to reduce risks. We have introduced automated equipment and facilities to reduce or eliminate physical effort and manual handling of loads. These measures also help to limit the direct handling of chemical agents.

As mentioned above, accidents and injuries, as well as near misses¹, are discussed during regular safety meetings, in addition to the one required by the regulations. Operating instructions containing safety provisions are constantly updated to ensure maximum effectiveness in preventing and managing workplace risks.

The Company closely **monitors the number of accidents in the workplace** with the aim of constantly containing them.

Regarding **occupational diseases**, on the other hand, two cases were opened in both 2022 and 2023. The four cases registered in the two-year period concerned the following types of illness: hearing loss, biomechanical overload and dermatitis.

GRI 403-9: Occupational injuries (employees and outside workers)

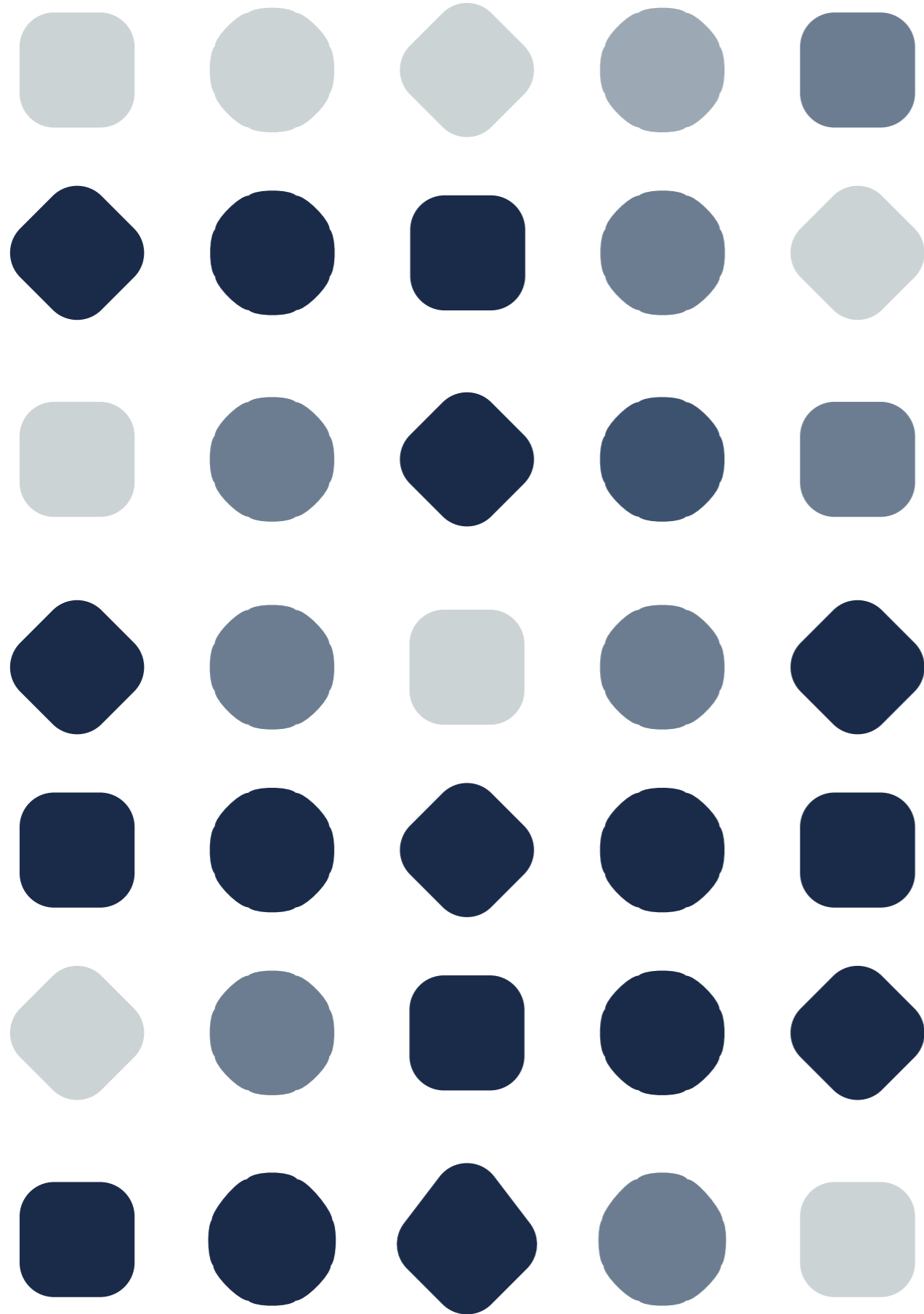
Accidents at work (employees)	2023	2022
Total number of accidents at work recorded	6	14
Hours worked	471.235	493.420
Rate of occupational accidents recorded²	1,3	2,8

Accidents at work (administered)	2023	2022
Total number of accidents at work recorded	2	1
Hours worked	30.850	54.755
Rate of occupational accidents recorded³	6,5	1,8

1. Incidents of near-misses, i.e. events that could have led to an injury or damage, are recorded by means of reporting reports.

2. The accident rate is calculated as follows: ((number of accidents for each category/total hours worked) x 200,000).

3. Please refer to the previous note. It should also be noted that in 2023 the accident rate for external workers was significantly higher because, although there was only one more accident than in the previous year, the number of hours worked was lower (due to the 50% reduction in external staff administered), leading to a higher rate.



6. Product quality and R&D

**“Carvico is committed to full traceability
of the quality control process”**

6.1 THE FOCUS ON QUALITY

Carvico's approach to quality is not limited to **the control of the production process and fabric**, but also extends to the **search for innovative solutions** and close cooperation with stakeholders.

The Company follows and strictly adheres to quality control procedures and protocols in line with the requirements of ISO 9001:2015.

Product quality is guaranteed through a **rigorous control process** that extends **throughout the entire production process, from raw materials to finished products**. All checks are carefully documented in both paper and digital form, ensuring complete traceability of the process.

The approach to fabric production is driven by market and customer requirements, followed by the development of innovative solutions to meet these demands. Regarding **product information**, Carvico provides various details in the customs clearance documents and on the labels accompanying the fabrics. The former include the commercial data sheet and the packing list containing, among other things, information on possible defects.

Hangtags, on the other hand, contain information such as the made-in of the fabric, its percentage composition, batch number, colour and other identifying details of the roll.

Through the Company's website, customers can

access all the information they need for an informed choice of fabric, including technical details and product and process certifications. Quality control performs a fundamental customer service by putting consumer satisfaction and trust at the centre of operations.

As far as complaint management is concerned, Carvico relies on a system based on internal registration and direct contact with the customer. Complaint handling, which is always limited in number, is effective and reports are handled promptly to ensure customer satisfaction.

Below is information on the **returns** recorded in 2022 and 2023:

	2023	2022
Number of returns	340	242
Turnover (M€)	102.134	128.088
Rate	0,65	0,24

Finally, **the absence of non-conformities** of information and labelling and concerning product health and safety underlines the Company's constant and rigorous attention to ensuring that production takes place in full and rigorous compliance with safety regulations and meets the highest standards.

It should also be noted that Carvico filed 2 patents in both 2007 and 2008, which are still valid worldwide.



Certifications

During its activities, Carvico has achieved several certifications related to the Company's production and operations, including:

Higg Index

Carvico complies with the **Higg Index**, a measurement tool for the textile, clothing and footwear sectors developed by the **Sustainable Apparel Coalition (SAC)**, to measure social and environmental impacts.

This tool allows customers to easily access information on the sustainability performance of their suppliers. The completion and verification of the Higg FEM form (environmental) was launched in 2017, while the Higg FSLM form (social) was introduced in 2022.

Based on the latest evaluations, Carvico's FEM score is 97 out of 100, while the FSLM score is 85.7/100.



Global Recycled Standard (GRS) 4.0

The Company successfully achieved **GRS certification** for the product category "fabrics with recycled component", which covers a wide range of processes, including storage, distribution, dyeing, finishing, knitting, washing, preparation, pre-treatment and printing of the fabric. The Global Recycled Standard (GRS), promoted by the **Textile Exchange**, is universally recognised as the main international standard establishing the criteria necessary for the certification of recycled materials.



ISO 14001:2015

The Company obtained **ISO 14001:2015** certification from Bureau Veritas Italia S.p.A., attesting that its environmental management system complies with the requirements of the regulation. The area of application of this certification includes the research and development of new fabrics, weaving, dyeing and finishing for the finishing of warp-knitted fabrics, mainly to produce garments for sportswear, underwear, swimwear and corsetry.

Carvico, moreover, given its process reliability and authority in the field of sustainability, has obtained recognition from renowned brands to conduct tests on their behalf on fabrics in their own laboratories. It also proudly features the OEKO-TEX STANDARD 100 product-level compliance certification.



OEKO-TEX STANDARD 100

Carvico has been awarded the **OEKO-TEX STANDARD 100** at both process and product level, demonstrating the Company's prioritisation of sustainability and the safety of final products and customers.

Production process certification for the control of substances used involves a detailed analysis of all materials and threads used in the textile production process, as well as the resulting products that could contain substances harmful to the environment and human health. The certification testifies to the **constant monitoring and control of all chemicals purchased**, from the origin of the raw materials to the final stage of the production process, to ensure compliance with the highest standards of safety and sustainability along the entire supply chain.

The **OEKO-TEX STANDARD 100** product certification **Class I** states that the product is suitable for use by babies under 36 months, while the **Class II** certification states that it is suitable for use by children between 36 months and 14 years. These certifications, conducted at an external laboratory accredited by Accredia, involve strict testing for harmful substances by extraction and analysis with artificial sweat.

This certification represents a significant step forward in the analysis of harmful substances in textiles, further consolidating our dedication to sustainability and the safety of our products and customers.



6.2 CARVICO'S COMMITMENTS TO RESEARCH AND DEVELOPMENT

Research and Development, like technological implementation and attention to raw materials, have always been a key point for controlling the supply chain and ensuring forward-looking strategies. Research and Development projects include reducing the use of raw materials of fossil origin and product life cycle analysis, which aim to minimise the overall environmental impact.

The adoption of raw materials from recycled waste, together with **the constant search for innovative solutions to improve the efficiency of production processes**, such as low-water-use dyeing processes, help to promote and nurture a resource-conscious approach throughout the entire value chain.

Policies and commitments in this area include several aspects, such as the exploration of environmentally friendly yarns, dyes and finishing treatments. Carvico's main research and development actions concern the use of recycled, bio-based, biodegradable and natural yarns, as well as the exploration of dyes made from food waste and recovered fabrics, together with finishing treatments from bio-based and fluorine-free materials.

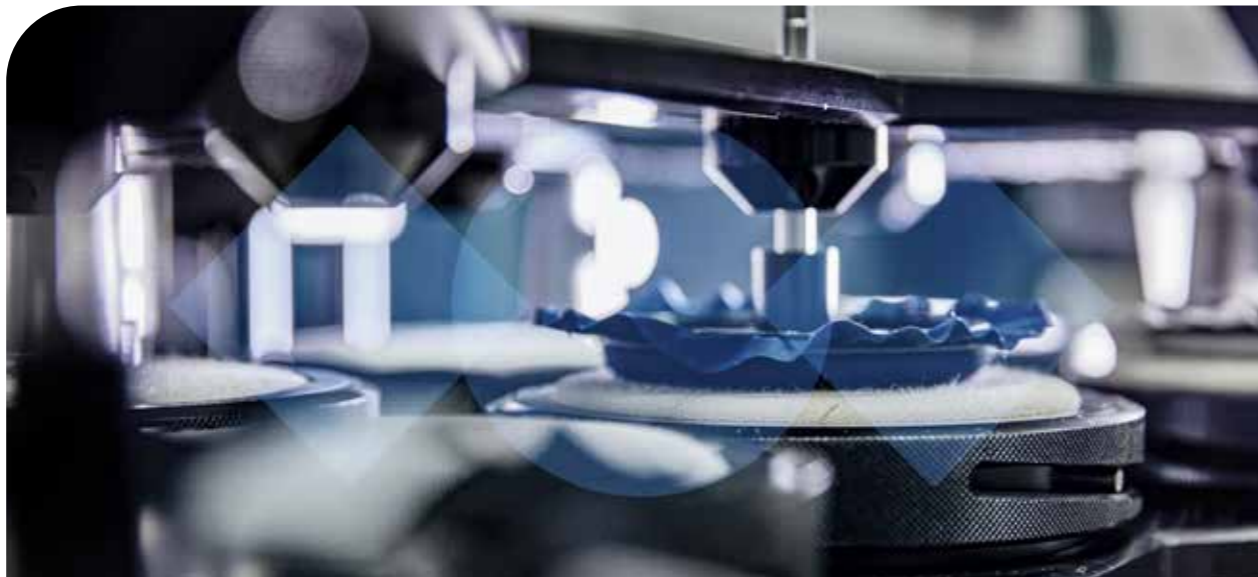
Carvico also participated in the drafting of the **new legislation** for the calculation of microplastics released during domestic washing, providing samples for the testing phase to Aquafil and STIIMA (Institute of Intelligent Industrial Systems and Technologies for Advanced Manufacturing), a laboratory of the CNR (National Research Council), and carrying out parallel tests to verify the releases of its fabrics into the environment.

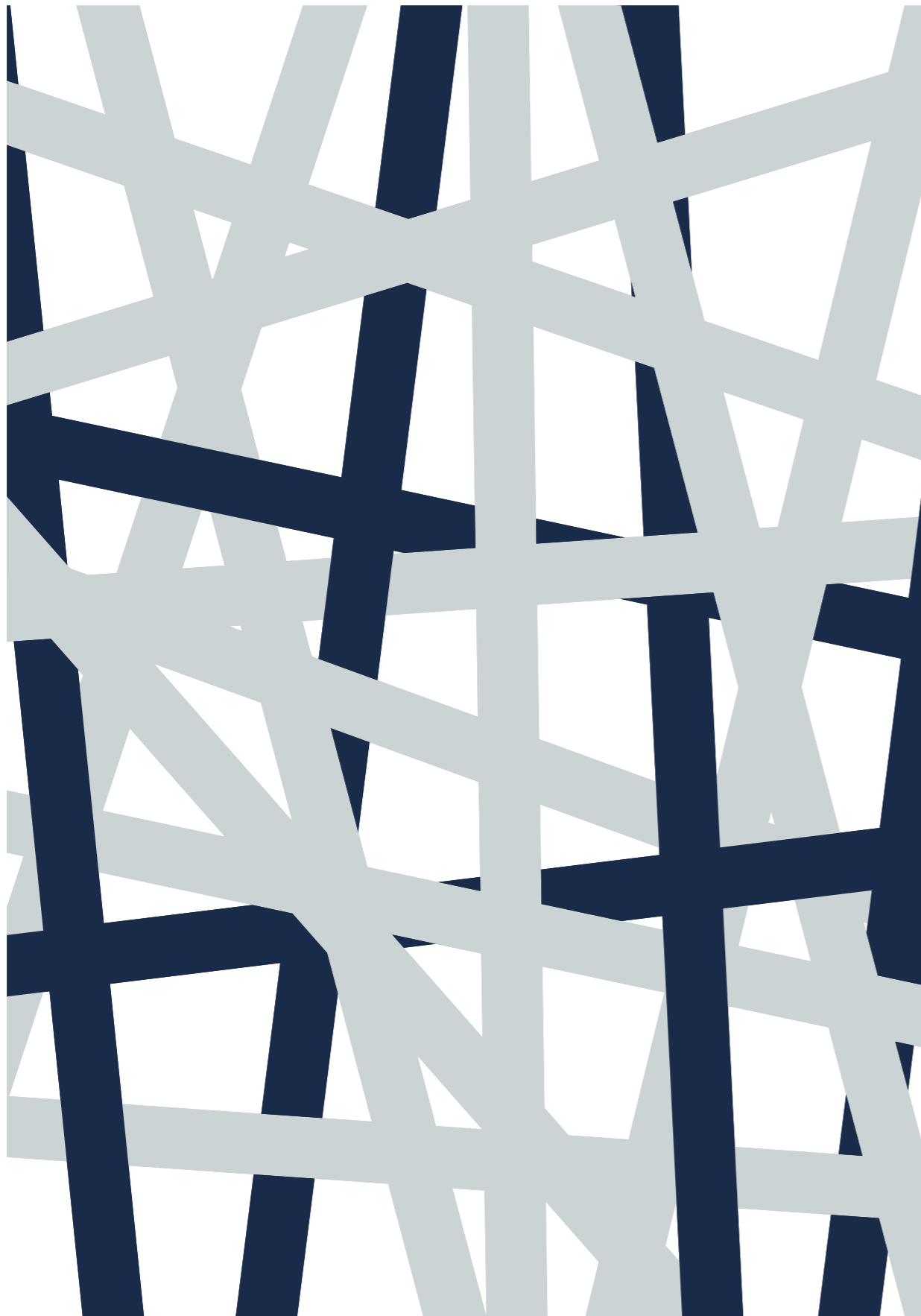
Finally, tests were carried out with **natural and biodegradable yarns**, paying particular attention to the end-of-life of the garment, as well as tests according to certified standards to assess the effectiveness of these materials.

These initiatives testify to the Company's ongoing commitment to sustainable innovation and respect for the environment through the integration of more ecological and responsible practices and materials in its textile production. It should also be noted that Carvico is working on **calculating the carbon footprint of two of the Company's historical product families**. These are the 15 best-selling items, representing 32% of the Company's turnover.

Starting in 2018 and running until February 2023, Carvico participated in the **Effective** European project, funded by CBE-JU (Circular Biobased Europe Joint Undertaking), in collaboration with 12 European partners, with the objective of:

- developing new bio-based materials for the textile industry;
- demonstrating the effectiveness of innovative production processes;
- creating interconnections between companies to form a sustainable supply chain;
- controlling the energy impact along the production chain;
- assessing the impact of product end-of-life with guidelines on eco-design, recyclability and biodegradability.





7. **The value chain**



7. THE VALUE CHAIN OF CARVICO

Carvico considers the following elements as fundamental to building a **solid and reliable supply chain**:

- giving preference to the sourcing of recyclable raw materials;
- improving the efficiency of the transport system in order to reduce the impact of pollution produced;
- increasing the quality of products and services;

In this regard, the Company, to promote ethics and sustainability among its suppliers, has established a **Supplier Code of Conduct**.

The document contains rules and principles to be observed from an ethical, moral, social and environmental point of view, in order to present and have its strategic business partners sign up to the principles underlying the Company's operations. Moreover, to ensure the sharing and consequent compliance with the Company's values, Carvico also sends its **Code of Ethics** to its key suppliers for their signature.

At Carvico, the assessment for supplier selection is based on quality, service, reliability and economic/financial controls. To date, no specific ESG factors are considered, but by means of a **pre-assessment questionnaire**, they are asked, for example, whether they have a Risk Assessment Document, an Environmental Management System, Health and Safety, as well as to declare compliance with applicable environmental requirements.

To strengthen the monitoring of its suppliers in terms of sustainability, the Company is evaluating the possibility of creating supplier master **data sheets** concerning ESG aspects, in order to understand the main safeguards in place and their performance, thus implementing an intelligent management system.

Regarding environmental impact, Carvico prefers suppliers who offer **recycled solutions**, both in terms of packaging and raw materials used.

In terms of geographical origin, 81.7% of Carvico's suppliers are based in Italy or other European countries.

GRI 204-1: Proporzione di spesa verso fornitori locali

	2023	2022
Significant operational locations	Percentage of local /non-local expenditure	Percentage of local /non-local expenditure
Italy - Local	54,1%	55,8%
UE (excluding Italy) - Overseas	27,6%	28,2%
Extra UE - Overseas	18,3%	16,0%
Total	100%	100%



8. **Supporting local communities**

8. SUPPORTING LOCAL COMMUNITIES

Founded in 1962 in an urban and residential neighbourhood, Carvico is constantly committed to integrating itself into the **community**, respecting its surroundings, local economies and people. Supporting communities, both inside and outside the Company, and promoting territorial development are at the core of Carvico's impact strategy. This commitment takes the form of supporting gender equality, social inclusion and supporting the development of the individual, through partnerships with local institutions and educational projects.

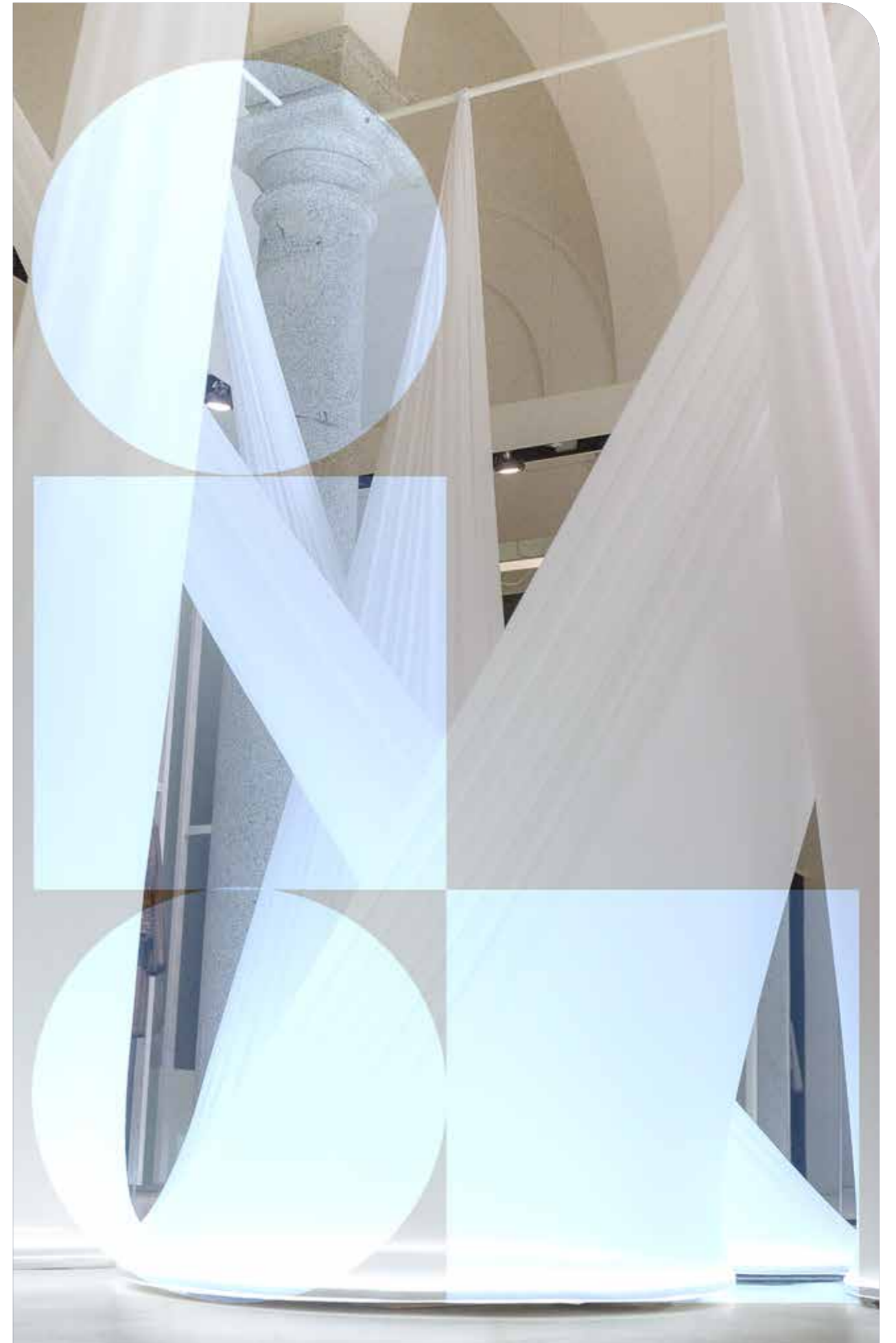
Over the years, this commitment has been realised through various initiatives in support of the territory, which have seen the Company's active participation in **events promoted by the province**: collaborations with local schools, sponsorships of sports associations and cultural initiatives are just a few examples.

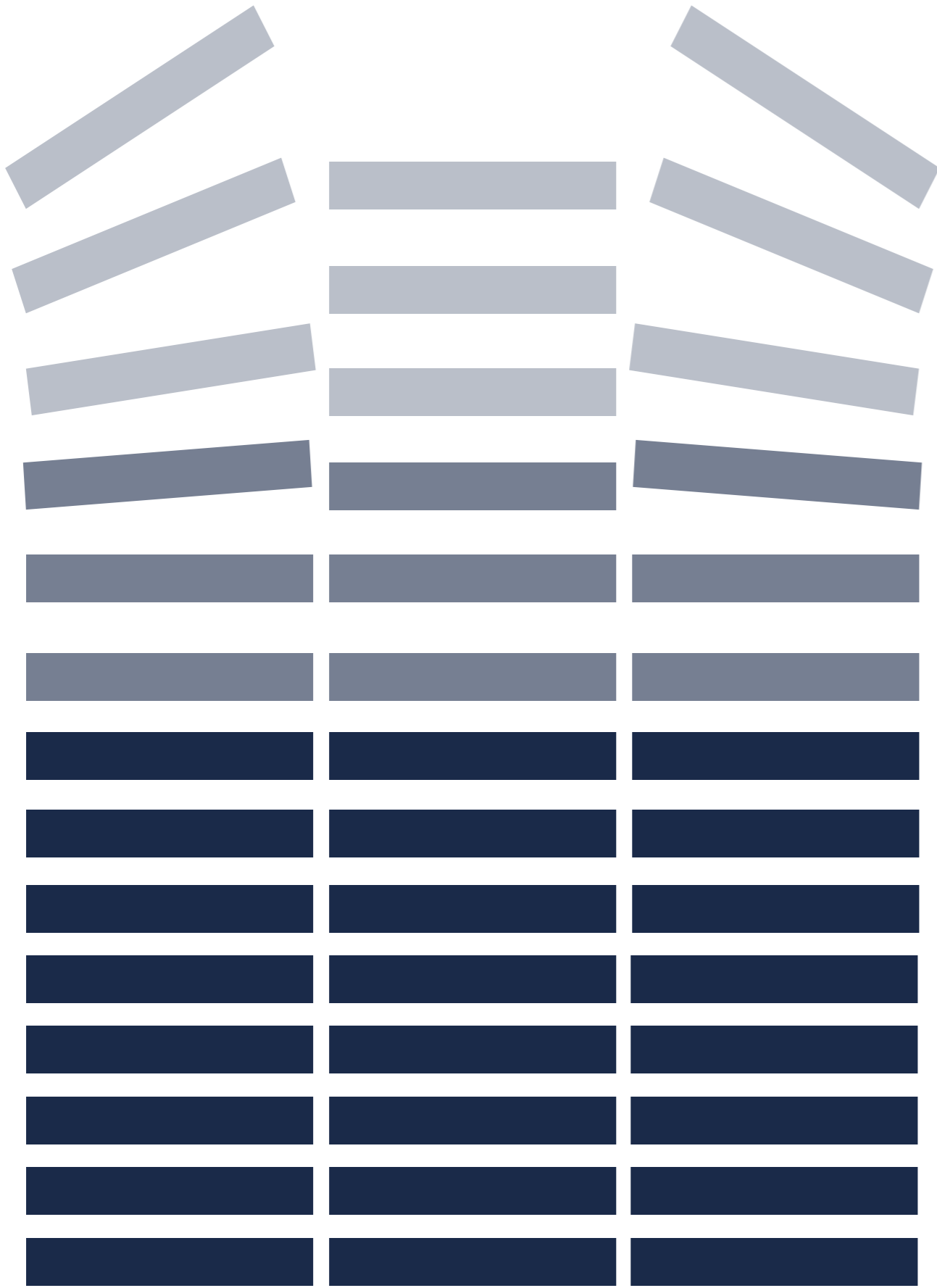
In the sports field, for example, Carvico founded the Company's football team. In addition, the Company supports the activities of the local parish through

donations, has provided nurseries and schools in the area with textiles for use in school activities, and has actively participated in educational projects such as "The Future Begins Now", in collaboration with the "La Torre" Institute of Calusco d'Adda, involving the young participants in the production of two lines of t-shirts.

The Company also promotes art and culture by supporting museums and musical events, such as the Bergamo and Brescia Piano Festival and the Bergamo Gallery of Contemporary and Modern Art. Further initiatives in the cultural sphere were the organisation of in-house exhibitions, such as "In'Artory - Arte in Fabbrica", and support for local publications such as "Carvico Informa".

Carvico also contributed to the installation of electric car charging stations in the Town Hall of Carvico and has been collaborating for years with Humanitas Gavazzeni in support of research. Overall, the economic value of the initiatives in favour of the territory in 2023 amounted to € 405,386.





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2-9	Governance structure and composition	3.2. Corporate structures
2-10	Appointment and selection of the highest governing body	3.2. Corporate structures
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302-3	Energy intensity	4.1. Energy efficiency and reducing environmental impact
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305-2	Indirect GHG emissions from energy consumption (Purpose 2)	4.2. Emissions and tackling climate change
305-4	Intensity of GHG emissions	4.2. Emissions and tackling climate change
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3-3	Management of material topics	4.3. Water resources
GRI 303 (2018 version): Water and effluents		
303-3	Water withdrawal	4.3. Water resources
303-4	Water drainage	4.3. Water resources
303-5	Water consumption	4.3. Water resources

Circular economy		Location
GRI 3 (version 2021): Material issues		
3-3	Management of material topics	4.5. Uso responsabile dei materiali
GRI 301 (2016 version): Materials		
301-1	Materials used by weight or volume	4.5 Responsible use of materials
301-2	Materials used that originate from recycling	4.5 Responsible use of materials
SOCIAL RESPONSIBILITY		
Health and safety at work		
GRI 3 (version 2021): Material topics		
3-3	Management of material topics	5.3 Worker's health and safety
RI 403 (2018 version): Occupational health and safety		
403-1	Occupational Health and Safety Management System	5.3 Worker's health and safety
403-2	Hazard identification, risk assessment and accident investigation	5.3 Worker's health and safety
403-3	Occupational health services	5.3 Worker's health and safety
403-4	Worker participation and consultation and communication on occupational health and safety	5.3 Worker's health and safety
403-5	Worker training in occupational health and safety	5.3 Worker's health and safety
403-6	Worker health promotion	5.3 Worker's health and safety
403-7	Prevention and mitigation of occupational health and safety impacts within business relationships	5.3 Worker's health and safety
403-8	Workers covered by an occupational health and safety management system	5.3 Worker's health and safety
403-9	Accidents at work	5.3 Worker's health and safety
403-10	Occupational diseases	5.3 Worker's health and safety
Talent attraction and development		
GRI 3 (version 2021): Material topics		
3-3	Management of material topics	5.1 Our people
GRI 401 (2016 version): Employment		
401-1	New recruitments and turnover	5.1 Our people
Employee development and training		
GRI 3 (version 2021): Material issues		
3-3	Management of material topics	5.2 Training in Carvico
GRI 404 (2016 version): Training and education		
404-1	Average annual training hours per employee	5.2 Training in Carvico
Diversity, equal opportunities and non-discrimination		
GRI 3 (version 2021): Material topics		
3-3	Management of material topics	5.1 Our people
GRI 405 (2016 version): Diversity and equal opportunities		
405-1/a	Diversity in governance bodies	5.1 Our people
405-1/b	Diversity among employees	5.1 Our people

405-2	Ratio of basic salary and remuneration of women vs. men	5.1 Our people
GRI 406 (2016 version): Non-discrimination		
406-1	Incidents of discrimination and corrective measures taken	5.1 Our people
Responsible management and employee welfare		
GRI 3 (version 2021): Material topics		
3-3	Management of material topics	5.1 Our people
GRI 401 (2016 version): Employment		
401-2	Benefits for full-time employees that are not available to fixed-term or part-time employees	5.1 Our people
Involvement and support of local communities		
GRI 3 (version 2021): Material topics		
3-3	Management of material topics	8. Supporting local communities
KPI: ratio of the economic value of donations to local communities to the organisation's turnover		
PRODUCT		
Safety, product quality and customer satisfaction		
GRI 3 (version 2021): Material topics		
3-3	Management of material topics	6.1 The focus on quality
GRI 416 (2016 version): Customer Health and Safety		
416-2	Incidents of non-compliance with health and safety impacts of products and services	6.1 The focus on quality
GRI 417 (2016 version): Marketing and labelling		
417-2	Incidents of non-compliance with regard to information and labelling of products and services	6.1 The focus on quality
Research, development, innovation and product sustainability		
GRI 3 (version 2021): Material topics		
3-3	Management of material topics	6.2 Carvico's commitment to Research and Development
KPI: number of patents		
GOVERNANCE, ETHICS AND SUPPLY CHAIN		
Responsible supply chain management		
GRI 3 (version 2021): Material topics		
3-3	Management of material topics	7. The Value Chain
GRI 204 (2016 version): Purchasing practices		
204-1	Proportion of spending on local suppliers	7. The Value Chain
Business ethics and integrity		
GRI 3 (version 2021): Material topics		
3-3	Management of material topics	3.1 Ethics and governance
GRI 205 (2016 version): Anti-corruption		
205-3	Established incidents of corruption and actions taken	3.1 Ethics and governance
GRI 206 (2016 version): Anti-competitive behaviour		
206-1	Actions for anti-competitive behaviour, antitrust and monopolistic practices	3.1 Ethics and governance

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Sustainability Report 2023