

# THE THREAD BETWEEN US

BONDS THAT BUILD VALUE, DAY AFTER DAY

Sustainability Report 2024 - C. Tessile S.p.A.

CANCLINI  
1925  
CREATING TOGETHER SIDE BY SIDE

**The Thread Between Us**

Bonds that build value,  
day after day

Sustainability Report 2024 - C. Tessile S.p.A.

**Index**

<b>1 Letter from the Chairman</b>	4
<b>2 VALUE CREATION AND ESG PERFORMANCE</b> Results, actions and impacts on business development	7
<b>3. IDENTITY, STRUCTURE AND STRATEGIC ORIENTATION</b> From industrial history to strategic vision	13
3.1 CORPORATE STRUCTURE AND REPORTING SCOPE	16
3.2 HISTORICAL BACKGROUND AND STRATEGIC ORIENTATION	18
3.3 BUSINESS MODEL AND COMMERCIAL OFFERING	20
3.4 TARGET MARKET	22
3.5 ECONOMIC VALUE GENERATED AND DISTRIBUTED	25
3.5.1 Economic performance and investments	26
<b>4. SUSTAINABILITY AS A STRATEGIC CHOICE</b> Systemic approach to environmental, social and governance management	27
4.1 MATERIALITY ANALYSIS	32
<b>5. GOVERNANCE: TRANSPARENCY, COMPLIANCE AND RISK MANAGEMENT</b> Responsible decisions and long-term strategic vision	35
5.1 POLICY AND MANAGEMENT MODEL	38
5.2 COMPLIANCE AND TRANSPARENCY	41
<b>6. ENVIRONMENTAL MANAGEMENT AND SUSTAINABLE INNOVATION</b> Resource efficiency and product safety	43
6.1 POLICY AND MANAGEMENT MODEL	46
6.2 ENERGY AND EMISSIONS	48
6.3 PROCUREMENT STRATEGY AND SELECTION OF RAW MATERIALS	54
6.3.1 Traceability of raw materials	55
6.3.2 Technical tests on the product	61
6.4 - ENVIRONMENTAL MANAGEMENT OF THE SUPPLY CHAIN	62
6.4.1 - Traceability and environmental criteria in supplier selection and monitoring processes	63
6.4.2 - Responsible management of chemicals throughout the supply chain	65
6.5 - CIRCULAR STRATEGIES AND WASTE MANAGEMENT	66
<b>7. SOCIAL RESPONSIBILITY AND HUMAN IMPACT</b> Cultivating well-being inside and outside the company	69
7.1 POLICY AND MANAGEMENT MODEL	72
7.2 OCCUPATIONAL HEALTH AND SAFETY OF WORKERS	74
7.3 EMPLOYEE WELL-BEING AND PROFESSIONAL DEVELOPMENT	76
7.4 "UN SORRISO IN PIÙ": 20 YEARS OF SOLIDARITY AND SOCIAL SUPPORT	78
<b>8 – METHODOLOGICAL NOTE</b>	82
8.1 REPORTING METHODOLOGY	82
8.2 MATERIALITY ANALYSIS OF ESG ISSUES	83
8.3 VERIFICATION AND VALIDATION	83
<b>9 – APPENDIX</b>	84
9.1 Summary of performance indicators	84
9.2 GRI correlation table	90

Dear Stakeholders,

With the publication of our second Sustainability Report, we continue a journey that, year after year, is becoming increasingly structured, informed and measurable. For C. Tessile S.p.A., this document represents an opportunity to reflect on the value of the choices we've made and the direction we intend to continue pursuing.

While the first Report marked the beginning of a fundamental process aimed at increasing the transparency of our commitments, this second edition demonstrates our desire to consolidate what we've accomplished, while strengthening the integration of sustainability principles into our corporate strategy and daily operational decisions.

The textile sector is currently undergoing major evolution, driven by the introduction of increasingly stringent regulations and a growing focus on environmental and social impacts throughout the supply chain. In this context, C. Tessile S.p.A. has chosen to tackle these changes with a structured and proactive approach. The company has therefore strengthened its monitoring, traceability and control tools, promoting an operating model focused on quality, product durability and resource optimisation. With this in mind, our ESG office has become fully operational, working methodically and expertly to support the company in responding to current and future challenges, including those related to the evolving European regulatory framework.

During the year, due diligence was also introduced for GOTS-certified items, with the intention of gradually extending traceability activities to other products and thus further strengthening transparency and control throughout the supply chain.

A particularly significant strategic step was also taken in terms of verticalisation of the supply chain, thanks to the acquisition of Spoerry, a historic Swiss yarn manufacturer recognised internationally for the excellence of its products. This addition allows C. Tessile S.p.A. to extend its direct control over a key phase of the production process, further strengthening the quality, traceability and reliability of our value chain.

At the same time, numerous measures were implemented to improve efficiency and resource management, continuing the upgrading process launched last year. Specifically, the air conditioning system in the offices was replaced, with the aim of increasing energy efficiency.

A further step was taken by relocating the yarn warehouse to the Cerro Maggiore site, within a modern and efficient facility designed to optimise operational management and contribute to reducing energy consumption and environmental impacts.

Furthermore, the company car fleet was partially renewed by replacing two traditional vehicles with hybrid versions, promoting mobility with a lower environmental impact.

This second Sustainability Report does not represent an end point, but rather an intermediate step in a process of continuous improvement. We are ready to face the challenges responsibly, aware that only through a structured and shared approach can we build a solid and lasting future. I would like to thank all the people who contribute every day to the growth of C. Tessile S.p.A. with their work, as well as our customers, partners and suppliers who accompany us on this journey. We intend to continue strengthening dialogue and transparency on sustainability issues, by engaging all our stakeholders more actively.

We are convinced that sustainability is a concrete responsibility and an essential element for the continuity and development of our company. It is on these values that we will continue to build, with determination, the future of C. Tessile S.p.A..



Simone Canclini  
CEO C. Tessile S.p.A.



## 2 VALUE CREATION AND ESG PERFORMANCE

---

Results, actions and impacts on business  
development

GRI 2-22

In 2024, C. Tessile further consolidated its focus on informed and transparent development, maintaining a long-term strategic vision based on innovation and the strengthening of a solid and competitive corporate structure capable of creating shared value for all stakeholders.

The following section provides a summary of the results achieved in 2024, highlighting the key ESG characteristics of the projects and individual topics covered.

## ESG RESULTS 2024

### Governance Compliance and transparency

100%

Of reporting locations monitored for corruption risk

0

Whistleblowing reports

## GOTS 7.0

Implementation of a due diligence<sup>1</sup> process for GOTS<sup>1</sup> 7.0 certification



<sup>1</sup> Due diligence was introduced in 2024, with random suppliers being selected for analysis; it was then expanded the following year.

**Environment**  
Energy and emissions

50.9%

Electricity from renewable sources (40.2% purchased and 10.7% self-generated from photovoltaic panels)



Investments to reduce energy consumption (LEDs, changes to the logistics structure with the lease of the Cerro Maggiore warehouse)

**Social**

**Occupational health and safety**

100%

Of staff covered by a certified Health and Safety Management System



Personalised risk assessment by department and area

**Materials e packaging**



GOTS, GRS, OCS, OEKO-TEX, Supima and Better Cotton certified materials.

+11.78%

Cotton fibre sourced from Organic Cotton Colours (organic, from regenerative practices and naturally grown in colours)

+290%

Kg of certified materials sold, via Transaction Certificate, compared to the previous year



Innovative portfolio: nettle, hemp, bamboo and crabyon viscose



Active reporting system with QR codes and direct channels



Accident and near miss analysis integrated into the Risk Assessment Document with improvement plans

**Supply chain performance**

100%

ZDHC-compliant yarn dye houses

100%

Italian wet-process suppliers visited on-site annually

80%

GOTS-certified suppliers and sub-suppliers undergo due diligence

100%

Certified cotton suppliers traceable to the region of origin (21.19% certified cotton purchases are traceable)

**Employee well-being and professional development**

69.9%

Employees on a permanent contract

40%

Female representation on the Board of Directors



Flexible return-to-work model following parental leave active in Hungary



Dedicated company accommodation for foreign workers (for C. Tessile KFT)

**Circular strategies and waste management**

0%

Warehouse stock



Up to 90 kg/hour of textile waste recycled.



Circular start-ups supported ARTKNIT, ALGALIFE e altre

Research and innovation projects: Re-polar project and traceability project with Tintoria Emiliana

**Charitable projects**



Active collaboration with associations for the charitable reuse of textile waste

59.02%

Sea Island fibre purchased, whose trade is managed by a charitable association that protects the local community

**Attività Activities of the "Un Sorriso in Più" Association**

2.000+

Elderly people reached each year

50

Young people reached each year

100

Volunteers continuously active for almost 20 years

400

Participating nursing homes nationwide



### 3 IDENTITY, STRUCTURE AND STRATEGIC ORIENTATION

Dalla storia industriale alla visione strategica

GRI 2-28; GRI 3-3

### 3.5 ECONOMIC VALUE GENERATED AND DISTRIBUTED

The company's capacity to generate long-term economic value, ensuring operational continuity, financial strength, and stable relationships throughout the value chain.

#### Impact Risk and Opportunity

Type of impact	Impact	Actual / Potential	Time horizon of impact	Risk	Materiality	Opportunities	Materiality
<b>Economic sustainability</b>							
<b>Positive</b>	Operational continuity and economic soundness contribute to employment stability and employees' economic security, while also fostering reliable business relationships and regular payments throughout the value chain. This strengthens trust-based relationships with economic and institutional stakeholders and supports the economic stability of the territories in which the company operates, through the continuity of its production activities.	Potential	Long-term	A reduction in revenues resulting from the loss of customers or commercial contracts, and an increase in operating costs due to managerial inefficiencies or the need to replace strategic suppliers. A deterioration in perceived financial soundness may also make access to financing more difficult, with potential adverse effects on cash flow management, the ability to meet contractual obligations, and the company's competitiveness.	<b>Significant</b>	Strengthening of business relationships and trust from customers and partners, with potential revenue growth and consolidation of competitive positioning. Greater economic soundness may also facilitate access to more favourable credit conditions, more efficient operational planning, and increased investment capacity in innovation, leading to the development of new products and improvements in production processes.	<b>Important</b>
<b>Negative</b>	Instabilità economica o difficoltà finanziarie che possono tradursi in maggiore incertezza occupazionale per i dipendenti e in criticità lungo la filiera, come riduzione dei volumi produttivi, ritardi nei pagamenti o interruzione dei rapporti commerciali con fornitori e partner. Tali dinamiche possono inoltre indebolire le relazioni di fiducia con gli stakeholder.	Potential	Long-term				

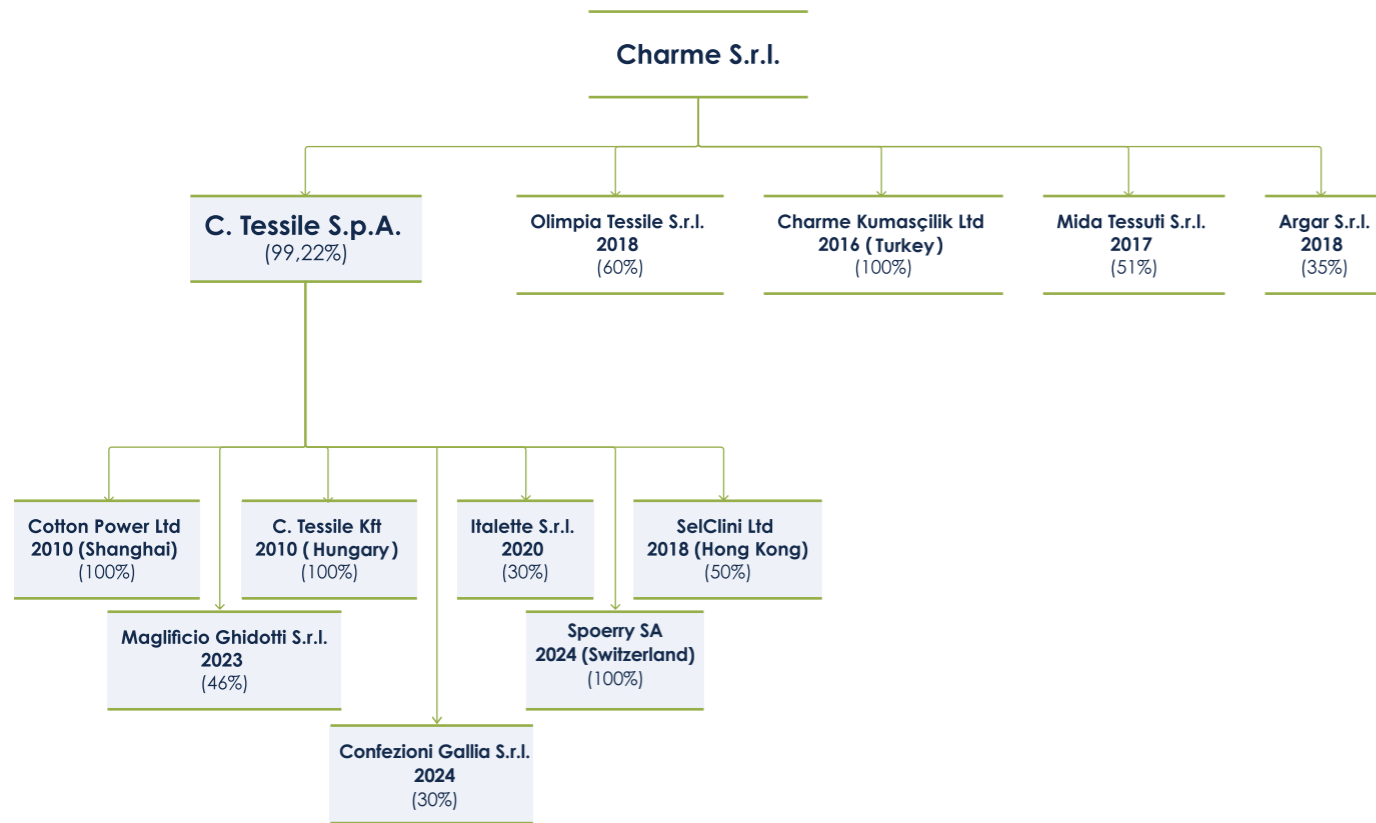
# Corporate structure and reporting scope

## 3.1

GRI 2-1; GRI 2-2  
GRI 2-6

### Group profile

C. Tessile S.p.A. operates in the textile sector as an industrial group organised throughout various stages of the production chain, from fibre procurement to finished fabric production. It is the Group's main operating hub and is headquartered in Guanzate (Como). The parent company is Charme S.r.l., which holds 99.22% of the share capital of C. Tessile S.p.A.. This Report covers the activities of C. Tessile S.p.A. (Guanzate, Lurate Caccivio, Cerro Maggiore and Cameri) and the foreign company C. Tessile KFT, based in Szentgotthard, Hungary. Any specific limitations or exclusions are described in detail in the dedicated sections.



## Group corporate structure

A general overview of the Group is provided below. The Group's companies operate in specialised and complementary areas of the textile industry. Over time, through acquisitions and expansion of the brand portfolio, this led to the establishment of C. Tessile S.p.A., now the main operating point, together with its Hungarian subsidiary.

### C. Tessile S.p.A.

The Group's flagship company, focused on the production of high-quality fabrics for luxury shirts. The Guanzate site houses the management functions, fabric quality control, sample warehouse and sales outlet for custom-made shirt fabrics.

### C. Tessile KFT (Ungheria)

A Hungarian company that produces C. Tessile S.p.A.'s unbleached fabrics, which are then sent to Italy for quality control (at the Guanzate site), dyeing and finishing by qualified sub-suppliers.

### Cotton Power Ltd. (Shanghai) Changzhou Como Ltd

The former is a trading company that resells C. Tessile S.p.A. fabrics on the Chinese market. The latter is its subsidiary that mainly deals with fabric printing.

### SeiClini Ltd. (Hong Kong)

A company that supplies shirts for the US market.

### Italette S.r.l.

A company specialising in the production and marketing of fabrics for home furnishings (cushions, curtains and home textiles).

### Maglificio Ghidotti S.r.l.

A company specialising in the production of knitted fabrics for various applications.

### Confezioni Gallia S.r.l.

Artisan shirtmakers since 1958, producing luxury Made in Italy shirts for international fashion houses, combining sartorial tradition and innovation.

### Spoerry AG

A Swiss company specialising in yarn trading. It has been internationally recognised for six generations for the quality of its products and the careful selection and management of raw materials.

### Olimpia Tessile S.r.l.

A converter specialising in the design and marketing of silk fabrics.

### Charme Kumascilik Ltd

A Turkish trading company that sells fabrics on the local market.

### Mida Tessuti S.r.l.

A company active in the production and distribution of high-end knitted fabrics for underwear and clothing.

### Argar S.r.l.

A company specialising in certified knitted fabrics for protective, technical and sports garments.

## Operational structure and logistics

C. Tessile S.p.A.'s network of locations reflects a structured and well-organised logistics network, enabling it to meet market needs:

Warehouses: Tradate, Lurate Caccivio and Cerro Maggiore.

Commercial offices: Guanzate, Bergamo, Cameri.

Production sites: Cameri and Szentgotthard (Hungary)

The Group's governance is organised to ensure coordinated and unified management of strategic and operational activities, with shared responsibilities across the various companies.

# Historical background and strategic orientation

## 3.2

### History

The Canclini company was founded in 1925 by Giuseppe Canclini, a young textile machinery specialist. At just twenty-five years old, he started a business at the heart of the silk district in Como, Italy, initially focusing on the production of silk fabrics for women's lingerie. From the outset, the company was known for its meticulous selection of raw materials and integrated approach to the supply chain, with pioneering silkworm breeding research initiatives in South America and Southern Italy. During the Second World War, the company demonstrated great flexibility, converting production to technical silk fabrics for parachutes. After the war, when sons Vittorio and Giancarlo joined the company, the product range was diversified to include scarves, jacquard dressing gowns and, later, silk shirt fabrics.

This enabled the company to expand into foreign markets, including Germany, France and Denmark.

The strategic turning point came in the 1970s, when Canclini chose to phase out silk production to focus on high-end cotton shirts. This forward-looking and unconventional decision was in contrast to the area's silk-making tradition, marking the beginning of a new phase of international expansion. In the 1990s, with the entry of the third generation - Simone and Mauro Canclini - the company embarked on a modernisation and digitalisation process that helped to consolidate the brand's global presence.

Today, Canclini is synonymous with textile excellence, boasting a sales network active in over 100 countries and an identity built on a balance between tradition and innovation.

### Guiding principles

The set of corporate values defines the ethical and cultural framework within which the Group's strategy, decision-making processes and operating practices are developed, always keeping people at the centre of its strategic choices.

The following are the founding principles of C. Tessile:

- **Artisanal approach:**  
Seen as the desire to pursue the highest quality at every stage of the production process. This approach is a distinctive trait of the Group and is expressed in the development of skills, a heritage that is continuously transmitted, updated and enriched.
- **Resilience:**  
The ability to cope with periods of change and disruption, transforming them into opportunities for growth.
- **Adaptability:**  
The company bases its business on a realistic vision, which allows it to plan targeted investments and pursue a path of solid and lasting development.
- **Customer relations:**  
For C. Tessile, this is not limited to purely commercial relationships, but is based on building bonds of mutual trust. Active listening and the ability to offer customised solutions are essential tools for supporting customers on a path of shared growth.
- **Respect for work and people:**  
A cornerstone of the company philosophy. The Group promotes well-being within the organisation by investing in skills development, workplace safety and the enhancement of individual contributions, in the belief that the company's growth is closely linked to that of its people.
- **Responsibility towards the local area and communities:**  
This commitment takes the form of ongoing and tangible social initiatives aimed at supporting social cohesion, creating shared value and strengthening the Group's historic bond with the local areas in which it operates.

#### Key stages

1925

founding and launch of silk production

1940

conversion to silk parachute

1975

strategic shift towards shirting cotton

1990

internationalisation and generational transition

2010

establishment C. Tessile S.p.A.

2020

integration of sustainable practices, digitalisation and the circular economy

2024

acquisition of Spoerry AG; confezioni Gallia S.r.l.

# Business model and commercial offering

## 3.3

GRI 2-6

C. Tessile's portfolio is divided into seven distinct brands, each characterised by a precise positioning and its own stylistic identity, capable of meeting diversified market needs:



### Canclini1925

This is the historic brand dedicated to luxury shirts, with an offer that ranges from classic cotton fabrics, plain or patterned, to high-performance technical solutions. The brand produces the items in its collection with yarns having a low environmental impact, such as GOTS and OCS certified organic or recycled yarns. The brand also offers items in flannel, linen and other materials.



### Canclini Per Lei

The brand aimed at the women's segment. The fabrics are lightweight, soft and high-quality. The offer is available in the essential black and whites, designed with exclusive finishes.



### Grandi & Rubinelli

This brand combines tradition and expertise with modern technology and systems, standing out for the high quality of its Made in Italy shirting fabrics.



### Blue1925

The Group's brand dedicated to denim and casual fabrics, designed for informal and everyday wear, featuring extensive customisation options.



### Profilo Tessile

Created through collaboration between designers and sales professionals, it offers a wide range of shirting fabrics, designed to anticipate and predict market changes and new trends.



### Hausammann+Moos

A historic Swiss brand with over two centuries of experience. It offers high-quality fabrics for the creation of a variety of garments: suits, trousers, shirts and dresses, combining high-level production skills and continuous research into materials and finishes.



### Spoerry

The Spoerry brand was acquired in 2024. The brand has been marketing and processing yarn and fibre for over 150 years, maintaining high standards of quality and innovation recognised worldwide.

## Commercial offer

C. Tessile's commercial offer is divided (as in 2023) into three main collections, each designed to meet specific market needs:

### Seasonal collections

Introducing new fabrics in line with trends and customer demands, integrating innovative workmanship. Two collections are produced each year: Autumn/Winter and Spring/Summer.

### Continuous collections

These include classic fabrics and remain in stock in various combinations of colour, pattern and weave. They are packaged in two box sets and a **seasonal box** renewed every six months.

### Exclusive collections

These include fabrics custom-developed in collaboration with brands, through a co-creation process, to express the identity, tastes and uniqueness of the brands. The development of these fabrics combines the customer's ideas with the quality of C. Tessile fabrics, synergistically combining the professional expertise of both parties.



# Target market

3.4

GRI 2-1; GRI 2-6

## International positioning

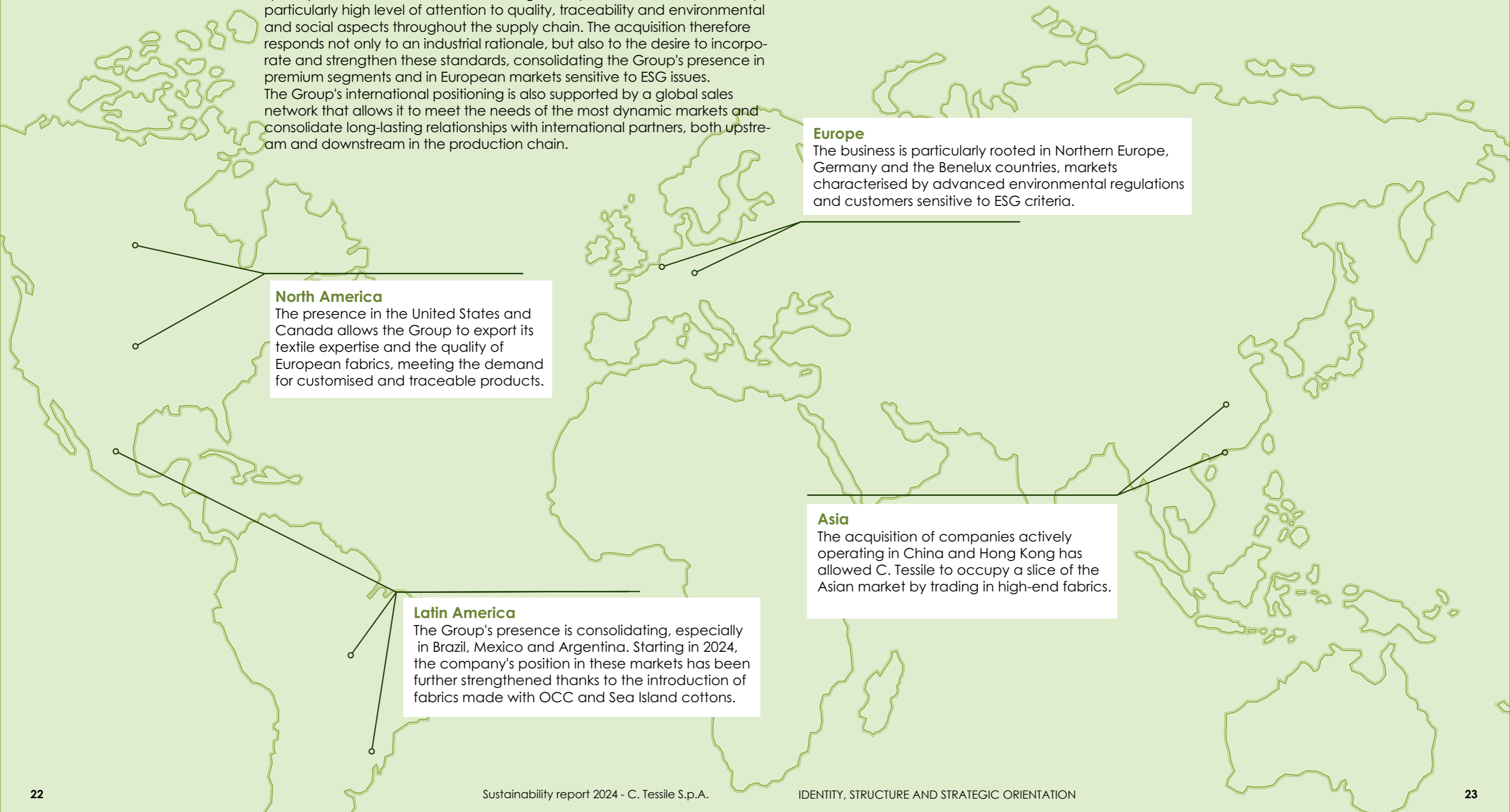
C. Textile operates globally, working mainly with luxury fashion brands. The evolution of the company's fabrics has enabled it to respond promptly to customer needs while maintaining consistent material quality. Over time, the business has gradually expanded to include new specialties, such as piece-dyeing, denim and knitwear, expanding its market presence and supplementing its core skills with complementary textile knowledge. The company's verticalisation and specialisation culminated in the acquisition of the Spoerry brand and the start-up of Spoerry AG in Switzerland. These operations were aimed at integrating a distinctive wealth of skills, relationships and market positioning within the Group. Spoerry's core customers, focused on high-end yarns, are characterised by a particularly high level of attention to quality, traceability and environmental and social aspects throughout the supply chain. The acquisition therefore responds not only to an industrial rationale, but also to the desire to incorporate and strengthen these standards, consolidating the Group's presence in premium segments and in European markets sensitive to ESG issues. The Group's international positioning is also supported by a global sales network that allows it to meet the needs of the most dynamic markets and consolidate long-lasting relationships with international partners, both upstream and downstream in the production chain.

## Strategic market management

Benchmarking against markets with high ESG maturity, particularly that of Northern Europe, stimulates continuous improvement in both products and business processes. This takes the form of:

- ESG reporting, control and monitoring;
- a careful selection of raw materials (GOTS, OCS, BCI, GRS and Supima);
- investments in low-impact production processes and technologies;
- more conscious use of digital traceability tools (e.g. Supima and BCI platforms);

The company operates globally, consolidating commercial relationships with customers and suppliers in major international markets.



### North America

The presence in the United States and Canada allows the Group to export its textile expertise and the quality of European fabrics, meeting the demand for customised and traceable products.

### Europe

The business is particularly rooted in Northern Europe, Germany and the Benelux countries, markets characterised by advanced environmental regulations and customers sensitive to ESG criteria.

### Latin America

The Group's presence is consolidating, especially in Brazil, Mexico and Argentina. Starting in 2024, the company's position in these markets has been further strengthened thanks to the introduction of fabrics made with OCC and Sea Island cottons.

### Asia

The acquisition of companies actively operating in China and Hong Kong has allowed C. Tessile to occupy a slice of the Asian market by trading in high-end fabrics.

## Economic value generated and distributed

### Customers and key sectors

In 2024, C. Tessile worked with over 1,400 customers worldwide. The company maintains relationships with a wide range of stakeholders throughout the fashion supply chain:

- spinners of the highest-quality raw materials;
- international luxury brands;
- bespoke tailoring and shirt-making;
- specialised clothing manufacturers;
- denimwear and technical knitwear manufacturers.

C. Tessile has a diverse customer base and offers a wide portfolio of fabrics and solutions that can be customised to meet customer needs; it is committed to using raw materials that meet high-quality standards.

### "On-demand" sustainability: co-design and strategic partnerships

C. Tessile's philosophy, "creating together side by side", embodies the company's desire to work and create its fabrics through continuous dialogue with its customers. Co-designing products is the foundation of the collaborative model that characterises the Group's vision. The collections are the result of active discussion, with the aim of offering solutions aligned with the aesthetic and environmental values of partner brands, highly customised and supported by certified traceability and transparency throughout the supply chain.

The collaboration between company and brand also encourages the integration of innovations and materials with reduced environmental impact at every stage: from design to production and distribution. At C. Tessile, we talk about "sustainability on demand", emphasising that collaboration takes account of ESG issues and aims to reduce waste and improve performance.

As part of this collaborative approach, we strive to highlight the possibility of using certified yarns that meet specific environmental and social requirements.



### 3.5

GRI 201-1

C. Tessile considers monitoring economic performance a key indicator of its ability to drive development throughout the textile supply chain in which it operates. The company's approach is based on conscious resource management and processes geared towards production excellence, which aim to generate tangible benefits not only for the company but also for all stakeholders involved.

In this way, the company creates benefits for employees, suppliers, business partners and local communities, guaranteeing employment, investment and economic returns. It also maximises the positive impact of its business activities and fosters the development of the communities in which the Group operates. This approach strengthens the company's financial and reputational strength globally.

Reporting on the economic value generated and distributed makes it possible to monitor these impacts, strengthen transparency and support corporate decisions geared toward long-lasting and shared development.

	C.TESSILE	KFT	Elimination	TOTAL
				€ (thousands)
<b>Economic value generated</b>	<b>31.259</b>	<b>4.062</b>	<b>- 4.050</b>	<b>31.271</b>
Value of production	31.074	4.062	- 4.050	31.086
Income from shareholdings				
Other financial income	185			185
Extraordinary income				
<b>Distributed economic value</b>	<b>29.951</b>	<b>3.909</b>	<b>- 4.363</b>	<b>29.497</b>
<b>Operating costs</b>	<b>24.785</b>	<b>1.694</b>	<b>- 4.363</b>	<b>22.116</b>
Raw material costs	10.791			10.791
Costs for service	13.273	1.125	- 4.041	10.357
Costs for use of third-party assets	517	218	- 40	695
Changes in raw materials inventories	27			27
Other operating expenses (net of taxes)	177	351	- 282	246
Extraordinary expenses				
<b>Value distributed to employees</b>	<b>4.584</b>	<b>2.131</b>	<b>-</b>	<b>6.715</b>
Personnel costs	4.584	2.131	0	6.715
<b>Value distributed to capital providers</b>	<b>218</b>	<b>2</b>	<b>-</b>	<b>220</b>
Interest and other financial charges	218	2		220
<b>Value distributed to P.A.</b>	<b>321</b>	<b>82</b>	<b>-</b>	<b>403</b>
Income taxes (current and prepaid)	225	82	0	307
Sundry operating expenses (only the value of taxes)	96		0	96
<b>Value Distributed to Shareholders</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
Dividends distributed	-			
<b>Value distributed to the community</b>	<b>43</b>	<b>-</b>	<b>-</b>	<b>43</b>
Donations	18		0	18
Sponsorships				
Membership contributions	25		0	25
Economic value retained				
Profit (or loss) for the year (net of dividends)				
Depreciation / Provisions / Write-downs / Revaluations				
Deferred Taxes				

In 2024, the total economic value distributed by C. Tessile exceeded €29 million. This value is broken down as follows:

- approximately €22 million allocated to suppliers;
- approximately €6.7 million paid to employees;
- approximately €0.2 million paid to lenders;
- approximately €0.4 million paid to the Public Administration;
- approximately €0.043 million allocated to local communities.

# Economic performance and investments

## 3.5.1

GRI 201-1

The company's development prospects and sustainability investments are supported by solid revenue performance and a structured investment policy, reflecting a long-term industrial strategy focused on creating value in its core market segments.

The financial year 2024 ended with a net profit of €362,709, up from 2023, reflecting prudent economic management.

Overall, 2024 confirmed the soundness of the operations, enabling the generation of positive cash flows and the maintenance of a level of investment consistent with the company's development and sustainable transition objectives.

Financial resources were allocated to the following areas:



561.266 €

Tangible investments  
of which €294,174  
in energy efficiency



223.685 €

Intangible investments



10.144 €

Training investments

The slight decrease in liquidity, as highlighted in the Cash Flow Statement, is primarily attributable to the repayment of loans to third parties and investments made during the year.

In 2024, C. Tessile's operating scope expanded with the introduction of a new division dedicated to the production of high-quality yarns, developed through the acquisition of the historic Spoerry brand, specialising in natural fibres. This division generated a turnover of €1,501,199 during the year.

At the end of 2024, the Canclini Group had 1,470 active customers worldwide. Although the figure is slightly down on last year, the number of customers confirms the solidity of the Group's positioning and its continued presence in the main reference markets.

# 4 SUSTAINABILITY AS A STRATEGIC CHOICE

systemic approach to environmental, social  
and governance management

GRI 2-9; GRI 2-12; GRI 2-13;  
GRI 2-22; GRI 2-23; GRI 2-24;  
GRI 2-25

C. Tessile's strategic and decision-making choices regarding ESG issues are integrated into its business processes as a core value. The company consciously monitors and analyses environmental, social and governance impacts, adopting concrete tools to generate long-term value.

C. Tessile's approach to sustainability can be encapsulated in the group's philosophy: "Creating together side by side". This concept encompasses the relationship with customers and other key stakeholders - collaborators, suppliers and communities - and guides the company's day-to-day actions, both in developing strategies and in monitoring and managing internal data. During 2024, the strong connection between the company's values and ESG topics was realised through actions such as the introduction of a digitalised raw material traceability system, the introduction of due diligence on certified suppliers and the implementation of prevention, training and social inclusion tools.

The following section illustrates C. Tessile's approach to sustainability, differentiating the main actions, strategies and material topics divided into the three ESG pillars: Governance, Environment and Social. Any technical details and related quantitative data are provided in the sections dedicated to governance, environmental and social issues, respectively.



## Corporate governance: stakeholder engagement and transparency

The concept of "side by side" applied to governance is embodied in the adoption of a model based on the active engagement of stakeholders in decisions that guide the company. The fundamental values that characterise this model are transparency, integrity and a long-term strategic vision.

From a practical standpoint, C. Tessile's governance is actively monitored through the 231 Model, the whistleblowing system and compliance with European privacy and security regulations (GDPR).

To meet market demands and proactively address regulatory changes, C. Tessile has set-up an internal ESG office in 2024 to monitor and analyse the data collected. The

office is responsible for managing requests from external stakeholders regarding ESG issues, as well as defining, implementing and monitoring strategies with the aim of fostering a systematic and professional approach.

The team consists of three specialised individuals with cross-disciplinary skills, capable of ensuring timely monitoring of ESG issues and the growing requests from external stakeholders.



## Environmental commitment: innovation and traceability throughout the value chain

In terms of the environment, the “side by side” concept also translates into ongoing collaboration with suppliers, customers and technology partners to innovate products, improve supply chain transparency and reduce the environmental impact associated with the company's activities.

For this reason, in 2024, the company introduced a register for tracing materials back to the country of origin of the raw materials. To ensure greater control of the supply chain, a GOTS due diligence system for certified suppliers and subcontractors was also introduced.

The new developments for 2024 include, notably, the collaboration with Organic Cotton Colours, an association active in Latin America in the regenerative cultivation of naturally coloured cotton.

## Social commitment: caring for people and responsible management of supply chain relationships

Similarly, to the other two pillars, the “side by side” principle in social responsibility is embodied in building strong relationships with and caring for stakeholders.

The company places a particular emphasis on protecting the well-being of its employees and collaborators, as well as respecting human rights throughout the entire supply chain, complementing these commitments with initiatives that benefit local communities.

In this regard, through the acquisition of Spoerry, C. Tessile became one of the processors of Sea Island cotton fibre, one of the finest in the world, pledging to contribute to the livelihood of the families who cultivate it.

The most representative initiative in this field is the **Un Sorriso in Più** Association, which will celebrate its twentieth anniversary in 2024. The organisation works with the elderly and with vulnerable children, offering emotional and relational support, and is one of the cornerstones of C. Tessile's social commitment.

With regard to the supply chain, C. Tessile promotes informed supplier selection, favouring partners that operate in compliance with human rights and workplace health and safety standards, based on the geographic area and certifications held by collaborating companies.

Suppliers are subject to periodic monitoring and assessments, with the possibility of terminating the contractual relationship if it ascertains any substantial violations of workers' rights or the required standards.



In 2024, a **GOTS Due Diligence** system was also introduced, which the company applied to suppliers and subcontractors certified according to the standard. To strengthen its monitoring throughout the supply chain, C. Tessile is committed to gradually expanding the scope of this activity, with the aim of including an ever-increasing number of suppliers and subcontractors. This system represents an essential tool for ensuring direct verification, through on-site visits, of compliance with the main ESG requirements by the companies with which C. Tessile collaborates.

# Materiality analysis

## 4.1

GRI 2-29; GRI 3-1;  
GRI 3-2

To prepare its 2024 Sustainability Report, C. Tessile decided to submit a new materiality questionnaire to its employees and to the major suppliers, customers and banks with which it works. Compared to last year, a greater number of external collaborators were involved. Furthermore, the questionnaire was revised, using simpler and more understandable language, following an employee engagement process that provided useful feedback for improving the data collection process.

The analysis aimed to:

- continue mapping the topics identified last year and add new ones that emerged from the new questionnaire;
- clearly monitor and map the company's major ESG risks, impacts and opportunities;
- further strengthen dialogue and transparency with stakeholders, continuing the engagement process begun last year.

The analysis allowed for the identification of the topics deemed most relevant by the main stakeholders, namely those that could have a significant impact on the company's activities and strategies. The methodology used to conduct the assessment is illustrated below.

## Analysis process

The company reviewed and validated the following analyses conducted for the previous Report:

- analysis of industry ESG trends,
- comparative analysis of main competitors,
- assessment of the main impacts, risks and opportunities related to sustainability issues.

In drafting this document, regulatory developments were also taken into account, particularly the Corporate Sustainability Reporting Directive (CSRD).

## Material topics identified

The sustainability questionnaire submitted to stakeholders is structured to ask clear questions on all topics potentially material to the company. Responses require a score of between 1 and 10, corresponding to the respondent's level of materiality. The reporting threshold was 8.48. In addition to the topics reported in the previous year, additional material topics were included, emerging from the updated materiality questionnaire and the expansion of the stakeholder engagement process.

The material topics that emerged from this year's stakeholder engagement are:

- Compliance with laws and regulations,
- Procurement practices,
- Product safety,
- Anti-corruption,
- Energy consumption and efficiency,
- Transparency and clarity of customer communications,
- Economic sustainability,
- Supplier social assessment,
- Supply chain management,
- Marketing and labelling,
- Customer health and safety.

In addition to these, additional topics that emerged as material from market trend analyses were included:

- Chemicals,
- Occupational health and safety,
- Respect for human rights,
- Raw materials, materials, and packaging,
- Emissions.

This analysis made it possible to identify the Group's main areas of concern, to continue reporting on ESG aspects deemed material internally and externally, and to refine data collection and monitoring techniques to reduce operational and reputational risks.

## Future outlook

The materiality analysis is likely to undergo further changes to improve its precision and accuracy in identifying topics material to the company. To this end, C. Tessile is committed to:

- gradually extending the involvement of external stakeholders: expanding the sample of customers and suppliers participating in the materiality analysis, as well as those subject to inspections;
- strengthening internal monitoring of material topics: ensuring timely data collection on topics identified as material, with ongoing monitoring over time;
- regularly updating the analysis in response to changes in the operational and regulatory context.

Updating the methodological tools used allows C. Tessile to adapt and develop its ESG strategies through a proactive response to changes in the socioeconomic and regulatory context in which the company operates.



## 5 GOVERNANCE: TRANSPARENCY, COMPLIANCE AND RISK MANAGEMENT

Responsible decisions and long-term strategic vision

GRI 2-10; GRI 2-11; GRI 2-12; GRI 2-13;  
GRI 2-14; GRI 2-15; GRI 2-16; GRI 2-17

## Table - Material Topics, Impacts and Risks

GRI 2-25

### Impacts

Type of impact	Impact	Actual / Potential	Actions to mitigate the negative impact (see relevant section)	Time horizon of impact
<b>Compliance with laws and regulations</b>				
<b>Positive</b>	Implementation of an active compliance system (e.g. Model 231, Code of Ethics, reporting channels) that contributes to the prevention of unlawful behaviour, the protection of workers' rights, and building transparent relationships with stakeholders, institutions and communities.	Actual	-	Medium term
<b>Negative</b>	Non-compliance with regulations and absence of systematic controls in activities outsourced to third parties, particularly in less stringent regulatory contexts, with possible negative effects on workers, local communities and the environment, such as rights violations, inadequate working conditions or pollution.	Potential	5.2	Long-term
<b>Anti-corruption</b>				
<b>Positive</b>	Positive Promoting a corporate culture based on integrity, resulting in relationships built on transparency with suppliers, partners and external stakeholders.	Actual	-	Short-term
<b>Negative</b>	Tolerance of or failure to control corrupt or non-transparent practices within the supply chain, which may contribute to the proliferation of unlawful or unethical conduct, with adverse effects on local communities, institutions and the working conditions of affected parties.	Potential	5.2	Long-term

### Risks and opportunities

Risk	Materiality	Opportunities	Materiality
<b>Compliance with laws and regulations</b>			
<b>Risk</b> Non-compliance with national and international regulations - Failure to comply with ESG regulations could lead to economic sanctions and access restrictions.	Critical	<b>Opportunities</b> - Improved corporate governance and greater transparency - Implementing a compliance management system and constantly monitoring regulations would ensure better compliance. It would strengthen competitive positioning and reduce legal risks.	Important
<b>Anti-corruption</b>			
<b>Risk</b> Risk of involvement in unlawful practices in the supply chain - The lack of an effective control system in dealings with suppliers and business partners may expose C. Tessile to corruption or unethical practices, with serious legal and reputational consequences. Furthermore, a lack of transparency in business operations could reduce C. Tessile's credibility among investors, clients and institutions, resulting in difficulties in accessing funding and establishing strategic partnerships.	Important	<b>Opportunities</b> - Adopting stringent anti-corruption policies (e.g. ISO 37001 certification); adopting policies in this area would enhance transparency and corporate governance, improve relations with stakeholders and investors, and increase the possibility of participating in public tenders and entering into agreements with multinational companies that require high compliance standards.	Important

## COMPLIANCE AND TRANSPARENCY

### 5.2 Transparency and clarity of customer communications

GRI 417-1  
GRI 417-2  
GRI 417-3

Accurate, clear, and verifiable communication of product characteristics, performance, and business practices.

### Impacts

Type of impact	Impact	Actual / Potential	Time horizon of impact
<b>Trasparenza e chiarezza delle comunicazioni al cliente</b>			
<b>Positive</b>	Transparent, accurate, and verifiable communication of product characteristics and business practices, contributing to the development of long-term trust-based relationships with customers. Greater clarity of information reduces the risk of misleading practices. Moreover, the availability of clear and verifiable information enables customers to make more informed choices, strengthening the company's credibility and reliability.	Actual	Long-term
<b>Negative</b>	Unclear, incomplete, or difficult-to-understand communication of product characteristics and business practices, which may limit customers' ability to access accurate and verifiable information. In such cases, the presence of excessive technical data, poorly structured information, or insufficiently explained content may make it difficult for customers to fully understand product characteristics and performance. This may reduce the ability to make truly informed and conscious decisions, with potential ethical implications related to the quality and transparency of information provided throughout the business relationship.	Potential	Long-term

### Risks and opportunities

Risk	Materiality	Opportunities	Materiality
<b>Risk</b> Risk of regulatory non-compliance and litigation related to inaccurate, incomplete, or misleading communications regarding product characteristics or business practices. Such situations may generate customer complaints, penalties, or reputational damage. Moreover, in a context where customers and stakeholders are increasingly attentive to corporate transparency and responsibility, any perception of insufficient clarity of information could undermine trust in the brand and drive customers towards competitors perceived as more reliable. Statements related to ESG matters that are not supported by verifiable evidence may also expose the company to media criticism or regulatory scrutiny.	Significant	<b>Opportunities</b> - Strengthening of brand reputation and positioning through clear and transparent communications - the development of structured systems for the collection, verification, and communication of information relating to products and business practices, based on reliable and verifiable data, would enhance customer trust and loyalty, particularly among consumers who are more attentive to quality, sustainability, and responsibility. This approach would also help reduce costs associated with complaints and litigation and improve internal process efficiency, generating economic benefits derived from greater competitiveness and more stable and long-term business relationships.	Significant

# Policy and management model

## 5.1

GRI 2-9; GRI 2-10; GRI 2-11;  
GRI 2-12; GRI 2-13; GRI 2-14;  
GRI 2-15; GRI 2-16; GRI 2-17;  
GRI 2-23; GRI 2-24; GRI 2-25;  
GRI 2-26; GRI 3-3; GRI 205-1;  
GRI 205-2

C. Tessile adopts a governance model aimed at ensuring transparency, compliance and risk management, through the integration of tools such as the Code of Ethics, the 231 Model, privacy procedures and supply chain monitoring processes.

The policies are constantly updated to align with international best practices and proactively respond to regulations and market needs.

The tools adopted to prevent corruption, ensure regulatory compliance and promote ethical and transparent management are consistent with those already outlined in the 2023 Report and consist of the following:

### Code of Ethics and Business Conduct

It defines the values and behaviours that C. Tessile undertakes to respect on matters such as regulatory compliance, privacy and prevention of corruption. It was revised in October with the addition of a due diligence section.

### Organisation, Management and Control Model (pursuant to Legislative Decree 231/2001)

It establishes internal procedures for the prevention of offences. The last revision was in 2021, but a further update is planned in 2025 and 2026.

### GDPR management system (compliant with Regulation EU 679/2016)

It protects personal data processed in company operations.

In addition to internal governance tools, over the year, C. Tessile strengthened its management system by introducing a due diligence process for GOTS-certified suppliers and subcontractors.

This tool extends the principles of accountability and compliance to the supply chain, ensuring structured control based on a risk monitoring and management system.

A further expansion of due diligence monitoring is planned for 2025, with the launch of inspections of major GOTS-certified Italian subcontractors. Starting in 2026, the company aims to include non-certified suppliers and subcontractors in the due diligence process, thus obtaining an increasingly comprehensive overview of the upstream supply chain and ensuring high standards of quality and transparency.

## Risk control and monitoring systems

A whistleblowing system has been operational since 2023, compliant with Directive (EU) 2019/1937 and accessible via the company website. This system, which has also been extended to the Hungarian subsidiary, allows employees and external stakeholders to report any violations while guaranteeing full anonymity, confidentiality and protection of personal data. No reports were received via the dedicated portal in 2024. The overall effectiveness of governance and compliance measures is monitored through:

- structured reporting on training provided;
- periodic reporting of whistleblowing reports;
- risk and opportunity analysis, conducted with the support of external consultants and focusing primarily on the material topics updated in the 2024 materiality analysis.

This approach demonstrates the gradual maturation of the corporate governance system and the commitment to aligning with international best practices in transparency, risk management and organisational accountability.

During 2024, C. Tessile further consolidated its compliance and internal control system, strengthening governance structures to support structured risk management, including ESG risks. In this context, the application of the Organisation, Management and Control Model pursuant to Legislative Decree 231/2001 continues. The Model is also expected to be updated in the two-year period 2025–2026, in line with the evolution of the regulatory and organisational context.



# Compliance and transparency

## 5.2

GRI 2-13; GRI 2-16; GRI 2-17;  
GRI 2-27; GRI 205-1; GRI 205-2;  
GRI 416-2; GRI 417-1; 417-2;  
GRI 417-3

### KEY INSIGHT

100%

Company sites included in the reporting scope (such as factories, warehouses or offices) monitored for corruption risk.

0

Reports received via the whistleblowing system.

C. Tessile is constantly committed to fighting corruption. This is achieved through:

- training its employees to instill awareness and the values of the corporate culture;
- monitoring reports received;
- periodic risk assessments conducted by qualified external professionals who prepare and submit a report to the company containing the results of the analysis.

To ensure constant alignment with the European regulatory framework, C. Tessile is committed to monitoring new regulations and their timing. In this way, the company responds proactively to the external environment, ensuring timely and consistent responses to market needs and legislative developments.

## Transparent communication

C. Tessile strengthens its commitment to informed, rigorous and transparent communication of sustainability data to customers, other external stakeholders and its employees. To this end, the company promotes precise and timely communication of ESG issues.

The data shared are verifiable and consistent with the level of monitoring implemented, which prioritises objective information and clear methodologies. Where quantitative data are unavailable or still being processed, the company uses, where possible, estimates based on documented calculation criteria, accompanied by a clear description of the methodologies adopted.

The goal is, over time, to progressively reduce the use of estimates in favour of increasingly timely, verifiable and evidence-based information. If these estimates are not applicable either, the unavailability of the requested information is explicitly stated.

To ensure the accuracy and reliability of the information disclosed, the company invests in training its relevant department members through webinars and external training courses, with the aim of increasing awareness and rigour in the management and communication of ESG data.

The same principle of transparency also guides the communication of ESG initiatives through institutional channels - including the website, brochures and dedicated information materials - with the aim of promoting dialogue with stakeholders marked by the consistency, clarity and reliability of the information disclosed.

With regard to marketing communications and the information and labelling of products and services, the company is open to transparent discussion on the data and information provided to customers or published on its channels. C. Tessile adopts a timely and collaborative approach to managing any non-compliance.



In 2024, a single case of marketing non-compliance was detected during one of the company's audits. The issue was promptly managed and resolved by the relevant personnel. With regard to information and labelling, no non-compliance was recorded.

The company systematically shares information regarding the composition of the fabrics, including percentages, height and care instructions. Additional data - such as origin, technical requirements, traceability and compliance with mandatory or voluntary standards - are provided at the customer's request, as this is specific information that may vary depending on the collection (summer/winter) and the type of fabric.

# 6 ENVIRONMENTAL MANAGEMENT AND SUSTAINABLE INNOVATION

Resource efficiency and product safety

Impacts

Type of impact	Impact	Actual / Potential	Actions to mitigate the negative impact (see relevant section)	Time horizon of impact
<b>Positive</b>	Strengthening quality and safety control measures throughout the product life cycle, with a direct effect on the protection of consumer health and well-being	Actual	-	Short-term
<b>Negative</b>	Insufficient oversight of safety and quality, which may lead to the release of non-compliant products, with potential negative effects on consumer health and trust in the company.	Potential	6.3.2	Short-term

Raw materials, materials and packaging

<b>Positive</b>	Reduction of pollution and environmental impact through the use of recycled, renewable or lower-impact materials that contribute to the protection of ecosystems and natural resources.	Potential	-	Long-term
<b>Negative</b>	Increased pollution and pressure on ecosystems caused by the use of materials that are not responsibly sourced or recycled or materials from high-impact supply chains.	Actual	6.3	Short-term

Energy and emissions

<b>Positive</b>	Contribution to climate change mitigation through energy efficiency measures and the use of renewable energy sources, which reduce greenhouse gas emissions associated with business activities.	Actual	-	Short-term
<b>Negative</b>	Increased greenhouse gas emissions and worsening of climate change resulting from the high consumption of energy from nonrenewable sources.	Actual	6.2	Short-term

Chemicals

<b>Positive</b>	Reduction of environmental and health impacts through the elimination or substitution of hazardous chemicals in production processes, with positive effects on ecosystems and human health.	Actual	-	Short-term
<b>Negative</b>	Environmental contamination and risks to human health from inadequate management or improper disposal of chemicals (e.g. glues, adhesives, crosslinkers and cleaners).	Potential	6.4.2	Short-term

Risks and opportunities

Risk	Materiality	Opportunities	Materiality
<b>Risk</b> Presence of harmful substances in products - The unintentional use of banned or inadequately controlled chemicals could compromise consumer health and lead to significant reputational damage, particularly given the increasing regulatory and public scrutiny concerning these matters.	<b>Important</b>	<b>Opportunity</b> - Investment in innovation for safe treatments - The adoption of innovative dyeing and finishing technologies, such as antibacterial treatments free from toxic substances and natural dyes, as well as waterless processes, could improve product safety and reduce the risk of chemical contamination, providing a competitive advantage.	<b>Important</b>
<b>Risk</b> Non-compliance with applicable safety standards and regulations - Failure to comply may result in product recalls, legal penalties and export restrictions.	<b>Important</b>		

Raw materials, materials and packaging

<b>Risk</b> Use of non-preferred materials with a high environmental and social impact - Failure to invest in preferred materials could cause C. Tessile to lose its competitive advantage and market share to competitors, as well as exposing the company to reputational damage, the loss of trust.	<b>Significant</b>	<b>Opportunities</b> - Investment in recycled and innovative materials - Investing in recycled fibres and preferred materials would allow C. Tessile to stay ahead of European regulations, enhance supply chain resilience and achieve a competitive advantage by reducing its environmental impact.	<b>Significant</b>
<b>Risk</b> Non-preferred packaging and non-compliance with European regulations - Failure to reduce the environmental impact of packaging may result in additional costs to comply with emerging EU directives, such as the Packaging and Packaging Waste Regulation.	<b>Significant</b>	<b>Opportunities</b> - Collaboration with innovative startups - Co-investing in innovative projects would secure high-quality materials for C. Tessile in the future.	<b>Significant</b>

Energy and emissions

<b>Risk</b> Failure to adopt a decarbonisation plan aligned with international standards (e.g. SBTi) - Failure to implement emission reduction strategies could increase operating costs (particularly if the carbon tax is extended to the textile sector) and restrict access to finance associated with the ecological transition.	<b>Important</b>	<b>Opportunities</b> - Use of renewable energy and efficient technologies - Investing in solar panels, innovative machinery and emissions monitoring technologies would enable C. Tessile to significantly reduce its carbon footprint, enhance operational efficiency and take advantage of government incentives for the ecological transition.	<b>Important</b>
<b>Risk</b> Excessive consumption of non-renewable energy - A lack of investment in renewable energy and low-emission production processes could make C. Tessile less competitive compared to more sustainable suppliers, influencing customers' purchasing decisions.	<b>Important</b>	<b>Opportunities</b> - Adoption of international standards such as the Science Based Targets Initiative (SBTi) - Aligning with the objectives of the SBTi would strengthen C. Tessile's reputation, facilitate access to green financing and strengthen its competitive position.	<b>Important</b>
		<b>Opportunities</b> - Integration of climate resilience strategies — Developing plans to address climate-related risks would ensure greater supply chain stability and reduce operational costs linked to potential disruptions.	<b>Important</b>

Chemicals

<b>Risk</b> Inadequate management of chemicals in production processes - Insufficient chemical management may result in reputational damage, penalties for the use of prohibited substances and the risk of having to recall non-compliant fabrics.	<b>Important</b>	<b>Opportunities</b> - Integration of climate resilience strategies - Developing plans to address climate risks would provide greater supply chain stability and reduce operational costs arising from possible disruptions.	<b>Important</b>
		<b>Opportunities</b> - Adoption of innovative finishing technologies - The use of advanced dyeing and finishing processes would reduce environmental impact, improve chemical traceability and respond positively to Digital Product Passport (DPP) requirements, strengthening C. Tessile's position as an industry leader.	<b>Important</b>

# Policy and management model

## 6.1

GRI 3-3

C. Tessile adopts a structured management approach to monitor information related to the material topics emerging from the analysis and ensure transparent reporting of key environmental data. The company is committed to monitoring material environmental issues and promoting responsible manage-

ment of energy resources, raw materials and chemicals throughout the entire supply chain. The company plans to draft a specific Environmental Policy by 2025, aimed at formalising and strengthening its environmental protection commitments.

A specific environmental and social responsibility policy is

planned for 2025, and work on it began at the end of 2024.

### Consumption and efficient management of energy resources

Monitoring and progressively improving energy efficiency is one of C. Tessile's long-term strategic objectives of primary importance. The changes made to the logistics structure in 2024, with the lease of the Cerro Maggiore warehouse, are aimed at reducing the warehouse's energy consumption, with an estimated reduction target of 50% compared to the Lurate Caccivio warehouse.

With regard to its Hungarian subsidiary, C. Tessile is pursuing the reduction of energy consumption in line with Group standards by continuing to modernise its industrial machinery, prioritising the introduction of more energy-efficient models.

### Raw materials and packaging management

To ensure stronger supply chain control, C. Tessile has begun implementing a structured system for tracing the origin of raw materials. Specifically, in 2024, an internal register was introduced which collects information on purchased batches, enabling the yarn and cotton fibre to be traced back to the country of origin. The company plans to gradually expand this tool, with the goal of extending traceability to other processed fibres.

To support more transparent and structured information management, C. Tessile also uses dedicated digital platforms, such as BCI and Supima, to monitor and validate data throughout the supply chain.

The company also holds specific product certifications, aimed at ensuring compliance with high environmental and/or social standards. These certifications, for products certified by GOTS, OCS and GRS, ensure documentary traceability of the origin of raw materials. Alongside these products, there is also the availability of other "preferred"<sup>2</sup> materials, constantly present in the collections and proposed as early as in the product design stage in collaboration with the customer.



### Quality, product safety and responsible management of chemicals

Product quality and safety are central to C. Tessile's offer. Fabrics are subjected to rigorous in-house testing, which includes both laboratory analyses aimed at assessing their technical characteristics and quality controls carried out by specialised personnel. At the customer's specific request, these checks can be supplemented by tests conducted by accredited external laboratories.

In the event of any anomalies, additional internal controls are activated, involving the subcontractors responsible for wet processing of the product concerned, in order to identify the root causes of the non-compliance and promptly implement the corrective actions, minimising any impact on the customer.

These activities ensure compliance with applicable regulatory requirements, as well as maintaining the distinctive technical characteristics of C. Tessile fabrics, an expression of the company's identity and quality positioning. The responsible management of chemical substances is also supported by adherence to voluntary product certifications, including GOTS, OCS, GRS and OEKO-TEX® Standard 100. The relevant checks and inspections are applied to specific productions for which certification is required, based on contractual requirements, product requirements and customer needs, while ensuring compliance with mandatory regulatory rules and internal company standards for all the production.

With regard to chemical management, C. Tessile does not directly carry out wet processing, but promotes a progressive reduction of impacts throughout the supply chain. In this context, several of the company's partner dyehouses comply with the ZDHC (Zero Discharge of Hazardous Chemicals) protocol, contributing to the control and reduction of hazardous chemicals.

<sup>2</sup> Definition of "preferred production systems": A fibre or raw material that provides consistently reduced impacts and greater benefits for the climate, nature and people compared to its conventional equivalent, through a holistic approach to the transformation of production systems.

# Energy and emissions

6.2

GRI 3-3; GRI 302-1  
GRI 305-1; GRI 305-2

## KEY INSIGHT

50.9%

Electricity from renewable sources (40.2% purchased green energy and 10.7% self-generated energy)<sup>3</sup>



Hybrid cars replacing internal combustion engine vehicles



Replacement of the office air conditioning with a latest-generation, energy-efficient system, supported by PC control software, to ensure indoor and outdoor environmental well-being.

During 2024, C. Tessile continued its path of reducing energy consumption by means of efficiency measures extended to all reporting sites. At the Guanzate site, the office refrigeration unit was replaced with a heat pump system, capable of supplementing heating during the winter months and helping reduce the use of natural gas in boilers. The refrigeration system is also managed via remote software, which allows for precise adjustment of operating times, temperatures and humidity levels in the different company areas, thus ensuring greater system efficiency for the benefit of both the environment and employee well-being. At the same time, the replacement of equipment with more technologically efficient solutions continued, including low-energy LED lighting. For the foreign subsidiary, the PCs, monitors and servers were upgraded and the software used in the offices was updated. C. Tessile KFT also introduced the new technologically advanced MULTI-MATIC 64/128 warping machine<sup>4</sup>, which enables high-quality standards to be maintained in fabric production.

With regard to logistics, a new warehouse located in Cerro Maggiore was leased in 2024. The facility has construction features that allow for more efficient space management than the previous Lurate Caccivio site - which concentrated a higher number of products in a smaller area - and is equipped with a technologically more efficient heating system.

Based on a preliminary analysis, a potential reduction in warehouse energy consumption of approximately 50%<sup>5</sup> by 2025<sup>6</sup> has been estimated.

<sup>3</sup> The figure refers exclusively to energy consumption at C. Tessile S.p.A.

<sup>4</sup> <https://www.karlmayer.com/en/products/warp-preparation/warp-sampling-machines/multimatic-64-128/>

<sup>5</sup> This estimate was developed based on consumption data provided by the owner of the Cerro Maggiore building, compared with consumption recorded at the Lurate Caccivio warehouse during the same reference period.

<sup>6</sup> At the time of writing, however, it is not possible to provide definitive quantitative evidence regarding the actual achievement of the expected result, as the new site has been operational since July 2024 and, for a transitional period, has been used concurrently with the Lurate Caccivio warehouse to allow for the gradual transfer of goods.

## Origin and composition of energy sources

In terms of energy mix, in 2024, 50.9% of the electricity consumed by C. Tessile S.p.A. was covered by renewable sources, an increase compared to the previous year, primarily due to the increased share of energy purchased from external suppliers (40.2%). Self-generated energy from the photovoltaic system at the Guanzate site stood at 10.7%, a decrease compared to the previous year due to a technical fault that prevented its operation for part of July and the entire month of August, a period characterised by greater solar radiation.

The Hungarian subsidiary, on the other hand, procures its electricity from two separate suppliers, one serving the production plant and company dormitories and the other for employee apartments. The share of energy consumed from renewable sources in Hungary in 2024 is approximately 20.6%, while a significant portion of the energy used is nuclear, with a share varying between 38.62% and 43.36%, a percentage stated on the bill depending on the supplier. The company apartments are located in a complex equipped with a photovoltaic system and powered by an energy mix that includes self-generation, geothermal sources and supplies from other suppliers, the percentage breakdown of which cannot currently be precisely determined. The 2024 data are overall more accurate than the previous year, thanks to the introduction of a more structured reporting system.



## Emissions and analysis of Scope 1 and 2 results

GHG emissions relating to Scope 1 and 2 in 2024 show an overall stable trend compared to the previous year. In particular, Scope 1 emissions showed a slight increase, from 354.28 tonnes CO<sub>2</sub>eq in 2023 to 364.45 tonnes CO<sub>2</sub>eq in 2024. Conversely, Scope 2 emissions revealed a reduction according to both the location-based approach (from 951.75 to 909.53 tonnes CO<sub>2</sub>eq) and the market-based approach (from 1,108.67 to 1,077.67 tonnes CO<sub>2</sub>eq).

The decrease in indirect emissions is consistent with an overall reduction in electricity consumption. In 2024, there was a decrease in energy drawn from the grid, as well as in internal production from renewable sources. These trends were positively impacted by the change in the company's logistics structure, while the failure of the photovoltaic panels during the summer months had a negative impact. The latter led to a temporary reduction in self-generation.

Over the course of the year, the company's car fleet was progressively renewed. Two conventionally powered vehicles were replaced with hybrid cars. This action contributed to reducing emissions related to company mobility.

The changes compared to 2023 are attributable to a refinement of data collection and analysis methods. In 2023, diesel was incorrectly classified as LPG. Furthermore, the share of renewable energy in the energy mix was considered certified. These factors resulted in a less accurate representation of emissions. These aspects were corrected in 2024, improving the overall reliability of the emissions inventory.

Overall, the actions undertaken contribute to a gradual and structured energy transition.



6.3 RAW MATERIAL SOURCING AND SELECTION STRATEGY

Responsible management of relationships with suppliers and subcontractors, including the definition of criteria, practices, and collaboration methods throughout the supply chain.

**Impact** **Risk and Opportunity**

Type of impact	Impact	Actual / Potential	Time horizon of impact	Risk	Materiality	Opportunities	Materiality
<b>Supply Chain Management</b>							
<b>Positive</b>	Responsible management of the production supply chain through due diligence systems and certification standards (e.g., GOTS), implemented via structured contract management oversight and periodic supplier visits. These practices enable greater control and monitoring of activities along the supply chain, helping to ensure compliance with environmental, social, and governance (ESG) standards such as adequate wages, safe working conditions, and respect for workers' rights, among others, while fostering transparent and long-term collaborative relationships with business partners.	Actual	Short-term	The need to identify new suppliers compliant with the company's quality standards may require the replacement of existing partners, with potential production delays, additional checks and inspections, as well as new laboratory quality tests to ensure compliance of processes with previous standards. Further critical issues may relate to changes in logistics costs, the lack of adequate synergies with newly selected suppliers, and difficulties in the scouting and qualification process of partners. Any non-compliance or unethical behaviour within the supply chain may also expose the company to sanctions, fines, or reputational scandals, with consequent impacts on operational continuity and the ability to attract new qualified suppliers.	<b>Significant</b>	The implementation of structured due diligence and supplier assessment processes may facilitate the identification of more reliable partners, generating competitive advantages, reputational improvements, and greater resilience of the production supply chain in the long term.	<b>Significant</b>
<b>Negative</b>	Inadequate supply chain management, which may result in the failure to identify or prevent unethical practices along the supply chain. In particular, situations of worker exploitation may occur at suppliers or subcontractors, such as excessive working hours, inadequate wages, unsafe working conditions, or violations of freedom of association, with potential negative impacts on workers' rights and the communities involved.	Potential	Short-term				

## Procurement strategy and selection of raw materials

6.3

GRI 301-1; GRI 416-1

### KEY INSIGHT

100%

Yarn purchases traced back to the country of origin



GOTS, GRS, OCS, OEKO-TEX, Supima, Better Cotton, Sea Island and Organic Cotton Colours materials

+290%kg

Of certified materials sold, via Transaction Certificate, compared to the previous year



Innovative portfolio: nettle, hemp, bamboo and crab viscose



Research and innovation projects  
Re-polar project and traceability project with Tintoria Emiliana

Our company places the utmost importance on transparency throughout the entire production chain, recognising that the quality of our products is closely linked to the responsible selection and processing of raw materials. We work with certified suppliers, favouring natural, organic or recycled fibres sourced from environmentally and/or community-friendly cultivation and standards, such as GOTS, OCS and GRS, as well as next-generation cellulosic fibres such as TENCEL™ Lenzing. Supplier selection is based on quality, environmental and safety requirements, requiring, where applicable, certifications or declarations of compliance with applicable international regulations, such as REACH, as well as voluntary sustainability standards such as OEKO-TEX®, in addition to compliance with chemical restrictions. Incoming materials are subject to documentary checks and, where necessary, technical or laboratory inspections.

This system prevents the use of non-compliant substances, reduces environmental risks associated with dyeing and finishing processes and guarantees the safety of the final product, while promoting transparency and collaboration in sharing technical data throughout the supply chain.

Furthermore, C. Tessile participates in international supply chain programmes, such as Better Cotton and TextileGenesis™. This approach supports more sustainable agricultural practices in the countries of origin, even where physical traceability of the fibre in the finished product cannot be guaranteed.

## Traceability of raw materials

6.3.1

GRI 301-1

For C. Tessile, cotton traceability is a fundamental strategic element, as it is the main fibre used

(in 2024, it accounted for 87.59% of yarn purchases). The company applies a modular approach, differentiated based on the type of cotton and the level of risk, which integrates digital tools such as TextileGenesis™ and Oritain™ and the Better Cotton Platform, proprietary systems and documentary checks, such as certificates of origin.

The company sources its cotton from countries such as: the Americas, Australia, Tanzania, Turkey, India, Israel, Egypt, China and Europe. Other natural and animal fibres - including linen, wool, silk and cashmere - come from France, China, Australia and Mongolia, while man-made fibres, such as viscose and TENCEL™ Lenzing, originate from Austria and China. Finally, synthetic fibres, such as polyester and polyamide, come from China and Belgium and account for 0.28% of the yarns purchased.

Thanks to the adoption of monitoring systems and the use of internationally recognised certifications, each batch of cotton can be traced back to the fibre's country of origin.

Components	Origin of fibres	Kg	% quantity purchased
CO	the Americas, Europe, Egypt, China, Australia, Israel, India, Turkey, Tanzania	389.393,74	87,590%
CLY	Austria	12.158,43	2,735%
LI	France	39.013,53	8,776%
EA	China	619,54	0,139%
PA	China	536,90	0,121%
PC	China	42,25	0,010%
PL	China	33,78	0,008%
PM	Belgium	7,76	0,002%
SE	China	554,45	0,125%
VI	China, Austria	1.049,52	0,236%
WO	Australia	362,79	0,082%
WS	Mongolia	790,01	0,178%



### Supima Cotton



The TextileGenesis™ and Oritain™ platforms combine real-time digital data connectivity with physical verification in a new authentication process and blockchain model to provide Supima licensees with real-time transaction transparency and origin confirmation for products moving through a Supima supply chain. In 2024, C. Tessile adopted the TextileGenesis™ platform, registering with it. Transactions are digitally recorded using Supima Fibercoin® tokens, associated with each batch through the Permanent Bale Identification (PBI) system, enabling real-time tracking throughout the entire supply chain.

### Better Cotton



The Better Cotton Platform (BCP) allows organisations to participate electronically in the Better Cotton chain of custody by recording order information, managing required documentation and recording sales information. The company uses the system based on the mass balance principle. Each batch of purchased yarn is associated with Better Cotton Claim Units (BCCU), which electronically documents the volumes supported and tracked, without guaranteeing physical segregation of the material.

## Internal traceability system

As part of its raw material procurement and selection strategy, the company has implemented a directly managed internal traceability system, without the use of external digital platforms, based on the collection, verification and analysis of information throughout the entire supply chain.

The approach adopted integrates supplier monitoring, document management and production flow control, with the aim of ensuring compliance with quality, sustainability and safety requirements.

The system allows for monitoring of every stage of the process, from raw material selection to finished product production, through the systematic retrieval of data from both suppliers and internal processes. Each item and production order is associated with the relevant raw material batches and suppliers involved, enabling the precise reconstruction of the origin of the materials and the processing carried out.

Technical and commercial documentation - including data sheets, supplier certifications, declarations of conformity and shipping documents - is recorded and archived in dedicated structured folders.

This approach ensures transparency and control, enabling the identification of any critical issues related to the geographical location of supplies, the exclusion of supplies from areas considered at risk and the promotion of ethical practices throughout the entire production chain. The system also supports supply risk management, allowing for prompt intervention in the event of document anomalies or non-compliance.

In 2024, the system was further strengthened through the direct involvement of the ESG office, which centralised information management and formalised a comprehensive document collection structure.

This initiative has enabled traceability to be extended to almost all cotton purchases, broken down by batch, ensuring complete control at both the fibre and yarn levels.

In line with this model, supplier selection is based on quality, environmental and safety criteria, requiring, where applicable, product certifications, regulatory compliance declarations and supporting technical documentation.



Incoming materials are subjected to systematic documentary checks and, when necessary, technical inspections to ensure compliance with the requirements defined by the company.

## Research and innovation projects

Our company promotes the adoption of alternative and innovative fibres as a strategic lever for combining quality, sustainability and innovation. We experiment with nettle, hemp and viscose fibres of unconventional origin, such as those derived from bamboo and crab, developed to reduce environmental impact without compromising product performance.

These fibres are used at the specific request of our customers and allow us to offer innovative, high-performance garments, demonstrating that material selection can be a concrete driver of environmental responsibility and competitive advantage.

### Excellence in raw materials and supply chain enhancement ORGANIC COTTON COLOURS (OCC)

The acquisition of the Spoerry brand has enabled C. Tessile S.p.A. to collaborate with Organic Cotton Colours to use a cotton fibre that has a natural colouring, as it is directly pigmented without the need for subsequent dyeing processes.

Organic Cotton Colours (OCC) is a Spanish company founded in 1992 with the aim of creating 100% organic cotton garments, sourced from naturally growing cotton varieties in shades of cream, green and brown.

The project, initially launched with a primary focus on people's health, has evolved over the years toward a broader and more integrated vision, focused on the joint well-being of people and the environment, with the aim of contributing to the transformation of the conventional textile industry.



Indeed, the company promotes the production of 100% organic cotton fabrics and garments, ensuring complete traceability of the supply chain - from seed to finished product - and avoiding dyeing processes and the use of harmful chemicals. At the same time, OCC supports the equitable development of the farming communities involved in cultivating the raw material.

OCC cotton comes from a regenerative agriculture project in Brazil and two pioneering projects: a biodynamic project in Egypt and a regenerative project in Turkey. All three sources are essential to ensure the highest purity of the products.

Through the OCCRegenerative® Brazil project, OCC collaborates with local farming families to cultivate native varieties using agroecological practices. Under the agreement between OCC and Spoerry, part of the fibre from South America is used by OCC to produce its own fabrics, while the remainder is used by Spoerry for spinning. Spoerry holds the exclusive marketing rights for this fibre.

To ensure the quality of the fibre, the crops must meet specific requirements defined by the parent company. Specifically, the fibre comes from regenerative agriculture projects aimed at preserving soil health and mitigating the effects of climate change. The use of chemicals, GMOs and pesticides is prohibited, in order to protect the cultivation area and preserve the intrinsic characteristics of the fibre. Irrigation is performed exclusively with rainwater, making the most of the area's typical rainy season, thus avoiding the use of artificial irrigation. The cotton is picked by hand and placed in cotton bags, preventing contamination from external materials.

OCC fibre is grown by local farming families. The Spanish company, in collaboration with a Brazilian association, has provided specific training to families on this type of cultivation and, together with C. Tessile and Spoerry AG, manages the remuneration of families based on the sales of products made with this fibre.

From an environmental perspective, the project promotes organic and regenerative cultivation. Through agro-regenerative agriculture techniques, the aim is to restore soil health. Furthermore, growing this fibre guarantees:

Reduced water consumption, both during irrigation (with the use of rainwater only) and due to the absence of chemical dyes

The absence of environmentally harmful chemicals, such as pesticides, fertilisers and GMOs

The protection of biodiversity, with interventions aimed at restoring agricultural ecosystems

<sup>7</sup> <https://www.organiccottoncolours.com/>

## Re-Polar Project

Re-polar is a research and development company that has been studying the potential of the human body for years. The company focuses its activities on the analysis of the electrostatic field, identified as the preferred channel for activating functional responses aimed at physiological rebalancing. The products developed in collaboration with other companies, clinically tested and patented, are based on the use of the most advanced yet most natural technology available: the human body itself.

As a research- and innovation-driven company, the company pursues partnerships with visionary companies that share the same commitment to scientific development. The goal is to foster a new understanding of the human body, its true potential and its ability to consciously promote well-being.

C. Tessile and Re-Polar worked together on a thermal testing project on a garment, with the aim of limiting body overheating in a very hot environment.

## Traceability project with Tintoria Emiliana

In 2024, C. Tessile launched a pilot project with Tintoria Emiliana, aimed at enhancing the environmental traceability of textiles. The model involves the use of Product ID Cards and QR codes, tools that will ensure immediate access to product environmental information. The initiative aims to strengthen the Italian textile supply chain's ability to collect, manage and communicate environmental data reliably, supporting eco-design and performance-oriented supply chain management.

The expected outcomes include:

- the development of analyses on the environmental impact of finished fabrics;
- the conduct of LCA assessments on selected materials;
- the definition of operational tools for managing environmental data throughout the supply chain.

Currently in the definition phase, the project represents a strategic element for promoting environmental transparency and strengthening collaboration between companies in the textile sector.



## Technical tests on the product

### 6.3.2

GRI 416-1;  
GRI 416-2



For C. Tessile, quality and safety are essential elements for maintaining market competitiveness and strengthening customer trust.

In keeping with this commitment, the company has developed a testing system based on technical and qualitative tests to ensure the chemical, physical and mechanical compliance of materials with internal and customer requirements. These tests are conducted both in-house and with the involvement of accredited external bodies.

## Quality control, compliance testing and material performance monitoring

We conduct technical tests on fibres, yarns and fabrics to ensure the high standards of quality, safety and durability of our products. Laboratory tests, conducted in-house and at qualified laboratories, verify material performance in terms of resistance and stability, as well as compliance with regulatory requirements. This control process helps reduce waste and non-compliance, while ensuring reliable products throughout their life cycle.

## Proactive tests

Proactive control activities are a fundamental aspect of the quality system. During 2024, 154 tests were performed on unbleached yarn, equivalent to one check for each purchase, with the aim of systematically monitoring the quality of the yarn supplied. This represents a 37.50% increase compared to 2023.

These activities involved all divisions, with the exception of the Spoerry division, which will be integrated into the testing system starting in 2025, in accordance with the procedures defined in the Quality Manual. The tests performed include conditioning in a controlled environment, verification of count, mechanical resistance, yarn evenness and evaluation of surface hairiness.

In 2024, a check for the presence of genetically modified organisms (GMOs) was also introduced on every batch of GOTS and OCS-certified yarn purchased for C. Tessile. Again, the Spoerry division will be included in this system starting from the second half of 2025, in accordance with the Quality Manual.

## Customer-driven tests

These are managed through bespoke packages that combine internal and external analyses, depending on specific needs. The main types of tests include physical-mechanical tests, colour fastness tests, chemical analyses, compositional analyses and compliance checks with technical specifications.

In 2024, the non-compliance rate remained essentially stable, slightly decreasing from 19.95% in 2023 to 19.01% in 2024. Furthermore, no non-compliance related to the health and safety impacts of products or services was identified, neither with respect to regulatory requirements nor the applicable voluntary codes.

# Environmental management of the supply chain

6.4

## KEY INSIGHT

# 100%

Certified cotton suppliers traceable to the region of origin (21.19% certified cotton purchases traced)

# 100%

Yarn dyehouses compliant with the ZDHC protocol

# 100%

Italian wet process suppliers visited on-site annually

# 80%

GOTS-certified suppliers and subcontractors undergo due diligence



# Traceability and environmental criteria in supplier selection and monitoring processes

6.4.1

GRI 2-23; GRI 2-25;  
GRI 414-1; GRI 414-2

C. Tessile integrates environmental and quality criteria into its supplier selection and monitoring processes to ensure that each partner operates in line with the company's sustainability commitments.

The control system is based on several key elements, including geographical traceability, monitoring of the most critical process steps and the gradual adoption of due diligence tools.

Due diligence, in this regard, has increased control over the supply chain: 80% of GOTS-certified suppliers and subcontractors are subject to GOTS due diligence. The goal is to monitor 100% of certified suppliers and subcontractors by 2026 and in subsequent years, also through on-site visits.

## Supply chain traceability

In recent years, the company has progressively strengthened its supply chain monitoring activities, with a particular focus on areas with higher environmental and social risks. The level of traceability adopted differs based on the three main areas of operation:

### Yarn procurement

For 100% of cotton suppliers certified according to GOTS, GRS and OCS standards, C. Tessile guarantees the traceability of the fibre to the country of origin, with detailed regional information. In 2024, this system covered approximately 21.19% of the company's total cotton use. For non-certified cotton, traceability is ensured for 100% of supplies at both fibre and yarn levels, with identification of the country of origin down to State level.

### Fabric procurement

41.21% of purchased fabrics are traceable back to the origin of the fibre. The goal is to increase this percentage through the active involvement of suppliers in shared transparency initiatives.

### Wet processes

100% of Italian suppliers with ongoing relationships are subjected to on-site visits to verify operating conditions, certifications and compliance with company standards.

## GOTS audits and due diligence

In 2024, C. Tessile initiated a targeted due diligence process for its suppliers and subcontractors involved in the GOTS certification processes, with the aim of strengthening internal controls, meeting the ever-increasing demands of brands and preparing for the entry into force of European Directive 2024/1760.

This process, implemented according to certification guidelines and internal procedures, involves:

- ensuring that a supplier complies with quality and safety standards;
- verifying that a subcontractor does not employ unauthorised labour;
- verifying that required certifications are in place (e.g. Oeko-Tex, GOTS);
- avoiding issues that could halt production or harm the business.

From 2025, on-site inspections will be introduced to verify, through specific requests, the following aspects:

- collection of in-depth information on subcontractors and suppliers (supply chain risks, ethical practices, etc.);
- assessment of environmental and social risks and impacts;
- origin and traceability of goods.



The approach is based on document checks, direct audits and proactive collaboration with partners, with the aim of building a traceable, conscious supply chain that is fully aligned with the company's ESG principles. C. Tessile S.p.A. reserves the right to suspend business relationships with subcontractors and suppliers who fail to meet the company's minimum requirements or the environmental and social standards established in the due diligence process.

## Responsible management of chemicals throughout the supply chain

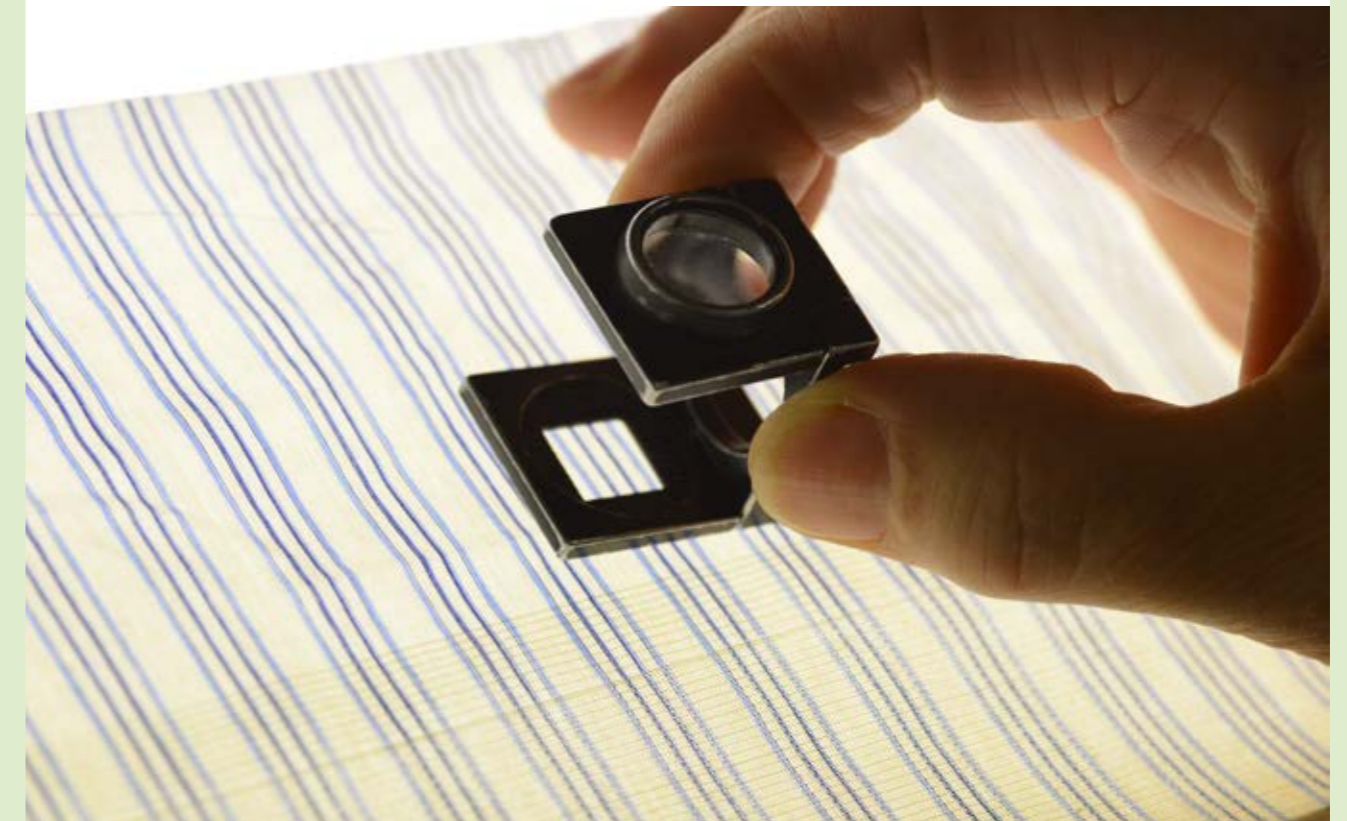
### 6.4.2

Each of our products is the result of a process that combines quality, safety and care, with particular attention to chemical management and wet processing. Our internal monitoring system, along with document controls, audits and direct collection of information from suppliers, allows us to trace the entire supply chain, intervene promptly in the event of critical issues and ensure compliance with the company's ethical and environmental standards.

Mapping the supply chain allows C. Tessile to clearly distinguish areas already monitored from those requiring further strengthening. In particular, the company recognises the need to gradually extend the adoption of safe practices in chemical management, with a specific focus on smaller suppliers, through technical training, awareness-raising and direct involvement.

The effectiveness of the monitoring system is verified through various control tools, including proactive and customer-driven testing for GOTS and OEKO-TEX® Standard 100 certifications, customer-driven technical audits, systematic analysis of complaints and feedback, and verification of the number of non-conformities and reworks.

- **Dyeing of yarns for in-house weaving:** 100% of external dyehouses adhere to the ZDHC initiative.
- **Other wet processing:** Excluding yarn dyeing, 13.79% of wet processing such as preparation, dyeing and finishing of piece-dyed fabrics, printing, dyeing on knits and final finishing is currently compliant with the requirements of the ZDHC initiative.
- **Dyeing of purchased fabrics:** The main supplier - accounting for approximately 37.97% of the total procurement volume - holds 4sustainability® certification for Chemical Management.



# Circular strategies and waste management

6.5

GRI 300-1

C. Tessile is orienting its medium- to long-term strategy towards the progressive reduction of production waste through the adoption of technological and innovative solutions and the promotion of material recovery practices, even outside the company, within a broader circular economy framework. In this context, starting next year, the company plans to introduce a dedicated tracking system for waste materials generated at its Guanzate facility. The aim is to improve monitoring of production volumes and support more efficient and conscious management of resources.

## Single-material fabrics

The company offers a wide selection of single-material fabrics designed to facilitate end-of-life recycling of products, as they are easier to separate and recover. In 2024, these materials accounted for 74.63% of internal production and 43% of purchased fabrics.

## Inventory management

The reduction of excess inventory is pursued through a management system that prioritises the prevention of unsold stock throughout the entire sales cycle. Purchasing planning and the use of raw materials are defined in line with actual production and market needs, facilitating a constant alignment between production volumes and sales capacity. Inventory management also helps reduce the company's working capital, reduce warehouse space requirements and improve operational and logistical efficiency.

## Management and recovery of production waste

C. Tessile S.p.A.'s production waste, generated primarily by retail sales and quality control processes, is recycled or donated to charitable causes through the company's non-profit organisation or other local charities. With regard to the Hungarian subsidiary, a portion of the waste from weaving activities is sold and subsequently used in the production of selvedge carpets.

## Start-ups active in post-consumer recycling

In 2024, aside from the ongoing circular.fashion project, no new circular innovation projects were launched. The company continued to support startups active in post-consumer recycling through direct participation and financial support, including ARTKNIT and ALGALIFE LTD.

### KEY INSIGHT

74.63%

single-material fabrics as a proportion of total production

0%

warehouse stock unsold

43%

single-material fabrics purchased out of total fabric purchases



ARTKNIT, ALGALIFE  
Supported circular start-ups

## Recovery and reuse of non-textile materials and reduction of packaging

The company also promotes circular economy practices in the recovery and reuse of non-textile materials generated during the production process, such as packaging waste, processing residues and unused components. These materials are separated, reconditioned or sent to reuse chains in collaboration with qualified partners, helping to reduce waste and maximise resource efficiency.

Building on what was already implemented in 2023, C. Tessile KFT continues to apply various practices aimed at reducing the consumption of new packaging and reusing non-textile materials throughout production and logistics operations. Specifically, Canclini KFT implements several reuse practices: cardboard and plastic cones are reused after removing the residual yarn; raw fabric tubes are returned weekly from the Guanzate site, enabling an estimated 70% reduction in the use of new components; reusable plastic boxes are used to store coloured yarns, eliminating the need for disposable containers; wooden pallets are reused until worn out and then disposed of properly; protective films are collected in dedicated containers and entrusted to specialised operators for correct disposal.

## Innovating our offering to meet customer needs: "Gli stagionali" project

During 2024, the company launched a project to renew the "ready-to-go"<sup>9</sup> collections of the Canclini 1925 and Grandi & Rubinelli brands, with the aim of responding more flexibly to customer needs and optimising inventory management. Starting with the Spring/Summer 2025 collection, the initiative provides industrial customers<sup>10</sup> with the option to purchase quantities lower than the standard minimum order of 240 metres for approximately 80 variants. The metres required for production to meet the technical minimums not ordered by the industrial customer will be absorbed by the company and included in the availability of the seasonal box, intended for retail customers<sup>11</sup>.

This project will allow industrial customers to reduce minimum purchase quantities while offering a greater variety of designs to retail customers<sup>10</sup>. The initiative also aims to improve efficiency in warehouse management, helping to reduce inventory and waste.

<sup>9</sup> "Ready-to-go" items are garments that are permanently kept in stock, available for sale even in small quantities and characterised by rapid fulfilment and delivery times.

<sup>10</sup> An industrial customer is an entity that purchases products with the intention of using them in an industrial business for commercial purposes (such as brands or major designers).

<sup>11</sup> Retail customers purchase goods and services for small artisanal businesses or for personal use.



## 7 SOCIAL RESPONSIBILITY AND HUMAN IMPACT

Cultivating well-being inside and outside the company

GRI 2-23; GRI 2-24; GRI 2-25;  
GRI 3-3; GRI 414-1; GRI 414-2

Impacts

Type of impact	Impact	Actual / Potential	Actions to mitigate the negative impact (see relevant section)	Time horizon of impact
<b>Respect for human rights <i>Rispetto dei diritti umani</i></b>				
<b>Negative</b>	Exploitation of workers across various stages of the supply chain, including excessive working hours and inadequate wages, unsafe working conditions, and violations of the freedom of association.	Potential	7.1	Short-term
<b>Positive</b>	Contributing to improving the living and working conditions of employees along the supply chain through fair commercial relations, responsible sourcing practices and respect for fundamental freedoms, including freedom of association.	Actual	-	Short-term
<b>Occupational health and safety</b>				
<b>Positive</b>	Reduction of accidents and promotion of physical well-being through training and awareness-raising initiatives on the safe use of machinery and equipment, as well as the introduction of employee benefits that contribute to employees' health and quality of life.	Actual	-	Short-term
<b>Negative</b>	Increased risk of accidents and occupational illnesses due to inadequate occupational safety management.	Potential	7.2	Short-term
<b>Employment</b>				
<b>Positive</b>	Promoting employment stability and professional growth along the supply chain through recognition of the value of people, fair performance appraisal systems, and policies that foster talent engagement and retention.	Actual	-	Short-term
<b>Negative</b>	Employee turnover and loss of human capital due to unsatisfactory working conditions, with negative consequences on the organisational climate, productivity, and the ability to retain or attract qualified personnel.	Actual	7.3	Short-term

Risks and opportunities

Risk	Materiality	Opportunities	Materiality
<b>Respect for human rights</b>			
<b>Risk</b> Lack of control over human rights violations in the supply chain - The absence of an effective monitoring system along the supply chain could expose C. Tessile to the risk of being associated with unethical practices (e.g., forced labour, child labour and inhumane working conditions). This could lead to severe reputational damage, the loss of customers and partnerships, and possible legal action. Furthermore, the introduction of stricter regulations requires companies to verify and prevent human rights violations along the supply chain. Failure to comply could lead to financial penalties, exclusion from key markets, and loss of credibility among stakeholders and investors.	<b>Significant</b>	<b>Opportunities</b> - Respect for human rights throughout the supply chain - Ensuring respect for human rights in all operations and throughout the supply chain would strengthen C. Tessile's reputation as an ethical company, increasing trust among consumers and stakeholders and fostering long-term loyalty.  <b>Opportunities</b> - Implementing due diligence practices - Adopting practices that ensure respect for human rights in line with regulations such as the CSDDD would enable C. Tessile to consolidate its competitive position and access regulated markets and strategic partnerships.	<b>Important</b>  <b>Important</b>
<b>Occupational health and safety</b>			
<b>Risk</b> Lack of occupational safety management - The absence of adequate measures to ensure a safe working environment could increase the risk of accidents, resulting in economic impacts such as production stoppages, legal proceedings and increased staff turnover. In addition, the lack of an adequate safety management system could lead to sanctions from the authorities and legal risks related to the company's liability in the event of workplace accidents or occupational illnesses.	<b>Significant</b>	<b>Opportunities</b> - Improving working conditions and reducing accidents - The implementation of advanced safety measures and the promotion of a culture of prevention would reduce the number of occupational accidents and illnesses, thereby increasing productivity and employee satisfaction.	<b>Important</b>
<b>Employment</b>			
<b>Risk</b> The absence of retention and development policies for human resources could increase turnover, leading to the loss of key competencies and difficulty in maintaining a high level of product quality and innovation. In an increasingly competitive labour market, the lack of employee welfare and professional development policies could make C. Tessile less attractive to young professionals and skilled workers.	<b>Informative</b>	<b>Opportunities</b> - Strengthening employee retention and well-being policies - Implementing corporate welfare programmes, benefits and incentive schemes would improve employee engagement, reduce turnover and increase productivity.  <b>Opportunities</b> - Promoting employment stability - Ensuring stable contracts and competitive working conditions would improve C. Tessile's image in the sector, foster employee loyalty and facilitate access to financing for responsible companies.	<b>Important</b>  <b>Important</b>

## Table - Material topics, impacts and risks

GRI 414-1  
GRI 414-2

### 7.1 POLICY AND MANAGEMENT MODEL

Processes and tools aimed at assessing, monitoring, and improving suppliers' social performance with regard to human rights, working conditions, and health and safety

#### Impact

Type of impact	Impact	Actual / Potential	Time horizon of impact
<b>Social Assessment of Suppliers</b>			
<b>Positive</b>	Strengthening of human rights protection along the supply chain through the adoption of structured processes for assessing and monitoring suppliers' social performance. These practices help reduce the risk of issues such as forced labour, child labour, or discrimination, while also promoting improvements in working conditions, health and safety, and the dissemination of higher social standards throughout the supply chain.	Actual	Short-term
<b>Negative</b>	Absence or insufficient implementation of supplier social assessment processes, which may lead to the failure to identify issues related to respect for human rights and working conditions along the supply chain. In such contexts, violations such as child or forced labour, unsafe working conditions, inadequate wages, or restrictions on freedom of association may occur, with negative impacts on the workers involved and local communities, as well as potential reputational and legal repercussions for the contracting company.	Actual	Short-term

#### Risk and opportunity

Risk	Materiality	Opportunities	Materiality
<p>Risk of non-compliance with national and international regulations on human rights and working conditions along the supply chain. Any violations by suppliers or subcontractors may expose the company to sanctions, legal proceedings, and reputational damage.</p> <p>Further critical issues may relate to disruptions in supply chain continuity in the event of the need to suspend or terminate business relationships with non-compliant suppliers, as well as potential dependence on suppliers operating in high social risk contexts. Such situations may also undermine the trust of customers, investors, and other stakeholders in the company.</p>	<b>Critical</b>	<p>Strengthening responsible supply chain management – developing collaborative relationships with suppliers based on continuous improvement logics rather than exclusively control-oriented approaches, through the integration of social criteria into procurement processes and structured systems for assessing and monitoring the performance of business partners, would improve risk management along the supply chain, facilitating access to regulated markets and to commercial partnerships with companies requiring high sustainability standards, with potential economic benefits linked to the expansion of business opportunities and the strengthening of the company's competitive positioning.</p>	<b>Significant</b>

# Policy and management model

## 7.1

GRI 2-23; GRI 2-24; GRI 2-25;  
GRI 3-3; GRI 414-1; GRI 414-2

The corporate vision, summarised in the principle of “creating together side by side”, finds concrete and consistent application in the social sphere of sustainability reporting. The centrality of people has always been a cornerstone of C. Tessile's strategy, along with the protection of human rights throughout the entire production chain and the enhancement of human relationships, which are essential factors for sound business development.

Within the organisation, the focus on social responsibility is formalised through specific governance tools. Firstly, the Code of Ethics, made available to all Group personnel, including the Hungarian subsidiary, defines the principles of conduct and reaffirms the company's commitment to respecting ethical values, human dignity, inclusiveness and fairness towards all stakeholders in the value chain. To complement this document, from the end of 2024, C. Tessile began drafting an Environmental and Corporate Social Responsibility (CSR) Policy, with the aim of further strengthening its control of environmental and social issues, increasing internal awareness and promoting virtuous behaviours throughout the entire supply chain.

Another safeguard is the Organisation, Management and Control Model adopted pursuant to Legislative Decree 231/2001, aimed at preventing risks of corruption and illegal conduct that could compromise the well-being of workers and the protection of stakeholders.

### Occupational health and safety

We have adopted structured prevention and protection procedures, in compliance with current regulations, promoting safe and healthy work environments. Through periodic training, risk assessments and continuous monitoring of operating conditions, we work to prevent accidents and occupational diseases, fostering a shared culture of safety throughout the company. This commitment helps to enhance people's skills and ensure the continuity and quality of production processes.

A thorough risk analysis is conducted for each job, resulting in specific prevention measures that include collective protection systems, the use of personal protective equipment (PPE) and ongoing training and awareness-raising activities. Any critical issues are recorded as non-compliance and addressed through dedicated improvement plans, subject to constant monitoring and regular updates.

### Human capital development

Competence and motivation are the guiding criteria of the selection process adopted by C. Tessile in seeking new candidates. This process takes place in full compliance with the principles of equal opportunity, without any form of discrimination based on gender, ethnicity, religion or other characteristics not relevant to the candidate's qualifications and interests.

Even in the post-hiring phase, the company is committed to considering the individual needs of its employees, promoting a work-life balance. To this end, a structured programme for gradual return to work after parental leave has been implemented at C. Tessile KFT, confirming the company's commitment to enhancing the human dimension of work and promoting the well-being of its employees, in line with the initiatives already implemented at its Italian headquarters.

### Human rights, social criteria and responsible supply chain management

C. Tessile is committed to protecting human rights throughout the entire supply chain. The Code of Ethics includes a section specifically dedicated to this area, while the environmental and social responsibility policy includes provisions aimed at protecting workers. The implementation of the due diligence process also strengthens monitoring of the supply chain, products and working conditions upstream in the supply chain. Together, these initiatives contribute to improving traceability while complying with ethical, environmental and labour standards.

100% of new yarn and fabric suppliers in 2024 were selected using social criteria, such as not being listed on "blacklists" for human rights, slavery, child labour and racial issues. Suppliers are also assessed for their certifications, such as GOTS and GRS, which also take social aspects into account. In general, the company is committed to evaluating its suppliers using social criteria, such as geographic location, system and product certifications.

For C. Tessile, preventing corruption and promoting transparent communication are principles that extend to the entire value chain. In this context, in 2024, the company launched and implemented a structured due diligence process compliant with the requirements of GOTS 7.0 certification.

The system aims to identify, prevent, mitigate and report actual and potential negative impacts on human rights, workers' rights, the environment and business ethics resulting from its activities, supply chain and business relationships. It is a preventative, dynamic, risk-based process, proportionate to the company's characteristics and based on stakeholder engagement, and oriented toward continuous improvement.

The process involves: integrating due diligence into policies and management systems; identifying and assessing environmental, social and ethical risks, including those related to the origin and traceability of materials and the supply chain; defining and implementing prevention and mitigation measures; monitoring the effectiveness of actions; transparently communicating impact management methods; and adopting any remedial measures.

The system is currently applied to certified suppliers and subcontractors, with the goal of gradually extending it to all suppliers. In support of this, the company has prepared internal guidelines based on the GOTS 7.0 Manual, written in Italian and English and distributed to the sites involved, including warehouses and the subsidiary KFT in Hungary.

# Occupational health and safety of workers

7.2

GRI 3-3; GRI 403-1;  
GRI 403-2; GRI 403-3

## KEY INSIGHT

# 100%

Personnel covered by a certified Health and Safety Management System



Active reporting system with QR codes and direct channels



Personalised risk assessment by department and area



Accident and near miss analysis integrated into the Risk Assessment Document with improvement plans



Occupational health monitoring managed by a specialised medical centre



Health and safety is a central pillar of C. Tessile's strategy, which is integrated across all operational activities. The company adopts a preventative and systemic approach, supported by a certified Occupational Health and Safety Management System (OHSMS), which involves 100% of its personnel, ensuring high standards of protection, monitoring and continuous improvement of working conditions.

### Risk assessment by department and role

C. Tessile adopts a structured approach to risk assessment, considering the production department as the unit of analysis. When a department encompasses heterogeneous processes with different risk levels, the assessment is conducted separately for each area, ensuring homogeneity of the worker groups considered.

Each department has an assessment sheet that collects information on the floor plan, tasks, worker exposure, protective devices, equipment and operational flows. Tasks are assessed according to severity, frequency, probability and level of control, indicating the risks, corrective actions and those responsible. Risks are classified into three categories: general departmental, job-specific and scheduled according to Legislative Decree 81/2008.

This system enables C. Tessile to effectively monitor workplace safety, prevent potential critical issues and promote continuous improvement of operating conditions throughout the production chain.

At C. Tessile KFT, an external company has been appointed in accordance with current EU regulations for health, safety and fire prevention.

### Management of accidents and "near-misses"

Each accident or near-miss event is documented using a dedicated form, which is completed by the Head of the Prevention and Protection System. Information is collected by the Personnel Department and from witness accounts to fully reconstruct what happened. The final section of the form includes suggestions for technical solutions and training interventions aimed at preventing recurrence.

This documentation also serves as a tool for updating the Risk Assessment Document (RAD) if the incident highlights new risks not previously assessed, allowing the company to adopt more effective and targeted preventive measures.

### Health surveillance, occupational physician

C. Tessile is supported by CMM – Centro Medico Mediolanum – for the management of health surveillance and regular medical examinations of its employees. During each examination, the physician directly provides the employee with a certificate of fitness, indicating any critical issues identified. Employee health records are stored securely by the Personnel Department in locked cabinets, ensuring the protection of sensitive data and the confidentiality of health information.

In accordance with current legislation, C. Tessile KFT appoints an Occupational Physician responsible for managing, monitoring and organising the internal occupational health system. Based on a risk analysis, the physician assesses employees' fitness for work before starting their employment and subsequently through regular annual examinations, thus ensuring the protection of workers' health and compliance with legal obligations

### Engagement and reporting

Workers actively participate in the prevention system and can report risk situations in two ways: by directly contacting their department manager or through a digital whistleblowing system, also accessible via QR code. This approach ensures rapid interventions and promotes the spread of a shared safety culture..

# Employee well-being and professional development

7.3

## KEY INSIGHT

69.6%

Employees on permanent contracts

40%

Female representation on the Board of Directors



Flexible return-to-work model following parental leave active in Hungary



Dedicated company accommodation for foreign workers (for C. Tessile KFT)

C. Tessile actively promotes the development of human capital, recognising that its internal stakeholders are essential to the company's success. The aim is to create an inclusive, safe and discrimination-free workplace that fosters the shared achievement of both financial and professional goals.

### Stability and equal opportunities

Stability and continuity of employment relationships are a key element for C. Tessile, which recognises its staff as a strategic resource and places particular importance on building long-term professional relationships. At the Hungarian headquarters, over 50 employees hold employment contracts dependent on the duration of their residence permit, generally two years.

Restricting the analysis to only those workers eligible for a permanent contract, the permanent employment rate reaches 94.7%. The overall percentage, however, stands at around 69.6%, due to the aforementioned regulatory constraints. It should also be noted that some KFT employees have been employed for several years, despite maintaining a fixed-term contract precisely due to these legislative provisions.

With regard to gender composition, the female representation among C. Tessile employees stands at 49.8%, while among senior management positions it reaches 40% (2 out of 5 executive positions). At the Hungarian subsidiary, the only executive position is currently held by a woman.



### Welfare and quality of life

C. Tessile places great emphasis on the well-being of its employees through a set of corporate welfare policies, aimed at supporting their daily lives with concrete tools.

Active measures include the availability of five shared company cars and access to discounted rates for the purchase of goods and services, designed to simplify and facilitate daily activities.

At the Hungarian subsidiary, a flexible return to work model after parental leave is in place, allowing both parents to return to work gradually, with customisable hours of four to six hours per day.

Particular attention is also paid to foreign workers, for whom suitable and functional, fully furnished housing solutions are provided. This accommodation includes dormitories and boarding houses with rooms of varying sizes, as well as apartments ranging from 45 to 75 m<sup>2</sup>, designed to provide a safe and comfortable environment.

C. Tessile is committed to promoting a work-life balance, adapting its policies to the individual needs of each employee, regardless of job positioning or other personal characteristics.

The measures adopted do not constitute general obligations, but respond to specific needs, with personalised interventions aimed at promoting well-being and productivity.

Key initiatives include flexible working hours, the option of remote working and other solutions aimed at balancing professional commitments with employees' personal needs.

### Training and skills development

In addition to the courses already offered in previous years, such as Excel and English, specific training hours on ESG issues were delivered throughout 2024, primarily for specialised personnel, with the aim of further enhancing their expertise and improving their ability to respond to market needs. The members of staff also continue to participate in specialised webinars on technical and sustainability topics.

A training register for C. Tessile S.p.A. employees is planned for 2025. This will document the topics covered and the hours dedicated to skills development, ensuring more structured and transparent management of corporate training activities.

# “Un Sorriso in più”: 20 years of solidarity and social support

7.4

GRI 2-28

C. Tessile demonstrates its social commitment through the activities of its non-profit organisation, which actively works to improve the living conditions of vulnerable elderly people and children by promoting solidarity projects in the surrounding area.

## KEY INSIGHT

# 2004-2024

20 years of solidarity initiatives

# 50

Minors reached each year

# +100

Long-standing volunteers active for over 20 years

# +2000

Elderly people reached each year



Donations of textile waste for charitable initiatives

# 400

Nursing homes participating across Italy



## The "Un Sorriso in Più" Association - serving the community for two decades

The "Un Sorriso in Più" charitable association, founded in 2004 by the Canclini family, is this year celebrating twenty years of ongoing commitment to supporting lonely elderly people and disadvantaged children. The association's mission is clear and shared: to ensure that no one feels abandoned.

For two decades, the association's work has been supported by the constant participation of approximately one hundred volunteers. In recent years, the non-profit organisation has annually reached over 2,000 elderly people and 50 children living in educational communities. Its initiatives are aimed at offering support and assistance to these individuals, empowering them as individuals through meaningful and participatory experiences. The major initiatives undertaken over the years include:

- "I Nipoti di Babbo Natale" (Santa's Grandchildren): This nationwide project allows elderly residents of nursing homes to make a wish, which is then granted by citizen volunteers (known as "grandchildren") who access the dedicated web platform and make it come true. In 2024, more than 9,000 wishes were granted from over 490 Italian nursing homes.
- "Nipoti di penna" (Pen Pal Grandchildren): Following the success of the Christmas initiative, the option of establishing ongoing correspondence with elderly residents of nursing homes was introduced. Requests are collected via the online platform [www.nipotidipenna.it](http://www.nipotidipenna.it), accessible to anyone who wishes to participate. To date, over 300 correspondences have been initiated, involving residents of more than 150 different nursing homes.

In addition to the projects already outlined in the previous Sustainability Report, the association is pursuing other initiatives. These include the collaboration with Como Hospital, where volunteers offer emotional support and human comfort to patients, aiming to convey hope and reassurance. As part of the Sorrisi a Domicilio (Smiles at Home) project, visits are organised to the homes of lonely elderly people, offering companionship and care to the most isolated individuals.

With regard to activities for minors, the focus is primarily on children living in local educational communities. The goal is to promote awareness of their uniqueness and foster the development of meaningful interpersonal relationships. These goals are pursued through sports and recreational activities organised by the association, with the support of volunteers.

All these initiatives pursue a shared goal: to combat loneliness and promote authentic relationships, offering opportunities to express oneself, be heard and feel part of a supportive community.



### Donations and charitable initiatives

During 2024, C. Tessile continued its commitment to external non-profit organisations and other such associations by donating waste from its sample collection and retail departments to socially and environmentally significant initiatives.

A system for archiving certifications issued by beneficiary organisations is planned for 2025, to document and demonstrate the company's commitment to socially relevant issues.

At the same time, C. Tessile plans to launch a study to evaluate the reuse of waste from its quality department, with a view to promoting concrete circular economy initiatives.

### Enhancing the value chain and supporting farming communities - SEA ISLAND COTTON

Following the acquisition of the Spoerry brand, C. Tessile S.p.A. gained an opportunity to participate in another project dedicated to the production of the world's rarest and most valuable cotton fibre. This initiative is being developed in specific geographic areas characterised by climatic conditions particularly favourable to the cultivation of cotton varieties characterised by unique qualitative properties.

Sea Island cotton is grown in the British West Indies, where climatic conditions are particularly favourable to the growth of this prized fibre. The cultivation and distribution of Sea Island cotton are managed by a charitable association, which limits sales to members only.

This cotton variety is universally recognised as one of the most valuable in the world. The so-called "black seed" is a distinct type compared to other cotton seeds, producing extraordinarily long and fine fibres. The rarity of the fibre is underlined by the production data: approximately 130-140 bales of Sea Island cotton are produced each year, equivalent to approximately 0.006% of the annual global cotton production.

The acquisition of the Spoerry brand allowed C. Tessile to develop the expertise needed to process this exclusive fibre, enabling the production of fine and ultra-fine yarns of the highest quality. Sea Island cotton is grown primarily with natural irrigation, with only a limited use of artificial systems. Harvesting is done manually, and processing follows traditional methods to preserve the fibre's intrinsic characteristics without compromising its quality.

The charitable association that manages the Sea Island cotton trade is also responsible for supporting the families working in the fields. C. Tessile contributes a fixed monthly fee to the association, which is used to pay workers and provide the materials and tools needed for agricultural activities. At the same time, the company maintains direct control over the fields, thanks to the presence of a C. Tessile manager on site, thus ensuring control over the fibre's quality, compliance with the various sowing and harvesting phases, and establishing a relationship of trust with each worker.



C. Tessile's long-term sustainability journey is reflected in the publication of its second Sustainability Report for the 2024 reporting year.

The report analyses the company's environmental, social and governance (ESG) impacts.

As with the previous report, it highlights initiatives and projects that underscore the company's commitment to environmental protection, the social well-being of its stakeholders and the maintenance and updating of its sustainability strategies.

The reporting scope includes C. Tessile S.p.A. and its Hungarian subsidiary C. Tessile KFT, unless otherwise specified in the report itself.

The reporting period is from 1 January 2024 to 31 December 2024.

## Reporting methodology

### 8.1

This document was prepared in accordance with the GRI Sustainability Reporting Standards, updated to the GRI Universal Standards 2021, in continuity with the previous year.

Information relating to ESG issues was collected through structured discussions with internal stakeholders and through the use of dedicated data collection forms, ensuring a methodological process consistent with leading industry best practices. The contents have been organised as follows:

- Initial tables with material topics, impacts, risks and opportunities;
- Policies and management models;
- Actions and projects developed in 2024 relating to material topics;
- GRI tables with qualitative and quantitative indicators.

C. Tessile has continued to consolidate its reporting system, progressively strengthening its methodological approach and the quality of the data collected.

## Materiality analysis of esg issues

### 8.2

GRI 2-4; GRI 2-29; GRI 3-1; GRI 3-2

The process of identifying material topics involved both internal and external stakeholders, who were given a dedicated questionnaire to fill in. Compared to the previous year, the questionnaire was revised to improve its clarity, accessibility and comprehensibility. At the same time, by expanding the number of external stakeholders involved, a broader and more detailed set of information was obtained, which led to the inclusion of new material topics. The analysis was also integrated with additional topics deemed relevant to the fashion industry and the relevant regulatory framework.

The impact analysis, conducted in methodological continuity with the previous reporting year, allowed us to identify and assess the ESG impacts, both positive and negative, associated with the new material topics that emerged during the year.

The assessment was conducted considering the scale and scope of the impact and, for negative impacts, the degree of remediability. To enhance the level of detail and understanding of the analysis, the time horizon within which each impact could occur - short-, medium- or long-term - was also indicated for each impact.

For impacts classified as potential, the probability of occurrence was estimated, expressed using a rating scale from 1 (low probability) to 5 (high probability), contributing to a more accurate and forward-looking representation of the risks and opportunities associated with ESG issues

The following thresholds applied to the classification of materiality:

For positive impacts (maximum score 12):

- **Greater than 9: Critical**
- **Between 8 and 9: Significant**
- **Between 5 and 7: Important**
- **Between 3 and 4: Informative**
- **Less than 3: Minimal**

For negative impacts (maximum score 15):

- **Greater than 12: Critical**
- **Between 10 and 12: Significant**
- **Between 8 and 9: Important**
- **Between 5 and 7: Informative**
- **Less than 5: Minimal**

With regard to financial materiality, the analysis was developed in line with the methodological approach adopted in the previous year. This assessment allowed us to highlight emerging risks and opportunities associated with the material topics identified for 2024, with particular attention to the potential economic and financial impacts on the company. Two distinct indicators were assigned to each risk and opportunity, relating to the probability of occurrence and the extent of the impact on the organisation, both expressed on a scale of 1 to 5. The overall level of materiality was determined by calculating the average of the two indicators, allowing for a concise and comparable assessment of the financial priorities associated with ESG topics.

## Verification and validation

### 8.3

GRI 2-12; GRI 2-13; GRI 2-14; GRI 2-16

Once again, the Sustainability Report for the 2024 financial year was not independently verified by an external body. The document was developed by the company's ESG team, with the support and review of external consultants, and was finally approved by the Board of Directors.

The document was also shared with internal representatives from various company departments to foster greater awareness of ESG issues and promote broader employee involvement in the company's sustainability journey. Through this process, C. Tessile intends to strengthen the quality, transparency and reliability of its reporting system, in line with the evolution of the European regulatory framework.

For further information regarding this document or the company's ESG initiatives, please contact: [info@canclini.it](mailto:info@canclini.it).

# APPENDIX

9

## Summary of performance indicators

9.1

GRI 2-4; GRI 2-7; GRI 2-8; GRI 301-1;  
GRI 301-2; GRI 302-1; GRI 305-1;  
GRI 305-2; GRI 416-1; GRI 417-3

2024 marks the second ESG reporting year for C. Tessile. Over the course of the year, the approach adopted for data collection, processing and reporting was more structured and accurate, demonstrating a progressive strengthening of the reporting system.

The following tables show data for the 2023 and 2024 financial years, to allow for a direct and consistent comparison of information. Where deemed necessary for information and transparency purposes, specific explanatory notes have been included.

### GRI 2-7 - Employees

TOTAL NUMBER OF PERMANENT AND FIXED-TERM EMPLOYEES, BROKEN DOWN BY GENDER AND REGION 2023 2024

	2023		Europe (excluding Italy)		Outside-Europe		Total
	Italy		Men	Women	Men	Women	
	Men	Women					
Permanent	43	44	19	64	1	0	171
Fixed-term	1	8	0	0	19	0	28
<b>Total</b>	<b>44</b>	<b>52</b>	<b>19</b>	<b>64</b>	<b>20</b>	<b>0</b>	<b>199</b>
	2024		Europe (excluding Italy)		Outside-Europa		Total
	Italy		Men	Women	Men	Women	
	Men	Women					
Permanent	36	48	16	43	1	0	144
Fixed-term	2	6	0	0	49	6	63
<b>Total</b>	<b>38</b>	<b>54</b>	<b>16</b>	<b>43</b>	<b>50</b>	<b>6</b>	<b>207</b>

TOTAL NUMBER OF FULL-TIME/PART-TIME EMPLOYEES, BROKEN DOWN BY GENDER

	2023			2024		
	Men	Women	Total	Men	Women	Total
Full time	81	109	190	102	92	194
Part time	2	7	9	2	11	13
<b>Total</b>	<b>83</b>	<b>116</b>	<b>199</b>	<b>104</b>	<b>103</b>	<b>207</b>

TOTAL NUMBER OF EMPLOYEES BY ROLE, BROKEN DOWN BY GENDER

	2023			2024		
	Men	Women	Total	Men	Women	Total
Executives	0	1	1	0	1	1
Managers	7	2	9	7	2	9
Office workers	19	32	51	16	32	48
Labourers	57	81	138	81	68	149
<b>Total</b>	<b>83</b>	<b>116</b>	<b>199</b>	<b>104</b>	<b>103</b>	<b>207</b>

### GRI Disclosure 2-8 - Workers who are not employees

TOTAL NUMBER OF OTHER STAFF, BY ROLE, BROKEN DOWN BY GENDER

	2023			2024		
	Men	Women	Total	Men	Women	Total
Interns	0	2	2	0	1	1
<b>Total</b>	<b>0</b>	<b>2</b>	<b>2</b>	<b>0</b>	<b>1</b>	<b>1</b>

### GRI Disclosure 205-1 - Operations assessed for risks related to corruption

OPERATIONS ASSESSED FOR RISKS RELATED TO CORRUPTION

	2023	2024
Total no. of operations	17	-
% of operations assessed for risks related to corruption	100%	-

### GRI Disclosure 205-2 - Communication and training about anti-corruption policies and procedures

NOTICE TO MEMBERS OF THE BOARDS OF DIRECTORS

	2023	2024
Total no. of individuals to whom anti-corruption policies and procedures have been communicated	5	-
% of total members of governing bodies	100%	-

COMMUNICATION TO EMPLOYEES

		2023	2024
Executives	Total no. of executives who have been informed of anti-corruption policies and procedures		
	% of the total executives		
Managers	Total no. of managers who have been informed of anti-corruption policies and procedures	9	-
	% of the total executives	100%	-
Office workers	Total no. of office workers who have been informed of anti-corruption policies and procedures	45	-
	% of the total executives	90%	-
Labourers	Total no. of labourers who have been informed of anti-corruption policies and procedures	41	-
	% of the total executives	30%	-

EMPLOYEE TRAINING

	2023	2024
Total number of employees who have received training	117	-
% of total employees	59%	-

Note: Communication to managers and office employees was carried out directly via corporate e-mail. As for factory workers, who do not have a company e-mail account, the information was communicated through notices posted on internal bulletin boards.

Note: At the KFT site, there is currently no direct communication system for employees. However, the Code of Ethics and the rules regarding the whistleblowing channel are displayed on bulletin boards in four or five languages to ensure accessibility for all staff members.

Note: Specific anti-corruption training has not yet been provided to members of the governance bodies.

Note: No employee training was delivered in 2024. Training is provided every two years.

## GRI 301-1 Disclosure - Materials used by weight or volume

### TEXTILE MATERIALS

		UOM	2023	of which recycled	2024	of which recycled
Yarns	Renewable	Kg	540.808,00	0,10%	443.322,47	0,06%
	Non-renewable	Kg	1.870,00	-	1.240,23	-
Fabrics	N/A	Kg	918.350,00	-	868.148,00	-
Fibre	Renewable	Kg	-	-	65.695,24	-
<b>Total</b>		<b>Kg</b>	<b>1.461.028,00</b>	<b>0,04%</b>	<b>1.378.405,94</b>	<b>0,06%</b>

## GRI 301-2 - Materials used by weight or volume

### PACKAGING MATERIALS

	UoM	2023	2024	percentage 2024/2023
Renewable	Kg	70.955,00	99.906,32	40,80%
Non-renewable	Kg	41.775,00	32.740,57	-21,63%
<b>Totale</b>	<b>Kg</b>	<b>112.730,00</b>	<b>132.646,89</b>	<b>17,67%</b>

## GRI 302-1 - Internal energy consumption within the company

### FUEL CONSUMPTION

	UOM	2023	2024
Natural gas (KFT)	kWh	548.118,44	541.685,00
Natural gas (C. Tessile S.p.A.)	Smc	45.081,29	56.391,00
Diesel	L	56.357,94	50.568,32
Petrol	L	1.892,32	3.341,69
LPG	L	0	0,00

### ENERGY CONSUMPTION

	UDM	2023	2024
Electricity consumption (C. Tessile)	kWh	457.284,56	415.799,84
<i>of which from fossil fuels</i>	kWh	236.305,14	204.303,53
<i>of which purchased from certified renewable energy sources</i>	kWh	145.750,42	167.150,31
<i>of which self-generated from renewable sources</i>	kWh	75.229,00	44.346,00
Electricity consumption (KFT)	kWh	2.950.368,82	2.867.754,09
<i>of which from fossil fuels</i>	kWh	-	2.278.146,37
<i>of which purchased from certified renewable energy sources</i>	kWh	-	589.607,72
<i>of which self-generated from renewable sources</i>	kWh	-	-

## GRI Disclosure 305-1 - Direct GHG emissions (Scope 1)

TOTAL SCOPE 1 (2023)	<b>354,28</b> ton CO2eq
TOTAL SCOPE 1 (2024)	<b>364,45</b> ton CO2eq

Company	Fuel	FE (kg CO2eq/uom)	Footprint (ton CO2eq) - 2023	Footprint (ton CO2eq) - 2024	Dataset	Dataset source
C. Tessile KFT	Natural gas (kWh)	0,20489	112.303,99	110.985,84	Natural gas (100% mineral blend) - net CV	DEFRA 2024
C. Tessile S.p.A.	Natural gas (Smc)	2,06672	93.170,40	116.544,41	Natural gas (100% mineral blend)	DEFRA 2024
C. Tessile S.p.A.	Diesel (L)	2,57082	119.177,92	104.293,85	Diesel (average biofuel blend)	DEFRA 2024
C. Tessile S.p.A.	Denatured diesel fuel (L)	2,57082	25.708,20	25.708,20	Diesel (average biofuel blend)	DEFRA 2024
C. Tessile S.p.A.	Petrol (L)	2,06916	3.915,51	6.914,49	Petrol (average biofuel blend)	DEFRA 2024

Note: For the KFT site, in 2023 it was not possible to disaggregate electricity consumption by energy supply source. In 2024, however, the diversification of energy sources was integrated in order to improve the completeness and transparency of energy information.

Note: In the 2023 reporting year, LPG was mistakenly reported as including denatured fuel, gasoline, and diesel fuel. The 2023 data included in the table and the 2024 data are correct.

## GRI 305-2 - Indirect GHG emissions from energy consumption (Scope 2)

2023	TOTALE SCOPE 2 location based	<b>951,75</b> ton CO2eq
	TOTALE SCOPE 2 market based	<b>1.108,67</b> ton CO2eq

2024	TOTALE SCOPE 2 location based	<b>909,53</b> ton CO2eq
	TOTALE SCOPE 2 market based	<b>1.077,67</b> ton CO2eq

### Location based

Company	Type	FE (kg CO2eq/udm)	Footprint (ton CO2eq) - 2023	Dataset	Fonte Dataset
C. Tessile KFT	Electricity from national grid of the plant	0,29	841.288,55	market for electricity, medium voltage	Ecoinvent 3.12
C. Tessile KFT	Electricity from national grid For the apartments	0,24	11.849,72	market for electricity, low voltage	Ecoinvent 3.12
C. Tessile S.p.A.	Electricity from national grid	0,2363	90.279,73	ISPRA (Fattori di emissione per la produzione ed il consumo di energia elettrica in Italia)	ISPRA 2023
C. Tessile S.p.A.	Self-generated from renewable sources	-	-	Scope 2 guidance (GHG Protocol)	ISPRA 2023

Company	Type	FE (kg CO2eq/udm)	Footprint (ton CO2eq) - 2024	Dataset	Fonte Dataset
C. Tessile KFT	Electricity from national grid of the plant	0,29	813.711,00	market for electricity, medium voltage	Ecoinvent 3.12
C. Tessile KFT	Electricity from national grid of the apartments	0,24	14.844,98	market for electricity, low voltage	Ecoinvent 3.12
C. Tessile S.p.A.	Electricity from national grid	0,2005	74.476,49	ISPRA (Fattori di emissione per la produzione ed il consumo di energia elettrica in Italia)	ISPRA 2024
C. Tessile S.p.A.	Self-generated from renewable sources	-	-	Scope 2 guidance (GHG Protocol)	ISPRA 2024

### Market based

Company	Type	FE (kg CO2eq/udm)	Footprint (ton CO2eq) - 2023	Dataset	Fonte Dataset
C. Tessile KFT	Electricity from national grid of the plant	0,3186	924.373,05	AIB 2024 HU	AIB 2024
C. Tessile KFT	Electricity from national grid of the apartments	0,3186	15.732,47	AIB 2024 HU	AIB 2024
C. Tessile S.p.A.	Electricity from national grid	0,4412	168.562,91	AIB 2024 IT	AIB 2024
C. Tessile S.p.A.	Self-generated from renewable sources	-	-	AIB 2024 IT	AIB 2024

Company	Type	FE (kg CO2eq/udm)	Footprint (ton CO2eq) - 2024	Dataset	Fonte Dataset
C. Tessile KFT	Electricity from national grid of the plant	0,3186	894.071,98	AIB 2024 HU	AIB 2024
C. Tessile KFT	Electricity from national grid of the apartments	0,3186	19.709,19	AIB 2024 HU	AIB 2024
C. Tessile S.p.A.	Electricity from national grid	0,4412	163.885,43	AIB 2024 IT	AIB 2024
C. Tessile S.p.A.	Self-generated from renewable sources	-	-	AIB 2024 IT	AIB 2024

Note: In 2023, diesel fuel was mistakenly classified as LPG. In addition, the renewable energy levels indicated on the utility bills were incorrectly considered as certificates

## GRI 403-9 - Workplace accidents

Workplace accidents involving all employees

	2023		2024		
	N.	tasso	N.	tasso	
Number and rate of deaths resulting from accidents at work	0	0	0	0	0
Number and rate of workplace accidents with serious consequences (excluding fatalities)	0	0	0	0	0
Number and rate of workplace accidents	1	7,14	2	1,62	1,62
The main types of workplace accidents	Hand caught in a cutter		Shoved against the gate; cut his finger on a box cutter		
The number of hours worked	140.000	-	1.231.000	-	-
The number of working days lost due to accidents at work	28	-	170	-	-

Note: The rates have been calculated on the basis of 1,000,000 hours worked

## GRI 414-1: New suppliers who have been assessed using social criteria

Description	2024	
	N.	percentage
yarn suppliers	8	100%
fabric suppliers	2	100%
fibre suppliers	0	0

Note: For the purposes of indicator 414-1, the company considers "new suppliers" to be only those selected directly by the group during the reporting period. Suppliers already working with Spoerry, which was acquired in 2024, have not been counted as new suppliers, as they did not result from a selection process initiated during the year but from a corporate integration.

## GRI 414-2 Negative social impacts on the supply chain and actions taken

Description	2024	
	N.	percentage
Number of suppliers assessed in relation to social impacts	11	
Number of suppliers identified as having significant negative social impacts, both potential and actual, of which:	6	
% with whom improvements were agreed following the assessment	83,33%	
% of cases in which the relationship was terminated following the assessment, and the reason.	16,67%	

Note: There have been no reports of contracts with suppliers being terminated due to corruption-related breaches.

Note: The percentage of suppliers assessed is based solely on the due diligence process carried out during the year.

## GRI 416-1 Assessment of health and safety impacts by product and service category

Number of tests carried out on the materials

	2023				2024					
	N. test passed	%	N. fail	%	Total	N. test passed	%	N. fail	%	Total
Finished fabric – Internal testing	3.823	80,05%	953	19,95%	4776	3.630	80,99%	852	19,01%	4.482
Finished fabric – External testing	198	90,00%	22	10,00%	220	236	98,33%	4	1,67%	240

Note: There were some typographical errors in the 2023 methodology note; the correct data has been included in the text.

Note: The figures for 'failed' external tests are indicative and not exhaustive; they are reported on the basis of information and responses received from clients and laboratories.

## GRI 417-3: Cases of non-compliance relating to marketing communications

	2024	
	N.	percentage
Instances of non-compliance with regulations that have resulted in a fine or penalty	0	
Instances of non-compliance with regulations that have resulted in a warning	0	
Instances of non-compliance with voluntary codes	1	



# GRI correlation table

## 9.2

Declaration of Use	C. Tessile has published its reporting in accordance with the GRI Standards for the period from 1 January 2024 to 31 December 2024		
GRI 1 Applied	GRI 1 - Fundamental Principles - Version 2021		
GRI STANDARD	DISCLOSURE	LOCATION	NOTES/OMISSIONS
GRI 2: General disclosure (2021)	GRI 2-1 Organisation details	3.1 Corporate structure and reporting scope; 3.4 Target market	
	GRI 2-2 Entities included in the sustainability reporting of the organisation	3.1 Corporate structure and reporting scope; 8 Methodological note	
	GRI 2-3 Reporting period, frequency and point of contact	8 Methodological note	
	GRI 2-4 Restatement of information	8.2 Materiality analysis of ESG issues 9 Appendix	
	GRI 2-5 External assurance	N/A	This Report is not subject to assurance.
	GRI 2-6 Activities, value chain and other business relationships	3.1 Corporate structure and reporting scope; 3.3 Business model and commercial offering; 3.4 Target market	
	GRI 2-7 Employees	9 Appendix	
	GRI 2-8 Workers who are not employees	9 Appendix	
	GRI 2-9 Structure and composition of governance	4 Sustainability as a strategic choice 5.1 Policy and management model	
	GRI 2-10 Appointment and selection of the highest governing body	5 Governance: transparency, compliance and risk management 5.1 Policy and management model	
	GRI 2-11 Chair of the highest governing body	5 Governance: transparency, compliance and risk management 5.1 Policy and management model	
	GRI 2-12 Role of the highest governance body in overseeing impact management	4 Sustainability as a strategic choice 5 Governance: transparency, compliance and risk management 5.1 Policy and management model 8.3 Verification and validation	
	GRI 2-13 Delegation of responsibility for impact management	5 Governance: transparency, compliance and risk management 5.1 Policy and management model 8.3 Verification and validation	
	GRI 2-14 Role of the highest governance body in sustainability reporting	5 Governance: transparency, compliance and risk management 5.1 Policy and management model 8.3 Verification and validation	
	GRI 2-15 Conflicts of interest	5 Governance: transparency, compliance and risk management 5.1 Policy and management model	
	GRI 2-16 Communication of concerns	5 Governance: transparency, compliance and risk management 5.1 Policy and management model 8.3 Verification and validation	
	GRI 2-17 Collective competences of the highest governing body	5 Governance: transparency, compliance and risk management 5.1 Policy and management model	
	GRI 2-18 Assessment of the performance of the highest governing body		Confidential information
	GRI 2-19 Remuneration policies		
	GRI 2-20 Process for determining remuneration		The process for determining remuneration is based on the relevant National Collective Labour Agreement, which is then adjusted according to role, experience, and knowledge of products and the sector, as for every employee
	GRI 2-21 Annual total remuneration ratio		
	GRI 2-22 Statement on sustainable development strategy	Letter from the chairman 2 Value creation and ESG performance 4 Sustainability as a strategic choice	
	GRI 2-23 Policy commitments	4 Sustainability as a strategic choice 5.1 Policy and management model 7.1 Policy and management model	
	GRI 2-24 Integration of commitments in terms of policy	4 Sustainability as a strategic choice 5.1 Policy and management model 7.1 Policy and management model	
	GRI 2-25 Processes to remedy negative impacts	4 Sustainability as a strategic choice 5.1 Policy and management model 7.1 Policy and management model	
	GRI 2-26 Mechanisms for seeking advice and raising concerns	5.1 Policy and management model	
	GRI 2-27 Compliance with laws and regulations	5.2 Compliance and transparency	During 2024, no significant cases of non-compliance with laws and regulations were reported, nor were any significant monetary sanctions paid by the Group.
	GRI 2-28 Membership of associations	3 Identity, structure and strategic orientation 7.4 "Un sorriso in più": 20 years of solidarity and social support	
	GRI 2-29 Approach to stakeholder engagement	4.1 Materiality analysis 8.2 Materiality analysis of ESG issues	
	GRI 2-30 Collective bargaining agreements	-	No incidents of restriction of freedom of association and collective bargaining were recorded

GRI STANDARD	DISCLOSURE	LOCATION	NOTES/OMISSIONS
<b>MATERIAL TOPICS</b>			
GRI 3: Material topics (2021)	GRI 3-1 Process for determining material topics	4.1 Materiality analysis 8.2 Materiality analysis of ESG issues	
	GRI 3-2 List of material topics	4.1 Materiality analysis 8.2 Materiality analysis of ESG issues	
<b>CHEMICAL MANAGEMENT</b>			
GRI 3: Material topics (2021)	GRI 3-3 Management of material topics	6.1 Policy and management model	
<b>ECONOMIC SUSTAINABILITY</b>			
GRI 3: Material topics (2021)	GRI 3-3 Management of material topics	3 Identity, structure and strategic orientation	
GRI 201: Economic Performance (2016)	GRI 201-1: Direct economic value generated and distributed	3.5 Economic value generated and distributed 3.5.1 Economic performance and investments	
<b>ETHICS AND TRANSPARENCY</b>			
GRI 3: Material topics (2021)	GRI 3-3 Management of material topics	5.1 Policy and management model	Data not available (Stakeholder engagement)
GRI 205: Anti-corruption (2016)	GRI 205-1 Operations assessed for risks related to corruption	5.1 Policy and management model 5.2 Compliance and transparency	
	GRI 205-2 Communication and training on anti-corruption policies and procedures	5.1 Policy and management model 5.2 Compliance and transparency	
	GRI 205-3 Confirmed incidents of corruption and actions taken	-	No incidents of corruption occurred.
<b>RAW MATERIALS MANAGEMENT</b>			
GRI 3: Material topics (2021)	GRI 3-3 Management of material topics	6.1 Policy and management model	Data not available (Stakeholder engagement)
GRI 301: Materials (2016)	GRI 301-1 Materials used by weight or volume	6.3 Procurement strategy and selection of raw materials 6.3.1 Traceability of raw materials 6.5 Circular strategies and waste management 9 Appendix	
	GRI 301-2 Recycled materials used	9 Appendix	
<b>ENERGY EFFICIENCY</b>			
GRI 3: Material topics (2021)	GRI 3-3 Management of material topics	6.1 Policy and management model 6.2 Energy and emissions	Data not available (Policies and commitments; Actions to address material topics)
GRI 302: Energy (2016)	GRI 302-1 Energy consumption within the organisation	6.2 Energy and emissions 9 Appendix	
<b>EMISSIONS</b>			
GRI 3: Material topics (2021)	GRI 3-3 Management of material topics	6.1 Policy and management model	Data not available (Policies and commitments; Actions to address material topics)
GRI 305: Emissions (2016)	GRI 305-1 Direct GHG emissions (Scope 1)	6.2 Energy and emissions 9 Appendix	
	GRI 305-2 - Indirect GHG emissions from energy consumption (Scope 2)	6.2 Energy and emissions 9 Appendix	
<b>OCCUPATIONAL HEALTH AND SAFETY</b>			
GRI 3: Material topics (2021)	GRI 3-3 Management of material topics	7.1 Policy and management model	Data not available (Stakeholder engagement)
GRI 403: Occupational health and safety (2018)	GRI 403-1 Occupational health and safety management system	7.2 Occupational health and safety of workers	100% of employees are covered by a certified Occupational Health and Safety Management System (OHSMS)
	GRI 403-2 Hazard identification, risk assessment and incident investigation	7.2 Occupational health and safety of workers	
	GRI 403-3 Occupational health services	7.2 Occupational health and safety of workers	
	GRI 403-9 Work-related injuries	-	There were no work-related injuries involving workers who are not employees.
<b>RESPECT FOR HUMAN RIGHTS</b>			
GRI 3: Material topics (2021)	GRI 3-3 Management of material topics	7.1 Policy and management model	Data not available (Monitoring the effectiveness of actions)
GRI 414: Supplier social assessment	GRI 414-1: New suppliers that were screened using social criteria	7.1 Policy and management model 6.4.1 - Traceability and environmental criteria in supplier selection and monitoring processes	N/A to C. Tessile KFT
	GRI 414-2: Negative social impacts in the supply chain and actions taken	7.1 Policy and management model 6.4.1 - Traceability and environmental criteria in supplier selection and monitoring processes	N/A to C. Tessile KFT
<b>PRODUCT SAFETY</b>			
GRI 3: Material topics (2021)	GRI 3-3 Management of material topics	6.1 Policy and management model	Data not available (Stakeholder engagement)
GRI 416: Customer health and safety (2016)	GRI 416-1 Assessment of health and safety impacts by product and service category	6.3.2 Technical tests on the product 9 Appendix	N/A to C. Tessile KFT
	GRI 416-2: Incidents of non-compliance concerning the health and safety impacts of products and services	5.2 Compliance and transparency 6.3.2 Technical tests on the product	N/A to C. Tessile KFT; No incidents occurred
<b>MARKETING AND LABELLING</b>			
GRI 417: Marketing and Labeling (2016)	GRI 417-1: Requirements for product and service information and labeling	5.2 Compliance and transparency	N/A to C. Tessile KFT
	GRI 417-2: Incidents of non-compliance concerning product and service information and labeling	5.2 Compliance and transparency	N/A to C. Tessile KFT; No incidents occurred
	GRI 417-3: Incidents of non-compliance concerning marketing communications	5.2 Compliance and transparency; 9 Appendix	N/A per C. Tessile KFT; Only one incident was reported

Project: **C. Tessile S.p.A.**

Via XXV Aprile, 71 – 22070 Guanzate (CO)

Tel: +39.031.3527511

Fax: +39.031.899422

Email: [info@canclini.it](mailto:info@canclini.it)

[www.canclini.it](http://www.canclini.it)

Technical support : **CIKIS STUDIO**

[www.cikis.studio](http://www.cikis.studio)

Images: C. Tessile