



CLERICI TESSUTO

SUSTAINABILITY REPORT 2022

September 2023



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LETTER TO STAKEHOLDERS

In 2022, the market recovery continued after the contraction caused by the pan-demographic situation, and aspects related to sustainability and digitalisation became more relevant and began to structurally change the way players in the value chain interact. Clerici Tessuto, which had already undertaken specific transformation initiatives in these areas, continued in 2022 along the lines set out in previous years, in line with the trends consolidated in the year just ended.

2022 was an important milestone for Clerici Tessuto & C. S.p.A., as it marked the 100th anniversary of the company's foundation. This anniversary was celebrated in various ways, starting in the second half of the year, with the aim of enhancing and involving both the environmental context in which the company operates and its customers. A big party was organised with the participation of the entire local community, and a "capsule collection" was presented to customers in a series of moments dedicated to them, culminating in a special event in Paris.

The company has therefore continued to focus on the safety and support of its employees, focusing even more on the social component of its approach to sustainability. The company distributed economic bonuses to employees, both "one-off" bonuses and contributions aimed at mitigating the effects of the energy crisis, and started the selection process for the Academy project, which gives several young people the opportunity to come into contact with the company through structured training for the sector, culminating in the recognition of a Diploma in Higher Tech-

nical Education and Training (IFTTS) by the Lombardy Region. The Academy course, developed in collaboration with the Istituto Superiore Starting Work, started in January 2023 and is still ongoing, with activities (on-the-job, tutored by company staff) and face-to-face training in the company.

Also in the social field, Clerici Tessuto continued its collaboration with the curators of the sector's exhibitions and with the prison system for the development of inmates' skills, by donating fabrics for in-house workshops in prisons.

The company also continued to develop its environmental monitoring, in particular by strengthening its integrated management system, with a particular focus on risk management, and implemented energy saving initiatives in its operations, reducing energy intensity.

Product innovation continued to focus on circular economy experiments, with particular attention to the use of recycled fibres and disposal initiatives through the horizontal circular economy. Activities also included the use of new yarns for technical products with aesthetic canons typical of the company's "heritage", which have been or will be the subject of presentations in the collections published in 2023.

For the coming years, Clerici Tessuto outlines initiatives that will allow the company to continue the ongoing transformation and energy transition, implementing the development of more digitalised processes and reducing the impact of its activities on the environment.

Stefano Bernasconi
CEO





THE CLERICI TESSUTO GROUP



THE HISTORY OF THE ITALIAN TEXTILE INDUSTRY: FROM ITS ORIGINS TO THE PRESENT DAY

WHO WE ARE

The Clerici Tessuto¹ Group, of which Clerici Tessuto & C. S.p.A. is the parent company, is one of the world's leading textile companies in the luxury sector, designing, producing and marketing fabrics for clothing, furnishings and luxury accessories.

Clerici Tessuto manages a complete textile micro-factory made up of its own creative and production resources and a network of carefully selected partners in the Italian textile panorama, guaranteeing the customer rigorous control over the entire production process, from the selection of raw materials to the sale of the finished product.

Creativity, continuous training, specialisation and passion have made the company a reference partner for the world's leading fashion houses and the most important textile editors in the furnishing sector.

Clerici Tessuto, long renowned for the production of top quality plain and jacquard fabrics, acquired the digital printing company Sara Ink in 2000, with plants in Villa Guardia and Montano Lucino. This acquisition and subsequent investments in digital technology have placed the company at the forefront of the production of digitally printed fabrics, opening up new creative possibilities and confirming its commitment to innovation in the textile sector.

Since 1922, Clerici Tessuto has been committed to understanding, satisfying and anticipating the needs of its customers. The company invests in the training and continuous updating of its staff in order to improve the quality of the service offered and to be able to respond promptly to customer requests. Through constant monitoring of production processes and the use of the best available technology, it is committed to providing high quality products that meet the highest industry standards. It invests in the research and development of new technical solutions and sustainable materials, in collaboration with suppliers and partners who share the same vision.

Clerici Tessuto is also committed to developing an eco-sustainable economic model and to improving its environmental, social and economic contribution, using sustainable technologies and practices and promoting energy efficiency, responsible management of resources and waste reduction.

The company is constantly committed to sharing and communicating its progress, actions and objectives with its stakeholders.

Today, the Clerici Tessuto Group represents excellence in the luxury textile sector, with a brand that is recognised and appreciated worldwide for its creative skills and the excellence of its products. This goal has been achieved thanks to a business model that combines the excellence of traditional textile craftsmanship with continuous innovation in materials, techniques and processes.

¹ This document describes the main economic, social and environmental results of the Clerici Tessuto Group (in the document also referred to as "Clerici Tessuto", "The Clerici Tessuto Group", "the Group", "the Society", or the "Company"), whose scope of information extends not only to the Parent Company Clerici Tessuto & C. S.p.A, also to the subsidiary Sara Ink. Any information specific to a Group Company is expressly specified in the document by means of notes and/or specific references. For further details on how the document was prepared, please refer to the Methodological Note.



The strengths of the Clerici Tessuto Group are:

- Continuous innovation in materials, use of fibres and manufacturing techniques.
- Creativity, capacity for interpretation and a digitised historical archive from which to draw inspiration.
- Personalised service and product development for each customer.
- Micro-supply chain in the territory, guaranteeing quality, reliability and speed, as well as integrated know-how.
- International sourcing capacity.
- Product diversification by sector, market segment and price range.
- Comprehensive and constantly evolving sustainability strategy.



ONE HUNDRED YEARS OF HISTORY

Clerici Tessuto was founded in 1922 and is now in its fourth generation. From the very beginning, the company has always focused on the quality of its products, attention to detail and customer care. Over the years, the company has grown and consolidated, adapting to market changes, to the different needs of its customers and to the progressive evolution of the fashion world.

By skilfully combining the preservation of its historical heritage with a constant drive for innovation and research, Clerici Tessuto has over time become a reference point in the luxury textile sector.

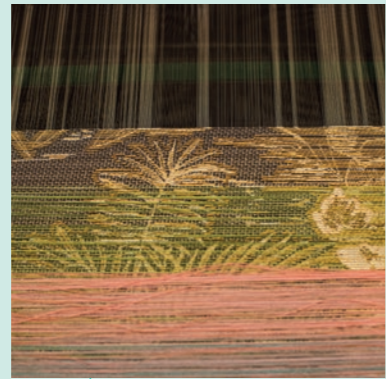
2022 was a particularly important year for the company, which turned 100 years old and celebrated this highly symbolic anniversary by involving all those who have been part of the company's history and who make up its human heritage in various events.



It was founded in 1922 by Rachele Clerici and Alessandro Tessuto as a silk fabric trading company.

The post-war period was characterised by the company's growth, thanks to investments to collaborate with leading Italian and French fashion houses and specialisation in yarn-dyed and jacquard fabrics.

The group diversifies its business by producing fabrics for men's accessories and furnishings.



1922

1937

1962

1975

1989-95

2000



Construction of the Grandate factory.



Alessandro Tessuto (third generation) introduces high-quality printed fabrics.



With the start of the new century, the Group enters the market industry and retail with the Guest and New Tess divisions and verticalised digital printing with the acquisition of Sara Ink.



The company entered the beachwear market and acquired the BROCHIER brand, a purveyor of fine upholstery fabrics.

The Group implements its new corporate sustainability strategy and enters the menswear fabric segment with the TEX HOMME collection.

Agreement with Parley for the Oceans to produce luxury fabrics with GRS-certified polyester yarns, created using plastic waste collected from the oceans.



2009

2013

2017

2019

2020

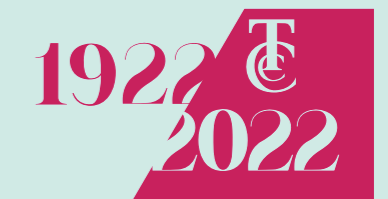
2022



Creation of the Filo d'Oro network, a group of textile companies integrated into a single micro-fabric.



Acquisition of the Larusmiani Tessuti brand licence for the production and marketing of men's drapery.



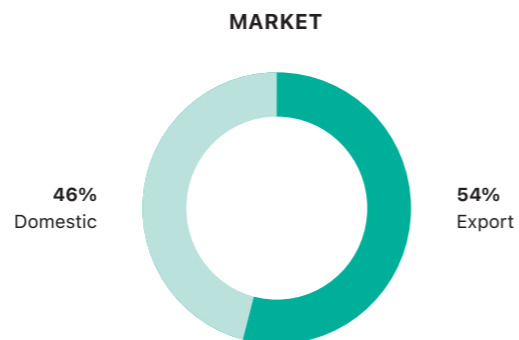
Clerici Tessuto, now in its third generation, celebrates 100 years since its foundation.



THE MARKET SERVED

Clerici Tessuto works with the world's leading brands in various market segments for men's and women's clothing, accessories and furnishings. Thanks to the experience, creativity and expertise of its professionals, Clerici Tessuto is able to understand the specific needs and challenges of each market segment and each customer, in order to offer tailor-made solutions and high quality products that meet the expectations of its partners.

The company reaches the main markets from its Italian headquarters and sales subsidiaries in the United States and France, relying on a localised supply chain in Italian textile districts with global extensions.



OFFICES

Italy

Headquarters
Grandate (Como)

Showroom
Milano

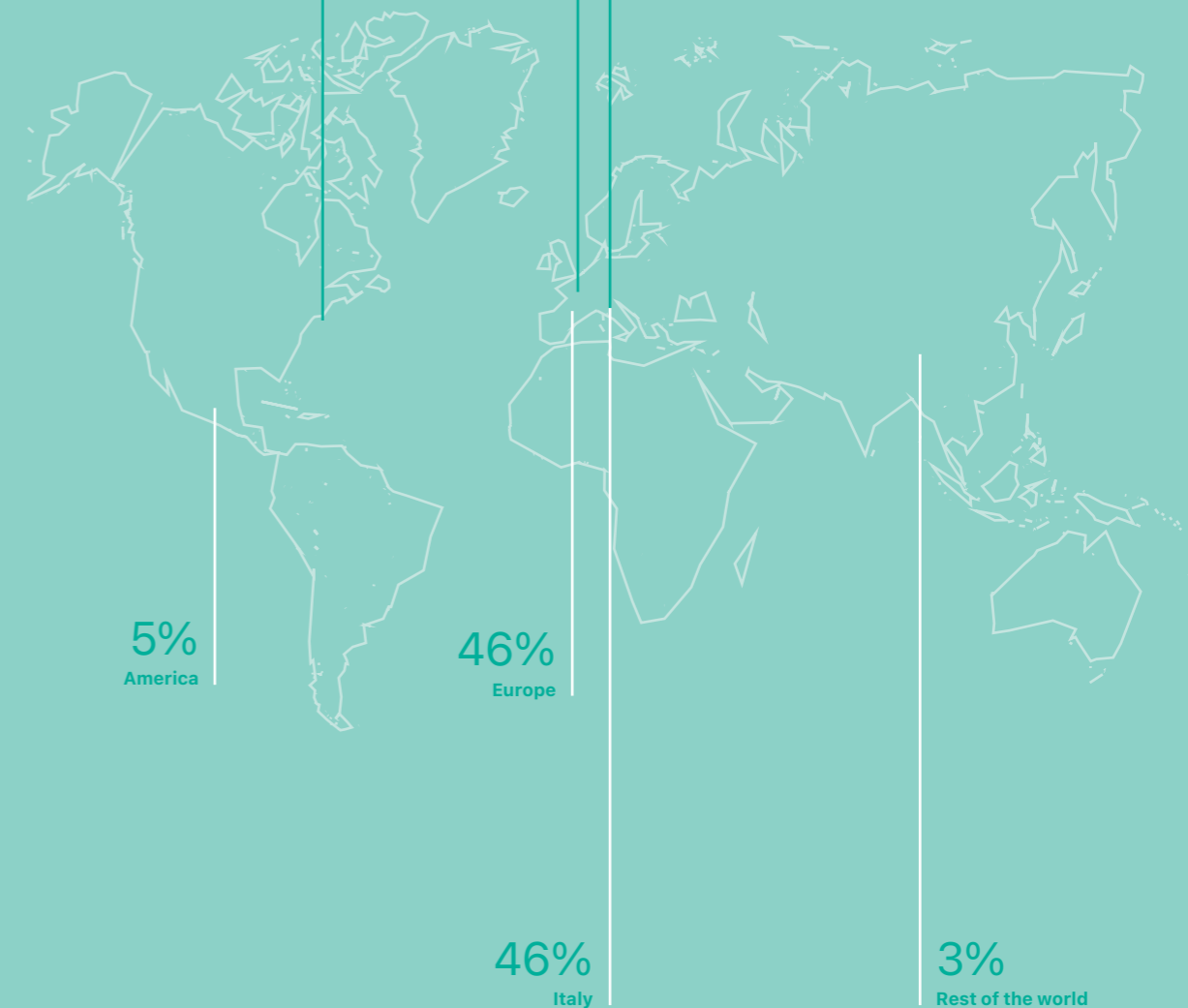
Textile production
Grandate (Como)
Villa Guardia (Como)

United States

Sales Office
New York

France

Sales Office
Paris



MARKETS



OUR OFFER

Every year Clerici Tessuto presents two collections for each of its menswear and womenswear brands, aimed at the high fashion, prêt-à-porter and mid-market sectors. These are flanked by the "Classics" collection, which represents the company's heritage of savoir faire in the production of high quality plain fabrics, the annual collections for the home and beachwear sectors, and the development of luxury accessory products based on customer requirements.

Each collection has its own specificity, but all are the result of a skilful balance between the company's artisan vocation and its constant experimentation with new finishing techniques and new yarns, with a wide range of eco-sustainable fabrics and an uncompromising search for quality.

The company has obtained the following product certifications: GOTS (Global Organic Textile Standard), GRS (Global Recycled Standard), FSC® (Forest Stewardship Council), European Flax®, OEKO-TEX®; in addition, the company has joined the BCI initiative and the ZDHC programme.

Raw materials are an essential part of the quality of the product offered and are a primary concern for the Clerici Tessuto Group. The company works with reliable suppliers who share the same passion for excellence and respect for environmental sustainability. An evaluation process ensures that raw materials meet high quality standards and are obtained in an ethical and responsible manner.

Creativity and passion are at the heart of the Clerici Tessuto Group's production process, driven by the determination to offer high quality products that meet customers' needs. The company is aware that each customer is unique and has specific needs. For this reason, it works closely with its customers to understand their needs and offer tailor-made solutions. The relationship with customers is based on trust, transparency and mutual cooperation.

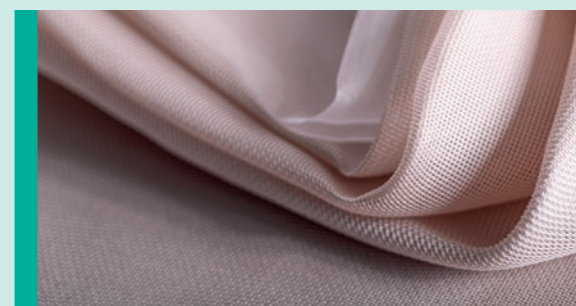
On the occasion of the 100th anniversary of its foundation, Clerici Tessuto in 2022 presents the Il Centenario capsule, a selection of fabrics that embody the know-how of excellence that has made the company's history, reinterpreted with the contemporary, innovative attitude that characterises today's production.

Each fabric in the capsule collection is an expression of technical and stylistic virtuosity: among them are the "great classics" that represent the essence of Clerici Tessuto: precious cut voided velvets; refined chinès with vibrant designs inspired by nature; precious jacquards on wire mesh. The company's commitment to researching and experimenting with new fibres is represented in the capsule by an innovative "non-woven" fabric made from recycled silk filaments, compressed and bonded with polyurethane laminates to obtain an original lustrous effect and an extremely high performance surface.



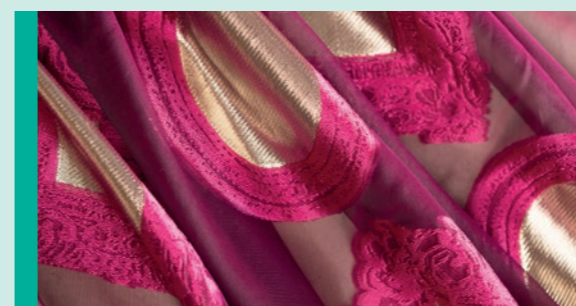
LADIES' CLOTHING

The womenswear collections represent the excellence of Como textile production combined with research and innovation, both in terms of style and product. They represent a reference for the world's leading brands, from Haute Couture and RTW (Ready-to-Wear) to some brands in the intermediate segment.



I Classici

Collection consisting of over 200 plain fabrics of the highest quality. Representing Clerici Tessuto since the company's foundation in 1922.



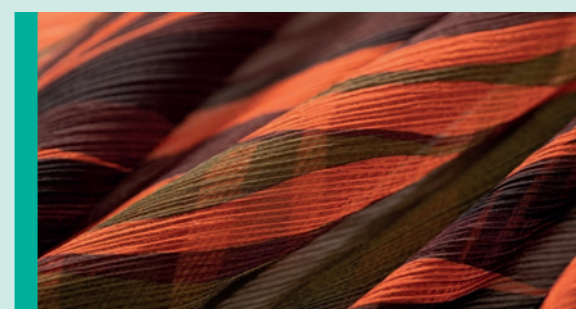
Brochier Paris

A collection that revives the tradition of Italian and French textile craftsmanship in the name of luxury and refinement, designed for high fashion and a clientele that makes elegance a way of life.



Clerici Tessuto

Trendy collection for the prêt-à-porter market, experimenting with new finishing techniques, using new natural or technical yarns and a wide range of eco-sustainable fabrics.



Industry

A young and dynamic collection offering both natural and sustainable technical fabrics, designed to be functional and comfortable.



MEN'S CLOTHING

The menswear collections are dedicated to new fashion paradigms. They combine the fresh and eclectic style of Clerici Tessuto with classic products reinvented for business casual and formal wear.



Larusmiani Tessuti

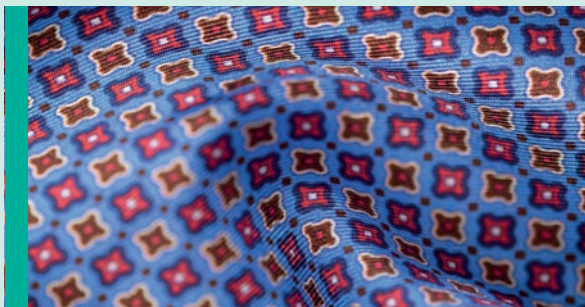
A collection of classic fabrics for men, where style, fibres and product structure are designed to meet the working and social needs of the contemporary man.



Tex Homme

A contemporary, eclectic and unconventional collection offering fabrics for social life, sophisticated business casual looks and leisure wear, made with innovative yarns, original blends and new finishing techniques.

ACCESSORY AND BEACH & BODY



Accessory

This line was established in the early 1990s for the production of fabrics for men's accessories. Today, it collaborates with the world's top brands, producing customised accessories for both men and women.



Beach & Body

Young and contemporary collection of fabrics in lycra, silk and polyester for the most demanding lingerie and beachwear manufacturers.



UPHOLSTERY

The upholstery fabrics division is an important industrial partner for major manufacturers worldwide. The upholstery proposal is complemented by a B2C collection, active on the main international markets under the brand name BROCHIER Como.



Luna Home

A collection renowned worldwide for the excellence of its yarns and workmanship, for its ability to produce complex articles and for its continuous research and innovation.



Brochier Como

B2C upholstery collection with a wide range of fabrics, colours and combinations: fine silks, large prints and jacquards, soft velvets, brocades and damasks in natural fibres or special technical yarns.



CORPORATE GOVERNANCE AND INTEGRITY

The Code of Ethics, updated in November 2022, contains the principles of conduct and the corporate values that the Clerici Tessuto² Group shares with all its employees, collaborators and suppliers. Acceptance and application of the Code of Ethics is a condition of belonging to Clerici Tessuto and an essential prerequisite for establishing partnership and collaboration relationships with third parties.

The Group promotes awareness of the Code through various means, such as online publication on the clericitessuto.it website and direct communications to internal and external audiences.

In addition to promoting behavioural principles and corporate values, the company is committed to integrating ESG³ criteria into its governance and day-to-day operations. Medium and long-term sustainability goals are set by the CEO. The Board of Directors monitors the organisation's impact on the economy, the environment and people on a bimonthly basis and approves the annual Sustainability Report.



² The contents of this paragraph refer specifically to the Parent Company Clerici Tessuto & C. S.p.A.

³ Environmental, Social and Governance.

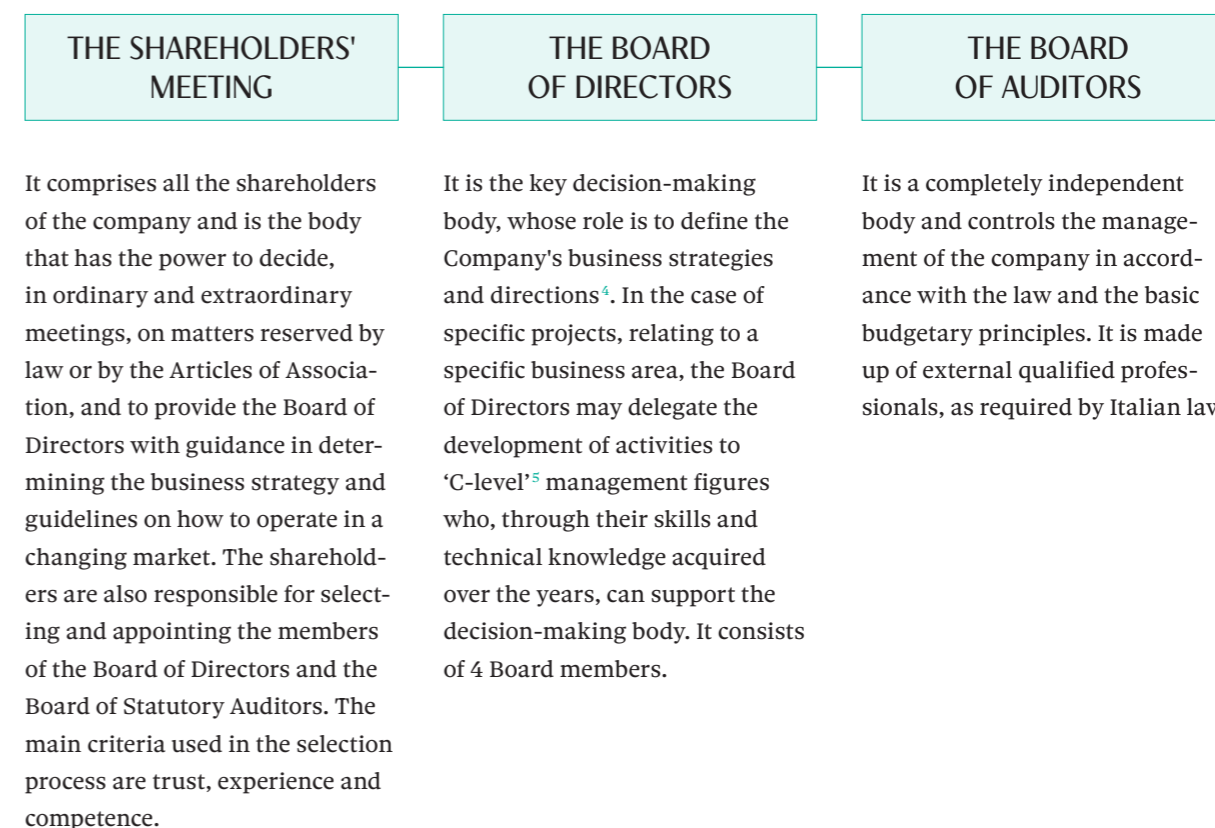


GOVERNANCE STRUCTURE

The Company has adopted a 'traditional' system of governance, in accordance with the Italian Civil Code, based on three fundamental bodies: the Shareholders' Meeting, the Board of Directors for the management of activities, and the Board of Statutory Auditors for the protection of business integrity in the Company.

The Company has a risk management system in place that is appropriate to its activities and that ensures the proper and transparent management of the Company's processes. There are no conflicts of interest as there are no significant cross-shareholdings with suppliers or other stakeholders or with related parties.

The procedures describing the risk management approach and the related instructions are documented in specific forms and include information on operating methods, responsibilities and resources.



⁴ At present, there is no evaluation of the board's performance with regard to managing impacts on the economy, the environment and people.

⁵ This term refers to all management figures with high levels of responsibility.

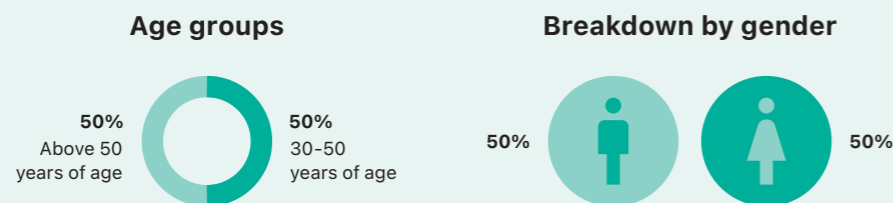


The Board of Directors currently consists of the main shareholder and Chairman of the Board, minority shareholders, the CEO and the Director of Administration, Finance and Control.

The Chairman of the Board of Directors is the President of the Company and the main shareholder. The latter holds the role of 'Employer' pursuant to Art. 2 of Legislative Decree 81/08.

CEO Stefano Bernasconi, in the Company since 2017, manages the ordinary and extraordinary administration of the Company, coordinates production activities, defines the Company's strategies, contributes to the development of the Company's style line and commercial policy, and collaborates with the employer to promote compliance with mandatory safety and environmental regulations.

Composition of the Board of Directors



Remuneration at Clerici Tessuto⁶

The remuneration of the Chairman of the Board of Directors, as well as that of the members of the Board of Statutory Auditors, is set annually by the Board of Directors. The CEO is the only role on the Board with variable remuneration based on the EBITDA level; the CEO's remuneration is set by the Chairman of the Board of Directors and the Chairman of the Board of Statutory Auditors.

There are no entry or recruitment bonuses, termination payments, clawbacks or retirement benefits (excluding TFR under Italian law) for the highest governing body and senior executives.

The remuneration of senior executives is defined annually by the Chief Executive Officer, the Human Resources Manager and the President of Clerici Tessuto. The same persons define the remuneration of employees taking into consideration several components: the opinion of the Head of Function, the Company's economic context, the informal benchmark of market remuneration and the value created in the Company by each employee.

⁶ The ratio of the annual total compensation of the organisation's highest-paid person to the median annual total compensation of all employees (excluding the highest-paid person) is 17.5 for 2022, unchanged from 2021. The ratio of the percentage increase in the annual total compensation of the organisation's highest-paid employee to the median percentage increase in the annual total compensation of all employees (excluding the highest-paid employee) is zero.



CORPORATE COMPLIANCE

In November 2022, Clerici Tessuto updated the Code of Ethics adopted in 2017. The document defines the principles of conduct and company values that the company shares with all its employees, collaborators and suppliers. In particular, the principles of conduct on which the company is based are: professional commitment, respect for people, integrity, loyalty and participation.

The Code of Ethics is a supplementary tool, adopted to respect and guarantee not only the laws and regulations in force, but also high ethical standards in the daily conduct of business. The Code of Ethics has been updated to be a document compliant with ISO 9001, 45001 and 14001.

Clerici Tessuto's Corporate Values

The Clerici Tessuto Group believes that respect for ethical principles is a fundamental pillar forming the basis of its values and success.

People	<p>Ensure the best possible protection of health and safety in the working environment and prevention from all potential forms of risk.</p> <p>Maintain transparent and fair relations with its stakeholders, including customers, suppliers, institutions and the local community.</p> <p>Guarantee employees full freedom of association with trade unions without any interference or interference.</p> <p>Hiring employees on the basis of a regular employment contract in compliance with the forms made available by national legislation by applying the CCNL for the sector.</p> <p>Ensure, in relation to working hours, compliance with the regulatory limits and those of the collective bargaining agreement in force and applied.</p> <p>Do not use child and child labour.</p> <p>Prohibit all forms of forced labour.</p> <p>Reject all forms of discrimination based on age, gender, race, religion, language, political belief, disability, trade union membership.</p>
Environment	<p>Monitor the improvement of relevant environmental performance with respect to its processing (energy consumption, environmental impact).</p> <p>Conduct business without compromising the ability of the local community to enjoy a safe and healthy environment.</p>
Business and Ethics	<p>Ensure the integrity, confidentiality and availability of Company information.</p> <p>Protect Company assets, both physical and intangible.</p> <p>Protect the value of fair competition, refraining from unlawful conduct and abuse of a dominant position.</p>

In accordance with the principles of loyalty and integrity, Clerici Tessuto constantly implements measures to prevent and avoid any type of unlawful behaviour. Over the years, the Company has provided the necessary means and resources to train its employees on good conduct and specific laws/regulations in the field of active and passive corruption.

During the year there were no significant cases of non-compliance with laws and regulations. As in the previous year, there were no confirmed cases of bribery and corruption in 2022, nor were there any prosecutions for anti-competitive behaviour, antitrust or monopolistic practices.

The Company pays great attention to environmental protection and is constantly monitoring the area around its production sites. Through regular monitoring, the Company carefully checks that its operations do not negatively affect the balance of the surrounding ecosystems. It also ensures that its production practices comply with current environmental legislation and takes steps to minimise the environmental impact of its activities.



Employee listening initiative

The "Suggestion Box", a virtual tool through which employees can send in reports, suggestions and proposals, has been active since 2021.

Employees can access it through their Company PC or through a special workstation (totem). The tool provides that communications are related to any Company activity and can also be sent anonymously.

The assessment of what has been communicated is entrusted to the Management Committee for Reports/Suggestions (CGS), which is made up of a balance of Trade Union Representatives (RSU), Workers' Safety Representatives (RLS) and Management.

The verification of what has been reported is carried out on a monthly basis: if deemed necessary, the CGS proceeds to investigate the reports in depth and assess the preventive and/or corrective actions to be taken to resolve what has been reported.

A total of 33 suggestions/reports were collected in the years 2021 and 2022.



ECONOMIC PERFORMANCE AND VALUE DISTRIBUTION

KEY ECONOMIC PERFORMANCE OF THE CLERICI TESSUTO GROUP IN 2022⁷

2022 was a complex year from a macroeconomic perspective. Challenges related to geopolitical uncertainty arising from the conflict between Russia and Ukraine, the rise in oil, natural gas and raw material prices, the lingering impact of the Covid-19 health emergency in some countries, particularly China, and the rise in interest rates had a negative impact on the growth of the global economy.

Nevertheless, the luxury goods sector showed strong dynamism, continuing on the path of recovery from the pandemic crisis that began in 2021 and offering opportunities for development.

The Clerici Tessuto Group recorded a 22% increase in sales in 2022, reaching EUR 62.6 million. In particular, sales of womenswear fabrics for the luxury market grew by 41% in 2021. The overall figure confirms the centrality of the Clothing Pole and a moderate growth in sales of the Accessory Pole (equal to 8%). The Upholstery Pole, on the other hand, will see a slight decline, linked to different trends and consumer buying behaviour.

The Group serves customers mainly in the foreign market (54%) while maintaining a substantial share in the domestic market. In particular, there is a strong focus on the European market, consistent with the positioning of services in the luxury segment; while a more marginal share of sales (8%) is destined for the Rest of the World (North America, Asia, Africa and Oceania). The domestic market posted a sales growth of 24%; growth in the European market, on the other hand, was around 14%.

Starting from the last quarter of 2021, the Group's profitability was negatively impacted by the progressive increase in energy market prices, which led to an increase in both the cost of raw materials, natural and man-made fibres, and internal production processes and the supply chain. This increase had a significant impact especially on the subsidiary Sara Ink, as it is an energy-intensive Company.

⁷ The economic data are in line with the quantitative and qualitative information in the Consolidated Financial Statements as at 31 December 2022. Compared to the previous year, they include the economic and financial data not only of the Parent Company Clerici Tessuto & C. S.p.A., but also of the subsidiary Sara Ink.



GENERATED AND DISTRIBUTED VALUE

The Group is committed to a conscious and efficient use of resources, creating and distributing wealth among the various stakeholder categories.

The consolidated income statement for 2022, which is presented according to a logic of income creation and distribution as per GRI-201-1 Directly Generated and Distributed Economic Value, shows an economic value generated by the Group of approximately EUR 65 million, a clear increase compared to the value generated in the year 2021.

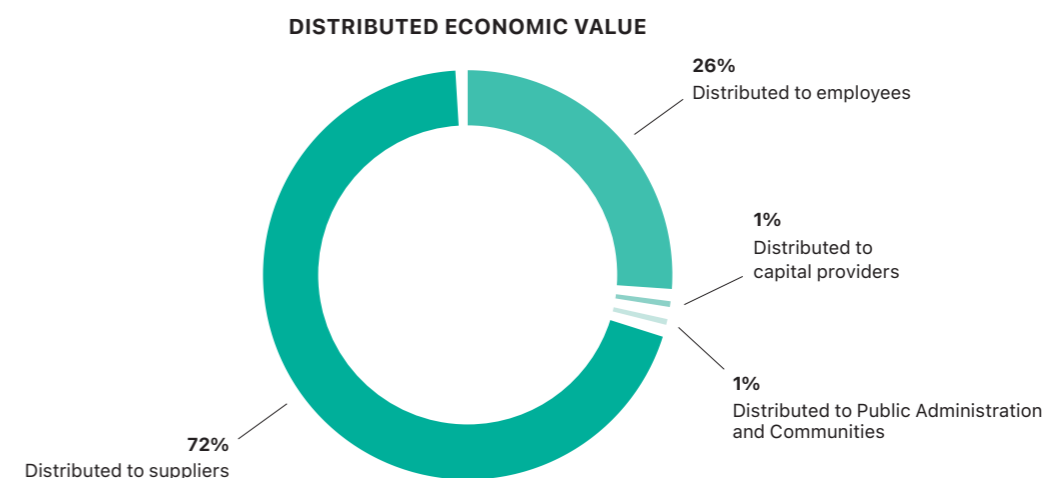
The distributed economic value increased by 24% compared to the previous year (approx. 62 million in 2022 vs. 50 million in 2021), which was mainly divided between two categories of stakeholders:

- approximately 72% to raw material and service suppliers;
- approximately 26% to employees and collaborators, in the form of salaries, various benefits, severance pay and other personnel costs.

The remaining 2% was distributed to the following stakeholder categories:

- Lenders, for the cost of interest to creditors;
- Public Administration, for the cost of direct and indirect taxes incurred during the year;
- Local community, for charity, maintenance of public property and sponsorship of sports events.

DIRECTLY GENERATED AND DISTRIBUTED ECONOMIC VALUE		
	2021	2022
Directly generated economic value	52.295.275	64.834.999
Distributed economic value	50.321.651	62.311.121
of which distributed to suppliers	36.248.652	45.083.643
of which distributed to staff	13.603.926	16.378.955
of which distributed to suppliers of capital	235.453	318.235
of which distributed to Public Administration and Communities	233.620	530.289
Economic Value Withheld	1.973.624	2.523.878





SUSTAINABILITY FOR CLERICI TESSUTO



COMMITMENT TO SUSTAINABILITY

The Clerici Tessuto Group has defined the principles of conduct and values that must govern the Company's activities.

Aware of the influence it can have, even indirectly, on economic and social development and on the general well-being of the community, the company is committed to spreading the culture of sustainability and social responsibility, both within the company and externally. The Clerici Tessuto Group is committed to creating competitive value for the company, its stakeholders and the territory by promoting balanced and sustainable economic growth, improving the quality of life and protecting and enhancing the environment.

Clerici Tessuto is aware of the importance of supporting the transition to a circular economy in the textile sector and is committed to combating and/or mitigating any negative impact on the environment, the community and the territory in which the company operates. This commitment takes the form of attention to workers' health and safety, reduction of its environmental footprint, responsible management, traceability throughout the supply chain and product innovation.



HOW THE CLERICI TESSUTO GROUP DEALS WITH CHANGE

Corporate Governance and Integrity⁸

Clerici Tessuto updated the Code of Ethics in November 2022 to renew the Company's commitment to be competitive in the market and to work professionally to offer products of the highest quality, while respecting legality, the environment and occupational health and safety.

In November 2022, Clerici Tessuto also formalised the Company Policy to indicate the organisation's set of guidelines and directions. This document defines the course of action that guides the organisation towards strategies and objectives for improvement (economic, social and environmental).

Corporate Culture and People⁹

Clerici Tessuto is committed to ensuring a healthy and safe working environment in compliance with the Workers' Statute and current labour legislation.

The Company also promotes an inclusive work environment, which combats all forms of discrimination in its policies and Company practices and supports projects to improve the development and updating of the skills of Company personnel.

Community development and school¹⁰

For over ten years, the company has been promoting and supporting activities such as collaborations, projects and sponsorships to generate positive impacts on the community.

Product Responsibility along the Supply Chain

Clerici Tessuto is constantly committed to the careful selection of suppliers and monitoring the supply chain, improving product traceability and collecting detailed and timely information on supplies.

Environmental protection¹¹

The Company promotes the protection of the environment and the prevention and reduction of environmental impact through the careful selection of suppliers, the evaluation and promotion of the use of technologies and production methods with low environmental impact, the promotion of investments in the installation of state-of-the-art machinery with low emissions and the proposal of eco-sustainable fabrics in the collections and in the realisation of customer requests.

⁸ For more information, please refer to the section "Corporate Governance and Integrity".

⁹ For more information please refer to the section "People at the heart of our business".

¹⁰ For more information, please refer to the section "Valuing local communities".

¹¹ For more information please refer to the chapter "Approach to climate change: the responsible use of natural resources".



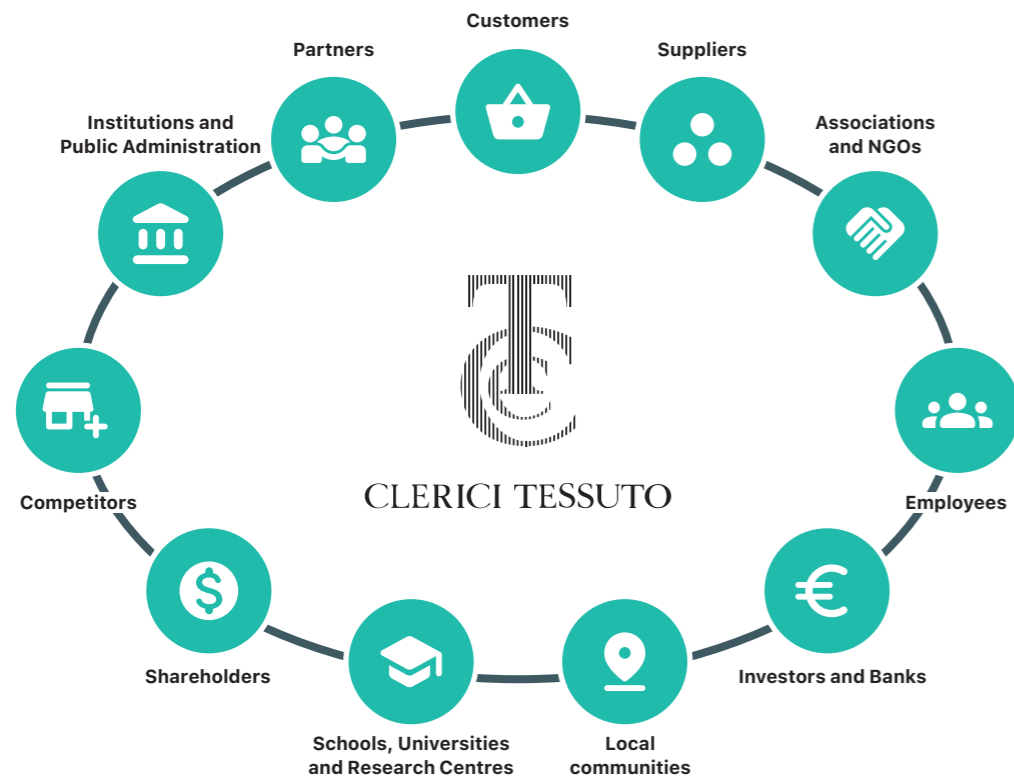
THE STRATEGIC ROLE OF STAKEHOLDERS

Clerici Tessuto believes that it is fundamental to promote a constant and transparent dialogue with its stakeholders, in order to pursue sustainable growth and create value in the long term.

The identification, involvement and inclusion of stakeholders' expectations, priorities and perceptions in the Company's strategy allows Clerici Tessuto to carry out its business activities responding not only to internal needs, but also to external ones, creating value and strengthening the relationship between the Company and all the subjects it interfaces with.

An overview of the main Stakeholder categories is provided below.

The involvement¹² of the identified stakeholders takes place mostly in the course of day-to-day company business and is characterised by constant and transparent communication, which enables the company to maintain a continuous, participative and constructive dialogue.



12 For more details on how stakeholders are involved, please refer to the "Stakeholder Engagement Modalities" tables in the annexes section.



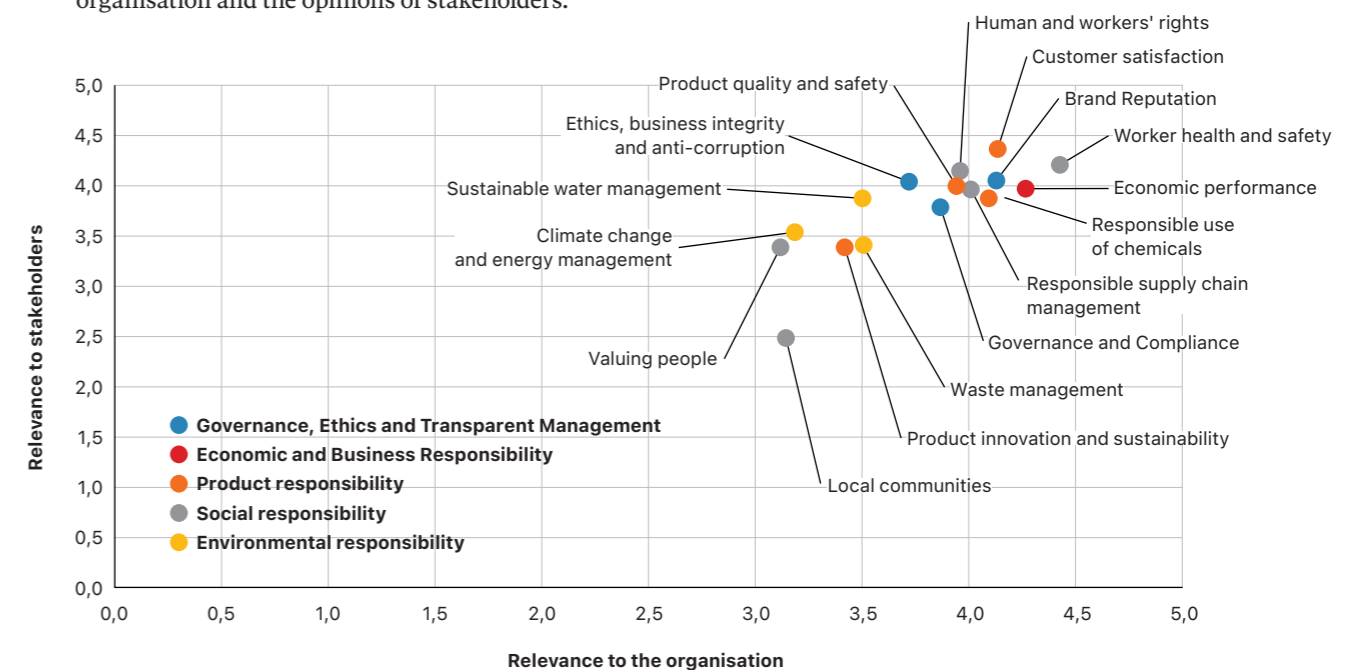
MATERIALITY ANALYSIS

Materiality analysis is the key tool for defining material issues, i.e. aspects of economic, social and environmental sustainability, relevant to the Company and its stakeholders, described and reported in the Sustainability Report. In fact, 'material' is defined as those aspects capable of influencing both the organisation's performance and decisions, and the opinions and assessments of stakeholders.


In 2021, the Clerici Tessuto Group elaborated the first materiality analysis that led to the definition of material sustainability issues for the Company. Externally, the relevance for stakeholders was defined through benchmarking surveys of relevant issues in the textile sector. Internally, a questionnaire was administered to a representative number of employees in order to define the relevant issues for the organisation and to obtain a comprehensive and comprehensive assessment of the different perspectives and priorities of the various company departments and functions involved. The analysis led to the creation of Clerici Tessuto's first materiality matrix, which shows the weight of influence that defined material aspects have on the performance of the organisation and the opinions of stakeholders.

In 2022, the materiality analysis was aligned with the new methodology introduced by GRI with the standard 'GRI 3: Material Topics 2021'. The Company has mapped the impacts (positive, negative, potential and current) identified by reviewing various sources of information, such as the assessment of macro trends and issues relevant to the textile sector, as well as external documents analysing the context and research on sustainable development policies (e.g. World Economic Forum reports).

The analysis carried out identified the Clerici Tessuto Group's external impacts, which were converted into potentially relevant issues and classified into five macro-areas (Governance, Ethics and Transparent Management, Economic and Business Responsibility, Product Responsibility, Social Responsibility, Environmental Responsibility), thus confirming the materiality analysis carried out previously¹³.



13 For a description of the 16 material issues, please refer to the "Material Issues" table in the "Annexes" section.

A close-up photograph of a dark, textured fabric, possibly a jacket or sweater, featuring a prominent yellow and green patterned design. The pattern consists of large, stylized, overlapping shapes that resemble leaves or petals, rendered in a woven or knitted texture. The colors are vibrant against the dark background.

THE APPROACH TO CLIMATE CHANGE: THE RESPONSIBLE USE OF NATURAL RESOURCES



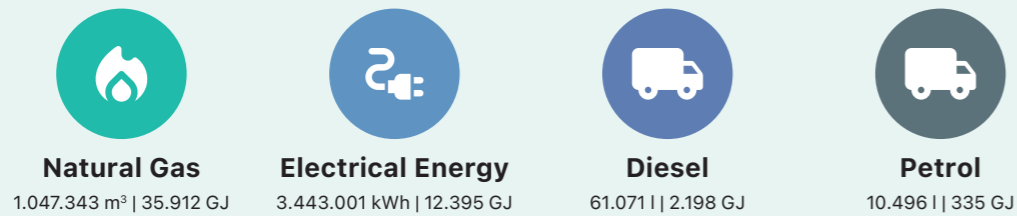
USE OF ENERGY RESOURCES THROUGHOUT THE PROCESS

ENERGY CONSUMPTION

The Clerici Tessuto Group is committed to constantly monitoring its energy consumption in order to implement reduction and efficiency measures that contribute to the achievement of global climate change mitigation goals.

Energy consumption is a significant aspect of Clerici Tessuto's production processes. In spite of innovation and technological evolution, the machinery and equipment used in the fabric manufacturing processes require large amounts of energy.

Energy consumption 2022 in detail:



Use of Energy Sources within the Clerici Tessuto Group

NATURAL GAS

Both Group companies use natural gas to heat their premises and power their production processes. The largest energy demand is generated by the processes carried out at the Montano Lucino site (Sara Ink printing plant). Two industrial steam generators are installed on the site to power the following machinery:

- fabric washing machines (the steam line heats the water used in washing);
- steaming machines, which use the thermal energy directly produced by the generators.

In addition to washing and steaming operations, natural gas is used in fabric preparation and finishing operations.

ELECTRICAL ENERGY

The Clerici Tessuto Group uses electrical energy both in the working environment and to power production processes. In detail, electrical energy is used for the operation of:

- looms (Weaving) and warping machines (Warping);
- washing and printing machines, vaporisers in the fabric finishing phase.

TRACTION HYDROCARBONS (DIESEL AND PETROL)

The company uses fuels (diesel and petrol) exclusively for the movement of a limited fleet of vehicles (cars and vans), owned and leased, mainly dedicated to moving goods from the Grandate site (Weaving) to the Villa Guardia site (Logistics) and to moving products between processing suppliers (printing works, dye-works, etc.) mainly belonging to the Como district. Deliveries of finished products to customers are instead entrusted to external companies.

Clerici Tessuto is engaged in activities to improve the efficiency of its daily van routes, trying to reconcile respect for the environment with the needs of its customers. In addition, the company is implementing a gradual conversion process aimed at replacing the car fleet with sustainable (electric/hybrid) vehicles. The first full hybrid vehicle will be introduced in 2022, and a full electric vehicle and further full hybrids are planned for 2023.

In 2022, a total energy consumption of 50,840 GJ was recorded, a decrease of 11% compared to 2021 (57,144 GJ).

In more detail, the main consumption is due to the use of natural gas, amounting to 1,047,343 m³ (1,196,964 m³ in 2021); this is followed by electricity consumption of 3,443,001 kWh (3,664,733 kWh in 2021), entirely from non-renewable sources. Car fleet consumption is 71,567 l, Diesel fuel consumption is 61,071 l (74,676 l in 2021), Petrol fuel consumption is 10,496 l (7,177 l in 2021).



ENERGY EFFICIENCY ACTIONS

With a view to continuous improvement, following an initial energy audit, Clerici Tessuto has initiated major investments to implement energy efficiency measures, including:

- constant maintenance of the buildings;
- renovation of air conditioning systems;
- technical choices regarding the production systems installed;
- the partial reconditioning of lighting systems with low energy consumption bulbs (LED);
- the streamlining of electric motors.

Over the years, the company has also implemented various initiatives to improve the energy efficiency of its various sites, taking advantage of the suggestions and improvement actions identified in the energy audits carried out. The energy diagnosis has enabled Clerici Tessuto to increase its awareness of the consumption of the Company's premises and to identify and quantify cost-effective energy saving opportunities.

With a view to continuous improvement, the company carried out a new energy audit at the Sara Ink sites in 2022 and planned to carry out the same upgrade at the various Clerici Tessuto company sites in 2023.

Clerici Tessuto's commitment to reducing energy consumption is confirmed not only by the installation of inverters and reactive power compensation systems, but also by the advanced electricity monitoring systems that the company has implemented. These monitoring systems make it possible to be aware of one's own consumption, an essential factor in setting effective and realistic medium and long-term targets. In addition, the Group has made other economic investments to improve energy efficiency in recent years. These include: the replacement of a rameuse in 2019; the installation of heat exchangers to recover thermal energy in the washing water heating processes in the textile washing and steaming machines, which are particularly energy-intensive; and the replacement of one of the steaming machines in 2021.



MONITORING ATMOSPHERIC EMISSIONS

The containment of atmospheric emissions is a relevant issue: the Clerici Tessuto Group is committed to monitoring both direct and in-direct GHG emissions and additional emissions produced in the following phases:

- preparation of fabrics for printing;
- finishing of fabrics.

These phases of the production process and the operation of the machinery involved are governed by the specific environmental authorisations provided for by the national environmental legislation in force (Legislative Decree 152/06, Consolidated Environmental Act).

In addition, the Group's printing plant is in possession of a Single Environmental Authorisation (AUA), introduced by Presidential Decree No. 59 of 13 March 2013, for both sites, concerning discharges of industrial waste water into the sewage system and emissions into the atmosphere.

The pollutant emissions regulated within the AUA are in particular:

- Volatile Organic Compounds (VOCs) produced by drying and burning plants;
- Nitrogen Oxide (NOx) and Carbon Monoxide (CO) emitted by industrial heat generators.

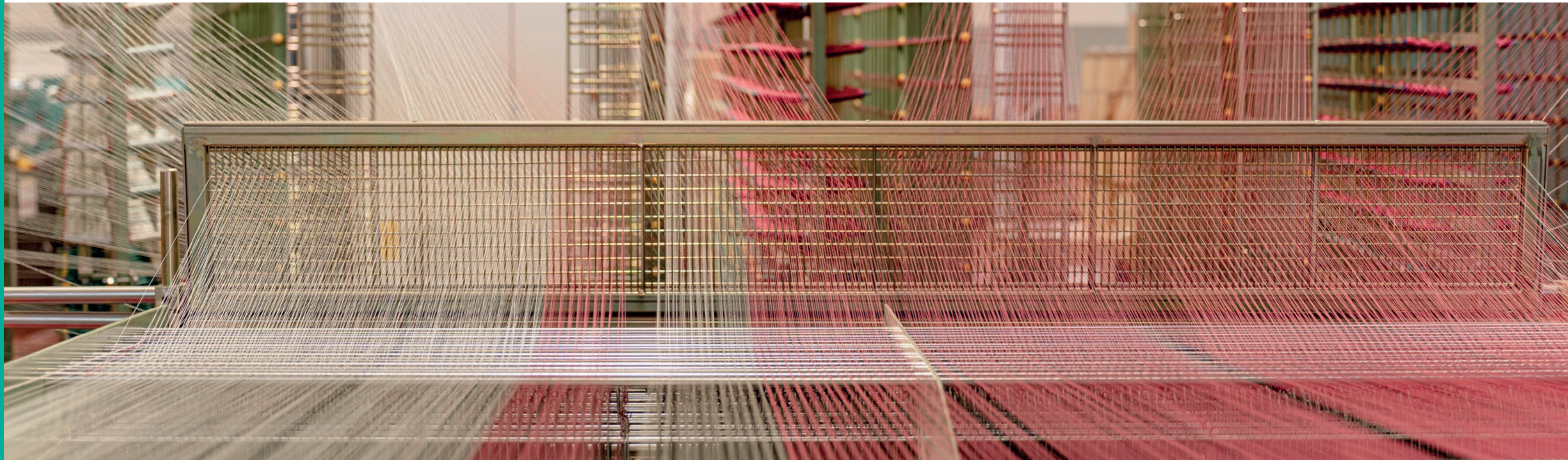
GHG emissions 2022 in detail:

2.271 tCO₂

Direct GHG emissions scope 1

897 tCO₂

Indirect GHG emissions scope 2 (location based)



SUSTAINABLE MANAGEMENT OF WATER RESOURCES

Water plays a fundamental role in the textile process, enabling not only the dyeing of fabrics, but also the finishing and finishing stages.

The Company, aware of the preciousness of the resource, is committed to guaranteeing a responsible use of water, both with regard to consumption and to discharges released into the environment.

Water is mainly drawn from aqueducts managed by the municipalities of Grandate and Villa Guardia, while at the Montano Lucino site it is drawn from an industrial aqueduct (Acquedotto Industriale del Lago di Como).

The geographical location of the Group's sites allows water to be withdrawn without altering the natural balance of the resource, as the areas from which it is withdrawn are not classified as water stress areas.

The use of water by the company's Grandate and Villa Guardia sites is limited to civil uses, with the exception of the humidification process of the areas used for warping and weaving, places that host production activities for which a humid microclimate must be maintained. This humidification is necessary both to preserve the quality of the fabrics and to ensure the well-being of the employees working there.

The printing plant, particularly the Montano Lucino site, uses a much larger volume of water for washing, finishing and printing. Some of the water is used directly by the machines without being treated, while the rest is softened before being used. At the end of the production cycle, the water that is not converted into steam is equalised as much as possible and then discharged and treated at the public purification plant.



As the Como area is home to many textile companies that need large quantities of water for their production processes, the Acquedotto Industriale del Lago di Como is a Limited Liability Co-operative Company that supplies water to most of the Como area's production fabric, rationalising the water supply and ensuring the re-balancing and rehabilitation of the water table.



The Group recorded approximately 97 million litres of water withdrawal in 2022 (103 million in 2021).



Sara Ink's commitment to reducing the impact of pollution

The Printworks is committed to reducing its impact on the consumption of water resources through the use of state-of-the-art machinery that allows it to increase the efficiency of the amount of water withdrawn, minimising waste: an example of this is the fabric washing machines, equipped with an internal water recovery process.

Sara Ink also monitors the discharge of industrial waste water into the sewage system for both sites. Through laboratory analyses, the conformity of the waste water with the legal requirements and the prescriptions defined within the AUA is verified.

Lastly, the Group's printing plant is subject to further checks carried out by the purification service operators, in order to ascertain compliance with certain parameters of maximum concentrations of pollutants in the discharge such as COD, BOD5, total nitrogen, surfactants and other agents. To comply with these parameters, Sara Ink pays particular attention to the selection of chemical products used in the production processes.



SUSTAINABLE WASTE MANAGEMENT

Clerici Tessuto is attentive to the correct management of the waste it produces and, with a view to continuous improvement, engages in dialogue with its suppliers in order to pay the utmost attention to its management and evaluate improvement actions.

In 2022, almost all (94%) of the waste generated by the activities carried out by the Clerici Tessuto Group is classified mainly as non-hazardous (i.e. waste that does not have hazardous characteristics according to Annex III of Directive 91/689/EEC), out of a total waste produced of approximately 178 tonnes, a 7% reduction compared to the waste produced the previous year.

The Group's waste is delivered to authorised external companies, which mainly carry out recovery activities. The main types of waste are paper and cardboard packaging, mixed packaging and textile waste.

With a view to continuous improvement, the company has planned to install waste management software to manage all administrative and environmental tasks; this tool will be operational at all company sites in early 2023.



Circular Economy in the Company

The Clerici Tessuto Group is committed to integrating the circular economy principle across its value chain, from the increasing use of recycled and regenerated raw materials to the proper management of waste materials that can be reused in alternative supply chains.

In 2022, the company joined Retex.Green, a national consortium of manufacturers for the management of clothing, home textiles, footwear and leather goods waste, promoted by Sistema Moda Italia and Fondazione del Tessile Italiano. The Consortium aims to be a tool to guarantee a higher level of sustainability in the textile supply chain and a support in facing the new European legislative framework. Membership allows Clerici Tessuto to benefit from and contribute to the services offered by the Consortium and to have a support to manage regulatory compliance related to textile waste.

Currently, the company confers the waste ('selvedge') generated in the weaving mill to a supplier who recovers the material to reintroduce it as raw material in other production processes.

Clerici Tessuto undertakes to virtuously manage production surpluses and second-grade finished products, subject to agreement with the customer.

Finally, the company adheres to two programmes for the management of depleted toners:

- the HP programme for the free management of depleted HP toners;
- The ZEROZEROTONER take-back project for the management of used toner from other suppliers. The service covers both the logistical aspect (dispatch and collection of the Ecoboxes) and the administrative aspect (completion of all related paperwork). The service guarantees the safety of the destination of this waste; in fact, the collected cartridges are weighed and sorted to be returned to the producers or shredded and processed into secondary raw materials, providing the customer with a certificate of cartridge recovery. In addition, thanks to a partnership with PRINT RELEAF, an American company specialising exclusively in planetary reforestation, the service also offers the possibility of planting a tree for every EcoBox collected, with a free choice of reforestation project.



OUR PRODUCT AND CUSTOMER RELATIONSHIP

THE PRODUCT AT THE CENTRE OF OUR ATTENTION

Customer trust is a key element of the Group's success. The company has based its growth strategy on inspiration, innovation, creativity, experience and know-how.

These aspects are indispensable and decisive elements for building stable and lasting relationships, becoming a reliable partner for the supply chain.

The Group presents itself as a responsible company, attentive to the quality and innovation of its products, able to guarantee excellent service, characterised by the know-how developed over a century of history.



Inspiration

Large digitised archive with more than 300k models and designs.



Innovation

Continuous innovation process on raw materials, product structure and style for cutting-edge solutions.



Ideas

More than 40,00 new articles per year focusing on the most important market segments.



Experience

50 professionals in the Style and Product Office for a total of ca 1,000 years of experience in the industry.



Clerici Tessuto's historical archive

Clerici Tessuto textile archive offers a collections of textile samples, drawings, catalogues and ancient books, acquired over the company's 100-year history: 10,000 hand-drawn sketches and 20,000 books, a textile collection of 200,000 jacquard caps and 180,000 printed ones, 40,000 accessories, 7,000 finished garments and 2,000 embroideries.

The archive was expanded with the addition of 20 books and 800 hand-drawn sketches in 2021 and African fabrics in 2022. The digital archive extended the offer to customers by accelerating the search process through a state-of-the-art algorithm, which, during the health emergency period, took customers on a virtual tour through a dedicated app.

The company, for some years now, has installed a work and search table with touch screen, which collects all the contents of the archive in digital format and accelerates every search process that the customer can do, multiplying the answers to even complex requests for designs, variants and colour combinations.



PRODUCT INNOVATION AND SUSTAINABILITY

Clerici Tessuto constantly strives to offer sustainable and innovative products, combining creativity, passion and quality in a relentless pursuit of beauty.

Over the years, the company has developed a solid path to guarantee not only product quality, but also innovation, transparency and traceability along the entire supply chain. This commitment has led to numerous certifications related to product responsibility in the textile sector.

With a view to continuous improvement, Clerici Tessuto intends to expand product certifications also in 2023.

Below is the path Clerici Tessuto took to achieve product quality certifications¹⁴:

2004



For Textile (evolution of the Seri.co brand) is a certification system based on the For Textile Certification System Disciplinary, the application of which aims to provide guarantees on the production process in compliance with the principles of quality, environment, health and safety, sustainability, social responsibility and chemical risk management; on the textile product, both for technological and performance characteristics and for eco-toxicological characteristics; on the chemical/formulated/dyed product for eco-toxicological characteristics.

2013



STANDARD 100 by OEKO-TEX® is an independent and internationally uniform testing and certification system for raw materials, semi-finished and finished products in the textile industry at all stages of processing, as well as for the auxiliaries used. OEKO-TEX® is an independent, internationally uniform testing and certification system for raw materials, semi-finished and finished products used in the textile industry at all stages of processing, as well as for the auxiliaries used. The aim of OEKO-TEX® is to create a label for consumers and a single standard for the control of harmful substances for manufacturers in the textile and clothing industry.

2017



International standard for the sustainable production of clothing and textile products made from natural fibres (at least 70% organic) such as cotton, silk and wool. The standard provides for the issuance of a third-party verified environmental declaration certifying the organic natural fibre content of intermediate and finished products, the maintenance of traceability throughout the production process, restrictions on the use of chemicals, and compliance with environmental and social criteria at all stages of the production chain.

2018



This international independent third party certification guarantees that the FSC labelled product comes from a responsibly managed forest and supply chain. Three types of certification are available, linked to the different components of forest products, the stages of production and the subsequent movement of products through the chain of custody. Verification of all FSC requirements ensures that FSC-labelled material and products come from responsible sources.

The company also complies with the CanopyStyle initiative by verifying the performance of the fibre producer and the Hot Button Assessment at the point of purchase by consulting The Hot Button Report.

2019



International standard for the sustainable production of clothing and textile products made from recycled materials (at least 20%). The standard provides for certification of the entire supply chain, from production to labelling. The partnership with Parley for the Oceans guarantees the production of luxury fabrics using GRS-certified polyester yarn made from marine plastic waste.

2019



An initiative that promotes both environmental and social sustainability in cotton production in low-lying countries through a membership mechanism. Farmers who are members of the initiative implement crop protection practices (from responsible water use to maintaining soil and fibre quality). Given the critical economic and political conditions in which it operates, the scheme is also committed to ensuring decent working conditions for its farmers.

2021



This certification guarantees the quality and traceability of flax fibre grown in Western Europe (France, Belgium, the Netherlands). A vegetable fibre grown without irrigation (99.9% guaranteed by CELC) and GMO-free. European Flax® aims to inform the consumer by promoting the origin, traceability, social and environmental sustainability characteristics of flax fibre. European Flax® is a registered trademark of the European Confederation of Flax and Hemp (CELC).

2021



The Roadmap to Zero Programme, by ZDHC, leads the fashion industry to eliminate harmful chemicals from its global supply chain by building the foundation for more sustainable manufacturing to protect workers, consumers and our planet's ecosystems.

¹⁴ The overview of certifications obtained over the past ten years refers specifically to the parent company Clerici Tessuto & C. S.p.a. The Sara Ink printing company is currently only in possession of GOTS certification.



THE INNOVATION COMMITTEE

The orientation towards the future and the priority given to product innovation led to the creation of the Innovation Committee, consisting of a working group involving the Product Office, the Style Office, the Production Manager and a number of external consultants, aimed at developing applied research and experimentation projects.

In 2022, the Clerici Tessuto Group, thanks to the work carried out by the Innovation Committee, invested in research and study activities that led to new ideas and the initiation of new collaborations for the development of innovative products.

2022 COLLABORATIONS IN INNOVATION AND SUSTAINABILITY



In 2022, the collaboration, started in 2019, with Sustainable Angle, a non-profit organisation that founded #FutureFabricsExpo, continued.

Sustainable Angle is the largest showcase dedicated to sourcing certified or sustainable materials. This organisation supports projects focused on sustainability in the fashion industry in the textile sector and related sectors such as agriculture and food. Sustainable Angle is committed to sustainable materials research and education through workshops and training events.

Since 2019 Clerici Tessuto has participated in events organised by Sustainable Angle and also for 2022 the company renewed its membership of the FutureFabricsExpo 2022 event, held at Magazine London, near the O2 Arena on the Thames.



The 'Regenerated Polyester for Outdoors' project bears witness to the company's commitment and work in reconciling sustainability, innovation and technical performance.

The research initiated by Clerici Tessuto concerns the innovative use of regenerated polyester for outdoor use. The outdoor products currently on the market are mainly composed of polypropylene or acrylic, yarns that have certain limitations, including the impossibility of applying decorative prints.

The study conducted by the company has made it possible not only to improve the technical performance of the fabric, such as its fireproof properties, but also to be able to use the fabric as a base for printing. This result responds to the many requests from our customers who wish to customise their outdoor products in a unique and distinctive way.



The partnership with Parley for the Oceans, a leading environmental non-governmental organisation dedicated to protecting the oceans, continued into 2022.

Parley defines itself as 'a space where creators, thinkers and leaders come together to raise awareness of the beauty and fragility of the oceans and collaborate on projects that can end their destruction, synchronising humanity's economic system with nature's ecosystem'.

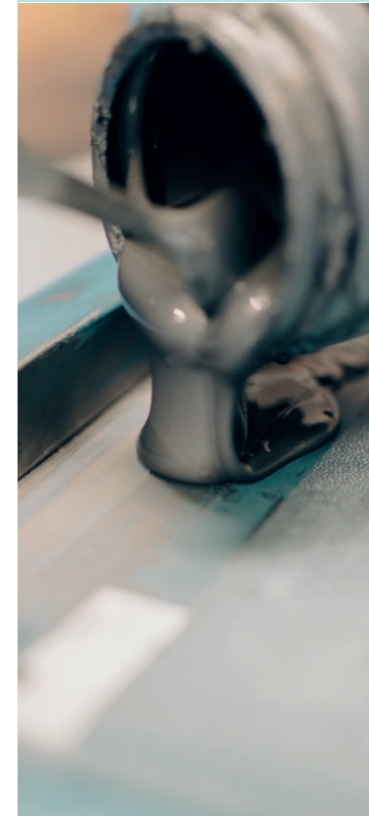
Clerici Tessuto and Parley for the Oceans have signed an agreement to produce luxury fabrics using a GRS (Global Recycled Standard) certified polyester yarn made from marine plastic waste collected from beaches, islands and coastal communities.

As part of this collaboration, in 2021, Clerici Tessuto contributed its fabrics to the first beachwear capsule of a major French maison: a prestigious project that combined fashion, innovation and sustainability, marking an important step towards a new vision of the fashion world. Innovative eco-sustainable fabrics were produced for the same client, including a jacquard, a mesh and a technical canvas, using recycled polyester developed by Parley for the Oceans.

In 2022, the collaboration led to further items in the collection and a men's collection with a major French luxury client.



2022 COLLABORATIONS IN INNOVATION AND SUSTAINABILITY



In collaboration with Directa Plus, a leading company in the field of deli graphene processing, Clerici Tessuto has created laminations of both technical fabrics and high-end jacquards and solids with graphene membranes that guarantee high technical performance in contact with the skin.

Graphene Plus membranes ensure:

- thermoregulation of body heat;
- waterproofness;
- antistatic effect;
- bacteriostatic properties;
- breathability;
- high resistance to wear and abrasion.

Thanks to this collaboration, Clerici Tessuto has explored new possibilities of combining luxury, comfort and high technical performance, approaching the world of 'smart' fabrics.

In 2022, experimentation with graphene continued. After working with membranes, we moved on to the development of fabrics with graphene-coated nylon yarn.

The coated yarn made it possible to produce fabrics that were lighter, less rigid and more comfortable, improving the intrinsic characteristics of graphene: mechanical strength, electrical conductivity and thermal conductivity.

The new fabrics with graphene yarn, plain and jacquard, will be presented in the Autumn/Winter 2024/2025 collection.





PRODUCT QUALITY AND SAFETY: RESPONSIBLE USE OF CHEMICALS

Quality and 'durability' are the characteristics that most distinguish Clerici Tessuto's products: from the choice of raw materials to the controls carried out at the various processing stages, the Company constantly guarantees high standards of quality and safety, respecting the high expectations of its customers, as well as the requirements of the technical specifications.

Over the years, the company has formalised procedures to manage the quality and safety of its products both in the final controls and in the laboratories. In addition, all procedures have specific documentation to guarantee the traceability of the activities carried out within the company.

One of the pillars of the Clerici Tessuto Group's quality strategy is the extreme care taken in the individual processes, combined with a careful planning of controls throughout the entire production process. Checks are frequent and take place:

- on entry of the unbleached fabric and yarn;
- at each stage of the production process relating to fabric processing, whether in-house or carried out at external suppliers;
- at the final check, before shipment to customers.

The controls carried out by the Group are of many types: from visual checks to the performance of physical-chemical analyses in accordance with the requirements of the various regulations in force in the markets to which the product is destined and the specific needs of the customer.

Confirming the Company's commitment to product safety, in 2022 there were no incidents of non-compliance concerning impacts on the health and safety of products.



Sustainable packaging

Clerici Tessuto is committed to sustainability criteria not only in its production, but also in the packaging of its certified products, which is in fact FSC® certified. In addition, most of the envelopes used for customer packaging are made entirely of paper. Since 2020, the company has been using envelopes made of recycled plastic to package fabric samples.

The responsible use of chemicals

The relevance of chemicals in the textile sector is crucial both in terms of consumer health and safety and product management at disposal. The risk associated with the use of chemicals mainly affects the Group's printing plant, Sara Ink, as these substances are only used in the processes that take place there (printing, finishing and washing). To mitigate this risk, the company only uses products that comply with the principles of standards such as GOTS, ZDCH¹⁵ and REACH¹⁶. In 2023, Sara Ink plans to register with the ZDHC platform, as Clerici Tessuto has done in previous years, in order to make further improvements in the responsible use of chemicals.

In any case, Clerici Tessuto regularly carries out chemical tests to verify that the fabrics comply with the requirements of the MRLS (list of chemical substances banned by the ZDHC to ensure that the substances used do not harm human health).

This has always been a priority for the company, which has been carrying out thorough checks since it was certified by Seri.Co (currently For Textile) in 2004.

¹⁵ Zero Discharge of Hazardous Chemicals is an international programme based on the principles of transparency and management of chemicals according to an integrated approach of prevention and precaution.

¹⁶ REACH is a European Union regulation adopted to improve the protection of human health and the environment from the risks that can be posed by chemicals.



CUSTOMER SATISFACTION¹⁷

Clerici Tessuto boasts a heritage of almost a century and has always collaborated with the world's most renowned brands. For the company, the customer's point of view is paramount, which is why it is committed to constantly improving the customer experience, based on monitoring the level of customer satisfaction, pursuing customer satisfaction and striving to optimise relations with current and potential customers.

MONITORING

The Company's management system provides for formal meetings involving the organisational units of Sales, Manufacturing and Production, in the analysis of Clerici Tessuto's performance with regard to customer satisfaction. During the meetings, various KPIs are analysed in order to identify any margins for improvement and take any corrective action. In particular, performance related to the service level of deliveries (e.g. punctuality, etc.), the number and extent of complaints and quality indicators of the products supplied are measured.

LOYALTY

Clerici Tessuto regards the satisfaction of customer needs and expectations as a priority. The focus on customer centrality and the commitment to continuous improvement run through every phase of the customer relationship. From the initial contact to the moments after the sale, the company provides the expertise, management skills and creativity needed to satisfy every customer need and resolve any critical issues.

This proactive approach has enabled Clerici Tessuto to build solid, trusting relationships with major customers worldwide.

The customer retention indices are very satisfactory, in the period 2019-2022 customers who have discontinued their supply relationship, represent only 6% of the turnover¹⁸.

Customer loyalty is a goal that Clerici Tessuto has achieved thanks to the high quality standards of the product and service offered. After-sales service and the management of product non-conformities are an essential part of the overall customer experience and for this reason the company is constantly committed to resolving any problems promptly and transforming potentially negative situations into opportunities to build a reputation for reliability and professionalism.

The quality control process includes the management of any non-conformities that are found:

- in the warehouse during finished product control;
- by external control centres;
- following re-processing.

The control, both of products and processes, has not only a conformity verification value, but also a continuous improvement purpose.

To define corrective actions and certify progress, Clerici Tessuto keeps track of all non-conformities and compiles monthly statistics. This information is shared with suppliers to promote discussion and generate improvement actions.

RELATIONSHIPS

Clerici Tessuto believes that promoting an open and constructive dialogue with customers is of paramount importance. Creating moments of confrontation allows the company to fully understand the needs, desires and expectations of its customers; it also allows the company to resolve any problems or discrepancies quickly and effectively, to gather valuable feedback and to build lasting relationships. This constant comparison is a valuable and indispensable contribution to aligning product strategy with customer expectations.



In 2022, Clerici Tessuto promoted various customer engagement initiatives.

Among the most significant initiatives is the celebration of 100 years of Clerici Tessuto. To celebrate 100 years of Clerici Tessuto, the company presented the Centenary Collection to its main customers and business partners in France, in the beautiful setting of the Galerie Bourbon in Paris.

Finally, during 2022, Clerici Tessuto also participated in numerous trade fairs during which it was able to present its clothing and furnishing collections. In particular, the company participated in the following events: TexPremium at the Business Design Centre in London, VIEW Premium Selection in Munich, Maredi-Moda in Miami and Cannes, Premiere Vision, Proposte, Ideabiella and Milano Unica.



¹⁷ The contents of this paragraph refer specifically to the Parent Company Clerici Tessuto & C. S.p.a.

¹⁸ The analysis on loyalty indexes was conducted exclusively for the clothing and accessories pole.



RESPONSIBILITY ALONG THE SUPPLY CHAIN



AN INTEGRATED SUPPLY CHAIN: THE RELATIONSHIP WITH SUPPLIERS

OUR SUPPLIERS

The production structure of Clerici Tessuto is divided into internal departments dedicated to the main processing phases, supported by an external network of suppliers for activities that require specialised skills not present within the company.

The Group interfaces with a pool of suppliers consolidated over time and divided into the following four main categories: suppliers of raw materials that supply yarn and semi-finished fabric (including unbleached fabric); suppliers of processing (subcontractors) such as dyeing, printing, finishing and garment makers; suppliers of production chemicals and auxiliary products mainly used by the printing works; other suppliers of materials that supply packaging, stationery, etc. and services.

Clerici Tessuto's raw material suppliers are mainly local importers¹⁹ who purchase abroad. Processing carried out externally on yarns and fabrics is instead entrusted by the Group to a consolidated network of Italian suppliers.

To ensure a high level of quality, all suppliers undergo a careful selection process. This process goes beyond the mere assessment of technical skills, as it aims to identify partners who share Clerici Tessuto's vision of excellence and commitment to craftsmanship and innovation. The selection criteria adopted include an assessment of production capacity, business ethics, sustainability and consistency with the company's core values. This approach allows Clerici Tessuto to build long-term, trustworthy relationships with suppliers who contribute to the company's commitment to offering its customers products of the highest quality.

The choice is made in full respect of the principles of competition and on the basis of objective assessments of performance such as:

- economic soundness
- quality;
- price;
- delivery times;
- delays and advances in deliveries;
- presence and possible evaluation of the Code of Ethics;
- verification of suppliers' adherence to voluntary certifications (product and system);
- verification of the ability to provide information on the traceability and sustainability
- of the items offered;
- offer of innovative products
- (e.g. biodegradability of yarn).

94% of annual expenditure is to local suppliers

¹⁹ The term local refers to all suppliers whose registered office is located on Italian territory.



INTEGRATED SUPPLY CHAIN

The Clerici Tessuto Group also bases its competitive advantage on a solid industrial capacity, achieved through the constant development of its production facilities and the consolidation of the production chain in the Como area. This commitment is reflected in the continuous enrichment of international manufacturing skills, ensuring tighter control over every stage of the production process. In addition, the careful monitoring of the supplier network makes it possible to maintain high quality standards and consistency

with the principles of the Company. This synergy of internal and external resources allows Clerici Tessuto to offer unique, high quality products, confirming its commitment to excellence and customer satisfaction.

An example of a close relationship with the supply chain is the Group's membership of the Filo d'Oro, a vertical supply chain that was set up as a network of companies (legal entity) to guarantee a high level of excellence and product traceability.

Monitoring and control of the entire supply chain

Clerici Tessuto and its suppliers are subject to regular external audits, both second-party audits, at the request of customers, and third-party audits, carried out by independent certifying bodies to guarantee the maintenance of the certifications obtained, both product and system.

CLERICI TESSUTO AUDITS IN 2022

6 audits	Required by clients to monitor and control good corporate management of labour, ethics, health and safety and the environment.	
4 audits	1 GOTS/GRS audit 1 European Flax ²⁰ audit 1 OEKO-TEX audit 1 FSC [®] audit	Carried out annually to maintain voluntary product certifications.
~ 10/15 audits of sub-suppliers	Clerici Tessuto's sub-suppliers are monitored and controlled by external companies appointed by specific customers. The customer, having received the list of sub-suppliers used to produce the orders assigned to Clerici Tessuto, monitors the supply chain through the companies appointed. The audits are aimed at verifying the Company's good management of labour, ethics, health and safety and environmental impacts.	

SARA INK'S AUDITS IN 2022

> 5 audits	During 2022, Sara Ink underwent a GOTS certification maintenance audit and several customer audits.	
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All reports with the results of the audits carried out are kept in an archive to ensure the traceability of the activities carried out and to allow proper monitoring. To date, the audits carried out have yielded positive results, certifying compliance with the criteria/standards in force and sometimes identifying areas for improvement.

Thanks to partnerships with suppliers who are also certified, the Group can guarantee product certification throughout the production chain.

²⁰ The European Flax audit also involved the main sub-suppliers used by Clerici Tessuto to manage this certification.



Certifications	CERTIFIED SUPPLIERS OF EXTERNAL PROCESSING		CERTIFIED RAW MATERIAL SUPPLIERS	
	2021	2022	2021	2022
European Flax ²¹	2	8	3	3
FSC ²²	10	14	10	12
GOTS	9	17	20	17
GRS	10	13	18	21
OEKO-TEX [®]	2	4	10	11
Total suppliers	33	56	61	64

During the two-year period, there was a substantial increase in the number of suppliers with product certifications involved in external processing; in particular, there was a strong increase in the management of European Flax[®], GOTS and OEKO-TEX[®] certifications.

Through its integrated supply chain, the company is able to precisely monitor the origin of raw materials, the manufacturing process and production stages, all the way to the finished product. This level of detail in product traceability makes it possible to meet the growing market and consumer demands for transparency.

Transparency has become a fundamental value for modern consumers, who increasingly seek to know the environmental and social impact of the products they buy. Clerici Tessuto's integrated supply chain offers the possibility to respond to these demands effectively, demonstrating the company's commitment to sustainability and quality.

Clerici Tessuto has implemented a management system for certified products that guarantees their traceability and full compliance with the requirements of the certifying bodies. Thanks to this system, the company is able to maintain strict documentation and provide tangible proof of the characteristics and origin of its certified fabrics.

GOTS and GRS certified items are monitored through registration on the Transaction Certificate, a document that proves the certified purchase and is requested from the supplier when ordering. Currently, almost 100% of GOTS and GRS certified products are linked to a TC, a tangible sign of Clerici Tessuto's commitment to a responsible and forward-looking textile industry²³.

99% For almost all GRS and GOTS certified yarns and semi-finished fabrics, the company requires the TC

21 The European Flax[®] Standard stipulates that suppliers where external processing takes place do not have to be certified, an agreement for the proper handling of European Flax[®] certified goods must be signed.

22 The FSC[®] Standard stipulates that suppliers with whom external processing takes place do not have to be certified, an agreement for the correct handling of FSC[®]-certified goods must be signed.

23 Items for which no TC is filed are purchases relating to insignificant quantities.



Companies of excellence united by a golden thread

Clerici Tessuto is proud of its role in the creation of the “Filo d’Oro”, or “Golden Thread”, supply chain and of its active participation as a current member. The concept of the Filo d’Oro represents the interweaving of collaboration and skills that have created a true textile micro-factory in the heart of the silk district of Como.

As an integral part of this supply chain, Clerici Tessuto is able to benefit from the skills, reliability and flexibility of its partners, who are specialised in the various phases of the production cycle, from spinning to warping, from weaving to dyeing, to printing and finishing. This synergy allows the company to offer its customers fabrics of the highest quality, the result of the collaboration and interconnection of the skills of each partner in the supply chain.

The sharing of knowledge, the synergy between these companies and their geographical proximity form the basis that allows Clerici Tessuto and the other companies in the network to respond quickly and appropriately to the rapid dynamics of the market and the evolution of customer needs, offering great advantages in terms of adaptability and innovation.

One of the first steps taken by the Filo d’Oro was the creation of a chemical laboratory, which carries out both a research activity functional to the activity of the dye works and a development and research activity to promote and support product innovation.





THE PRODUCTION PROCESS: FROM RAW MATERIAL TO FINISHED PRODUCT

THE ART OF CREATING A FABRIC

Every single step of the production process - conception, choice of yarn or raw fabric, warping, weaving, printing, dyeing, finishing - contributes in a synergistic manner to the realisation of products with intrinsic characteristics of quality and excellence.

The various stages of the production cycle, whether carried out internally or externally, are skilfully orchestrated, while each task is performed with the utmost dedication and attention by Clerici Tessuto's team of professionals and partners within the production chain.



SOURCING THE RAW MATERIAL

The responsible management of the entire supply chain, attentive to people and the environment and capable of guaranteeing high quality standards, is an essential element for the company's success and for the creation of value in the medium and long term.

This management involves first and foremost the raw material sourcing process, which is selected and certified in compliance with sustainability and traceability criteria.

Product excellence is in fact intrinsically linked to Clerici Tessuto's ability to meticulously select the yarns and fabrics used in the production of luxury textile products for clothing, furnishing and accessories, combining the excellence of Como's high textile craftsmanship with creativity, innovation and sustainability.

Sourcing is guided by customer demands and market trends, seeking the highest quality and ensuring respect for environmental and social factors.

The main raw materials used in the company's production process are:

- raw and/or semi-finished fabric²⁴;
- yarn;
- production chemicals and auxiliaries for the Sara Ink printing works.

SOURCING THE RAW MATERIAL		
	2021	2022
Fabric Semi-finished (metres)	~ 3,7 million	~ 2,8 million
Yarn (kg)	~ 117 thousand	~ 123 thousand
Chemicals (kg)	~ 295 thousand	~ 307 thousand

SOURCING OF FABRICS AND YARNS IN DETAIL				
Fibre type	FABRICS (QT)		YARNS (QT)	
	2021	2022	2021	2022
Natural fibre	50%	59%	58%	66%
Synthetic fibre	35%	16%	25%	19%
Artificial fibre	14%	24%	5%	3%
Mixed fibres	1%	1%	12%	12%

Certified fabrics

The percentages are calculated on the total number of metres of certified fabrics purchased in 2022.

28%

of fabrics are **certified GOTS and European Flax®**

32%

of fabrics are **certified FSC®**

40%

of fabrics are **certified GRS and OEKO-TEX®**

²⁴ Semi-finished fabric can be divided into two categories: 1. Unbleached fabric that has already undergone initial processing: these are purged (obtained by processing the unbleached fabric by removing slag and impurities), ready to print and ready to dye (obtained by processing that prepares the unbleached fabric for dyeing or printing); 2. Unbleached fabric that has not yet undergone any processing.



Clerici Tessuto favours the use of **natural fibres**²⁵ for more than half of the supply.

They are of both vegetable and animal origin, such as: **Cotton, Silk, Linen** and **Ramiè**. Wherever possible, the company prefers organically grown and certified fibres, in order to ensure an environmentally friendly and consumer-safe product. In 2022, for the sourcing of textiles, the Company reduced the purchase of non-certified natural fibres and recorded a considerable increase in the purchase of European Flax® and GOTS certified fibres.

For the sourcing of yarns, there was also a considerable increase in the purchase of certified yarns, which more than doubled compared to 2021. Particularly significant is the growth in the sourcing of GOTS-certified natural fibres, reaching a percentage of 90% of the total certified yarn (in 2021 it was 66% of the certified yarn).

Still within the sphere of natural fibres, a smaller percentage is represented by other animal fibres, such as **Wool** and **Cashmere**, of which the company makes very limited use.

Clerici Tessuto adopts a supplier selection strategy based on the selection of partners with the appropriate certifications. Furthermore, the company actively engages with customers through agreements aimed at ensuring animal welfare and the prevention of any form of mistreatment. Attention to these ethical principles is reflected in the entire supply chain, underlining the Group's constant commitment to sustainability and compliance with the highest standards in the textile sector.

In addition to natural fibres, Clerici Tessuto also sources synthetic fibres²⁶, artificial fibres²⁷ and a low percentage of mixed fibres²⁸, for which no prevailing composition is identified.



Viscose is the main **artificial fibre** used by Clerici Tessuto. Membership of the **Canopy project** ensures that it is only sourced from companies assessed as having a low risk of impact on ancient and endangered forests.

Finally, as far as **synthetic fibres** are concerned, the products purchased by Clerici Tessuto are mainly made of **polyester** or **mixed recycled polyester**.

Within the synthetic fibre landscape, Clerici Tessuto is increasingly orienting its sourcing towards recycled and GRS and OEKO-TEX® certified synthetic yarns and fabrics. In particular, for fabrics composed of synthetic fibres, 50% of the sourcing concerns products composed of recycled and GRS-certified synthetic fibres, and 17% products with OEKO-TEX®-certified synthetic fibres. This figure reflects the company's ongoing commitment to promoting environmentally friendly solutions to meet growing market demand.

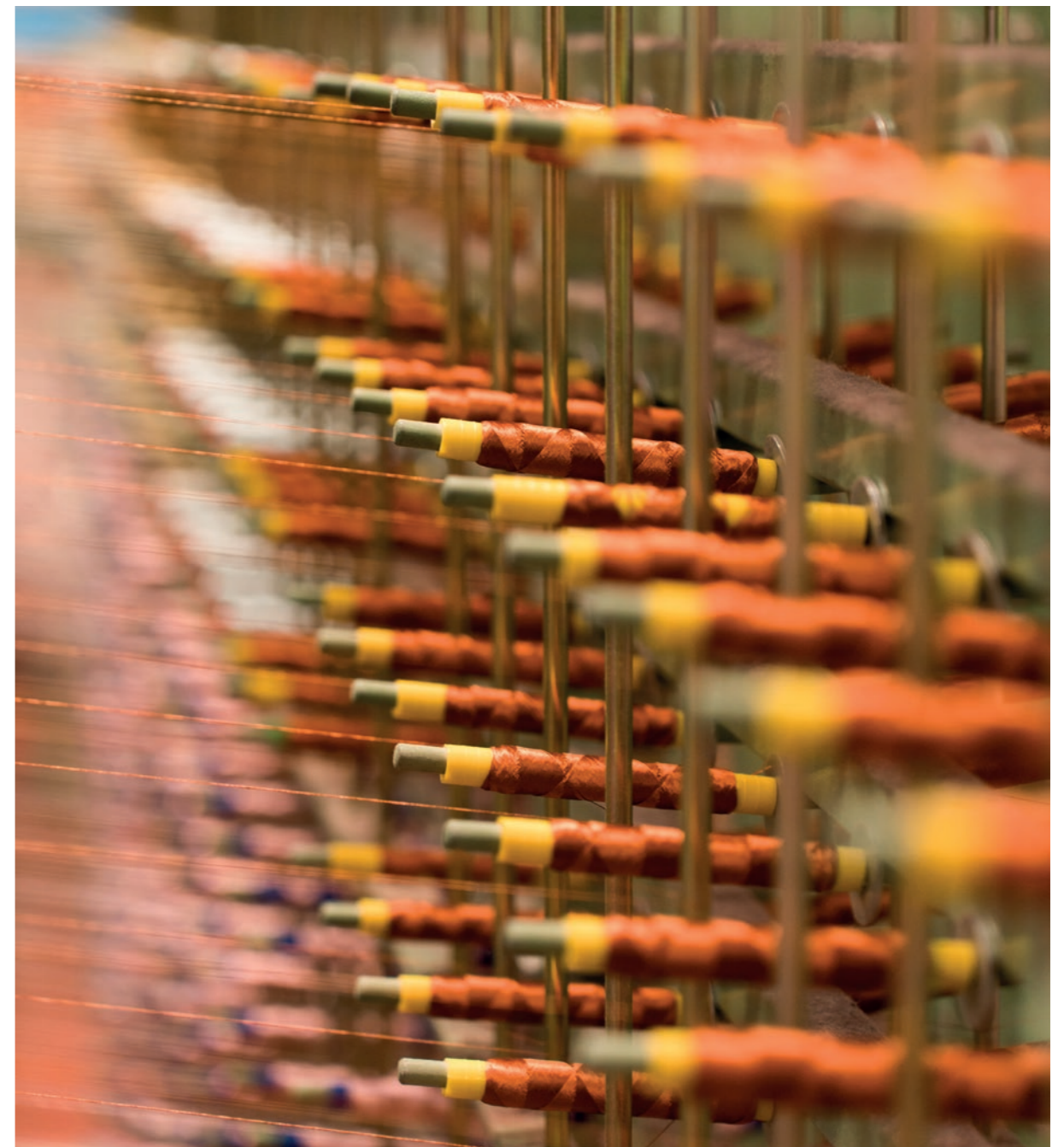


25 Natural fibres can be of plant or animal origin. Fibres of plant origin can be derived from crops grown in fields (such as cotton and flax), or in plantations or forests (such as latex (rubber)) or from wild plants (such as nettles). Fibres of animal origin are obtained from farmed/domestic animals (such as sheep, goats, cows and some waterfowl) or from wild animals (such as coyotes, opossums, crocodiles) for their skins, furs, hair and wool (Textile Exchange, 2020. 'Materials Terminology Guide').

26 Synthetic fibres consist of polymers that do not occur naturally, but are produced entirely in a chemical plant or laboratory, almost always from petroleum or natural gas by-products. These polymers include polyamides (nylons), polyethylene terephthalate (polyesters), acrylics, polyurethanes and polypropylene (Textile Exchange, 2020. 'Materials Terminology Guide').

27 Artificial fibres are defined as fibres from plant cellulosic material (usually trees or bamboo) or recovered raw materials that are processed into pulp, melted and then regenerated into staple or filament through a chemical process. Viscose (rayon) and acetate are the most common man-made cellulosic fibres (Textile Exchange, 2020. 'Materials Terminology Guide').

28 Blended fibres include all those fabrics and yarns that are generated by combining different fibres.





THE PEOPLE
AT THE CENTRE
OF OUR ACTIVITY



WORKING IN THE CLERICI TESSUTO GROUP

Clerici Tessuto recognises the centrality of human resources and believes that the professional contribution of its people is an essential factor of success and development. The Company places the professionalism and individual contribution of its people at the centre of its operations, continuing a style of relations that aims to recognise the work of each person as a fundamental element of corporate and personal development.

The Company acts guided by the priority of creating wellbeing and promoting an inclusive work environment aimed at combating all forms of discrimination in its policies and practices. Human assets are valued and protected by preserving the quality of work related to safety and by promoting initiatives aimed at creating a climate of high cooperation among employees. Confirming this, in 2022 there were no incidents of discriminatory practices within the Group.

As at 31 December 2022, the total Company workforce amounted to 295 employees, a slight increase compared to 2021 (+1.7%), a year in which there was a slight decrease compared to 2020 (-6%) generated mainly by the measures taken to limit the Covid-19 pandemic, certain organisational changes and the choice of some employees to take early retirement.

In 2022, the Group achieved an outgoing turnover rate of 9.83%, a slight increase compared to 2021 (8.62%), and an incoming rate of 11.53%, a sharp increase compared to 2021 (2.41%).

Clerici Tessuto's workforce is completed by 16 employment relationships with non-employee collaborators (in line with 2021 figures), including mainly 3 self-employed workers, 3 workers hired by temporary agencies and 7 interns. The Group offers internship collaborations to young students so that they can increase their knowledge and technical skills in parallel with their academic studies and, if necessary, prepare their thesis on specific topics and activities dealt with in the Company.

In 2022, the number of Clerici Tessuto employees belonging to protected categories will increase slightly compared to 2021 (+25%) for a total of 10 people as of 31 December 2022.

With regard to the type of contract offered to employees, Clerici Tessuto has always preferred permanent contracts, testifying to its desire to follow a line of "long-term" retention and investment in its people; in line with the previous year, the percentage of employees with permanent contracts is 97%.

The company applies the C.C.N.L. Tessile Abbigliamento Moda and C.C.N.L. Terziario e Servizi to all its employees; specific agreements are in place to manage internship collaborations involving the training organisation or certified body.



STAFF DEVELOPMENT AND TRAINING

The Company is committed to supporting life-long learning projects to develop and update employees' skills.

The design of the Training Plan starts with an annual needs analysis, which involves the Functional Managers, in order to build the training contents on the specific personal and professional growth needs of each employee. The Training Plan is then constantly updated in relation to the progress of the activities carried out and further needs that arise during the year. The mandatory safety training to be provided is determined on the basis of legal requirements, involving the RSPP, the Workers' Representatives (RLS), the Supervisors and all workers.

In 2022, in addition to the provision of compulsory occupational health and safety training, employee training initiatives focused on five macro-categories: software applications, foreign languages, soft skills, sustainability and development of specific technical skills.

A special focus was placed on managerial training initiatives for the first and second line, such as training activities on the Agile Method and Group Coaching, in order to improve the ability to work in a team.

Investment continued on the promotion and dissemination of the culture of sustainability, with awareness-raising and training activities on specific topics, such as waste management, also from an EPR perspective, environmental labels and product certifications, product legislative compliance, and responsible sourcing.

A total of 2,923 training hours were provided in 2022, a significant increase compared to 2021 (2,006). The aim was to provide more skills and knowledge in order to cope with organisational and business changes imposed by changing market conditions and new requirements from customers and suppliers.

62%

of the staff are female

97%

of contracts are permanent

43%

of managers are female

~46%

of hours provided more in the year 2022 than in 2021

2,923

training hours in 2022, compared to 2,006 in 2021

WELLBEING AND WELFARE TOOLS

In order to promote the wellbeing of its employees, the Clerici Tessuto Group has drawn up a company welfare plan with the aim of improving people's living and working conditions.

The company participates in the Sanimoda Health Fund, a form of contribution provided for by the CCNL for the textile, clothing and industrial sector. The fund allows workers to request reimbursement for medical services provided by the National Health Service or private institutions. The company provides meal vouchers for different categories of workers and offers its employees a series of discounts, both through agreements with local shops and cultural institutions (e.g. Teatro Sociale Como) and through a company card offered by Confindustria Como, of which the company is a member. Through Confindustria, employees have access to discounts and facilities for the purchase of goods and services (e.g. clothing, food, insurance, book purchases, agreements with banks, etc.). Finally, as a welfare tool, Clerici Tessuto offers the management of flexible working hours by offering part-time contracts that meet the needs of employees, particularly those with parental responsibilities. In 2022, 30 employees benefited from a part-time contract.

In December 2022, against the backdrop of an exceptional cost-of-living increase and in conjunction with the closing of the Centenary celebrations, the Group decided to provide concrete support to employees by disbursing, exclusively for 2022, an additional welfare bonus worth EUR 400 in vouchers, expendable in various retail outlets. In addition, to support the increase in the price of fuel, petrol vouchers were distributed on the basis of the individual's use of private vehicles.

In addition to the benefits offered, the Clerici Tessuto Group is committed to increasing the value of its resources and maintaining a high level of satisfaction through meetings that all employees are required to hold periodically with their managers. In 2022, the questionnaire for assessing and managing the risk of work-related stress and the company "climate" was also administered; the monitoring of the specific risk is scheduled for December 2023.

In order to promote the professional growth of its employees and to encourage an active and proactive role, the Clerici Tessuto Group has activated, for some categories, an MBO (Management By Objectives) incentive system, a method of evaluating human resources based on the achievement of pre-established objectives, such as turnover achieved or other KPIs related to product quality, non-conformities and delivery times. Given the positive results achieved in 2022, in line with the company's objectives, the company plans to extend the evaluation system to other categories of employees, with the aim of encouraging commitment and responsibility towards a common goal. This approach will also ensure a meritocratic and rewarding evaluation method.





WORKER HEALTH AND SAFETY PROTECTION

Clerici Tessuto, as formalised in its Corporate Policy and Code of Ethics, considers the physical integrity of its employees to be a primary value. The Company guarantees safe and healthy working environments in compliance with the regulations in force and promotes the creation of safe and comfortable working environments, spreading the “culture of safety”.

SAFETY MANAGEMENT IN THE COMPANY

The Company has developed a system that complies with the requirements of Legislative Decree 81/08, coordinated by a dedicated team composed of RSPP, Safety Managers and Supervisors, RLS and the Competent Doctor, and based on the following pillars:

- risk assessment and management
- accident monitoring and management;
- worker training and involvement.

RISK ASSESSMENT AND MANAGEMENT

The company constantly identifies and assesses risks to workers' health and safety, involving specialised professionals, department heads and workers' representatives.

The risk assessment activity and its results are formalised in the Risk Assessment Document (DVR). The document is drawn up for each location and, in addition to fulfilling the requirements of current legislation, it lays the foundations for continuous improvement of the level of safety in the workplace and is subject to constant review.

Finally, the assessment of specific risks is accompanied by the activity of health surveillance, carried out by the competent doctor through preventive medical examinations to assess the worker's ability to perform the specific task, and the carrying out of periodic medical examinations, aimed at checking the workers' state of health and continued fitness for the specific task.

WORKER TRAINING AND INVOLVEMENT

One of the main pillars of the Clerici Tessuto Group's health and safety management is to raise awareness among workers and employers of the risks associated with work activities. Training in this field, promoted by the company and carried out by qualified personnel, is in fact the first effective tool for raising awareness in order to prevent and protect against possible harmful events.

The active participation of workers is a key element in this process. In fact, workers are always allowed and encouraged to report hazardous situations that have or could have a negative impact on health and safety.

ACCIDENT MONITORING AND MANAGEMENT

The management of accidents and injuries is supported by written procedures that define roles, responsibilities, actions to be taken to report accidents (as well as incidents or near misses) by employees and, finally, the activities to be carried out following the reports; these activities mainly consist of specific investigations with the identification of possible non-conformities and corrective and preventive actions.

The management of accidents and incidents is monitored and analysed by the employer, the Prevention and Protection Service Manager (RSPP), the Occupational Health and Safety Manager (RLS) and all those potentially involved, with the aim of resolving any critical issues that arise.

Since the procedure was first adopted, investigations have always been completed without the need for external intervention and, where necessary, corrective action has been taken immediately, including specific training for the personnel involved to prevent a recurrence.

The attention paid by the Clerici Tessuto Group to health and safety protection and training is confirmed by the accident frequency index of 0 (down from 0.46 in 2021).



The monitoring of compliance with national regulations and best practices in the field of health and safety is carried out not only internally, through the responsible persons and the procedures described above, but also externally, in particular through periodic audits carried out by third parties on behalf of the Group's

main customers. In 2022, the Group underwent a total of 10 audits, all with positive results, 6 of which were carried out at the request of customers and 4 by external bodies to verify compliance with voluntary product certifications.





ENHANCING LOCAL COMMUNITIES

ACTIVITIES AND PROJECTS FOR THE COMMUNITY AND TERRITORY

Clerici Tessuto²⁹ promotes and supports various projects aimed at extending the benefits of its activities to the area in which it operates.

The projects, established or born in the course of 2022, are articulated along three main lines: Education, Volunteering and Donations, Planet.



²⁹ The information contained in this paragraph refers specifically to Clerici Tessuto, unless expressly specified Sara Ink.



EDUCATION

The Bollino per l'Alternanza di Qualità (BAQ) award

Also for 2022, the company's commitment to the training of young people has been rewarded by Confindustria with the Bollino per l'Alternanza di Qualità (BAQ), an award for companies that distinguish themselves in the realisation of high quality school-to-work alternation courses.

School-to-work alternation projects

Since 2011, the company has been working with Fondazione Cometa on a school-to-work project that focuses on the educational and training potential of work. The project promotes flexible learning that systematically combines classroom training with practical experience in the company. The partnership with Cometa Formazione has enabled more than 100 students to be placed in internships over the past 10 years.

A renewal of the partnership with the Costume & Fashion Academy in Rome is planned for 2023, through which students will have the opportunity to meet our creative and commercial team and carry out an internship at Clerici Tessuto, enriching their training with significant practical experience.

Clerici Tessuto in Schools

Some Clerici Tessuto employees teach at professional and technical institutes: in 2022, two employees taught at the I.S.I.S. Paolo Carcano in Como and another employee at the Istituto Professionale Cometa.

The Future of Fashion

In 2022, the IUAV University of Venice and Dedagroup Stealth launched a project on the digitalisation of the fashion industry, with the aim of combining technology and creativity to stimulate the creation of digital and eco-friendly supply chains. Dedagroup Stealth has made its online platform Bsamply available to students of the Advanced Laboratory of Techniques and Materials for Fashion, part of the Master of Visual Arts and Fashion, as a supply channel for raw materials. In particular, in line with the objectives of the Laboratory - to encourage students to imagine alternative methods for the fashion industry, inspired by the best practices of eco-design - the collaboration aims to allow young designers to experiment with a new approach to the garment design process from a sustainable perspective, thanks also to the use of technology. Clerici Tessuto has decided to support the project by providing, through the Bsamply platform, the material necessary for the students to create a mini-capsule.

The Aldo Galli Prize for Young Artists

Clerici Tessuto was the main sponsor of the exhibition of the first edition of the Aldo Galli Award, where the works and projects of the students of the three-year and five-year courses of Visual Arts, Design, Fashion Textile and Restoration of the Accademia di Belle Arti Aldo Galli - IED Network were exhibited. The company supplied the fabrics on which the students' works were printed.



VOLUNTEERING AND DONATIONS

Charity Dinner for the Veronesi Foundation

The Clerici Tessuto Group is part of the community within which it operates and is committed to supporting it through donations to non-profit organisations and by participating in charitable initiatives. Once again in 2022, the Company participated in the "Charity Dinner" organised in Milan to raise funds for the Veronesi Foundation, to promote scientific progress and concrete support for research.

Amici di Como

The strong bond between Clerici Tessuto and the Como area is confirmed by the fact that the company's main shareholder is the president of the Amici di Como association, which is based on the friendship and solidarity of its members. The mission of the association can be summed up as "being useful to this land of ours", and it is the soul that distinguishes and guides every project and work carried out. The Association supports entrepreneurship in the area by organising conferences that aim to create moments of aggregation and confrontation, while respecting intellectual independence.



PLANET

Venice Sustainable Fashion Forum

In line with its commitment to a sustainable transition towards a circular economy, Clerici Tessuto participated as a sponsor in the "Venice Sustainable Fashion Forum", the first international summit dedicated to a sustainable future for the fashion industry, held in October 2022 at the Cini Foundation in Venice and organised by the National Chamber of Italian Fashion, Confindustria Venice, Sistema Moda Italia and The European House - Ambrosetti. The event, entitled "Just fashion transition - Supply chains and brands towards sustainable transition", aimed to bring together the brands and the artisan world of the supply chains of the Italian fashion system, involving them in the debate on the sustainability of the sector, in order to understand the priority challenges, identify a common path of change and embark on the path of a sustainable transition supply chain.

Acoustic impact assessment for community protection: Montano Lucino

With a view to monitoring and reducing the social and environmental impact on the community in which it operates, the Clerici Tessuto Group, and in particular the Sara Ink printing plant, commissioned a noise impact assessment in 2018, following the decision to keep the production site active at high intensity even at night.

The assessment showed that the noise levels of the Montano Lucino plant, both during the day and at night, comply with the legal requirements and do not affect the acoustic wellbeing of the local community.

Noise impact assessment for community protection: Grandate

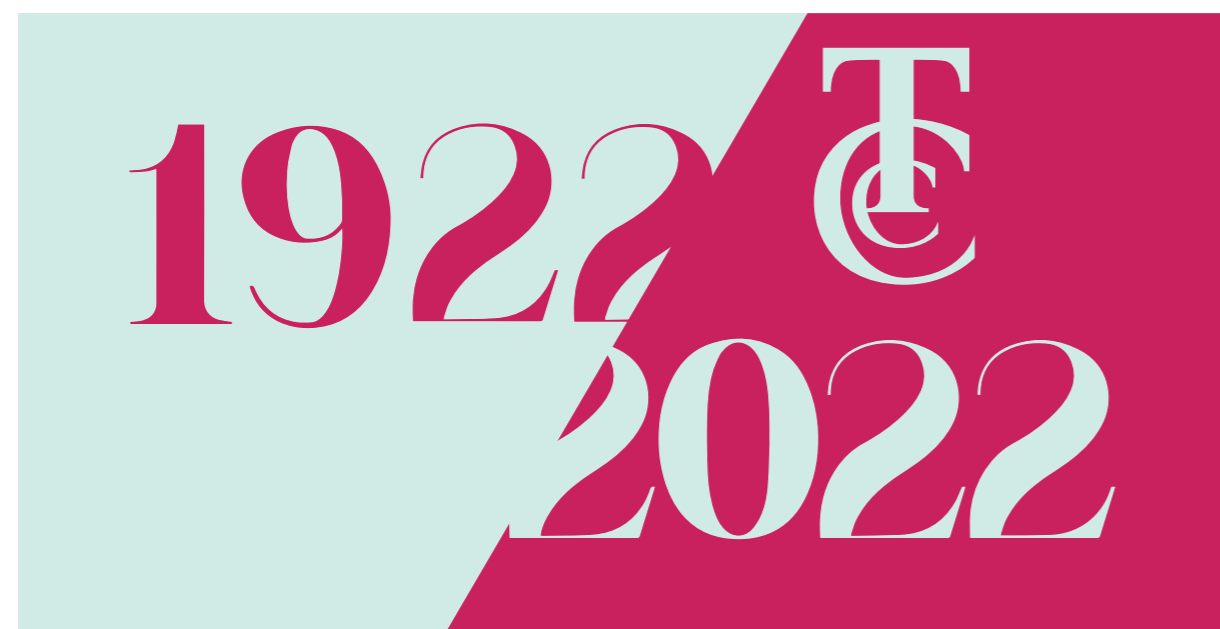
A noise impact assessment was also carried out in 2022 for the Grandate site, which is located in a residential area. The results of the assessment confirm that the company will comply with the planned values.



ONE HUNDRED YEARS OF CLERICI TESSUTO: ONE COMPANY, ONE COMMUNITY

To celebrate the centenary of its foundation, the company organised 'Borgo in Festa' on 6 July 2022, a large event involving the Grandate community and employees from today and the past.

On the occasion of the event, the book 'Without Losing the Thread. 1922-2022 - One Hundred Years of Clerici Tessuto.', in which not only the history of the company is told, but above all the stories of the many people who made it great in this century. The proceeds from the sale were donated to the non-profit associations Banco di Solidarietà di Como and Cometa.



The "Il Centenario" capsules

To celebrate the 100th anniversary of its foundation, Clerici Tessuto has created the "Il Centenario" - "Centenary" - capsule, twenty fabrics that encapsulate the know-how of excellence that has made the company's history, reinterpreted with the contemporary, innovative attitude that characterises today's production. Each fabric in the capsule is an expression of technical and stylistic virtuosity. They include 'great classics' that represent the essence of the company: precious cut voided velvets, sophisticated chinés and fine jacquards, enhanced by wire mesh backgrounds. The capsule collection was presented to customers through a scenographic display in the company's historical archives and an exhibition at the Bourbon Gallery in Paris, as well as to the national and local press at an event on 17 November, 2022.

METHODOLOGICAL NOTE

This document is the second Sustainability Report of the Clerici Tessuto³⁰ Group (also referred to in this document as "Clerici Tessuto", "the Clerici Tessuto Group", "the Group", "the Company" or "the Company") and aims to describe the projects implemented and the main results achieved in the economic, social and environmental fields in 2022. The document has been produced voluntarily and responds to the Company's need to have a tool to present its sustainability policy and objectives to its stakeholders and to report on the results achieved during the year.

The Sustainability Report 2022 has been prepared in accordance with the "GRI Sustainability Reporting Standards" published by the Global Reporting Initiative (GRI) and the information and data reported refer to the period from 1 January 2022 to 31 December 2022. The reported contents were selected on the basis of the results of a materiality analysis, which identified the material aspects for the Group and its stakeholders and which is contained within this document under the heading "Materiality Analysis".

In order to allow for the comparability of data over time and to assess the performance of the Company's activities, a comparison with the previous year has been proposed. The Clerici Tessuto Group has applied the principles of accuracy, balance, clarity, comparability, completeness, sustainability context, timeliness and verifiability in accordance with the GRI Standards considering the Group's impact in the broader context of sustainable development.

The scope of the data reported in this document coincides with that of the Consolidated Financial Statements of Clerici Tessuto & C. S.p.A, including the subsidiary Sara Ink. The environmental data exclude those relating to the commercial offices in Paris and New York, as they are of little relevance.

The periodicity of the publication of the Sustainability Report is set on an annual basis, moving towards full alignment with the publication of the Group's Consolidated Financial Statements. In addition, for the purpose of a correct representation of performance and to ensure the reliability of the data, the use of estimates has been limited as much as possible, which, if present, are based on the best available methodologies and appropriately reported.

The Sustainability Report 2022 was not audited by an independent third party; however, it was submitted for approval by the Board of Directors of Clerici Tessuto & C. S.p.A.

This document is also made public on the Company's website, which can be consulted at the following address: <https://clericitessuto.it/it/>.

For any information on the Sustainability Report, please contact the following e-mail address: sustainability@clericitessuto.it.

³⁰ With registered office in Via Belvedere 1/A, 22070 Grandate (CO), Italy.





ATTACHMENTS



SUMMARY OF PERFORMANCE INDICATORS

CHAPTER: THE CLERICI TESSUTO GROUP

ECONOMIC PERFORMANCE AND VALUE DISTRIBUTION

GRI 201-1 ECONOMIC VALUE DIRECTLY GENERATED AND DISTRIBUTED³¹

Table 1 GRI 201-1: Economic value directly generated and distributed by the Company

	Amount	
	2021	2022
Directly generated economic value	52,295,275	64,834,999
Revenues	51,301,839	62,605,845
Other revenues	597,824	718,736
Operating subsidies	395,558	1,504,248
Interest income	55	6,170
Distributed economic value	50,321,651	62,311,121
Operating Costs	36,248,652	45,083,643
Wages and benefits	13,603,926	16,378,955
Payments to capital suppliers	235,453	318,235
Payments to Public Administration and Local Communities	233,620	530,289
Economic value retained	1,973,624	2,523,878

31 The economic data are in line with the quantitative and qualitative information in the Consolidated Financial Statements as at 31 December 2022. Compared to the previous year, they include the economic and financial data of the Parent Company Clerici Tessuto & C. S.p.A and the subsidiary Sara Ink.



CHAPTER: THE APPROACH TO CLIMATE CHANGE: THE RESPONSIBLE USE OF NATURAL RESOURCES

ENERGY CONSUMPTION

GRI 302-1 ENERGY CONSUMED WITHIN THE ORGANISATION

Table 1 GRI 302-1: Total energy consumed within the organisation by energy source, in GJ

Energy consumed	UDM	2021	2022
Natural Gas	GJ	41,040	35,913
Unleaded petrol	GJ	227	249
Diesel	GJ	2,684	2,296
Electricity purchased	GJ	13,193	12,395
Total	GJ	57,144	50,840
of which renewable	GJ	-	-
of which non-renewable	GJ	57,144	50,840

GRI 305-1 DIRECT GHG EMISSIONS (SCOPE 1)

Table 1 GRI 305-1: Direct greenhouse gas (GHG) emissions (Scope 1) in gross tonnes of CO₂

GHG emissions	UDM	2021	2022
Natural Gas	tCO ₂	2,374	2,085
Unleaded petrol	tCO ₂	17	18
Diesel	tCO ₂	198	169
Total Scope 1	tCO₂	2,588	2,272

GRI 305-2 INDIRECT GHG EMISSIONS FROM ENERGY CONSUMPTION (SCOPE 2)³²

Table 1 GRI 305-2: Indirect greenhouse gas (GHG) emissions (Scope 2, calculated according to location-based approach) in gross tonnes of CO₂

Location-Based GHG Emissions	UDM	2021	2022
Purchased electricity	tCO ₂	952	897
Total Scope 2 Location-based	tCO₂	952	897

Table 2 GRI 305-2: Indirect greenhouse gas (GHG) emissions (Scope 2, calculated according to market-based approach) in gross tonnes of CO₂

Market-Based GHG Emissions	UDM	2021	2022
Purchased Non-Renewable Electricity	tCO ₂	1,682	1,573
Purchased electricity with certificate of origin	tCO ₂	-	-
Total Scope 2 Market-based	tCO₂	1,682	1,573

32 The reporting standard used (GRI 305: Emissions 2016) provides two different approaches for calculating Scope 2 emissions: 'Location-based' and 'Market-based'. The 'Location-based' approach is based on average emission factors related to power generation for well-defined geographical boundaries, including local, sub-national or national boundaries. The 'Market-based' approach is based on GHG emissions emitted by energy suppliers from whom the organisation purchases energy through a contract.



CONVERSION FACTORS				
	UDM	2021	2022	Source
Electricity	GJ/kWh	0.0036	0.0036	Constant
Natural Gas	GJ/smc	0.034287	0.03429	NIR
Diesel/Automotive Diesel	GJ/t	42.78	42.85	NIR
Diesel/Automotive Diesel	kg/l	0.84	0.84	FIRE
Unleaded petrol automotive	GJ/t	42.82	43.13	NIR
Unleaded petrol automotive	kg/l	0.74	0.74	FIRE

EMISSION FACTORS				
	UDM	2021	2022	Source
Natural Gas	tCO ₂ /sm ³	0.001983	0.001991	Ministry of the Environment 22-21
Unleaded petrol	tCO ₂ /t	3.152	3.152	Ministry of the Environment 22-21
Diesel	tCO ₂ /t	3.151	3.150	Ispra 22-21
EE - Location Based	gCO ₂ /kWh	259.8	260.5	Ispra 22-21
EE - Market Based	gCO ₂ /kWh	459	457	AIB 22-21

SUSTAINABLE MANAGEMENT OF WATER RESOURCES

GRI 303-3 WATER WITHDRAWAL					
Table 1 GRI 303-3: Total water withdrawals from all areas and water stress areas in megalitres and broken down by source types					
Water withdrawal	UDM	2021		2022	
		All areas	Water stressed areas	All areas	Water stressed areas
Third-party water resources	Megalitres	103	-	97	-
Surface water	Megalitres	67	-	66	-
Groundwater	Megalitres	36	-	31	-
Total	Megalitres	103	-	97	-

SUSTAINABLE WASTE MANAGEMENT

GRI 306-3 WASTE GENERATED			
Table 1 GRI 306-3: Waste generated by the organisation by type in tonnes			
Waste composition	UDM	2021	2022
Hazardous	t	4	10
Non-Hazardous	t	188	168
Total	t	192	178



CHAPTER: RESPONSIBILITY ALONG THE SUPPLY CHAIN

AN INTEGRATED SUPPLY CHAIN: THE RELATIONSHIP WITH SUPPLIERS

GRI 204-1 PROPORTION OF EXPENDITURE TO LOCAL SUPPLIERS				
Table 1 GRI 204-1: Expenditure and proportion of sourcing by geographic area				
Type of Suppliers ³³	2021		2022	
	Outlay (€) ³⁴	% of Outlay	Outlay (€)	% of Outlay
Local Suppliers ³⁵	24,610,108	92%	31,993,958	94%
Foreign Suppliers	2,011,905	8%	2,139,038	6%
Total	26,622,013	100%	34,132,996	100%

GRI 301-1 MATERIALS USED BY WEIGHT OR VOLUME			
Table 1 GRI 301-1: Total consumption of raw materials, in kilograms ³⁶			
Type of raw material (kg)	UDM	2021 ³⁷	2022
Total Non-Renewable Material	kg	338,343	344,277
Yarn	kg	43,164	37,534
<i>Synthetic fibres</i>	kg	29,350	23,247
<i>Mixed fibres</i>	kg	13,814	14,286
Production chemicals and auxiliaries	kg	295,179	306,743
Total Renewable Material	kg	97,346	100,443
Yarn	kg	73,368	85,104
<i>Natural fibres</i>	kg	67,721	81,149
<i>Artificial fibres</i>	kg	5,647	3,955
Other material	kg	23,978	15,339
Total Material Used³⁸	kg	435,689	444,720
% Non-Renewable		78%	77%
% Renewable		22%	23%

33 The suppliers of Clerici Tessuto, classified as local and foreign, are as follows: 1. Raw material suppliers: Semi-finished Fabrics Purchasing, Finished Fabrics or Jacquard Purchasing and Yarn Purchasing; 2. Fabric processing suppliers (subcontractors): Dyeing Finishing, Printing, Confection and Yarn Dyeing Mills; 3. Finally, for both the year 2021 and 2022, data relating to Façon (outsourcing to external suppliers of production activities relating to Weaving), special processing, laboratory analyses and quality control activities carried out externally have been excluded as the amount of expenditure is negligible.

34 Following a refinement in the collection and calculation process, the data on sourcing expenditure of local and foreign suppliers for 2021 have been restated from those published in the 2021 Sustainability Report of the Clerici Tessuto Group.

35 The term local refers to all suppliers with registered offices in Italy.

36 The reporting boundary of the indicator covers: 1. For Clerici Tessuto, yarns and semi-finished fabrics; 2. The classification of fibres was made by taking as a reference the % of prevailing fabric for compositions resulting from combinations of fibres. Finally, for packaging data, the indicator is not applicable.

37 Following a refinement in the collection and calculation process, the data for yarn and production and auxiliary chemicals for 2021 have been restated from those published in the 2021 Sustainability Report of the Clerici Tessuto Group.

38 This category includes transfer paper on fabric used with transfer printing, which requires the transfer of the design from paper to fabric.



GRI 301-1 MATERIALS USED BY WEIGHT OR VOLUME

Table 2 GRI 301-1: Total consumption of raw materials, in metres

Type of raw material (metres)	UDM	2021	2022
Total Non-Renewable Material	Metres	1,315,340	496,065
Semi-Fabricated Fabrics			
Artificial fibres	Metres	393	304
Synthetic fibres	Metres	1,311,727	493,273
Mixed fibres	Metres	3,220	2,488
Total Renewable Material	Metres	2,348,233	2,342,958
Semi-Finished Fabrics			
Artificial fibres	Metres	512,090	673,573
Natural fibres	Metres	1,836,143	1,669,385
Total material used	Metres	3,663,573	2,839,024
% Non-Renewable		36%	17%
% Renewable		64%	83%

GRI 301-2 MATERIALS USED THAT ORIGINATE FROM RECYCLING

Table 1 GRI 301-2: Quantity and percentage of materials used that originate from recycling³⁹

Type of material	UDM	2021		2022	
Yarn⁴⁰		116,532	100%	122,638	100%
Of which recycled ⁴¹	kg	2,273	2%	1,779	1%
Of which non-recycled ⁴²	kg	114,259	98%	120,859	99%
Semi-Fabricated Fabric⁴³		3,664,367	100%	2,839,024	100%
Of which recycled ⁴⁴	Metres	373,634	10%	162,355	6%
Of which non-recycled ⁴⁵	Metres	3,290,733	90%	2,676,669	94%

39 The GRI 301-2 indicator has only been reported for Clerici Tessuto, as it is not applicable for Sara Ink.

40 By virtue of a refinement in the collection and calculation process, the yarn data for 2021 have been restated from those published in the 2021 Sustainability Report of Clerici Tessuto Group.

41 Within this category, all GRS-certified yarn is reported.

42 Within this category, GOTS certified yarn (not recycled), FSC® certified yarn (not recycled and zero by 2022) and non-certified yarn are reported.

43 Within semi-finished fabrics, plain or jacquard fabrics have not been taken into account as the quantity is insignificant.

44 Within this category, only the % of recycled composition out of the total materials making up the GRS fabrics is reported.

45 Within this category is reported: 1. The certified semi-finished fabric (GRS, European Flax®, FSC®, GOTS and OEKO-TEX®) which is not recycled; 2. The non-certified fabric.



CHAPTER: THE PEOPLE AT THE CENTRE OF OUR ACTIVITY

WORKING IN THE CLERICI TESSUTO GROUP

GRI 2-7 EMPLOYEES⁴⁶

Table 1 GRI 2-7: Total number of employees by gender (headcount)

Gender	to 31 December 2021	to 31 December 2022
Males	112	112
Females	178	183
Total	290	295

Table 2 GRI 2-7: Total number of employees by contract type and gender (headcount)

Type of contract	to 31 December 2021			to 31 December 2022		
	M	F	Total	M	F	Total
Permanent	110	176	286	106	180	286
Fixed	2	2	4	6	3	9
Total	112	178	290	112	183	295

Table 3 GRI 2-7: Total number of employees by type of employment and gender (headcount)

Full-time / Part-time	to 31 December 2021			to 31 December 2022		
	M	F	Total	M	F	Total
Full-time	112	153	265	110	155	265
Part-time	-	25	25	2	28	30
Total	112	178	290	112	183	295

GRI 2-8 WORKERS WHO ARE NOT EMPLOYEES

Table 1 GRI 2-8: Total number of non-employees whose work is controlled by the Group, by contract type and gender (headcount)

Type of contract	2021			2022		
	M	F	Total	M	F	Total
External staff	1	-	1	1	-	1
Self-employed workers	3	-	3	3	-	3
Temporary workers	2	-	2	3	-	3
Interns	4	5	9	3	4	7
Others ⁴⁷	1	-	1	1	-	1
Total	11	5	16	11	4	15

46 All employees refer to the geographical area Italy.

47 The category Other refers to a Co.co. contract.



GRI 401-1 NEW HIRES AND TURNOVER ⁴⁸

Table 1 GRI 401-1: Number of incoming employees by age group, gender and geographical area

	2021				2022			
	<30	30-50	>50	Total	<30	30-50	>50	Total
Males	-	2	-	2	4	9	1	14
Females	-	5	-	5	9	7	4	20
Total	-	7	-	7	13	16	5	34

Table 2 GRI 401-1: Percentage of incoming employees by age group, gender and geographical area

	2021				2022			
	<30	30-50	>50	Total	<30	30-50	>50	Total
Males	-	3.77%	-	1.79%	26.67%	16.98%	2.27%	12.50%
Females	-	5.05%	-	2.81%	56.25%	7.29%	5.63%	10.93%
Total	-	4.61%	-	2.41%	41.94%	10.74%	4.35%	11.53%

Table 3 GRI 401-1: Number of employees leaving by age group, gender and geographic area

	2021				2022			
	<30	30-50	>50	Total	<30	30-50	>50	Total
Males	-	2	6	8	-	8	6	14
Females	1	5	11	17	1	8	6	15
Total	1	7	17	25	1	16	12	29

Table 4 GRI 401-1: Percentage of employees leaving by age group, gender and geographical area

	2021				2022			
	<30	30-50	>50	Total	<30	30-50	>50	Total
Males	-	3.77%	13.04%	7.14%	-	15.09%	13.64%	12.50%
Females	10.00%	5.05%	15.94%	9.55%	6.25%	8.33%	8.45%	8.20%
Total	4.35%	4.61%	14.78%	8.62%	3.23%	10.74%	10.43%	9.83%

48 The geographical reference area for all tables is Italy.



GRI 405-1 DIVERSITY IN GOVERNING BODIES AND AMONG EMPLOYEES

Table 1 GRI 405-1: Employees by professional category and gender as a percentage

	2021			2022		
	M	F	Total	M	F	Total
Executives	63%	37%	3%	57%	43%	2%
Middle managers	77%	23%	4%	79%	21%	5%
Office workers	33%	67%	59%	34%	66%	60%
Manual workers	41%	59%	34%	37%	63%	33%
Total	39%	61%	100%	38%	62%	100%

Table 2 GRI 405-1: Employees by job category and age group in percent

	2021				2022			
	<30	30-50	>50	Total	<30	30-50	>50	Total
Executives	-	25%	75%	3%	-	29%	71%	2%
Middle managers	-	46%	54%	4%	-	50%	50%	5%
Office workers	8%	51%	41%	59%	12%	50%	38%	60%
Manual workers	9%	57%	34%	34%	10%	54%	36%	33%
Total	8%	52%	40%	100%	11%	50%	39%	100%

Table 3 GRI 405-1: Employees by gender and age as a percentage

	2021				2022			
	<30	30-50	>50	Total	<30	30-50	>50	Total
Males	12%	47%	41%	39%	13%	47%	40%	38%
Females	6%	56%	38%	61%	9%	52%	39%	62%
Total	8%	52%	40%	100%	10%	51%	39%	100%

Table 4 GRI 405-1: Employees belonging to protected categories as a percentage

	2021			2022		
	M	F	Totale	M	F	Total
Executives	-	-	-	-	-	-
Middle managers	-	-	-	-	-	-
Office workers	20%	80%	63%	33%	67%	60%
Manual workers	-	100%	37%	-	100%	40%
Total	13%	87%	100%	20%	80%	100%

Table 5 GRI 405-1: Members of the Board of Directors of the Parent Company Clerici Tessuto & C. S.p.A. by gender and age group as a percentage

	2021				2022			
	<30	30-50	>50	Total	<30	30-50	>50	Total
Males	-	-	100%	50%	-	-	100%	50%
Females	-	100%	-	50%	-	100%	-	50%
Total	-	50%	50%	100%	-	50%	50%	100%



STAFF DEVELOPMENT AND TRAINING

GRI 404-1 AVERAGE ANNUAL TRAINING HOURS PER EMPLOYEE

Tabella 1 GRI 404-1: Training hours per capita by gender and job category

Average hours of training	2021			2022		
	M	F	Total	M	F	Total
Executives	15	19	17	61	58	60
Middle managers	19	24	20	32	9	27
Clerks	12	6	8	9	9	9
Workers	6	1	3	7	3	5
Total	11	5	7	13	8	10

WORKER HEALTH AND SAFETY PROTECTION

GRI 403-9 OCCUPATIONAL ACCIDENTS

Table 1 GRI 403-9: Occupational injuries and accident rates⁴⁹

Employees	2021	2022
Number of recordable occupational accidents	1	-
Number of occupational accidents with serious consequences (excluding deaths)	-	-
Number of deaths as a result of accidents at work	-	-
Hours worked ⁵⁰	439,422	457,413
<i>rate of recordable accidents at work</i>	0.46	-
<i>rate of accidents at work with serious consequences</i>	-	-
<i>rate of deaths due to accidents at work</i>	-	-
Non-employed workers	2021	2022
Number of recordable accidents at work	-	-
Number of work accidents with serious consequences (excluding deaths)	-	-
Number of deaths as a result of accidents at work	-	-
Hours worked ⁵¹	7,968	16,595
<i>rate of recordable accidents at work</i>	-	-
<i>rate of accidents at work with serious consequences</i>	-	-
<i>rate of deaths due to accidents at work</i>	-	-

49 The accident index is calculated as the ratio of the number of accidents to the number of hours worked by employees/external workers, multiplied by 200,000 (Source: Sustainability Reporting Guidelines - GRI Standards version, Global Reporting Initiative). Recordable occupational accidents are accidents that resulted in an absence from work of more than three days, while accidents with serious consequences are accidents that resulted in an absence from work of more than six months.

50 The calculation of hours worked for employees was carried out using the hours shown on the pay slip as a reference.

51 The calculation of hours worked for non-employees was carried out by means of estimates using the internship and temporary employment categories as a reference. The hours worked were determined by multiplying the number of days worked by the 8 hours of a working day. The estimate was made by subtracting Saturdays, Sundays and August holidays, but keeping public holidays, sick days and days of absence in the calculation. The significant change between 2021 and 2022 in the number of working hours is attributable to the activation of numerous new employees following the removal of the Covid-19 state of emergency restrictions.



WAYS OF INVOLVING STAKEHOLDERS

Stakeholder	Modalities of Involvement
Customers	<ul style="list-style-type: none"> — Regular liaison with the commercial department — Participation at major textile trade fairs — Engagement via social media and website
Suppliers	<ul style="list-style-type: none"> — Formal communications — Website — Sharing the Code of Ethics
Associations (e.g. ZDHC) and NGOs (e.g. Greenpeace, Parley for the Oceans)	<ul style="list-style-type: none"> — Membership of associations — Planning of joint initiatives
Employees	<ul style="list-style-type: none"> — Internal notice board communications — Organisation of internal meetings — Communication with RSU
Investors and Banks	<ul style="list-style-type: none"> — Sharing of internal documents (e.g. Budget and Financial Report) — Organisation of formal meetings to discuss company performance
Local communities	<ul style="list-style-type: none"> — Participation in fundraising events — Sponsorship activities
Schools, Universities and Research Centres	<ul style="list-style-type: none"> — Offering internships, scholarships and school-to-work alternation — Training at schools
Shareholders	<ul style="list-style-type: none"> — Shareholders' meetings — Board of Directors — Organisation of weekly and monthly meetings
Competitors	<ul style="list-style-type: none"> — Informal meetings during major trade fairs — Meetings during meetings organised by associations (e.g. Confindustria)
Institutions and Public Administration	<ul style="list-style-type: none"> — Compliance with regulatory and tax requirements
Partners (e.g. Filo D'oro and other network contracts)	<ul style="list-style-type: none"> — Participation in meetings and assemblies



MATERIAL ISSUES

Material Issues	Description
Ethics, business integrity and anti-corruption	Ethics, integrity and transparency in business activities including the adoption of a Code of Ethics, policies and procedures for compliance with applicable regulations. Adherence to national and international principles and guidelines that include areas of social and environmental responsibility.
Governance and Compliance	Definition of the structure and composition (including in terms of diversity) of the organisation's governing bodies. Transparent communication of the organisation's good governance practices and adherence to international best practices/regulations.
Brand Reputation	Evaluation of the perception of the organisation by its main stakeholders through collective assessments of its ducts and/or ability to deliver value.
Economic performance	Responsible management of the organisation's economic and financial resources to ensure stability and continuity in the operation of the business with the aim of creating value in the community and to stakeholders.
Customer satisfaction	Adoption of procedures and monitoring systems to manage customer satisfaction in terms of complaints related to the reliability of deliveries, adherence to schedules and the condition of the product delivered.
Responsible use of chemicals	Minimising the use of harmful chemicals, incorporating green chemistry and dealing with legacy substances.
Product quality and safety	Offering high quality products conforming to national and international standards, considering environmental impacts throughout the life cycle and safety of use for the consumer.
Product innovation and sustainability	Research and development activities aimed at product and packaging design, with a focus on sustainable product development to promote the use of renewable and recycled source materials.
Worker health and safety	Policies and programmes that promote the protection of health and safety in the workplace in full compliance with relevant regulatory requirements, existing agreements and protocols that also include periodic monitoring activities.
Responsible supply chain management	Responsible management of sourcing processes throughout the supply chain, with particular attention to the selection of suppliers according to social and environmental criteria.
Human and labour rights	Maintenance of an internationally shared high ethical standard ensuring dignity, human rights and inclusion for all workers and people involved in the entire supply chain.
Valuing people	Making use of tools for continuous employee training and talent attraction. Offering employees compensation and benefits that are not only financial. Promotion of activities aimed at involving employees and ensuring their satisfaction.
Local communities	Organisation and promotion of socio-economic and cultural development initiatives, through the provision of donations and collaboration with local organisations and associations.
Sustainable water management	Conscientious and efficient management of water resources and definition of water use efficiency strategies. Monitoring practices for the chemical, physical and biological quality of discharges.
Climate change and energy management	Reduction of carbon dioxide emissions and offsetting those that cannot be eliminated. Focus on energy efficiency and the use of renewable energy sources.
Waste management	Conscious management of business-related waste, through the promotion of conscious management methods and practices such as : reuse, sorting and recycling of waste and scrap produced.



CORRELATION BETWEEN MATERIAL ISSUES AND IMPACTS

The table below lists the material issues identified by the Clerici Tessuto Group and the description of the correlated impacts. Furthermore, each impact can be categorised as positive/negative and potential/current involving a different perimeter of stakeholders. Finally, the column "Involvement of the Organisation in the impacts" indicates the role of the Group in relation to the impact generated with respect to each material issue.

Material issues	Impact	Impact description	Typology of impacts related to the material issue	Perimeter of impacts related to the material issue	Organisational Involvement in the impacts ⁵²
Governance, Ethics and Transparent Management					
Ethics, business integrity and Anti-Corruption	Anti-competitive practices	Anti-competitive behaviour and monopolistic practices with negative impacts on the economy and markets	Negative and Potential	<ul style="list-style-type: none"> - Group - Employees - Suppliers - Customers 	Caused by the Group
	Corruption cases	Occurrence of proven cases of corruption (e.g. abuse of office, bribery, fraud, extortion, collusion and money laundering etc.)	Negative and Potential	<ul style="list-style-type: none"> - Investors and Banks - Shareholders - Partners 	
Governance & Compliance	Transparent ducts	Transparent and accountable conduct of Top Management and the Board	Positive and Current	<ul style="list-style-type: none"> - Group - Employees - Suppliers - Customers 	Caused by the Group
	Cases of non-compliance	Non-compliance with applicable internal company policies with related negative social, environmental and/or economic impacts	Negative and Potential	<ul style="list-style-type: none"> - Investors and Banks - Shareholders - Partners 	
Brand Reputation	Wellbeing and stakeholder satisfaction	Listening to and meeting the needs of internal and external stakeholders	Positive and Current	<ul style="list-style-type: none"> - Group - Employees - Suppliers - Customers - Investors and Banks - Shareholders - Partners - Local Communities - Schools, Universities and Research Centres - Competitors - Institutions and Public Administration - Associations and NGOs 	Caused by the Group and directly related to its activities

⁵² The Company is committed to mitigating as best as possible its current negative impacts that, due to the nature of the business, are unavoidable (e.g. waste generation) through various improvement initiatives (e.g. textile recycling projects). For further details, please refer to the chapter 'Approach to climate change : the responsible use of natural resources' where these initiatives are discussed.



Economic and business responsibility					
Economic Performance	Creating shared value	Creation of economic value and balanced distribution to stakeholders (e.g. employees, suppliers, customers)	Positive and Current	<ul style="list-style-type: none"> – Group – Employees – Suppliers – Customers – Investors and Banks – Shareholders – Partners – Local communities 	Caused by the Group and directly related to its activities
Product Responsibility					
Customer satisfaction	Customer dissatisfaction	Dissatisfaction on the part of customers due to the occurrence of unfavourable events (e.g. delivery delays, incorrect orders, poor quality of products and services, etc.) and consequent loss of trust if these are repeated over time	Negative and Potential	<ul style="list-style-type: none"> – Group – Clients 	Caused by the Group
Responsible use of chemicals	Product non-conformity	Risk to the health and safety of end users and the environment due to production inefficiencies and ineffective product quality/compliance controls	Negative and Potential	<ul style="list-style-type: none"> – Group of companies – Clients – Local Communities – Partners 	Caused by the Group and directly related to its activities
Quality and product safety	Product non-conformity	Risk to the health and safety of end users and the environment due to inefficiencies in production and ineffective controls on product quality/compliance	Negative and Potential	<ul style="list-style-type: none"> – Group of companies – Clients – Local Communities – Partners 	Caused by the Group and directly related to its activities
Innovation and product sustainability	Product innovation	Continuous improvement in product and service offerings	Positive and Current	<ul style="list-style-type: none"> – Group of companies 	Caused by the Group
	Generation of waste	Generation of waste for landfill and/or generation of hazardous waste	Negative and Current	<ul style="list-style-type: none"> – Customers – Suppliers – Partners 	
Social Responsibility					
Worker health and safety	Accidents at work	Accidents or other incidents in the workplace, with negative consequences for the health of direct employees or external collaborators	Negative and Potential	<ul style="list-style-type: none"> – Group – Employees 	Caused by the Group and connected with its activities
Responsible supply chain management	Valuing local suppliers	Favouring the awarding of contracts to suppliers in the Como/local district	Positive and Current		Caused by the Group and directly related to its activities
	Social and environmental sustainability in the supply chain	Selection of suppliers according to social and environmental criteria	Positive and Current	<ul style="list-style-type: none"> – Group – Supplier – Partners 	
	Violation of human rights along the value chain	Situations of exploitation and violation of human rights along the value chain	Negative and Potential		



Human and workers' rights	Practices of discrimination	Discrimination of various kinds (e.g. inequality between male and female remuneration for equal roles)	Negative and Potential	<ul style="list-style-type: none"> – Group – Employees – Suppliers 	Caused by the Group and related to its activities
Valuing people	Development of employees' skills	Improvement of employees' skills through training and professional development activities, also linked to personalised growth and evaluation objectives	Positive and Current		Caused by the Group
	Creation of wellbeing	Employee satisfaction, engagement and creation of a sense of belonging	Positive and Current	<ul style="list-style-type: none"> – Group – Employees 	
	Employee dissatisfaction	Corporate practices leading to dissatisfaction and lack of employee motivation	Negative and Potential		
Local communities	Socio-economic advancement in communities	Promotion of socio-economic development in communities, the third sector and local schools and universities	Positive and Current	<ul style="list-style-type: none"> – Group – Local Communities – Associations and NGOs – Institutions and Public Administration – Schools, Universities and Research Centres 	Caused by the Group and directly related to its activities
Environmental Responsibility					
Sustainable water management	Inquinamento degli scarichi	Presence of chemicals in water discharges	Negative and Potential	<ul style="list-style-type: none"> – Group – Local Communities 	Caused by the Group and directly related to its activities
Climate Change and energy management	Generazione di emissioni climalteranti	Negative environmental impacts in terms of gas emissions and atmospheric pollution	Negative and Current	<ul style="list-style-type: none"> – Group – Local Communities 	Caused by the Group and directly related to its activities
Waste management	Danni ambientali e sociali	Generation of waste causing environmental and social damage through the possible pollution of soil and groundwater	Negative and Current	<ul style="list-style-type: none"> – Group – Employees – Local Communities 	Caused by the Group and directly related to its activities



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Statement of use	The Clerici Tessuto Group reported in accordance with GRI Standards for the period 01/01/2022 to 31/12/2022.		
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GRI Standard	Disclosure	Location	Omission
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53 It should be noted that the translation of the GRI Standards has been made for the sole purpose of more effective reading, as an official translation into Italian is not currently available.



GRI Standard	Disclosure	Location	Omission
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GRI Standard	Disclosure	Location	Omission
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GRI 401: Employment (2016)	401-1 New hires and turnover	66-68; 90	
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GRI Standard	Disclosure	Location	Omission
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GRI Standard	Disclosure	Location	Omission
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Clerici Tessuto & C. SpA

Via Belvedere, 1/A
22070 – Grandate (CO) Italy
+39 031 455 111
info@clericitessuto.it
clericitessuto.it

Foreign trading companies:

Clerici Tessuto France Sas

37, Rue Jean Goujon
75008 – Paris, France
+33 1 42259525
commerciale@ctcfrance.com

CTC USA Corp.

110 West 40th Street - Suite 903
New York NY 10018 – USA
+1 212 8691123
info@ctcusacorp.com

