2025 Sustainability Report

CARVICO

Sustainability Report

2025

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Letter to our stakeholders

Dear Employees, Customers, Suppliers, and Partners,

What remains of a company as time goes by?

The choices it has dared making, its ability to evolve without losing its identity, the expertise it has developed, and the relationships it has built.

Companies live in the present, but their true measure lies in the continuity they manage to generate. Every action contributes to shaping the future of its people, the communities in which they operate, the partners they collaborate with, and the products brought to the market.

Since 1962, Carvico has been growing by maintaining a vital connection between the lessons learned over time and the ability to look ahead. Our history is built on know-how and expertise, a deeply rooted manufacturing culture, and key decisions that have guided the company's development while keeping its identity steadfast.

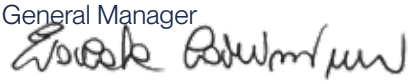
Our Sustainability Report stems from this very awareness. It is a moment for analysis and reflection on how we operate and the impacts of our choices. Making our activities measurable means clearly observing the goals we have achieved and identifying the areas where we must continue our path of improvement.

The 2025 edition chronicles a year in which we consolidated our organizational model by strengthening corporate governance, developing increasingly structured supply chain management systems, and investing both in production process innovation and in the skills of our people. This is a daily commitment that integrates industrial objectives with responsibility and care for the environment and society around us.

Every milestone is the result of a sequence of daily decisions. It is within the consistency between what we choose and what we achieve that a company's credibility is built.

The legacy we leave behind is the result of the choices we make every day.

Evalda Carissimi
General Manager



Methodology

Starting from the 2023 financial year, **Carvico S.p.A.** (hereinafter also "Carvico", the "Company" or the "Firm") has embarked on a journey to report its ESG (Environmental, Social, and Governance) performance by drafting this **Sustainability Report** (hereinafter also the "Report"). With this document, now in its third edition, the Company renews its commitment to transparently describing its corporate profile, governance model, adopted policies, implemented initiatives, and ESG achievements. It updates the information and data already reported for the previous financial year and outlines the main developments and performances recorded during the 2025 financial year, in line with the material topics identified.

This Report has been drawn in compliance with the **Global Reporting Initiative** (GRI) Standards, as indicated in the "**GRI Content Index**", in order to provide comprehensive evidence of the correlation between material topics and their respective GRI indicators. Regarding the Universal Standards GRI 1 (Foundation) and GRI 2 (General Disclosures), the most recent 2021 version has been adopted.

In line with the provisions of the GRI Standards, Carvico was guided by the principles of materiality, stakeholder inclusiveness, sustainability context, and completeness to define the contents, and by the principles of balance, clarity, accuracy, timeliness, comparability, and reliability to ensure the quality of the information and the appropriateness of its presentation.

The information contained in this Report, which is issued on an annual basis, refers to the year 2025 (from January 1, 2025, to December 31, 2025) with reference to Carvico S.p.A.

This document stands alongside the Annual Financial Statements, which are also prepared annually for the same period. Furthermore, to enable data comparability over time, a comparison with data from the two-year period from January 1, 2023, to December 31, 2024, has been provided where possible.

In order to accurately represent performance and ensure data reliability, the use of estimates was limited as much as possible; where present, these estimates have been appropriately highlighted, along with a description of the calculation method used.

The definition of the Report's contents and the related indicators subject to disclosure were selected based on the results of the **materiality analysis**—carried out in application of the GRI 3 Standard (Material Topics)—as detailed in the section "Materiality Analysis and ESG Impaacts". Additionally, this Report is not subject to External Assurance.

For further information regarding the Sustainability Report of Carvico S.p.A., please contact the following email address: sustainability@carvico.com.



1.
Who we are

1.1 | Our history

For over **60 years**, Carvico has been producing stretch, warp-knitted fabrics, standing out for its manufacturing expertise, its technological innovation, products quality and the breadth of its offerings. Our commitment to people and the environment is embedded in within our Company's development model.

Carvico's history is rooted into a solid industrial **tradition** which keeps driving both our identity and strategical choices. Building on this foundation, our Company has driven a growth journey centered on developing expertise, continuously investing in technology, and successfully anticipating market trends and shifts.

The technical and manufacturing know-how, developed internally and passed down over time, represents one of Carvico's most distinctive elements. The continuous upgrading of processes and the development of increasingly **innovative solutions** have allowed Carvico to respond to evolving customers' needs and to consolidate its presence in international markets. Today, Carvico is a benchmark in the production of warp-knit and stretch fabrics for Swimwear, Sportswear and Outerwear, thanks to a development model blending expertise, innovation and quality.

The following timeline shows Carvico's milestones and most relevant achievements.

1962

Fondazione di Tessitura Carvico S.a.s.
Giuseppe Colnaghi sets up the Tessitura Carvico S.a.s., the first Italian company specializing in knitting, dyeing and finishing woven fabrics.

’70s

Warp-knitted fabrics
By introducing elastomeric fibers, Carvico starts producing stretch, warp-knitted fabrics, thus expanding its offering of products for beachwear, sportswear, underwear, interior design and leisure.

2000

Going global
With the establishment of Carvico Hong Kong Ltd the Carvico Group starts its internationalization process which soon leads to the opening of the first overseas warehouse in Brisbane, Australia.

2005

Governance continuity
Following the passing of the company founder, Ms Laura Colnaghi Calissoni took over the leadership of the Company, ensuring continuity of the Group’s growth and development process.

2008

The Asian market
Carvico Trading (Shanghai) Co. Ltd consolidates the commercial presence of the Group in the Asian market.

2009

New production site established in Vietnam
Hung Yen Knitting & Dyeing Co. Ltd, specialized in the production of high-performance, stretch, warp-knitted fabrics starts operating in Vietnam.

2010

Development of the US market
Carvico USA Inc.is officially set up. Carvico consolidates its presence in the USA by opening a sales office in New York first and then another one in LA.

2012

Investing in innovation
The Group investment plan is further developed with the aim to expand the product range and strengthen international competitiveness.

2017

Awards and International Development
Laura Colnaghi Calissoni is appointed “Cavaliere del Lavoro”. The same year, in Etihopia, the Group opens Yegof PLC, a brand new site, equipped with cutting-edge technologies and machinery, for the production of commodities.

Today

Traditional and innovation
Tradition and innovation guide Carvico’s evolution, directing the development of solutions in response to the needs of a constantly changing market.

Carvico values the wealth of expertise built over sixty years of history, projecting it towards the future through research, innovation, and responsible growth.

Highlights

+7,1%
Production Value
(Ton)

40,1%
of women within the organization

100%
of energy purchased comes
from renewable sources

58,3%
of suppliers are local
(Italian)

99%
of employees[1] are hired
on a permanent base

7.244.964 Kwh
Kwh of power is produced by means
of the in-house co-generation plant

99,9%
of waste are
recycled/reused

100%
of employees are hired
in compliance with the national
textile collective contract

54,5%
of women within
the organization

2.057
hours of training delivered
to staff members

88,8%
Direct Economic Value Generated
and Distributed (EVG&D)

1. The word "employees" refers to people working for the organization (as per Standard GRI 2-7) excluding temporary workers. For further information please refer to Chapter 5 herein.

1.2 | Carvico products

Carvico, affiliated with Confindustria and Sistema Moda Italia, represents an internationally recognized excellence in the Italian textile sector. Thanks to its consolidated experience, **technical expertise**, and **constant investments** in research and development, the Company creates fabrics that combine **quality**, **innovation**, and **reliability**, to satisfy the needs of the leading global brands they collaborate with.
The Company produces and markets warp-knit stretch fabrics made from synthetic fibers, destined for a wide range of sectors: beachwear, sports, athleisure, underwear, apparel, accessories and footwear, and furnishing/interior design.
Production is mainly based on the use of technical yarns such as polyamide, polyester, and PBT, processed in combination with elastomeric fibers like elastane and elastolefin. Alongside the use of traditional fibers, Carvico expands its offering with fabrics also made from regenerated raw materials.
The breadth of the range and the versatility of the materials allow the Company to meet the diverse needs of its reference markets, highlighting the quality of the fabrics and their adaptability.

Beachwear
For over 60 years the Company's main strength
The production of stretch fabrics for swimwear and beachwear represents the core business of Carvico, which has been developing textile solutions dedicated to the beachwear world for over 60 years.

Fabrics created for this sector are engineered to retain their aesthetic and functional properties even after prolonged exposure to water, sunlight, and external agents. Fit, comfort, shape retention, UV protection, quick-drying capabilities, and resistance to sun creams and oils are distinctive features of the materials used for beachwear, wellness, and resort wear.

Competition swimwear
Resistance and reliability
Carvico fabrics for competition swimwear are developed to meet the demanding requirements of professional swimming and intensive training. High resistance to chlorine and pool water chemicals, combined with the ability to maintain elasticity, shape, and technical properties over time, define the identity of this range. UV protection, quick-drying capabilities, fit, and comfort help ensure reliability and long-term durability, even under frequent and prolonged use.

Technical fabrics for sportswear
High-performance textile solutions
Our sportswear collection is engineered to follow every athletic movement, ensuring the right balance of elasticity, support, and comfort even during the most intense activities. The combination of fibers and technical knit constructions guarantees high performance in terms of breathability, moisture management, and controlled muscle compression, ensuring freedom of movement and fit during sports activities. Pilling and abrasion resistance, UV protection for outdoor activities, and performance retention over time complete the properties of the materials destined for various disciplines.

Fitness e athleisure
Comfort, movimento e versatilità quotidiana
Fabrics for fitness and athleisure respond to the evolution of a lifestyle where physical activity, well-being, and daily life increasingly and naturally coexist. Softness, elasticity, a wraparound fit and a warm, pleasant hand feel allow for the creation of versatile garments perfectly blending functionality, comfort, and stylistic research.

Apparel and ready to wear
High performance fabrics between functionality and style
The evolution of fashion and contemporary lifestyles has fostered a new interpretation of contemporary apparel and ready-to-wear collections promoting the use of performance fabrics even in collections with more classic aesthetic codes. Through the study of surfaces, textures, colors, and finishes, Carvico develops materials capable of expanding the creative possibilities; the versatility of these fabrics enables the combination of comfort, refinement, and functionality, contributing to the creation of contemporary garments that unite elegance and daily performance

Underwear
Fabrics engineered to enhance the silhouette
Fabrics for the underwear sector combine elasticity, adaptability, and texture contributing to defining shapes, fit, and style. Carvico creates solutions which naturally follow the silhouette, offering different aesthetic and functional interpretations: from everyday lingerie to shapewear garments.

Accessories and footwear
Fabrics at the service of design
Carvico fabrics also find application in the footwear and accessories sector, where they become the base for subsequent processing and transformations according to the specific needs of the final product. Bonding, laminating, and functional treatments allow fabrics to be combined with other materials and to adapt its characteristics and performance to different applications.

Fabrics for interior design
Textiles as an element of space
Carvico fabrics are also used in the interior design sector, where they are reinterpreted through processing and transformations capable of adapting them to the needs of different environments. The study of surfaces, colors, and finishes allows the aesthetic qualities of the fabrics to be expressed, contributing to defining the style of rooms and to combining aesthetic care and functionality.





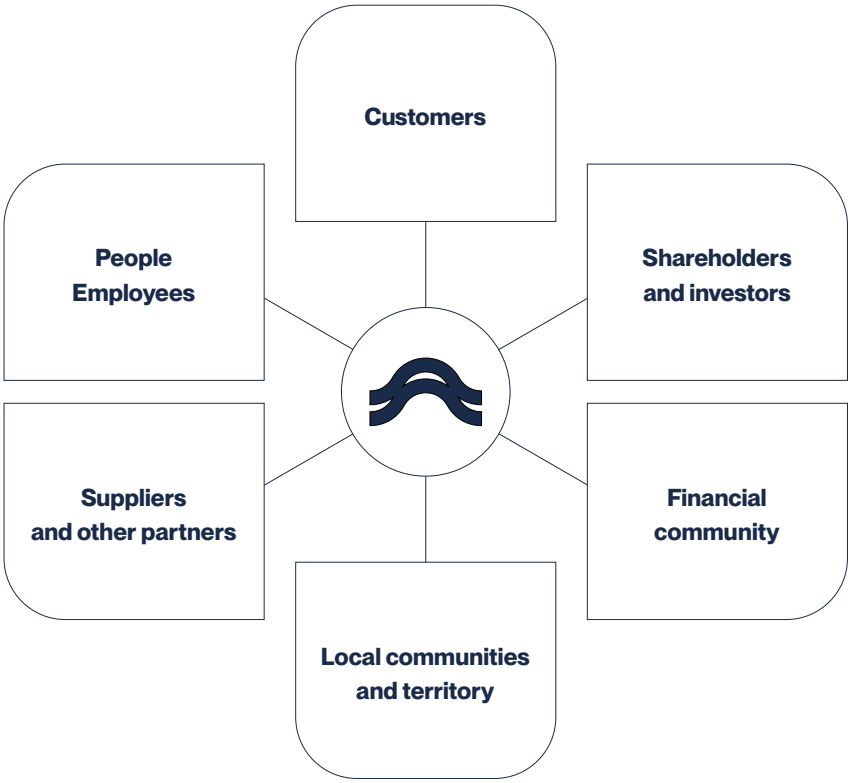
2.
Our approach to sustainability

2.1 | Our stakeholders

Carvico considers **the dialogue with its Stakeholders** a fundamental element in the management of corporate activities and initiatives. The Company promotes relationships based **on transparency and continuous dialogue**, both within and outside the organization, with the aim of **understanding the needs, expectations, and requirements** of the various people involved, and developing forms of collaboration and mutual improvement.

Carvico's reputation, built through a well-established path over time, depends significantly on the quality of the relationships established with its Stakeholders. For this reason, the Company adopts an **inclusive and participatory management model**, extending this **approach to the local territory and strategic partners**.

Through a workshop conducted by the management and the ESG committee, Carvico analyzed the context in which it operates and identified **10 relevant Stakeholder categories** for the Company. These are individuals or entities directly or indirectly affected by the impacts of corporate activities who are, at the same time, capable of contributing to the organization's evolution. The results of this analysis are reported below.



As far as the **communication channels** with the main Stakeholder categories are concerned, Carvico maintains a constant dialogue with its interlocutors, fostering employee participation through methods that include engagement with trade union representatives, internal communication tools such as notice boards, email, and the intranet, as well as periodic updates on corporate performance and progress.
This communication system fosters people's involvement and active participation in the life of the organization, in compliance with corporate values.
Furthermore, a **whistleblowing** channel is active, managed through a dedicated physical mailbox and an email address overseen by the Ethics Committee, allowing for the reporting of potential violations, critical issues, or concerns, including on an anonymous basis.
The Company organizes **periodic meetings** with shareholders to share corporate performance and maintains a continuous exchange with strategic partners, sharing commercial goals and results.
Finally, Carvico promotes partnerships with local educational institutions aimed at training future professionals for the textile sector.

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

Source: GRI Standards, by OCSE, integrating instructions by the OCSE on due diligence for responsible business management, 2018



2.2 | Materiality analysis and ESG impacts

The responsible management of environmental, social, and governance aspects is an integral part of Carvico's development model and represents a crucial factor in creating value for Stakeholders and the context in which the Company operates. This approach is based on identifying the **impacts** generated by corporate activities and business relationships, with a specific focus on people, the environment, and society.

The **materiality analysis** aims to identify the **sustainability topics relevant** to the Company and its Stakeholders, which form the basis of the contents of this Report. This activity was developed in accordance with the Global Reporting Initiative (GRI) Standards, with particular reference to the "**GRI 3: Material Topics**" Standard in its updated 2021 version. The assessment included positive and negative, actual and potential **financial, environmental and social impacts**, including those related to human rights, in order to determine their relevance for Stakeholders and the organization.

The first phase of the work involved a **benchmark analysis** of the main entities operating in the reference sector, including customers, suppliers, and competitors. This activity provided deeper insights into emerging trends and the best reporting practices adopted by the market.

The analysis then led to the identification of **actual and potential positive and negative effects** deriving from Carvico activities and commercial partnerships. The identified elements were subsequently evaluated by the Top Management and the ESG committee during a dedicated **Workshop**. Using a scale from 1 (low significance impact) to 5 (highly significant impact), **priorities** were defined for the most significant aspects, which were subsequently mapped to the material topics at the foundation of this Sustainability Report.

The material topics and their related impacts, which serve as the reference for the structure of this document, are reported below. It should be noted that the results of the impact materiality analysis conducted for the 2024 financial year have also been confirmed for the 2025 financial year.



ESG Area	Material topics	Material impacts generated by Carvico S.p.A.	Kind of impact
Environment	Emissions and fighting climate change	Direct and indirect emissions deriving from the Company activities (Scope 1 and 2)	Negative, current
	Energy efficiency and use of renewable sources	Fostering initiatives aimed at increasing energy efficiency	Positive, current
		Energy consumption	Negative, current
		Use of renewable energy sources	Positive, current
	Responsible waste management	Generation of textile waste and scraps	Negative, current
	Circular economy	Contribution to a circular economy of raw materials	Positive, current
	Responsabile use of water	Collection and use of water	Negative, current
		Water discharge/soil and underground water contamination	Negative, potential
Governance	Creation of shared financial value	Generation and distribution of value	Positive, current
	Responsible management of the supply chain	Creation of a traceable supply chain	Positive, potential
		Non-compliance cases identified along the supply chain	Negative, potential
	Business ethics and integrity	Non-compliance with the law	Negative, potential
Social	Health and safety	Accidents in the workplace	Negative, potential
		Professional illnesses in the workplace	Negative, potential
	Diversity, equal opportunities and discrimination	Discrimination in terms of responsibilities, compensation and career advancement	Negative, potential
		Creation of an inclusive working environment	Positive, current
	Training and development	Development of employees' skills through training	Positive, current
	Talent attraction and retainment	Loss of company know-how	Negative, potential
	Responsible management of employees' wellbeing	Employees' satisfaction and wellbeing	Positive, current
	Involvement of and support to the local communities	Positive solcial impact on the local communities	Positive, current
		Positive financial effects on the local communities	Positive, current
Product	R&D, innovation and product sustainability	Engineering fabrics made of regenerated materials	Positive, current
		Assessment of the environmental impact of products	Positive, current
	Products safety and quality, and customers' satisfaction	Offering high-quality and durable products	Positive, current
		Non-compliance cases in terms of products safety and users' health	Negative, potential
		Customers' satisfaction and requirements duly met	Positive, current



3.
Governance, ethics and integrity

3.1 | Etica e governance

Ethics, integrity, and responsibility constitute the principles underlying Carvico's governance model and guide corporate decisions, operating methods, and relationships with its Stakeholders, contributing to the promotion of a culture of excellence in every area of the company's business. Consistently with these values, corporate activities are developed according to criteria of fairness, transparency, and care for people and the environment.

Carvico operates according to values shared by the Board of Directors, executives, employees, and all parties acting on its behalf, formalized in the Code of Ethics approved by the Board of Directors in May 2022. This document represents the reference for expected behaviors and for the ways in which the Company conducts its business activities and manages relationships with its interlocutors.

These references find expression in the four fundamental areas of the Code of Ethics:

Integrity and loyalty

Compliance with the regulatory framework in force in the Countries where Carvico operates represents an essential element of corporate management. Protecting the Company's interests can under no circumstances justify actions contrary to the law, nor conduct aimed at abetting the commission of unlawful acts or offences.

Honesty and transparency

Relations with Stakeholders are based on criteria of fairness, transparency, loyalty, and mutual respect. Dialogue with internal and external interlocutors is conducted in a clear and consistent manner; communications, implemented initiatives, and reporting activities constitute essential elements of corporate management and reflect the organization's identity.

Social responsibility

The Company promotes a working environment based on mutual respect and the enhancement of professional and individual skills, fostering conditions that enable everyone to express their potential to the fullest. Any form of discrimination based on race, age, gender, opinions, religion, nationality, or health status is strictly prohibited and countered, in line with the principle of equal opportunities. Carvico operates in full compliance with current legislation and applicable collective agreements regarding employment, the protection of workers' rights, and freedom of association. The Company condemns all forms of exploitation, child labor, forced labor, and abuse. The protection of health and safety represents a constant commitment, pursued through risk prevention activities and initiatives aimed at improving working conditions.

Environmental stewardship

Environmental stewardship is an integral part of the way Carvico conducts its business. The Company promotes a conscious use of resources, waste reduction, performance monitoring, and the adoption of efficiency-driven technologies.

The continuous improvement of processes and the assessment of sustainability issues represent core elements of the journey undertaken toward a responsible management model.

The Code of Ethics is subject to the oversight of the **Ethics Committee**, the body responsible for verifying compliance. The Committee, appointed by the Board of Directors and remaining in office until the end of its mandate, receives any reports regarding violations of the Code and informs the Board of Directors, intervening where necessary with the prescribed actions.

In June 2023, Carvico defined and published its **Anti-Corruption Policy**, aimed at establishing the rules of conduct and integrity requirements to be met by all those who maintain relations with the Company, directly or indirectly, including shareholders, directors, statutory auditors, consultants, suppliers, commercial partners, sub-suppliers, and collaborators.

In particular, the recipients of the procedure are required to

- comply with the provisions of the Company's Code of Ethics;
- comply with national laws and regulations in force in the countries where they operate, either directly or through their representatives;
- maintain fair and transparent relations with the Public Administration and competent authorities, both Italian and foreign;
- ensure compliance with the provisions of the procedure, contributing to the prevention of offenses and misconduct of any nature.

Furthermore, a specific **whistleblowing** procedure was introduced in compliance with Law Decree no. 24/2023. To support the process, an IT platform based on encryption systems was implemented, designed to guarantee the protection of the identity of the whistleblower, the persons involved, and the **reported information**. Received communications are managed by the Ethics Committee in compliance with the requirements of confidentiality, privacy, and anonymity protection.

During the three-year period 2023–2025, no incidents of active or passive corruption, legal actions regarding anti-competitive behavior, violations of antitrust legislation, or monopolistic practices were detected. Furthermore, no significant cases of non-compliance with laws and regulations occurred during the same period.



3.2 | Group organization, governance and ownership

Group Identity and presence in the international markets

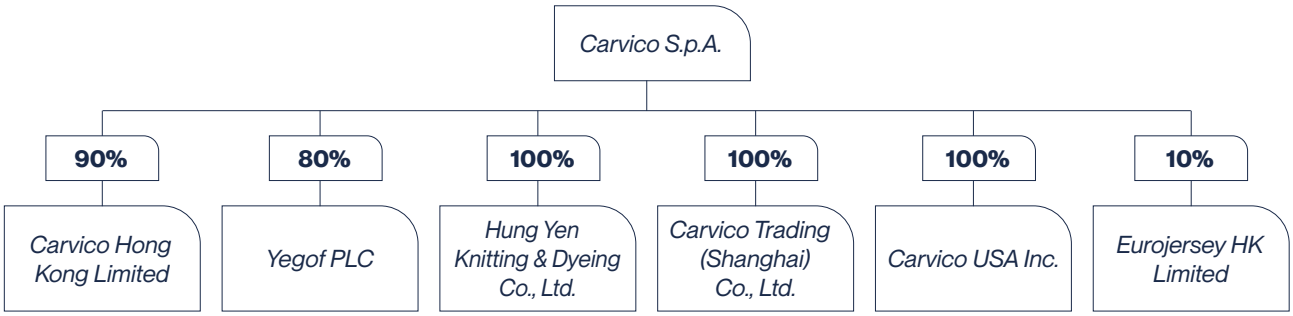
Carvico S.p.A. takes its name from the town in the province of Bergamo where it was founded and where it maintains its registered office, administrative headquarters, and production site today. Throughout its history, the Company has built a consolidated presence in both national and international markets, exporting its products to 80 countries. Carvico represents the operational core of the Group and coordinates an international network of manufacturing and commercial companies located in key strategic markets, leveraging local expertise, shared organizational standards, and an increasingly close relationship with customer needs.

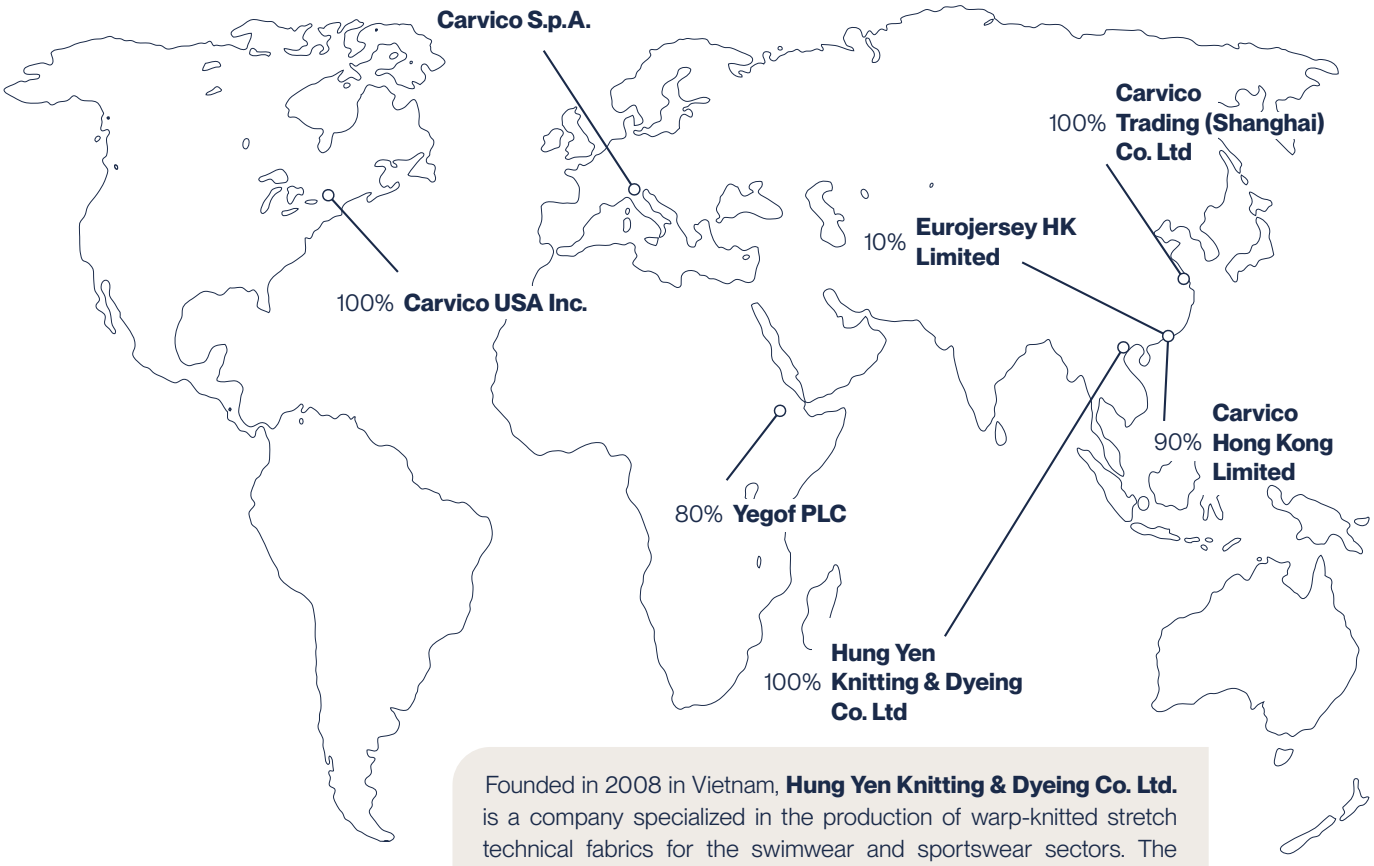
Group Structure and governance

Carvico S.p.A. is wholly owned by **Finanziaria II Belvedere S.p.A.** and acts as the Group's sub-holding company by virtue of its shareholdings in operational and commercial companies in Italy and abroad.

The corporate structure includes:

- Yegof PLC (80%), a manufacturing company based in Kombolcha, Ethiopia;
- Hung Yen Knitting & Dyeing Co. Ltd (100%), a manufacturing company based in Vietnam;
- Carvico Trading (Shanghai) Co. Ltd (100%), a trading company based in Shanghai;
- Carvico USA Inc. (100%), a trading company based in the United States;
- Carvico Hong Kong Limited (90%), a trading company based in Hong Kong;
- Eurojersey HK Limited (10%), a trading company based in Hong Kong.





Founded in 2008 in Vietnam, **Hung Yen Knitting & Dyeing Co. Ltd.** is a company specialized in the production of warp-knitted stretch technical fabrics for the swimwear and sportswear sectors. The Company operates to support the Group's presence in Asian markets, responding to the specific needs of local markets.

Yegof: competences, innovation and territory

Inaugurated in 2022 in Kombolcha, Ethiopia, **Yegof PLC** (formerly Carvico Ethiopia PLC) is a company specialized in the manufacturing of warp-knitted stretch fabrics. Since 2024, production has expanded to include circular fabrics made of cotton and elastomer.

The creation of the company is part of the Group's international expansion strategy and represents an investment aimed at strengthening the production capacity in an area of key interest for the textile sector. The plant was built according to Carvico's technological, quality, and organizational standards, relying on a heritage of know-how gathered over more than sixty years of business.

In 2025, confirming a path of growth and evolution, the company undertook a rebranding process that affected its entire corporate identity, introducing a new logo and a unified visual system. Today, the name Yegof identifies a reality that continues to develop industrial expertise while enhancing local professional skills and investing in human resources training—fundamental elements for building a solid organization integrated into the local community.

Growing along the local territory

Integration with the local context is one of the defining features of the company. The Company promotes **community-focused** initiatives through educational programs, l**ocal development projects**, volunteering activities, and partnerships with local institutions, fostering the active participation of its employees.

This commitment to the local territory has been recognized through **several official certificates**, including the **Green Legacy Program Certificate**, awarded by the Industrial Park Development Corporation for initiatives dedicated to green area enhancement within the industrial park, and a recognition from the Ethiopian Ministry of Education for supporting educational activities.

Furthermore, Yegof participated in the **BRIDGES** program, a collaborative project between businesses and local communities aimed at improving infrastructure and working conditions within the Kombolcha Industrial Park, actively contributing to the proposed activities.

The plant is powered exclusively by energy from hydroelectric sources and adopts measures aimed at the efficient use of resources and the reduction of waste generated. In 2025, the economic value of the initiatives carried out in favor of the local territory amounted to 16,940 euros.

The people

As of December 31, 2025, Yegof employed **299 employees** – 185 men (62%) and 114 women (38%) – representing an 18.2% increase compared to the 253 employees recorded as of December 31, 2024. Young professionals under 30 account for 66.2% of the workforce, while the remaining 33.8% falls within the 30–50 age group. During the year, 46 new hires were recorded, reflecting the Company's growth path and the progressive strengthening of its corporate structure. The entire workforce is employed under permanent, **full-time contracts**, in compliance with the **national collective bargaining agreement**. The Company also benefits from the presence of two interns.

The development of skills represents a core element. From their very first day at the company, employees are involved in structured onboarding programs that introduce them to the organization, their specific roles, and corporate procedures, fostering their integration into the production context and the Group's culture.

Training continues throughout the entire professional path with initiatives dedicated to consolidating technical and operational skills, as well as aspects related to **health**, **safety**, and **environmental protection**. Training activities also include emergency preparedness, risk awareness, and the correct use of personal protective equipment (PPE). These are addressed to everyone within the organization, with the aim of supporting professional growth and enhancing individual capabilities. During 2025, a total of **1,221 training hours** were delivered, in line with the figure from the previous year.

Health, safety and wellbeing

During 2025, 15 workplace injuries were recorded among employees, marking a 52% decrease compared to the previous year, all of which were non-serious. During the same period, two cases of occupational illness occurred, compared to four recorded in 2024, which were also mild in nature.

The protection of health and safety represents a priority for Yegof, which promotes a management system based on prevention, continuous training, and the improvement of working conditions. The company develops awareness-raising activities, skills updates, and the monitoring of operating procedures, with the aim of **consolidating conscious and responsible behavior**.

Workers' involvement is encouraged through the presence of joint committees with corporate management, which provide a platform for discussion on health and safety issues. Periodic meetings allow for the sharing of observations, the analysis of potential critical issues, and the identification of improvement opportunities, contributing to the spread of a shared culture of prevention.

The Company guarantees its employees **comprehensive coverage** regarding healthcare, **pension funds**, and **disability insurance**, in compliance with current legal provisions. In addition to these instruments, further measures are provided to support people's well-being, including **reimbursable loans**, **annual bonuses**, and **internal development pathways** aimed at fostering professional growth.

Yegof also promotes initiatives dedicated to the health and well-being of workers, providing medical services and support activities focused on prevention and the promotion of healthy lifestyles.

Inclusion and corporate culture

Yegof promotes a working environment based on respect for human rights and the enhancement of inclusion, with principles aimed at preventing harassment, unequal treatment, and behavior harmful to individual dignity. It is worth mentioning that in the last three years **no discrimination case has been reported within the company**; this provides clear evidence of the commitment of the company towards an inclusive and respectful working environment.

To support this approach, the Company established an **Employee Wellness Committee** composed of management and worker representatives, tasked with fostering internal dialogue and contributing to the planning and monitoring of initiatives dedicated to its people.

A new name, a new identity

In 2025, the Company undertook a **rebranding journey** that led to the adoption of the name Yegof, accompanied by a new logo and a renewed visual identity.

The name draws inspiration from the homonymous mountain that dominates the skyline of Kombolcha, an important center of the textile industry in northern Ethiopia. The reference to the territory emphasizes the company's bond with the local context and identifies a new phase in its growth path.

The new identity revolves around three elements: technological leadership, responsible vision, and a passion for people, which reflect the main areas of business development: innovation, environmental focus, and the enhancement of skills.

3.3 | Governance and administrative model

Corporate Governance

Carvico adopts a traditional governance system, entrusting the Board of Directors with responsibility for the strategic management of the Company. The Board of Directors has jurisdiction over matters expressly reserved to it by law and by the Articles of Association. The mandate of its members lasts for three years. Board meetings are held in person for statutory appointments and executive committees, which meet on a bimonthly basis to analyze business performance with the involvement of the General Manager and the Chief Financial Officer (CFO).

Composition of the Board of Directors

As of December 31, 2025, Carvico's Board of Directors is composed of eight members: the Chairwoman Laura Colnaghi Calissoni, six Directors, and one Managing Director.

The structure of the Board features a female component of 12.5% and a male component of 87.5%. 37.5% of the members belong to the 30–50 age group, while the remaining 62.5% falls within the over-50 category

Role of the governance in the corporate activity

The Board of Directors, with the contribution of the Managing Director and the General Manager, defines corporate strategies and monitors the achievement of economic, financial, and sustainable development goals.

Through the approval of the budget, investments, and strategic guidelines, the Board ensures the necessary resources to support the Company's growth path and the implementation of corporate policies.

The Ethics Committee, which meets on a quarterly basis, supports the governance system by monitoring compliance with the Code of Ethics, the Supplier Code of Conduct, the anti-corruption procedure, and, more broadly, the ethical principles adopted by the Company.

Delegations and Responsibilities

The Board of Directors grants powers of attorney and delegations for the management of the Company and for matters relating to health, safety at work, hygiene, and the environment. The Managing Director has been designated as the employer for safety purposes and holds the necessary powers for the ordinary and extraordinary management of the company.

The General Manager has received delegations regarding hygiene, safety, and the environment, with the authority to transfer these responsibilities to the Plant Manager and the Environmental Protection Manager. The Chairwoman of the Board of Directors has granted a special power of attorney to the General Manager and the Chief Financial Officer for the Company's administrative activities.

In Carvico, there are no specific regulations dedicated to the remuneration of the members of the highest governance body.

Composition of the Board of Directors

Laura Colnaghi Calissoni
(Chairwoman of the Board)

Stefano Eretti
(CEO)

Nino Carlo Colnaghi
(Board member)

Costantino Colnaghi
(Board member)

Filippo Giorgio Colnaghi
(Board member)

Carlo Poletti
(Board member)

Achille Colombo
(Board member)

Pio De Gregorio
(Board member)

Composition of the Board of Auditors

Gabriella Gerosa
(Chairwoman of the Board of Auditors)

Laura Panzeri
(Auditor)

Roberto Riva
(Auditor)

Marco Gerosa
(Alternate Auditor)

Enrico Rossi
(Alternate Auditor)


Safety Dept.
Technical Office
Prevention and Protection Service Manager
Production Manager
Planning Dept.
General Accounting
Chief Finance Officer
Human Resources Dept.
President
Laura Colnaghi Calissoni
Chief Executive Officer
Stefano Eretti
General Manager
Evalda Carissimi
Industrial Accounting
IT Dept.
Marketing Dept.
Purchasing Dept.
Chief Commercial Officer (CCO)
R&D Dept.
Sales Director
Sampling Dept
Manager Area
Domestic Sales Dept.
Export Sales Dept.

3.4 | Financial Performance

In 2025, the international economic scenario kept on being characterized by a high level of uncertainty, driven by geopolitical tensions, volatility in energy costs, and the evolution of international trade policies. The protectionist measures adopted by some countries contributed to shifting global trade balances, introducing new layers of complexity for businesses with an international presence.

In this context, the Italian textile sector continued to feel the impact of a slowdown, characterized by still cautious demand and varying dynamics across different geographic regions. According to estimates by Confindustria Moda, the sector recorded its third consecutive year of contraction compared to the previous financial year, while warp knitting—the field in which the subsidiaries controlled by Carvico S.p.A. operate—demonstrated greater resilience, despite a variable performance throughout the year.

Carvico confirmed the solidity of its industrial model, maintaining a competitive presence in national and international markets. In 2025, the Company recorded a limited change in turnover compared to the previous year, with a **9.9% increase in the domestic market** and a slight decrease of **1% in foreign markets**.

The financial year closed with a net profit of 11.3 million euros. The results achieved allowed the Company to continue investments aimed at the technological upgrade of plants, production processes efficiency, and the development of high-end products. R&D activities accompanied this path, focusing on the evolution of manufacturing processes and highly innovative product ranges.

The capacity to generate resources in support of industrial continuity and stakeholder relations represents a fundamental element of the Company business model. In 2025, the economic value directly generated by Carvico was **126.5 million euros**, of which **88.75%** was distributed to the main stakeholders contributing to the life of the company.

The distributed share primarily concerned suppliers, who received **79.3 million euros** (representing approximately **63% of the resources generated by the Company**), and the people within the organization, with total remuneration amounting to **20.6 million euros** (corresponding to approximately **16%**).

Furthermore, **5.1 million euros** were allocated to the Public Administration for taxes and duties of the financial year. Providers of capital were allocated **7 million euros** as a result of interest paid on loans and financing, as well as dividends. Community investments amounted to **0.3 million euros**.

The economic value retained by the Company in 2025, equal to **14.2 million euros**, contributed to strengthening business continuity and supporting future development plans.

GRI 201-1: Directly generated and distributed economic value

Economic value			
	2025	**2024**	**2023**
Directly generated economic value	**126.459.505 €**	**125.987.146 €**	**119.472.312 €**
Distributed economic value	**112.233.793 €**	**112.627.947 €**	**108.715.719 €**
Operative costs	79.252.219 €	81.548.277 €	79.634.147 €
Collaborators salaries	20.631.479 €	19.436.871 €	19.159.482 €
Payments to government	5.095.838 €	3.983.564 €	2.640.438 €
Dividends to shareholders	6.951.614 €	7.356.954 €	6.876.266 €
Investments in the local community	302.643 €	302.281 €	405.386 €
Economic Value Retained (EVR)	**14.225.712 €**	**13.359.199 €**	**10.756.593 €**
- depreciation	7.006.432 €	7.572.948 €	8.182.597 €
- amortization	1.822.764 €	5.047.474 €	5.343.944 €

3.5 | Digitalization and IT security

In 2025, the digitization of internal processes continued with the purpose of streamlining management activities through integrated, innovative solutions.

In 2025, the digitization of internal processes continued with a training activity on the use of the digital procedure for managing holidays, leaves, and schedule changes, which had been introduced in 2024. This pathway guided employees in submitting requests through the dedicated application and assisted managers in handling the respective approvals, making the process simpler, more traceable, and timely. Within the same framework, the new management model for the company canteen was introduced, enabling the automatic counting of attendance and replacing the previous manual recording system.

The evolution of processes was accompanied by the constant strengthening of information systems protection measures. Following the information security assessment conducted between 2022 and 2023, the Group defined a continuous improvement plan that led to the completion of the migration to Microsoft 365, with the aim of centralizing management, increasing operational efficiency, and raising the level of protection of the technological infrastructure.

During the year, the Multi-Factor Authentication (MFA) system, which was activated in 2024 for employees equipped with corporate smartphones, was extended to the entire organization through the use of alternative tools such as hardware tokens, further strengthening access protection to corporate systems.

Also in 2025, a structured cybersecurity awareness program was launched via the CyberGuru platform. The training path, which will be over by August 2026, features monthly training modules accompanied by tests and simulated phishing campaigns, with the objective of increasing awareness of cyber risks and promoting safer behaviors when using corporate tools, both during work activities and in private life.

The Group continued to upgrade its IT infrastructures by updating antivirus systems and perimeter security measures, including firewalls. Continuous monitoring is entrusted to an external Security Operation Center (SOC) that analyzes corporate network activities in real time to promptly identify any anomalies or intrusion attempts. The effectiveness of the measures adopted is reflected in the absence of cases of privacy breaches or sensitive data loss.

Starting from January 1, 2025, an in-house company dedicated to IT services was established within the Group, aiming to provide structured support to the subsidiaries controlled by the Holding in developing and strengthening their technological infrastructures.

In 2026, further security strengthening initiatives are planned, including a penetration test and the activation of a specific cyber insurance policy to cover potential damages resulting from cyberattacks, including data restoration costs and possible operational disruptions.

Furthermore, a review and update project for the ERP system was launched, which plans for the progressive migration from an on-premises environment to a cloud-based solution using Microsoft Business Central, over a time horizon of approximately four years.

Overall, these initiatives strengthen the Group's digital evolution path, contributing to consolidating cyber resilience, business continuity, and process efficiency.



4.
Environmental stewardship

4.1 | Reducing environmental impact and increase energy efficiency

Energy Consumption and Sourcing from Renewable Sources

Managing resources efficiently represents a significant target in the organization of Carvico's production processes. The Company has adopted an Environmental Management System certified according to the ISO 14001:2015 standard and, in 2023, formalized a policy dedicated to consumption control and performance optimization.

The guiding principles are as follows:

- compliance with European, Italian, and regional regulatory requirements;
- monitoring of consumption and analysis of results to identify opportunities for improvement;
- availability of the human, technological, and financial resources necessary to achieve the identified targets;
- evaluation, design, and purchase of products and technologies aimed at fostering the evolution of corporate processes.

The Company purchases electricity exclusively coming from renewable sources (wind, solar, hydro, and ocean), guaranteed by Guarantees of Origin (GO) certificates.

Thermal recovery and plant efficiency enhancement

Over the years, Carvico has invested in cutting-edge technologies for the recovery and reuse of heat generated by production processes. The recovered thermal energy is used both in industrial activities and for space heating in company premises, reducing the requirement for natural gas.

Interventions carried out include replacing old lighting systems with LED lamps, installing inverters and high-efficiency motors, and introducing technologies aimed at improving plant performance through a more rational use of available resources.

Cogeneration and recovery of waste-derived heat

The cogeneration plant contributes to Carvico's energy supply through the joint production of electricity, steam, and heat destined for the production cycle. In 2025, it ensured 26,081.9 GJ of electricity and 122,958.7 GJ of steam. The recovery of waste heat from the cogeneration process allows heat to be reused in internal activities, contributing to the reduction of specific methane consumption per kilogram of fabric produced.

Systems and plants improvements

In 2025, Carvico further upgraded the energy recovery system on steam generators, aimed at exploiting the thermal energy contained in combustion fumes.

Furthermore, new interventions were launched, with full operational status expected in 2026.These include the installation of an energy recovery system on fumes treatment plants, designed to operate continuously (24/7), and the introduction of a degassing system in the thermal power station, aimed at reducing the consumption of chemical products and improving boiler efficiency through higher temperature stability.

Energy consumption and composition of supply sources

In 2025, Carvico recorded a total electricity consumption of **90,566.4 GJ**, against 88,291.5 GJ in 2024. The increase is mainly attributable to the growth in production volumes and the different composition of supply sources.

Electricity self-generated through the cogeneration plant amounted to **7,244,964 kWh (26,081.9 GJ)**, compared to 7,568,920 kWh (27,248.1 GJ) in 2024, representing a **4% reduction**. This variation is linked to the choice to optimize plant operations, concentrating its use during time slots characterized by more favorable economic conditions.

Electricity purchased from the national grid, coming entirely from certified renewable sources, increased by **6%**, rising from **16,956,494 kWh (61,043.4 GJ)** in 2024 to **17,912,366 kWh (64,484.5 GJ) in 2025**. The different combination of self-generated and purchased energy made it possible to adjust supply management to the production requirements of the financial year.

The use of natural gas, mainly employed to power the co-generator, produce steam, and heat company premises, increased by 4% compared to 2024. This variation is consistent with the increase in production volumes; however, specific consumption per unit of product showed an improvement, decreasing from 1.05 smc/kg of fabric produced in 2024 to 1,01 smc/kg in 2025. The result reflects more effective management of the cogeneration plant's operation, adjusted in relation to operating and economic conditions.

The year 2025 revealed a 64% reduction in diesel consumption for heating and production processes, and no use of gasoline. The variation is mainly due to the lower use of fuels employed for the periodic startup and testing of fire pumps and for powering other company equipment.

Overall, the management of supply sources made it possible to adapt internal production and energy purchases from the grid to the production requirements of the financial year.

In the first months of 2025 a solar carport has been installed to power the charging docks of the corporate cars fleet.



Corporate mobility and company car fleet

Compared to 2024, the composition of the corporate car fleet remained substantially stable. The primary variations include an increase in dual-purpose (mixed-use) passenger cars, from 8 to 9 units, and a rise in petrol plug-in hybrid electric vehicles (PHEVs), from one to two units, confirming the progressive renewal of the fleet towards lower-emission vehicles.

As of 31 December 2025, the company car fleet included:

- 3 electrical vehicles;
- 9 dual-purpose (mixed-use) passenger cars, 2 of which diesel powered full hybrid vehicles, 2 petrol powered plug-in hybrid vehicles, 1 petrol powered vehicle and 4 diesel vehicles;
- 7 company vehicles, 2 of which petrol powered and 5 diesel powered.

In 2024 the company car fleet included:

- 3 electrical vehicles;
- 8 dual-purpose (mixed-use) passenger cars, 2 of which diesel powered full hybrid vehicles, 1 petrol powered plug-in hybrid vehicle, 1 petrol powered vehicle and 4 diesel vehicles;
- 7 company vehicles, 1 of which petrol powered and 6 diesel powered.

For the purpose of calculating diesel and petrol consumption, only owned, leased, or long-term rented vehicles were considered, including both corporate and dual-purpose (mixed-use) vehicles, strictly accounting for kilometers driven for business purposes.

In 2025, fuel consumption showed a slight reduction in diesel, which decreased from **194.9 GJ to 193.7 GJ**, while petrol consumption dropped from **47.9 GJ** in 2024 to **32.9 GJ** in 2025.

Between 2024 and 2025, production volumes increased from **7,113.7 to 7,645.4 tonnes**, accompanied by a rise in total energy consumption from **333,804.2 GJ to 347,912.7 GJ**. However, when evaluating the ratio between energy consumed and production volumes, **energy intensity decreased from 46.9 GJ/tonne to 45.5 GJ/tonne**, marking an improvement in energy efficiency per unit of output.

Future targets and initiatives

Carvico intends to keep on improving plants and systems performances and fostering a more rational use of resources. Among the planned initiatives we can find:

- **A progressive replacement of petrol and diesel powered vehicles with hybrid ones**;
- **The optimization of the compressed air system**, with a progressive reduction of leaks, aimed at cutting down on energy consumption.
- **A thorough analysis and improvement of the heat recovery system**: in 2025 we started working to optimize the yield of the dyeing department thermal system and such intervention should be completed in 2026. More specifically, we are going to move from six operative lines managed through three different plants to four lines managed through maximum two plants.



GRI 302-1: Energy consumption within the company

Energy consumption (GJ)[1]			
Fuels consumption[2]	**2025**	**2024**	**2023**
Natural Gas	283.197,9	272.506,9	296.488,8
Diesel heating system and production processes	3,6	9,9	5,1
Diesel company-owned cars or long-term leasing contracts[3]	193,7	194,9	191,9
Petrol heating system and production processes	-	1,2[4]	-
Petrol company-owned cars or long-term leasing contracts	32,9	47,9	75,9
Total fuels consumption	**283.428,2**	**272.760,9**	**296.761,7**
Electricity consumption	**2025**	**2024**	**2023**
Self-generated electricity[5]	26.081,9	27.248,1	33.888,5
from renewable sources	-	-	-
Sold electricity	-	-	-
From renewable sources	-	-	-
Electricity purchased from the thational grid	64.484,5	61.043,4	51.325,1
From certified renewable sources	64.484,5	61.043,4	51.325,1
Total electricity consumption	**90.566,4**	**88.291,5**	**85.213,6**
Total consumption	**347.912,7**	**333.804,2**	**348.086,7**

1. Energy consumption (converted in GJ):
   I. For all fuels, the conversion factors used are those published by the UK Department for Environment, Food and Rural Affairs (DEFRA) for 2023, 2024, and 2025.
   II. For electricity, the conversion factor applied is 0.0036 GJ/kWh (Source: UK Government - GHG Conversion Factors for Company Reporting-DEFRA).
2. The data cover energy consumption attributable to all Company sites and facilities:
   I. Warping plant located in Bottanuco, which was moved to the main premises of Carvico in 2024;
   II. Warehouse located in Via Brugari, Carvico;
   III. Borehole located in Via Budriago.
3. The figures reported for diesel and petrol consumption include both vehicles intended exclusively for business use and dual-purpose (mixed-use) vehicles. The initial liters, subsequently converted into GJ, were calculated by Carvico by cross-referencing the kilometers driven with the average fuel consumption per liter.
4. This value corresponds to the fuel used for several petrol-powered pressure washers in Carvico.
5. Electricity self-generated by the co-generator is excluded from total energy consumption. This energy is generated internally using natural gas, the consumption of which is already recorded in the table, thereby avoiding the double counting of energy inputs.

GRI 302-3: Energy intensity

Energy intensity[6]				
Energy intensity	**Measurement unit**	**2025**	**2024**	**2023**
Production	Ton	7.645,4	7.113,7	8.204,4
Energy consumption	GJ	347.912,7	333.804,2	348.086,4
Energy intensity	**GJ/Ton**	**45,5**	**46,9**	**42,4**

6. To calculate energy intensity, energy consumption (GJ) was compared to the number of tonnes produced.

4.2 | Emissions and fight against climate change

Climate change represents one of the main challenges for humanity and the planet. Within this context, Carvico has embarked on a progressive alignment with the principles of the **Science Based Targets initiative (SBTi)**[1], defining targets to reduce energy consumption and the relative Scope 1 and Scope 2[1] greenhouse gas emissions.

In 2016, the Company initiated a structured process to measure its carbon footprint, setting a target to reduce its total Scope 1 and Scope 2 emissions by 25% by 2026. Greenhouse gas (GHG) monitoring is conducted in accordance with the **ISO 14064-1:2018 / UNI EN ISO 14064-1:2019** standard and verified by a certification body according to the requirements of **ISO 14064-3**.

Regarding Scope 3, Carvico has mapped the main categories associated with supplier transport, product distribution to customers, and the purchase of chemicals, yarns, and packaging. Since the quantification of some of these components relies on estimates and assumptions, the certification body has validated and verified exclusively the data relating to Scopes 1 and 2.

The Company has got plans to update its **emissions inventory** in 2027 through a new data collection and analysis process, alongside a progress review against the targets defined in 2016. On this occasion, the Scope 3 mapping - which is currently monitored but not yet subject to specific targets - will also be revised.

Emissions management interventions

Over the years, Carvico has implemented targeted interventions aimed at emissions management and the performance of thermal plants. These include the installation of an advanced fume abatement system equipped with high-voltage systems, designed to eliminate major atmospheric pollutants such as particulate matter (PM), carbon monoxide (CO), and chemical compounds such as ammonia.

Furthermore, **heat recovery systems** have been installed on the **steam generators**, aimed at recovering the thermal energy contained in the combustion fumes and increasing generator efficiency by approximately 1%. This result is particularly significant considering the plants' gas consumption, which can reach around 800 m^3/h.

The control of atmospheric pollutants is also supported by the use of boilers equipped with high-efficiency combustion systems, capable of ensuring high performance.

The interventions carried out have led to a reduction in the installed capacity of almost all thermal production plants, enabling Carvico to exit the Emission Trading System (ETS)[3] in 2021.

1. Although the Company has embarked on a path to align itself with the objectives of the Science Based Targets initiative (SBTi), it should be noted that it has not formally signed the letter of commitment required by the initiative.
2. According to the GHG Protocol, emissions can be divided into the following three categories:
   Scope 1: Direct emissions from sources owned and controlled by the organisation, e.g. company facilities and vehicles, as well as fugitive emissions;
   Scope 2: Indirect emissions from the purchase of electricity, steam, heating or cooling. The GHG Protocol provides two different methods for calculating Scope 2 emissions:
   I. The location-based method is based on average emission factors related to energy production for well-defined geographical boundaries, including local, sub-national or national boundaries;
   II. The market-based approach involves the use of emission factors defined on a contractual basis with the electricity supplier. In the absence of specific contractual agreements between the organisation and the electricity supplier (e.g. purchase of guarantees of origin), the emission factor for the national "residual mix" is used for this approach.
   Scope 3: indirect emissions arising from the rest of an organisation's value chain, produced before (upstream) or after (downstream) its activities. The GHG Protocol divides these emissions into 15 distinct subcategories.
3. The European Union Emissions Trading System (EU ETS) is the main instrument adopted by the European Union to achieve CO_2 reduction targets in key industrial sectors and aviation. The system was introduced and regulated in European legislation by Directive 2003/87/EC (ETS Directive).

GRI 305-1: GRI 305-1 (Direct Scope 1 GHG emissions) e GRI 305-2 (Energy indirect Scope 2 GHG emissions)

GHG emissions in tCO_2			
GHG direct emissions – Scope 1 (tCO2e)[4]	**2025**	**2024**	**2023**
Natural gas	15.953,4	15.347,1	16.699,6
Diesel heating system and production processes	0,3	0,8	0,4
Diesel company-owned cars or long-term leasing contracts[5]	14,0	13,8	13,5
Petrol heating system and production processes	-	0,1	-
Petrol company-owned cars or long-term leasing contracts	2,1	3,1	4,9
Refrigerant gas leakage	86,4[6]	5,2	5,8
Total Scope 1 emissions	**16.056,2**	**15.370,1**	**16.724,2**

4. For the calculation of Scope 1 emissions, the emission factors used are those published by the UK Department for Environment, Food and Rural Affairs (DEFRA) for 2023, 2024, and 2025.
5. The reported value for emissions related to diesel and gasoline consumption for vehicles covers both vehicles for exclusive business use and those for mixed business and private use. The initial liters, subsequently converted into GJ, were calculated by Carvico by applying the fuel consumption per liter to the total kilometers traveled.
6. The increase in refrigerant gas emissions to 86.4 tCO2e in 2025 was due to a leak detected in the evaporator inlet sleeve, which was promptly repaired to prevent further dispersion.

Indirect GHG emissions from energy consumptions - Scope 2 (tCO_2)[7]	2025	2024	2023
Purchased electricity (Location-Based)	5.006,5	7.308,2	4.719,1
Purchased electricity (Market-Based)	-	-	-
Total emissions Scope 2	**5.006,5**	**7.308,2**	**4.719,1**
Scope 1 and Scope 2 (Location-Based)	**21.062,7**	**22.678,2**	**21.443,3**
Scope 1 and Scope 2 (Market-Based)	**16.056,2**	**15.369,9**	**16.724,3**

7. For the calculation of Scope 2 emissions, in line with the GRI Sustainability Reporting Standards, both calculation methodologies were used: Market-Based (MB) and Location-Based (LB). The MB method is based on the CO_2 emissions released by the energy suppliers from whom the organization purchases electricity through a contract. It can be calculated considering: certificates of origin, guarantees, direct contracts with suppliers, supplier-specific emission factors, and the emission factor related to the 'residual mix'. The source used is AIB - Residual Mixes 2023, 2024, 2025. Conversely, the LB method is based on average emission factors related to power generation within clearly defined geographic boundaries, including local, subnational, or national boundaries. In this case, the source used is AIB - Supplier Mixes 2023, 2024, 2025.

GRI 305-4: GHG emissions intensity

Emissions intensity[8]				
Emissions intensity	**Measurement unit**	**2025**	**2024**	**2023**
Production	Ton	7.645,4	7.113,7	8.204,4
Emissions (Scope 1 + Scope 2 Location-Based)	tCO_2e	21.062,7	22.678,2	21.443,3
Emissions (Scope 1 + Scope 2 Market-Based)	tCO_2e	16.056,2	15.369,9	16.724,3
Emissions intensity (Scope 1 + Scope 2 Location-Based)	tCO_2e/Ton	**2,8**	**3,2**	**2,6**
Emissions intensity (Scope 1 + Scope 2 Market-Based)	tCO_2e/Ton	**2,1**	**2,2**	**2,0**

8. To calculate emission intensity, emissions (tCO2e) were divided by production volume expressed in tonnes of product.

Targets

Carvico intends to keep on monitoring greenhouse gases and emissions along with the machinery performance, paying special attention to improvements opportunities. The most relevant initiatives programmed are as follows:

- continuation of innovation and modernization interventions at thermal power plants, aimed at reducing **atmospheric pollutants**;
- Certifying, through **ISO 14064-1:2018**, the actual reduction of **Scope 1** and **Scope 2** greenhouse gas emissions, while also exploring the potential to reduce **Scope 3** emissions through the active engagement of customers and suppliers to promote best practices in product shipping and raise awareness about the importance of environmental sustainability.

These activities are part of the path undertaken by Carvico towards increasingly mindful management of energy consumption and the impacts associated with its operations.These activities are part of the journey undertaken by Carvico towards an increasingly mindful management of energy consumption and the impacts associated with its operations.

4.3 | Water

Water is mainly used for production processes and, partially, for civil and sanitary uses. Water used for industrial processes, watering purposes and the fire-protection system is sourced mainly from **four boreholes**, whereas quantities used for civil and sanitary uses come from the **municipal water mains**.
Carvico periodically also monitors samplings, discharges and regular consumption, by checking pollutants in water to be discharged, and compliance with environmental standards and applicable laws and regulations. The Company also operates in compliance with the AIA (**Integrated Environmental Authorization**), which sets the specific obligations with reference to monitoring procedures and parameters for wastewater.

GRI 303-3: Water withdrawal

Water withdrawal (megaliters)[1]						
Source of extraction	**2025**		**2024**		**2023**	
	All areas	**Water-stressed areas**	**All areas**	**Water-stressed areas**	**All areas**	**Water-stressed areas**
Fresh underground water	652,9	-	763,0	-	728,8	-
Fresh water from third parties	8,1	-	9,0	-	7,6	-
Total	**661,0**	**-**	**772,0**	**-**	**736,4**	**-**

1. Data regarding the withdrawal of "Third-party fresh water" for 2023 and 2024 has been revised upward compared to previous disclosures to incorporate additional users beyond those initially accounted for. This restatement provides a more comprehensive and accurate representation of total consumption. Consequently, water consumption data has also been adjusted to reflect these changes.

Prior to discharge, industrial wastewater from production processes undergoes a homogenization treatment to standardize and control pollutant concentrations before being channeled to the consortium treatment plant.
Water used across the various production phases in Carvico is recovered and reused multiple times, leveraging its thermal properties to heat or cool equipment based on specific processing needs. This reuse reduces the demand for freshwater resources.
In 2025, a **preliminary assessment** was conducted regarding the **upgrade of the wastewater treatment system**, also in anticipation of **new regulatory discharge limits** established for the textile sector. The plan prioritizes source-level interventions aimed at reducing the presence of pollutants. Subsequent phases will evaluate the need for partial or full upgrades to the treatment plant, based on analytical and operational results.
This roadmap has been formalized in a specific report submitted to the competent authorities, detailing the planned interventions and the criteria used to assess plant upgrade requirements.

GRI 303-4: Water discharge

Water discharge (megaliters)						
Water discharge destination	**2025**		**2024**		**2023**	
	All areas	**Water-stressed areas**	**All areas**	**Water-stressed areas**	**All areas**	**Water-stressed areas**
Third parties' fresh water	620,2	-	690,0	-	630,2	-
Total	**620,2**	**-**	**690,0**	**-**	**630,2**	**-**

Water consumption is primarily attributable to **evaporative losses associated with steam generation**.
The annual trend is also influenced by the product mix composition, as certain fabric types require greater volumes of water during the dyeing phases. Consequently, data across different financial years must be interpreted taking into account the specific characteristics of the manufacturing processes performed.
In 2023, a particularly high water consumption was recorded, attributable both to irrigation purposes and to a leak in the underground pipelines used to transport water from the wells to the facility.

GRI 303-5 Water consumption

Water consumption (megaliters)						
	2025		2024		2023[2]	
	All areas	Water-stressed areas	All areas	Water-stressed areas	All areas	Water-stressed areas
Water consumption	40,7	-	82,0	-	106,2	-
Total	**40,7**	**-**	**82,0**	**-**	**106,2**	**-**

Water intensity[3]				
Water intensity	**Measurement unit**	**2025**	**2024**	**2023**
Production	Ton	7.645,4	7.113,7	8.204,4
Water consumption	Ml	40,7	82,0	106,2
Water intensity	Ml/Ton	0,005	0,011	0,012

2. The annual variations are mainly attributable to different uses of water for irrigation and potential losses in the underground pipes that carry water from the wells to the plant. These losses are, however, subject to continuous monitoring.
3. To calculate water intensity, water consumption (Ml) was compared to the number of tonnes produce.

Targets and future initiatives

Carvico will continue to pursue technical solutions aimed at limiting the use of water resources within its production processes. Specifically, focus will be directed toward selecting machinery with **lower liquor ratios**, which can reduce both the volume of water required for processing and the use of chemicals.

4.4 | Waste

Textile waste represents the **primary waste category generated by Carvico** and constitutes one of the main challenges for the circularity of production processes. Currently, recycling this waste into new raw materials is constrained by the **difficulty of separating elastomer from the other fibers used in production**. Overcoming this bottleneck is a top priority for the Company, which **is investing—in collaboration with its suppliers—in developing technological solutions** capable of performing this separation and enabling the subsequent reuse of the individual components. This is a continuously evolving field where collaboration along the supply chain is essential to identify **effective and practically viable solutions**.

In 2025, in addition to textile waste, the primary categories generated included **mixed packaging materials**, **solvent-containing emulsions** used in fabric treatment, and **metal scraps**—chiefly iron and steel—resulting from extraordinary maintenance operations carried out during the year. In line with the growth in production volumes, the total quantity recorded a 13% increase compared to 2024, while remaining substantially stable over the three-year period.

GRI 306-3: Waste produced

Waste produced (ton)			
Type of waste	**2025**	**2024**	**2023**
Hazardous waste[1]	204,0	166,5	151,3
Non-hazardous waste[2]	971,7	877,7	875,9
Total	**1.175,7**	**1.044,2**	**1.027,2**

GRI 306-4: Waste not to be disposed of

Waste not to be disposed of according to their recovery class (ton)[3]			
Recovery operations	**2025**	**2024**	**2023**
Hazardous waste			
Recycling	203,5	165,1	149,2
Non-hazardous waste			
Recycling	971,7	877,7	875,9
Total	**1.175,2**	**1.042,8**	**1.025,1**

GRI 306-5: Disposable waste

Disposable waste (ton)			
Disposal operations	**2025**	**2024**	**2023[4]**
Hazardous waste			
Disposal in a landfill	0,5	1,4	2,1
Non-hazardous waste			
Disposal in a landfill	-	-	-
Total	**0,5**	**1,4**	**2,1**

1. Hazardous waste consists almost entirely of emulsions used in processing operations, and to a lesser extent of other motor, gear, and lubricating oils, as well as packaging, protective clothing, and other waste containing residues of or contaminated by hazardous substances.
2. Non-hazardous waste consists primarily of iron and steel, processed and raw textile fiber waste, and packaging made of paper and cardboard, plastic, wood, and mixed materials.
3. The recovery of the waste listed in the table takes place at external sites.
4. During 2023, maintenance programs were carried out on the Company's cogeneration plant, resulting in the replacement and subsequent disposal of obsolete hydraulic system filters.

The management of the various waste types includes **sorted collection, where feasible**, as well as interventions aimed at preventing and reducing the quantities generated. For packaging specifically, priority is given to **recycled and recyclable materials**, while the volumes used are being progressively reduced. Furthermore, the development of **items made from raw materials derived from industrial recovery processes continues to advance**.

Chemical products represent a further area of focus, with Carvico collaborating with suppliers to develop **alternatives with a lower environmental impact**. Additionally, starting from 2025, priority is given to ZDHC-certified chemicals for all new purchases

In line with 2024, the positive trend in the production of **products made from recycled yarns** was also confirmed in 2025, maintaining a growing share of the total.

In 2025, the **distribution between waste directed to recovery and waste destined for disposal** remained substantially unchanged.

For 2026, the Company's objective is to **maintain the current distribution between waste directed to recovery and waste destined for disposal**, while continuing to promote collection and valorization initiatives, where feasible.

4.5 | Responsible use of materials

The choice of raw materials is an integral part of Carvico's research and its approach to circularity. The Company aims to reduce the use of virgin raw materials, increasing the use of components derived from recycling processes. In 2025, this share grew further, with significant increases recorded for both polyamide and polyester.

One of the main challenges involves the recovery of **fabrics at the end of their life cycle**. The materials produced consist primarily of polyamide and elastomer: while the former can be directed into new transformation processes, the presence of elastomer complicates the separation of the components and, consequently, their subsequent reuse. For this reason, Carvico is working alongside its suppliers and customer brands across the supply chain to identify an effective solution that enables **the valorization of individual fibers**.

The primary yarns used by the Company are **polyamide, polyester, and PBT**—synthetic polymers selected for their strength, elasticity, and lightweight properties—complemented by elastane and elastolefin.

GRI 301-1: Materials used according to their weight or volume

Used materials				
Materials	**M.u.**	**2025**	**2024**	**2023**
Renewable				
Cardboard boxes (packaging)	Pz	24.844,0	24.919,0	28.971,0
Carboard tubes (packaging)	Pz	333.301,0	270.900,0	353.325,0
Spandex	Ton	-	0,8[5]	-
Non renewable				
Polyamide	Ton	3.989,6	4.574,0	3.937,2
Polyester	Ton	868,3	730,1	1.132,4
PBT (Polybutylene terephthalate)	Ton	365,0	341,0	285,1
Spandex	Ton	1.170,4	1.294,0	1.219,2
Elastolefin	Ton	49,3	41,2	50,5
Dyestuff	Ton	241,0	231,4	281,8
Auxiliaries[6]	Ton	1.287,8	1.263,1	1.299,2
Cellophane (packaging)	Ton	111,3	121,5	133,8

5. The 0.8 tonnes of Spandex reported as renewable in 2024 referred to a production trial carried out that year. As this trial was not continued in 2025, no further use of this material was recorded.

6. Auxiliary materials are chemicals used in the production process, such as salt, caustic soda and formic acid.

In 2025, the share of **regenerated raw materials** used in production increased significantly. Specifically, **67% of polyamide** derived from recovered sources, up from 48% in 2024, while the percentage for **polyester** rose to **82%**, compared to 62% the previous year. For **PBT (polybutylene terephthalate)**, the figure remained substantially stable, moving from 15% in 2024 to **14% in 2025**.

The data therefore confirm a higher presence of raw materials derived from recovery processes across the primary yarns used by Carvico.

Regarding packaging, Carvico uses **tubes, cardboard boxes, and cellophane made from 100% recycled material**, thereby reducing the consumption of virgin raw material.

GRS – Global Recycled Standard

Carvico uses yarns certified according to the **Global Recycled Standard (GRS)**, an international standard that verifies recycled material content and its traceability throughout the supply chain. The certification also includes requirements regarding chemical management and compliance with environmental and social criteria within production processes.

ECONYL®

Carvico also offers a range of fabrics made with **ECONYL®** yarn, a 100% regenerated nylon derived from pre- and post-consumer waste materials, including fishing nets, end-of-life carpets, and industrial plastic waste. Following the sorting and treatment phases, the material is transformed into a new yarn with characteristics and performance comparable to those of virgin nylon, thereby reducing the reliance on non-renewable fossil sources.

GRI 301-2: Materials coming from recycling

Materials coming from recycling										
Materials	**M.U.**	**2025**			**2024**			**2023**		
		Materials	**Recycled quantity**	**% Recycled materials**	**Materials**	**Recycled quantity**	**% Recycled materials**	**Materials**	**Recycled quantity**	**% Recycled materials**
Polyamide	Ton	3.989,6	2.661,9	**67%**	4.574,0	2.209,1	**48%**	3.937,2	1.832,8	**47%**
Polyester	Ton	868,3	714,4	**82%**	730,1	451,6	**62%**	1.132,4	791,3	**70%**
PBT Polibutilentereftalato	Ton	365,0	52,5	**14%**	341,0	50,7	**15%**	285,1	7,8	**3%**
Spandex	Ton	1.170,4	-	**-**	1.294,08	-	**-**	1.219,2	-	**-**
Elastolefin	Ton	49,3	-	**-**	41,2	-	**-**	50,5	-	**-**
Dyestuff	Ton	241,0	-	**-**	231,4	-	**-**	281,8	-	**-**
Auxiliaries	Ton	1.287,8	-	**-**	1.263,1	-	**-**	1.299,2	-	**-**
Cellophane (packaging)	Ton	111,3	111,3	**100%**	121,5	121,5	**100%**	133,8	133,8	**100%**
Cardboard boxes (packaging)	Pz	24.844,0	24.844,0	**100%**	24.919,0	24.919,0	**100%**	28.971,0	28.971,0	**100%**
Cardboard tubes (packaging)	Pz	333.301,0	333.301,0	**100%**	270.900,0	270.900,0	**100%**	353.325,0	353.325,0	**100%**





5.
Social responsibility

5.1 | Our staff

People are at the core of Carvico business vision. The Company considers the enhancement of skills, the protection of rights, and the quality of the working environment as essential conditions for building solid and lasting professional relationships. Within this perspective, the company promotes a context founded on fairness, respect, and equal opportunities, contrasting any form of discrimination, abuse, or exploitation, and fostering the development of everyone's professional and personal capabilities.

As of December 31, 2025, the workforce consisted of **309 employees**, compared to 317 the previous year. The employment structure is characterized by strong stability: **99% of personnel are employed under permanent contracts**, while 1% hold temporary contracts. Furthermore, **96% of workers are employed on a full-time basis,** while 4% work part-time.

In 2025, **blue-collar workers accounted for 67.3% of the workforce**, predominantly men, while **white-collar staff represented 28.5%**. In the latter category, a female prevalence was confirmed, accounting for **57% of the total**. The age distribution highlights a balance between different generations: **46% of workers are aged between 30 and 50**, 33% are over 50, and 21% are under 30. This setup remained substantially stable compared to the previous two-year period, allowing the company to combine experience with new skills. Overall, there are **14 employees belonging to protected categories**, in line with the 2024 figure.

All personnel are covered by the national collective labor agreement (CCNL for the Textile, Clothing, and Fashion sector) and by second-level bargaining.

GRI 2-7: Employees

Total number of staff members according to their gender and geographical origin									
Geographical origin	**As of 31 Dec 2025**			**As of 31 Dec 2024**			**As of 31 Dec 2023**		
	Men	**Women**	**Total**	**Men**	**Women**	**Total**	**Men**	**Women**	**Total**
Italy	173	118	**291**	179	119	**298**	178	118	**296**
UE (except Italy)	-	3	**3**	-	3	**3**	-	2	**2**
Extra-UE	12	3	**15**	12	4	**16**	12	3	**15**
Total	**185**	**124**	**309**	**191**	**126**	**317**	**190**	**123**	**313**

Total number of staff members according to their contract and gender									
Type of contract	**As of 31 Dec 2025**			**As of 31 Dec 2024**			**As of 31 Dec 2023**		
	Men	**Women**	**Total**	**Men**	**Women**	**Total**	**Men**	**Women**	**Total**
Temporary	1	1	**2**	2	1	**3**	-	-	**-**
Permanent	184	123	**307**	189	125	**314**	190	123	**313**
Total	**185**	**124**	**309**	**191**	**126**	**317**	**190**	**123**	**313**

Total number of full-time and part-time staff members according to their gender									
Full/Part-time	**As of 31 Dec 2025**			**As of 31 Dec 2024**			**As of 31 Dec 2023**		
	Men	**Women**	**Total**	**Men**	**Women**	**Total**	**Men**	**Women**	**Total**
Full-time	184	112	**296**	190	110	**300**	189	106	**295**
Part-time	1	12	**13**	1	16	**17**	1	17	**18**
Total	**185**	**124**	**309**	**191**	**126**	**317**	**190**	**123**	**313**

Staff onboarding and development process

New staff members joining Carvico are supported by a structured onboarding path that enables new resources to immediately familiarize themselves with the organization, working methods, and responsibilities associated with their role. The onboarding process includes the required hiring procedures, medical examination, formalization of the employment contract, training, and job-specific operating instructions, alongside badge issuance and the setup of company accounts. The Human Resources Department coordinates the various stages, from the registration of personal and contractual data through to the effective placement within the Company.

The process is carried out through a structured system of data collection and updating. **Personnel data** is updated monthly via digital files and subsequently consolidated at year-end. Periodic processing enables the generation of statistics to support corporate reporting and administrative management, including payroll processing, which is outsourced to an external consultant.

The employment of agency workers also follows a logic of **training and progressive integration into the organization**. In 2024, there were 15 agency workers, while in 2025 this number rose to **24**, with a particularly significant increase in September and October, coinciding with a period of higher productivity.

For Carvico, **this arrangement serves primarily as an entry channel toward permanent hiring**, allowing the company to support new resources during their training and integration phase. Indeed, **over 95% of contracts activated through agencies are aimed at subsequent stabilization**. The experience gained within the Company allows new resources to acquire skills directly within the production environment, while enabling Carvico to assess their aptitudes and professionalism. Generally, the training and integration period lasts about six months and, upon a positive outcome, can lead to permanent employment. Part-time arrangements may be considered to accommodate specific needs.

GRI 2-8: External workforce

External workforce (HC) divided according to their job and gender									
Job class	**As of 31 Dec 2025**			**As of 31 Dec 2024**			**As of 31 Dec 2023**		
	Men	**Women**	**Total**	**Men**	**Women**	**Total**	**Men**	**Women**	**Total**
Agency workers	22	2	24	8	7	15	6	7	13
Total	**22**	**2**	**24**	**8**	**7**	**15**	**6**	**7**	**13**

Stability and generational turnover

Turnover figures generally confirm the staff stability trend. n 2023, a higher-than-average number of terminations was recorded, totaling 27, driven largely by retirements, which accounted for 11. In 2024, the figure returned to levels closer to the historical trend, with 18 total terminations, including 5 due to retirement. In 2025, terminations stood at **23**, comprising 10 voluntary resignations and 13 retirements. Consequently, employee turnover continues to be primarily linked to physiological dynamics, particularly career-end departures.

Alongside workforce stability, Carvico focuses on welcoming new generations and fostering relationships with the local community. The Company has strengthened its career guidance activities and collaborations with **local schools and Higher Technical Institutes (ITS)**, creating opportunities for mutual acquaintance and encouraging young people to enter the world of textile manufacturing.

This approach is also exemplified by the case of a resource coming from a higher education institute in Biella, who joined the Company following a curricular internship. At the end of the training experience, the resource was initially hired on a temporary contract and subsequently transitioned to permanent employment. This serves as a concrete example of how dialogue with the educational world can turn into an opportunity for professional growth and stable career placement.

GRI 401-1: New hirings and turnover

New hirings figures and %[1]															
Figures	**2025**					**2024**					**2023**				
	<30	**30-50**	**>50**	**Total**	**%**	**<30**	**30-50**	**>50**	**Total**	**%**	**<30**	**30-50**	**>50**	**Total**	**%**
Men	6	1	-	**7**	**4%**	6	8	1	**15**	**8%**	13	5	-	**18**	**9%**
Women	5	3	-	**8**	**6%**	7	-	-	**7**	**6%**	5	3	1	**9**	**7%**
Total	**11**	**4**	**-**	**15**	**5%**	**13**	**8**	**1**	**22**	**7%**	**18**	**8**	**1**	**27**	**9%**
%	**17%**	**3%**	**0%**	**5%**		**16%**	**6%**	**1%**	**7%**		**26%**	**6%**	**1%**	**9%**	

Terminations figures and %[2]															
Figures	**2025**					**2024**					**2023**				
	<30	**30-50**	**>50**	**Total**	**%**	**<30**	**30-50**	**>50**	**Total**	**%**	**<30**	**30-50**	**>50**	**Total**	**%**
Men	3	4	6	**13**	**7%**	2	5	7	**14**	**7%**	5	11	8	**24**	**13%**
Women	3	3	4	**10**	**8%**	1	2	1	**4**	**3%**	-	3	4	**7**	**6%**
Total	**6**	**7**	**10**	**23**	**7%**	**3**	**7**	**8**	**18**	**6%**	**5**	**14**	**12**	**31**	**10%**
%	**9%**	**5%**	**10%**	**7%**		**4%**	**5%**	**8%**	**6%**		**7%**	**10%**	**11%**	**10%**	

1. The percentage rate represents the ratio of new hires by gender and age group to the total number of employees as of December 31st, using the same breakdown.
2. The percentage rate represents the ratio of employee separations by gender and age group to the total number of employees as of December 31st, using the same breakdowns.

GRI 405-1b: Employees' diversity

Total headcount divided according to their level and gender									
Figures	**As of 31 Dec 2025**			**As of 31 Dec 2024**			**As of 31 Dec 2023**		
	Men	**Women**	**Total**	**Men**	**Women**	**Total**	**Men**	**Women**	**Total**
Managers	0,6%	0,6%	**1,3%**	0,6%	0,6%	**1,3%**	0,3%	0,6%	**1,0%**
Middle Management	1,6%	1,3%	**2,9%**	1,6%	1,3%	**2,8%**	1,9%	1,3%	**3,2%**
Office clerks	12,3%	16,2%	**28,5%**	12,6%	15,8%	**28,4%**	11,8%	15,7%	**27,5%**
Workers	45,3%	22,0%	**67,3%**	45,4%	22,1%	**67,5%**	46,6%	21,7%	**68,4%**
Total	**59,9%**	**40,1%**	**100,0%**	**60,3%**	**39,7%**	**100,0%**	**60,7%**	**39,3%**	**100,0%**

Rights, whistleblowing and protection

Respect for human rights represents a cross-cutting principle in personnel management. Carvico protects freedom of association and collective bargaining, and tolerates no form of discrimination, harassment, or physical or psychological violence. To ensure the opportunity to report any non-compliant behavior or situations, **several listening and protection channels** are available. Employees can contact the Ethics Committee via the dedicated email address (info@comitatoetico.carvico.com) or use the physical drop boxes located within the Company, which are regularly checked. Additionally, a **whistleblowing channel** is available on the corporate website for both employees and other stakeholders. Guidelines for use are presented to personnel during periodic meetings to ensure widespread awareness and accessibility.

GRI 405-1b: Employees' diversity

Total headcount divided according to their level and age group												
Figures	**As of 31 Dec 2025**				**As of 31 Dec 2024**				**As of 31 Dec 2023**			
	<30	**30-50**	**>50**	**Total**	**<30**	**30-50**	**>50**	**Total**	**<30**	**30-50**	**>50**	**Total**
Managers	-	-	1,3%	**1,3%**	-	-	1,3%	**1,3%**	-	-	1,0%	**1,0%**
Middle management	-	0,3%	2,6%	**2,9%**	-	1,3%	1,6%	**2,9%**	-	1,3%	1,9%	**3,2%**
Office clerks	5,5%	16,2%	6,8%	**28,5%**	6,9%	15,1%	6,3%	**28,3%**	5,8%	15,0%	6,6%	**27,4%**
Workers	15,5%	29,5%	22,3%	**67,3%**	18,3%	27,1%	22,1%	**67,5%**	16,6%	27,5%	24,3%	**68,4%**
Total	**21,0%**	**46,0%**	**33,0%**	**100%**	**25,2%**	**43,5%**	**31,3%**	**100%**	**22,4%**	**43,8%**	**33,8%**	**100%**

GRI 405-1b: Employees' diversity (protected categories)

Protected categories[1]									
Figures	**As of 31 Dec 2025**			**As of 31 Dec 2024**			**As of 31 Dec 2023**		
	Men	**Women**	**Total**	**Men**	**Women**	**Total**	**Men**	**Women**	**Total**
Managers	-	-	**-**	-	-	**-**	-	-	**-**
Middle management	-	-	**-**	-	-	**-**	-	-	**-**
Office clerks	2,6%	6,0%	**8,6%**	2,5%	6,0%	**8,5%**	2,7%	6,1%	**8,8%**
Workers	4,3%	5,9%	**10,2%**	4,9%	4,3%	**9,2%**	5,5%	4,4%	**9,9%**
Total	**6,9%**	**11,9%**	**18,8%**	**7,4%**	**10,3%**	**17,7%**	**8,2%**	**10,5%**	**18,7%**

1. The percentages given in this table correspond to the ratio of the number of employees belonging to protected categories to the total number of employees by gender and professional category.

Corporate Welfare, labour relationships and human capital valorization

Carvico's focus on working conditions is also reflected in its relationship with trade union representatives. For **the third year in a row**, the Company chose to renew its second-level collective agreement without introducing any additions or amendments, confirming a positive assessment of the existing conditions, which are considered appropriate for the reference context. In an organization that brings together different generations, needs, and expectations, the corporate welfare system and internal climate represent crucial elements for maintaining a positive working environment.

Corporate welfare and reward systems are part of this framework and complement policies dedicated to employee motivation and growth. These tools are accompanied by **performance assessment systems** and **professional development pathways**, through which Carvico supports skills development and recognizes individual contributions to the organization

Substantial alignment between men and women is also confirmed regarding **pay equity**. In 2025, the ratio between the average base salary received by men and that received by women was **1.1**, in line with the 2024 figure. Even when considering average total remuneration, the ratio between men and women stood at **1.2 in 2025**, compared to 0.8 recorded in 2023.

No cases of discrimination were recorded during the reporting period, confirming the Company's focus on protecting rights and building a working environment based on respect and equal opportunities.

GRI 405-2 Report on basic salary and gender pay gap[1]

Gender pay gap			
Average basic salary	**2025**	**2024**	**2023**
Managers	1,2	1,1	1,1
Middle management	0,9	0,9	0,9
Office clerks	0,7	0,8	0,7
Workers	0,9	0,9	0,8
Overall gender pay gap			
Average total salary	**2025**	**2024**	**2023**
Managers	1,5	1,4	0,8
Middle management	0,9	0,8	0,6
Office clerks	0,7	0,8	0,7
Workers	0,8	0,8	0,7

1. The ratio of basic salary and remuneration of women to men is calculated by comparing the average basic salary and the average total remuneration of women against those of men, broken down by each employee category.

Welfare

For Carvico, caring for people means paying close attention to their health, daily needs, and the quality of relationships. Over time, this commitment has evolved into various forms, through services and initiatives dedicated to employees and their families.

The promotion of healthy lifestyles is one of the company's most well-established areas of focus. Since **2012**, Carvico has participated in the **WHP (Workplace Health Promotion) program**, championed by the Lombardy Region in collaboration with ATS Bergamo, which supports the adoption of **best practices and awareness about correct behaviors**. Over the years, information and awareness sessions covering **smoking, alcohol, nutrition, road safety, and physical activity** have been organized, occasionally with the support of external trainers. This journey is currently expanding to place a particular emphasis on mental and **physical well-being**, with new interventions currently under evaluation.

In addition, the company offers **annual agreements for medical check-ups** and the opportunity to receive the flu vaccination free of charge. In **2023**, Carvico organized a day dedicated to **breast cancer prevention**, providing a mobile clinic staffed by qualified medical personnel. This initiative involved both **women and men**, offering free **mammograms, ultrasounds, and breast examinations**, thereby facilitating access to preventative care directly in the workplace.

Carvico also pays close attention to the personal and family domains by striving to provide tools that translate into tangible support. A digital platform managed by AON enables employees to access discounts at **numerous retail points and institutions nationwide**. This offering is complemented by direct agreements established by Carvico with local commercial and service providers. **Welfare credits** can be used flexibly by employees, who also have the option to allocate their performance bonuses to it, allowing each individual to choose the opportunities best suited to their needs

In 2025, in response to the rising cost of living, the Company chose to absorb the increases related to **meal vouchers**, ensuring that these adjustments did not result in an additional financial burden for employees.

This focus on daily life is further reflected in a series of services and benefits: an in-house canteen, a free **tax return preparation service (Modello 730), gift vouchers for marriages and births, and scholarships for employees' children** who achieve outstanding academic results. Office staff benefit from **30 minutes of flexibility for both arrival and departure times,** alongside the option to adjust the duration of their lunch break based on personal needs.

Finally, caring for people encompasses the opportunity to **experience the company as a space for networking** and sharing experiences beyond daily work routines. **Corporate events, sports tournaments, and social gatherings** create opportunities to come together, strengthen relationships, and foster a sense of belonging, frequently involving employees' families.

Another essential element for the company is **active listening**. **In 2023**, an anonymous questionnaire was conducted to gather employee feedback on satisfaction levels and the organizational climate. The feedback revealed an opportunity within the production area to strengthen the management and leadership skills of **shift supervisors** (foremen), who serve as pivotal figures in daily interactions with factory workers.

Based on these findings, a coaching program was launched in **2024** and renewed in **2025**. The initiative initially involved all operational lines before shifting its focus to shift supervisors, with the goal of developing effective team communication and coordination methods. The program concluded with a **report** that synthesized the insights gained and provided guidance for future development actions.

This was a targeted intervention, designed as a one-off initiative rather than a recurring program, and was restricted to production personnel where a specific need had been identified. For office staff, no immediate necessity for a similar program has emerged at this time.

5.2 | Training in Carvico

Training has always been an important tool for supporting skills development and maintaining high standards of professionalism. The Company invests in programs tailored to both technical and operational knowledge, as well as soft and managerial skills, depending on the roles and specific needs arising within different working areas.

In 2025, a total of 2,057 training hours were delivered, compared to 2,595 hours in 2024, representing a 21% decrease. This variation is mainly attributable to the different frequencies with which training courses are scheduled: some activities take place annually, while others are repeated at biennial or five-year intervals. Consequently, the total number of hours may fluctuate from year to year based on scheduling, without necessarily reflecting a change in the company's commitment to professional development.

Alongside mandatory health and safety training, technical updates and soft skills programs continued throughout the year, with a particular focus on the quality and efficiency of operating procedures. A significant portion of this training takes place on the job directly within departments and under the supervision of managers, allowing learning to be closely aligned with the practical needs of daily work.

Technical update courses are scheduled based on the needs of individual departments, while specific training interventions can be designed around professional growth opportunities in both production areas and staff functions.

This approach makes it possible to complement mandatory compliance training with more targeted activities linked to specific roles and the evolution of the capabilities required by the organization.

All training activities are **recorded and monitored** using dedicated tools, and subsequently integrated into the Zucchetti management software to ensure full traceability of the activities performed. Furthermore, **the number of training hours delivered contributes to determining the performance bonus** within the framework of the company incentive scheme.

GRI 404-1: Annual average number of training hours per employee

Average training hours per category			
Average figures	**2025**	**2024**	**2023**
Managers	28,4	27,5	30,2
Middle management	18,8	31,0	20,1
Office clerks	4,9	6,6	11,2
Workers	6,4	7,5	9,6
Total average	**6,7**	**8,2**	**10,6**
Average training hours per gender			
Average figures	**2025**	**2024**	**2023**
Men	6,8	10,2	13,3
Women	6,5	5,1	6,4
Total average	**6,7**	**8,2**	**10,6**

Performance assesment

The Company adopts a structured **performance assessment system** that begins as early as the pre-hiring phase. During the initial period of agency employment, **monthly training steps** are scheduled, typically for a duration of 8 to 10 months. Upon transitioning to a permanent contract, these steps continue on a **bimonthly basis for the following six months**. In the finishing department, however, evaluations are conducted monthly during the first year of employment and, subsequently, every six months during the first two years. These are carried out by the department manager using a **performance appraisal grid structured by evaluation areas**, and are subsequently shared with Human Resources and Management.
The same system is also utilized for permanent personnel during training programs, job rotations, or **specific training initiatives, and may, in certain cases, provide supporting elements for salary adjustments or promotions**.
During the agency employment period, the **evaluation serves a primarily developmental and orientation purpose** and does not directly determine remuneration reviews. Salary adjustments are generally processed on an **annual basis**, except for specific situations evaluated on an individual case-by-case basis

5.3 | Employees' health and safety

The protection of people and risk prevention are an integral part of Carvico's management. The Company operates in full compliance with current legislation and maintains a structured assessment and control system, accompanied by **training, surveillance, and verification programs**.
In **2025**, this approach led to the update of the **Risk Assessment Document (DVR)**, the continuation of training programs dedicated to personnel, and the monitoring of injury and accident indicators. These activities were complemented by **external audits conducted by clients as well as internal inspections**, supporting both the maintenance of certifications and the adequacy of working conditions

Management system and responsibilities

The management of health and safety issues is based on a structured framework of responsibilities and competencies, applicable to all employees and agency workers, in accordance with the provisions of **Legislative Decree 81/08**.
Within Carvico, the roles include:

- the employer;
- a delegated employer;
- a Head of Prevention and Protection Service (RSPP) – also defined as Health and Safety Manager;
- an Officer of the Prevention and Protection Service (ASPP) – also defined as Health and Safety Officer;
- an Occupational Health Physician;
- 3 Representatives of the Workers for Safety (RLS);
- 15 Health and Safety Directors;
- 41 Health and Safety Supervisors;
- 43 emergency operators;
- 48 first aid operators.

This structured framework enables the distribution of responsibilities and competencies throughout the organization, ensuring constant oversight of working conditions.

Training and prevention

Health and safety training includes general and specific courses for workers, updates for the various company roles, and training dedicated to tasks with specific risks, in compliance with current legislation.
During the year, training programs were carried out, among others, for **Workers' Health and Safety Representatives (RLS), Health and Safety Supervisors, Health and Safety Directors, RSPP, and ASPP**. Training was also provided for emergency and first-aid teams, as well as for operators using specific equipment, including forklifts, aerial work platforms, and lifting equipment. Furthermore, training addressed aspects relating to the use of **Personal Protective Equip-**

ment (PPE), the transport of dangerous goods in compliance with **ADR regulations**, the management of **ATEX** explosive atmosphere systems, the use of **Automated External Defibrillators (AEDs)**, and activities carried out in confined spaces

Preparation for daily operations is also supported by **specific operating instructions**, which define the correct methods for carrying out activities and are reviewed based on process developments and emerging needs.

Engagement with personnel working in the departments takes place through **dedicated meetings**, alongside the annual meeting required by law. These meetings involve the Plant Manager, department heads, RSPP, ASPP, and RLS, allowing them to address any training needs related to regulatory or production changes, plan actions following environmental surveys, and analyze events that occurred during the period, including accidents, near-misses, injuries, and near-injuries.

This oversight is complemented by **health surveillance** as well as inspections of systems and equipment.

Furthermore, every department in the facility is equipped with a **semi-automatic defibrillator**, for a total of **9 devices**, and staffed with personnel trained for their use in the event of an emergency

Risks assesment and management

The **Risk Assessment Document (DVR)** compiles the analysis of the risks present within the Company and is supported by environmental surveys and audits. Based on the outcomes, further preventive and protective measures are identified whenever necessary.

The DVR underwent **review in 2025** in accordance with regulatory deadlines, and no new risks were detected. Over time, Carvico has invested in **automated machinery and equipment** to reduce physical strain and manual lifting, while also limiting the direct handling of chemical substances. These interventions have contributed to mitigating the already identified residual risks.

Accidents, injuries, and near-miss[1] events are analyzed during periodic meetings to identify potential corrective actions and further opportunities for intervention. In 2025, the most significant cases led to a deeper analysis of not only individual behaviors but also the organizational and systemic factors that may have contributed to their occurrence.

Accidents and professional illnesses

In 2025, the total number of **recordable occupational injuries** among employees was **10**, compared to 7 in 2024 and 6 in 2023.

Hours worked in 2025 totaled **490,833**, representing an increase compared to 484,343 in 2024 and 471,235 in 2023. **The occupational injury rate stood at 4.1**.

With regard **to agency workers, 1 injury** was recorded in 2025, in line with the 2024 figure and down from 2 in 2023.

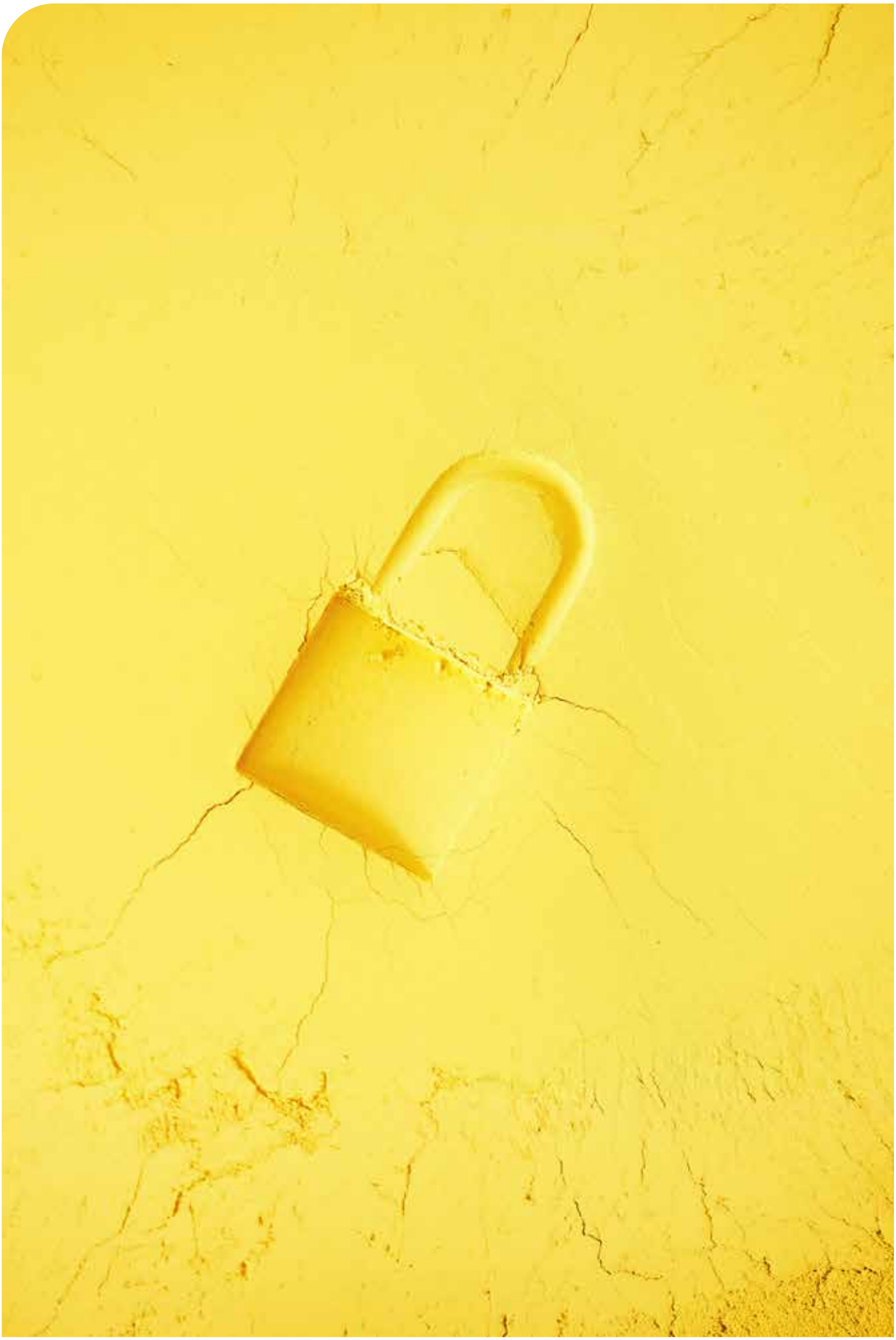
Hours worked decreased over the three-year period, falling from **30,850 in 2023 to 27,021 in 2025**. The injury rate went from **13.0 in 2023 to 6.6 in 2024 and 7.4 in 2025**.

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

Occupational injuries (employees)	**2025**	**2024**	**2023**
Total recordable occupational injuries	10	7	6
Worked hours	490.833	484.343	471.235
Recordable occupational injuries rate[2]	**4,1**	**2,9**	**2,5**
Occupational injuries (agency workers)	**2025**	**2024**	**2023**
Total recordable occupational injuries	1	1	2
Worked hours	27.021	30.238	30.850
Recordable occupational injuries rate[3]	**7,4**	**6,6**	**13,0**

During 2025, **two claims regarding suspected occupational diseases** were managed. The first concerns a pathology attributable to hypoacusis caused by chronic acoustic trauma; the second involves a case of left pleural mesothelioma. Both situations are currently still under evaluation by the competent authorities, including INAIL, which are conducting the necessary investigations to determine whether the pathologies are work-related and to ascertain the involvement of the various entities concerned.

1. Incidents of near-misses, i.e. events that could have led to an injury or damage, are recorded by means of reporting reports.
2. Il tasso di infortunio è calcolato come segue: ((numero di infortuni per ogni categoria/totale ore lavorate) x 200.000).
3. Si rimanda alla nota precedente.





6.
Product quality and R&D

6.1 | Attention to quality

In Carvico's view, quality stems from **rigorous, timely checks** throughout every step of the manufacturing process, from raw materials selection to the finished product. The pursuit of **new solutions** and the continuous dialogue with customers and stakeholders drive the evolution of the Company offering.
Every stage of the production process is subject to documented reviews, in both hard copy and digital formats, making it possible to reconstruct the various processing phases while ensuring **full traceability**.

The identification of fabric rolls is guaranteed by the commercial technical data sheet, the packing list, and the labels applied to each roll. This documentation reports the primary data concerning the supply and any possible defects, while the labels indicate the country of origin, composition, batch number, color, and other references necessary to trace their origin and journey along the supply chain. The company website complements the available information by providing access to the technical specifications of the fabrics as well as **product and**

process certifications.

Direct relationships with clients represent a key baseline for complaints management. Complaints are promptly recorded and analyzed to identify their root causes and define the necessary corrective actions. The claims received are overall limited, and the attention dedicated to each case helps preserve high quality standards and strengthen client trust and loyalty.

Although the Company is not formally certified under the ISO 9001 standard, it has been operating in compliance with its principles for years, adopting **structured operational procedures for quality management**. These procedures are constantly monitored, including through audits requested by major international clients, which serve as a tool for verification and continuous improvement

During 2025, Carvico underwent **eight third-party audits** conducted by clients or entities appointed by them. These audits covered environmental, social, health and safety, and quality aspects, with varying methods and depths depending on specific requests

Together, these activities help maintain high quality standards and ensure alignment with the expectations of key international clients.

Requests for information regarding corporate performance are increasingly managed through dedicated questionnaires and digital platforms, including Ympact. Carvico shares ESG data and documentation in accordance with the criteria established by the various systems.

The product returns recorded during the reporting period are presented below:

	2025	2024	2023
Product return rate by weight (% of kg sold)	0,13	0,12	0,29

During the reporting period, **no incidents of non-compliance were identified** regarding product information and labeling, or the health and safety of products. This data confirms the company's continuous commitment to compliance with applicable requirements and statutory regulations.

Certificates and assessment systems

The certifications and ratings adopted by Carvico cover various aspects, ranging from environmental protection and the traceability of recycled materials to chemical substance control and product specifications. These are complemented by qualifications awarded to the in-house laboratory by international brands as part of their respective accreditation programs.

Carvico complies with the **Higg Index**, a suite of tools developed by the Sustainable Apparel Coalition (SAC) to evaluate the environmental, social, and labor performance of companies across the textile, apparel, and footwear supply chain.

Carvico has been using the Higg FEM (Facility Environmental Module) since 2017 to address the environmental aspects of its production activities, and introduced the Higg FSLM (Facility Social & Labor Module)—dedicated to social and labor conditions—in 2022. Carvico scored 85/100 in the FEM and 96.2/100 in the FSLM. These results are shared through the Higg platform, allowing participating brands to review the scores and gain a consistent overview of the performance level achieved by their suppliers.

Carvico operates an environmental management system compliant with **ISO 14001:2015**, certified by Bureau Veritas Italia S.p.A. The standard defines a structured framework to identify and monitor the environmental aspects associated with corporate activities, promote compliance with applicable obligations, and support continuous improvement.

The scope encompasses the research and development of new fabrics, as well as the knitting, dyeing, and finishing processes for the enhancement of warp-knit products intended primarily for sportswear, underwear, swimwear, and corsetry.

The application of the standard covers all processes within the certified scope and the management of their related environmental aspects, following a systematic approach based on planning, control, verification, and improvement

The **OEKO-TEX® STANDARD 100** certification testifies of the safety of textile products regarding the presence of potentially harmful substances, applying differentiated limits based on the intended use and the degree of skin contact. The testing covers all components that make up the finished product and includes, among others, analyses for formaldehyde, heavy metals, pesticides, phthalates, and PFAS. These tests are conducted using methodologies defined by OEKO-TEX®, including extraction procedures using artificial sweat.

Carvico holds Class I certification for fabrics intended for babies and toddlers up to 36 months, which are subject to the strictest requirements, and Class II certification for fabrics in direct contact with the skin. In addition, specific requirements apply to recycled materials regarding the composition and characteristics of the fibers used

Laboratories accreditation framework

The technical expertise developed within its in-house laboratory has enabled Carvico to secure qualifications from major international brands to perform specific fabric testing. Among these are Adidas, Lululemon, L.L.Bean, Perry Ellis International, and ASOS, based on the testing protocols defined by each brand.

Furthermore, the laboratories are qualified to conduct testing under the Accredia accreditation framework, confirming the high level of analytical competence developed internally. These capabilities allow Carvico to directly manage a portion of the verifications required by clients and various markets, supporting product development and quality control.

The **Global Recycled Standard (GRS) 4.0** is an international, voluntary certification that certifies the presence of recycled materials in products and guarantees their traceability throughout the supply chain through a documented chain-of-custody system.
The GRS monitors the various stages of product transformation, from knitting and preparation to pre-treatment, dyeing, finishing, washing, printing, warehousing, and distribution. Beyond the traceability of recycled materials, it sets specific social and environmental requirements and regulates the use of chemicals in production processes.
Promoted and managed by Textile Exchange, the GRS requires independent third-party audits across the supply chain to verify compliance with the standard's requirements.

Made Green in Italy is the **national voluntary scheme for assessing and communicating the environmental footprint of products**, aimed at promoting more sustainable production and consumption patterns. Within this framework, the **environmental performance** of Carvico fabrics from the **Vita** and **Revolutional™** families—warp-knit fabrics made of elastomer and virgin or recycled polyamide, used for swimwear, sportswear, underwear, and ready-to-wear—was the subject of a **Product Environmental Footprint (PEF) study**.
The analysis, conducted according to the **Life Cycle Assessment (LCA)** methodology defined by the European Union, measured the **environmental impacts throughout the entire product life cycle** and was validated by an **independent third-party body**. In compliance with the Product Category Rules (PCR) for synthetic yarn fabrics (NACE 13.20.31), the study adopted **1 m² of warp-knit fabric as the functional unit**, classified **by color (light/dark) and weight (classes 1–5)**. For each product type, impacts were evaluated across all 16 environmental categories required by the PEF methodology, with a particular focus on **climate change, resource use (fossil), and water use**, which are considered priorities by the PCR.
The **comparison with industry benchmarks** revealed that all analyzed fabrics fall into **Class A**, representing the highest level of environmental performance. The results of the study are summarized in the **Product Environmental Impact Declaration (DIAP)**, which has also been verified by an independent body.
For further information, please refer to the following webpage on the official Carvico website: https://www.carvico.com/en/sustainability/made-green-in-italy/

6.2 | Carvico commitments to R&D

Research & Development has always represented a strategic function for Carvico, backed by continuous investments and closely linked to the ability to innovate and anticipate market trends. Since 2010, this journey has taken place in a dedicated R&D Center, conceived as a true "company within the company." Here, the main production phases—from knitting and dyeing to finished product inspections—can be replicated on a smaller scale.
In this context, the **Chlorine Resistance Machine** is of particular significance. Designed and built thanks to the expertise of Carvico's technicians and engineers, it allows the measurement of fabric resistance to chlorinated water.
The ability to perform precise, in-house performance tests on fabrics enables the company to promptly identify any critical issues on one hand, and to verify material characteristics on the other, reaching the commercial phase with thoroughly tested products and fully documented performance.
In **2025**, activities focused on consolidating projects launched in previous years and exploring new development opportunities. Key priorities included reducing the use of fossil-based resources, conducting life cycle assessments, and adopting technologies capable of improving process efficiency, such as low-water-consumption dyeing.
Research focuses primarily on identifying and introducing new raw materials that are **recycled and/or regenerated, bio-based, biodegradable, and of natural origin**, such as dyes obtained from food waste. In the finishing sector, priorities target bio-based and **fluorine-free treatments**.
However, the real challenge in Research & Development lies in finding, in collaboration with the supply chain, a conscious solution for separating rigid fibers from elastomer, in order to recover and recycle end-of-life garments.
A **concrete example of innovation developed by Carvico is the Vita Life fabric**, whose production began in 2024. The fabric is made of **78% polyamide that is 100% regenerated from pre- and post-consumer waste materials, and 22% elastomer**, which itself is produced from **70% bio-derived** material. The next step is to progressively replace all standard petroleum-derived elastomer with **LYCRA® EcoMade**.
Carvico's commitment also extends to studying the impacts associated with fabric use. In this field, the Company participated in drafting a **new standard for measuring microplastics released during domestic washing**, providing its own samples for tests conducted by **Aquafil and STIIMA** (the Institute of Intelligent Industrial Systems and Technologies for Advanced Manufacturing of the National Research Council - **CNR**). In parallel, Carvico conducted internal tests on its fabrics to further analyze material behavior during various washing phases.
Carvico's patent history represents a further milestone in its innovation journey: **in 2007 and 2008, the Company filed two worldwide patents, one of which remains currently valid**.
Overall, the Research & Development pathway is geared toward evolving fabric performance while simultaneously seeking **alternative raw materials, more efficient processes, and a deeper understanding of the impacts associated with product use and end-of-life**.

Vita Life 626

Vita Life represents the concrete evolution of Carvico's commitment to textile innovation capable of combining **high performance with environmental responsibility**. It is the result of a value-driven supply chain involving partners united by a shared goal: defining new ethical and environmental standards for the textile industry.

Launched in 2024, **Vita Life** builds upon the pioneering experience initiated in 2012 with **Vita**, the first swimwear fabric made from 78% polyamide that is 100% regenerated from pre- and post-consumer waste materials. This journey has led to the introduction of the innovative **LYCRA® EcoMade** elastomer, produced from 70% bio-derived material. The raw material used is **non-food industrial corn**—specifically dent corn—sourced from crops managed according to the principles of **regenerative agriculture**.

This agricultural practice - based on techniques such as **no-till or minimum tillage, crop rotation, cover cropping, and sustainable nutrient management** - aims to:

- reduce greenhouse gas emissions;
- increase soil organic matter;
- preserve soil quality and structure, protecting it from wind erosion.

Vita Life guarantees the same performance as fabrics made from traditional fibers: it is **bi-elastic, ultra-thin, pilling-resistant, and chlorine-resistant, offering optimal coverage, muscle control, UV protection, excellent fit, and softness, alongside high breathability**.

From an aesthetic standpoint, Vita Life also stands out for its **wide and sophisticated color palette**, which includes delicate, earthy, intense, and vibrant shades, all achieved using **dyes free** from heavy metals and bisphenols. The **fixing agent used to stabilize the colors** is produced from **renewable raw materials** and contains no chemical compounds subject to regulatory restrictions.

Upon request, Vita Life can be treated to achieve **antibacterial, hydrophilic, or water-repellent properties**, expanding its versatility for activewear, athleisure, and applications requiring **specific performance functionalities**.

VITA LIFE





7.
The value chain

7 | The value chain

In Carvico's view, **accountability, reliablity and continuity of supplies** are key elements for an efficient management of the value chain.

The main focuses are:

- priority given to **recycled and recyclable raw materials**;
- more efficient transport systems aimed at reducing their environmental impact;
- **high-quality products and services**.

In order to promote behaviors coherent with its ethical, social and environmental values, Carvico has defined and issued a **Suppliers' Behavioral Code** collecting all the rules and requirements to be complied with and met by the main interlocutors along the supply chain. Such document is provided to strategic suppliers so that they can read it and approve of it. Such suppliers are also expected to adhere to the Company **Ethical Code** which establishes the guidelines for Carvico operational practice.

Supply chain resilience is handled in compliance with a **risk-assessment oriented approach**, with special attention paid to strategic partners and materials which are essential to business continuity. When feasible, **alternative supply sources are selected**, in different geographical areas, with the aim of reducing business reliance on specific sources and ensure business continuity.

The selection of new suppliers involves a **pre-assessment** questionnaire aimed at gathering regulatory and management information, including **financial stability, technical product specifications, and compliance with environmental, health, and safety requirements**. While formal audits are not conducted, relationship management includes **continuous performance monitoring**, featuring direct site visits and periodic evaluations of production, technical, quality, and financial aspects

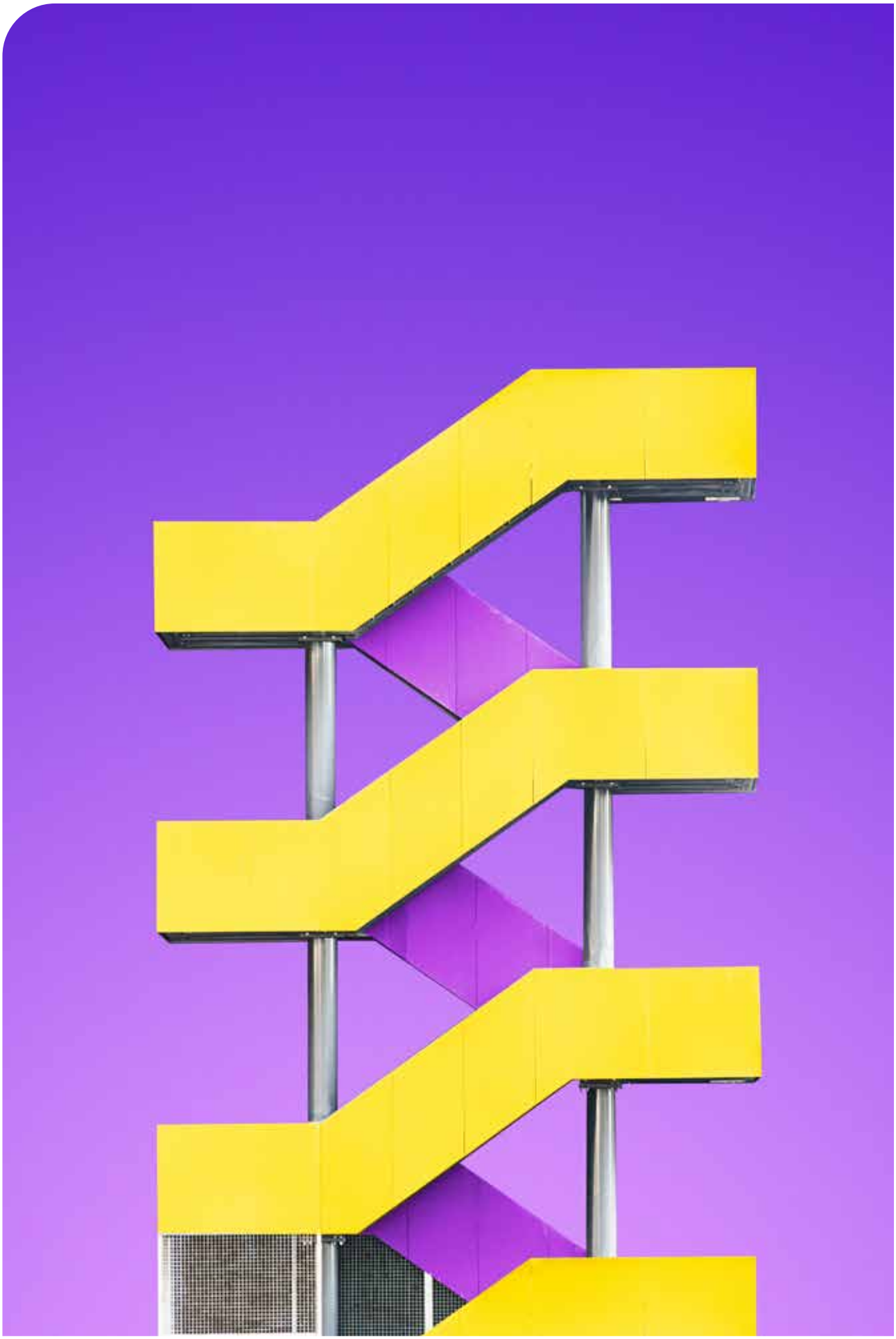
To strengthen the collection and organization of ESG-related information, the Company is also developing **dedicated supplier profile cards**. The project is currently under development, and its implementation is linked to the introduction of an **integrated ERP system**, which will enable a centralized and more structured management of recorded data.

On the environmental front, Carvico prioritizes r**ecycled materials**, where available, for both packaging and production raw materials.

Geographical origin is also a significant factor in supply chain management. In 2025, approximately **85.5% of Carvico's suppliers** were registered in **Italy or other European countries**, up from 78.6% in 2024. This figure confirms the supply chain's strong roots within the European context, despite procurement occurring on an international scale.

GRI 204-1: Share of procurement spending on local suppliers

	2025	2024	2023
Relevant operative locations	**Share of local / non local procurement spending**	**Share of local / non local procurement spending**	**Share of local / non local procurement spending**
Italy - Local	58,3%	53,2%	54,1%
UE (Italy excluded) Foreign countries	27,2%	25,4%	27,6%
Extra UE - Overseas	14,5%	21,4%	18,3%
Totale	**100%**	**100%**	**100%**





8.
Support to local communities

8 | Support to local communities

Established in 1962 in an urban and residential area, Carvico has developed a strong bond with the local territory, combining its industrial activities with constant focus on local communities and the surrounding economic and social context. This commitment translates into initiatives fostering gender equality, inclusion, training and development of people and the establishment of partnerships with local entities and institutions.

Over the years, Carvico has taken part in several local and sub-regional initiatives in partnership with schools, institutions and cultural associations such as sponsoring sports associations and educational projects and supplying fabrics to kindergartens and schools.

Sport wise, Carvico has created an in-house football team with employees and external people whose goal is to foster integration and social cohesion. The Company also supports the activities of the local parish, providing funds and donations. After the purchase, in 2024, of a small bus for the transportation of young people and, more in general, of members of the local community, in 2025 the Company paid for the extraordinary maintenance of the basketball court lighting system.

Our commitment to the local area also extends to art and culture. Carvico supports cultural institutions and events, including the Bergamo and Brescia Piano Festival and the Bergamo Modern and Contemporary Art Gallery (GAMeC), as well as local publications such as Carvico Informa.

Carvico has also contributed to the installation of electric vehicle charging stations within the Municipality of Carvico and has partnered for years with Humanitas Gavazzeni in support of medical research.

On the international stage, the Company continues its participation in the E4Impact Foundation. This foundation is dedicated to training African entrepreneurs capable of combining economic sustainability with social impact, developing action-oriented programs, and building relationships between African and European businesses to foster the growth of local production ecosystems.

In 2025, our involvement with the Italy–Horn of Africa Association, of which Carvico is a founding member, was further strengthened. The association promotes international cooperation initiatives aimed at developing countries in the region and encouraging economic, social, and cultural exchanges. Throughout the year, the Company participated in discussion and networking forums, including meetings at the University of Bergamo and the Abbey of San Paolo d'Argon.

Carvico has also been a Corporate Golden Donor of the Fondo Ambiente Italiano (FAI - Italian National Trust) since 2003, renewing its commitment each year to protecting and enhancing Italy's historical, artistic, and natural heritage.

Support also continues for the San Zeno Foundation, an organization dedicated to implementing education, training, and social inclusion projects both in Italy and abroad, with a particular focus on young people and vulnerable individuals. Activities specifically address access to education, employment, and pathways toward independence.

Overall, the economic value of community and local initiatives in 2025 amounted to €302,643, a slight increase compared to €302,281 in 2024.



GRI indicators table

GRI standard	Reference paragraph
GLOBAL STANDARDS	
GRI 2 (2021 review): GENERAL INFORMATION	
The organization and its reporting principles and practices	
2-1 Details about the organization	Methodological note; 3.2 Group organization, governance and ownership
2-2 Entities within the scope of the the company's sustainability report	Methodological note
2-3 Reporting period, frequency and contact point	Methodological note
2-4 Restatement of information	Methodological note
2-5 External assurance	Methodological note
Activities and workers	
2-6 Activities, value chain and other business relationships	1.2 Carvico products; 7. The value chain
2-7 Employees	5.1. Our staff
2-8 Agency workers	5.1. Our staff
Governance	
2-9 Governance structure and ownership	3.3. Governance and administration model
2-10 Appointment and selection of the highest governance authority	3.3. Governance and administration model
2-11 President of the highest governance body	3.3. Governance and administration model
2-12 Role of the highest governance body in management of impacts	3.3. Governance and administration model
2-13 Proxy for the management of impacts	3.3. Governance and administration model
2-14 Role of the highest governance body in the issuance of the sustainability report	3.3. Governance and administration model
2-16 Notifying critical issues	3.1. Ethics and governance
2-19 Laws and standards regulating the payment of salary	3.3. Governance and administration model
Strategy, policies and procedures	
2-22 Statement concerning the sustainable development strategy	Letter to stakeholders
2-23 Commitments statement by means of a dedicated policy	4.1. Reduction of the environmental impact and energy efficiency; 4.5. A responsible use of materals; 6.2. Carvico commitments to R&D
2-24 Integration of commitments inside dedicated policies	
2-26 Tools and instruments for asking for clarifications and notifying concerns	3.1. Ethics and governance
2-27 Compliance to rules and regulations	3.1. Ethics and governance
2-28 Participation to associations	1.2. Carvico products
Involvement of stakeholders	
2-29 Approach to involvement of stakeholders	2.1. Our stakeholders
2-30 Collective negotiation agreements	5.1. Our staff
GRI 3 (2021 review): MATERIAL TOPICS	
3-1 Process to identify material topics	2.2. Materiality analysis and ESG impacts
3-2 Material topics list	2.2. Materiality analysis and ESG impacts

SPECIFIC STANDARDS		
FINANCIAL PERFORMANCE		
Creating shared value		
GRI 3 (2021 review): Material topics		
3-3	Management of material topics	3.3. Financial performance
GRI 201 (2016 version): Economic performance		
201-1	Directly generated and distributed value	3.3. Financial performance
ENVIRONMENTAL STEWARDSHIP		
Energy efficiency and use of renewable energy sources		
GRI 3 (2021 review): Material topics		
3-3	Management of material topics	4.1. Reduction of environmental impact and energy efficiency
GRI 302 (versione 2016): Energy		
302-1	Energy used withing the organization	4.1. Reduction of environmental impact and energy efficiency
302-3	Energy intensity	4.1. Reduction of environmental impact and energy efficiency
Emissions and fighting climate change		
GRI 3 (2021 review): Material topics		
3-3	Management of material topics	4.2. Emissions and fighting climate change
GRI 305 (2016 version): Emissions		
305-1	GHG direct emissions (Scope 1)	4.2. Emissions and fighting climate change
305-2	GHG direct emissions from energy (Scope 2)	4.2. Emissions and fighting climate change
305-4	Intensity of GHG emissions	4.2. Emissions and fighting climate change
Responsible management of waste		
GRI 3 (2021 review): Material topics		
3-3	Management of material topics	4.4. Waste
GRI 306 (2020 review): Waste		
306-3	Waste produced	4.4. Waste
306-4	Waste not to be disposed of	4.4. Waste
306-5	Waste to be disposed of	4.4. Waste
Responsible use of water		
GRI 3 (2021 review): Material topics		
3-3	Management of material topics	4.3. Water
GRI 303 (2018 reveiew): Water and wastewater		
303-3	Water withdrawal	4.3. Water
303-4	Water discharge	4.3. Water
303-5	Water consumption	4.3. Water

Circular economy		
GRI 3 (2021 review): Material topics		
3-3	Management of material topics	4.5. Responsible use of materials
GRI 301 (versione 2016): Materials		
301-1	Materials used by weight or volume	4.5. Responsible use of materials
301-2	Materials used coming from recycling	4.5. Responsible use of materials
SOCIAL RESPONSIBLITY		
Health and safety on the workplace		
GRI 3 (2021 review): Material topics		
3-3	Management of material topics	5.3. Employees' health and safety
GRI 403 (2018 review): Health and safety on the workplace		
403-1	Management of health and safety on the workplace	5.3. Employees' health and safety
403-2	Hazard identification, risk assessment and investigations concerning accidents/ incidents	5.3. Employees' health and safety
403-3	Occupational medicine	5.3. Employees' health and safety
403-4	Worker participation, consultation, and communication on occupational health and safety	5.3. Employees' health and safety
403-5	Worker training on occupational health and safety	5.3. Employees' health and safety
403-6	Fostering workers' health	5.3. Employees' health and safety
403-7	Prevention and mitigation of occupational health and safety impacts directly linked by business relationships	5.3. Employees' health and safety
403-8	Workers covered by an occupational health and safety management system	5.3. Employees' health and safety
403-9	Work-related injuries	5.3. Employees' health and safety
403-10	Occupational illnesses	5.3. Employees' health and safety
Talent attraction and retention		
GRI 3 (2021 review): Material topics		
3-3	Management of material topics	5.1. Our staff
GRI 401 (2016 review): Employment		
401-1	New hirings and turnover	5.1. Our staff
Staff training and development		
GRI 3 (2021 review): Material topics		
3-3	Management of material topics	5.2. Training in Carvico
GRI 404 (2016): Training and development		
404-1	Average annual training hours per employee	5.2. Training in Carvico
Diversity, gender gap and non discrimination		
GRI 3 (2021 review): Material topics		
3-3	Management of material topics	5.1 Our staff
GRI 405 (2016 version): Diversity and equal opportunities		
405-1/a	Diversity in governance bodies	3.3. Governance and administration model
405-1/b	Diversity among employees	5.1. Our staff

405-2	Salary gender gap	5.1. Our staff
GRI 406 (versione 2016): Non discrimination		
406-1	Episodes of discrimination and corrective measures adopted	5.1. Our staff
Responsible management and employees' wellbeing		
GRI 3 (2021 review): Material topics		
3-3	Management of material topics	5.1. Our staff
GRI 401 (2016 version): Employment		
401-2	Benefits provided to full-time employees that are not provided to temporary or part-time employees	5.1. Our staff
Involvement and support to local communities		
GRI 3 (2021 review): Material topics		
3-3	Management of material topics	8. Support to local communities
KPI		
	Financial contributions to local communities	8. Support to local communities
PRODUCT		
Safety, product quality and customer satisfaction		
GRI 3 (2021 review): Material topics		
3-3	Management of material topics	6.1. Attention to quality
GRI 416 (2016 version): Customer Health and Safety		
416-2	Non-compliance cases concerning impacts on health and safety of products and services	6.1. Attention to quality
GRI 417 (2016 version): Marketing and labelling		
417-2	Non-compliance cases concerning products and services data and labels	6.1. Attention to quality
R&D, innovation and product sustainability		
GRI 3 (2021 review): Material topics		
3-3	Management of material topics	6.2. Carvico commitment to R&D
GOVERNANCE, ETHICS EAND THE SUPPLY CHAIN		
Responsible management of the supply chain		
GRI 3 (2021 review): Material topics		
3-3	Management of material topics	7. The value chain
GRI 204 (2016 review): Sourcing/procurement practices		
204-1	Share of procurement spend on local suppliers	7. The value chain
Ethics and business integrity		
GRI 3 (2021 review): Material topics		
3-3	Management of material topics	3.1. Ethics and governance
GRI 205 (versione 2016): Anti-bribing		
205-3	Proven bribing episodes and corrective actions applied	3.1. Ethics and governance
GRI 206 (versione 2016): Anti-competitive behaviors		
206-1	Legal actions for anti-competitive behavior, anti-trust, and monopoly practices	3.1. Ethics and governance

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