

Sustainability Report 2024



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Sustainability Report

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Letter to Stakeholders

In 2024 Satta & Bottelli continued to implement its industrial plan with investments directly related to the improvement of corporate sustainability.

In the area of social sustainability, the agreement was renewed for the three-year period 2025-2027 with the workers' trade union representatives concerning the Result Bonus; this agreement provides for an improvement in economic values, economic performance, productivity and quality indicators were maintained.

In addition, a significant generational turnover programme was initiated with the hiring of six new recruits, resident near the company.

In the area of Environmental Sustainability, the company started up the new photovoltaic plant, with an area of about 10,000 square metres of covered roofs, the new 1.5 mln KWh/year plant will allow the self-production of about 18% of the company's annual needs.

In the area of quality certifications, Satta & Bottelli has also continued to invest, increasing production with low environmental impact and carrying out R&D projects in the selection of chemical products and dyes used. The Oekotex 100, GOTS and GRS certifications offer a solution to many customer demands for textile finishing processes that respect health and reduce environmental impact.

Despite a complex international context, characterised by numerous wars and increasingly unstable trade relations between the USA and Europe, the company's strategic and productive approach, prudent economic management and synergies with the Parent Company have enabled it to achieve positive economic results that allow continued investment in quality, innovation and customer service.

Activities that influence social, economic and environmental sustainability, with the aim of being the point of reference for Made in Italy textile finishing for the home and hospitality world.

Chairman of the Board of Directors
Dott. Alberto Paccanelli





01

Italian-made Quality since 1921

Our History

Manifattura Satta & Bottelli S.P.A. was founded in 1921 in Nerviano with the aim of providing trustworthy and flexible services in the textile finishing business.

It covers an area of approximately 100,000 sqm, of which 40,000 are indoors, employing about 130 people and boasting an annual output of 80 million sqm of cotton, linen and mixed fabrics for the home furnishing, furniture and hospitality sectors.

Technological investments, unwavering commitment and heartfelt passion drove the Company to achieve unmatched European market leadership as early as 1987

Satta & Bottelli joins the Martinelli Ginetto Group

In 2021 Manifattura Satta e Bottelli - also known as «la Satta» - turns 100 and joins the Martinelli Ginetto Group.

This is an important birthday that coincides with "La Satta" joining the Martinelli Ginetto Group, located in Casnigo (Bergamo), a world leader in the production of yarns and fabrics for the household linen and home furnishings sectors.

After a challenging and uncertain year for companies worldwide, the Martinelli Ginetto Group - through its subsidiary Finissaggio Tessile S&B - clinches the strategic acquisition of Manifattura Satta & Bottelli. The acquisition represents an opportunity to relaunch the company based in Nerviano (MI) and sets it on an ambitious course with the aim to modernize production and enhance the solid skills and know-how built up over more than a century in the business of serving the best Italian and European manufacturers.

The company's long-standing experience with manufacturing, its detailed knowledge of dyeing and production processes, its extensive range of machinery specialized in finishing a wide array of fabric types, all represent an important heritage that finds its fullest expression in a series of innovative treatments.

Furthermore, the Company has steadily invested in updating and expanding the purification and wastewater disposal plant, which represents a starting point for new, sustainability-related projects.

Many financial investments were made since the acquisition, both in terms of construction and plant engineering: in particular, a new 6,500 sqm warehouse was built for greige fabric storage, the dyeing department was expanded, new bleaching and mercerizing machines were installed, and three stenters were replaced. The number of calendering machines has gone from 5 to 7, while sanforizing and vintage treatments complete the vast array of finishes.

In the wake of these enhancements and investments, as well as the recent merger with fabric ennobling company Candeggio La Briantea, today we can boast a product line of wovens for table linen and cloths in finished widths from 40 cm to 340 cm.

MARTINELLI GINETTO
G R O U P

Manufacturing operations

Thanks to the many financial investments made to ensure continuous innovation of the production process, today our shop floor is made up of the following machinery:

6

Grey Fabric
Rolling Machines

2

Singeing
machines

1

Open-width
bleaching

1

Rope
bleaching

2

Mercerising
machines

5

Stenters

7

Calendering
machines

1

Equipment for
treating fabric to
achieve a vintage/
crumpled or worn-
out look

DYEING DEPT.

1

Grinder

4

Jiggers

3

Dyeing
Scarf

1

Continuous
washing

1

Laboratory

3

Roll fabric inspection
machines for quality
control (2 in the
finishing department
and 1 in the dyeing
department)

1

Sanforizing
machines

2

Rolling
machines

1

Automated packaging line
for fabric pieces and rolls

5

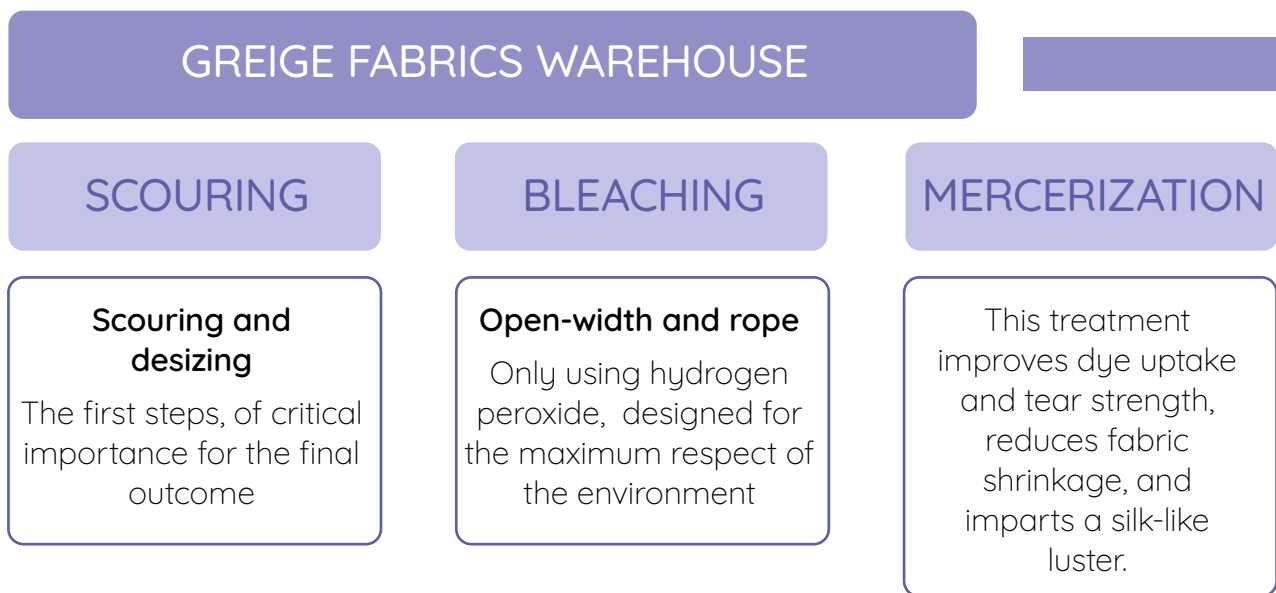
Palletizing
systems

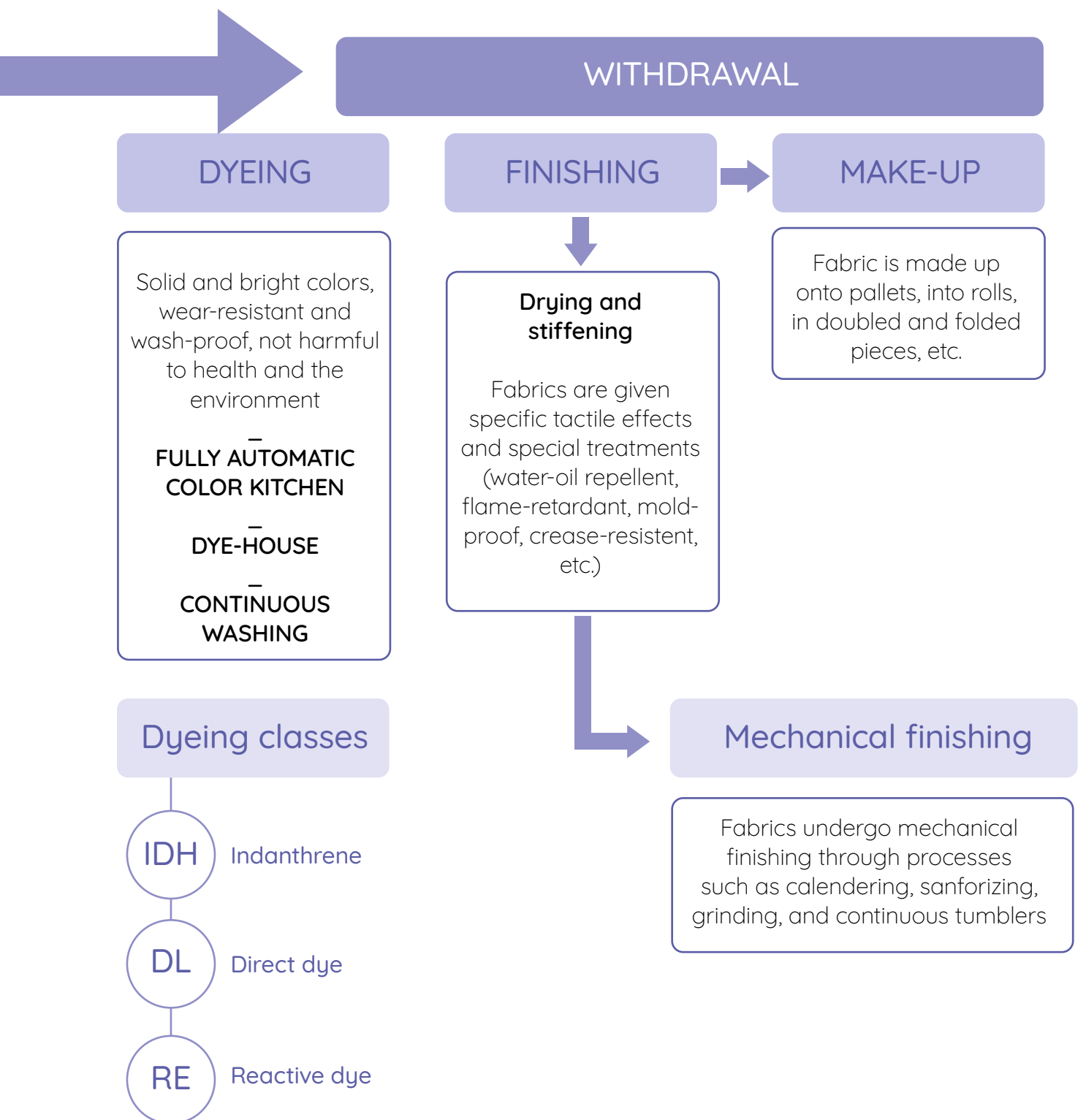
Production processes

At the Nerviano site



The flow chart below shows the production processes rolled out at the Nerviano site





Industry sectors

Satta & Bottelli operates mainly in 3 industry macro-sectors

SEMIFINISHED

- Ready for printing
- Ready for dyeing
- Ready for brushing
- Ready for coupling

HOME

Home textiles, household linens and furnishing fabrics, mainly cotton and linen.
Finished fabrics up to 340cm wide.

HOSPITALITY

TABLEWARE

Tablecloths ranging between 40cm and 340cm finished width.

BEDDING

Canvases, satins and percales made for the hospitality sector with a bleaching cycle that ensures product durability.

Certifications

The finishing cycles performed at Satta & Bottelli comply with industry requirements certified by:



Certified by OEKOTEX
Standard 100
OEKO-TEX® compliant



Certified by ICEA
ICEA-TX-1546
GOTS-compliant



Certified by ICEA
ICEA-TX-1546
GRS-compliant

02 GOVERNANCE

Highlights

19.557 K(€)

Economic value generated in 2024

99%

Italian suppliers



8 DECENT WORK AND ECONOMIC GROWTH



Left to right:
Luciano Martinelli
Alberto Paccanelli
Sergio Martinelli
Francesco Zenoni

Governance structure

Satta & Bottelli has been part of Martinelli Ginetto Group since 2021

Martinelli Ginetto Group is a diversified and dynamic manufacturing company and a veritable market leader in a number of textile industry sectors of the textile industry. Forever striving to create innovative solutions for indoor living, the company is proud to

showcase a product range that expresses research, expertise and elegance.

Satta & Bottelli is 100% owned by Martinelli Ginetto, which represents the parent company.

The corporate structure is summarized in the diagram below:

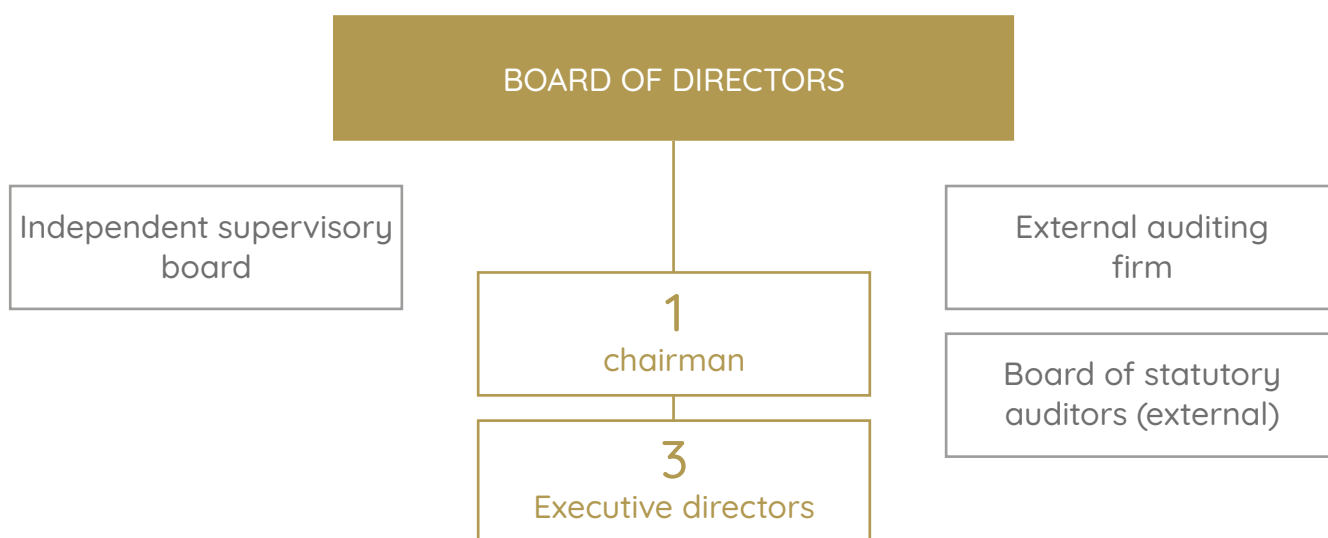


Board of Directors

Satta & Bottelli's Board of Directors is made up of 4 directors (1 chairman and 3 executive directors).

The Board of Directors, established by the parent company, has the crucial role of outlining the strategies to ensure the long-term success of the organization and safeguard the interests of its stakeholders. Such duties are fulfilled through a variety of activities, namely devising corporate strategies, appointing executives and monitoring their performance, providing financial oversight, assessing and managing risks, ensuring regulatory and ethical compliance, interacting and communicating with stakeholders, evaluating corporate performance, and taking critical decisions.

The Chairman of the Board of Directors is Alberto Paccanelli, responsible for corporate management and tasked with ensuring, guaranteeing and promoting the long-term success of the company and safeguarding the interests of its stakeholders. Also, a single-member Board of Statutory Auditors supervises compliance with current laws and regulations, compliance with the principles of good corporate administration and, especially, with the conformity of the Company's organizational structure. Also, an external auditing firm is tasked with certifying the Consolidated Financial Statements.



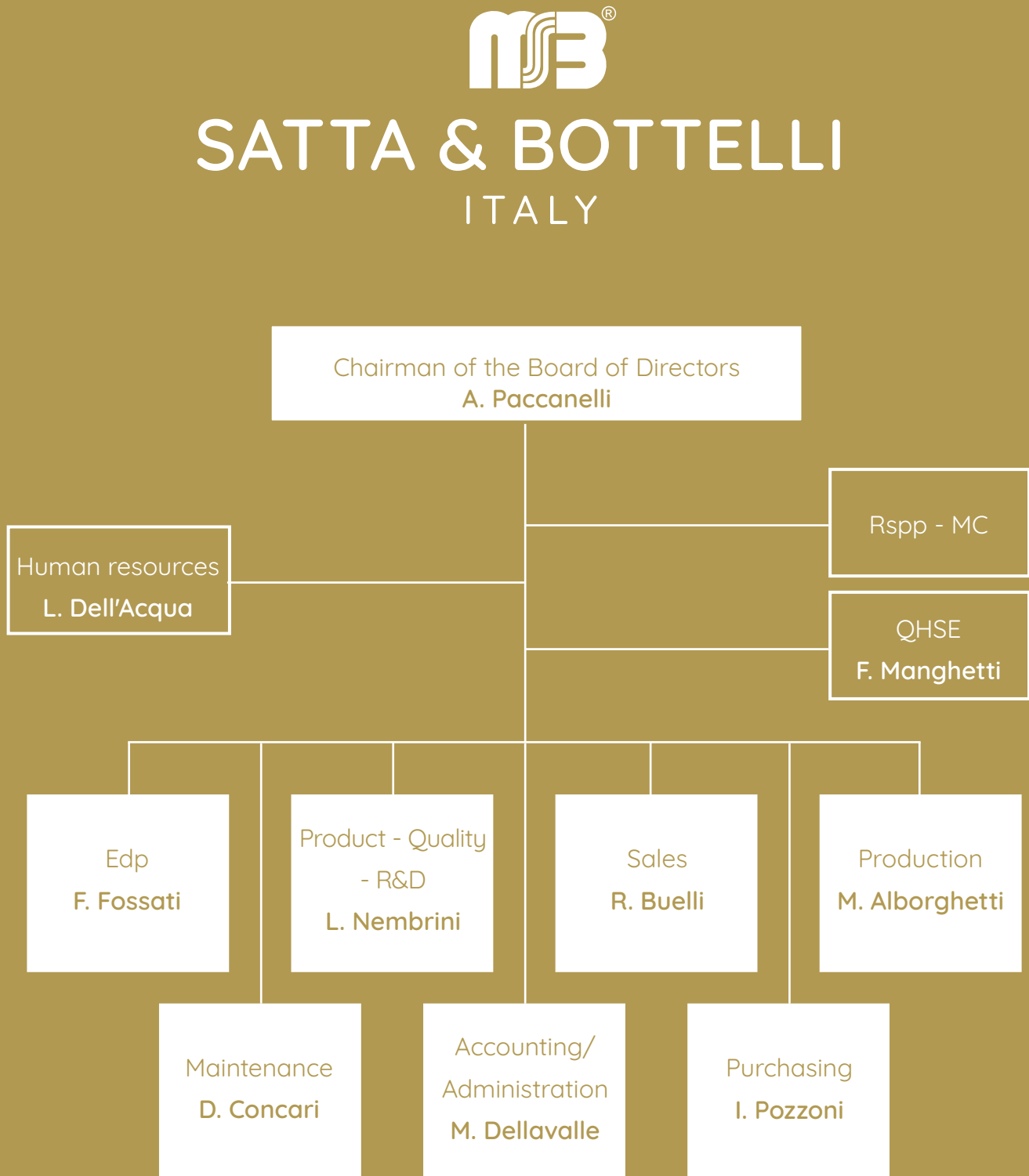
In order to ensure a proper running of corporate governance on a number of matters, key roles and responsibilities have been clearly set out by appointing heads of department for the following areas:

- Product, Quality, Research and Development
- Sales
- Maintenance
- Logistics
- HR
- Accounting and Administration
- QHSE
- Purchasing
- Electronic Data Processing
- Operations/Production

The heads of department report directly to the Chairman of the Board of Directors of the Nerviano site, Alberto Paccanelli.

Furthermore, within Production, department managers have been defined who report directly to the Production Manager.

The functional organization chart is shown below, where the above is illustrated:



Code of ethics and conduct

Acting with honesty and integrity

The Company's Code of Ethics and Conduct aims to ensure the Satta & Bottelli company, its managers and all its employees and associates conduct their business with honesty and integrity. The Code of Ethics includes a section on fighting corruption, a description of the company's approach to taxation, and a whistleblowing policy

in which the Organization undertakes to abide by the highest standards of transparency, integrity and accountability.

Any behavior that is deemed to be in violation of the Code of Ethics implies the application of disciplinary sanctions for the transgressors up to and including termination of the employment relationship.



Corporate policy

The company has adopted an Environmental and Social Responsibility policy

As part of this undertaking, the organization also is committed to allocating the technical, economic and professional resources necessary to fulfill its environmental and social responsibility objectives.

Environment

With particular regard to its statutory commitments towards environmental protection, the Company undertakes to:

- appoint a responsible person to manage all aspects pertaining to environmental protection;
- comply with current legislation and enforce any voluntary agreements regarding its own significant environmental impacts;
- carry out ongoing checks on its own production process and monitor the related environmental aspects, especially water and energy consumption and the production of solid waste and wastewater;
- set objectives and adopt procedures and/or work practices aimed at curbing water and energy consumption;
- adopt procedures and/or work practices aimed at curbing the production of solid waste and wastewater;
- adopt procedures for the prevention and management of environmental emergencies;
- provide company staff with continuous, adequate training on especially relevant environmental matters;
- adopt an improvement program.

Social responsibility*

With regard to Corporate Social Responsibility, the Company policy applies to the following issues:

- Freedom of association and right to collective bargaining
- Child labor
- Juvenile workers
- Occupational health and safety
- Prevention of any discrimination and abuse
- Fairness and transparency in employment contracts, working time recordkeeping, payment of wages due

*The company operates in accordance with the national textile workers contract, signed by the trade union representatives and Confindustria Moda

With particular regard to Corporate Social Responsibility, the Company undertakes to:

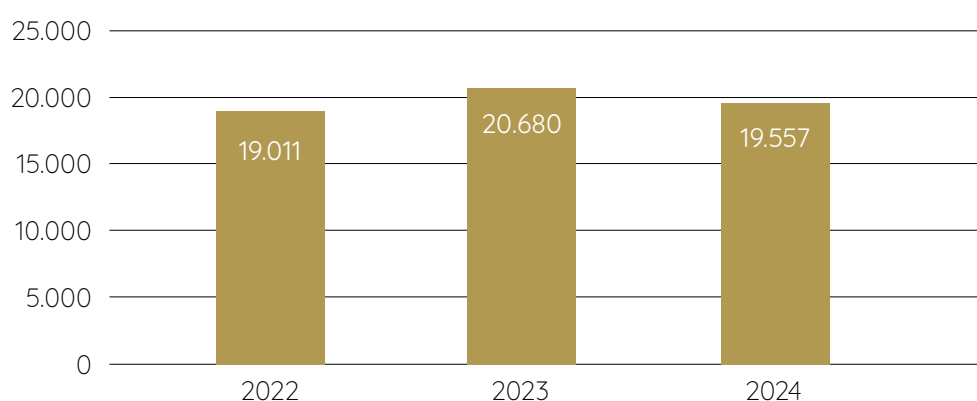
- appoint a responsible person for all matters pertaining to Social Responsibility;
- monitor compliance with social criteria and implement any necessary measures;
- inform company staff as to the content of the minimum social criteria and provide any other information relating to this as per the reference standard;
- keep records of each worker's name, age, hours worked and salary;
- allow company staff to appoint their own Social Responsibility spokesperson who can engage with Management to discuss the degree of implementation of social criteria and compliance therewith;
- keep records of complaints and address concerns raised by company staff or third parties with regard to the Organization's compliance with social criteria, and keep track of any corrective action taken;
- refrain from subjecting workers who raise concerns on the Organization's compliance with social criteria with disciplinary measures, termination of employment or other forms of discrimination.

Corporate strategy and economic performance

The table below provides a breakdown of the economic value directly generated, distributed and retained by the company in the two-year reporting period:

	Unit of measure	2022	2023	2024
Directly generated economic value: revenues	K€	19.011	20.680	19.557
Economic value distributed:	K€	18.566	18.594	15.415
- operating costs	K€	12.712	11.244	8.617
- employee wages and benefits	K€	5.178	6.127	5.724
- payments to capital providers	K€	272	937	941
- payments to public administration and local community investments	K€	404	286	133
Economic value retained: "Directly generated economic value" minus "economic value distributed"	K€	445	2.086	4.150

Directly generated economic value: (revenues k€)

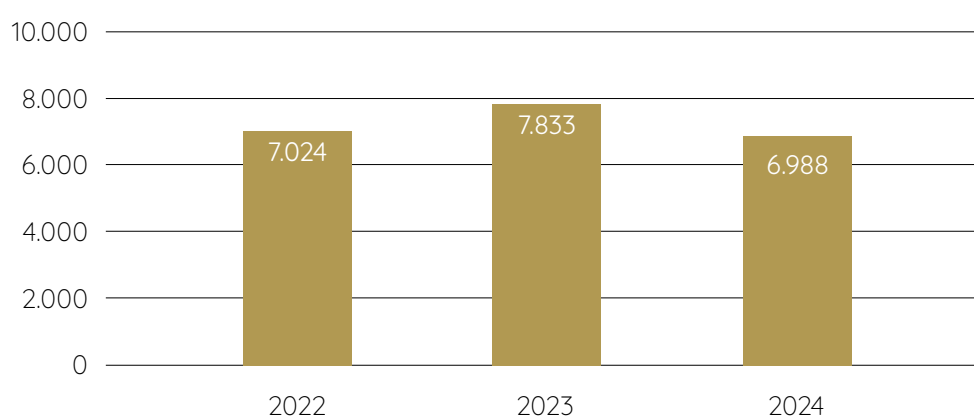


Over the three-year period analysed, revenues remained more or less constant. Since joining the Martinelli Ginetto Group, the Company has

launched a major revamping plan for the entire site; the extent of the invested capital is evidenced by the amount of economic value distributed.

In 2024, production volumes were downsized by about 10% in volume and about 6% in value. The reduction mainly affected lower-priced productions, traditionally channeled to customers present in the middle and lower-middle segments of the Italian market. This market segment shows marked foreign competition that reduces its share of the market produced in Italy. The decline of only 6% in value compared to 10% in volume also shows a tendency of Satta & Bottelli's customers to purchase higher value-added processing.

Manufacturing output (tonnes)



Satta & Bottelli's approach to taxation does not adhere to an actual fiscal strategy, but is oriented towards precise compliance with relevant Italian and EU fiscal regulations. The Company proceeds with the correct and timely determination and payment of taxes due by law and fulfilment of any related obligations. Fiscal matters are addressed firstly by the Head of Administration, who actively interacts with the tax consultant, both throughout the current fiscal year and while drafting the financial statements. The Head of Administration reports directly to the Company's Legal Representative,

Dr. Alberto Paccanelli, who in turn reports to the other Board members at the Directors' meeting. The management is also supervised by the Sole Auditor, Dr. Marzia Pezzoli, who carries out quarterly audits at Company HQ on fiscal matters. The core business of Satta & Bottelli does not present any particular tax issues. In the event of non-standard cases, the Head of Administration will always engage with the tax consultant to best address any complex scenarios and avoid any risk of regulatory non-compliance.

Supply Chain management

When it comes to sustainability, responsible supply chain management is crucial.

A key objective for the Organization is to ensure that each step of the production process meets high environmental, social and ethical standards is fundamental. Hence, the need to turn to local suppliers plays a crucial role, as this enhances environmental sustainability by reducing the impact of transport, while sustaining economic growth for local communities.

As evidence of this, almost all of the raw materials sourced by the company (calculated on turnover) come from Italian based suppliers (99.8%), most of whom belong to international corporations.

To date, the supplier qualification system is based exclusively on parameters such as price and quality. However, Satta & Bottelli has set itself the goal of implementing a supplier qualification that also takes into account environmental and social criteria. In the context of OEKOTEX, GOTS and GRS certifications, a more rigorous supplier qualification scheme is put in place in order to guarantee product suitability and its traceability throughout the entire production process.

With regard to the raw materials sourced by Satta & Bottelli, these are mostly chemicals used in the fabric finishing process.

Below is a list of the main chemicals purchased by the Company:

MATERIALS	Unit of measure	2022	2023	2024
Auxiliary chemicals	kg	328.543	379.677	388.205
Auxiliary chemicals for water purification	kg	25.480	27.600	16.400
Lye (caustic soda)	kg	3.329.130	3.476.530	2.920.220
CO ₂	kg	1.361.840	1.435.180	1.354.683
Colorings/Dyes	kg	18.722,50	21.075	16.560
Hydrogen peroxide	kg	613.960	706.580	601.450
Other (Sodium Silicate)	kg	128.920	148.340	129.560
Other (Sodium Hydrosulphite)	kg	3.270	11.280	10.700
Salt for water softening	kg	527.170	591.060	622.000
Paper / cardboard	kg	27.121	34.308	18.900
Plastic	kg	30.021	37.417	28.198
Of which recycled	%	20,29	41,15	42,56
Timber/wood	kg	95.739	141.702	100.430
Of which recycled	%	7,31	25,72	32,27

03 SOCIAL

Highlights

727 Hours of training in 2024 on Health and Safety

123 Total headcount in 2024

100% of staff employed on open-ended contracts

3 GOOD HEALTH
AND WELL-BEING



Human resources

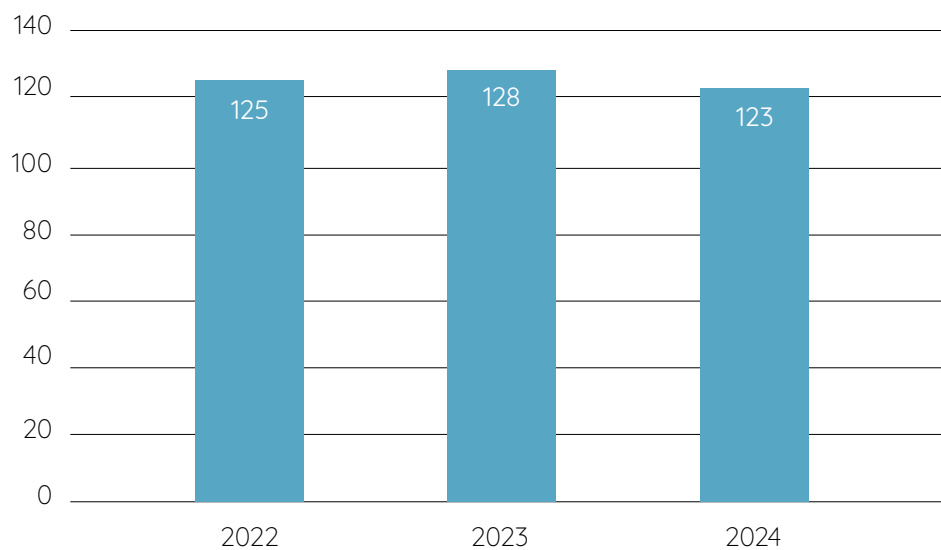
By 2024, Satta & Bottelli workforce accounted for 123 employees

EMPLOYEES

Total headcount has stayed almost unchanged over the three-year period. The new company has taken on all the employees of the previous

management, as well as having hired some workers from the Arcore site, extending an offer to provide a carpooling service consisting of 4 full electric cars.

Total headcount

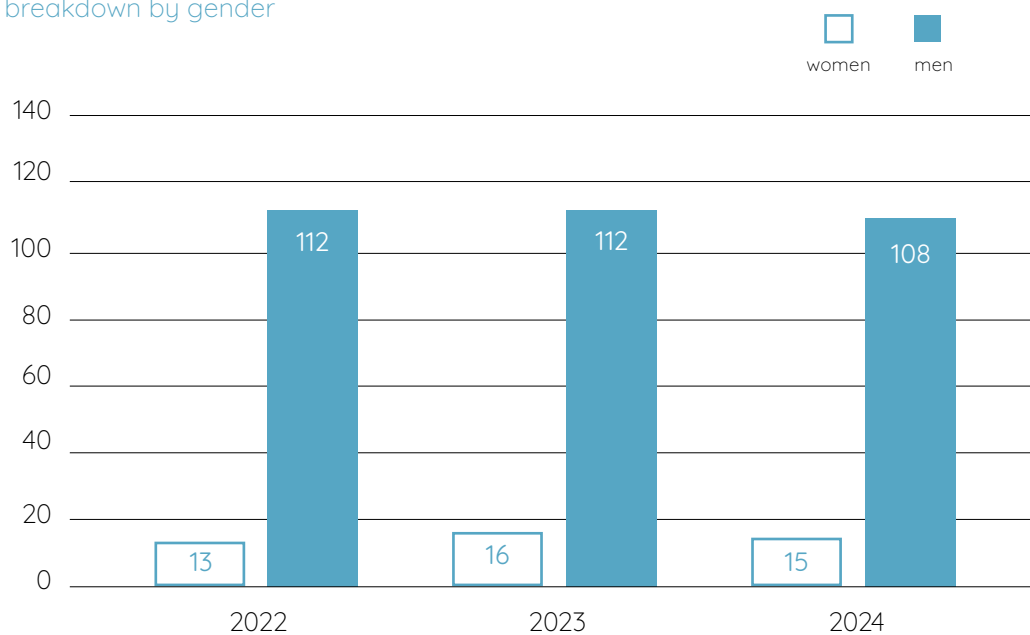


GENDER

Satta & Bottelli's operations represent an industry type that has proven to draw more men than women over the years. This is borne out by the fact that only 12.2% of its workforce are women.

Female employees are mainly represented in clerical roles and in the quality control department.

Workforce breakdown by gender

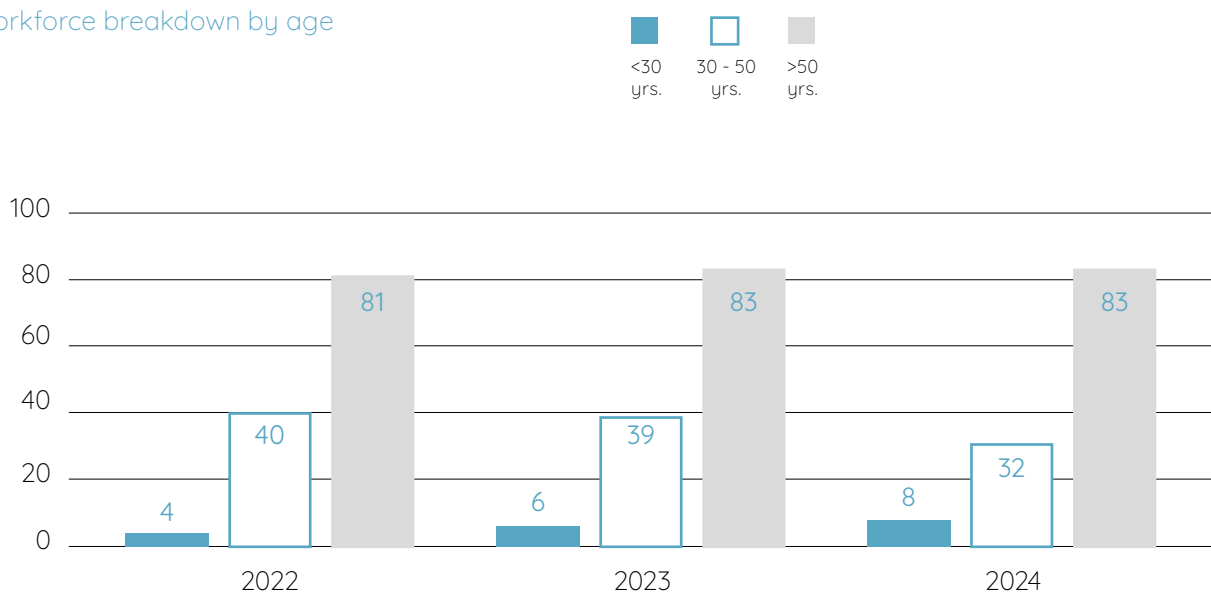


AGE

Most company workers are over 50 years old, as the work model requires highly qualified personnel who need a long time for building the necessary skill set, and undergoing the relevant training before being hired.

In addition, Satta & Bottelli offers job continuity and stability to its employees, who often end their professional career by staying with the company until retirement.

Workforce breakdown by age



Since 2022, the company has set out to purposely hire local young talent to be coached by experienced staff, capable of passing down the company's specific expertise. The objective is to raise a new generation of workers, the cornerstone of the company's future.

78% of heads of department come from local communities.

No employee took parental leave in the three years examined.

Tracking staff turnover

The company annually tracks staff turnover by age group

Company staff turnover, also known as employee turnover rate, is a metric used to track the rate of entry and exit of employees from an organization over a given period of time.

The company records this value annually by age group.

NEW HIRINGS	Unit of measure	2022	2023	2024
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New hirings	n	22*	12	7
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By age group

Below 30 years of age	n	2	2	5
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Between 30 and 50 years of age	n	5	5	0
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Over 50 years of age	n	15	3	2
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EXITS	Unit of measure	2022	2023	2024
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Total exits	n	17	13	9
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By age group

Below 30 years of age	n	1	2	0
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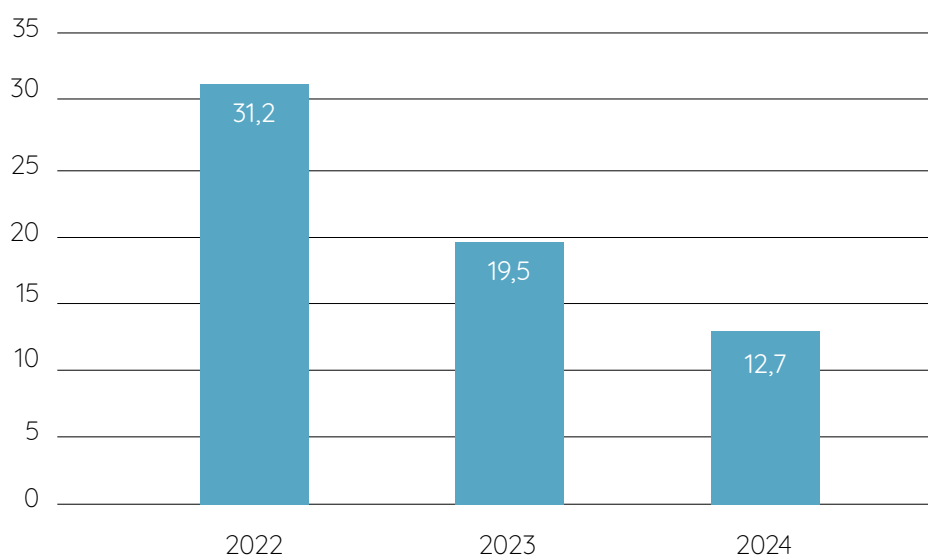
Between 30 and 50 years of age	n	5	4	2
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Over 50 years of age	n	11	7	7
----------------------	---	----	---	---

*It is important to consider that in 2022 the number of new hires is affected by the integration of personnel from the Arcore plant.

The total turnover rate was calculated on the basis of annual new hirings and departures. In 2024 this stands at 12.7%, down from 31.2% in 2022.

Company staff turnover rate (%)



Occupational Health and Safety

At Satta & Bottelli, health and safety at work is an absolute priority

At Satta & Bottelli, safeguarding occupational health and safety is an absolute priority, considering that the industry sector features complex industrial processes that involve significant risks for workers if not managed with the utmost care. It is therefore essential to adopt rigorous measures to guarantee a safe working environment and to safeguard the health of employees.

Although the manufacturing facility is not ISO 45001 certified, a management system compliant with the relevant HSE regulations has been implemented.

This system was designed to support and promote best practices in health and safety at work, paying particular attention to this important issue with the aim of reducing as much as possible not only accidents at work and occupational diseases, but also the unsafe conditions that could contribute to such accidents arising. This system is managed and carefully monitored by the internal HSE office, which actively engages in identifying and mitigating risks, adopting effective safety procedures and ensuring compliance with current regulations.

With regard to staff training, the company tracks the number of hours allocated annually. Below is the total number of hours of mandatory and non-mandatory Health and Safety training over the course of the reporting period. Basic and specific training is considered, along with related updates, training courses for forklift operators and training for line managers.

Hours allocated to health and safety training

2022 **176**

2023 **400**

2024 **727**

Hours allocated to non-mandatory training

2022 **25**

2023 **10**

2024 **28**

The following table shows the total number of recordable incidents:

	2022	2023	2024
Number of recordable incidents	3	7	7
Number of lost days due to recordable incidents	41	139	261
Severity index	0,23	0,65	1,27
Frequency index.	16,53	32,63	33,33

Since 2022, the company has addressed the occupational safety issues inherited from the previous management. The Company's goal is to enhance health and safety standards for all workers, through continuous improvement, as well as putting in place all kinds of prevention and protection measures as required by current legislation. Health Surveillance was carried out regularly, in the same way periodic safety meetings were held involving the Management, Safety Manager (RSPP), Safety Representatives (RLS) and Company Doctor (MC). Nevertheless, the Company seeks to promote employee participation in the process of occupational

risk prevention and protection towards themselves, co-workers and contractors. A reporting system of near-misses, first aid cases and unsafe conditions has been introduced, which aims to raise awareness on risk management among workers, starting with line managers.

The main types of reportable incidents are injuries caused by mechanical hazards.

In 2024, no occupational diseases were reported.

Since late 2023, the Health and Safety management system was further strengthened, involving the hiring of a new RSPP and raising worker participation concerning Occupational Safety and Risk Prevention.



Working at Satta & Bottelli

The employment contract applied for all Satta & Bottelli employees is the National Textile-Apparel-Fashion Framework Contract

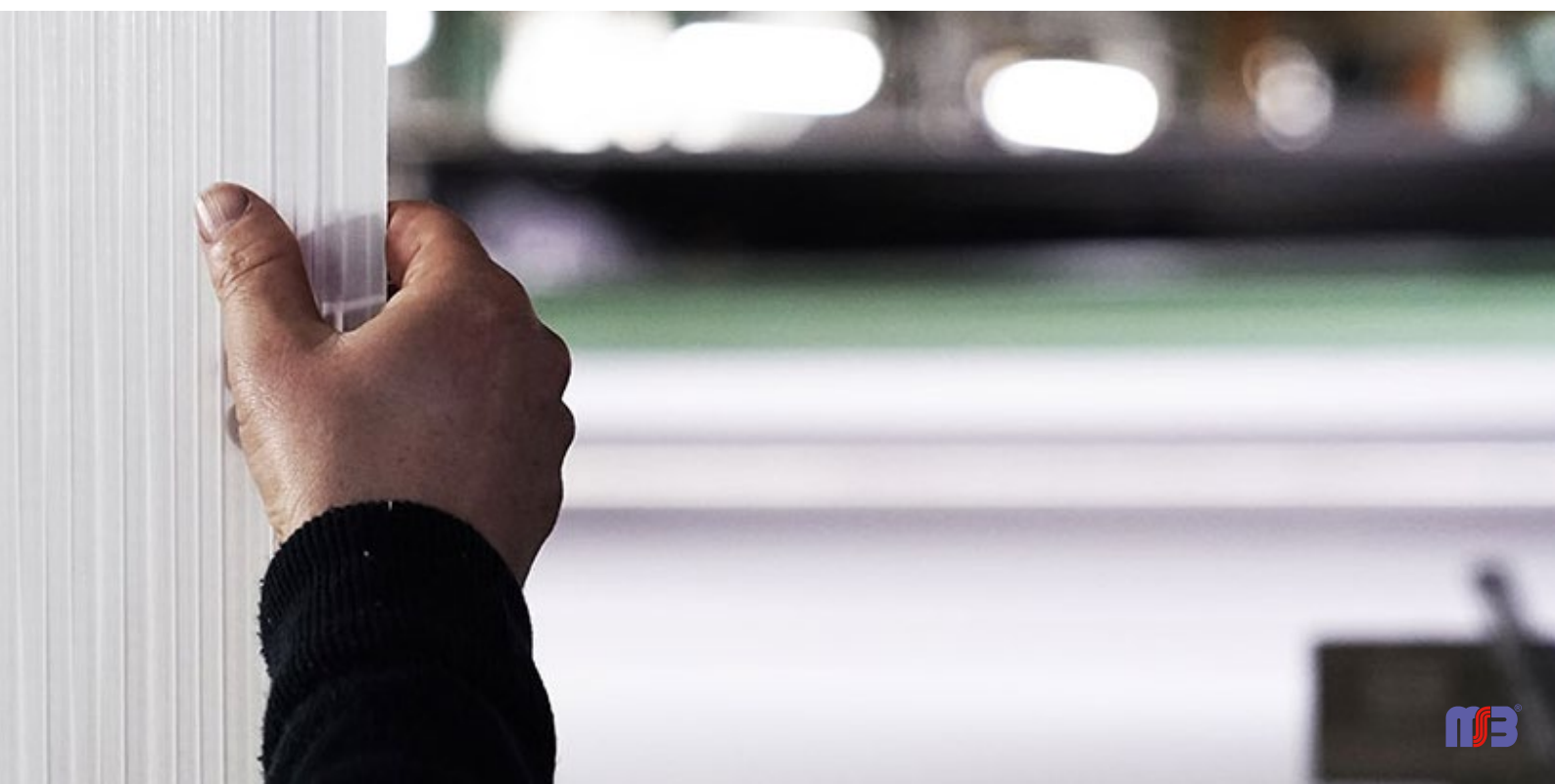
Since July 2022, the company has rolled out the Production Bonus (P.D.R.), extending it to all employees, including those with part-time contracts. This bonus aims to acknowledge and incentivize excellent performance, rewarding employees based on specific parameters ranging from financial results to product quality, productivity and workplace safety, in agreement with the trade unions.

The monies awarded are eligible for tax incentives and are paid over the course of the year following the evaluation of company performance.

This initiative aims to foster employee involvement and motivation, encouraging the workforce to meet

the company objectives and contributing towards a rewarding and stimulating work environment.

For the three years under scrutiny, a study was carried out comparing the average gross hourly wage between male and female workers in the company, revealing a minimum difference of 1% in favor of male workers. This highlights the success of the company policy against gender discrimination since pay is calculated solely on the basis of actual employee performance and engagement. The principle of meritocracy is firmly upheld, ensuring fairness and equity in pay for all staff members, regardless of gender.



04 ENVIRONMENTAL

Highlights

-33%

CO₂e emissions in 2024
compared to 2023

571.558

m³ of water consumed
in 2024 drawn from
a well, purified and
then released into the
surface water body

99%

of waste produced
classified as
non-hazardous
in 2024

7 AFFORDABLE AND
CLEAN ENERGY



13 CLIMATE
ACTION



At Satta & Bottelli, environmental commitment is a key element for growth

The Company has made the steady reduction of its environmental impacts a core element of its activities. This applies to, among others, energy consumption, the responsible use of water resources throughout the production cycle, with special attention to the principles of a circular economy.

Environmental awareness is important throughout the supply chain, so much so that every year the company receives customer audits to verify environmental requirements.

Preventing environmental matrix contamination

The company pays close attention to its environmental impact

First of all, regarding the treatment of wastewater from production activities, this is discharged directly into the Olona River. The company's purification plant can guarantee a full exploitation of the water, whose chemical-physical parameters are well within the legal limits. Over the last two years, major investments have been made in the area of sustainability. In 2022, the diathermic oil boilers were replaced with smoke tube boilers and two-stage economizers.

This has led to greater energy efficiency in steam production. At the same time, another boiler was purchased only for the purpose of heating the assembly and finishing departments. The energy

saving from replacing the boilers amounts to 172 tons CO₂/year for electrical power and 750 tons CO₂/year for thermal power.

Furthermore, in 2023, 4 heat recovery units were installed on the hot wastewater discharges from the bleaching and mercerizing processes. The savings, in terms of tonnes of CO₂/year, are 619 for bleaching and 154 for mercerizing. The installation of a photovoltaic plant with a capacity of 1,519 kW was completed in 2024. Thanks to the use of renewable energies, approximately 694 tonnes CO₂/year are avoided. Other investments in energy saving and efficiency are underway and will start in 2025.

Chemical management

Correctly managing raw material purchasing and the supply chain are key elements for a successful business like Satta & Bottelli.

In relation to turnover, 99% of suppliers are registered in Italy. The Company has built long-term partnership relationships with the most relevant suppliers. The performance of suppliers is subject to continuous evaluation; to support this process, a new IT system is being implemented that also includes monitoring and evaluating the performance of all suppliers, also from an environmental and social point of view. This investment will ensure the Company is ready to comply with the new European trade regulations that will make supply chain verification and traceability mandatory.

The main raw materials and quantities sourced in the three-year reporting period are presented below:

2024 2023 2022

Salt for water softening

622.000 kg
591.060 kg
527.170 kg

Sodium Hydrosulphite

10.700 kg
11.280 kg
3.270 kg

Sodium silicate

129.560 kg
148.340 kg
128.920 kg

Hydrogen peroxide

601.450 kg
706.580 kg
613.960 kg

Colorings/Dyes

16.560 kg
21.075 kg
18.723 kg

CO₂ for purification plant

1.354.683 kg
1.435.180 kg
1.361.840 kg

Lye (caustic soda)

2.920.220 kg
3.476.530 kg
3.329.130 kg

Auxiliary chemicals for water purification

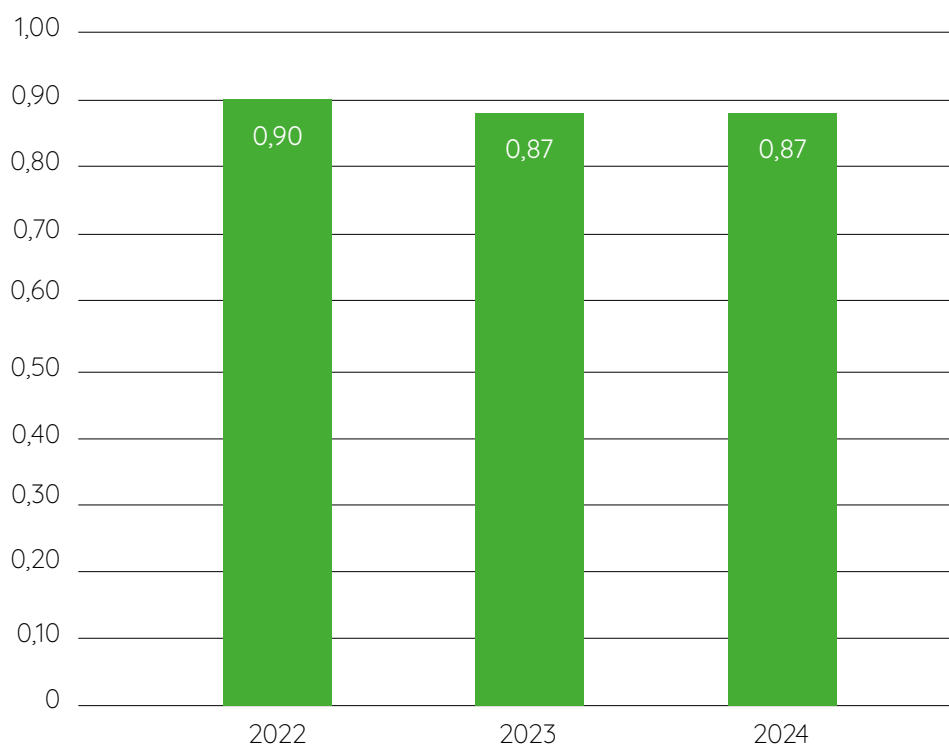
16.400 kg
27.600 kg
25.480 kg

Auxiliary chemicals

388.205 kg
379.677 kg
328.543 kg

The company's ongoing efforts to optimize production processes is evidenced by the ratio between chemical use and production output. In 2024, 30 kg less chemicals were consumed for every 1000 kg of goods produced against the 2022.

Ratio of chemical use and production output (kg/kg)



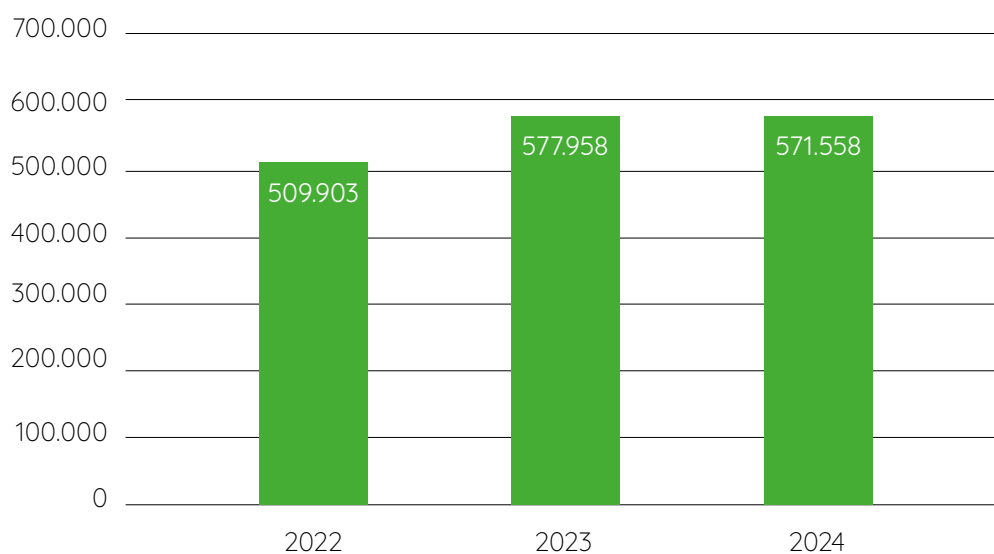
Water and energy consumption

Satta & Bottelli is mindful of the need to preserve the integrity of ecosystems attached to water bodies.

The company operates in compliance with the AIA authorization (Integrated Environmental Authorization), as it draws water from the well, purifying it, and releasing it into the Olona river.

The water intake values are given below:

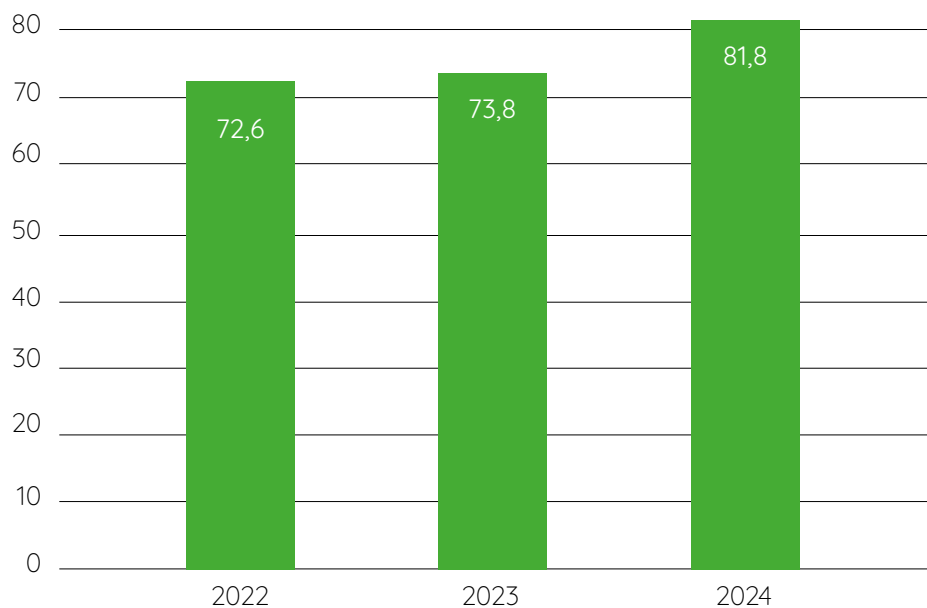
Water intake (m³)



Almost all of this water (99.7% in 2022, 99.2% in 2023 and 99,8% in 2024) is drawn from a well, while the remaining intake is drawn from the aqueduct. In catering to its own water requirement, Satta & Bottelli allows the reuse of groundwater drawn from its own wells by releasing it into a surface water body, after post-production treatment.

Water consumption compared to production output is reported below:

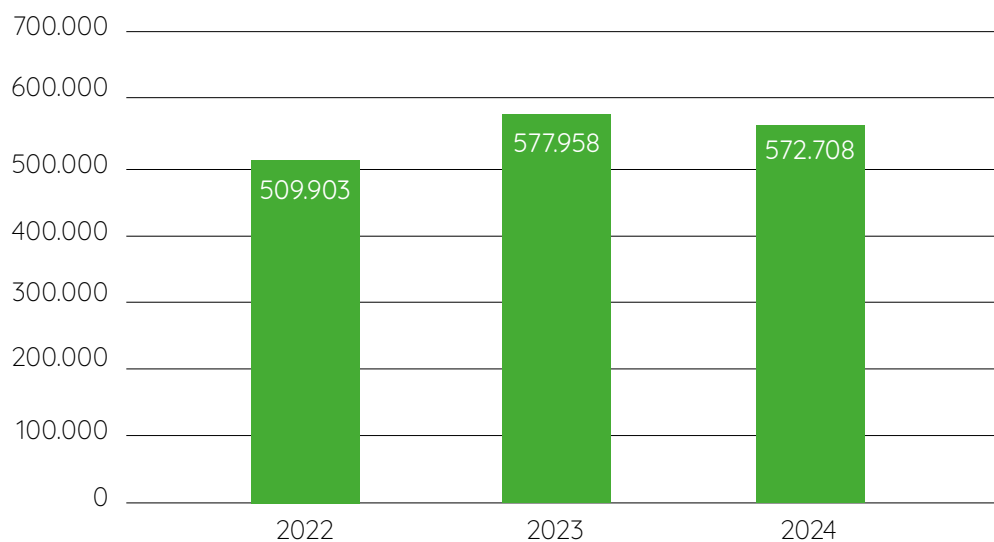
Water consumed on production output (m³/ton)



As mentioned, the biological purification plant near the Olona River operates all year round, and ensures an environmentally sound and effective treatment of wastewater resulting from company processes. At this point, the water is fully within the required chemical-physical limits and can be released straight into the river.

Below are the water discharges in the three-year period, as well as the quantity and type of pollutants present in the discharges; these undergo routine analysis in compliance with the provisions of the monitoring plan of the Integrated Environmental Authorization:

Water discharges (m³)



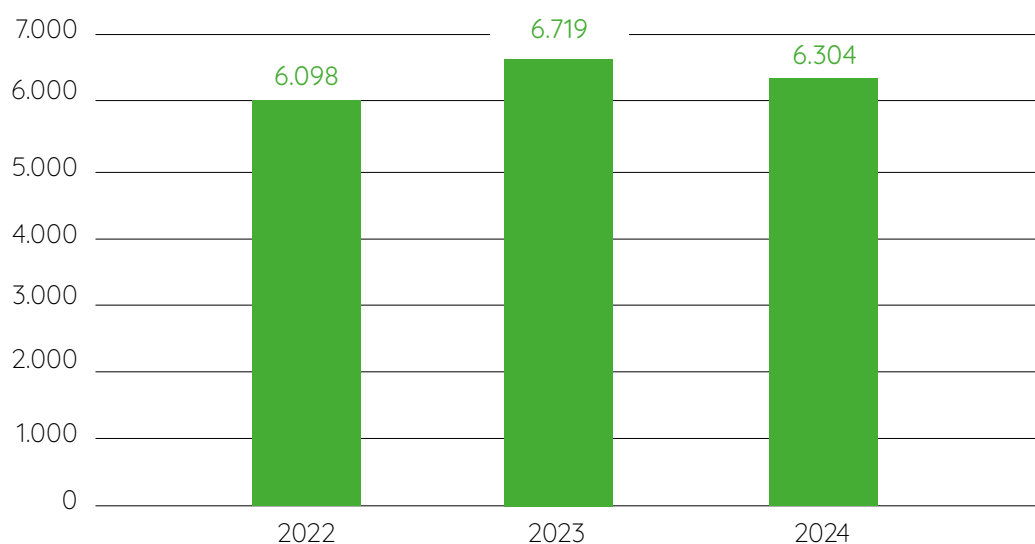
POLLUTANT	Unit of measure	2022	2023	2024
NITROGEN (TTL)	kg/y	969	1.193	1.203
PHOSPHOROUS (TTL)	kg/y	1.329	1.484	1.398
CADMIUM and compounds	kg/y	1	1	1
CHROME and compounds	kg/y	13	14	14
COPPER and compounds	kg/y	14	15	19
NICKEL and compounds	kg/y	6	3	3
LEAD and compounds	kg/y	3	3	3
ZINC and compounds	kg/y	33	19	20
Total organic carbon (TOC) stated as C tot or COD/3	kg/y	19.315	12.155	13.700
CHLORIDES (Stated as total Cl)	kg/y	300.750	274.110	375.721

ENERGY

Electricity powers only the production plants, while the factories are heated by a natural gas power station. Since 2024, the company has undertaken several initiatives to reduce the environmental impact associated with electricity consumption by exclusively using renewable sources. For energy taken from the grid, Guarantees of Origin (GO) have been purchased, while the installation of a 1,519 kW photovoltaic system has been completed. It is estimated that the latter will cover about 18% of the company's energy needs in the coming year

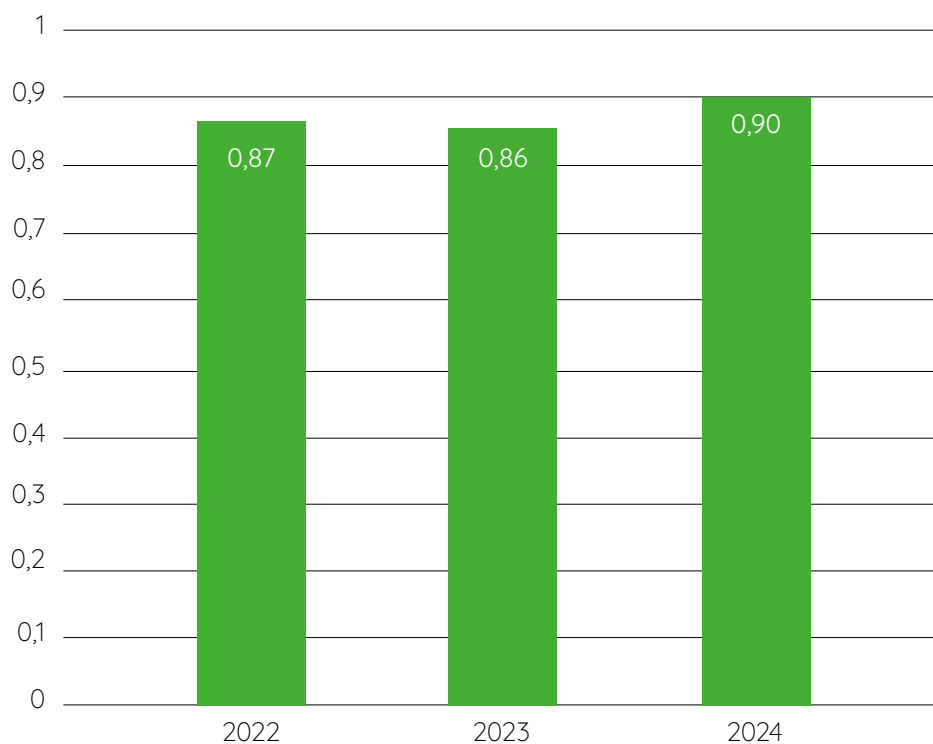
The energy consumption is as follows:

Electric energy consumed (MWh)

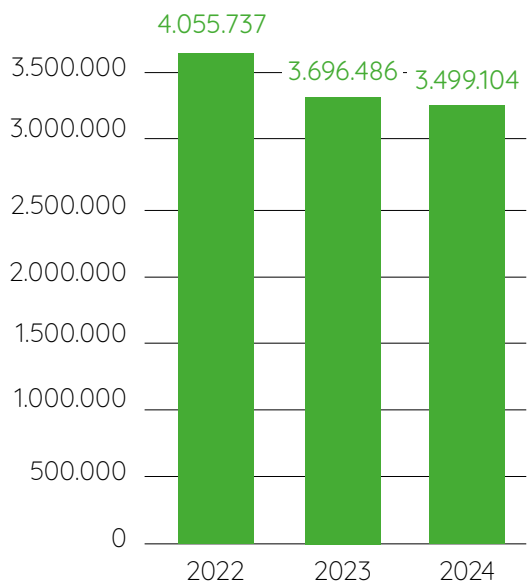


Over the three-year period analysed, the ratio of total electricity consumption to production volumes shows a steady trend, with a slight increase in 2024.

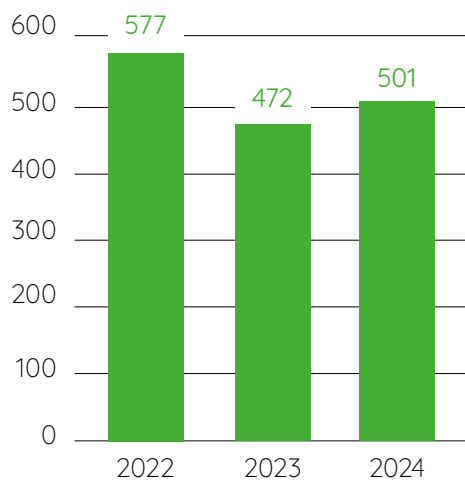
Electric consumption on production output (MWh/ton)



Natural gas consumption (Smc)



Methane consumption on production output (Smc/ton)



The installation of heat recovery units on the hot wastewater discharges of the bleaching and mercerizing plants, together with the replacement of diathermic oil boilers with fire tube boilers and

two-step economizers, has brought a drop in natural gas consumption compared to 2022.

Greenhouse gas emissions

Satta & Bottelli is mindful of the need to act fast in order to mitigate climate change, and deems the Paris Agreement objectives of strategic importance.

Greenhouse gas emissions are generated along the entire value chain of a product, since its production processes constitute the main cause of such emissions.

The following greenhouse gas emissions were calculated:

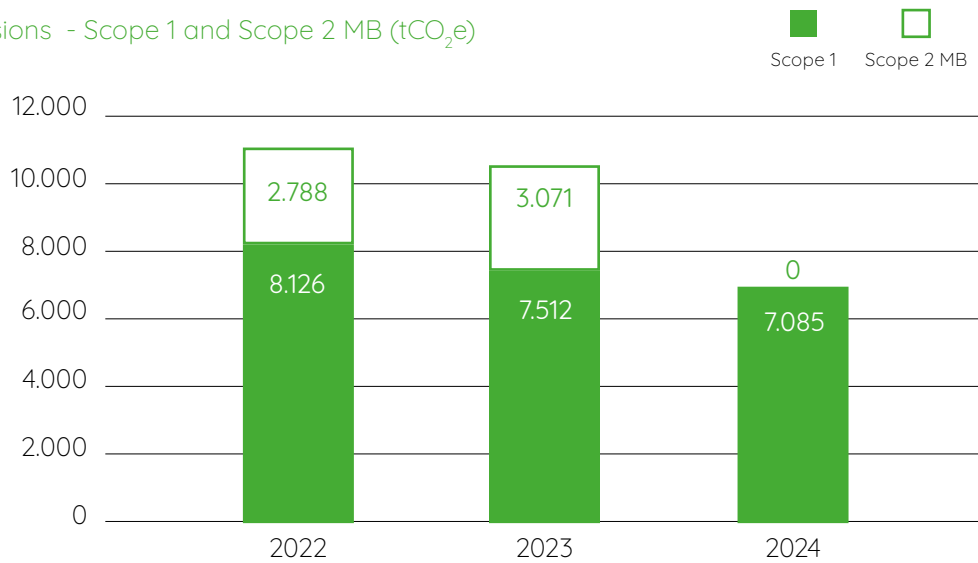
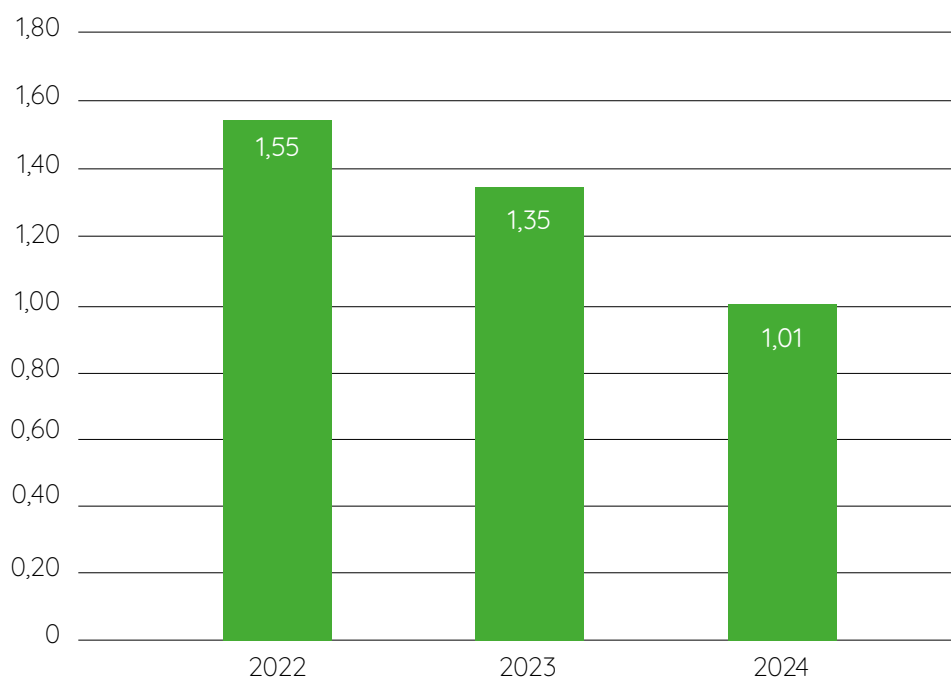
- direct emissions generated by company operations (Scope 1), i.e. natural gas and fuel consumption for company vehicles and losses of refrigerants gases;
- indirect emissions from the purchase of energy (Scope 2).

Scope 2 emissions were calculated using two distinct methods:

- “location based”, which takes into account the national average emission factor of the local electricity grid or other energy networks;
- “market based”, which takes into account the energy fed into the electricity system by the organisation's supplier net of Guarantees of Origin, making the value highly representative of the actual situation.

GHG EMISSIONS	unit of measure	2022	2023	2024
Scope 1	tCO ₂ e	8.126	7.512	7.085
Scope 2 (location based)	tCO ₂ e	1.544	2.050	1.725
Scope 2 (market based)	tCO ₂ e	2.788	3.071	0
Scope 1+2 (market based)	tCO ₂ e	10.914	10.583	7.085

In 2024, emissions associated with the purchase of electricity were completely reduced to zero through the use of Guarantees of Origin (GO). Residual emissions are mainly from natural gas consumption, which is the company's main source of emissions.

GHG Emissions - Scope 1 and Scope 2 MB (tCO₂e)CO₂e Emissions on production output (ton/ton)

Investments in energy efficiency resulted in a **reduction of greenhouse gas emissions of 536 kg** per tonne of fabric processed in 2024, compared to 2022 values.

Financial implications due to climate change

In accordance with GRI 201-2, the financial implications or other risks and opportunities due to climate change have been assessed

By identifying the following impacts on the Organization, categorized into physical and transitional:

Physical impacts	Transitional impacts
• Extreme weather events (droughts, floods, storms) • Progressive/gradual changes with lasting impact (higher temperatures, depletion of aquifers)	• Changes in environmental laws and regulations, with particular reference to the Best Available Technologies (BAT) that will come into force in January 2026 for the relevant industry sector • Technological and behavioral changes (consumer confidence) • Reputation/trust in markets

This assessment has yielded the following risks and opportunities:

- Higher insurance premiums due to a rise in extreme weather events
- Greater legal and fiscal consequences for businesses that fail to comply with environmental protection laws
- Possibility of signing contracts for electricity and methane gas produced exclusively from renewable sources that are not economically viable.

For 2023, the financial burden due to climate change has been quantified at approximately €122,000, which includes the expenses incurred for adapting the wells as a result of the lowering of the water table, and repairing and restoring the facility's roofing following extreme weather events.

In 2024, the company invested in sustainability by replacing 5 diesel vehicles with electric cars and upgrading the office building with a heat pump, thermal insulation, and other measures aimed at improving energy efficiency

Circular economy

Satta & Bottelli is committed to developing a circular economy model

The textile industry stands out as one of the largest producers of waste on a global scale and, because it is very much aware of this challenge, Satta & Bottelli is committed to developing a circular economy model. This commitment not only aims to minimize waste generation throughout its production cycles, but also to maximize waste recovery. This strategy not only benefits the company itself, but also contributes to environmental sustainability on a global scale, promoting a responsible approach towards resources and the environment.

The Circular Economy model is a production and consumption paradigm that places great importance on waste reduction and resource optimization. This model aims to maximize the chances of reintroducing materials into the economic cycle through their recovery and reuse in production processes.

This makes for higher added value and extends the life of materials as long as possible, thus helping to mitigate environmental impact and promote long-term sustainability.

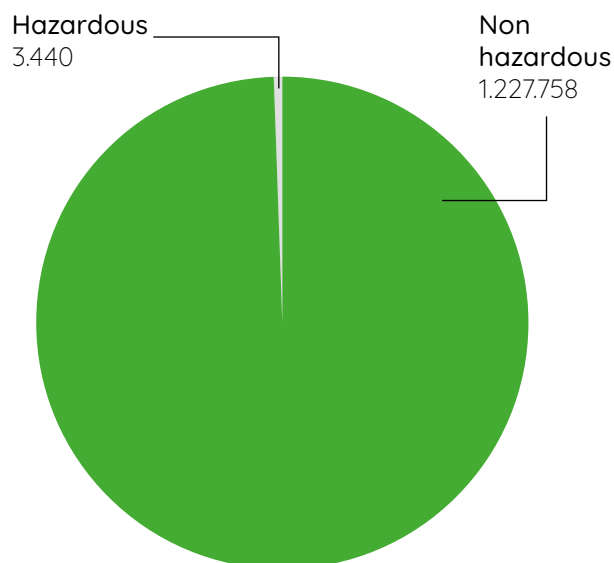
	Unit of measure	2022	2023	2024
TOTAL WASTE	kg	790.236	964.396	1.231.198
Hazardous	kg	19.810	3.896	3.440
Non Hazardous	kg	770.426	960.500	1.227.758

whereof

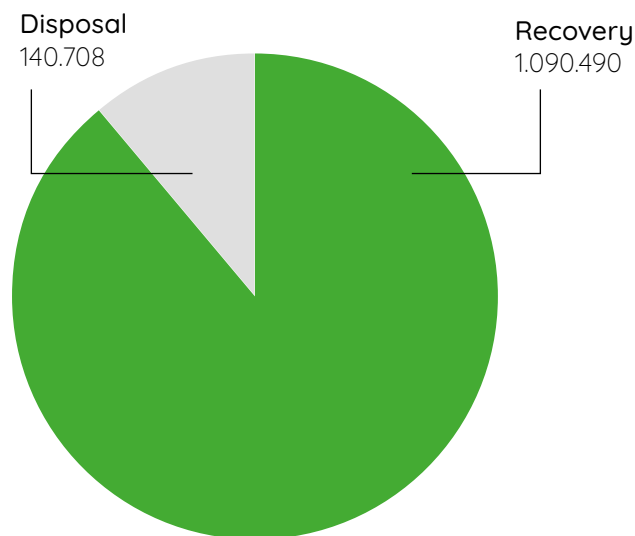
Waste recovery	kg	563.496	633.235	1.090.490
Waste disposal	kg	226.740	331.161	140.708

In 2024, hazardous waste accounted for only 0.3% of total waste produced

Waste produced (kg) - 2024



Destination of waste (kg) - 2024

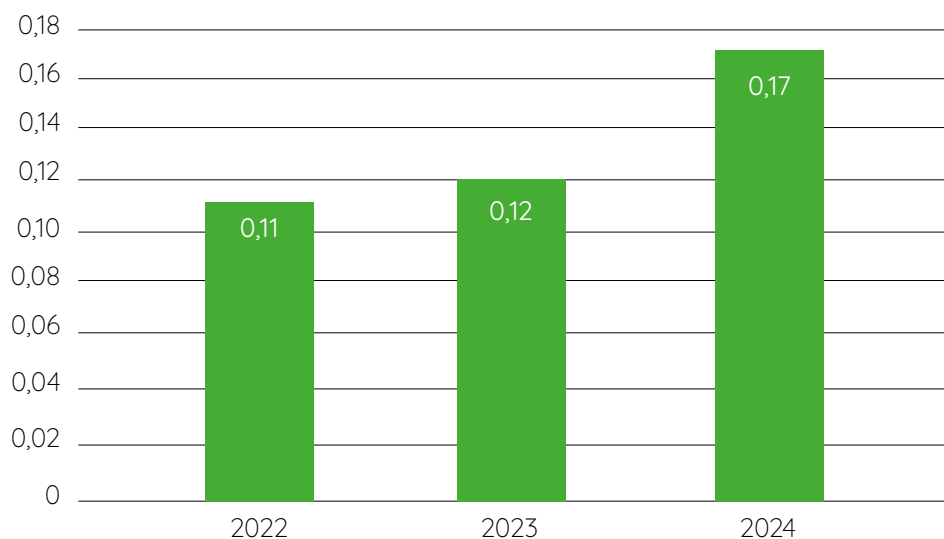


In 2024, waste sent for recovery accounted for 88% of the total amount produced.

In 2024, the amount of waste sent for recovery increased by 17% compared to 2022.

The following ratio shows waste produced and production output, which has remained constant in the two-year reporting period:

Waste produced on production output (ton/ton)



The waste generated in production processes was sent to material recovery (recycling) for 71% of the total in 2022, for 65% in 2023 and for 88% in 2024. Non-hazardous waste accounted for more than 98% of the waste generated over the three-year period.



05

METHODOLOGICAL NOTE

Reporting scope, purpose and contents

This sustainability report is addressed to all stakeholders of Satta & Bottelli with the aim of highlighting the actions undertaken with regard to the Group's sustainability objectives and, on this basis, to respond to the expectations of all its stakeholders.

In order to allow for a deeper understanding of the Company's business activities, its results, and the impact generated by its undertakings, this document encompasses the entire organizational, economic, environmental and social context both inside and outside the Company's premises.

This document has been drafted in accordance with the "Sustainability Reporting Standards" defined by the Global Reporting Initiative (GRI) version 2021 - "with reference". Furthermore, the

GRI Content Index of this document reports the correlation of the indicators used with the new ESRS (European Sustainability Reporting Standards) to align reporting with the new European Standards, which came into force in 2023 along with the Corporate Sustainability Reporting Directive (CSRD).

In this regard, Satta & Bottelli has initiated process of identifying the "relevant" topics that were discussed in December 2023 with the main internal stakeholders in the manner outlined in paragraph 2 "Materiality analysis and material aspects".

In an effort to correlate the Company's objectives to the targets set by the international community, the UN 2030 Agenda's relevant Sustainable Development Goals (SDGs) have been aligned with the relevant material topics.



Reporting scope

The reporting scope refers to the company Satta & Bottelli S.r.l., located in Via delle Cave, 3 - 20014 Nerviano (MI).



Materiality analysis and material aspects

The materiality matrix can be read as the graphic representation of “material” issues, i.e. those themes that are deemed priorities for the Organization.



This choice of representation is the outcome of a process of consultation, analysis and evaluation as to the relevance of material aspects or themes according to a list drawn up by Satta & Bottelli, consisting of themes that are bound to have greater impact on its value chain.

The Company has defined 3 main phases that make up the analysis process of the material themes:

01

Dedicated training for the main corporate functions introducing them to the principles of sustainability and ESGs.

02

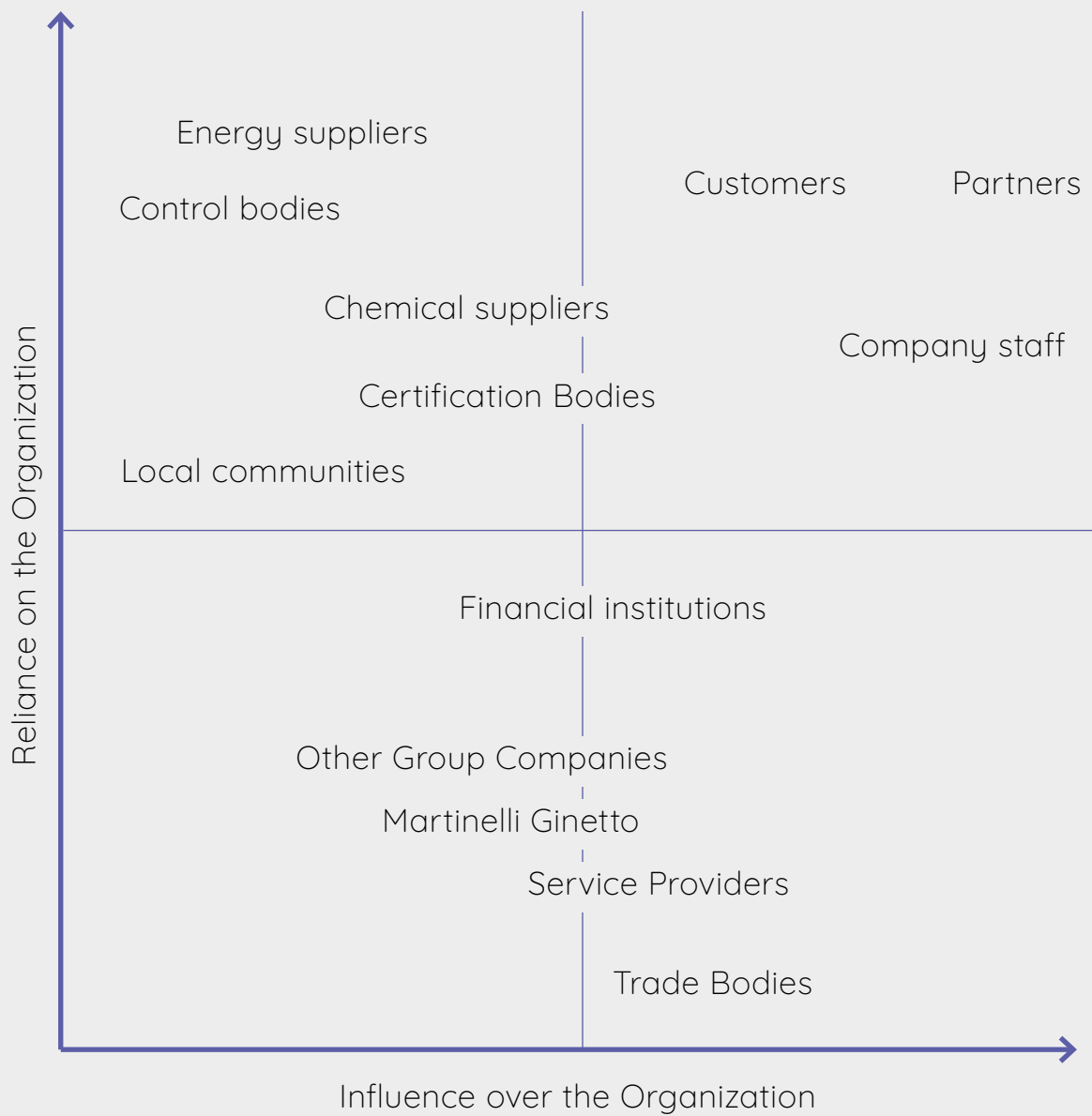
Mapping out stakeholders and classifying them according to a reliance versus influence matrix in relation to the Organization (results are reported below).

03

Interviewing the managers of the main corporate functions to highlight the core activities, arouse their interest in sustainability, and identify any relevant projects/initiatives that can become the focus of specific reporting.

The active participation of the corporate functions ensured the rolling out of a comprehensive stakeholder engagement activity aimed at identifying the most relevant interested parties.

The activity also included drawing up the matrix pictured below, mapping out the main stakeholder categories and their relationship of “reliance on” and “influence over” the Organization.

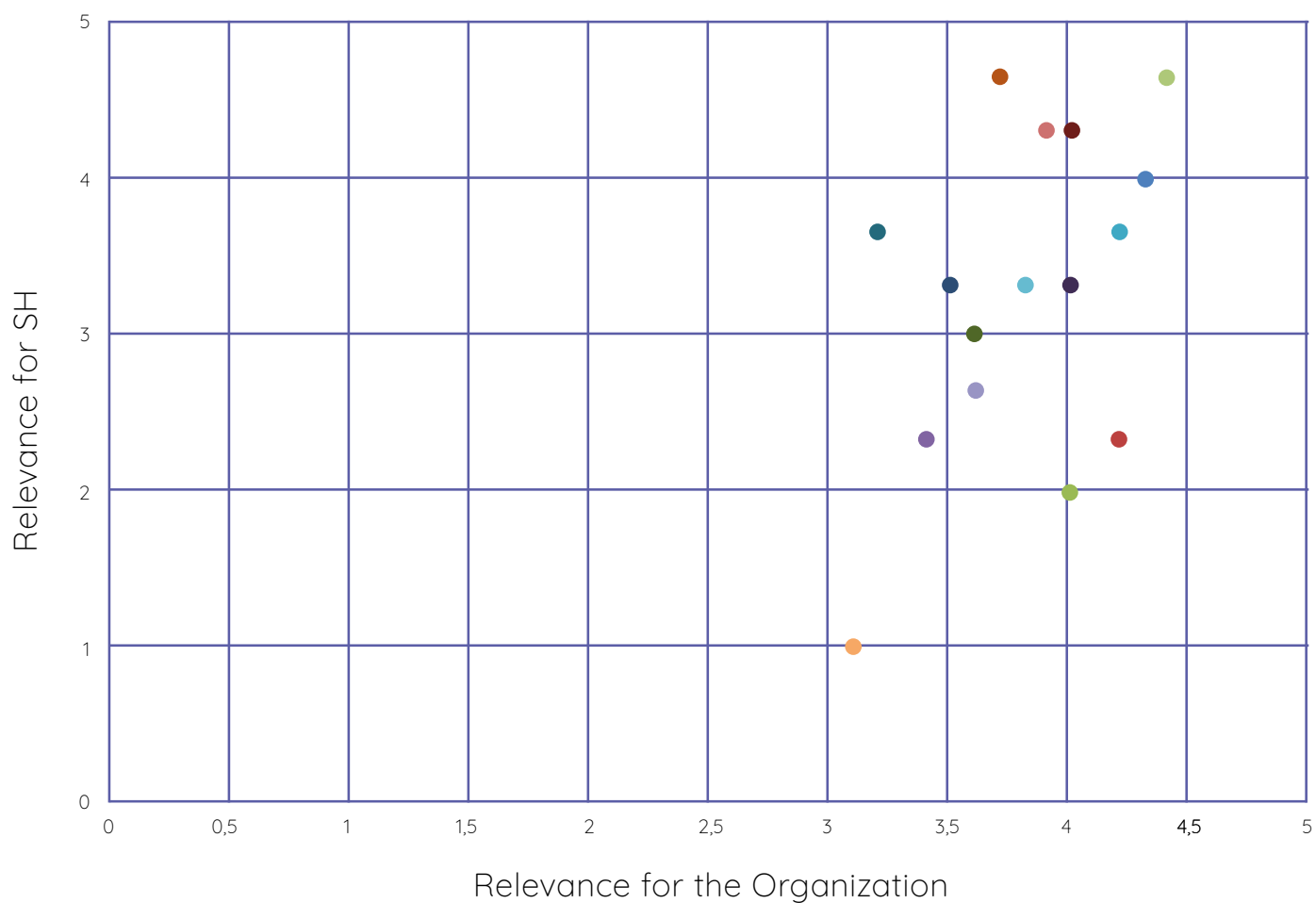


All interviews were conducted according to a “standard questions” format that acted as a basic framework for raising matters of interest, expressing insights, and elaborating thoughts on the topics at hand. The results of the interviews were shared with the Company Management.

Below is a list of themes discussed during the stakeholder interviews:

	GRI Standard	ESRS
GHG emissions (CO ₂ and greenhouse gases) and climate change	GRI 305	E1 E1-6
Water supply	GRI 303	E3 E3-4
Energy supply	GRI 302	E1 E1-5
Waste generation and circular economy	GRI 306	E5 E5-4 E5-5
Preventing environmental matrix pollution	GRI 300	E2 E2-4
Equal opportunities, diversity, inclusion and non-discrimination policies	GRI 405	S1 S1-6 S1-9 S1-12 S1-17
Staff training programs	GRI 404	S1 S1-13
Health and safety at work	GRI 403	S1 S1-14
Corporate Wellbeing and Work-Life Balance	GRI 401	S1 S1-15
Product quality and innovation		
Measuring product-related impacts	GRI 300	E5
Proper management of supply chain		G1 G1-2
Responsible sourcing of raw materials	GRI 308	E5 E5-4
Chemical management	GRI 414	E2 E2-4
Corporate strategy and economic performance	GRI 201	ESRS 2 SBM-1 G1 G1 -1
Intellectual Property Protection		
Data Security & Protection, Business Continuity	GRI 418	ESRS 2
Projects supporting local communities	GRI 413	S3 S3-4

The priority of the themes that were raised in the interviews with internal stakeholders are combined with an accurate assessment of the theme-related impacts to yield the following materiality matrix:



- GHG emissions (CO₂ and greenhouse gases) and climate change
- Water supply
- Energy supply
- Waste production and circular economy
- Water, air and soil pollution
- Equal opportunity, diversity, inclusion and non-discrimination policies
- Training courses for staff
- Health and safety in the workplace
- Corporate well-being and work-life balance
- Product quality and innovation
- Measurement of product-related impacts
- Correct management of the supply chain
- Responsible sourcing of raw materials
- Chemical management
- Corporate strategy and economic performance
- Protection of intellectual property
- Data security and protection, Business Continuity
- Projects supporting local communities

Based on the relevance of the themes mapped out in the materiality matrix, the following have been deemed “material themes”:

Corporate strategy and economic performance

Proper supply chain management

Health and safety at work

Chemical management

GHG emissions (CO₂, greenhouse gases, climate change)

Preventing environmental matrix pollution



The following table lists how material issues are handled and prioritised in relation to ESG impacts.

MATERIAL THEME	SCALE	SCOPE	ESG* IMPACT	ESG FIELD	HOW TO MANAGE
Corporate strategy and economic performance	3	3	9	Governance	• annual budget • budget analysis
Proper supply chain management 3	3	3	9	Governance	• Quality certification • Environmental & social certification set as key objective in improvement plan • OEKO-TEX, GOTS & GRS certifications
Health and safety at work	2	3	6	Social	• DVR • RSPP and company doctor • workplace accident reduction strategy, near-miss monitoring • continuous information and training
Chemical management	3	3	9	Governance Environmental	• selection, qualification and monitoring of suppliers • sourcing of chemicals compliant with regulations • compliance with REACH regulation
GHG emissions (CO ₂ , greenhouse gases, climate change)	3	2	6	Environmental Social	• photovoltaic station included in improvement plan; energy potential 1500kW equal to ca. 18% of energy needs • improved efficiency by installing two new boilers and heat recovery units
Preventing environmental matrix pollution	3	3	9	Environmental Social	• purification plant • AIA environmental authorization • atmospheric emission reduction systems • compliance with current Best Available Techniques (BAT)

*ESG impact was obtained by multiplying the severity or ability to seize ESG opportunities ("Scale"- score 1 to 3) equivalent to high severity by the scope/breadth of that theme ("Scope" - score 1 to 3). The impact level to determine the priority is shown below.

0-3

Low ESG impact

4-5

Medium ESG impact

6-9

High ESG impact

This report, now in its second edition, has not yet been subject to verification by a Third Party. However, it confirms the Company Management's ongoing commitment to the path initiated last year, with the goal of progressively improving the contents and achieving formal certification of the document in future editions.



Data and reporting period

The data collected are drawn from Satta & Bottelli operations and processes in accordance with the reporting scope set out above.

The reporting period considered for the report is the three-year period 2022-2023-2024. The data is updated to 31/12 of each year.

With a view to continuous improvement, the company is committed to providing more accurate data regarding the chosen reporting interval for the next editions of this Report.



GRI Content Index

The index of GRI indicators, along with the related information and the reference paragraph, is reported below. These indicators have been correlated with the new European Sustainability Reporting Standards (ESRS) introduced by the Corporate Sustainability Reporting Directive.

GRI STANDARD	INFORMATION
GRI 2 General information 2021	2-1 Organization Details
	2-2 Entities Included in the Organization's Sustainability Report
	2-3 Reporting Period, Frequency and Contact
	2-4 Review of Information
	2-5 External Assurance
	2-6 Operations, Value Chain and Other Employment Relationships
	2-7 Employees
	2-8 Non-Employee Workers
	2-9 Governance Structure and Composition
	2-10 Appointment and Selection of the Highest Governance Body
	2-11 Chair of the Highest Governance Body
	2-12 Role of the highest governance body in overseeing impact management
	2-14 Role of the highest governance body in sustainability reporting
	2-17 Collective knowledge of the highest governance body
	2-18 Performance evaluation of the highest governance body
	2-19 Remuneration policies
	2-20 Process for determining remuneration
	2-22 Sustainability strategy statement
	2-23 Corporate policy commitments
	2-24 Integration of policy commitments

PARAGRAPH	ESRS STANDARD
Methodological Note	ESRS 1 See requirements of Directive 2013/34/EU
Methodological Note – Reporting scope	ESRS 1 5.1; ESRS 2 BP-1
Methodological Note – Reporting data and period	ESRS 1
There is no revised information, as this is the first year of reporting.	ESRS 2 BP-2
The report is not subject to assurance	See external assurance requirements of Directive (EU) 2022/2464
Chapter 2 - Supply Chain Management	ESRS 2 SBM-1
Chapter 3 - Human Resources	ESRS 2 SBM-1; ESRS S1 S1-6
Chapter 3 - Human Resources	ESRS S1 S1-7
Chapter 2 - Governance Structure	ESRS 2 GOV-1; ESRS G1
Chapter 2 - Governance Structure	ESRS 2 GOV-1
Chapter 2 - Governance Structure	ESRS 2 GOV-1
Chapter 2 - Governance Structure	ESRS 2 GOV-1; GOV-2; SBM-2; ESRS G1
Methodological Note	ESRS 2 GOV-5; IRO-1
Chapter 2 - Governance Structure	ESRS 2 GOV-1
Performances are not evaluated	ESRS 2 GOV-1
Chapter 3 - Working at Satta&Bottelli	ESRS 2 GOV-3
Chapter 3 - Working at Satta&Bottelli	ESRS 2 GOV-3
Letter to SHs	ESRS 2 SBM-1
Chapter 2 - Company Policy/Code of Ethics and Conduct	ESRS 2 GOV-4; MDR-P
Chapter 2 - Company Policy/Code of Ethics and Conduct	ESRS 2 GOV-2; MDR-P

GRI 2 General information 2021	2-25 Processes to correct negative impacts
	2-27 Compliance with laws and regulations
	2-29 Stakeholder Engagement Methods
	2-30 Collective Bargaining Agreements
GRI 3: Material themes 2021	3-1 Procedure for determining material themes
	3-2 List of material themes
	3-3 Management of material themes
GRI 201: Economic Performance 2016	201-1 Economic value directly generated and distributed
	201-2 Financial implications and other risks and opportunities due to climate change
GRI 202: Market Presence 2016	202-2 Quota of senior management hired from local communities
GRI 205: Anti-corruption 2016	205-1 Activities assessed for corruption risks
	205-2 Communication and training on anti-corruption policies and procedures
GRI 207: Taxation 2019	207-1 Approach on Taxation

Methodological Note - Materiality analysis and material aspects	ESRS S1 S1-3; ESRS S2 S2-3; ESRS S3 S3-3; ESRS S4 S4-3
Chapter 2 - Company Policy/Code of Ethics and Conduct	
Methodological Note - Materiality analysis and material aspects	ESRS S1 S1-2; ESRS S2 S2-2; ESRS S3 S3-2; ESRS S4 S4-2
Chapter 3 - Working at Satta&Bottelli	ESRS S1 S1-8
Methodological Note - Materiality analysis and material aspects	ESRS 2
Methodological Note - Materiality analysis and material aspects	ESRS 2
Methodological Note - Materiality analysis and material aspects	ESRS 2 SBM-1; MDR-P; MDR-A; MDR-M; MDR-T
Chapter 2 - Corporate Strategy and Economic Performance	
Chapter 4 - Financial implications of climate change	ESRS E1 E1-9
Chapter 3 - Human Resources	
Chapter 2 - Company Policy/Code of Ethics and Conduct	ESRS G1 G1-3
Chapter 2 - Company Policy/Code of Ethics and Conduct	ESRS G1 G1-3
Chapter 2 - Corporate Strategy and Economic Performance	

GRI 301: Materials 2016	301-1 Materials used by weight or volume
	301-2 Materials used from recycling
GRI 302: Energia 2016	302-1 Energy consumed within the organization
	302-4 Reduction of energy consumption
GRI 303: Acqua e Scarichi 2018	303-1 Interacting with Water as a Shared Resource
	303-2 Managing the Impacts of Water Discharges
	303-3 Water withdrawal
	303-4 Water discharge
	303-5 Water consumption
GRI 304: Biodiversità 2016	304-2 Significant impacts of activities, products and services on biodiversity
GRI 305: Emissions 2016	305-1 Direct GHG emissions (Scope 1)
	305-2 Indirect GHG emissions from energy consumption (Scope 2)
	305-4 GHG emissions intensity
	305-5 GHG emissions reduction

Chapter 4 - Chemical management	ESRS E5 E5-4 §31 (a)
Chapter 4 - Chemical management	ESRS E5 E5-4 §31 (c)
Chapter 4 - Water and energy consumption	ESRS E1 E1-5
Chapter 4 - Water and energy consumption	ESRS E1 E1-5
Chapter 4 - Water and energy consumption	ESRS E3
Chapter 4 - Water and energy consumption	ESRS E2 E2-4
Chapter 4 - Water and energy consumption	ESRS E3 E3-4
Chapter 4 - Water and energy consumption	ESRS E3 E3-4
Chapter 4 - Water and energy consumption	ESRS E3 E3-4
Chapter 4 - Preventing environmental matrix pollution	ESRS E4 E4-5
Chapter 4 - Greenhouse gas emissions	ESRS E3 E3-4
Chapter 4 - Greenhouse gas emissions	ESRS E3 E3-4
Chapter 4 - Greenhouse gas emissions	ESRS E1 E1-6
Chapter 4 - Preventing environmental matrix pollution	ESRS E1 E1-1

GRI 306: Waste 2020	306-1 Waste generation and significant impacts associated with waste
	306-2 Management of significant impacts associated with waste
	306-3 Waste produced
	306-4 Waste not sent for disposal
	306-5 Waste sent for disposal

GRI 401: Occupazione 2016	401-1 New Hires and Turnover
	401-2 Benefits provided to full-time employees, but not to part-time or fixed-term employees
	401-3 Parental leave

GRI 403: Occupational health and safety 2018	403-1 Occupational health and safety management system
	403-2 Hazard identification, risk assessment and accident investigation
	403-4 Worker participation, consultation and communication on occupational health and safety
	403-5 Worker training on occupational health and safety
	403-6 Promoting worker health
	403-7 Prevention and reduction of impacts on health and safety at work directly linked to employment relationships
	403-9 Accidents at work
	403-10 Occupational diseases

GRI 404: Formazione e Istruzione 2016	404-1 Average hours of training per employee per year
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GRI 405: Diversità e Pari Opportunità 2016	405-2 Ratio of basic salary and remuneration of women to men
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Chapter 4 - Circular Economy	ESRS E5 E5-2
Chapter 4 - Circular Economy	ESRS E5 E5-2
Chapter 4 - Circular Economy	ESRS E5 E5-5
Chapter 4 - Circular Economy	ESRS E5 E5-5
Chapter 4 - Circular Economy	ESRS E5 E5-5
Chapter 3 - Human Resources	ESRS S1 S1-6
Chapter 3 - Working at Satta&Bottelli	ESRS S1 S1-11
Chapter 3 - Human Resources	ESRS S1 S1-15
Chapter 3 - Health and safety at work	ESRS S1 S1-1
Chapter 3 - Health and safety at work	ESRS S1 S1-3
Chapter 3 - Health and safety at work	ESRS E5 E5-2
Chapter 3 - Health and safety at work	ESRS S1 S1-13
Chapter 3 - Health and safety at work	ESRS S1 S1-14
Chapter 3 - Health and safety at work	ESRS S1 S1-14
Chapter 3 - Health and safety at work	ESRS S1 S1-14
Chapter 3 - Health and safety at work	ESRS S1 S1-14
Chapter 3 - Health and safety at work	ESRS S1 S1-13
Chapter 3 - Working at Satta&Bottelli	ESRS S1 S1-16







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