



Botto Giuseppe e Figli Spa is publishing its third sustainability report, a document that attests to the ethical values and transparency passed down through the company since 1876, the year it was founded.

Sustainability is the mindset that translates into a sustained effort at all stages of the supply chain. The sustainable fashion pursued by Botto Giuseppe e Figli aims to create a harmonious relationship with both the environment and people, within a system of full and absolute transparency. This is our Green Vision.

The effects of the global pandemic upended market dynamics, considerably reducing the demand for consumable goods. After it subsided, the global economy changed drastically with a significant increase in general demand accompanied by steep increases in the price of raw materials and commodities, particularly methane gas and electricity.

The Russia-Ukraine conflict has further exacerbated market tension and volatility to the point that we have seen increases in energy costs that would have been unthinkable just a few months before.

With regard to these considerations, Botto Giuseppe e Figli S.p.A. emphasises the importance of an economy focused on circularity, recycling and optimizing energy costs.

Today, humanity is living unsustainably: limited resources are being used much faster than we can regenerate them. The consequences are obvious: climate change, resource depletion, soil and water contamination. One striking example is the prolonged drought that hit Italy, and especially the northwest, in 2022. These factors led many companies, including Botto Giuseppe e Figli, to pay closer attention to how it uses water resources: the textile industry has always been closely linked to the rivers and our company cannot function without them. We started a project to discover how much water we were using, to reduce consumption and recover water used in production processes. These measures will gradually have a growing impact on our water footprint in the coming years. Over the last 20 years, Botto Giuseppe e Figli has concentrated all its efforts in research and sustainable development with regard to every sector: products, investments and ethical, social and environmental policies.

In 2022, the company continued its sustainability process, which was the right solution, especially for the unforeseeable challenges caused by the pandemic.

Sustainability is our way of being. We believe that anyone intending to remain in business in the long term cannot fail to make their own contribution to achieving a low-carbon economy. They must put people and their health and safety at the heart of their improvement targets and make choices that reflect an ethical commitment towards all counterparts, with a determination to involve employees more closely and work together to integrate the vision of all stakeholders.

This document summarises the actions inspired by our past and the company's great openness to the future, with a focus on involving stakeholders in its evolution.

We have invested heavily in renewable energy and the energy savings have reduced our environmental impact. We have manufactured products with natural, renewable, and biodegradable raw materials processed using sustainable production processes. Today we are implementing production processes with recycled raw materials.

Botto Giuseppe e Figli continues with even more determination on the path already mapped out, with certifications for products, woven yarn and jersey (RWS, GRS, SFA, Cradle to Cradle) and participation in international projects to reduce the use of chemical products (ZDHC, Inditex) and improve sector-specific processes (Higg Index). In fact, we are proud to say that over past year, we have seen a significant increase in the sourcing of certified raw materials and an ongoing, gradual reduction in chemical use, with the elimination of the products deemed most obsolete.

Signing up to the Process Factory 4Sustainability protocol has made it possible to obtain certifications in almost all of the main pillars of sustainability, thanks to targeted audits from the certifying body, in which the company showed total transparency and cooperation. We will continue along this course in the future, with the aim of obtaining all possible certifications and increasing our level in those that we have already obtained.

The company will continue to invest in research and improving production processes with particular emphasis on energy savings and the use of renewable resources, which is in line with an ever-increasing focus on the values of economic, social and environmental sustainability. Despite the serious drought that partially compromised the electricity output of hydroelectric plants, 2022 was positive with respect to the self-consumption of renewable energy produced by both facilities.

The company firmly believes in the 'Green' energy transition. This is why the road ahead is geared towards tangible, targeted investments to achieve the ideal goal of being defined as a carbon-neutral company.

Botto Giuseppe e Figli is a champion of the values and spread of sustainable culture for the benefit of future generations and remains faithful to its role as an important player in 'Made in Italy' luxury for customers and suppliers.

Chief Executive Officer  
**Silvio Botto Poala**



Chief Executive Officer  
**Ferdinando Botto Poala**



## SUSTAINABILITY BACKGROUND

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The sector in which the company operates, textiles and fashion, is among those that must be aware of the significant impact that production can have on the environment, from the large quantities of water needed for processing to the extensive use of chemicals and energy needed to run the plants.

The institutions that promote and enforce standards for obtaining sustainable goals are increasingly present and knowledgeable on a global level. For example, in 2009 the Global Fashion Agenda decided to promote awareness and information regarding every aspect behind the textile manufacturing industry. The numbers are clear: 4% of all greenhouse gas emissions worldwide, 20-50% of salaries at the legal minimum, 80% of garments sent to landfills or incinerators, 35% of microplastic pollution in the oceans deriving from the release of microplastics from synthetic fibres. The goal of institutions and associations is not to prevent or reduce production in the fashion sector, however. Instead, they want to guide the sector towards responsible business management while continuing to create value for people and aiming to reduce environmental impacts.

In the early 2000s, the UN announced the advent of the United Nations Global Compact to encourage companies around the world to adopt sustainable policies that comply with corporate social responsibility criteria and to publish the results of the actions they have implemented. This compact provides a framework of ten main areas in the realm of human rights, work, environmental sustainability, and the fight against corruption.

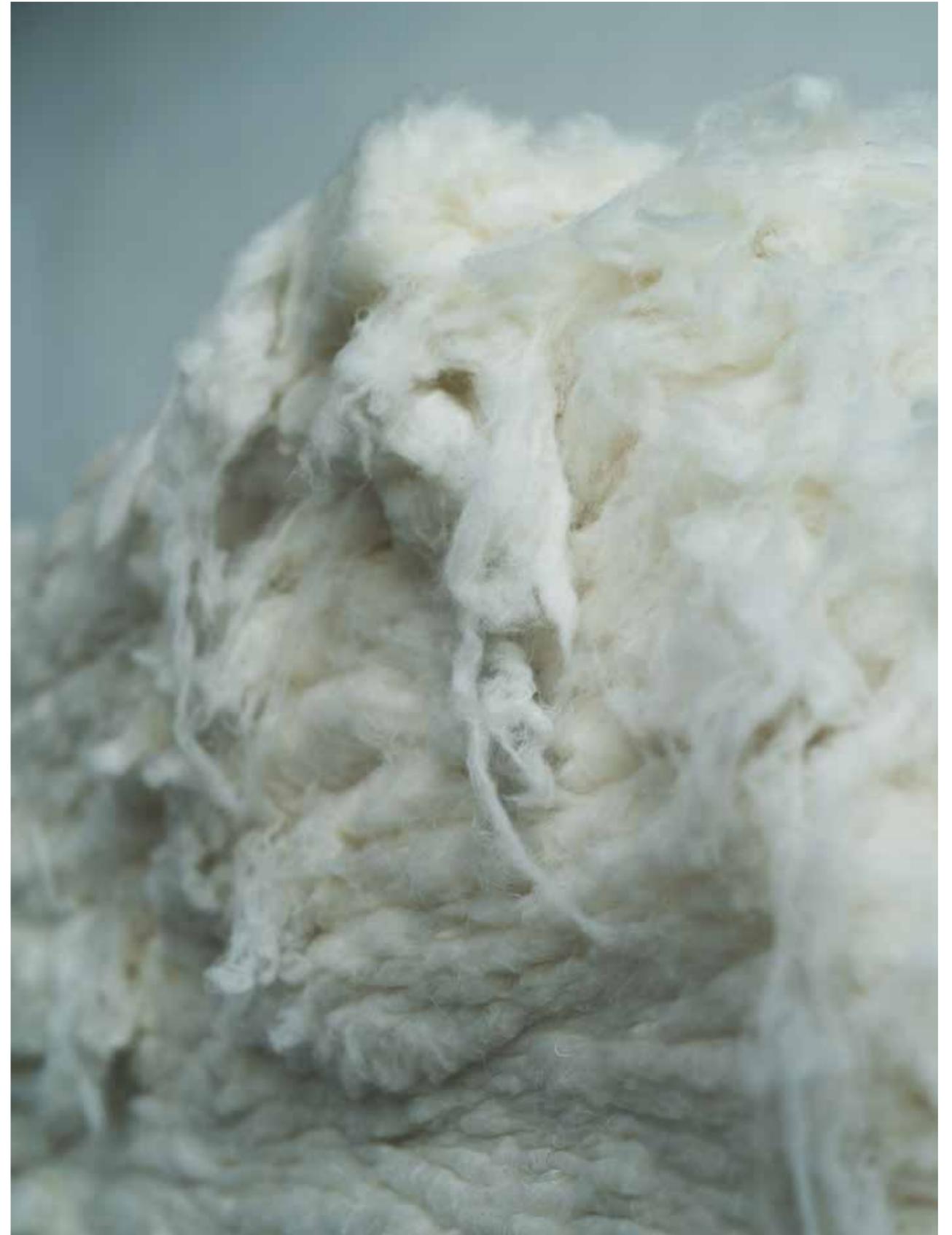
Botto Giuseppe e Figli S.p.A. is aware of the importance of a commitment to each aspect with respect to the entire system, and for this reason, we decided many years ago to follow the path of sustainable development. In particular, during the last four years (2019-2022), the company has worked to account for its actions with the highest level of transparency through the Sustainability Report.

This report requires a strong commitment directly in the field. Throughout the year, the company adopts measures to collect and process data scientifically and in a targeted manner to measure its own impact in relation to future years. In the case of technical reporting and according to certain standards, the company relies on the collaboration of sector professionals, especially when calculating GHG emissions according to the GHG Protocol.

The most important customers of Botto Giuseppe e Figli S.p.A. have commissioned different audits in the areas of social, health, safety and the environment. The company responded willingly and in total transparency, accepting the observations offered with a self-critical approach.

The company plans to continue its commitment to maintaining its certifications for purchased raw materials and specific products, considering compliance with social and environmental ethics through third-party verifications such as FEM Higg and the ZDHC guidelines.

After specific assessments of the topics presented in the UN Global Compact, Global Fashion Agenda, Sustainable Development Goals, and recurring compliance audits and inspections for the various certifications, Botto Giuseppe e Figli S.p.A. was able to identify the topics of reference for this Sustainability Report.



## INTRODUCTION AND FUTURE GOALS

Lanificio Botto Giuseppe e Figli tells the successful story of a great family passion, now in its fourth generation.

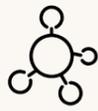
This thread has become the symbol of an Italian company specialised in the production of fabrics, jersey, yarn for knitwear, knitting yarn, and accessories, combining tradition and innovation. The company plays a key role in the 'Made in Italy' concept, where the culture of work is interwoven with an intrinsic sense of beauty, harmony and absolute perfection. In 1876, Giuseppe Botto established his wool mill in Valdilana, specifically in Valle Mosso, in the province of Biella. In 2016, the company celebrated 140 years in business.

This Sustainability Report was drawn up with the aim of assessing the economic, environmental and social performance of Botto Giuseppe e Figli S.p.A. and defining improvement targets regarding all relevant stakeholders. All the information contained in the report was obtained following the audit of the two Botto Giuseppe e Figli S.p.A. production facilities, located in Valdilana (BI) and Tarcento (UD). The data refer to the operating period from 1 January 2022 to 31 December 2022. To compare the data over time and assess the trend of the company's activities, a comparison with the previous two years is presented.

The contents and indicators reported were selected via the materiality assessment contained in this Sustainability Report. This made it possible to identify material aspects for the company, defining their positive, negative, current, and potential impacts, which company management of ESG issues can generate for stakeholders.

In January 2023, the new Universal Standards GRI 2021 came into effect. Botto Giuseppe e Figli S.p.A. will align this Sustainability Report with these standards. Furthermore, in November 2022 the members of the European Parliament definitively adopted the Corporate Sustainability Reporting Directive (CSRD). Following these important steps towards compulsory non-financial reporting integrated with financial reporting, a situation that most Italian companies will have to align with, the company is implementing a management system that will allow us to meet requirements established by EFRAG and by the Universal Standards GRI 2021.

We should clarify that the Sustainability Report 2022 does not include an integration with financial accounting, which is also prepared for the same timeframe. This report is drawn up in conformity with the Universal Standards GRI 2021, and was not subject to assurance.

	Development of welfare policies to meet the needs and demands of employees by 2023		Development of welfare policies to increase employee wellbeing by 2023		45% of packaging purchased as recycled by 2023, and a percentage of 50% by 2025
	Recirculation of water to recover 30% of the total amount used by 2024		Reduction of the electricity index by about 7% for both facilities by 2023		Carbon neutrality by 2025
	Calculate accurate Water Footprint 2023, also to calculate the product LCA (Life Cycle Assessment)		Renewable energy from 60% to 95% by 2025		20% of total waste produced sent for reuse by 2023. We aim to reach 25% by 2025
	Increase in the purchase of sustainable raw materials from 55% to 60% by the end of 2023		40% reduction of total chemicals used by 2025		100% RWS yarns by 2025
<b>ZDHC</b>	Increase in percentage of ZDHC-compliant chemicals: 60% compliant by 2023, 80% by 2025		30% reduction in water consumption by 2025	<b>ISO</b>	Acquisition of ISO 50001 by 2024  Acquisition of ISO 45001 and ISO 14001 by 2025



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## OUR STORY

- 1.1 The story of a family
- 1.2 2022 in a nutshell
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### 1.1 THE STORY OF A FAMILY

The story begins in Vallestrona in 1876, with the young textile worker Giuseppe Botto and the few looms he had invested in.

Up to the 1920s, production was based on carding and was carried out with old-style hand looms, which were later replaced by the first mechanical looms. This marked the beginning of a new era in the valley, where most of the population was employed in textile factories.

In 1918, with the return of the Great War, the company was divided into three parts: Botto Giuseppe e Figli, Luigi Botto e Figli and Albino Botto e Figli. When Giuseppe Botto died in 1928, his four sons, Giovanni, Venanzio, Silvio and Ferdinando, took over the family business and expanded it. In the post-war period, it had four factories, in Valle Mosso, Pistolesa, Lessona and Romanina.

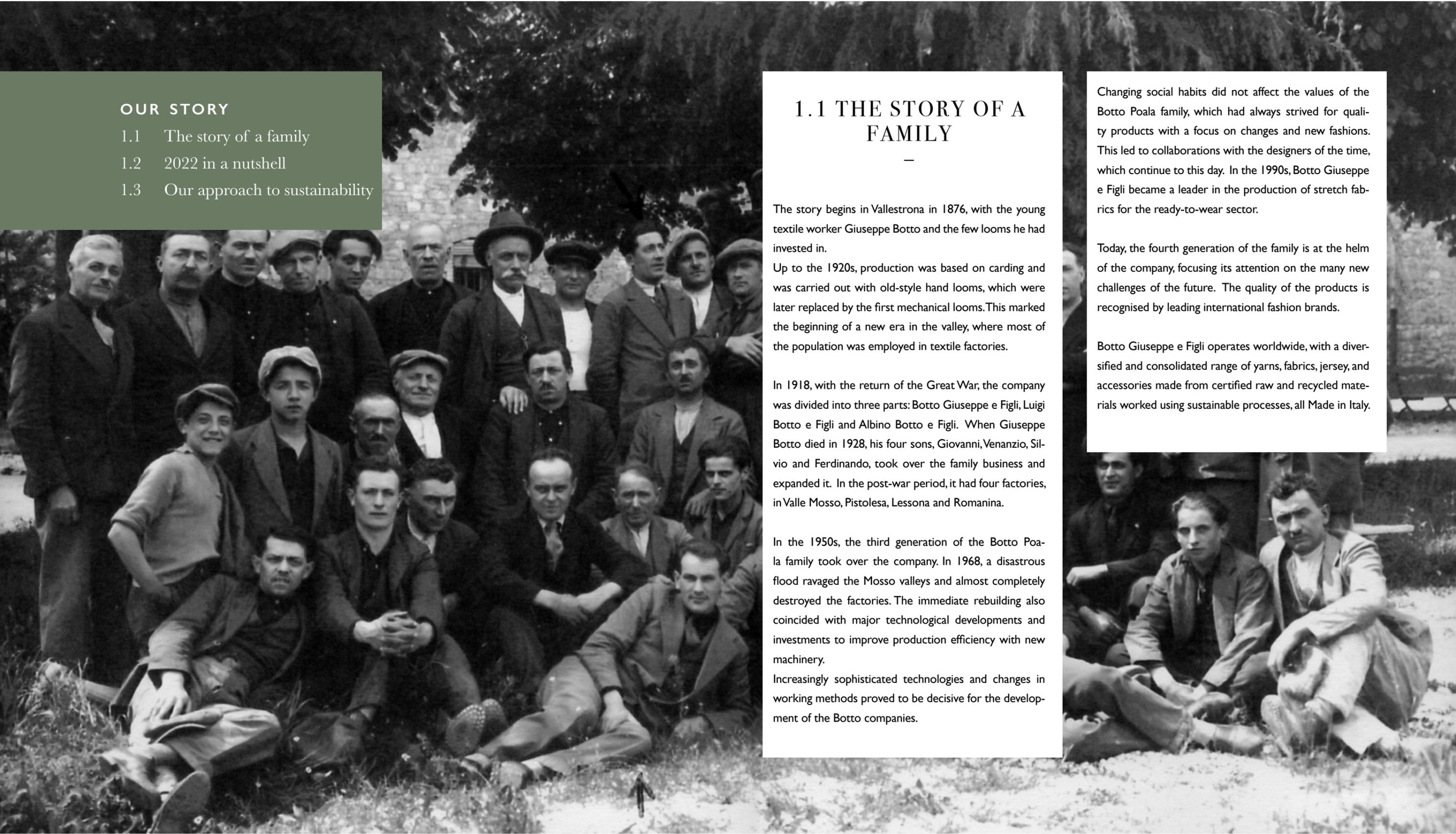
In the 1950s, the third generation of the Botto Poala family took over the company. In 1968, a disastrous flood ravaged the Mosso valleys and almost completely destroyed the factories. The immediate rebuilding also coincided with major technological developments and investments to improve production efficiency with new machinery.

Increasingly sophisticated technologies and changes in working methods proved to be decisive for the development of the Botto companies.

Changing social habits did not affect the values of the Botto Poala family, which had always strived for quality products with a focus on changes and new fashions. This led to collaborations with the designers of the time, which continue to this day. In the 1990s, Botto Giuseppe e Figli became a leader in the production of stretch fabrics for the ready-to-wear sector.

Today, the fourth generation of the family is at the helm of the company, focusing its attention on the many new challenges of the future. The quality of the products is recognised by leading international fashion brands.

Botto Giuseppe e Figli operates worldwide, with a diversified and consolidated range of yarns, fabrics, jersey, and accessories made from certified raw and recycled materials worked using sustainable processes, all Made in Italy.



## OUR STORY IN A NUTSHELL

### 1876

The story begins in Vallestrona in 1876, with the young textile worker Giuseppe Botto and the few looms he had invested in.



### 1968

In 1968, the disastrous flood that hit the Mosso valleys almost completely destroyed the facilities. Rebuilding after the flood was marked by a great leap in technology, which proved to be the key for all Botto companies.

### 2016

The birth of the Naturalis Fibra collection, a unique collection of sustainable yarns.



### 1918

At the end of the First World War, the company branched out into three parts for the three Botto Poala brothers: Botto Giuseppe e Figli, Luigi Botto e Figli and Albino Botto e Figli.

### 1980

In a changing atmosphere where the concept of fashion grew refined in taste and research, the Botto family combined heritage with new trends by working with the most renowned designers.



### 2000

The start of energy-saving measures at the two facilities



### 2017

In 2017, Botto Giuseppe e Figli S.p.A. obtained the Gold level of Cradle to Cradle™ certification for its Naturalis Fibra yarns.



### 1920



The old hand looms were replaced by the first mechanical looms that began to spell a new era in the valley.

### 2010

In 2010, 160 years after the founder's birth, the Pin 1876 brand was born, a division specialising in the production of scarves made from cashmere and fine fibres. The knitwear division was also created that year, which was later expanded with the Naturalis Fibra collection.



### TODAY

Botto Giuseppe e Figli S.p.A. operates worldwide, with a diversified and consolidated product range of yarns, fabrics, jersey, and scarves made from certified raw and recycled materials, using sustainable processes. All strictly Made in Italy.

### 1928

When Giuseppe Botto died, his four sons — Giovanni, Venanzio Silvio and Ferdinando — expanded the Botto Giuseppe company to four facilities, in Valdilana, Pistolessa, Lessona and Romanina.



### 1990

In the 1990s, Botto Giuseppe e Figli SpA became a leader in the production of stretch fabrics for the ready-to-wear sector and for fashion brands that valued quality of products and service.



### 2025

Knitwear yarn division  
90% certified



# 1.2 – 2022 IN A NUTSHELL

 <p><b>146</b> YEARS OF HISTORY</p>	 <p><b>2 FACILITIES</b> VALDILANA (BIELLA) TARCENTO (UDINE)</p>	 <p><b>55%</b> CERTIFIED RAW MATERIALS</p>	<p><b>11 CERTIFICATIONS</b></p> <p>C2C*, RWS, GRS, SFA, BCI, GCS, WOOLMARK, TESSILE E SALUTE, THE LYCRA COMPANY, ZDHC COMPLIANCE, FEM HIGG VERIFIED</p>  <p>Assurance mark ID Nr. 45-100507 visit 4sustainability.it</p> <p><small>*Gold level Cradle to Cradle™ certification</small></p>
 <p><b>€69 MILLION</b> ESTIMATED TURNOVER</p>	 <p><b>2</b> NEW PHOTOVOLTAIC SYSTEMS ON LINE</p>		
 <p><b>346 EMPLOYEES</b> DIVIDED AS FOLLOWS:</p> <p><b>271</b> DIRECT EMPLOYEES      <b>75</b> EXTERNAL COLLABORATORS</p> <p><b>150</b> MEN      <b>196</b> WOMEN</p>	 <p><b>60%</b> ELECTRICITY FROM RENEWABLE SOURCES</p>  <p><b>2.73 kWh/kg</b> ENERGY INTENSITY INDEX</p>		
 <p>DIRECT PARTNERSHIPS WITH FARMS</p>  <p>COLLECTIONS YARN, FABRICS AND JERSEY</p>	 <p><b>1.19 kWh/kg</b> GENERAL INDUSTRIAL THERMAL ENERGY INTENSITY INDEX</p>		
 <p><b>100%</b> MADE IN ITALY PRODUCTION</p>	 <p><b>334 L/kg</b> TOTAL WATER CONSUMPTION PER KG OF PRODUCT</p>		

CUSTOMERS: **39%** ITALY      **23%** EU      **38%** EXTRA-EU

## 1.3 APPROACH TO SUSTAINABILITY

The journey towards sustainable operations is accompanied by tangible daily practices, developed in advance to reach economic, social and environmental goals in relation to the expectations of Botto Giuseppe e Figli Spa stakeholders. These aspects relate to the 17 Sustainable Development Goals (SDGs) defined by the United Nations as a 'blueprint to achieve a better and more sustainable future for all'. The SDGs are a set of international guidelines on the main reporting topics regarding sustainability, which become references to highlight the company's contributions to specific goals.



The materiality assessment is a tool for identifying economic, social and environmental sustainability issues of major importance to the company and its stakeholders. This information was used to prepare the reporting principles. 'Materials' are defined as aspects that are able to influence both the performance and decisions of the organisation, as well as stakeholder opinions and assessments. After internal consultation, during which a series of large thematic areas were drawn up as fundamental for

Botto Giuseppe e Figli S.p.A, the map of sustainability topics relevant for the company emerged. Careful 'benchmarking' analysis was also carried out regarding the main issues reported in the textile supply chain.

This process led to the identification of 14 economic (governance and product-related), environmental and social topics, organised as follows:

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In 2022, Botto Giuseppe e Figli S.p.A. established its own priority goals and involved stakeholders in two ways: first, by inviting them to attend internal meetings on sustainability or through consultation via specific questionnaires that determined the investment priorities for the year of reference.

### INVOLVEMENT OF MAIN STAKEHOLDERS AND MATERIALITY ASSESSMENT

The starting point in the process of integrating sustainability with the business strategy was the identification of the main stakeholder groups with which the company interacts most significantly.

Two types of stakeholders were identified: first, those most affected by the company's operations and those with a direct or indirect impact on the company's business and results.

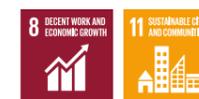
The seven main categories of stakeholders are listed below:

- BOARD OF DIRECTORS
- Staff
- Representatives
- Suppliers
- Customers
- Institutions (community)
- Social Media

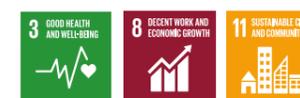
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#### Governance

Ethics, integrity and transparency in business management



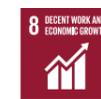
Sustainable investments and financing



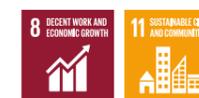
Product quality, safety and innovation



Identity and Brand Management



Customer satisfaction and protection



#### Environmental

Management of risks and environmental impacts (chemical, waste, energy, and sustainable raw materials)



Biodiversity and the fight against climate change



Responsibility along supply chains

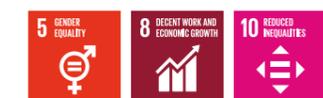


#### Social

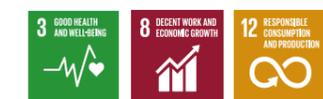
Support and development of the local community



Equal opportunities, inclusion, and diversity



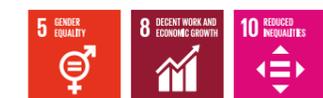
Health, safety and wellbeing of employees



Personnel training, development and involvement



Human rights



## SUSTAINABILITY OBJECTIVES FOR 2021

In 2021, stakeholders were asked to fill out an online questionnaire, managed by an external consulting company through a web portal.

Suggested topics:

- Ethics, compliance and business integrity;
- Value creation and distribution;
- Product quality, safety and innovation;
- Energy management and emission reductions;
- Waste and the circular economy;
- Chemicals and water;
- Protecting biodiversity;
- Use of sustainable materials;
- Responsible supply chain;
- Diversity & inclusion;
- Support and development of the local community;
- Protecting the health and safety of workers;
- Optimisation and welfare of human capital;

The results obtained from the materiality assessment were used to define the following main sustainability goals:

- A. Energy management and emission reductions;
- B. Protecting the health and safety of workers;
- C. Chemicals and water;
- D. Product quality, safety and innovation;
- E. Value creation and distribution;
- F. Optimisation and welfare of human capital;
- G. Use of sustainable materials;
- H. Responsible supply chain;

and the company decided to add:

- I. Waste and the circular economy;
- J. Ethics, compliance and business integrity.

### IN 2021, BOTTO GIUSEPPE E FIGLI S.P.A. MET THE FOLLOWING GOALS:

A. Increase in the percentage of renewable electricity produced and purchased; decrease in the energy consumption index;



B. Replacement of certain machines in the production department with more modern, updated models; constant training throughout the year to immediately solve problems and fix anomalies, and to increase awareness about sustainability actions carried out by the company;



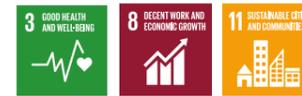
C. Increase in the number of chemicals compliant with the voluntary ZDHC standard (almost 60% in compliance with the ZDHC Gateway levels); analysis of purifier water according to ClearStream guidelines from ZDHC, with results always compliant with the established restrictions. Decrease in water consumption;



D. Increase in products certified as sustainable, charity activities in favour of the local community and sustainable projects throughout the nation;



E. Recovery of market shares after the pandemic, increase numbers of finished products for the year;



F. Issue of shopping coupons for all employees, agreements with local businesses, scholarships for employees, work-from-home arrangements for all tasks that can be done from home;



G. Increase in the quota of purchased recycled packaging from suppliers;



H. Involvement of external suppliers in managing aspects of sustainability, in particular regarding external processes on products; sending the commitment to all major suppliers and business clients;



I. Reduction of the percentages of hazardous waste produced annually and the quantities disposed of; increased conformity with the ZDHC standard of products used in the chemical inventory — just over 50% of products used in the production process are actually compliant with levels 1, 2, and 3 on the ZDHC Gateway — formalization of an internal PRSL (Product Restricted Substances List), i.e. a list of substances that must not be used voluntarily in internal and external production processes (including process providers);



J. Implementation of the Code of Ethics, the Sustainability Charter; updated Integrated Management System and Commitment Policy sent to our suppliers.



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**MATERIALITY  
ASSESSMENT**

- 2.1 Materiality assessment and objectives 2022
- 2.2 Strategic Goals for 2023/2025



## 2.1 MATERIALITY ANALYSIS AND GOALS FOR 2022

In 2021, stakeholders were consulted with the aid of a third party company, while in 2022, their involvement took place mainly through an online questionnaire about the main issues of materiality, derived from the SDGs with the addition of an option to add other suggestions and proposals for topics not included in the list. This questionnaire was created and sent through the company's internal software that controls the management system. After the data was collected, it was analysed and the results were classified according to priorities, consistent with the GRI standards, ordered according to their level of importance for the company.

A total of 89 sustainability questionnaires were collected, from which the 2022 sustainability matrix was developed.

**COMPARED TO 2021, THE NUMBER OF ANSWERS COLLECTED INCREASED BY 29%.**

The goal for 2023 is to obtain at least 100 responses from external stakeholders and to receive a completed questionnaire from at least 40% of internal personnel. The results of the 2022 survey can be found in the materiality matrix, which

shows the priority of sustainability topics for stakeholders.

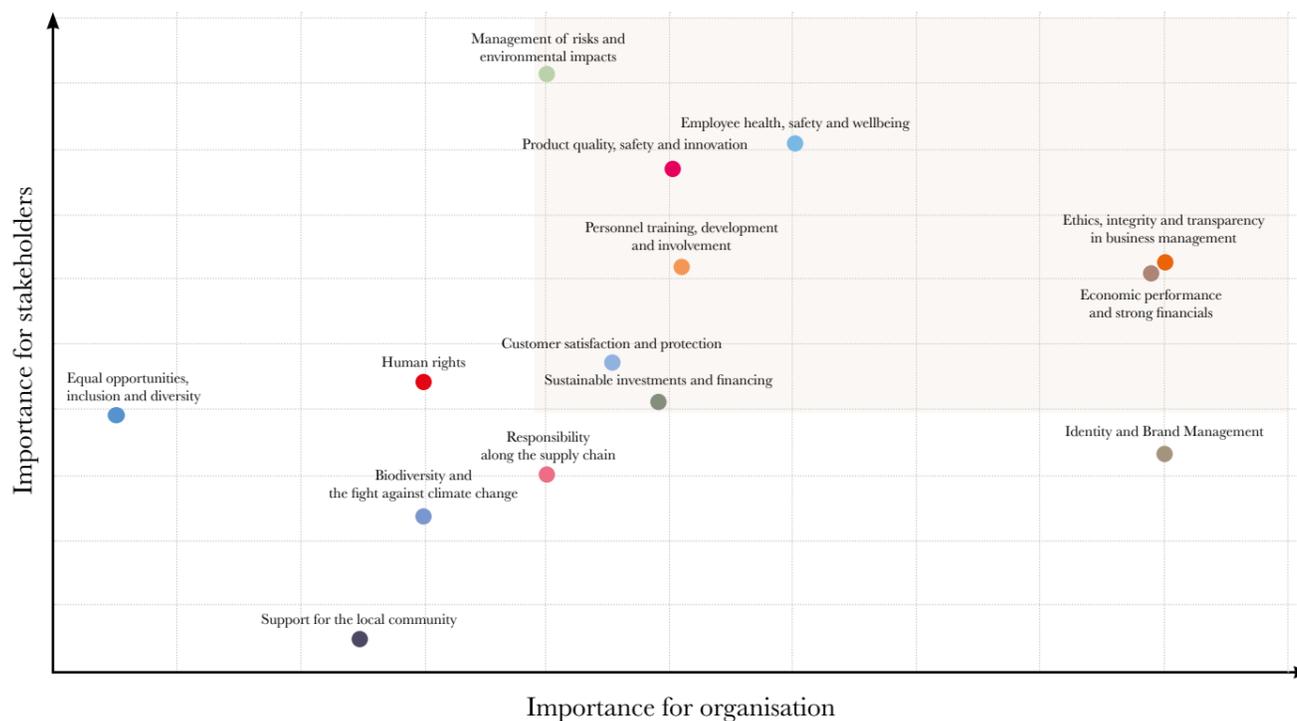
Eight goals with the highest rating were extrapolated from this matrix (see the grey areas).

In order of importance:

1. Ethics, integrity and transparency in business management;
2. Personnel training, development and involvement;
3. Management of risks and of environmental impacts (chemical, waste, water resources, energy, and sustainable raw materials);
4. Product quality, safety and innovation;
5. Sustainable investments and financing;
6. Economic performance and strong financials;
7. Employee health, safety and wellbeing;
8. Customer satisfaction and protection.

In addition to the points mentioned, the company believes that other goals are also particularly important. Investments will be made in these areas in the short term:

9. Human rights;
10. Responsibility along supply chains.



## 2.2 STRATEGIC GOALS FOR THE YEARS: 2023 – 2024 – 2025

Botto Giuseppe e Figli Spa intends to take the following actions over the next three years to meet strategic goals:

### Ethics, integrity and transparency in business management



- Joining the UN Global Compact, which promotes the construction of a sustainable global economy, respectful of human and labour rights, environmental protection and anti-corruption, and the Transparency International's Business Integrity Forum (BIF), which involves major national companies in preventing and combating corruption as well as disseminating anti-corruption tools and practices, even to small and medium-sized enterprises, while promoting a common and shared culture of legality;
- creating risk prevention, legislative compliance and anti-corruption programmes, such as the organisational and management model referred to in Italian Legislative Decree 231/2001, which ensure protection of company assets, the efficiency and effectiveness of business processes, the reliability of financial information, compliance with laws and regulations and the protection of the reputation of the company and the Group in Italy and abroad, by sharing and achieving strategic goals agreed with stakeholders;
- promoting the spread of fair competition values.

### Personnel training, development and involvement



- Reaching 90% of the total hours of training and information shown in the 2022-2023 needs analysis;
- In collaboration with training organizations, creating and implementing an Ecode-sign course by 2025, with the participation of the R&D office and the main corporate actors involved in managing sustainability. Sustainability is not only tied to the use of renewable energy and the reduction of polluting emissions, but also the reduction of the resources needed to create the finished product, with the creation of items that are easy to reuse and recycle. Efficient product design, from the initial phases of study and the choice of materials, including certified and recycled materials;
- Training courses and information reminders on chemical hazards and probable emergencies are held annually. The company is committed to continuing training and involving more internal and external personnel in order to constantly improve chemical management and develop prompt responses in the event of environmental and chemical anomalies;

- Generally speaking, planning and delivering training activities beyond legal obligations; implementing internal specialization programs for all levels of employees, managers, and executives to facilitate the personal and professional growth of employees and train specialised technical personnel, increasing the company's value.

## Management of risks and of environmental impacts

CHEMICALS, WASTE, WATER RESOURCES, ENERGY, AND SUSTAINABLE RAW MATERIALS



### CHEMICALS

- Compared to the total chemicals in the chemical inventory, current compliance with ZDHC standards is at 50% (excluding pure products and maintenance products that do not directly enter the production cycle and are not currently analysed by ZDHC). The goal is to raise this value to 60% by 2023 and to 80% by 2025;
- subject to the previous point and production needs, products and chemicals with a higher environmental impact or which are potentially toxic to humans will gradually be eliminated or replaced;
- the current chemical inventory changed during the current year, but did not decrease (about 600 products total); the goal for 2025 is to reduce the total amount of products in use by about 40%;
- each production batch of chemicals used, traced and monitored along the production supply chain; improvements and automation are being studied to manage them because the current identification and tracing system is still quite cumbersome and not computer-based.  
By 2025, computer-based management will be improved to be able to attribute the batch number of the chemical to the final product with extreme precision and through a simple digital search.

### WASTE

- Botto Giuseppe e Figli Spa is constantly striving to reduce the amount of material sent annually to landfill by implementing projects to increase internal and initial waste sorting.  
Compared with 2021, the value of materials that are directly sent for reuse is down to 13% of the total waste produced. This is justified by the increase in material that is instead sent to recovery through certified disposal units and which has reduced the quantity of waste sent to landfills to 1%.  
Future targets include reaching 20% direct reuse in 2023, and 25% in 2025;  
Policies to encourage the exclusive use of biodegradable plastics have been

- expanded: all coffee machine cups have been replaced and paper consumption has been reduced, increasingly digitalizing the internal management systems.  
Bins have been placed in offices and departments to facilitate paper and plastic recycling, and areas have been created to store other recyclable or recoverable materials: yarn and fabric scraps, wood, oil and empty tanks;

- we are also beginning collaborations with companies all over Italy to recover waste that is difficult to reuse locally and would therefore be sent to a garbage dump, such as used PPE (personal protective equipment)

- for the third consecutive year, the annual production of hazardous waste has dropped, reaching 4% of the total. The company's goal is to reduce the value to 2% or less by 2025;

- waste production indices were updated for both facilities. In 2022, the index kg waste/kg processed for Valdilana was 0.065 and 0.18 for Cascami Seta; the goal for 2023 is to bring the values to 0.061 and 0.15, respectively.

### WATER RESOURCES

- Water management is a key improvement target. Today, water, or 'blue gold', can no longer be considered an infinite resource. On the contrary, it is a particularly endangered commodity in terms of both quantity and quality. In 2022, we experienced a general widespread drought, especially in the regions of northern Italy and Piedmont. The company developed new projects to recycle and reuse production wastewater and succeeded in reducing consumption in the short, medium, and long term. The following improvement goals were set:
- At present, the company records water consumption on a daily basis for each department and, by analysing a considerable amount of data, it has already made improvements allowing it to reduce water consumption in recent years. In the past year, more attentive monitoring began in the two departments that consume the most water, with a successful reduction in consumption. Other projects are in the pipeline to identify further critical areas, such as the impact of production activities on wastewater, which, if managed, can make the use of water in the factories and along the production chain more efficient. The stated target is to reduce water consumption by 30% by 2025, compared to the value reported in 2020;



- in 2022, the specific amount of water consumption was 336 litres/kg; for 2023, the goal is to reduce that figure to 300 litres/kg;
- We are also studying the implementation of a system to recirculate the water used in the facilities, to recover at least 30% of the total used by 2024;
- Continuation of periodic checks made on wastewater from the purification plant, carried out monthly by an Accredia-accredited laboratory, regarding the parameters identified by national environmental regulations and contained in the AUA (Consolidated Environmental Authorisation) document obtained by the company. After adhering to the voluntary ZDHC standard, analyses were supplemented in accordance with the parameters identified in the 'Wastewater Guidelines ZDHC' document, which provides for checks to be made at an accredited laboratory at least twice a year regarding another set of parameters more stringent than the mandatory regulations. The desired result is to never detect anomalies or, if they are present, to manage and resolve them immediately;
- calculation of the Water Footprint for the Valdilana facility in 2023.

All the targets for chemicals and water also include the direct involvement of suppliers, with training, auditing and engagement in production processes that use chemicals and water. Therefore, a computer-based test questionnaire was sent to some suppliers of wet processes, and the company plans to send it to all suppliers in that category in 2023.

The analysis of data collected in this way will allow us to improve and reduce the consumption of water, energy and chemicals. In 2022, Botto Giuseppe e Figli S.p.A. began to send a sustainability and commitment charter in digital format to all stakeholders, informing them of the principles followed by the company that would also need to be followed by suppliers for an optimal relationship. Updated documents will be sent out in 2023 and later years.

**ENERGY**

- Increase in the self-production of renewable energy with the installation of an initial photovoltaic plant, active in Valdilana since June 2022, which will be followed by a second plant scheduled to come on line at the Tarcento facility by the end of the 2023;
- renewable energy from 60% to 100% by 2025;
- supply only of electricity produced from renewable sources until total energy autonomy is achieved, by 2025;

- cancellation of guarantees of origin to compensate for CO2 produced;
- compared to the previous year, energy consumption indices were reviewed. In particular, for 2022:
  - specific electricity consumption for Valdilana, 2.73 kWh/kg;
  - specific electricity consumption for Cascami Seta, 23.37 kWh/kg\*;
  - specific natural gas consumption for Valdilana, 1.19 m<sup>3</sup>/kg.
 For 2023, goals were set to reach the following results:
  - specific electricity consumption for Valdilana reduced to 2.5 kWh/kg;
  - specific electricity consumption for Cascami Seta reduced to 22 kWh/kg;
  - specific natural gas consumption for Valdilana reduced to 1.15 m<sup>3</sup>/kg.
 A specific consumption index was not formulated for the Cascami Seta plant because almost all of the natural gas was used to heat the rooms and consumption therefore varies greatly from year to year depending on outdoor temperatures.
- Implementation of the certification process to obtain ISO 50001 certification, which in 2023 will mean the implementation of the Energy Management System at both facilities, and the certification by an accredited Certification Body in 2024;
- by 2025 we aim to achieve carbon neutrality with energy-saving projects, construction of self-production renewable energy plants, purchase of energy from the grid 100% produced from renewable sources, targeted carbon neutrality projects such as reforestation projects or participating in forest management (such as through the Forest Stewardship Council).



**Product quality, safety and innovation**



- Improved monitoring of the supply chain is planned with the direct involvement of all stakeholders, especially raw materials suppliers and external process providers;
- we plan to increase the types of tests performed on incoming raw materials, semi-finished and finished products to ensure the highest quality standards;
- we plan to study the product LCA (Life Cycle Assessment) for articles already produced and in the creation of new collections.

\* the consumption index for the Tarcento facility is much higher than that of the Valdilana facility because it contains a department that makes combed yarns and fine carded yarns, while the consumption index for Valdilana is normalized across the entire production of the plant.

## Sustainable investments and financing



- The use of sustainable materials refers to an increased supply of certified raw materials, both natural and synthetic, used for production and packaging;
- the development of a traceability system for the production stages makes it possible to obtain the related mass balance, which represents the efficiency of the production stage for products made with a percentage of recycled material, and provides the customer with a more detailed situation of the purchased product;
- to always be in step with the times and looking to the future, the company has set a goal to obtain certifications for 100% of its yarns as sustainable products (RWS, GRS, GOTS, SFA);
- in 2022, we took detailed inventory of all the packaging used in the company, determining the percentage of recycled material in each, and obtaining a result of 40% of recycled packaging compared to what was purchased. The measured value is satisfactory, but we must consider it only as a new starting point. The company has decided to increase that percentage and we have set our first goal: to reach 45% of recycled material in 2023 and 50% by the end of 2025;
- the company has also set a goal to acquire ISO 45001 and ISO 14001 certifications by 2025.

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## Economic performance and strong financials



- The term 'value creation and distribution' implies the company's ability to generate profits and the way in which these are distributed among different stakeholders: salaries, payments to suppliers, dividends, public administration, the local community;
- for 2023, in light of the increased market demand for products, an increase in production capacity and thus an increase in profits is expected;

## Health, safety and wellbeing of employees



- Reduction of corporate risks – Monitoring activities with a high residual risk. To reach the goal for 2023, the following performance indicators were observed:
  - Injury Severity Index < 1
  - Accident Frequency Rate < 3
  - Total number of accidents at the two facilities < 3



SCHOLARSHIPS

26

PROVIDED IN 2020

24

PROVIDED IN 2021

28

PROVIDED IN 2022

- improving the working environment - cleanliness, ergonomics, relaxation areas for employees;
- expansion of staff dedicated to managing safety, the environment and sustainability within the company;
- redistribution of profits in the form of corporate welfare. The company canteen is available, where only dishes prepared with quality products and in compliance with the dietary guidelines of the Edo Tempia Cancer Prevention Fund are offered. The company finances 50% of each meal served. Botto Giuseppe e Figli S.p.A. has also stipulated agreements with local businesses and services, such as the Pratrivero preschool and Valdilana pharmacy, where employees are offered special prices, discounts and promotions. It has become a tradition to provide scholarships for the children of less wealthy employees by request;
- protecting the health and safety of each person is a priority; we are currently preparing the application to update the Fire Prevention Certificate (CPI) we obtained in 2021, to make sure it is compliant with the latest prevention and protection measures and to protect workers and visitors during their time on company premises.

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## Customer satisfaction and protection



- Investigations to verify customer satisfaction through digital questionnaires;
- participation in on-site/off-site audits carried out by customers or for the brand;
- internal audits by specialized technicians and external consulting agencies to verify legal compliance (e.g. safety, the environment) and also the corporate situation regarding integration and implementation of the company's own sustainability policies;
- constant monitoring of the quality of internally processed products, with sampling and testing on processes carried out both internally in our own laboratories and externally through accredited bodies.

## Human Rights



- Botto Giuseppe e Figli S.p.A. aims to enhance and involve staff as an active part of the company and an element of the large Botto family, and not to relegate them to a mere operational function when performing their duties. This goal can be reached with an approach based on listening to each individual, and through interviews, questionnaires, collective assessments, suggestions addressed to the management — even anonymously — with greater participation;
- promoting internal whistleblowing systems, even anonymously, that can contribute to preventing and combating unlawful conduct or behaviour contrary to the Organisation, Management and Control Model, the *Anti Bribery & Corruption Management System* and the Code of Ethics.

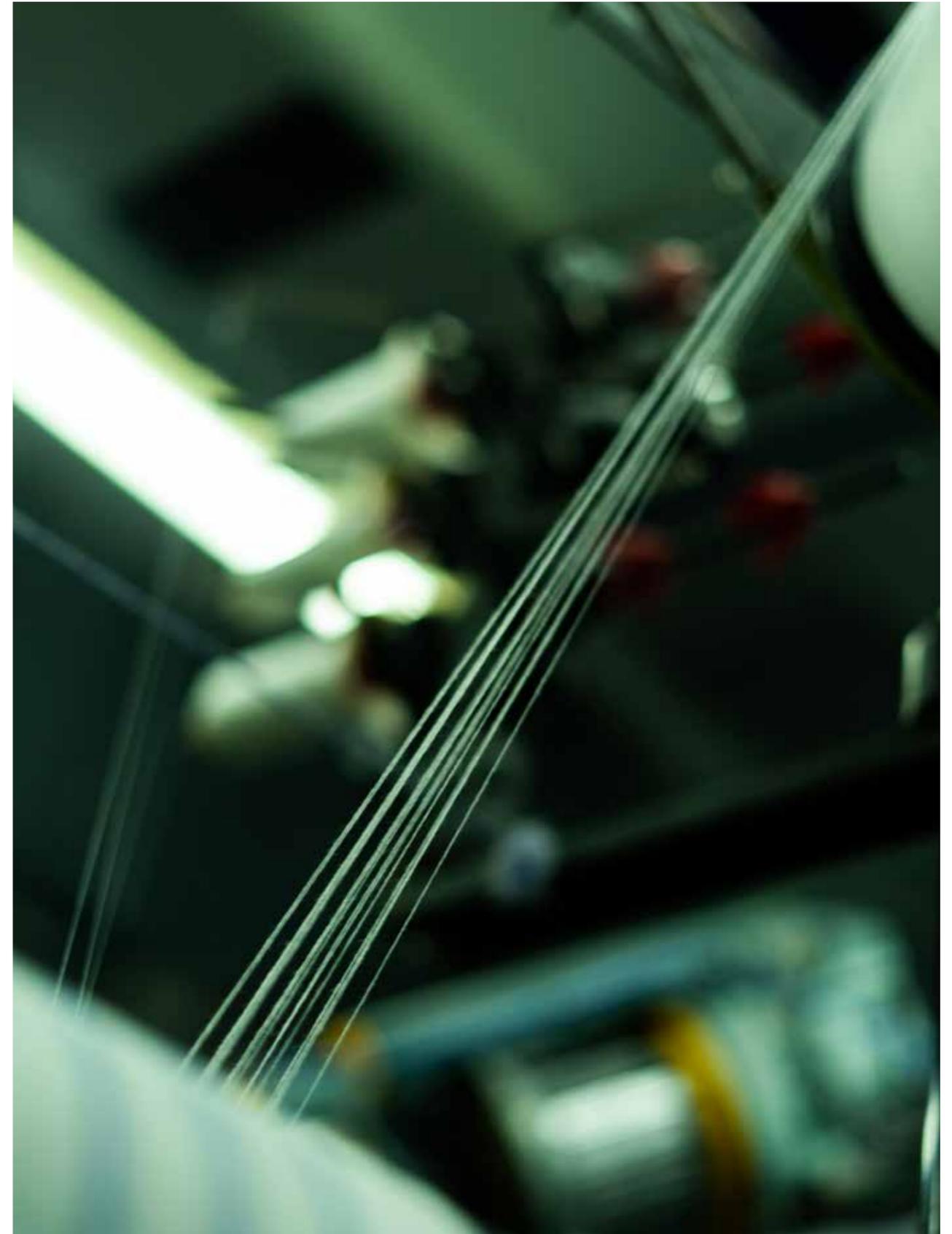
## Responsibility along supply chains

The idea of a responsible supply chain underpins the concept of sustainability: monitoring elements at the beginning and end of the production process in the facilities is very important. Botto Giuseppe e Figli S.p.A.'s main goal is to integrate specific procedures, audits and field checks of its suppliers into its management system — qualitative, social and environmental, in that order — implementing:

- I. the creation of a vendor rating system for suppliers in relation to the sustainability performance they allow us to achieve:
  - identification of the production chain upstream of direct suppliers;
  - traceability and digitalizing data pertaining to raw material transports, chemicals compliant with ZDHC and PRSL and the internal commitment, external processes, customer shipments;
  - map of the supply chain and the involvement of suppliers in social and environmental issues, health and safety, welfare, personnel management, chemical management, environmental impact assessment.

This activity was already under way in 2022 due to an initial analysis phase via a digital questionnaire; in 2023, it will be extended to the entire supply chain;

2. Traceability and digitalization of data pertaining to: consumption of corporate vehicles, internal packaging consumption, with the distinction of the amount of packaging made of recycled and non-recycled materials, a quantitative study of the consumables used in the production chain.



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**ECONOMIC SUSTAINABILITY**

- 3.1 Governance and integrity
- 3.2 Markets and products
- 3.3 Value creation and distribution
- 3.4 Supply chain
- 3.5 Sustainable fashion according to Botto Giuseppe e Figli S.p.A.
- 3.6 Farms, animal welfare
- 3.7 Our certifications

### 3.1 GOVERNANCE AND BUSINESS INTEGRITY

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Botto Giuseppe e Figli S.p.A refers to the company's Code of Ethics as defined over the years in accordance with the standards of integrity, fairness, transparency and legality. The Code expresses the company's line of thought, to operate while ensuring full respect for all its stakeholders.

**THE CODE OF ETHICS REGULATES THE COMPANY'S RIGHTS AND RESPONSIBILITIES TOWARDS THE PERSONS IT INTERACTS WITH WHILE CARRYING OUT ITS ACTIVITIES.**

The Code of Ethics sets out the duties and conduct guidelines for personnel to follow vis-à-vis other people in the Organisation, customers, suppliers and the Public Administration.

Botto Giuseppe e Figli S.p.A. designs, manufactures and markets fabrics for women and men in pure wool and wool blends, cashmere and silk blends, as well as yarns for knitwear, knitting and accessories.

The integrated production cycle is vertically developed with the stages of spinning, dyeing, warping, weaving and finishing.

The quest for quality excellence is rooted in the heritage of a tradition that dates back more than a hundred years, and is developed today with the most advanced technologies.

Botto Giuseppe e Figli S.p.A. is a joint-stock company. It adopts a traditional system of Corporate Governance, in which a Board of Directors and a Board of Statutory Auditors encourage:

- the ability of the proprietary family to express a clear vision of the company's future;
- the ability of the management to realise this vision using the best resources available on the market.

The Board of Directors is composed of: 6 directors, two of whom are indirect owners, with Roldolfo Botto Poala as chairman. The Board is made up of 16% women, with the same percentage of members aged between 30 and 50.

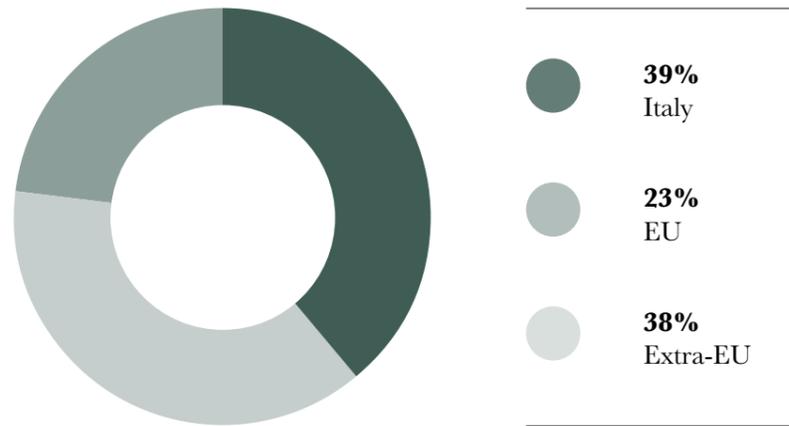
The organisational structure identifies the different areas of company management and defines their functions, roles and responsibilities, with the managing directors at the top. There are no committees, and the Board of Directors is responsible for making decisions, particularly the two managing directors, whom the executives and various managers all depend on.

The chairman and vice-chairman represent the company; the two managing directors and one of the board members are executives.

There are no independent members and each board member's term is usually one year. The Board of Directors is nominated at the shareholder meeting, and successively self-determines powers and responsibilities. An average of five board meetings are held during the calendar year. Critical issues that may arise in between meetings are reported and discussed at these meetings.

### 3.2 MARKETS AND PRODUCTS

Botto Giuseppe e Figli S.p.A. is an international company that operates all over the world with the most important international fashion companies. It targets the Italian market as well as foreign markets in the USA, Japan, China, Korea, France and Germany. With investments in human capital and advanced technologies in careful synchronisation with the markets, the company has made research its philosophy of life, its guiding principle, the beginning and end of each and every collection.



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**FOR OVER 140, YEARS IT HAS PRODUCED HIGH-END FABRICS AS AN EXPRESSION OF ONE OF THE MOST VALUABLE AND HIGH-PERFORMANCE NATURAL FIBRES: WOOL.**

#### WOOL

Yarns produced by Botto Giuseppe are derived from ultra and extra fine merino wool, the finest cashmere and silk. Only excellent raw materials from different geographical areas of the world are used and processed in the Valdilana and Tarcento plants using the most sophisticated machinery. The range of yarns produced from superfine wools reaches a 70% composition of RWS-certified raw material, with the aim, in the short to medium term, of sourcing only RWS wool.

**70%**  
WOOL FOR RWS CERTIFIED YARNS

Naturalis Fibra is an ongoing project, a single corpus for types of yarn whose common denominator is naturalness and the search for environmental protection with a commitment to social aspects.



Alba Soft

These yarns interpret the concept of luxury in a variety of ways. Different ideas exist, but all express the same image of simple, luxurious knitwear while providing exquisite comfort and natural sensations. From yarns to fabrics to jersey, our products focus on research, traceability and a reduced environmental impact.

Every year, the collections are enhanced with extraordinary yarns such as Flair, Fairwool, Slowool and Slowool light, which not only represent stylish products and solutions, but also an ethos of conduct.

Green Slowool Light



Flair

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Looking towards the future, Botto Giuseppe e Figli S.p.A. invests resources to improve its range of GRS-certified products, and enhances its collections with recycled products like Green Cashmere, which contains a quantity of 'pre-consumer' recovered cashmere.

And that's not all: materials recovered from classic production have been introduced and integrated with the most sought-after raw materials to create recycled yarns in line with the circular model and to meet the demands of today's market.

FABRICS

The products of Lanificio Botto Giuseppe e Figli S.p.A. are designed for luxury and for designers who create the most exclusive collections in the international fashion world.

The distinctive features of research, structure constructions and graphic colour schemes are ideally suited to constant innovation.

Botto Giuseppe e Figli S.p.A. fabrics are intended for men's and women's tailoring, although the most numerous products in terms of production volume are aimed at the women's fashion market.

The woollen fabrics collections blend and mix with other natural fibres such as cashmere and silk, produced at the family-owned Cascami e Seta factory in Tarcento, as well as cotton, linen and bamboo.

For technical, high-performance results, other fibres such as viscose or polyamide are added.

Every season, the product range extends from fabrics designed for jackets and suits to three-dimensional bi-elastic structures, to warmer and heavier types of fabric for coats.

The double-sided fabrics have a weight that is suitable for suits, with very specific attributes and performance: drip-proof, stain-proof, crease-proof and machine-washable.



Essentials fabrics are the interlude between the Autumn/Winter and Spring/Summer seasons. Fashion trends are moving towards much lighter, all-season materials, fabrics and yarns, to please even those markets with cooler temperatures even in summer.

The aim is to increase the GRS fabrics available.

In 2021, a GRS-certified article was presented with Green Cashmere yarn, suitable for making a double-layer coat, and in 2022, an article was presented with Green Cashmere yarn, a single-layer fabric that is lighter and more suitable for jackets.

Two flannel fabrics are also present in the new collections: one is a GRS card made from pure carded wool and the other is a wool-cashmere blend (88% wool and 12% cashmere).

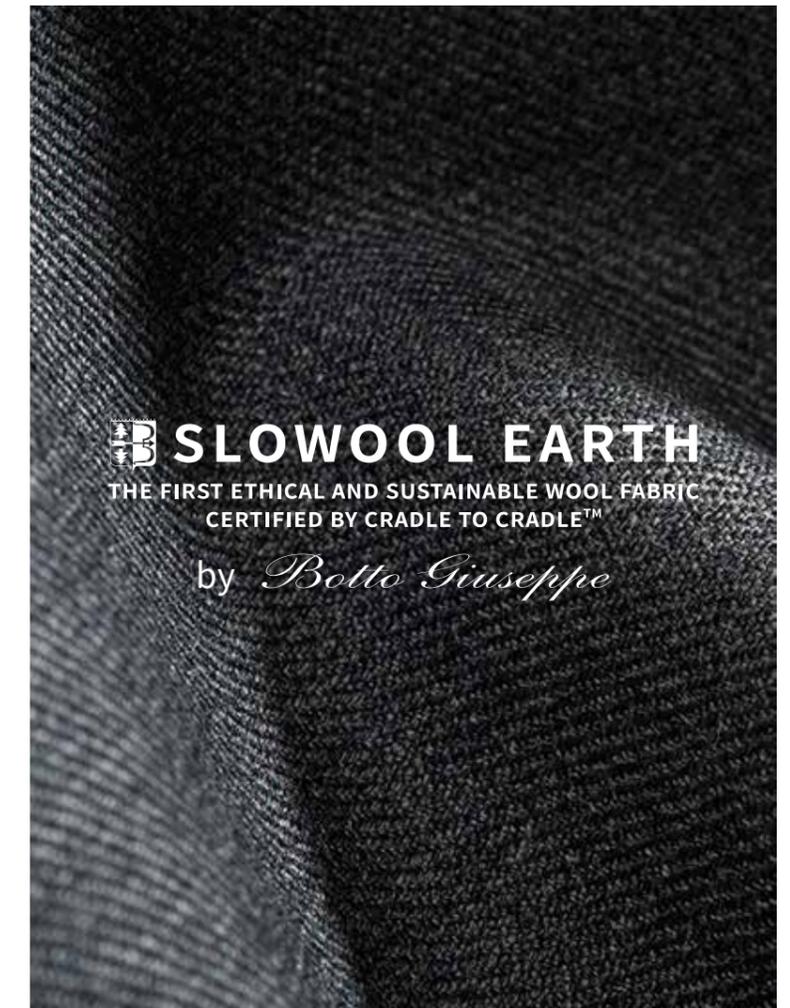
The Botto Giuseppe e Figli S.p.A. fabric range consisting of RWS-certified wools is smaller than the number of yarn collections, but it still represents about 30% of the market demand.

**In 2022, the first totally sustainable Cradle to Cradle™ 'Slowool Earth' fabric was certified**

This is a trio of articles: plain weave cloth, twill fabric, and flannel in a unique range of greys with a plan for other colours being studied since the end of 2022.



Another new idea for 2023 that was launched in late 2022 was a complete range of cashmere articles certified with SFA raw materials.



ACCESSORIES

All-season scarves in 100% cashmere feature unique and exclusive workmanship patented by Botto Giuseppe e Figli S.p.A. With the company's fully vertical structure, supervision of the supply chain — from the raw material to spinning and weaving through to finishing — maintains the care and attention at each stage that enhance the uniqueness of a very modern and much appreciated accessory.

Colour plays a predominant role: with 50 colours in the piece-dyed version and 20 in the blend, with different designs such as geometries, stripes and diamonds. A focus on end customers is shown by the fast restocking service, even with minimum quantities, shipped worldwide within 48 hours.



### 3.3 VALUE CREATION AND DISTRIBUTION

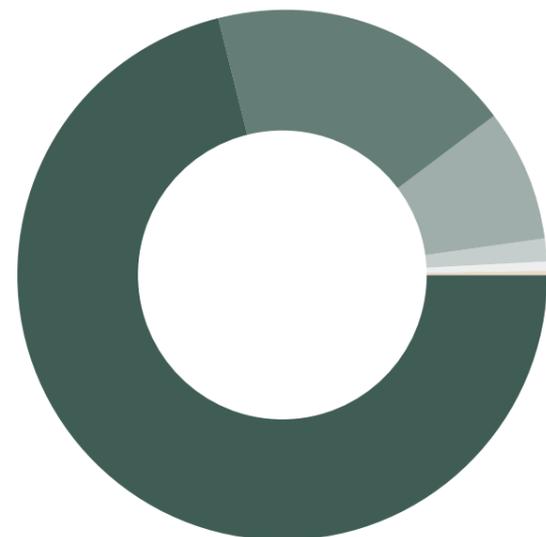
Botto Giuseppe e Figli S.p.A. produces wealth by contributing to the economic growth of the social and environmental area in which it operates.

In 2022, the company generated an economic value of €70 million, of which approximately 8.1%, including depreciation and reserves, was retained, while the remaining 91.9% was distributed among the main stakeholders.

The percentages of the amounts distributed to the main stakeholders who, directly or indirectly, contributed to generating value, were identified.

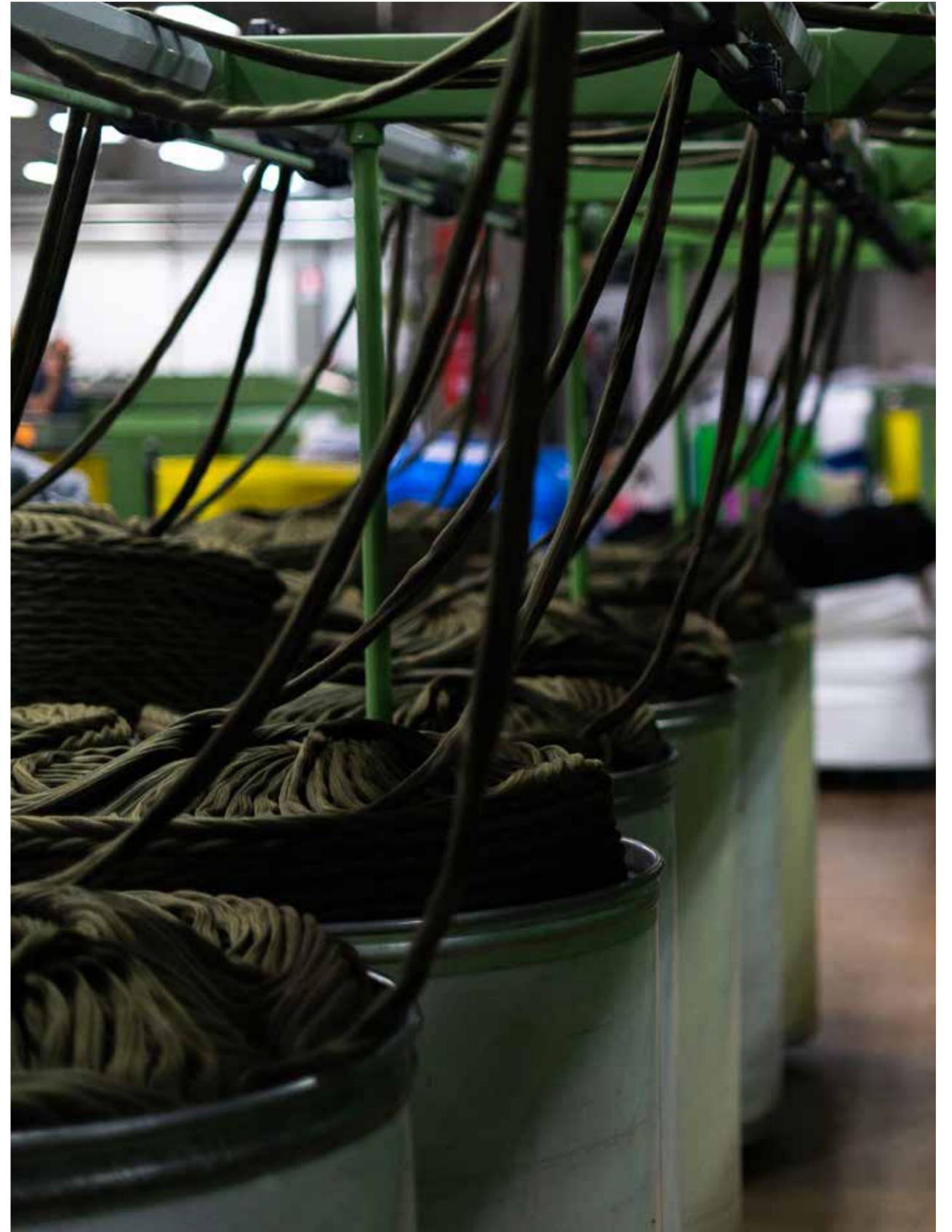
**THIS DATA HIGHLIGHTS HOW THE COMPANY HAS CREATED VALUE FOR ITS STAKEHOLDERS AND GENERATED ECONOMIC BENEFITS.**

The main stakeholder categories include: suppliers, human resources (staffing costs), financiers (financial expenses) and public administration (institutions).



#### VALUE DISTRIBUTION

- 71.2%**  
Suppliers
- 18.7%**  
Human resources
- 8.1%**  
company  
(Depreciation and reserves)
- 1.4%**  
Public administration
- 0.4%**  
Community
- 0.2%**  
Financial expenses



### 3.4 SUPPLY CHAIN

In addition to processing high-quality raw material that arrives washed and combed by its partner Romagnano combing plant, Botto Giuseppe e Figli S.p.A. purchases yarn from external suppliers — most of which are located in Italy — for internal processing, directly distributing value to local companies.

Given the significant market growth in 2022, the workload for some types of external processes has increased. In this case, the fact that the supplier network of Botto Giuseppe e Figli S.p.A. is located in the Biella area is a detail that allows for more efficient logistics and adds value to the excellent manufacturing traditions of our province.

After inspections for RWS, GRS and SFA certifications were completed, audits were held at some suppliers' premises to verify conformity with standards and good business practices for sustainable management of the business.

In the last quarter of the year, the supplier qualification form was added to the HSE integrated management system, followed by mapping and classification into categories of the various companies. Questionnaires on general sustainability topics and good sustainable management practices allowed the company to identify strengths and opportunities for improvement within its supply chain. With the Code of Ethics and Values Charter set forth by Botto Giuseppe e Figli, every actor in the system was involved in issues of responsibility that make up the company system.

YARN PURCHASED	2022	2021
Total yarn	228,624 kg	204,172 kg
From Italian suppliers	72%	74%

PURCHASES OF RAW MATERIAL	2022	2021
Total raw material	917,774 kg	712,233 kg
Certified raw material	56%	45%

RAW MATERIAL KG/YEAR	2022
Wool	740,795
Silk	89,476
Cashmere	69,309
Cotton	12,643
GRS	2,759
Mohair	1,400
Alpaca	1,124
<b>TOTAL</b>	<b>917,505</b>

PRODUCTION VOLUMES	KG
Fabric production	451,086
Yarn production	627,620
Jersey production	63,084
<b>TOTAL</b>	<b>1,141,790</b>

**44,426 kg**  
PRODUCTION WASTE  
RE-ENTERING THE MARKET

**393,888 KG**  
EXTERNAL SKEIN DYEING  
ITALIAN (MAINLY IN BIELLA)



Romagnano combing

#### BREAKDOWN OF PACKAGING INTO FAMILIES, 2022

FAMILY	TOTAL WEIGHT (KG)	AMOUNT RECYCLED (KG)
Cardboard boxes	92,905	49,576
Cardboard tubes	13,972	13,972
Cardboard cones	0	0
Plastic cones	22,386	0
PELD sacks	6,415	3,481
PELD bags	3,456	2,154
Manual extensible film	1,030	0
Automatic PELD coils	20,407	2,677
Plastic adhesive tape	1,884	0
Plastic pallets	2,100	0
Wooden pallets	32,508	6,264
PP tape	566	0
<b>TOTAL</b>	<b>197,629</b>	<b>78,124</b>

**40%**  
RECYCLED

### 3.5 THE SUSTAINABLE VISION OF BOTTO GIUSEPPE E FIGLI S.P.A.

The sustainable fashion of Botto Giuseppe e Figli S.p.A. aims to establish a harmonious relationship with both the environment and people, within a system of full and absolute transparency.

We travel the world to find the best raw materials from farms that share our vision. Sustainability is thought that translates into profound strength in all steps along the supply chain, to obtain excellent results in terms of products, people and workplaces.

#### ECOTOXICOLOGICAL PRODUCT QUALITY

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**Since 2016, we have found no quantities of pollutants or prohibited chemicals exceeding the limit of detectability after running and recording tests.**

According to the requirements necessary for Tessile e Salute certification, Botto Giuseppe e Figli S.p.A. adopts a monitoring control plan for raw materials, semi-finished and finished products to comply with the Guidelines for Articles (PRSL), detect any criticalities within its supply chain and plan effective development and improvement measures to reduce, replace or eliminate toxic substances from its products and processes.

Depending on the raw materials, chemical mixtures and processing cycles, two ecotoxicological requirements are particularly significant: alkylphenols and alkylphenol ethoxylates.

#### NATURALIS FIBRA COLLECTION

The Naturalis Fibra yarn collection is a tangible way of doing our part for the planet and people.

**THE NATURALIS FIBRA COLLECTION IS A UNIQUE CORPUS OF YARN TYPES WITH SUSTAINABLE REQUISITES, PROCESSED WITH CARE ON MODERN MACHINERY BY EXPERIENCED TECHNICIANS.**

It is a modern project aimed at achieving sustainable luxury where materials of different origin coexist in the same style. The entire traceable process, from the sourcing of raw materials to production, follows a well-structured and defined thought process, which aims to generate the least possible impact on the environment. We are committed to this, a pact with ourselves and future generations.

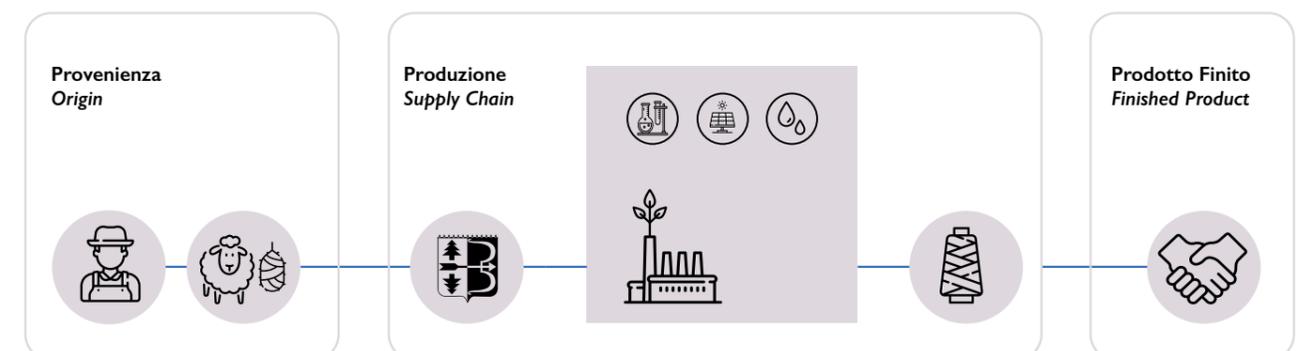
The original raw material is RWS-certified wool, featuring traceability along the supply chain and sourced from controlled farms that prioritise animal welfare, land reclamation and responsible land management.

#### PILLARS OF THE NATURALIS FIBRA COLLECTION

- Search for natural materials and manufacturers with high transparency and sustainability criteria
- Environmentally friendly production system
- Focus on treatments and dyes

**The Naturalis Fibra collection is a range of sustainable yarns created in response to the need to protect the environment and its values**

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Slowsilk



Natural Born Cashmere



Slowool 14

## Naturalis Fibra yarns obtained the updated Gold level Cradle to Cradle™ certification in 2022

<b>CRADLE TO CRADLE CERTIFIED™ PRODUCT SCORECARD</b>	
Material Health	Platinum
Material Reutilization	Gold
Renewable Energy & Carbon Management	Gold
Water Stewardship	
Social Fairness	Gold
<b>Overall Certification Level</b>	<b>Gold</b>

### TYPES OF WOOL:

Slowool, Slowool 15  
Slowool 16, Slowool Light  
Fairwool, Arkaba



The types of wool in the Botto Giuseppe e Figli S.p.A. Naturalis Fibra collection have excellent sustainability certifications, RWS and Cradle to Cradle™ certification.

### TYPES OF CASHMERE:

Flair  
Natural Born Cashmere



FLAIR yarns by Botto Giuseppe e Figli S.p.A. are part of the sustainable Naturalis Fibra collection. They are certified by Cradle to Cradle™, The Good Cashmere Standard (GCS), and Sustainable Fibre Alliance (SFA). The latter two are sustainable raw material certifications for cashmere and promote the adoption of responsible production practices that minimise environmental impact, safeguard herder livelihoods, and meet high animal welfare standards. They also guarantee traceability along the entire supply chain.

### TYPES OF SILK:

Slowsilk

This is the perfect combination of beauty and durability, connecting East and West. Our silk yarn is sustainable. Originating in India, it is cruelty-free, because it respects the silkworm moth. We only use the cocoon that remains after the moth hatches and flies away.

This light, brilliant, elegant yarn respects the ethics of nature.

### 3.6 FARMS AND ANIMAL WELFARE

Botto Giuseppe e Figli S.p.A. considers animal welfare an essential condition when it comes to choosing raw materials, sourced from farms located in places governed by specific regulations.

The **five fundamental freedoms of animals** is the international reference, as described in the 'OIE Terrestrial Animal Health Code'18 by the World Organisation for Animal Health.

The document 'Specifications for Wool Sheep Welfare' 19 of the IWTO - International Wool Textile Organisation is the most relevant regulation for the wool sector.

In return for joining the RWS programme, Botto Giuseppe e Figli S.p.A. commits to purchasing wool from farmers who do not carry out the surgical practice known as mulesing, which has a considerable impact on animal welfare. Only 'no mulesing' or 'mulesing-free' raw materials are therefore RWS accredited to become an integral part of the finished products from the wool mill.

The Australian Wool Exchange (AWEX), the semi-

governmental body that manages the public auction system for wool, created and implemented its National Wool Declaration (NWD) in 2010. Continuing along the track of sourcing RWS-certified raw material, Botto Giuseppe e Figli S.p.A. is always on the lookout for farms that share this philosophy. The year 2021 saw the entry of a new company located in Uruguay, La Porfia, and two new Australian farms, Cavan and Delatite.

During the year, we made other inspections in Australia to strengthen our collaboration with our current partner farms and to establish new relationships with others, to maintain high raw material quality standards and meet growing market demands.

Our commitment to traceability through the supply chain is important, and we only source materials from farmers who are willing to align their farm management systems with regenerative agriculture methods and practices that safeguard animal welfare.



#### TRACEABLE WOOLS



#### FARMS IN AUSTRALIA:

- Congi
- Benangaroo
- Woodside Moutajup
- Cavan Station

#### TRACEABLE WOOLS



#### FARMS IN URUGUAY:

- Engraw - La Porfia

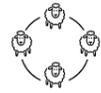
#### TRACEABLE CASHMERE



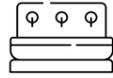
#### FARMS IN CHINA:

- Cocoa

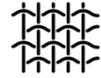
**CONGI  
FIELD FAMILY**



Herds rotated every 4 days



Constant flow drinking troughs



Superfine and ultra-fine merino wool of the highest quality



Microchips to collect animal data

**BENANGAROO  
FIELD FAMILY**



3000 hectares of pasture land



20,000 sheep

**LOCATED 30 KM WEST OF WALCHA, THIS 100-YEAR-OLD FARM RAISES 30,000 MERINO SHEEP.**

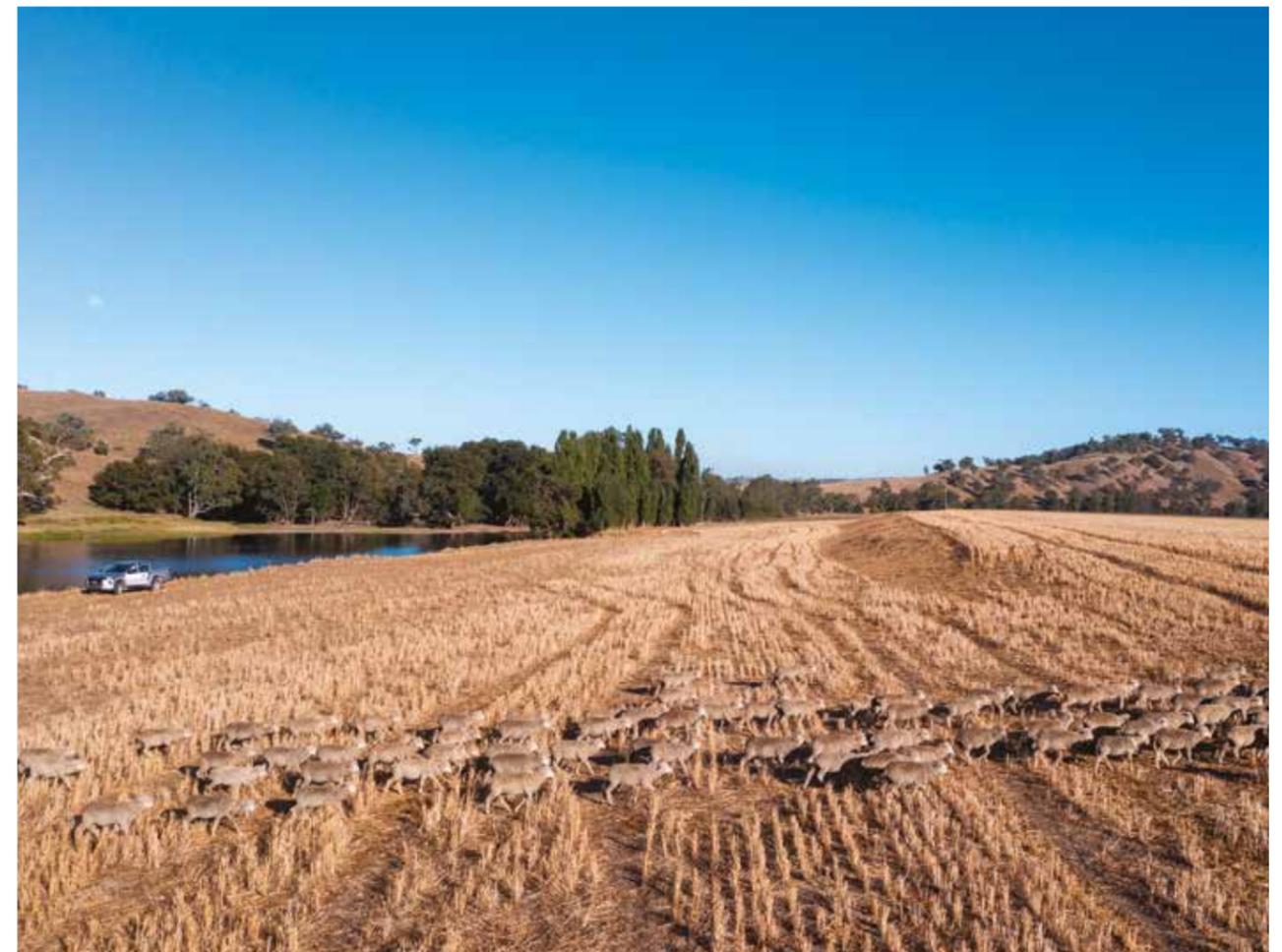
Now in their fourth generation, the Field family is passionate about wool. They produce exceptionally high quality wool — superfine and ultrafine Merino wool — using regenerative agricultural methods and sustainable certified herd management processes. Their herd rotation system, which ensures that the flocks move from one pasture to the next every four days, allows for optimal grass growth to replenish the food supply. The conditions of the pastures influences the quality and length of the sheep's fleece.

48 The health of the flocks is maintained by constant-flow water troughs, a further measure to avoid the consequences of contamination due to stagnant water. Each sheep has a microchip that collects data about the animal: fibre diameter, length, resistance, standard deviation, and shearing history.



**THE FARM STRETCHES ALONG 9 KM OF THE MURRUMBIDGEE RIVER IN NEW SOUTH WALES, AUSTRALIA.**

Benangaroo has been owned by the Field family since 1997. The immense property — 3,000 hectares for 20,000 sheep crossed by the Murrumbidgee River — is divided into pastureland for cows and fields used to grow rapeseed, barley and wheat.



**WOODSIDE MOUTAJUP**  
CRAWFORD FAMILY



800 hectares of pasture land



30,000 merino sheep



6,000 trees planted in 2021

**WOODSIDE MOUTAJUP IS LOCATED IN THE FOOTHILLS OF THE GRAMPIONS MOUNTAINS IN SOUTHEAST AUSTRALIA.**

The Crawford family, now in its sixth generation of farmers and one of the area's first settlers in 1836, manages 30,000 merino sheep on 800 hectares of pasture land in the foothills of the Grampians Mountains in Australia. In addition to rotating paddocks to keep the flocks in suitable pastures, Woodside also plants trees destined for reforestation projects in the territory.



**CAVAN STATION**  
MURDOCH FAMILY



10,000 hectares of terrain for 40,000 sheep



40,000 sheep

**CAVAN STATION ON THE SOUTHERN PLATEAUS OF NSW IN AUSTRALIA**

Cavan Station is a historical farm that has belonged to the same family for generations. Ten thousand hectares of land for 40,000 sheep, south of Yass, along the Murrumbidgee River in the Southern Tablelands of NSW.

The farm specialises in the production of extremely high quality, RWS-certified 16-17 micron superfine wool. They rely on animal husbandry and regenerative agriculture methods, and, in particular, have undertaken annual tree planting projects to increase biodiversity, absorb CO<sub>2</sub>, and provide shade and protection for animals.



**LA PORFIA**  
ENGRAW GROUP – ARTOLA FAMILY



The geographical and climate conditions in Uruguay guarantee the perfect habitat



20,000 merino sheep bred to produce RWS-certified extra-fine wool



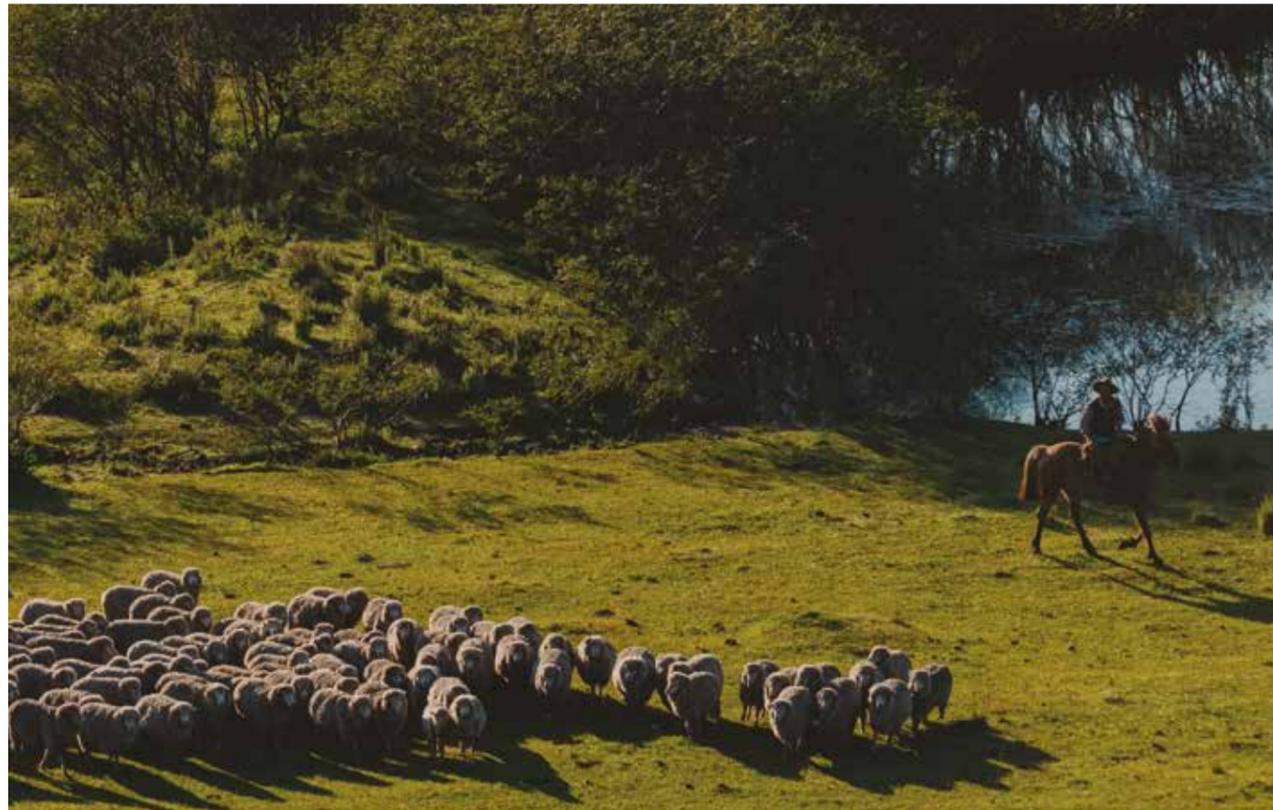
12,000 hectares owned



The facility where the wool is washed and combed gets 98% of its energy from wind power

**THE LA PORFIA FARM IS LOCATED IN ARTIGAS, IN NORTHERN URUGUAY.**

La Porfia is a farm located in Artigas, in the northern part of Uruguay. It belongs to the Engraw group, which began producing top wool at the end of the 1940s. In the area, pastures are all you can see and rain falls abundantly throughout the year. The Artola family breeds 20,000 merino sheep without mulesing on an area of 12,000 hectares. The extra-fine RWS-certified wool is extraordinarily long and resistant. The Engraw group only accepts selected farms that conform to high standards which promote respect for animal welfare and the environment. The facility where the wool is washed and combed, and then worked into tops gets 98% of its energy from wind power. Engraw has obtained several certifications that accredit its sustainable development philosophy, including Oeko-Tex, RWS, GOTs, Cradle to Cradle and Origen. The latter guarantees animal welfare, environmental protection, and product traceability.



**COCOA**



Direct negotiations



Harsh winters and scorching summers



40,000 goats

**THE COCOA FARM IS LOCATED IN THE GACHA REGION OF INNER MONGOLIA, WHERE THE WORLD'S FINEST CASHMERE IS PRODUCED.**

A territory covering about 1300 square kilometres in the Alashan region of Inner Mongolia hosts 48 breeders who care for about 40,000 goats. This habitat has bitterly cold winters and scorching summers. Cashmere comes from the ability to resist and adapt to such a hostile climate. This is the finest cashmere in the world, measuring 14.8–15.5 microns, purchased directly from breeders without intermediaries. The Cocoa Farm holds GCS and SFA certifications for sustainable cashmere.



### 3.7 OUR CERTIFICATIONS

**BOTTO GIUSEPPE E FIGLI SPA HAS CHOSEN THE FOLLOWING CERTIFICATIONS FOR ITS PROCESSES AND PRODUCTS:**



**CRADLE TO CRADLE**

Cradle to Cradle™ certification is an approach that adapts industrial models to nature, converting production processes and assimilating the materials used to natural elements that must, therefore, be regenerative. The Cradle to Cradle™ certification assesses safety, circularity and responsibility with regard to materials, products, and systems, dividing them into five categories: material health, product circularity, clean air & climate protection, water & soil stewardship, and social fairness.

Cradle to Cradle™ certification plays an important role: connecting the supply chain with all other actors in the value chain to obtain the highest level of sustainability. Naturalis Fibra yarns obtained renewed certification in December 2022, and in July of the same year, the pure wool product Slowool Earth earned the Cradle to Cradle™ certification.

**RESPONSIBLE WOOL STANDARD**



RWS is a quality certification for the origin of wool from controlled farms that pay particular attention to animal wellbeing, recovery of the natural landscape, and responsible land management. RWS certification guarantees that the wool is carefully selected, traceable and monitored along the entire supply chain, from origin to finished product.



**GRS (GLOBAL RECYCLE STANDARDS)**

This is recognised as the most prominent international standard for sustainable manufacturing of clothing and textiles made from recycled materials.

It is promoted by Textile Exchange, one of the most important international non-profit organisations for responsible and sustainable development in the textile sector. The standard recognises the importance of recycling for the growth of a sustainable production and consumption model, with the aim of encouraging the reduction of resource consumption (virgin raw materials, water and energy) and increasing the quality of recycled products.

With GRS, a third-party verified environmental statement is issued that ensures the recycled content of both intermediate and finished products, the maintenance of traceability throughout the production chain, restrictions on the use of chemicals, and compliance with environmental and social criteria at all stages of the production process, from the recycling of materials through the subsequent manufacturing stages to the labelling of the finished product.



**BCI (BETTER COTTON INITIATIVE)**

Some highly technical yarns combine the properties of cotton with those of silk and wool. In this situation, it is guaranteed that 100% of the cotton purchased and processed comes from BCI-accredited sources, i.e. from cotton farmers who adhere to the world's largest agricultural sustainability programme for cotton.



**GOOD CASHMERE STANDARD**

The Good Cashmere Standard® certifies sustainable cashmere and assesses the level of care and well-being of cashmere goats, as well as the living and working conditions of breeders. Traceability is managed through a dedicated portal according to a system of mass balance.



**SFA (SUSTAINABLE FIBRE ALLIANCE)**

The Sustainable Fibre Alliance is a non-profit association that aims to reduce the environmental impact of cashmere to a minimum, while safeguarding sustainable animal husbandry methods and guaranteeing high standards of animal welfare.

Today, the sustainability of cashmere is threatened in several ways: political transitions and the global demand for this luxury fibre have produced a significant increase in the number of goats, which, along with climate change, has generated excessive use of the land, thus compromising the well-being of animals and breeders. The SFA offers a holistic and globally recognized standard that engages with the main questions of sustainability related to the production of this fibre. It provides guarantees for 'responsibly produced cashmere' and guarantees a system for tracing the chain of custody from start to finish.



**4SUSTAINABILITY**

The 4sustainability project is a registered trademark and structure that concretizes the sustainability performance of the Fashion & Luxury supply chain. Granting and maintenance of the mark depend on the implementation of one or more coherent initiatives, as well as compliance with rigorous requirements, which is constantly monitored.

Every 4sustainability initiative is based on and purposed for one or more Sustainable Development Goals (SDGs), which are represented by six pillars referring to the world of sustainability.

In 2022, Botto Giuseppe e Figli S.p.A. completed renewal for the People pillar, maintaining the 'Basic' level; the Chemical pillar, obtaining the 'Basic' level; and the Materials pillar, confirming the 'Advanced' level. We also implemented the Planet pillar, reaching the 'Advanced' level, and the Cycle pillar, obtaining the 'Basic' level. These satisfying results confirm the company's progressive commitment to major sustainability issues, submitting to each audit as a way of ensuring continuous improvement.

The review of the Trace pillar was postponed: the company has begun a process to qualify and ensure traceability in its supply chain, but since this was not finished in 2022, it was postponed to 2023.



**WOOLMARK**

WoolMark is the certification of pure virgin wool and represents an international production quality mark. The WoolMark Company promotes wool through product quality control, applying a universal certification system with restrictive specifications and defined quality standards.



**TEXTILE AND HEALTH CERTIFICATE**

The entire supply chain is traced, processes where chemicals are used are monitored, and chemical mixtures evaluated according to the requirements of the project are shared with the Ministry of Health and Consumer Associations. The chemical mixtures used, the textile raw materials and the processed and finished articles must comply with the requirements of the National Chamber for Italian Fashion Guidelines.

The LYCRA Company

**THE LYCRA COMPANY**

Technical yarn production is carried out with the utmost respect for the environment, as the necessary synthetic fibres are mainly sourced from the group the LYCRA Company belongs to.

The LYCRA Company is an industry leader in developing market-relevant sustainable products that address critical needs in the apparel, textile and personal care sectors.

Areas of focus include:

- Recycled materials: development of fibres and insulation using recycled content, with comparable Performance to virgin fibres.
- Product durability: according to the WRAP organization (Waste and Resource Action Program), Increasing the duration of articles of clothing by only 9 months, it is possible to reduce carbon emissions, waste produced, and the use of water by 20-30% each. Brands can increase the longevity of garments by choosing high-quality fabrics made from durable fibres that help prevent garment deterioration. This simple step can increase customer satisfaction and loyalty while simultaneously strengthening the brand's reputation.
- Water and energy savings: products that are easy to make with less energy and resources and to clean with just enough water to wash them.
- Renewable resources: use of innovative and renewable resources, such as fibres derived from plant based material.



**HIGG INDEX**

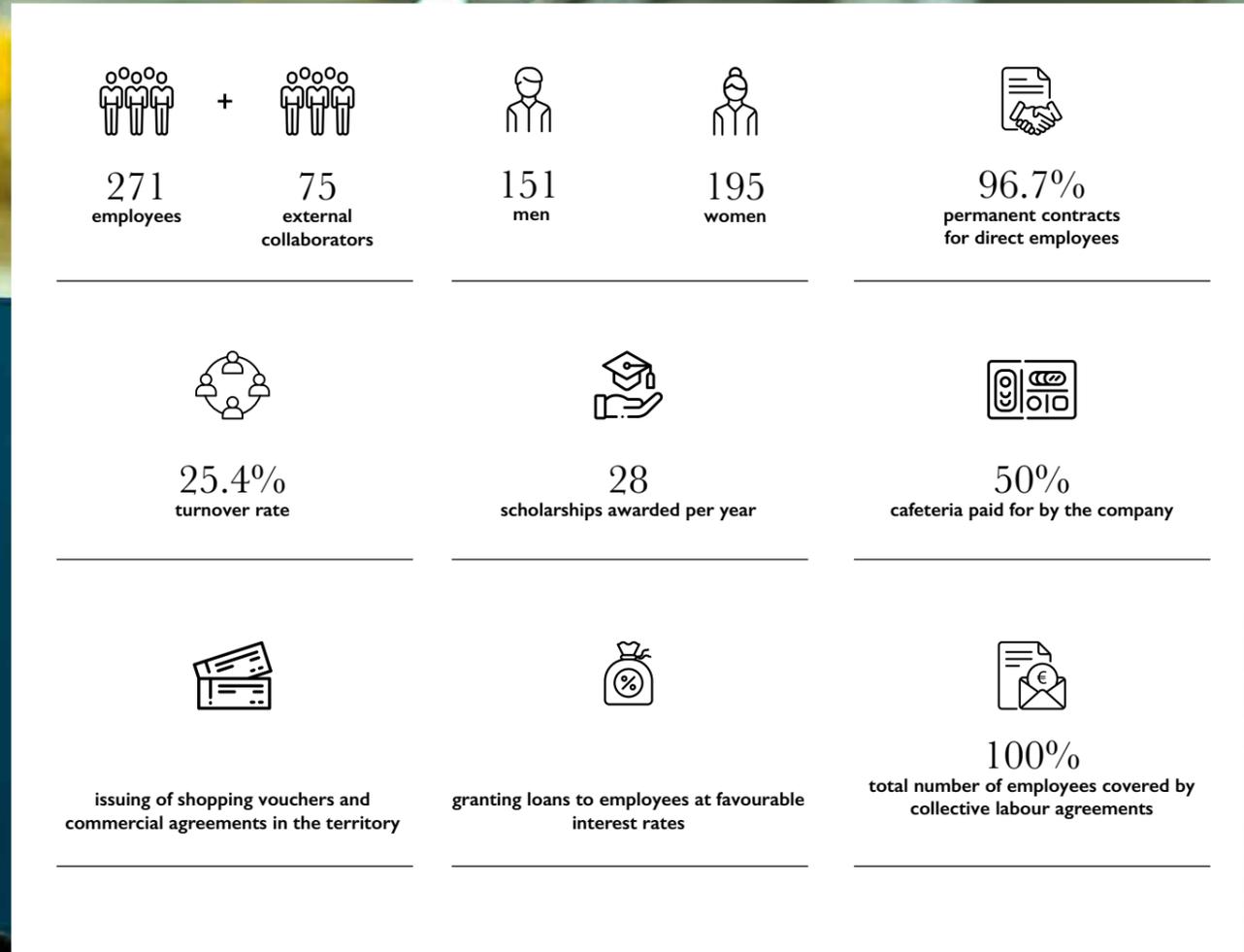
The HIGG INDEX was developed by the Sustainable Apparel Coalition, an alliance for sustainable production in the clothing, footwear and home textiles sector. It is a standardised supply chain control tool to help brands, retailers and industries understand the environmental, social, and economic impacts of the production and sale of their products, and address any harmful practices in their supply chain.



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## SOCIAL SUSTAINABILITY

- 4.1 Human resources management
- 4.2 Training
- 4.3 Health and safety
- 4.4 Work-related ill health



## 4.1 HUMAN RESOURCES MANAGEMENT

In 2022, we saw a net increase in total staff. The number of employees at the end of the year was comparable to the number before the pandemic, which is certainly encouraging and means that production levels are growing in the area.



### CONTRACT TYPE DIRECT EMPLOYEES

2022	PERMANENT CONTRACTS	TEMPORARY CONTRACTS	FULL TIME	PART TIME
Men	119	4	121	2
Women	143	5	125	23
<b>TOTAL</b>	<b>263</b>	<b>9</b>	<b>247</b>	<b>25</b>

2021	PERMANENT CONTRACTS	TEMPORARY CONTRACTS	FULL TIME	PART TIME
Men	115	0	110	5
Women	133	0	107	26
<b>TOTAL</b>	<b>248</b>	<b>0</b>	<b>217</b>	<b>31</b>

2020	PERMANENT CONTRACTS	TEMPORARY CONTRACTS	FULL TIME	PART TIME
Men	119	1	115	4
Women	143	0	118	26
<b>TOTAL</b>	<b>262</b>	<b>1</b>	<b>233</b>	<b>30</b>



### TOTAL EMPLOYEES

2022	MEN	WOMEN	TOTAL
Total employees	150	196	346
Direct employees	124	147	271
Temporary workers	26	49	75
Foreigners	7	9	16
Production workers	97	174	271
Office workers	40	22	62
Supervisors (department heads)	8	3	11
Managers and executives	6	0	6

2021	MEN	WOMEN	TOTAL
Total employees	143	173	316
Direct employees	115	133	248
Temporary workers	28	40	68
Foreigners	5	8	13
Production workers	93	159	245
Office workers	39	21	56
Supervisors (department heads)	8	2	10
Managers and executives	5	0	5

2020	MEN	WOMEN	TOTAL
Total employees	149	188	337
Direct employees	120	143	263
Temporary workers	29	45	74
Foreigners	3	8	11
Production workers	97	161	261
Office workers	38	23	61
Supervisors (department heads)	8	2	10
Managers and executives	5	0	5

The year 2022 saw a high rate of employee turnover, mainly due to the high recruitment rate — around 17%. This condition has characterized the post-pandemic period and is common across the entire Biella district.



**TURNOVER RATE**  
DIRECT EMPLOYEES

2022	< 50 YEARS OLD	> 50 YEARS OLD	TOTAL
Men	6.9%	4.7%	
Women	5.8%	8.0%	
<b>Turnover rate</b>	<b>12.7%</b>	<b>12.7%</b>	<b>25.4%</b>

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2021	< 50 YEARS OLD	> 50 YEARS OLD	TOTAL
Men	2.0%	3.6%	
Women	1.2%	4.0%	
<b>Turnover rate</b>	<b>3.0%</b>	<b>7.6%</b>	<b>10.6%</b>

2020	< 50 YEARS OLD	> 50 YEARS OLD	TOTAL
Men	1.2%	3.0%	
Women	0.3%	3.0%	
<b>Turnover rate</b>	<b>1.5%</b>	<b>6.0%</b>	<b>7.5%</b>



**RECRUITMENT RATE**  
DIRECT EMPLOYEES

2022	< 50 YEARS OLD	> 50 YEARS OLD	TOTAL
Men	5.5%	2.2%	
Women	5.1%	4.4%	
<b>Turnover rate</b>	<b>10.6%</b>	<b>6.6%</b>	<b>17.2%</b>

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2021	< 50 YEARS OLD	> 50 YEARS OLD	TOTAL
Men	1.2%	0.4%	
Women	0.4%	0.4%	
<b>Turnover rate</b>	<b>1.6%</b>	<b>0.8%</b>	<b>2.4%</b>

2020	< 50 YEARS OLD	> 50 YEARS OLD	TOTAL
Men	0.4%	0.0%	
Women	0.4%	0.4%	
<b>Turnover rate</b>	<b>0.8%</b>	<b>0.4%</b>	<b>1.2%</b>

**EMPLOYEE AGE**  
 DIRECT EMPLOYEES + TEMPORARY STAFF

2022 EMPLOYEES	18-30		31-40		41-50		OVER 50		TOTAL
	MEN	WOMEN	MEN	WOMEN	MEN	WOMEN	MEN	WOMEN	
Sex									
Botto Giuseppe Total	15	11	9	22	49	76	78	86	346
Age distribution	4.3%	3.2%	2.6%	6.4%	14.2%	22.0%	22.5%	24.9%	100%

2021 EMPLOYEES	18-30		31-40		41-50		OVER 50		TOTAL
	MEN	WOMEN	MEN	WOMEN	MEN	WOMEN	MEN	WOMEN	
Sex									
Botto Giuseppe Total	13	8	8	19	46	73	72	77	316
Age distribution	4.1%	2.5%	2.5%	6.0%	14.6%	23.1%	22.8%	24.4%	100%

2020 EMPLOYEES	18-30		31-40		41-50		OVER 50		TOTAL
	MEN	WOMEN	MEN	WOMEN	MEN	WOMEN	MEN	WOMEN	
Sex									
Botto Giuseppe Total	13	9	5	21	61	82	69	74	334
Age distribution	3.9%	2.7%	1.5%	6.3%	18.3%	24.6%	20.7%	22.2%	100%

**EMPLOYEE AGE**  
 DIRECT EMPLOYEES

2022 EMPLOYEES	18-30		31-40		41-50		OVER 50		TOTAL
	MEN	WOMEN	MEN	WOMEN	MEN	WOMEN	MEN	WOMEN	
Sex									
Botto Giuseppe Total	4	2	5	7	43	64	72	74	271
Age distribution	1.5%	0.7%	1.8%	2.6%	15.9%	23.6%	26.6%	27.3%	100%

2021 EMPLOYEES	18-30		31-40		41-50		OVER 50		TOTAL
	MEN	WOMEN	MEN	WOMEN	MEN	WOMEN	MEN	WOMEN	
Sex									
Botto Giuseppe Total	4	1	4	3	39	63	70	64	248
Age distribution	1.6%	0.4%	1.6%	1.2%	15.7%	25.4%	28.2%	25.8%	100%

2020 EMPLOYEES	18-30		31-40		41-50		OVER 50		TOTAL
	MEN	WOMEN	MEN	WOMEN	MEN	WOMEN	MEN	WOMEN	
Sex									
Botto Giuseppe Total	0	0	4	8	51	69	64	64	260
Age distribution	0%	0%	1.5%	3.1%	19.6%	26.5%	24.6%	24.6%	100%

**YEARS OF SERVICE**  
 DIRECT EMPLOYEES + TEMPORARY STAFF

2022 EMPLOYEES	0-10 YEARS		10-20 YEARS		20-30 YEARS		> 30 YEARS		TOTAL
	MEN	WOMEN	MEN	WOMEN	MEN	WOMEN	MEN	WOMEN	
Sex									
Botto Giuseppe Total	65	100	12	14	43	51	30	31	346
Rate	18.8%	28.9%	3.5%	4.0%	12.4%	14.7%	8.7%	9.0%	100%

2021 EMPLOYEES	0-10 YEARS		10-20 YEARS		20-30 YEARS		> 30 YEARS		TOTAL
	MEN	WOMEN	MEN	WOMEN	MEN	WOMEN	MEN	WOMEN	
Sex									
Botto Giuseppe Total	52	74	14	15	44	50	30	37	316
Rate	16.5%	23.4%	4.4%	4.7%	13.9%	15.8%	9.5%	11.7%	100%

2020 EMPLOYEES	0-10 YEARS		10-20 YEARS		20-30 YEARS		> 30 YEARS		TOTAL
	MEN	WOMEN	MEN	WOMEN	MEN	WOMEN	MEN	WOMEN	
Sex									
Botto Giuseppe Total	52	73	15	15	49	55	32	43	334
Rate	15.6%	21.9%	4.5%	4.5%	14.7%	16.5%	9.6%	12.9%	100%

The average age of employees tends to be similar to those in previous years, with a situation leaning towards employees aged between 40 and 50. These are positive data that reflect many years of work experience, which is also confirmed by the years of service, which show high scores for people with 20 to 30 years of service or more. A negative aspect of a high average age is that this will translate into a

slow generational turnover, which is a common 'problem' in the textile sector. Given the high number of people who left in 2021, mostly due to retirement, and the high number of new entries in 2022 with many young people, the percentages have moved slightly towards 0-10 years of service.

**YEARS OF SERVICE**  
 DIRECT EMPLOYEES

2022 EMPLOYEES	0-10 YEARS		10-20 YEARS		20-30 YEARS		> 30 YEARS		TOTAL
	MEN	WOMEN	MEN	WOMEN	MEN	WOMEN	MEN	WOMEN	
Sex									
Botto Giuseppe Total	39	52	12	14	43	50	30	31	271
Rate	14.4%	19.2%	4.4%	5.2%	15.9%	18.5%	11.1%	11.4%	100%

2021 EMPLOYEES	0-10 YEARS		10-20 YEARS		20-30 YEARS		> 30 YEARS		TOTAL
	MEN	WOMEN	MEN	WOMEN	MEN	WOMEN	MEN	WOMEN	
Sex									
Botto Giuseppe Total	26	28	15	15	44	51	31	38	248
Rate	10.5%	11.3%	6.0%	6.0%	17.7%	20.6%	12.5%	15.3%	100%

2020 EMPLOYEES	0-10 YEARS		10-20 YEARS		20-30 YEARS		> 30 YEARS		TOTAL
	MEN	WOMEN	MEN	WOMEN	MEN	WOMEN	MEN	WOMEN	
Sex									
Botto Giuseppe Total	23	28	15	15	49	55	32	43	260
Rate	8.8%	10.8%	5.8%	5.8%	18.8%	21.2%	12.3%	16.5%	100%

The number of employees in protected categories fell again by two units due to retirement.

PROTECTED CATEGORIES 2022	MEN	WOMEN	TOTAL
Manual workers	2	11	13

PROTECTED CATEGORIES 2021	MEN	WOMEN	TOTAL
Manual workers	3	12	15

PROTECTED CATEGORIES 2020	MEN	WOMEN	TOTAL
Manual workers	4	13	17

## 4.2 TRAINING

Upon returning to normality after the pandemic, employee training programmes resumed without interruptions, in particular in the classroom (both internally at the facilities and externally on the premises of the training bodies that were contacted). In 2022, 48 distinct training actions involving both facilities were complete out of a total of 53 types, which resulted in 91% coverage with regard to the plans made at the beginning of the year and integrated as needed. This has allowed us to meet the annual goal of completing at least 90% of the planned training initiatives. The courses involved all staff at both facilities and covered not only general and specific basic training for new recruits, but also updates on job-related risks or the use of work equipment, activities with risks strictly related to their execution such as loading and unloading vehicles, supervisory activities for supervisors, workers' safety representatives and those related to emergency management.

A course outlining the basic principles of sustainability (and what the company had done in the area) was planned for

**IN 2022, A COURSE WAS CREATED WITH AN EXTERNAL TRAINING BODY THAT FOCUSED ON SUSTAINABILITY TRAINING FOR COMMERCIAL BACK-OFFICE STAFF, DESIGNERS, RAW MATERIAL MANAGERS AND SOME DEPARTMENT MANAGERS, WITH PLANS TO EXTEND IT TO CUSTOMERS AND SUPPLIERS IN 2023.**



all employees, and another course on company certifications and water and energy consumption was offered mainly to department heads and production managers.

The lessons involved staff in a total of 1233 hours of training, delivered by the Health and Safety Manager or experienced external consultants;

**THE TOTAL NUMBER OF HOURS OF TRAINING DELIVERED IN 2022 EXCEEDED THE HOURS COMPLETED BEFORE THE PANDEMIC.**

This is because 2022 was a year of strong growth that led the company to increase the number of recruits and formalize current contracts. The need to hire new staff increased the need for basic training courses and later, more specific technical activities.

In addition, 21 extraordinary internal training activities or activities that required more information (or in reference to particular events) were held, either directly in the department or with reference to particular activities and reported separately on special forms in the Internal Integrated Management System.

Among all of the extraordinary training activities, the most interesting ones were:

- Sustainability activities to implement in every department;
- Management procedures for new chemicals

and for those being disposed of;

- Management procedure for chemical spills;
- Safety reports (machines, equipment, PPE);
- Product certification updates;
- Management procedures regulating waste recycling in the company;
- Management of the company COVID-prevention protocol.

Special internal training activities included emergency drills and simulations, which directly involve the company emergency management teams. Some of the drills related to chemical emergencies, fire-fighting management, and first-aid for employees. These activities allow us to keep preparation levels high for people in charge of these areas, so they are always ready to act in case of an alert. Furthermore, practical exercises provide an opportunity to correct any possible anomalies in execution while serving as an opportunity to pass on the knowledge and skills acquired through the years from more experienced colleagues to younger or less well-trained ones. The department managers and their safety officers (supervisors) are responsible for carrying out the necessary training activities for all workers in case of new recruits or job changes, in addition to what was learned in the classroom and after the internal training process ends, with a particular focus on safety and prevention of environmental impacts.



### TRAINING CHARTS

	2019		2020		2021		2022	
	NO. OF COURSE PARTICIPANTS	TRAINING HOURS						
Valdilana	379	820	336	781	328	687	376	1127
Tarcento	98	316	85	255	49	70	50	106
TOT participants	477	-	421	-	377	-	426	-
TOT training hours	-	1136	-	1036	-	757	-	1233

Botto Giuseppe e Figli S.p.A. pays particular attention to education and teaching because we are convinced that these are the basis for a solid future of the local employment system, and more. This is why the company supports university studies for employees' children through scholarships.

In 2022, fuel and shopping vouchers were issued to employees to provide some respite in the face of rising food and energy prices.



SCHOLARSHIPS

26  
PROVIDED IN 2020

24  
PROVIDED IN 2021

28  
PROVIDED IN 2022



INTERNSHIPS AND  
TRAINEESHIPS

9  
2020

20  
2021

24  
2022

### 4.3 HEALTH AND SAFETY

Workers are a company's most valuable asset, and Botto Giuseppe e Figli S.p.A. works tirelessly to increase safety at work and protect the health of every employee.

These concepts form the foundation for an internal health and safety management system based on national and European directives, including:

- Italian Legislative Decree 626/1994;
- Italian Legislative Decree 81/2008.

The management system itself, following the directives of Italian Legislative Decree 231/2001 (see Art. 6) and Legislative Decree 81/2008 (Art. 30), led to the preparation of a company Organisational Model which sets out specific procedures to manage safety and environmental issues, formalising the activities.

Monitoring of their correct application is the responsibility of the internally appointed Health and Safety Manager, who works together with the supervisors and all workers, and with the help of software built to meet professional needs.

The computer program contains all the information needed to manage aspects of the company's workforce. For example, training, health monitoring, significant anomalies recorded as non-conformities and related remedial actions, accidents, use of chemicals and other requirements are constantly monitored.

Analysis of the risks that workers may face in the company is compiled in the Risk Assessment Document. The workplaces, equipment and machines, along with chemicals used in the work are analysed (examples of physical risks), as is worker stress (examples of mental/psychological risks).

When we identify critical issues or opportunities for improvement with the need for significant changes in the production process or work organisation, the Risk Assessment Document is updated, and we record actions to eliminate or reduce risk and implemented or planned measures to improve safety. We use this information to prepare intervention plans according to priorities and execution times and directly linked to the company's investment and development plans. Once a year, internal audits are carried out by external con-

sultants specialised in occupational safety. This is an advantage when it comes to maintaining a high focus on the applicability and compliance of the Organisational Model, which is subject to further periodic audits by suppliers and customers.



The results of the audits are shared with the management and departmental supervisors, who can intervene when necessary and ensure the required improvements and corrections in line with safety dictates. Workers' Safety Representatives are also part of the chain of disclosure to workers.

Workers' Safety Representatives also actively participate in management review meetings and during inspections by the company doctor. They are therefore constantly informed about trends in occupational accidents and illnesses, the effectiveness of personal protective equipment (PPE) or occupational safety training programmes.

This is well-established good practice that brings any issues that arise to the attention of the management.

The safety of devices i.e. equipment, machines, installations used daily by workers, is an important safety aspect, the conformity of which is regulated by national and European stand-



ards verified at the time of purchase or certified by an expert technician.

Maintenance is planned and carried out on an ongoing, regular basis, and this periodic inspection involves substantial investment.



**IN 2021, THE FIRE PREVENTION CERTIFICATE (FPC) WAS OBTAINED FROM THE LOCAL BIELLA SECTION OF THE FIRE BRIGADE AFTER COMPLETING A 20-YEAR PROCESS OF ADAPTATION TO THE FIRE PREVENTION PROJECT.**

It is important to state that staff are trained to independently ensure constant vigilance and detect potential anomalies and dangers and promptly inform their supervisors or the Worker's Safety Representatives. Employees can submit reports in different ways: directly, by speaking with supervisors or asking to speak with someone in the safety/environmental/HR departments; anonymously, using the reporting box at company reception; or by contacting the Supervisory Board, using systems that are not accessible to the company management. Finally, Italian Legislative Decree no. 81/08, as amended, stipulates that workers can avoid situations which they consider to be dangerous or likely to cause accidents and illnesses. In these cases, they must present the matter to their supervisor and await the outcome of a joint examination by management, the Workers' Safety Representative and the company doctor to determine the validity.



## HEALTH MONITORING

With the appointment of a company doctor, Botto Giuseppe e Figli S.p.A. manages occupational health monitoring activities as required by national and European standards, maintaining constant control of the work risks that arise from the natural ageing of employees and in the event of personal problems that could worsen according to the job duties. The company Doctor defines a health protocol that includes examinations specific to each task and derived from the Risk Assessment Document, scheduling periodic medical check-ups agreed with the company. The company doctor identifies the critical points to be resolved, reporting any prescriptions assigned to the Health and Safety Manager with the utmost discretion in professional confidentiality.

In addition, the company doctor, together with the management, the Health and Safety Manager and the Workers' Safety Representative, inspects the facilities every year to check that they are in conformity with the company's practices and with the contents of the Risk Assessment Document. On that occasion, data from periodic check-ups classified according to the different types of suitability and the occupational diseases detected are also provided for statistical purposes on a completely anonymous basis.



## VALDILANA

In the Valdilana Facility, 2022 was marked by an increase in the total number of medical examinations and tests, not only compared to the previous year, but also compared to the situation before COVID (2019). This indicates the strong demand for the product on the market, and the resulting need to increase the workforce. A clear sign of recovery and employment growth.

We can finally declare that the spectre of the COVID-19 pandemic is behind us, and as of today, it has produced one positive result: causing and motivating us to maintain active protocols to ensure better personal hygiene and cleaner company spaces (work-related and others).

Special medical appointments requested by workers increased again, mainly due to the normal ageing of the workforce. This reflects the number of prescriptions assigned to workers, down one percentage point compared to last year, but it also led to the assignment of 'unsuitability' for a task carried out by one worker. This was resolved in agreement between the worker and company doctor with a change of jobs that better fit the person's health condition.

It is interesting that the suitability values from 2022, com-

pared to information before the pandemic, are decisively better. This represents success with respect to criticalities that emerged during COVID.

We underscore that any worker may voluntarily request a special medical examination if he or she believes that a poor health condition can be traced to particular work activities.

The company arranges, at its own expense, a consultation with the company doctor and, at the doctor's request, additional specialist check-ups to establish a complete health picture. If, in their final analysis, the company doctor believes there is a connection between the worker's situation and the tasks entrusted to them, Botto Giuseppe e Figli S.p.A. will immediately re-evaluate the risks related to these activities and intervene to improve the health and safety conditions of workers. We also must report that in 2022, at the Valdilana facility, 51 new workers were welcomed and 29 workers went into retirement or resigned, which justifies the increase in internal employees. It also indicates a more marked turnover necessary to meet production needs, which grew exponentially in 2022, thus determining greater movement of workers between companies in the sector.


**HEALTH MONITORING CHARTS  
VALDILANA**

2022

2022	SCHEDULED	SPECIAL
Check-ups	332	14
Examinations	695	2

SUITABILITY	NO.	TOTAL %
Full	219	77.1
With prescriptions	58	20.4
Unsuitability	1	0.4
End of relationship	6	2.1

In 2022, no reports on professional illnesses were received.

**346**  
TOT. MEDICAL  
EXAMINATIONS

**697**  
EXAMINATIONS

74 2021

2021	SCHEDULED	SPECIAL
Check-ups	306	5
Examinations	550	5

SUITABILITY	NO.	TOTAL %
Full	203	76.9
With prescriptions	58	22.0
End of relationship	3	1.1

2020

2020	SCHEDULED	SPECIAL
Check-ups	316	10
Examinations	583	10

SUITABILITY	NO.	TOTAL %
Full	256	78.5
With prescriptions	56	17.3
End of relationship	14	4.2


**HEALTH MONITORING CHARTS  
CASCAMI SETA**

2022

2022	SCHEDULED	SPECIAL
Check-ups	57	1
Examinations	135	3

SUITABILITY	NO.	TOTAL %
Full	33	56.90
With prescriptions	24	41.38
Unsuitability	1	1.72

In 2022, no reports on professional illnesses were received.

**58**  
TOT. MEDICAL  
EXAMINATIONS

**138**  
EXAMINATIONS

2021

2021	SCHEDULED	SPECIAL
Check-ups	48	0
Examinations	64	0

SUITABILITY	NO.	TOTAL %
Full	30	62.75
With prescriptions	17	35.30
End of relationship	1	1.95

2020

2020	SCHEDULED	SPECIAL
Check-ups	49	2
Examinations	120	4

SUITABILITY	NO.	TOTAL %
Full	32	65.31
With prescriptions	16	32.65
End of relationship	1	2.04

75

**CASCAMI SETA**

The Cascami Seta factory in Tarcento shows the same considerations as the Valdilana factory: an increase in total examinations and tests, even more than before COVID (2019), market recovery, and employment growth. The few special examinations requested by workers is very similar to the Valdilana data. There is evidence of natural ageing in the average age of the workforce, which in 2022 influenced the increase in the number of prescriptions assigned to workers compared to the previous year.

ber of suitability judgements. These numbers still affect the percentages slightly compared to the growing number of employees. Prescriptions are increasing, but are often motivated by the need for tetanus shots, which are particularly required for employees by the company doctor for activities carried out at the factory. The company doctor at the Cascami Seta facility informed us of a general worsening in spirometry results in 2022 after the forced interruption of 2020 and 2021 due to COVID-19.

lack of experience in taking measurements of staff who came back to work in 2022. We will collect more precise data in 2023, with successive spirometry tests.

Botto Giuseppe e Figli S.p.A. will use their own internal accident protection and prevention service to sample the air quality in the Tarcento facility to study the level of dust in the rooms, to exclude that this negative result is linked to the workplace.

It is important to note that any worker may voluntarily request a special medical examination if he or she believes that a poor health condition can be traced to particular work activities.

The company arranges, at its own expense, a consultation with the company doctor and, at the doctor's request, additional specialist check-ups to establish a complete health picture. If, in their final analysis, the company doctor believes there is a connection between the worker's situation and the tasks entrusted to them, Botto Giuseppe e Figli S.p.A. will immediately re-evaluate the risks related to these activities and intervene to improve the health and safety conditions of workers.

In 2022 at the Cascami Seta facility, 13 new workers were welcomed and 8 workers went into retirement or resigned, which justifies the increase in internal employees.

It also indicates a more marked turnover necessary to meet production needs, which grew exponentially in 2022, thus determining greater movement of workers between companies in the sector.



An 'unsuitability' for the job performed by one worker is also present. This was resolved in agreement with the company doctor by changing the worker to another job in the company that was more suitable to the person's health condition. We emphasize that, compared to previous years, the suitability values in 2022 show an overall increase in the total num-

The doctor explained the negative result as a general worsening of all companies monitored directly or indirectly by his employer.

The doctor works for a medical company.

The determining causes are being studied at the moment, but they could derive from pandemic-related causes or from a

## 4.4 ACCIDENTS AND WORK-RELATED ILL HEALTH

In recent years, the number of company accidents shows a very marked downward trend, reflecting the good practices adopted during work activities, such as constant monitoring of the application of safety rules by supervisors and the management.

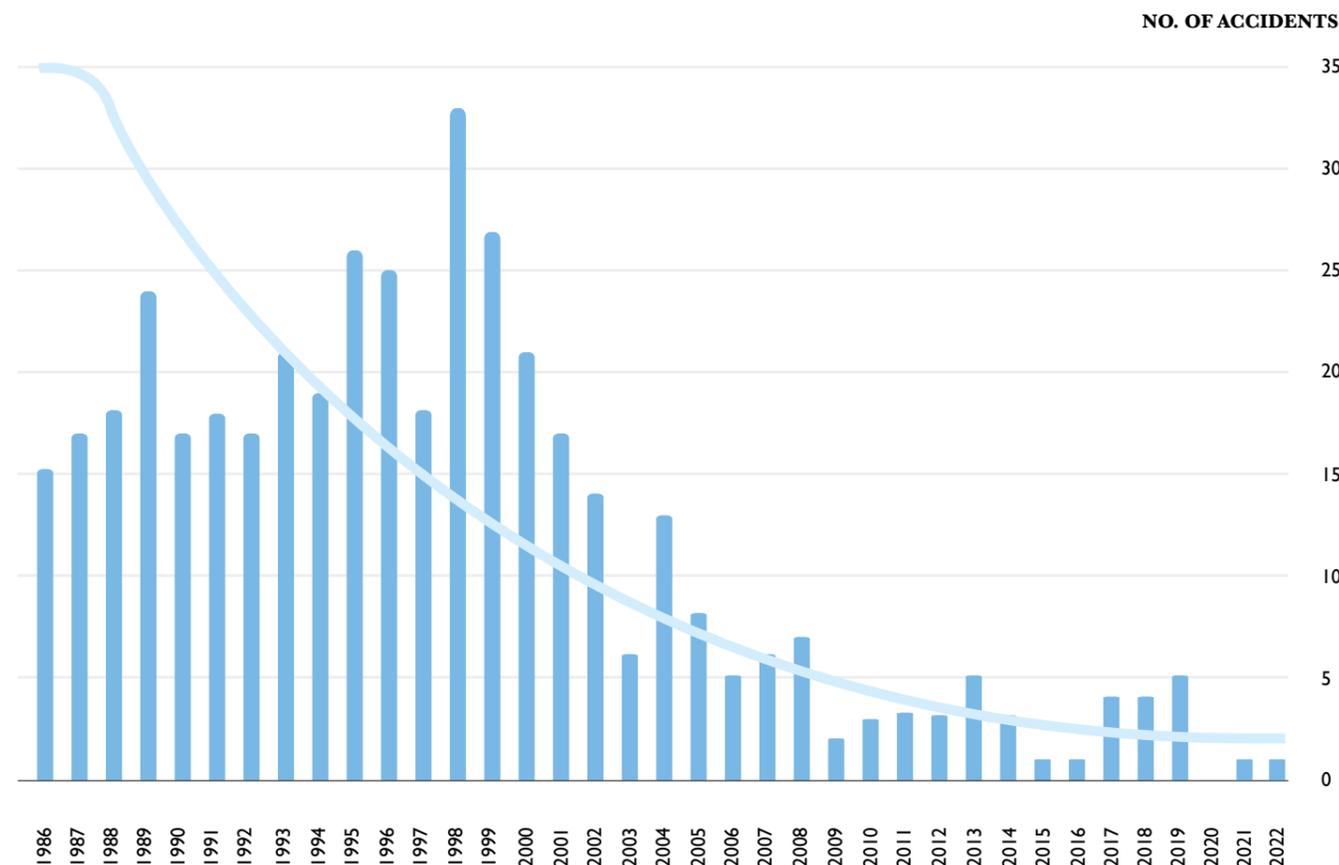
As in 2021, 2022 also involved an accident at the Valdilana facility. The injured worker was absent from work for almost 20 days. After proper assessment of the incident, the necessary

actions were undertaken to prevent it from happening again. These actions will end in 2023 with a series of dedicated training activities focused on learning to use the equipment provided by the company.

### ACCIDENT TRENDS BY YEAR

There were no serious accidents resulting in death or irreversible physical injury

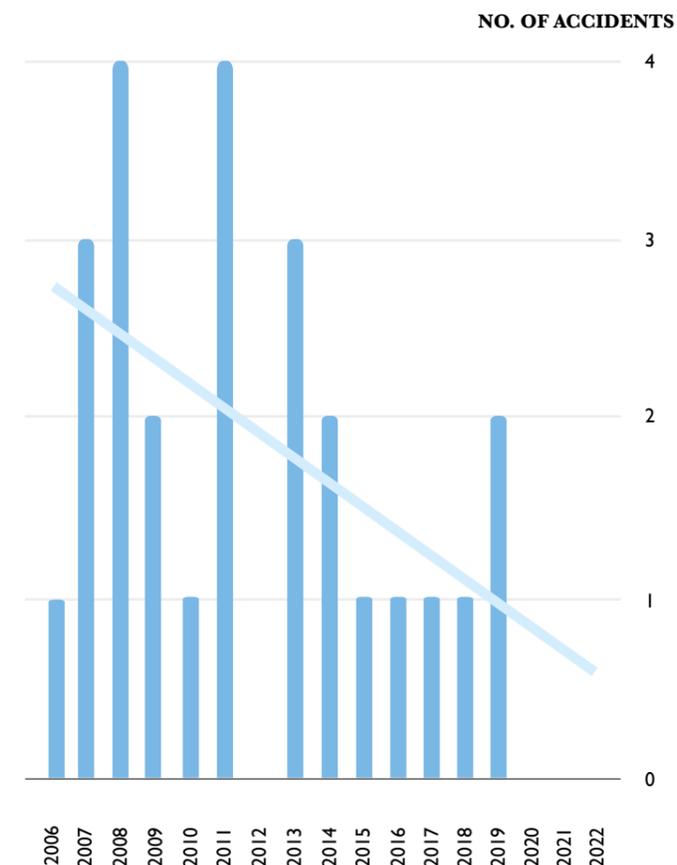
 No. of Accidents per year  Expon. (No. of accidents per year)



## The Tarcento facility closed with zero accidents for the third consecutive year.

### SUMMARY OF ACCIDENT NUMBERS - CASCAMI SETA

 No. of Accidents per year  Linear (No. of accidents per year)



## COVID-19 EMERGENCY

The COVID-19 pandemic ended in 2022, not only in Italy but throughout the world. However, this did not imply complete abandonment of the new internal protocol that was drawn up and adopted to prevent contagion, or the resulting COVID-19 Biological Risk Assessment Document. The good practices concerning personal and workplace hygiene and cleaning remain in force, allowing us to improve the quality of health both in general and individually. They also allow us to contain any possible spread of germs and illnesses. To this end, we recorded a reduction in absences due to COVID-19 in 2022.

The Internal Committee, assisted by the company doctor, continued to monitor the situation, constantly checking that the regulations were always aligned with the latest legal provisions.

**ENVIRONMENTAL SUSTAINABILITY**

- 5.1 Environmental respect and protection
- 5.2 Energy balance sheet
- 5.3 Energy consumption
- 5.4 Energy interventions
- 5.5 Emissions and wastewater treatment
- 5.6 Carbon footprint
- 5.7 Water consumption management
- 5.8 Purification
- 5.9 ZDHC - Zero Discharge of Hazardous Chemicals
- 5.10 Waste management and treatment

## 5.1 ENVIRONMENTAL RESPECT AND PROTECTION

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Botto Giuseppe e Figli S.p.A. works with respect and care for the local area, rich in the resources that contributed to the birth of the textile industry.

Factors such as improved and more efficient manufacturing facilities have contributed to the company's ever-growing success in international markets.

Electricity, water resources, and waste management are the pivotal points for implementing virtuous actions that work towards ensuring the conservation of natural resources. The optimisation, care and wise management of resources translate into important choices such as decisions that intend to improve collective wellbeing, the reduction of CO<sub>2</sub> atmospheric emissions and waste in general to impose controls on environmental impact.

### GREEN MISSION

Botto Giuseppe e Figli S.p.A. plans its activities to ensure the best possible balance between economic initiatives and protecting the environment, health, safety, climate and biodiversity, engaging in the research and development of innovative solutions, including the exploitation of alternative energy sources with lower environmental impact and reduced consumption.

The real challenge for the future consists in maintaining the same production efficiency while consuming fewer resources. To do this, we need to increase complete measurements of most environmental aspects and identify situations where we can intervene, leading to improvements.

### ELECTRICAL ENERGY PRODUCTION FROM RENEWABLE SOURCES AND ENERGY SAVING ACTIONS

During the past ten years, Botto Giuseppe e Figli S.p.A. has invested considerable economic and human resources in the development of environmentally sustainable projects. Efficiency and energy savings, producing electricity from renewable sources, cogeneration and optimisation of production processes have been, and still are, strategic issues. They will continue to be strategic in the future.

## 5.2 ENERGY BALANCE SHEET

If a global energy assessment is carried out for the production facilities using renewable resources and investments in energy efficiency and savings, it can be proudly concluded that Botto Giuseppe e Figli S.p.A. uses 60% electricity from renewable sources produced within the company and the remainder from cogeneration sources.

IN 2022, THE AMOUNT OF ELECTRICITY PRODUCED FROM RENEWABLE SOURCES FELL CONSIDERABLY DUE TO THE DRAMATIC DROUGHT THAT HIT THE NORTHERN PART OF THE COUNTRY. IN FACT, MOST OF THE GREEN ENERGY PRODUCED BY THE COMPANY COMES FROM HYDROELECTRIC GENERATION.

For this reason, a percentage of electrical energy from renewable sources out of the total company requirements is 15% lower than it was in the previous year (2021) and the increase in the total amount of energy consumed contributed to the reduction.

During the second half of 2022, two new photovoltaic plants were commissioned: a 562 kWp system in Valdilana and a 738 KWp system in Tarcento. With these operational, and after the completion of a second, 1399-KWp system at Valdilana due to be commissioned in the first quarter of 2023, the energy balance will probably show a significant increase in energy consumption from renewable sources.

The hydroelectric plant next to the Tarcento factory has a production capacity that exceeds the facility's requirements, and the excess energy is put into to the grid. The company owns a smaller hydroelectric plant that uses the minimum vital flow of the Torre stream. It produces about 1,300,000 kWh, and it is entirely fed into the grid. For each MWh of renewable electrical energy provided to the grid, the electricity service manager issues a GO (Guarantee of Origin) with annual validity for the amounts transferred and cancelled through a dedicated web portal. The purpose of the GO is to certify that the electrical energy fed into the grid originated from a certain plant and that it came from renewable resources. Botto Giuseppe e Figli S.p.A. uses Guarantee of Origin cancellation certificates to compensate for the equivalent tonnes of CO<sub>2</sub> that the Valdilana facility would have released if it had consumed that amount of kWh produced from non-renewable resources.



OF ELECTRICITY FROM RENEWABLE RESOURCES AND THE REST FROM COGENERATION SOURCES

### CERTIFICATION ISO 50.001

At the end of 2022, the procedure began to start updating the Integrated Management System to the ISO 50.001 Energy Management System. The confirmation process will take place in 2023 with the goal of obtaining the certification at the beginning of 2024.

**At present, the goal for company certification under ISO 14.001 remains established until 2025.**



### 5.3 ENERGY CONSUMPTION

SINCE THE EARLY 2000S, BOTTO GIUSEPPE E FIGLI S.P.A HAS IMPLEMENTED A POLICY TO SAVE ENERGY BY SELF-PRODUCING ELECTRICITY FROM RENEWABLE SOURCES, HYDROELECTRICITY, AND PHOTOVOLTAICS, AND SELF-PRODUCING ENERGY FROM HIGH-EFFICIENCY COGENERATION.

Constant monitoring of the equipment keeps all critical process variables under control, to ensure maximum reliability while minimising consumption. The company is also very attentive to fluctuations in the electricity and gas markets, and carefully observes the stability and reliability of suppliers with whom contracts are signed, ensuring supplies at competitive prices and with excellent guarantees.

In 2022, the supplier declared that 100% of the supply of purchased electricity originated from renewable sources, for both the Valdilana and Tarcento facilities.

The year 2022 was characterized by a significant recovery in production compared to the previous two years, which were dramatically affected by the COVID-19 pandemic, and the consumption of both electricity and gas (methane) increased.

If consumption is normalized with respect to the kg processed and we define the energy intensity, we observe how the result is lower than the two previous years.



	2022	2021	2020
Total electricity consumption	47,586	44,705	40,484
Electricity self-produced from renewable resources	27,854	33,348	28,511
Electricity self-produced from cogeneration	25,880	23,543	20,183
Electricity from renewable resources sold to the grid	15,427	20,957	18,259
Electricity purchased	11,426	10,481	10,415
Methane gas for industrial use	60,148	52,602	44,602
Methane gas for cogeneration	70,737	65,424	54,642
% of energy produced from renewable resources compared to the total requirement	59%	75%	70%

unit of measurement: GJ

These data show that energy efficiency is enhanced when production loads are high, given that it is possible to use the machines to their full potential compared to the energy required simply to make them function. However, the production decreases in 2020 and 2021 are not proportional to the drop in energy consumption.

ENERGY INTENSITY INDEX (GJ/TON)	2022	2021	2020
Total electricity consumption	48,330	44,705	40,484
Total methane gas consumption	143,056	135,068	112,779
TOTAL	191,386	179,773	153,263
<b>Energy intensity</b>	<b>51.3</b>	<b>59.2</b>	<b>56.3</b>

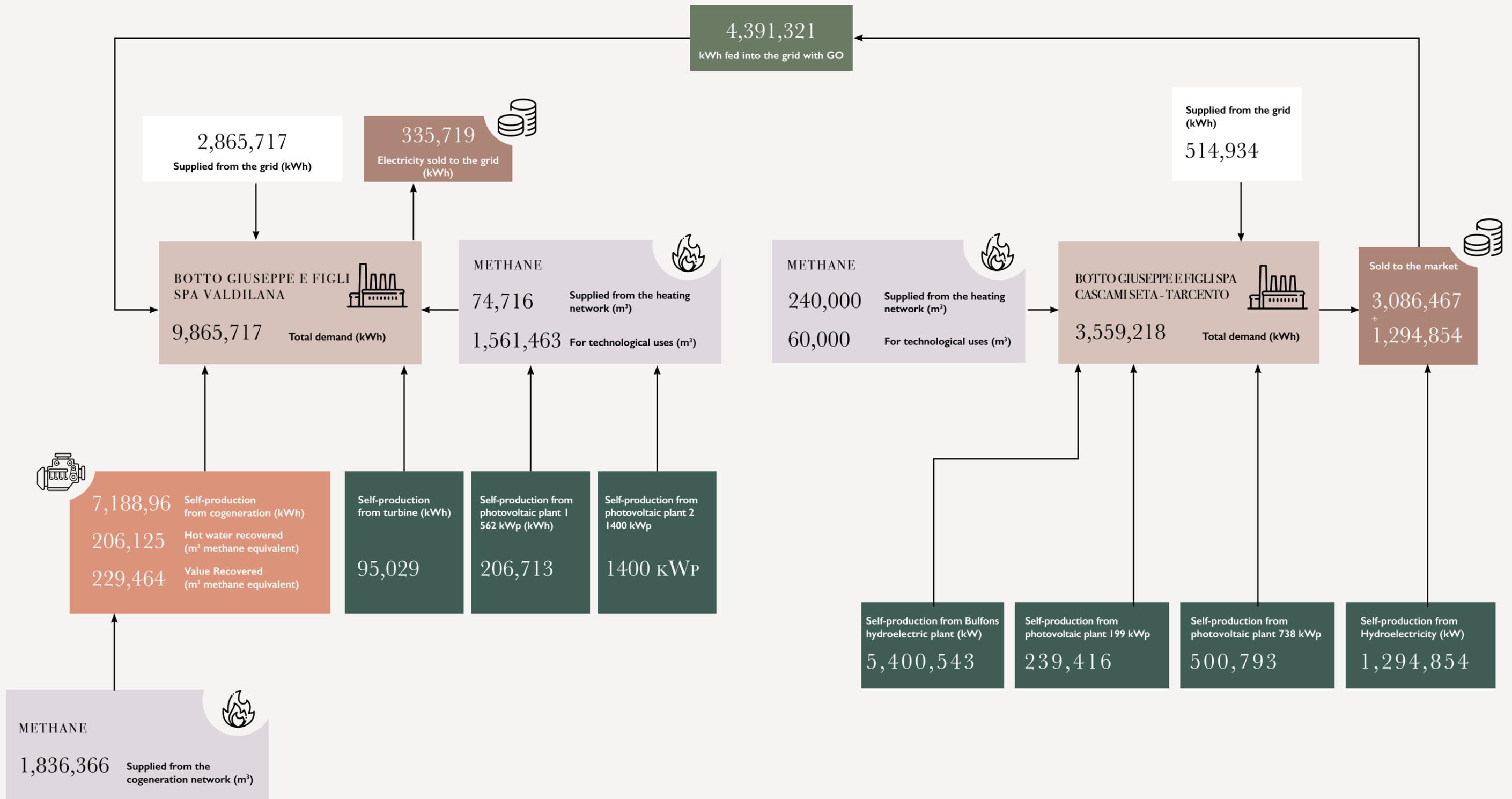
unit of measurement: GJ

# CHART OF ENERGY CARRIERS 2022

TOTAL ENERGY REQUIREMENTS  
OF BOTTO GIUSEPPE  
E FIGLI SPA  
13,424,935 kWh

TOTAL PRODUCTION OF  
ELECTRICITY FROM RENEWABLE  
SOURCES  
7,773,600 kWh

ENERGY FROM  
RENEWABLE  
SOURCES  
60%



## 5.4 ENERGY INTERVENTIONS

### ENERGY EFFICIENCY MEASURES WERE CARRIED OUT ON ELECTRICITY AND METHANE GAS CARRIERS

#### THE VALLEMOSSO FACILITY

By installing inverters on air-conditioning units, replacing the compressed air station with new generation compressors, modernising pumping stations and burners at the thermal power station and replacing fluorescent lamps with LED lamps, the company has saved about 2,000,000 kWh/year, which is equal to about 813 t CO<sub>2</sub>/year.

Heat recovery from condensate re-evaporation, used to heat the feed water for the dyeing tanks, the installation of recovery devices on the boiler chimneys, the recovery of compressor cooling water to pre-heat the demineralised water fed into the steam generators, and the installation of continuous combustion control on the steam generators have enabled savings of approximately 300,000 m<sup>3</sup> of methane/year, equal to approximately 825 tonnes of CO<sub>2</sub> per year.

In 2012, a 22-kW micro-turbine was installed to make use of the hydraulic jump between the industrial water intake, located 70 m above the factory, and the storage tanks serving the departments. The turbine produces around 100,000 kWh/year, which is all self-consumed in the plant, with a CO<sub>2</sub> savings of about 50 t/year.

The cogeneration plant, which entered operation in January 2019, saves about 526,000 m<sup>3</sup> of methane annually, recovered from the production of hot water and steam by the engine; self-produced electricity amounts to about 7.000.000 kWh, which in 2022 accounted for about 73% of current consumption. The CO<sub>2</sub> savings is about 342 t/year with the use of thermal energy produced by the engine.

In the second half of 2022, the first photovoltaic plant in Valdilana came on line. It was installed on the roof of the weaving department and covers a capacity of 568 kWp.

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**813** T/YEAR  
CO<sub>2</sub> SAVED

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**825** T/YEAR  
CO<sub>2</sub> SAVED

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**50** T/YEAR  
CO<sub>2</sub> SAVED

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**342** T/YEAR  
CO<sub>2</sub> SAVED

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#### THE TARENTO FACILITY

The Tarcento plant is completely self-sufficient in terms of electricity supplies. The hydroelectric plant serving the facility produces around 8,000,000 kWh/year, equivalent to 3650 tonnes of CO<sub>2</sub> saved per year.

The plant consumes about 3,000,000 kWh, the rest being fed into the grid. In the last decade, energy efficiency measures have been carried out on the air conditioning systems, on lighting with the installation of LED bulbs to replace fluorescent bulbs, and on reducing compressed air leaks, consolidating 1,000,000 kWh savings annually, equal to about 220 t CO<sub>2</sub>/year.

In 2018, a turbine that uses the minimum vital runoff of the Torre stream was installed. It produces about 1,500,000 kWh per year, and the energy is entirely fed into the grid, with a savings of about 330 t of CO<sub>2</sub> per year. In 2020, the outdated heating boiler for the working environments was replaced with a condensing boiler. The methane savings amount to about 60,000 m<sup>3</sup>/year, equivalent to about 165 tonnes CO<sub>2</sub>/year.

The two photovoltaic plants are installed on the roof of the facility. The first was installed in 2011 with a capacity of 199 kWp and the second was commissioned in the second half of 2022 with a capacity of 738 kWp, ensuring an annual production of about 1,000,000 kWh.

In 2021, the roof of the manufacturing portion of the facility was replaced. Preliminary activities were done to install the new photovoltaic plant.

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**3650** T/YEAR  
CO<sub>2</sub> SAVED

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**220** T/YEAR  
CO<sub>2</sub> SAVED

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**165** T/YEAR  
CO<sub>2</sub> SAVED

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**ENERGY INTERVENTIONS**

YEAR	FACILITY	INTERVENTION	ENERGY CARRIER
2000	-	No interventions	-
2001	-	No interventions	-
2002	-	No interventions	-
2003	-	No interventions	-
2004	-	No interventions	-
2005	VALDILANA	Refurbishment of the heating plant	Thermal/Electric
2006	VALDILANA	Heat recovery from condensate re-evaporation with water pre-heating for the dyeing tank	Thermal/Electric
2007	-	No interventions	-
2008	-	No interventions	-
2009	-	No interventions	-
2010	-	No interventions	-
2011	TARCENTO	Installation of photovoltaic plant	Electric
2012	VALDILANA	Installation of 22-kW hydroelectric turbine – Stenter conversion from thermal oil to methane	Thermal/Electric – Electric
2013	BOTH	Fluorescent bulbs replaced with LED bulbs	Electric
2014	VALDILANA	Installation of air conditioning system – Burners replaced on 3 steam generators	Electric – Thermal
2015	1. TARCENTO 2. VALDILANA	1. Installation of air conditioning systems 2. Installation of e-power energy-saving system (finishing and weaving)	Electric Electric
2016	VALDILANA	Recovery of compressor cooling water for preheating H <sub>2</sub> O demineraliser	Thermal/Electric
2017	VALDILANA	Installation of heat recovery systems on steam generator chimneys	Thermal
2018	TARCENTO	Installation of minimum vital flow turbine	Electric
2019	BOTH	Installation of 2nd 350 kW turbine (Tarcento) – Installation of cogenerator (Valdilana)	Electric – Thermal/Electric
2020	TARCENTO	Installation of condensing boiler	Thermal
2021	TARCENTO	Replacement of the production facility roof	Thermal
2022	BOTH	Installation of 1st photovoltaic plant in Valdilana – Installation of 2nd photovoltaic plant in Tarcento	Electric

## 5.5 EMISSIONS AND WASTEWATER TREATMENT

Botto Giuseppe e Figli S.p.A. keeps a vigilant eye on its emissions, strictly complying with the limits set by Italian and European regulations, and recording constant emissions that are particularly low compared to the limits themselves.

These results are achieved through constant monitoring of emissions produced by the thermal power plant and departmental burners, which are checked daily by company employees, and monthly and every six months by external companies and specialist technicians. Annual checks are carried out by a qualified laboratory.

**IN 2022, GENERAL IMPROVEMENT WAS SEEN COMPARED TO 2021, WITH A REDUCTION IN THE AMOUNTS OF NOX AND CO, WHICH REMAINED UNCHANGED.**

NOX GENERATORS	2020	2021	2022
Average (mg/Nm <sup>3</sup> )	80	78.8	67.8
Limit: 150			

CO	2020	2021	2022
Limit: 100	3	1.5	1.5

Amounts of dust and oil mist due to production processes in stenter finishing operations also remained stable. Emission reductions in heat setting operations improved substantially (-58% compared to the average of the previous three years). The renewal of the analysis is scheduled for 2023, as specified in the standard.

### DUST EMISSIONS - INCLUDING OIL MISTS (MG/NM<sup>3</sup>)

The graph shows the comparative results of the self-checks carried out in the period from 2014 to 2020.



## BOTTO GIUSEPPE E FIGLI S.P.A. IS ACTIVELY ENGAGED IN REDUCING THE AMOUNT OF CO<sub>2</sub> RESULTING FROM ITS PRODUCTION PROCESSES.

Since 2005, interventions such as modernising the thermal power plants and replacing boilers with condensing systems, replacing neon bulbs with more durable and efficient LED bulbs, as well as installing hydroelectric turbines and photovoltaic plants, have enabled the company, in the space of just over 15 years, to reduce its emissions by 60% and become almost completely self-sufficient with regard to its energy needs. Phasing out combustion-engine company vehicles in favour of hybrid or fully electric vehicles has also contributed to the transition towards a low CO<sub>2</sub> emissions model. In 2022, the company fleet remained unchanged with 23 vehicles and 12 of which, over 50%, being electric or hybrid.

This result is not a finishing line, but a goal from which to start again. The new goal for the near future is to reach a state of total electricity independence. We think this is reasonably possible due to the commissioning of two new photovoltaic plants in 2022, and the second plant in Valdilana at the beginning of 2023, to improve and reduce the requirements for natural gas with an expected reduction of 10% by 2025. Both these goals will bring about further reductions in CO<sub>2</sub> emissions, further decreased by about 20% in 2025, compared to the amounts measured in 2021.

The chart on the next page shows the impact in kg of CO<sub>2</sub> produced by the company, which originates from methane gas and the acquisition of electricity for production activities starting 2001.

The most significant interventions up to 2022 are shown. The installation of a natural gas powered cogeneration plant caused an inversion in the trend in 2019, and subsequently optimized the consumption and electricity produced. This confirms the downward trend in CO<sub>2</sub> emissions which began in previous years. The lowest emissions found in 2020 was due to the significant drop in production caused by the pandemic. We can see a slight increase in emissions in 2022 compared to the previous year, but if compared to the increase in production, the information is decidedly comforting.

In 2022, no specific calculations were made in reference to the specific product LCA. This is a method that must follow certain regulations and international standards. At the beginning, it requires the support of professionals that must implement the design phases to guarantee proper transparency and correctness of data.

Continued accuracy in measuring the different environmental KPI that Botto Giuseppe e Figli S.p.A. has carried forth in recent years will be very useful in the LCA calculation phase.



### COMPANY FLEET

23

TOTAL VEHICLES IN 2022

12

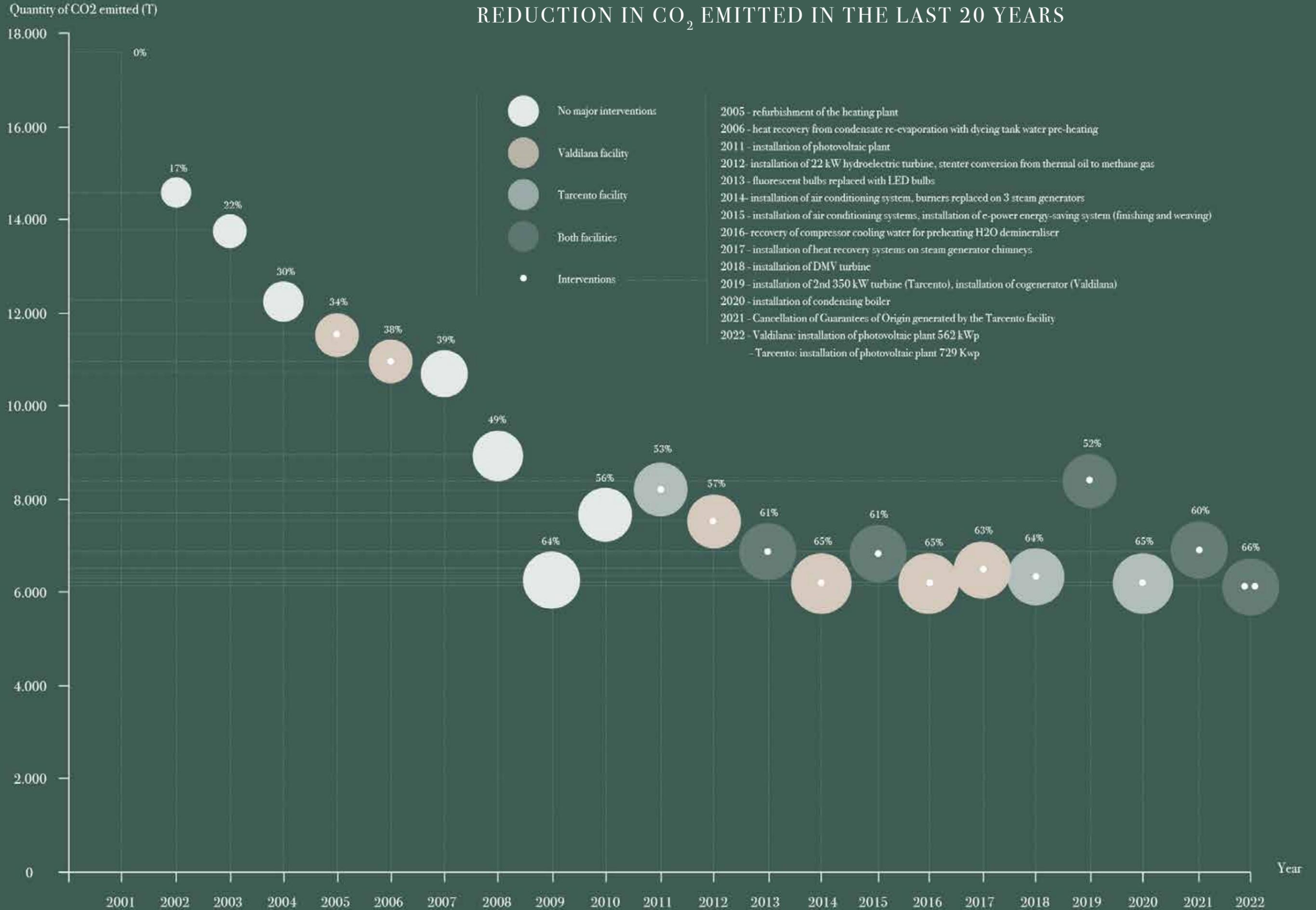
ELECTRIC AND HYBRID

## IN 2023, THE COMPANY EXPECTS TO MAKE A STUDY OF YARNS AND FABRIC

The goal is to offer all stakeholders, and customers in particular, a detailed look at the real environmental impacts generated by the company's product manufacturing activities.

In addition, to increase the internal level of knowledge and competency about sustainability, training courses have been specifically designed for workers who monitor production processes.

## REDUCTION IN CO<sub>2</sub> EMITTED IN THE LAST 20 YEARS



## 5.6 CARBON FOOTPRINT

For 2022, we are currently analysing the carbon footprint for the company, which is not included in this Sustainability Report due to the prolonged calculation times. In fact, we decided to broaden the borders of our organizational system with a sizable amount of data and more consistent analyses, which includes calculations of the water footprint.

The company is determined to expand the system of measurements until it is all-inclusive, because we are convinced that detailed measurements of our impacts will allow us to become more effective wherever necessary. Expanding the calculation of the company's water footprint will increase the transparency of the impacts generated by the company on environmental resources.

The two analyses described above will be added as attachments to the Sustainability Report 2022 as soon as they are available.

Internal calculations were made to learn the amount of greenhouse gas (GHG) emissions deriving from direct consumption (Scope 1) and indirect consumption (Scope 2). For comparison with the previous year, the values shown were obtained using the same calculation methods:

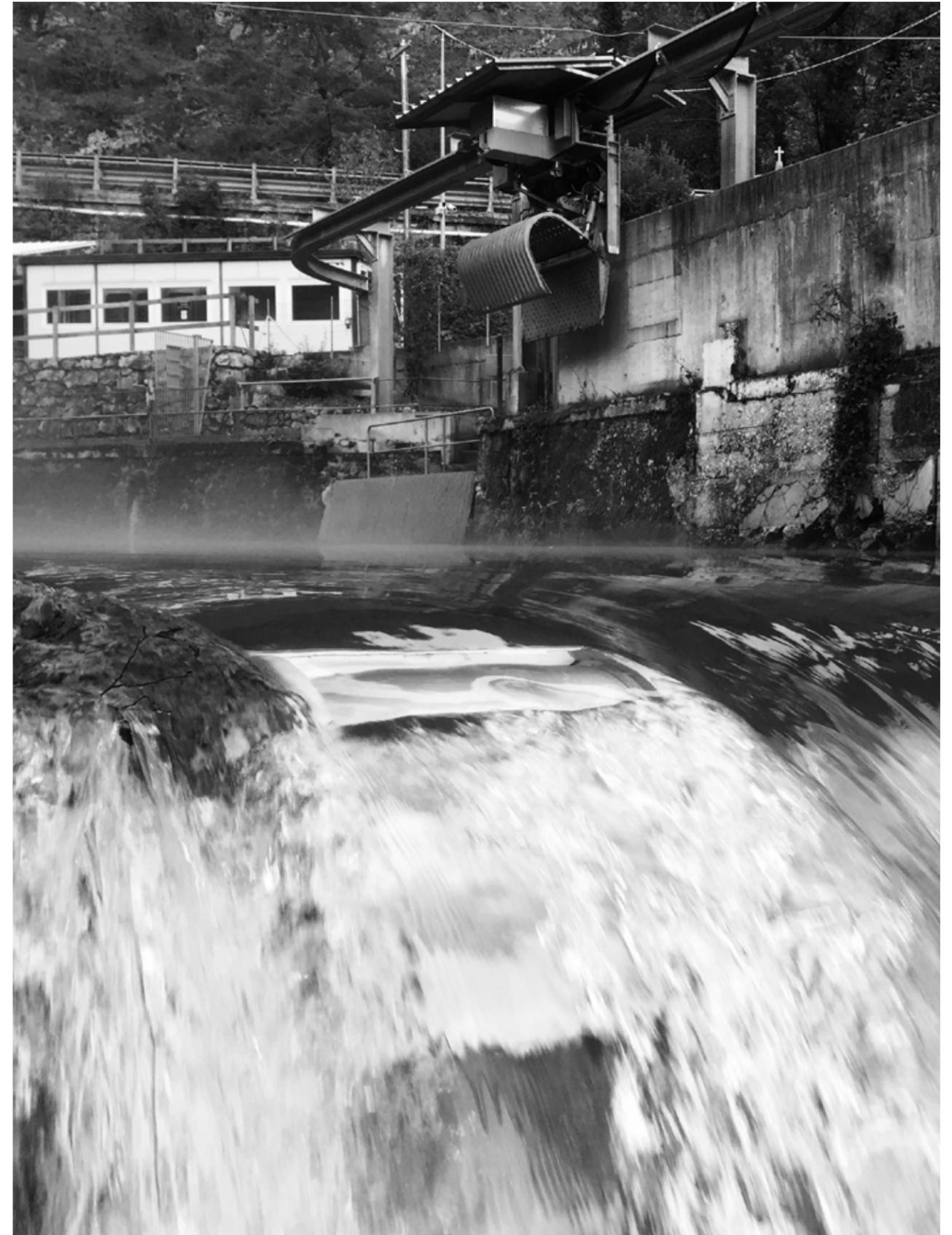
- Scope 1: Emissions related to methane gas consumption
- Scope 2: Emissions related to the purchase of electricity

In 2022, electrical energy purchased from the grid originated entirely from renewable sources as declared by the supplier (market based) and we include a comparison with the conversion factor with the national energy mix (location based).

<b>DIRECT GHG EMISSIONS – SCOPE 1</b>	<b>2020</b>	<b>2021</b>	<b>2022</b>
Scope 1 *(1)	5,922	7,088	7,502
<b>DIRECT GHG EMISSIONS – SCOPE 2</b>	<b>2020</b>	<b>2021</b>	<b>2022</b>
Scope 2 – Location Based *(2)	934	837	990
Scope 2 – Market Based *(3)	326	314	-
<b>Total</b>	<b>6,248</b>	<b>7,402</b>	<b>7,502</b>

Unit of measurement: ton/CO<sub>2</sub>

\*(1) Emission factors from 'Greenhouse gas reporting: conversion factors 202\*' for the year of reference  
 \*(2) Emission factors from 'European Residual Mixes Association of Issuing Bodies'  
 \*(3) Emission factors from energy mix declared by the electrical energy supplier



## 5.7 WATER CONSUMPTION MANAGEMENT

**BOTTO GIUSEPPE E FIGLI S.P.A. HAS ALWAYS VALUED WATER RESOURCES, WHICH ARE ESSENTIAL FOR TEXTILE PROCESSING, AND HAS ALWAYS ATTACHED GREAT IMPORTANCE TO THEIR CORRECT MANAGEMENT DURING INDUSTRIAL PROCESSES BY STREAMLINING CONSUMPTION AND ENCOURAGING RECYCLING.**

The company actively monitors the quality of water leaving the production sites, with prompt, precise surveillance along the water route.

It is equipped with complex infrastructures for capturing surface water from the Poala and Strona streams, transporting it, storing it and distributing it to production departments.

All these water activities are authorised by specific State

Concessions pursuant to the Decree of the President of the Regional Council no. 10/R of 29 July 2003, which regulates the use of public waters for industrial use, setting out precise places and methods of withdrawal, the maximum quantities that can be taken and the methods of return to the stream.



### PROCESS WATER CONSUMPTION

ANNUAL TOTALS	TOTAL DEPARTMENT METERS
2019	448,227
2020	338,791
2021	341,224
2022	437,434

Unit of measurement: m<sup>3</sup>

Water consumption in 2022 was decidedly more than the previous year due to the considerable increase in kilograms of product processed in the dyeing and finishing departments. In fact, the trend of water use intensity, calculated as the relationship between the total cubic meters consumed by departments with wet processes and the kilograms processed, shows a gradual decrease, confirming our commitment to managing water resources responsibly.

A record year for drought in 2022 in terms of scarce rainfall throughout the entire Alpine chain raised concerns about procuring water and the climate change forecasts were not reassuring.

This is why it is crucial to work harder and with greater awareness to use available resources more efficiently. Botto Giuseppe e Figli S.p.A. is fully committed to these issues. Fourteen flow gauges are being installed, divided between the top-dyeing, piece-dyeing and finishing departments with the aim of isolating some production lines or individual machines and then identifying the consumption for certain specific processes based on the differences between articles being produced.

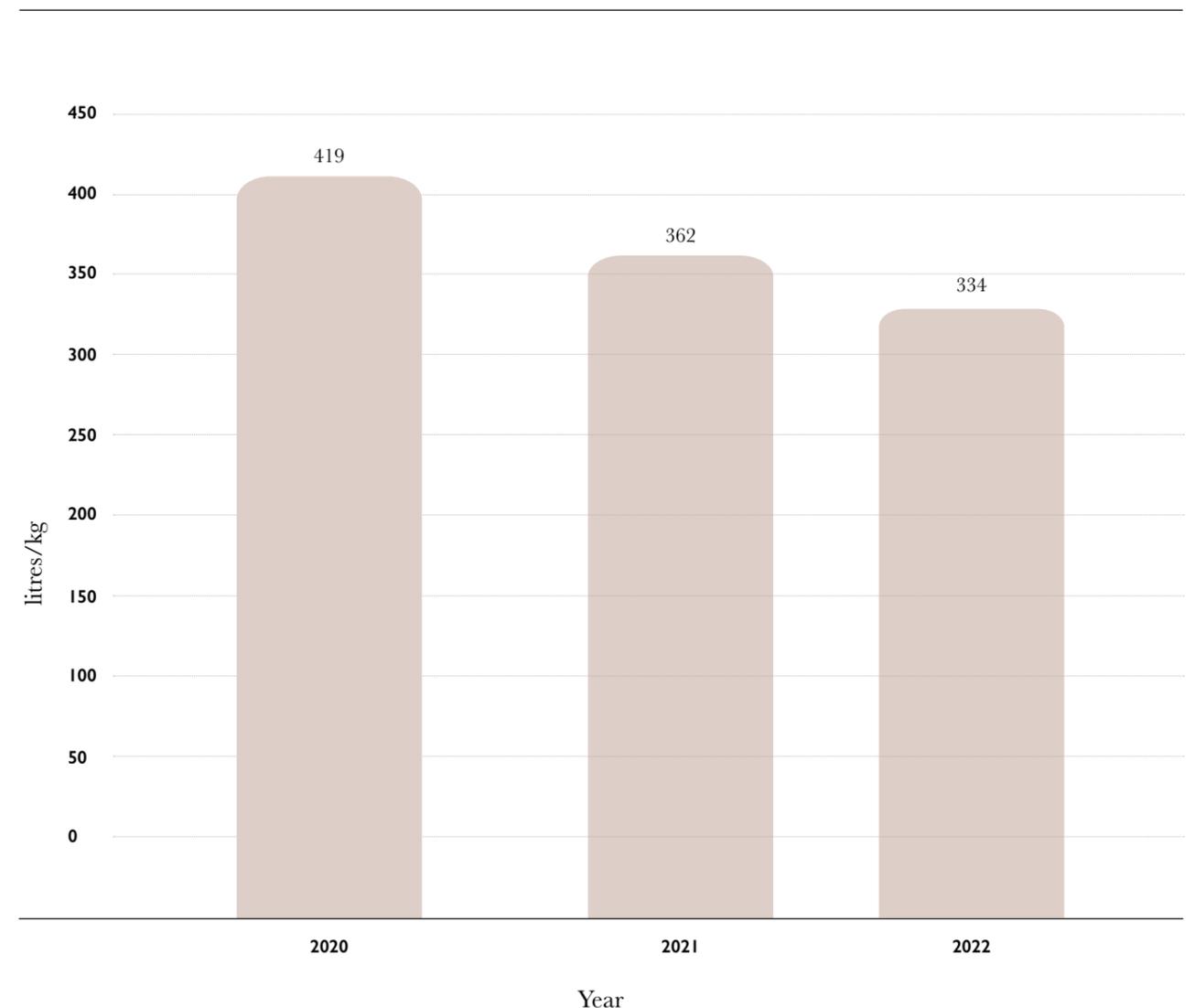
The purpose of this intervention is to calculate the corporate water footprint to know the effective impact on water resources of activities at Botto Giuseppe e Figli S.p.A.

The water footprint calculation will be determined in 2023 using data collected in 2022 with the support of Process Factory, with the scope of making more specific calculations on the impacts of some categories of articles. The result will be more transparent for customers and provide greater awareness about the quality of the final product.

For 2024, Botto Giuseppe e Figli spa intends to modify the purification system by installing a denitrification tank to further facilitate the removal of nitrites and nitrates from waste water while also optimizing energy consumption and resources connected with management of the purification system.

**This improvement will allow the company to reuse 30% of the purified water directly in its production systems.**

### WATER USE INTENSITY PER KG FINISHED-DYED



## 5.8 PURIFICATION

**BOTTO GIUSEPPE E FIGLI S.P.A. IS REGISTERED AS A MANUFACTURER WITH DIRECT DISCHARGE. THIS MEANS THAT THE COMPANY PRODUCES SLURRY, MAINLY THROUGH PRODUCTION ACTIVITIES IN DYEING AND FINISHING TEXTILES, AND TREATS THE USED WATER IN AN INTERNAL WATER PURIFICATION SYSTEM.**

This system was first built in the 1990s and has been updated several times in subsequent decades. It currently consists of:

- a storage tank;
- a homogenisation tank;
- a tank containing organic sludge;
- a settling tank;
- a tank in which the hyperoxygenation process takes place;
- two active carbon abatement filters.

By the end of 2024, the company plans to add another section containing a denitrification system, which will allow us to optimize the quality of the water treated during discharge. Particular benefits will also be found in the installation of a wastewater recirculation system, which will allow this resource to be used directly in production processes.

Environmental protection has always been an important issue with the company, and we concentrate resources on this topic to obtain increasingly better results. Regarding the purifier, the quality of treated discharged water is efficiently monitored every month when the company has the wastewater tested by a laboratory accredited by Accredia, guaranteeing conformity of outflows with the national and local environmental laws.

In 2019, after adhering to the ZDHC protocol and to ensure maximum corporate transparency in the use of chemicals,

Botto Giuseppe e Figli S.p.A. adopted an additional twice yearly test on water entering and leaving the treatment plant according to the directives in the ZDHC Wastewater Guidelines v. 1.1 and since 2020, according to the updated version of the same guidelines, v. 2.0.

The analyses are carried out by laboratories accredited by Accredia and recognized by ZDHC. At the end of 2022, updates to the ZDHC Wastewater Guidelines v. 2.1 will give new methods of collection and analysis of water, starting in 2023. The results of the ZDHC analyses are published in the company profile, available on the ZDHC Gateway. Companies can sign up and access this information. All analysis results show respect for the legal limits, all parameters considered by the current laws and customer specifications or voluntary specifications that Botto Giuseppe e Figli S.p.A. has obeyed, including the ZDHC.

The main values of interest for environmental purposes that could generate anomalies or pollution are shown below.

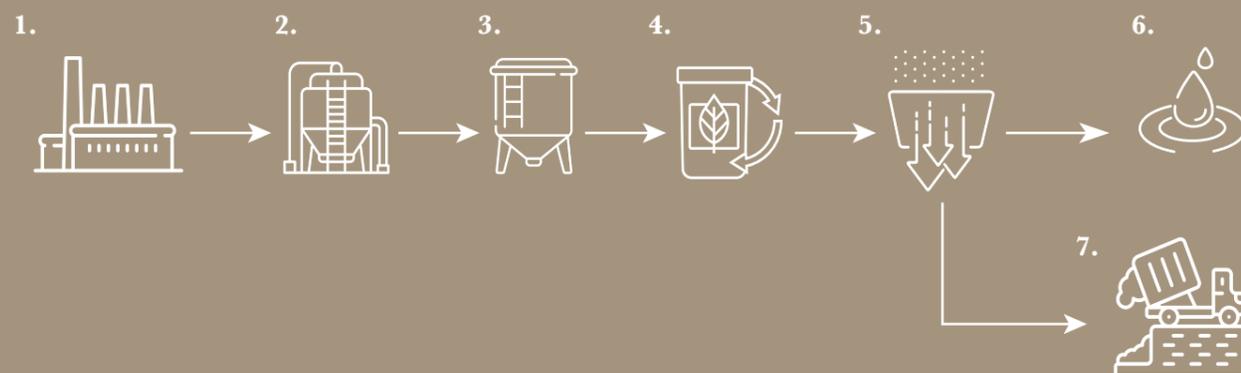
The periodic monitoring described makes it possible to act immediately if test results are close or over the tolerability limits:

### AVERAGE ANNUAL VALUES

PURIFIER DISCHARGE	2018	2019	2020	2021	2022	LIMIT
pH	6.7	6.4	6.8	7.1	6.9	-
COD	23.64	39.64	38.8	36	39	160
Ammoniacal nitrogen	1,76	0.39	1,68	1.26	3.85	15
Total suspended solids	8.33	8.00	7.36	4.91	8.82	80
Total phosphorus	0.62	0.69	0.72	0.4	0.39	10
Total surfactants	0.65	1.01	0.87	0.88	0.82	2

Compared to the data in the reports from previous years, we felt it appropriate to replace the parameter 'nitrogen' with 'ammoniacal nitrogen'. This is an important parameter in biological purification units for active slurry because if problems or anomalies occur, it grows rapidly and takes a long time to normalize.

1. The factory produces slurry
2. Wastewater is sent to storage tanks and then homogenisation tanks
3. It then passes into the biological tanks
4. And subsequently into the settling tank
5. Finally, through the hyperoxygenation process and the use of activated carbon, the remaining solid residue is removed
6. The purified water is reintroduced into the surface water
7. Sludge is disposed of by authorised transporters and disposal companies



For greater safety and protection of waterways, Botto Giuseppe e Figli S.p.A. maintains an emergency connection to the CO.R.D.A.R. Valsesia consortium collector belonging to the Valdengo (BI) purification plant. After possible spills, this prevents pollutants from reaching surface or underground water, even if the purifier is particularly congested or after

interventions that limit its capacity to handle pollutants. In recent years, there have been no problems with malfunctions or sewage spills from the purification plant into surface or underground waters.

## 5.9 ZDHC (Zero Discharge of Hazardous Chemicals)

**THE ZDHC FOUNDATION OVERSEES AND IMPLEMENTS THE ZDHC ROADMAP TO ZERO PROGRAMME, A HOLISTIC APPROACH TO TACKLING HAZARDOUS CHEMICALS IN THE GLOBAL TEXTILE SUPPLY CHAIN.**

With the goal of achieving zero hazardous chemicals in discharged water, the ZDHC programme identified targeted actions for implementation along the value chain of textile industries with safer chemical management. The ZDHC programme currently includes a collaboration of 30 signatory brands — 115 value chain affiliates and 21 associates.

Chemicals are only purchased after receiving the relevant Safety Data Sheet (SDS) and only after verification by the CM, in accordance with safety regulations and standards, ZDHC and other specifications, and the approval of the company doctor. Mapping the production chain has made it possible to identify chemical risk categories and to apply them as follows: for purchasing, the PRSL (Product Restricted Substances List) and for in-house production, the PRSL (Product Restricted Substances List) for managing and eliminating any toxic or harmful substances still in use from the production line.

ZDHC requires companies to implement a protocol of activities that involves strict adherence to requirements and constant monitoring of the chemicals used in processing. This task is assigned to a Chemical Manager (CM) appointed from among Botto Giuseppe e Figli S.p.A. employees. The CM has the necessary basic knowledge obtained by following a specific course with experts in the field.

We apply the MRSL (Manufacturing Restricted Substances List). The procedural path was useful in creating the Chemical Inventory in compliance with ZDHC Guidance. By managing this way, Botto Giuseppe e Figli S.p.A. was able to reach the following results in compliance with the levels promoted by ZDHC.

		NO. OF PRODUCTS	%
<b>COMPLIANT</b>	Level 1	37	9.56
	Level 2	0	0.00
	Level 3	191	49.35
<b>NONCOMPLIANT</b>		2	0.52
<b>UNCERTAIN</b>		157	40.57
	<b>Total</b>	<b>387</b>	<b>100.00</b>

Of the products in the list, 215 are excluded because they are used exclusively for maintenance purposes or are pure chemical substances (ex., acids, salts, etc.).

To spread and share adherence to the ZDHC protocol throughout the supply chain, the company has organised training meetings with supervisors and internal employees, online or via communications and information on specifications, and with suppliers.

To achieve complete control of the chemical impact along the supply chain, it is necessary to involve all suppliers who use products or chemicals in production processes.

This presupposes a direct collaboration with suppliers who share the values in compliance with the ZDHC PRSL list adopted by Botto Giuseppe e Figli S.p.A.



**AS IN 2021, NO ANOMALIES OR NONCONFORMITIES WERE FOUND IN 2022 IN WASTEWATER AND SEWAGE ANALYSIS ACCORDING TO THE STANDARDS OF THE ZDHC WASTEWATER GUIDELINES 2.0.**

At the end of 2022, the guidelines were updated to version 2.1, which they will be used as a reference for analysis on the purifier in 2023.



## HIGG INDEX



THE HIGG INDEX IS A COLLECTION OF MEASUREMENT TOOLS FOR THE TEXTILE, CLOTHING AND FOOTWEAR SECTORS THAT WAS DEVELOPED BY THE SUSTAINABLE APPAREL COALITION (SAC) AND LAUNCHED IN 2012.

Sustainable Apparel Coalition, founded in 2011, is currently the largest international non-profit alliance for sustainable textile production. Several brands in the sector belong to this coalition, including the Italian brand United Colors of Benetton, the US Environmental Protection Agency, and other non-profit organizations. The Higg Index is used to measure the environmental and social impact deriving from the production of clothing and accessories, considering different sustainability parameters linked to the entire product life cycle and entire procurement chain.

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The parameters in the Higg Index are for companies' internal use. Their objective is to push companies to improve their performance. The first version, 1.0, was launched in July 2012. The next version, 2.0, was released in December 2013. The name 'Higg' comes from research into the Higgs boson, which inspired Jason Kibbey, executive director of the Sustainable Apparel Coalition. The name 'Higg' was chosen for other reasons as well: it is short and simple to pronounce and record. There are different versions of the Higg Index designed specifically for people who produce materials or work along the production chain.

The more general goal is to create a virtuous chain in which every actor is invited to do their part. A brand that accepts a commitment to periodically examine the above parameters to identify both risk elements and the impact of improvements will in turn invite its suppliers to do the same thing.

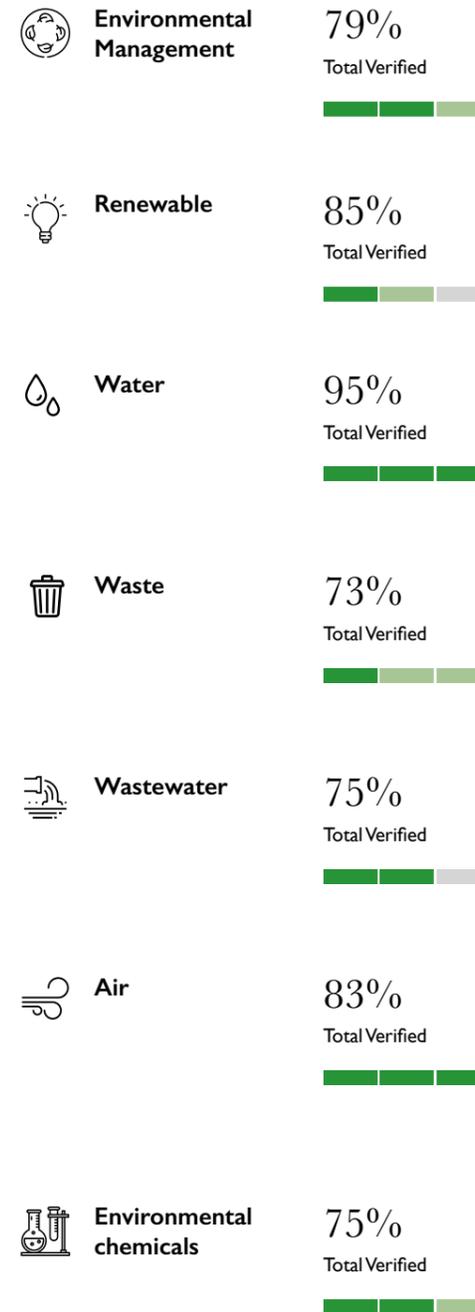
As a result, the Higg Facility Tool was invented for suppliers. The Higg Facility Environmental Module (FEM) and the Higg Facility Social Labour Module (FSLM) are both included in this second 'toolbox'. The first serves to assess the Environmental Management System, the use of electricity and water resources, the level of toxic emissions, wastewater treatment, waste management, and the use and management of chemicals. The second instead serves to promote equal and safe working conditions along the entire supply chain and to assess the effectiveness of management systems from a social standpoint.

### Botto Giuseppe e Figli S.p.A. decided to apply the Higg Index in 2020, with specific regard to the FEM section.

We have prepared reports for our last 2 years (2020 and 2021), perfecting and improving not only the data released, but also our ESG sustainability activities. We have had those activities verified by an external body authorized to carry out Higg audits.

## IN 2021, THE FOLLOWING RESULTS WERE OBTAINED:

### HIGG FEM TOTAL VERIFIED



### HIGG FEM TOTAL VERIFIED

**82%**  
Total Verified



## 5.10 WASTE AND HOCKS

The management of business waste is complex, and companies are called to perform this task as safely and inexpensively as possible. Though it is a complex activity, it is a responsibility that no company can ignore, and it is necessary to implement all of the actions required to avoid committing unlawful acts, polluting the environment, or wasting precious company resources.

This path must be walked constantly over time and should be divided into different stages. Starting with classification, the waste passes through the handling phase and is placed in dedicated areas until it is collected and reaches the possible 'end of waste' condition.

The difference between the two categories lies in their origins: urban waste, or assimilated elements (also called domestic waste), are normally produced by households: paper, cardboard, plastic bottles and glass, etc. Special waste is derived from activities connected to companies, such as processing waste from industrial and artisan processes and waste from commercial or service activities.

Urban waste is managed by city administrations through public collection services. Special waste instead requires the intervention of companies authorized to recover and dispose of waste.

### WASTE IS CLASSIFIED AS HAZARDOUS OR NON-HAZARDOUS.

The correct category is determined by the presence of substances with a high pollution potential which must be handled correctly by specialized people who can ensure its correct management and protect the environment.

Therefore, it is important to have an effective waste management program. Everything must contribute to generating a positive impact on the environment and the company's financial situation.

Before being able to reduce waste in the company, it is necessary to collect information about the waste, the types and volumes produced, so inexpensive and efficient strategies can be developed to:

- understand where waste is produced in the company;
- the average amount of waste produced periodically;
- its characteristics;
- how it must be processed;
- which company solutions for management and reduction are working, or which should be adopted.

It is therefore possible to identify the times in the different phases where waste is generated and the costs for managing the waste according legal standards, also producing value for the company.

In this process, workers help directly in waste management. An awareness of ethical management that protects the environment cannot overlook the full involvement of everyone in the company. It is necessary to spread this awareness

throughout the company and encourage everyone to develop good recycling habits.

It is vital to arouse interest and encourage everyone to improve the correct recycling processes to reduce waste and costs, so that everyone can share the environmental and economic benefits that have a positive effect on all of us, not only on the company's reputation. Each collaborator or employee must be able to contribute knowingly, so it is important to manage company waste carefully.

Managing the company's waste must not be seen as a thankless job or a job without a purpose. Efficient waste processing always produces value to reinvest in profitable activities while also enhancing the company's reputation, which is also measured in terms of customer loyalty. Today's consumers want to support companies that strive to improve with eco-sustainable production strategies.

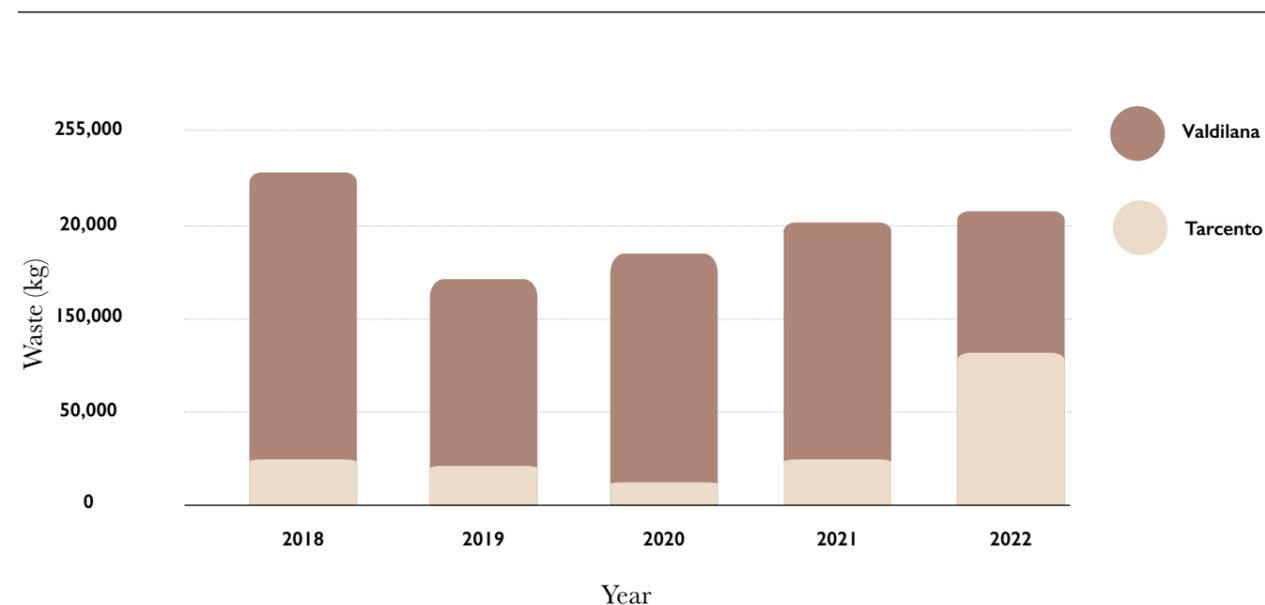
For years, Botto Giuseppe e Figli S.p.A. has pursued the goal of reducing the quantities of waste produced and reducing the type of 'hazardous' waste that ends up in landfills.

These goals are not easy to meet. For example, in 2022, we noticed that the total waste produced had increasing by +34% over the previous year, mainly at the Cascami Seta

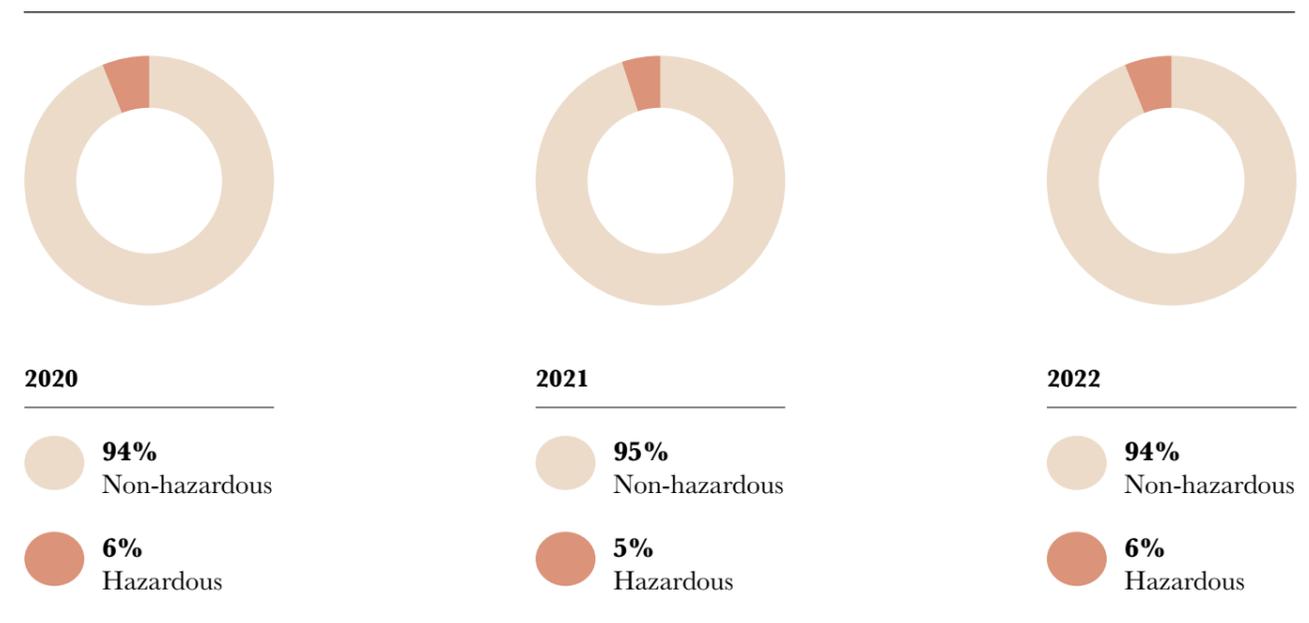
In general, the first classification allows us to distinguish:

- urban waste or waste that can be assimilated with urban waste, and special waste;
- hazardous or non-hazardous waste.

AMOUNT OF WASTE PRODUCED IN THE TWO FACILITIES



TYPE OF WASTE



facility in Tarcento. In fact, almost all of the waste was iron and steel being removed from the facility, materials that are fully recyclable.

The production increase connected with market recovery contributed to moving greater quantities of packaging (wooden pallets, nylon, boxes, plastic or metallic tape) which partially influenced the amount of waste produced. However, these materials are almost completely recyclable or even reusable for other company purposes.

Workers who installed the 3 new photovoltaic plants (2 of which are completed and were already in operation in mid-2022, with the third to be completed at the end of the calen-

dar year) added more waste, which was transported far from the facilities where the work was done, contributing to the increase.

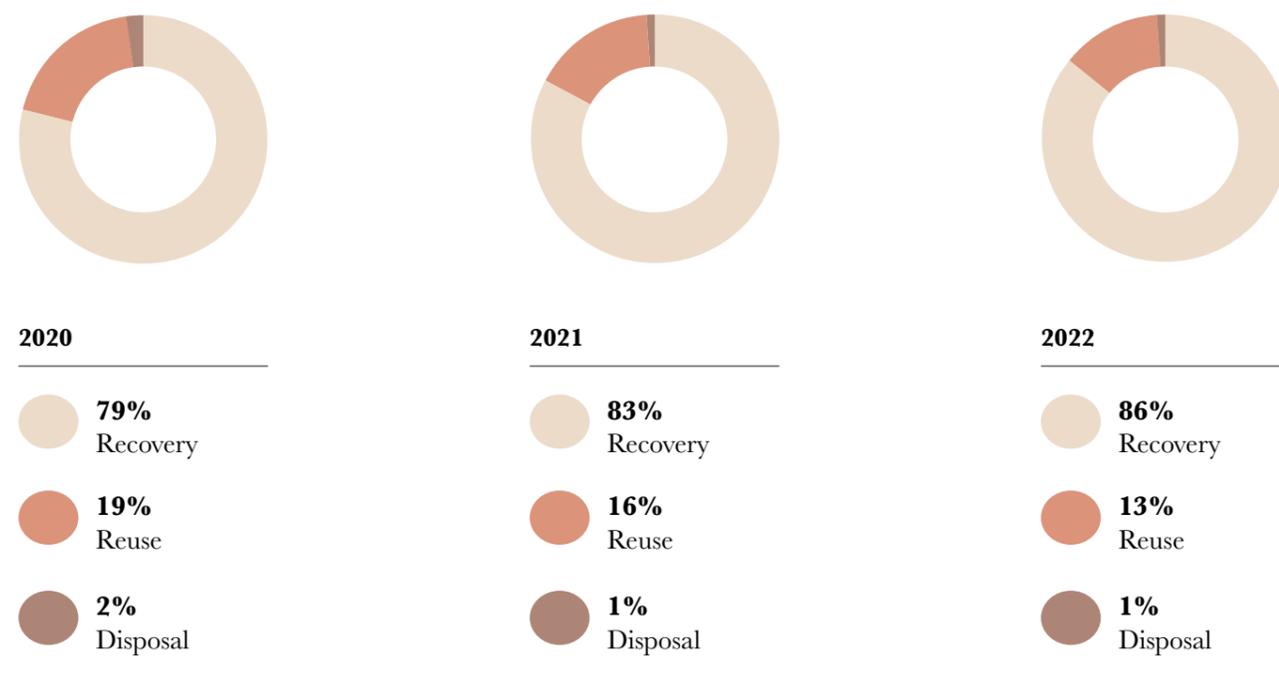
Despite the situation described above, the following improvements were seen compared to previous years:

- reduction in hazardous waste (-1% compared to 2021)
- the same percentage as 2021: 99% of waste sent for recovery and reuse with only 1% sent for disposal

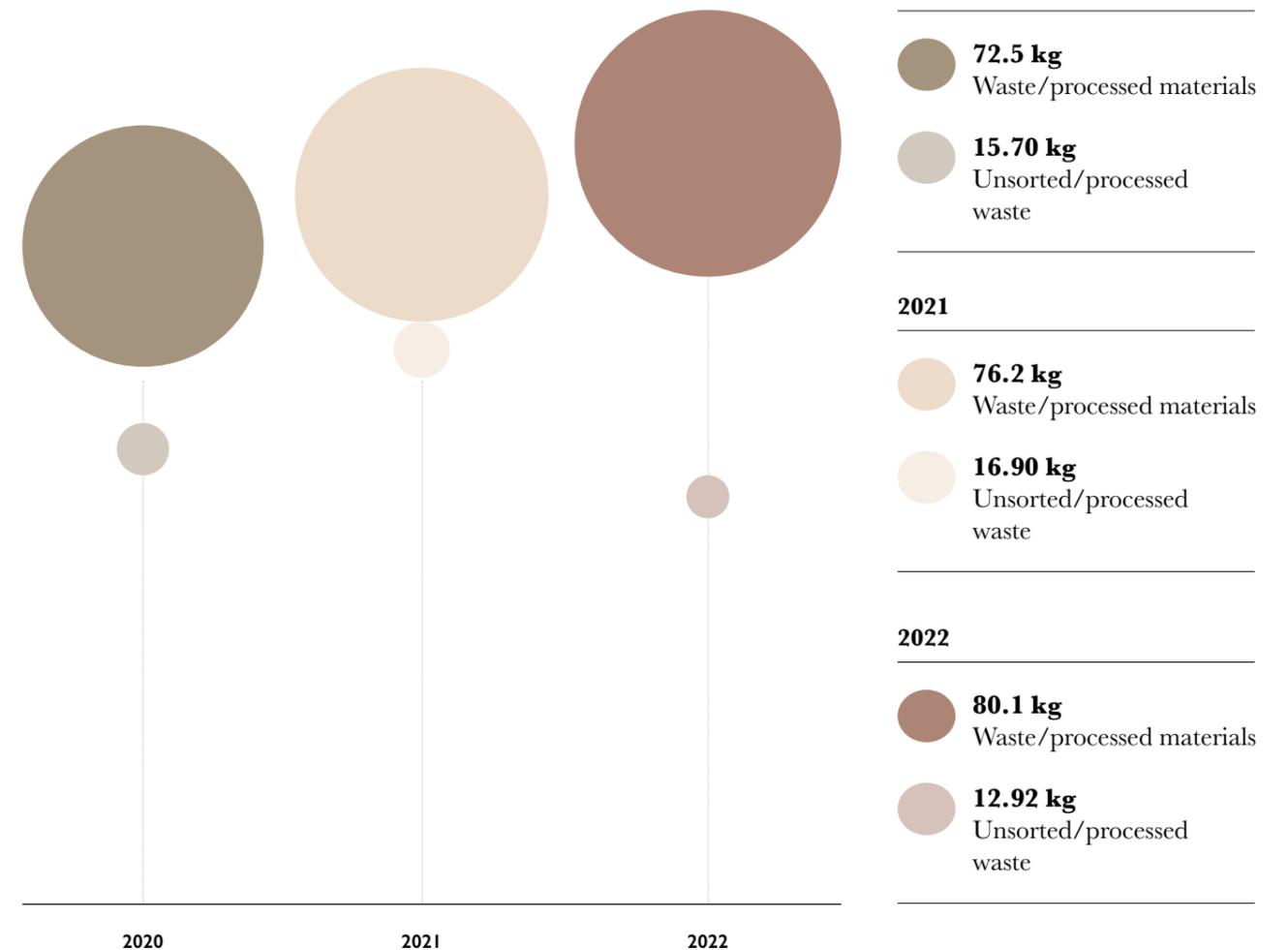
However, to provide a more precise indication that allows the reader to understand the company's efforts over the years, it is useful to look at a second waste production index specifically aimed at the so-called 'unsorted' waste category.

**- 24%  
IN 2022**

DESTINATION OF WASTE



The waste production index, calculated as shown in the chart, shows a worsening of 5%; the increase in production of textiles in 2022, was not able to amortize the 34% increase in waste.



As we can see, the index remained nearly unchanged from 2020 to 2021, while the waste management policies adopted in previous years allowed the company to improve considerably in 2022, with a reduction of almost 24%.

The company is also convinced that the total waste index will fall again drastically in 2023. We estimate that it will be almost identical to the index in 2018.

The waste produced is removed from company premises only by qualified transporters, and then sent for recovery or disposal at authorised depots. Each type of waste is labelled according to the international EWC code (European Waste Catalogue) as non-hazardous or hazardous and, for the latter, highlights the hazardous characteristics with a pictogram and explanatory text.

**BOTTO GIUSEPPE E FIGLI SPA CURRENTLY USES THE FOLLOWING EWC CODES:**

## NON-HAZARDOUS WASTE

DESCRIPTION OF WASTE	EWC CODE
Waste from processed textile fibres	04.02.22
Paper and cardboard packaging	15.01.01
Plastic packaging	15.01.02
Wooden packaging	15.01.03
Mixed material packaging	15.01.06
Discarded equipment, other than articles mentioned in items 16.02.09 to 16.02.13	16.02.14
Components removed from discarded equipment, other than those mentioned in 16.02.15	16.02.16
Alkaline batteries (except 16.06.03)	16.06.04
Glass	17.02.02
Iron and steel	17.04.05
Mixed waste from construction and demolition activities, other than those mentioned in items 170901, 170902 and 170903	17.09.04

For each, the quantities produced annually derive from the needs that arose in the company during the reference period.

Some of the waste was produced and then disposed of after particular events, such as EWC 17.09.04: 'mixed waste from construction and demolition activities...'. Others are handled annually in small quantities, such as hazardous waste EWC 15.01.11\*: 'metal packaging containing hazardous solid porous matrices (e.g. asbestos), including empty pressure containers', which involves the removal of pressurized cans from sites and normally accounts for around 25–30 kg annually.

Botto Giuseppe e Figli S.p.A. is very attentive to and takes targeted action with waste that impacts the company significantly due to the quantities used.

Out of the total amount of waste produced, 96% is non-hazardous and almost always handled through recycling, recovery and reuse. Of this amount, 90% consists of sorted waste materials like paper/cardboard, plastic, wood, and iron/steel.

Paper/cardboard, plastic, wood, and iron/steel are sent for recovery. Plastic is ground up and turned into pellets for reuse as a recycled product. Unsorted waste makes up the remaining 18%, which is why Botto Giuseppe e Figli Spa is working to implement corrective actions that will reduce waste and improve management.

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**96%**  
NON-HAZARDOUS WASTE

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**90%**  
SORTED WASTE  
(paper/cardboard, plastic, wood, iron/steel)

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## HAZARDOUS WASTE

DESCRIPTION OF WASTE	EWC CODE
Waste from finishing operations containing organic solvents	04.02.14*
Waste paints and varnishes containing organic solvents or other hazardous substances	08.01.11*
Used waxes and greases	12.01.12*
Other oils for engines, gears, and lubrication	13.02.08*
Other solvents and mixtures	14.06.03*
Packaging containing residues of or contaminated by hazardous substances	15.01.10*
Metal packaging containing hazardous solid porous matrices (e.g. asbestos), including empty pressure containers	15.01.11*
Contaminated absorbents, filter materials (including oil filters not otherwise specified), wiping cloths and protective clothing	15.02.02*
Discarded equipment, other than those mentioned in items 16.02.09 to 16.02.13	16.02.13*
Lead batteries	16.06.01*
Other insulating materials containing or constituted by hazardous substances	17.06.03*
Fluorescent tubes and other waste containing mercury	20.01.21*

**USE OF HOCKS PRODUCTS**

With a focus on sustainability and quality, Botto Giuseppe e Figli S.p.A. purchases decatizing satin wrappers from HOCKS.

**HOCKS IS AN ASSOCIATE COMPANY OF IBENA TEXTILWERKE GMBH, BASED IN BOCHOLT/RHEDE.**

HOCKS decatizing wrappers are entirely manufactured by the multifunctional textile company according to the specifications of the quality certification system DIN EN ISO 9001:2000 and the integrated environmental management and control system DIN EN ISO 14001.

The IBENA laboratory is equipped with the most technically advanced testing equipment to ensure a high level of quality and product development, in close cooperation with customers and international research institutes.

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LOCAL COMMUNITY

6.1 The local community



## 6.1 LOCAL COMMUNITY

Botto Giuseppe e Figli S.p.A. has always paid special attention to social initiatives in the local community where it does business. In 2022, the company expressed a desire to share with stakeholders the programs supported to foster greater awareness about the activities.

The company took part in the project 'Quanta bellezza, ognuno unico nell'essere speciale' (What beauty, everyone is unique and special), promoted by A.L.I.ce Biella ODV, a volunteer association dedicated to combatting stroke. The association involves volunteers, doctors, and medical personnel who assist patients suffering from stroke and their families, with a careful and complete program to promote prevention, information and workshops. In synergy with the local cultural association 'Libera la voce di Biella' (Free the voice of Biella), active in creating charity events with different forms of art such as photography, music, and dance, the company has helped to raise public awareness about social inclusion for people with disabling conditions who often are denied opportunities to socialize, with the risk of isolation at home.

For many years, Botto Giuseppe e Figli S.p.A. has sponsored the foot race held in July in Valle Mosso, which raises funds for the Italian Multiple Sclerosis association of Biella.

To consolidate the link with the local city government, the company decided to support the 'Passaggio a oriente di Valle Mosso' association by adhering to the project 'Valle Mosso tra passato, presente e...futuro' (Valle Mosso, among past, present and ... future). The project focuses on urban renewal in Valdilana with the creation of harmony and beauty in the city streets and involvement of citizens.

Other extra-territorial initiatives were promoted and undertaken. In particular, the company contributed to creating a summer camp in Bardonecchia organized by Fondazione Time2, which aims to reduce inequality and promote social inclusion.

With regard to the environment and biodiversity, Botto Giuseppe e Figli S.p.A. decided to adopt a beehive managed by a group of beekeepers on the outskirts of Milan and support the Bee My Future project by Life Gate. In this way thousands of bees, which are considered to be the main pillar for well-being and biodiversity in nature, are protected.



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DEFINITIONS AND  
GRI CONTENT INDEXES



## DEFINITIONS

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### STAKEHOLDERS

A stakeholder is a party with an interest in the company who can influence or be influenced by the activities. A stakeholder may be inside or outside the company.

The parties interested in a typical company are its investors, employees, customers and suppliers. However, with growing attention to corporate social responsibility, the concept has now been extended to the community, government, and trade associations. The stakeholders, with their decisions, have a significant impact — both positive and negative — on company projects. But that is not all. In some cases, stakeholders are also involved in key interests, because their support is necessary for certain projects to exist.

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### ETHICS, INTEGRITY AND TRANSPARENCY IN BUSINESS MANAGEMENT

Ethics and compliance refers to a company's compliance for ethical standards of conduct, regulatory requirements and requirements of the market in which it operates.

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### VALUE CREATION AND DISTRIBUTION

Value creation and distribution indicates the company's ability to generate profits and the way in which these are distributed among different stakeholders (salaries, payments to suppliers, dividends, etc.).

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### PRODUCT QUALITY, SAFETY AND INNOVATION

Product quality, safety and innovation refers to the control system instituted by the company to guarantee the quality and safety standards of its products and processes, as well as research and development activities to pursue continuous product improvement.

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### BIODIVERSITY AND THE FIGHT AGAINST CLIMATE CHANGE

Protecting biodiversity indicates the company's commitment to implementing actions aimed at protecting the variety of living organisms in their different forms and respective ecosystems.

### MANAGEMENT OF RISKS AND ENVIRONMENTAL IMPACTS (CHEMICAL, WASTE, ENERGY, AND SUSTAINABLE RAW MATERIALS)

Just like energy management and reducing consumption, the company is also committed to the following: reducing consumption, producing energy from renewable sources, purchasing certified 'green' energy, and projects for reducing its own emissions of greenhouse gases and those of its production chain. With respect to waste and the circular economy, we seize the opportunity to use raw materials from products discarded in other processes or from recycled materials, and take care to reduce and correctly dispose of the waste produced. As for chemicals and water, the company is committed to using less water and correctly managing discharge points to monitor the pollutants produced during the entire production process and to reduce the presence of toxic and harmful substances. Finally, for the use of sustainable materials, we refer to natural and non-natural raw materials used for production or for packaging.

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### RESPONSIBILITY ALONG SUPPLY CHAINS

A responsible supply chain refers to the selection and assessment of suppliers based on factors related to social conditions, environmental protection, and not only economic requirements.

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### SUPPORT AND DEVELOPMENT OF THE LOCAL COMMUNITY

Support and development of the local community means the company's commitment to promoting and supporting the economic and social wellbeing of the community.

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### EMPLOYEE HEALTH, SAFETY AND WELLBEING

Protecting the health and safety of employees refers to all aspects concerning worker health and safety in terms of prevention, training, management, and risk reduction, as governed by the Italian Consolidated Text 81/2008.

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### OPTIMISATION AND WELFARE OF HUMAN CAPITAL

Recognizing and ensuring the wellbeing of human capital involves all aspects tied to managing human resources that aim to guarantee wellbeing: salaries, incentives, training, attraction and development of new talent, etc.

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### EQUAL OPPORTUNITIES, INCLUSION, AND DIVERSITY

Diversity and inclusion refer to the collection of values and behaviours that guarantee gender equality and diversity without discrimination.

## PERSONNEL TRAINING, DEVELOPMENT AND INVOLVEMENT

For the company, people are clearly at the centre of our operations because they contribute to development, and their growth helps the company adapt to market changes and customer purchasing behaviour. Investments in training human resources are crucial to guaranteeing corporate growth. Personnel development refers to the collection of activities aimed at transmitting or enabling new skills for company employees.

Involvement is the level of motivation and enthusiasm, both rational and emotional, that employees hold towards their jobs and put in to the company's success, which can influence individual productivity and company performance.

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## SUSTAINABLE INVESTMENTS AND FINANCING

Sustainable investing consists in analysing the environmental, social, and governance risks (ESG) of a company, evaluating its opportunities and progress with reference to ESG data and analyses, which is a fundamental aspect in knowingly allocating capital. Sustainable investing aims to create value for the investor and company as a whole through a medium- to long-term investment strategy that integrates financial, environmental, social and good governance aspects in the assessment of companies and institutions.

Sustainable financial instruments refer to financing and investments with explicit reference to one or more sustainability criteria: sustainable financing aims to create value in the long term, directing capital towards activities that generate economic value but are also useful for the company and do not weigh on the environmental system.

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## IDENTITY AND BRAND MANAGEMENT

Brand identity includes all of the visible elements of a brand, making it possible to define the company's visual communication and make it immediately recognizable in the customer's mind. It is designed to reflect the values, personality, and goals of the brand.

Brand management is a collection of techniques and strategies oriented towards a common goal, i.e. giving added value to the brand to create the best perception for consumers.

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## CUSTOMER SATISFACTION AND PROTECTION

Customer protection rests on 4 key concepts: safety and quality of the products and services, suitable information and advertising that does not mislead, good business practices according to the principles of good faith, and correctness and loyalty.

Customer satisfaction is generally a complex process to detect customer/user levels of satisfaction and use this to improve products/services.

## HUMAN RIGHTS

Human rights are inalienable rights of human beings, or rather, rights that must be recognized for every person regardless of their origin, category, or place where they are located.

In the workplace, they are found in the 'Universal Declaration of Human Rights', in which Art. 23 states the four fundamental principles:

1. Everyone has the right to work, to free choice of employment, to just and favourable conditions of work and to protection against unemployment.
2. Everyone, without any discrimination, has the right to equal pay for equal work.
3. Everyone who works has the right to just and favourable remuneration ensuring for himself and his family an existence worthy of human dignity, and supplemented, if necessary, by other means of social protection.
4. Everyone has the right to form and to join trade unions for the protection of his interests.

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## INJURY SEVERITY INDEX

The Injury Severity Index expresses the severity of workplace accidents in conventional days lost per thousand hours worked, multiplied by 1000 to avoid numbers that are too small.

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## ACCIDENT FREQUENCY RATE

The Accident Frequency Rate is a measure of the number of workplace accidents per million hours of work in a given time-frame, sector and territory, in relation to the number of hours worked during the same period in the same sector and territory, multiplied by one million to avoid numbers that are too small.

It is an index of general validity, and since it is normalized in relation to time, sector and territory, it can be used to make comparisons in these three distinct dimensions.

# GRI CONTENT INDEX

DECLARATION OF USE: Botto Giuseppe e Figli S.p.A. has written a report in conformity with the GRI standards for the period of time from 01/01/2022–31/12/2022

**GRI 1 USED**  
**GRI 1: FOUNDATION 2021**

**GRI 2 GENERAL DISCLOSURES**

GENERAL DISCLOSURES

GRI STANDARD	INFORMATION	PAGE	REASONS FOR OMISSION
GRI 2 General Disclosures 2021	GRI 2-1 Organisational details	Page 3; 33; 128; 34	
GRI 2 General Disclosures 2021	GRI 2-2 Entities included in the organization’s sustainability reporting	Page 6	
GRI 2 General Disclosures 2021	GRI 2-3 Reporting period, frequency and contact point	Page 6	
GRI 2 General Disclosures 2021	GRI 2-4 Restatements of information	Page 98	
GRI 2 General Disclosures 2021	GRI 2-5 External assurance	Page 6	
GRI 2 General Disclosures 2021	GRI 2-6 Activities, value chain and other business relationships	Page 40	
GRI 2 General Disclosures 2021	GRI 2-7 Employees	Page 61	
GRI 2 General Disclosures 2021	GRI 2-8 Workers who are not employees	Page 61; 64; 65	
GRI 2 General Disclosures 2021	GRI 2-9 Governance structure and composition	Page 33	
GRI 2 General Disclosures 2021	GRI 2-10 Nomination and selection of the highest governance body	Page 33	
GRI 2 General Disclosures 2021	GRI 2-11 Chair of the highest governance body	Page 33	
GRI 2 General Disclosures 2021	GRI 2-12 Role of the highest governance body in overseeing the management of impacts	Page 33	
GRI 2 General Disclosures 2021	GRI 2-13 Delegation of responsibility for managing impacts	Page 33	
GRI 2 General Disclosures 2021	GRI 2-14 Role of the highest governance body in sustainability reporting	Page 33	
GRI 2 General Disclosures 2021	GRI 2-15 Conflicts of interest	Page 33	
GRI 2 General Disclosures 2021	GRI 2-16 Communication of critical concerns	Page 33	Critical concerns are reported at Board meetings during the year. The concerns are not numbered so it is not possible to provide an assessment of this aspect
GRI 2 General Disclosures 2021	GRI 2-17 Collective knowledge of the highest governance body	...	No information has been reported and analysed about this topic
GRI 2 General Disclosures 2021	GRI 2-18 Evaluation of the performance of the highest governance body	Page 33	
GRI 2 General Disclosures 2021	GRI 2-19 Remuneration policies	...	The company does not intend to issue information about these topics
GRI 2 General Disclosures 2021	GRI 2-20 Process to determine remuneration	...	The company does not intend to issue this type of information
GRI 2 General Disclosures 2021	GRI 2-21 Annual total compensation ratio	...	The company does not intend to issue this type of information; it is available at the company.
GRI 2 General Disclosures 2021	GRI 2-22 Statement on sustainable development strategy	Page 2; 3	
GRI 2 General Disclosures 2021	GRI 2-23 Policy commitments	Page 4	
GRI 2 General Disclosures 2021	GRI 2-24 Embedding policy commitments	Page 4	
GRI 2 General Disclosures 2021	GRI 2-25 Processes to remediate negative impacts	Page 88; 89	
GRI 2 General Disclosures 2021	GRI 2-26 Mechanisms for seeking advice and raising concerns	...	There is still no official channel to manage these topics, although its implementation was planned for 2023
GRI 2 General Disclosures 2021	GRI 2-27 Compliance with laws and regulations	...	In 2022, only internal nonconformities were recorded, and these were not such that they deserved financial penalties. The company does not belong to associations
GRI 2 General Disclosures 2021	GRI 2-28 Membership associations	...	
GRI 2 General Disclosures 2021	GRI 2-29 Approach to stakeholder engagement	Page 16; 17	100% of employees are covered by collective labour agreements.
GRI 2 General Disclosures 2021	GRI 2-30 Collective bargaining agreements	...	

**GRI 3 MATERIAL TOPICS**

## MATERIAL TOPICS

GRI STANDARD	INFORMATION	PAGE	REASONS FOR OMISSION
GRI 3 Material Topics 2021	3-1 Process to determine material topics	Page 16; 17	
GRI 3 Material Topics 2021	3-2 List of material topics	Page 18; 19; 22; 23; 24; 25	
GRI 3 Material Topics 2021	3-3 Management of materials topics	Page 22 - 29	

## MATERIAL TOPIC

GRI STANDARD	INFORMATION	PAGE	REASONS FOR OMISSION
GRI 301 Materials 2016	301-1 Materials used by weight or volume	Page 40	
GRI 301 Materials 2016	301-2 Recycled input materials used	Page 40	
GRI 301 Materials 2016	301-3 Products recovered or regenerated and relative packaging materials	Page 40	
GRI 302 Energy 2016	Disclosure 302-1 Energy consumption within the organization	Page 84	
GRI 302 Energy 2016	302-3 Energy intensity	Page 85	
GRI 302 Energy 2016	302-4 Reduction of energy consumption	Page 26 - 27	
GRI 303 Water and Effluents 2018	303-1 Interactions with water as a shared resource	Page 4	
GRI 303 Water and Effluents 2018	303-1 Management of water discharge-related impacts	Page 4	
GRI 303 Water and Effluents 2018	303-3 Water withdrawal	Page 98	
GRI 303 Water and Effluents 2018	303-4 Water discharge	Page 100; 101	
GRI 303 Water and Effluents 2018	303-5 Water consumption	Page 98; 99	
GRI 305 Emissions 2016	305-1 Direct (Scope 1) GHG emissions	Page 96	
GRI 305 Emissions 2016	305-2 Energy indirect (Scope 2) GHG emissions	Page 96	
GRI 305 Emissions 2016	305-5 Reduction of GHG emissions	Page 94	
GRI 305 Emissions 2016	305-7 Nitrogen oxides (NOx), sulphur oxides (SOx), and other significant emissions	Page 92	
GRI 306 Waste 2020	306-1 Waste generation and significant waste-related impacts	Page 106–111	
GRI 306 Waste 2020	306-2 Management of significant waste-related impacts	Page 106–111	
GRI 306 Waste 2020	306-3 Waste generated	Page 106–111	
GRI 306 Waste 2020	306-4 Waste diverted from disposal	Page 106–111	
GRI 306 Waste 2020	306-5 Waste directed to disposal	Page 106–111	
GRI 307 Environmental Compliance 2016	307-1 Non-compliance with environmental laws and regulations	...	In 2022, the company was not subjected to financial penalties or non-monetary sanctions
GRI 308 Supplier Environmental Assessment 2016	308-1 New suppliers that were screened using environmental criteria	Page 30	
GRI 308 Supplier Environmental Assessment 2016	308-2 Negative environmental impacts in the supply chain and actions taken	...	Since the qualification of suppliers in relation to environmental aspects has not yet been completed, it is not possible to establish any negative environmental impacts in the supply chain
GRI 401 Employment 2016	401-1 New employee hires and employee turnover	Page 62	
GRI 401 Employment 2016	401-2 Benefits provided to full-time employees that are not provided to temporary or part-time employees	Page 70	
GRI 403 Occupational Health and Safety 2016	403-1 Occupational health and safety management system	Page 71	
GRI 403 Occupational Health and Safety 2016	403-2 Hazard identification, risk assessment and incident investigation	Page 71	
GRI 403 Occupational Health and Safety 2016	403-3 Occupational health services	Page 71	

## MATERIAL TOPIC

GRI STANDARD	INFORMATION	PAGE	REASONS FOR OMISSION
GRI 403 Occupational Health and Safety 2016	403-4 Worker participation, consultation and communication on occupational health and safety	Page 71	
GRI 403 Occupational Health and Safety 2016	403-5 Worker training on occupational health and safety	Page 68; 69	
GRI 403 Occupational Health and Safety 2016	403-6 Promotion of worker health	Page 73	
GRI 403 Occupational Health and Safety 2016	403-8 Workers covered by an occupational health and safety management system		All workers in the company are covered by an occupational health and safety management system
GRI 403 Occupational Health and Safety 2016	403-9 Work-related injuries	Page 78; 79	
GRI 403 Occupational Health and Safety 2016	403-10 Work-related ill health	Page 78; 79	
GRI 404 Training and Education 2016	404-1 Average hours of training per year per employee	Page 68; 69	
GRI 404 Training and Education 2016	404-2 Programmes for upgrading employee skills and transition assistance programs	Page 68; 69	
GRI 405 Diversity and Equal Opportunity	405-1 Diversity of governance bodies and employees	Page 61	
GRI 413 Local Communities	413-1 Operations with local community engagement, impact assessments and development programmes	Page 114	
GRI 413 Local Communities	413-2 Operations with significant actual and potential negative impacts on local communities	...	No negative impacts emerged with regard to local communities in 2022
GRI 419 Socioeconomic Compliance	419-1 Non-compliance with laws and regulations in the social and economic area	...	In 2022, no instances of non-compliance with environmental laws or regulations concerning social and economic issues occurred

