



MESSAGE
EMPOWERING CHANGE



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ESG REPORT 2023
TEXAL SPA
LURAGO D'ERBA, COMO ITALY



JANUARY 2025

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1.GENERAL DICLOSURES

1.1 COMPANY OVERVIEW

TEXAL S.p.A. is a textile company located in Lurago d'Erba, in the province of Como, specializing in the production of medium-to-high-end silk fabrics for men's and women's apparel, as well as accessories. Founded in 1980 as the evolution of a small family-run artisanal weaving workshop, TEXAL has grown over time, establishing itself in the medium-to-high-end market.

The company produces jacquard, plain, and fil coupé fabrics using both natural and artificial fibers, in dyed yarn or greige options, with elastic and non-elastic varieties. They offer a flexible customization service to meet diverse client needs.

Through continuous investment in state-of-the-art machinery, TEXAL boasts an annual production capacity of over one million meters of fabric, with a machinery park of more than fifty looms and warping machines, all interconnected and monitored to ensure continuous improvement in production and service.

Recently, the company acquired a stake in a dyeing and fabric finishing facility to oversee all stages of fabric enhancement.

Total Revenue 2023: 12,6 MLN , 39 employees

1.2 MISSION AND VALUES

TEXAL places human capital at the center of its business model and has embarked on a journey to develop greater sustainability awareness. The company believes that only a holistic approach, encompassing environmental, social, and economic aspects, can lead to true sustainability in the textile industry. In line with these principles, TEXAL strives to create fabrics that not only embody quality and innovation but also align with a commitment to reducing the environmental impact of its production activities. This includes lowering energy consumption and designing fabrics that, due to the raw materials used and processing methods, have a reduced environmental footprint.

Vision:

TEXAL envisions itself as a long-term partner for its clients, providing tailored textile solutions that meet the highest standards of quality, creativity, and functionality. By fostering close collaborations with designers, fashion houses, and brands, TEXAL aims to inspire innovation and contribute to the success of its partners while embracing a shared responsibility for sustainability.

Official website: texal.it.

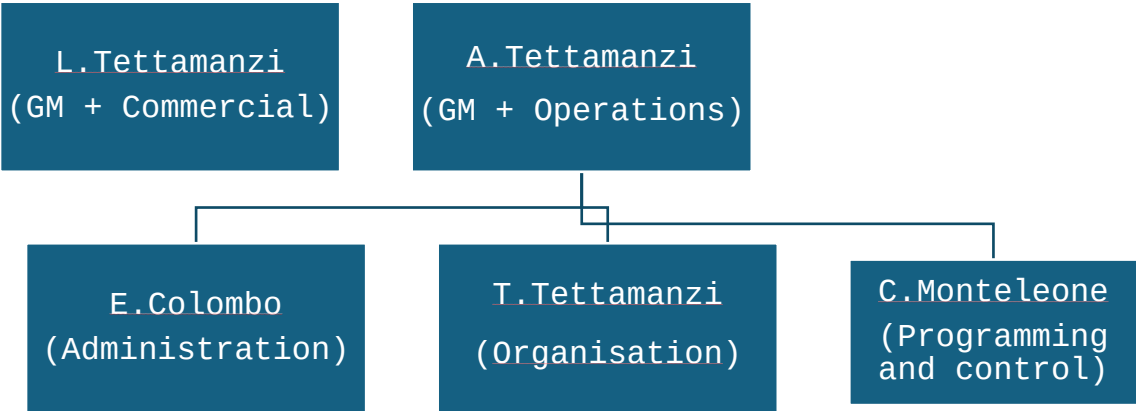
1.3 COMPOSITION OF THE BOARD OF DIRECTORS

TITLE	NAME	EXPIRATION DATE
BOARD MEMBER	L.Tettamanzi	Budget Approval 2024
BOARD MEMBER	A.Tettamanzi	Budget Approval 2024

1.4 COMPOSITION OF THE GENERAL ASSEMBLY (WITH PERCENTAGE OF OWNERSHIP)

STAKEHOLDER	PERCENTAGE OF OWNERSHIP
Lorenzo Tettamanzi	45%
Antonio Tettamanzi	45%
Tiziana Tettamanzi	-
Cristiana Tettamanzi	10%

1.5 ORGANISATIONAL CHART





2.STAKEHOLDER ANALYSIS

The section presents key stakeholders and evaluates stakeholder engagement methods and frequencies:

STAKEHOLDER GROUP	TYPE OF COMMUNICATION	FREQUENCY
OWNERS	<ul style="list-style-type: none"> - Regular board meetings - Financial and strategic reports - Direct consultations and decision-making processes 	3
CLIENTS	<ul style="list-style-type: none"> - B2B communication channels (meetings, trade fairs, and emails) - Customer Audit - Product catalogs and updates -Yearly Assessment 	4

EMPLOYEES	-Internal newsletter - Training sessions - face 2 face feedback - Collective Contract reviews	4
INDUSTRY ORGANISATION	- Participation in industry events and forums - Collaboration on sustainability standards - Publications and research	4
LOCAL COMMUNITY	- Sponsorships and donations - Community engagement projects - Open-day to Vet schools	2
SUPPLIERS	-Evaluation questionnaire -Quality Audit	3

1	2	3	4	5
Rarely	Sometimes	Always	Often	Never

Highlights from Stakeholder analysis:

1. **Owners:** Communication focuses on strategic and financial matters to align on long-term goals and performance. - **Annual Reports:** Detailed updates on financial performance, sustainability initiatives, and strategic direction.
Board Meetings: Discussions on growth opportunities, resource allocation, and new partnerships
2. **Clients:** The emphasis is on building trust and showcasing TEXAL's commitment to quality and sustainability through personalized service and high-quality products. **AUDIT:** auditors from fashion brands or textile converter are used to make checks on agreed quality standards application by visiting premises and interviewing employees.
3. **Employees:** Internal communication ensures motivation, skills development, and alignment with company values.
4. **Industry Organizations:** TEXAL engages through active participation and thought leadership in the sector to drive innovation and establish standards. The company is very active in promoting sustainable practices in the Como textile District like joint studies on reducing the environmental impact of fabric production.
5. **Local Community:** Communication builds goodwill, enhances the company's reputation, and fosters relationships through local initiatives. **Community Support:** Financial aid or material

donations to local schools or charities. **Open-Door Events:** Guided tours of TEXAL's facilities to promote transparency and community engagement.



3. MATERIALITY ASSESSMENT

This section identifies the most significant environmental, social, and governance issues for the company and its stakeholders:

STAKEHOLDER GROUP	ENVIRONMENT	SOCIAL	GOVERNANCE
OWNERS	<ul style="list-style-type: none">- Energy efficiency and waste reduction in operations.- Climate change mitigation through sustainable sourcing.	<ul style="list-style-type: none">- Supporting ethical business practices across supply chains	<ul style="list-style-type: none">- Transparent reporting on sustainability goals and performance.- Compliance with regulations.
CLIENTS	<ul style="list-style-type: none">- Eco-friendly fabrics and sustainable innovation in textiles.- Reduced environmental impact of production.	<ul style="list-style-type: none">- Tailored client communication about sustainable practices (including AUDIT)- Addressing end-consumer expectations for ethical sourcing.	<ul style="list-style-type: none">- Adherence to certifications like GOTS, GRS, FSC, Fortextile, ISO 9001 ISO14001

EMPLOYEES	- Workplace environmental initiatives (e.g., energy-saving practices).	- Workplace safety and health programs. - Diversity, equity, and inclusion policies.	- Clear internal policies on employee rights and governance standards
SUPPLIERS	Collaboration on environmental practices	Ethical business practices , fair and respectful practices	Compliance with agreements and contracts dealing
INDUSTRY COLLABORATION	- Participation in industry-wide climate action initiatives. - Collaborations for circular economy solutions.	- Promotion of fair labor standards across the sector. - Joint advocacy for community engagement	- Supporting ethical governance practices for industry transparency.
LOCAL COMMUNITY	- Reduction of water usage and carbon emissions impacting the local area.	- Community investment projects (e.g., local education or health initiatives).	- Transparent and ethical engagement with local stakeholders.

Suggestions for Actionable Steps:

Owners

- **E:** Commit to annual carbon footprint reduction goals and report progress.
- **S:** Provide updates to stakeholders on initiatives supporting fair labor and sustainable sourcing.
- **G:** Publish sustainability reports aligned with ESRS framework.

Clients

- **E:** Offer detailed life-cycle assessments (LCAs) for key products to demonstrate environmental performance.
- **S:** Collaborate with clients to co-develop sustainable fabrics tailored to their needs.
- **G:** Implement blockchain-based supply chain tools for traceability and anti-greenwashing compliance.

Employees

- **E:** Encourage green commuting options for employees (e.g., carpool programs, bike-to-work incentives).
- **S:** Develop mentoring programs to support underrepresented groups in the workforce.
- **G:** Ensure all employees are trained in ethical and anti-discrimination policies.

Industry Organizations

- **E:** Partner with organizations on textile waste management and recycling technologies.
- **S:** Co-sponsor industry-wide on best practices in sustainability.
- **G:** Actively participate in industry governing boards to influence policies promoting transparency.

Local Community

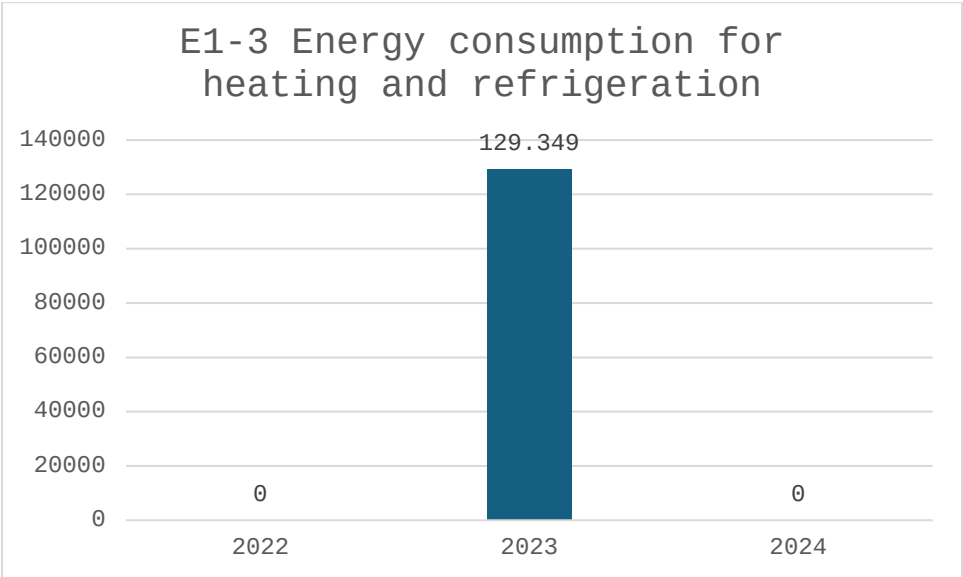
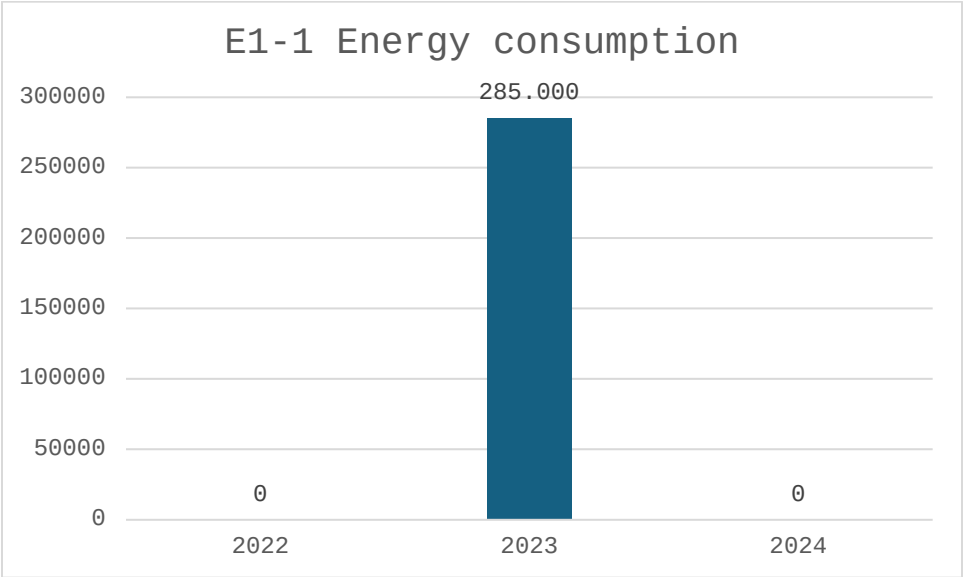
- **E:** Sponsor local green projects to offset environmental impacts.
- **S:** Support vocational training programs for the local population to create job opportunities.
- **G:** Host initiatives to share progress on sustainability goals and engage with feedback.

4.Environmental Indicators

In this section, we explore the indicators related to the environmental pillar, which are categorized into two main groups.

E1 - Total Energy Consumption & Mix

	2022	2023	2024
E1-1 Energy consumption (kwh/sq meter)	na	339	-
E1-2 Fuel consumption (litres/vehicle)	-	1233	-
E1-3 Energy consumption for heating and refrigeration	na	Natural gas 62,32% Petrol 2% Coal 19% Nuclear 3% Other 7%	-



E2- Total Water Usage

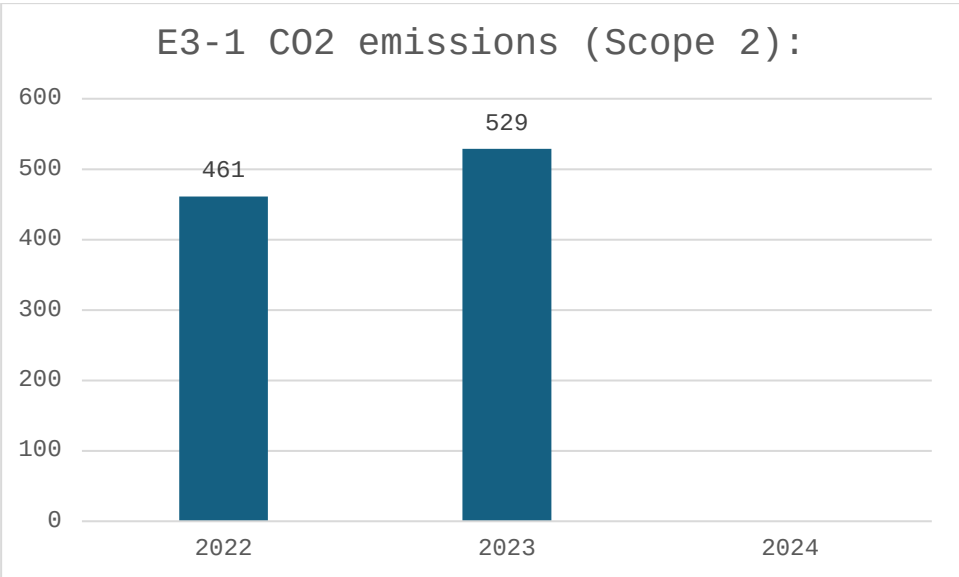
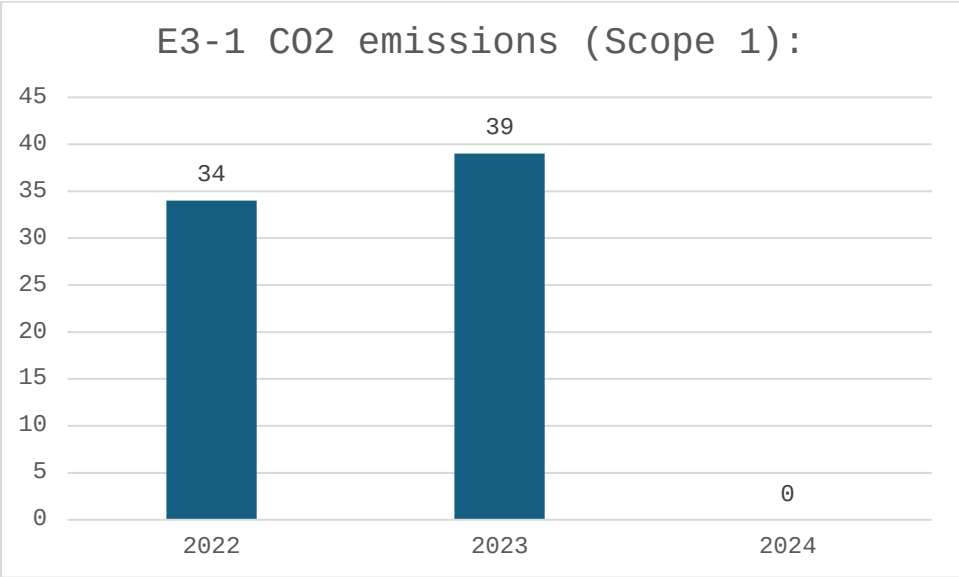
	2022	2023	2024
E2-1 Total water usage (3 months)	na	1.300.000	-
E2-2 Water usage index (Litres/ employees)	na	133,33	-
E-3 Policies for saving	na	The use of water is not part of the production process	na

E3- Greenhouse Gas Emissions

	2022	2023	2024
E3-1 CO2 emissions (scope 1): Direct GHG emissions include, but are not limited to, the CO2 emissions from the fossil fuel consumption	34	39	-
E3-1 CO2 emissions (Scope 2): Energy indirect GHG emissions include, but are not limited to, the CO2 emissions from the generation of purchased or acquired electricity, heating, cooling, and steam consumed by the company	461	529	-
E3-1 Other indirect (Scope 3) GHG emissions are a consequence of an organization's activities, but occur from sources not owned or controlled by the organization	na	na	-
E3-2 -Policies to reduce CO2 emissions	na	applicable	applicable

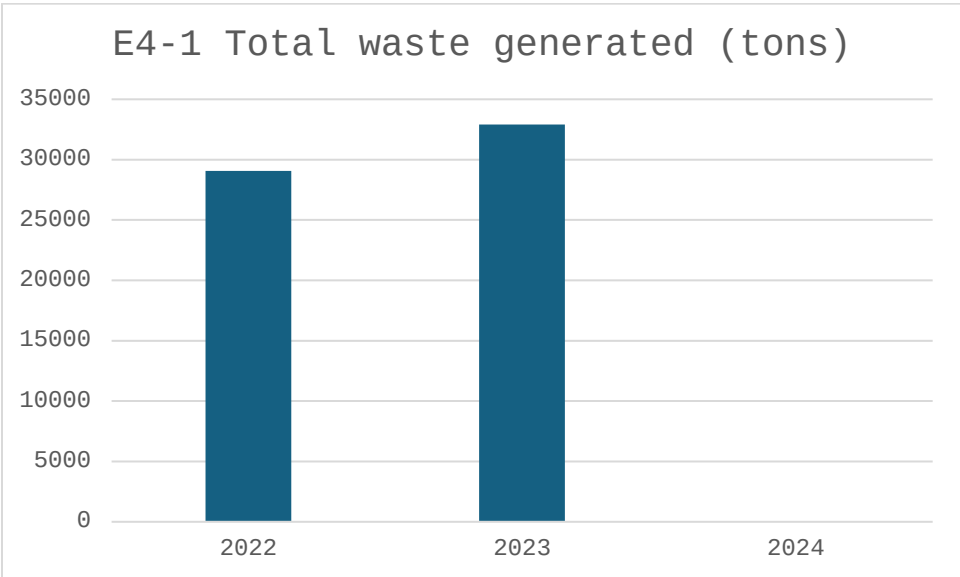
The higher emission values recorded in 2023 are due to the drop in the volumes of fabric produced and therefore the lower functioning of the looms that power the electrical/thermal system of the plant. For this reason it was necessary to use a greater quantity of natural gas. The implementation of the photovoltaic system is expected to contribute to improving the indicators.

We have focused our investment on new technology looms, a photovoltaic system, new office and reception room lighting and free-cooler system.



E4 – Total Waste Generation

	2022	2023	2024
E4-1 Waste weight (tons)	29065	32910	-



E5-Recycling Rate

	2022	2023	2024
E5-1 Waste weight recycled per year (tons)	29,065	29,040	
E6-2 Recycling policies		Applicable	

With the main suppliers of raw material we have adopted a take-back policy of packaging that is periodically returned for future reuse. All waste related to production is sent for recovery through the service company .We are evaluating **circular economy solution for reuse of fabric waste** through an industrial symbiosis process . We have participated in various themed territorial projects, during which however the poor feasibility for our product which is multi-fiber has always emerged, without therefore positive results - We have installed water dispensers to limit and eventually exclude the use and disposal of plastic by choosing for the location a supplier recognized by Greenpeace for the materials used and the natural refrigerant gases chosen

E6-Environmental Management System Certification

We achieved ISO 14001 certification in October 2024.

E7- Energy Management System Certification

We do not have this certification, however we carry out an energy audit every 4 years through an external consultant, with indications on the best practices to implement in terms of energy efficiency.

E8- Environmental Investments

In 2023 our main objective in the management of environmental aspects was energy efficiency, as demonstrated by the investments made in order to reduce energy consumption and consequently greenhouse gas emissions. The most important investment was certainly the construction of the photovoltaic system for which we had to face further significant costs, to adapt the roof on which it rests.

€805,355.00 no. 10 4.0 technology loom

€421,250.00 photovoltaic system

€38,000.00 office and reception room lighting €36,249.00 free-cooler system

4. Social Indicators

This section lists indicators related to employee well-being, diversity, and community impact.

S1-Characteristics of SME's Employees

	2022	2023	2024
S1-1 Number of employees	na	39	-
S1-2 FT / PT Ratio	na	PT:6 FT:33	-
S1-3 Gender Distribution	na	F:28 M:11	-
S1-4 Nationality Distribution	na	Not Italian native 7,69%	-

S2-Diversity & Inclusion indicators

	2022	2023	2024
S2-1 Policies	Applicable	Applicable	-
S2-2 Gender distribution in number and percentage at top management level amongst its employees.	na	Top Manager: 2 Male 3 Female	Top Manager: 2 Male 3 Female
S2-3 Distribution of employees by age group	na	Number of employees: under 30 years old, 9 30-50 years old 21; over 50 years old, total number of employees 30	
S2-4 Percentage of employees with disabilities amongst SME's employees	2 out of 39	2 out of 39	2 out of 39

S2-1 Policies

First of all, our Code of Ethics declares respect for the principle of non-discrimination and therefore the company's commitment against any form of discrimination based on sex, race and more, therefore in terms of diversity and inclusion. In compliance with the new version of the GOTS 7.0 product certification in 2024, we have drawn up the DUE DILIGENCE and a responsible corporate conduct policy which include, among other things, the commitment to the application and dissemination of ethical and social requirements among the various stakeholders.

S3- Work life balance

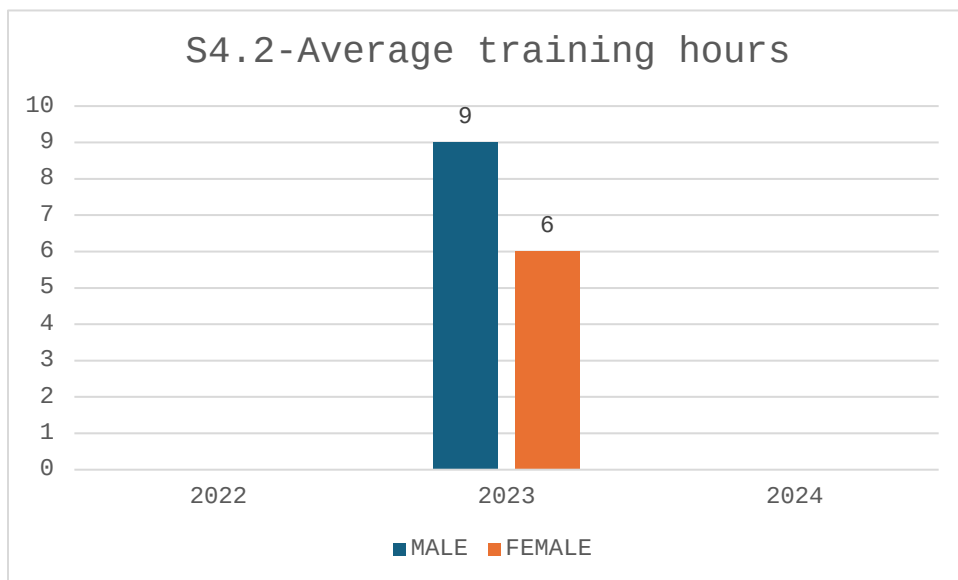
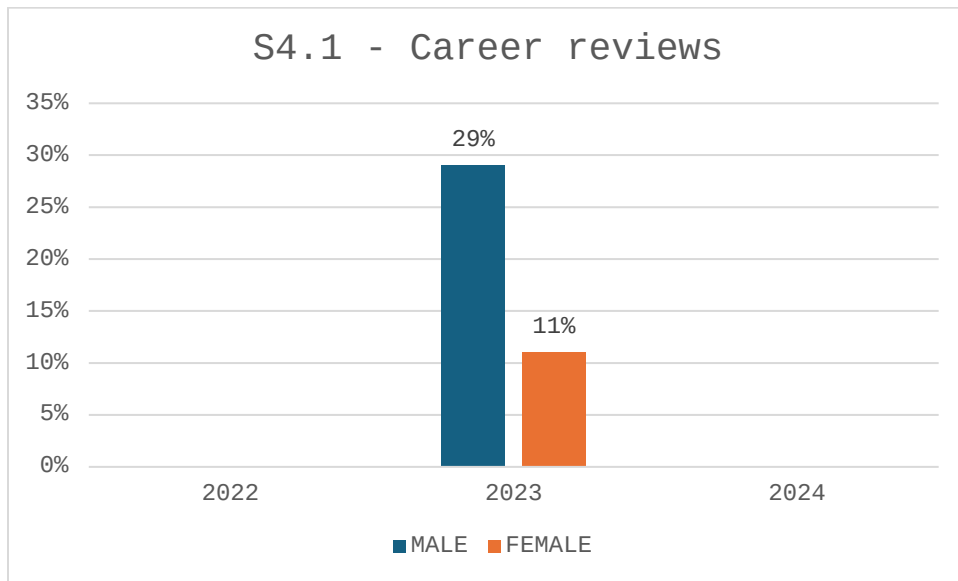
	2022	2023	2024
S3-1 Percentage of employees entitled to take family-related leaves	100%	100%	100%
S3-2 Percentage of entitled employees that took family-related leaves, and a breakdown by gender	na	3/39 3 Female	-
S3-3 Number of extra hours the employees work per year	na	3136/61491h	-
S3-4 Policies regarding keeping balance between work and personal life (on -call/ stand by policies)		Not applicable	-

S3-4 Policies: Our production is carried out on shifts - the only request that can rarely be made to employees is the availability to change shifts in the absence of the other shift worker.

In this case, remuneration for the hours worked is provided for as established by the CCNL (National contract)

S4- Training and skills development

	2022	2023	2024
S4-1 Percentage of employees that participated in regular performance and career development reviews; such information shall be broken down by employee category and by gender	na	20% on total employees 5/17= 29% Male employees 2/18=11% Female employees	-
S4-2 Average number of training hours per employee, by employee category and by gender	na	Average number of training hours 6 Average number of training hours for female employees :5 Average number of training hours for male employees :9 Total number of training hours 242	-



S5-Social protection

	2022	2023	2024
S5-1 Percentage of employees covered by social protection, through public programs or through benefits offered by the undertaking, against loss of income due to any of the following major life events	100%	100%	100%

Our company is regularly registered with INPS and INAIL and is up to date with the relevant payments as per the DURC in force, therefore it guarantees FOR ALL EMPLOYEES hired salary coverage in the event of illness, injury, dismissal, maternity. We have also joined the sector supplementary health care fund, with the aim of integrating additional benefits into the National Health Service and therefore broader coverage also in terms of non-self-

sufficiency.

With regard to retirement, all employees have the right to choose whether to allocate the T.F.R to a supplementary fund with the possibility, for the sector supplementary fund and the collective fund previously stipulated with a credit institution, to pay their own additional contribution which is consequently combined with the payment of the company contribution provided for by the CCNL

S6-Employee engagement

	2022	2023	2024
S6-1 Score/level of engagement	na	na	na
S6-2 Average tenure of your employees	na	Average length of employment of your employees 11.16 years. Number of people remaining 38/ number of employees in the calculation period 46 =82.61%	na

We do not use questionnaires, we hold internal training meetings for function managers for the management of product and system certifications and on an annual basis we bring together employees to update them on concluded initiatives and future projects, giving them the opportunity to propose ideas and express suggestions.

S7-Employee health and safety

	2022	2023	2024
S7-1 Measures taken to protect health and safety	We have a dedicated procedure in place for health and security	We have a dedicated procedure in place for health and security .An external consultant is supporting the company on this relevant topic.	We have a dedicated procedure in place for health and security
S7-2 Certifications regarding health and safety at work	Compliant to H&S italian regulation	Compliant to H&S italian regulation DVR	Compliant to H&S italian regulation DVR

S7-1 Our company is regularly registered with INPS and INAIL and is up to date with the relevant payments as per the DURC in force, therefore it guarantees FOR ALL EMPLOYEES hired salary coverage in the event of illness, injury, dismissal, maternity. We have also joined the sector supplementary health care fund, with the aim of integrating additional benefits into the National Health Service and therefore broader coverage also in terms of non-self-sufficiency. With regard to retirement, ALL EMPLOYEES have the right to choose whether to allocate the T.F.R to a supplementary fund with the possibility, for the sector supplementary fund and the collective fund previously stipulated with a credit institution, to pay their own additional contribution which is consequently combined with the payment of the company contribution provided for by the CCNL.

S7-2 The management of health and safety at work is guaranteed through the application of Legislative Decree no. 81 of 09/04/2008 and the Prevention and Protection service under the responsibility of an external consultant. There is a general DVR together with specific attachments relating to the risk assessment of the various work areas (noise risk, vibration risk, chemical risk, pregnant workers risk, risk of using video terminals, stress-related risk, risk of handling loads...)

S8-Customer Data Protection and Privacy

	2022	2023	2024
Evaluating the SME's adherence to data protection policies	Aligned to GDPR policy	Aligned to GDPR policy	Aligned to GDPR policy

Our code of ethics includes a specific paragraph on the subject of confidentiality of all information in our possession and among other things for our major clients on behalf of the brands, we annually sign specifications and codes of conduct, which include the subject of confidentiality and privacy and protection of personal data.

S9-Community Engagement and Support

	2022	2023	2024
S9-1 No. of community projects	5	>5	-
S9-2 No. of volunteering efforts	No volunteering initiative	No volunteering initiative	No volunteering initiative
S9-3 Support to community development programs	na	na	-

S9-1 Community Projects:

Our company has diversified its actions to support the local community. Here are the main actions: Support for the Parish of the town for the organization of the annual celebrations, 2) Funds to a foundation in Como for the opening and management of a restaurant by young people with disabilities 3) Creation of Christmas gifts in solidarity with an association involved in international cooperation, protection of human rights and the fight against poverty and inequality. We then supported, outside of Lombardy, a solidarity center in the project of social reintegration of prisoners and people with neuropsychiatric fragility

S10- Employee compensation (pay gap and total compensation)

	2022	2023	2024
S10-1-Employee compensation (pay Gap)	-	Average salary of female employees €39,544.66 / Average salary of all employees €39,662.39 Average salary of male employees €39,904.77 / Average salary of all employees €39,662.39 ratio:1,01	- -
S10-2 Ratio of the annual total compensation ratio of the highest paid individual to the median annual total compensation for all employees (excluding the highest-paid individual)	-	2,54	-

S11- Customer satisfaction and Loyalty

	2022	2023	2024
S11-1-Customer Satisfaction	-	We do not use a customer satisfaction survey. For the management and increase of the quality system as per the certification obtained in 2024, we	- -

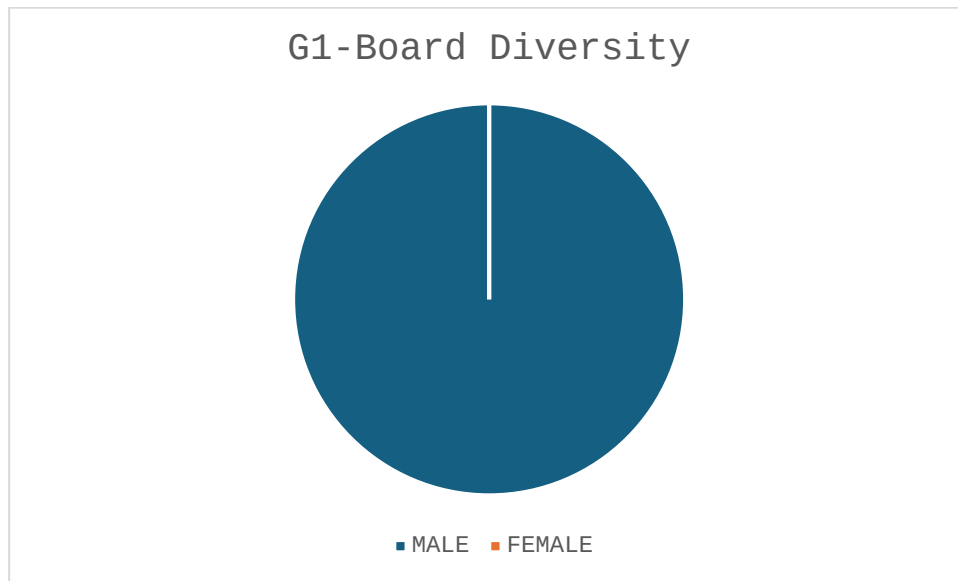
		adhere to specific indicators that allow us to make the right assessments in this regard. We are also subject to periodic audits by our direct customers and Brands	
S11-2 Percentage of returning customers	-	34%	-

6.Governance Indicators

They evaluate the company's governance structure, policies, and practices.

G1 - Board Diversity and Independence

	2022	2023	2024
G1-1 Composition of the Board (gender, nationality, skills, expertise)	Number of female board members 0 Number of male board members 2 Number of foreign board members 0 Number of native board members 0	Number of female board members 0 Number of male board members 2 Number of foreign board members 0 Number of native board members 0	-
G1-2 Percentage of independent directors	Independent board member 0%	Independent board member 0%	na



G2 - Corporate Governance Policy Adherence

	2022	2023	2024
G2-1 Set of key Corporate Governance policies	Code of Ethics, Responsible Business Conduct Policy, Quality and Environment Policy, Due Diligence Document	Code of Ethics, Responsible Business Conduct Policy, Quality and Environment Policy, Due Diligence Document	Code of Ethics, Responsible Business Conduct Policy, Quality and Environment Policy, Due Diligence Document

Code of Conduct for the Board of Directors

The Board of Directors of TEXAL has adopted a Code of ETHICS that defines the principles and ethical guidelines governing its decision-making and operations. The Code promotes integrity, transparency, and accountability in all business activities, fostering responsible corporate governance.

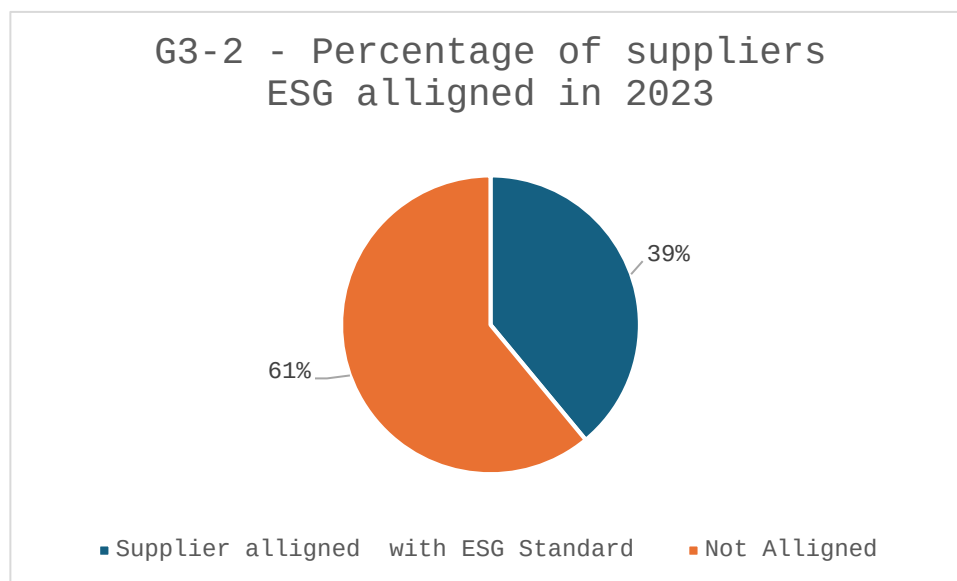
Key aspects include:

- **Ethical Business Practices:** Commitment to honest, fair, and lawful conduct.
- **Conflict of Interest Management:** Prevention and disclosure of any situations that may compromise objectivity.
- **Confidentiality:** Protection of sensitive information regarding the company and stakeholders.
- **Compliance:** Adherence to legal and regulatory framework
- **Sustainability :** Promotion of decisions that support environmental, social, and economic sustainability

G3 - Supplier Relationship Management and Sustainability Strategy

	2023
G3-1 Description of SME's approach to supplier relationships	SEE NOTES BELOW
G3-2 Percentage of SME's suppliers adhering to environmental and social criteria / standards.	40 out of 140 total suppliers 38,46%

G3-1 For the management and involvement of our suppliers we use a questionnaire that evaluates the best practices in the management of the various environmental aspects related to the activity carried out with a final judgment based not only on the economic/financial/quality and service aspects but also on the commitment in the management of social and environmental aspects. We should take action to integrate into the suppliers' strategy a tool obtained through participation in a territorial project, which evaluates ESG performances in an even more specific way



G4 - Performance-Linked Executive Compensation Ratio

	2022	2023	2024
G4-1 Percentage of an executive's total compensation that is variable and tied to performance metrics	0%	0%	0%

G5 – Stakeholder engagement

	2022	2023	2024
G5-1 Customer Satisfaction	na	na	na
G5-2 Employee Satisfaction	na	na	na
G5-3 Community engagement Score	>5	>5	-

G5-1 : We do not have a customer satisfaction questionnaire in place, for the management and improvement of the quality system as per the certification obtained in 2024, we adhere to specific indicators that allow us to make the right assessments in this regard. AUDIT

G5-2 We have not an employee survey in place. Since the number of employees is limited, we manage face to face meetings to provide and get feedback

ESG Data for 2024 will be fulfilled by May 2025 in line with financial deadline