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Italia

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A simple answer
to complex questions.



Sustainability Report 2023

Letter to Stakeholders

2-22



We've been talking about sustainability for 15 years now, and the Italian and global landscape on the subject has greatly varied over these years. It has always been a strongly felt desire for us, beyond any regulatory obligation. If operating in an increasingly sustainable manner is a necessity for all companies today, it becomes even more important for those sectors that are naturally connected to the social and environmental well-being of society as a whole. This is true for us, as it is for all companies operating in the health sector, as we directly contribute to ensuring the health and well-being of the entire population, playing a role with a high social impact due to the nature of our activities.

Every year, when it is time to report on the environmental, social and governance aspects of our Group, we are presented with the great opportunity to transfer our social responsibility and positively influence

the entire value chain. It is an opportunity that we have no intention to waste, as we strongly believe that each of us can make an active contribution to a cause that involves us all.

Sustainability is an integral part of our strategic choices and influences economic and social development. Our choices reflect our commitment to integrating ESG (Environmental, Social, Governance) factors into our governance and future perspectives, as well as into our operational and risk management processes, given the direction in which European policy is heading, which aims to steer public and private financial resources towards sustainable investments and uses.

The numbers you will find in this report tell of concrete actions and joint efforts that make sense because they are guided by a single common awareness: the excellence of the direction we have set for ourselves. This is the time to be clear about our goals and continue on the path we have set out to ensure a balanced and replicable system that enables sustainable and environmentally friendly growth.

The Sustainable Development Goals identified by the United Nations for the year 2030 put the individual at the center of all future development. Acceptance, appreciation of diversity, freedom of expression: these are the foundations of living well in a company, without ever underestimating the impact each of us can have on the world and the change we can achieve even with the small actions we do together.

I believe it is a good time to be alive, because we have an unmissable opportunity to give concrete value and help change the fate of this world, in order to deliver not only a healthy and strong company to future generations, but a better world, one that is more inclusive, fairer, more equitable, and respectful of all life forms. As we have done over the years, we must continue to look to the future with responsibility and courage, varying our approach and continuing on the path of in-

novation and technological and social transformation that we have mapped out.

New challenges await us, and I am sure we will be ready to seize them. Thank you for taking the time to read this Report.

The Chairman - Roberto Olivi

A handwritten signature in black ink, appearing to read 'Roberto Olivi'.

“There shouldn't be a need to define who cares about the environment. It should be a matter of course. From a strictly logical point of view, I think the only reason for ignoring the destruction of planet Earth is because you're not from Earth. If you're from Ganymede, or another of Jupiter's moons, I could understand not giving a damn about the greenhouse effect and ocean acidification.”¹

1. Davide Rigiani, **La parola “ambientalista” (e gli alieni)** [The word “environmentalist” (and aliens)], “Il Post,” December 21, 2023, <https://www.ilpost.it/2023/12/21/rigiani-la-parola-ambientalista-e-gli-alieni/?homepagePosition=6>

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METHODOLOGICAL FORWARD

1.1 Methodological Note

1.2 Materiality Analysis

1.3 The Sustainability Plan of the Group

1.1 Methodological Note

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Servizi Italia S.p.A. has published the Sustainability Report annually since 2010. The purpose of this document is to inform a wide and diverse audience of stakeholders (customers, local communities, shareholders, employees, suppliers, etc.) of the choices, activities, achievements, and commitment to ESG (Environment, Social and Governance) issues. This report constitutes the **Consolidated Non-Financial Statement of the Servizi Italia Group** and is prepared in accordance with Italian Legislative Decree 254/16, reporting on the issues deemed relevant and envisaged in Article 3 of Italian Legislative Decree 254/16, with reference to the financial year 2023 (from 1 January 1 to 31 December). The reporting period is the same as the Consolidated Financial Statements of the Servizi Italia Group.

The 2023 Sustainability Report is subject to a “limited assurance engagement” according to the criteria set out in the ISAE 3000 Revised principle by Deloitte & Touche S.p.A. The audit was carried out in accordance with the procedures set out in the “Independent Audit Company Report,” included in this document.

The publication of this NFS, together with the Financial Report, follows the approval by the Board of Directors of Servizi Italia S.p.A. which took place on 14 March 2024.

As stipulated in Art. 5 of Italian Legislative Decree 254/16, this document constitutes a separate report marked appropriately in order to relate it to the NFS required by the regulations and has been prepared in accordance with the relevant standards: "Global Reporting Initiative Sustainability Reporting Standards" (hereinafter "GRI Standards") issued by the Global Reporting Initiative (GRI), with the aim of providing an effective reporting tool that can provide a concrete and quantitative measurement of the performance achieved. The end of the document contains the "**GRI Content Index**" where the GRI indicators associated with each material topic are listed.

With reference to significant changes during the reporting period considered, it should be noted that on March 28, 2023, the first sterilization plant of the Servizi Italia Group was inaugurated in the State of São Paulo, Brazil. For further details, please refer to the Management Report as at 31 December 2023.

It should also be noted that the main Servizi Italia warehouse in Zibido San Giacomo (MI) was closed in January 2023, while a smaller warehouse/transit point remains in operation. In addition, the subsidiary Wash Service S.r.l. includes the laundry facility in Segrate (MI). The new sites are within the reporting perimeter and included in the tables in the "Annexes" section. There have been no significant changes in the Group's structure and supply chain.

In order to allow the comparability of data and information over time and to assess the development of the Group's activities, a comparison with the previous year is proposed. In the case of restatements of data relating to the previous period, these are expressly indicated. Moreover, in order to give a correct representation of performance, the use of estimates has been limited as much as possible. Where estimates were used, they are based on the best available methodologies and appropriately reported, where significant. Published annually, the Sustainability Report has been prepared with a view to providing information that is reliable, complete, balanced, accurate, timely, comprehensible, and comparable, as required by the GRI Standards.

This document was drafted by the Sustainability Committee, which collected the reported data by involving all the relevant management departments. For further information on the data, please contact: csr@servizitaliagroup.com.

The following chapters discuss non-financial issues, for which the Group has also publicly shared its commitment to achieving specific objectives, whose contents are discussed in more detail in the appropriate section of the Group's Sustainability Plan.



Uniforms processed at the Bolzaneto (GE) facility

Reporting Perimeter

The reporting perimeter of the economic and financial data and information corresponds to that of the Consolidated Financial Statements of **Servizi Italia S.p.A** as at 31 December 2023; the reporting perimeter of qualitative information and quantitative social and environmental data corresponds to that of the companies consolidated on a line-by-line basis within the Consolidated Financial Statement. In this regard, it should be noted that following the establishment of Olimpos Laundry Teks.Tem. Hizm. Ve Tur. San. Tic. LTD.Sti IS Ortakligi, the environmental data of this joint venture will also be reported for 2023. In addition, the consumption related to the new sterilization plant in Brazil and Wash Service S.r.l.'s new laundry facilities in Segrate (MI) will also be reported for 2023. It should be noted that most of the energy and water consumption and emissions at the sterilization stations for surgical instruments located within the customer's hospital facilities are not included if the management of utilities is the responsibility of the owner (Contracting Station). The same case also applies to two warehouses for which the utilities are not currently charged to the Group. The sterilization plants in which the energy utilities are fully borne by Servizi Italia are within the reporting perimeter.

In this regard, the commitment to fully quantifying the environmental impacts arising from the provision of its services continues, where not currently included in the reporting, because the management of utilities is the responsibility of the Contracting Station.

In particular, it should be noted that in 2023 the Group started a technical analysis activity aimed at identifying average energy consumption indices applicable to sterilization plants for which no primary data are available.

On November 10, 2022, the final text of the EU Directive 2022/2464 (Corporate Sustainability Reporting Directive - CSRD) was approved, the result of an agreement between the Parliament, the Council, and the EU Commission.

The New Directive requires an integrated Sustainability Disclosure in the Management Report, in line with CSRD requirements and with the new reporting standards, the European Sustainability Standards - ESRS, prepared by EFRAG and adopted by the European Commission by means of the Delegated Act of July 31, 2023.

The New Directive applies to the Servizi Italia Group as of the financial year beginning January 1, 2024.

In this regard, in December 2023 the Group launched a specific project aimed at defining a path for compliance with the new regulations. Specifically, an initial gap analysis phase was initiated to identify the detailed information that the Group will need to incorporate with reference to the year 2024 in order to correctly report the new ESRS in its disclosure.

Thus unless otherwise specified, the report considers Servizi Italia S.p.A. and the following companies it controls²:



ITALY: Steritek S.p.A., Wash Service S.r.l., Ekolav S.r.l., Consorzio San Martino 2000 S.c.r.l.³



BRAZIL: SRI Empreendimentos e Participações Ltda (parent company of the companies: Lavsim Higienização Têxtil S.A., Vida Lavanderias Especializada S.A., Maxlav Lavanderia Especializada S.A., Aqualav Serviços De Higienização Ltda).



TURKEY: Ankateks Turizm Insaat Tekstil Temizleme Sanayi ve Ticaret Ltd Sirketi (parent company of the companies Ergülteks Temizlik Tekstil Ltd. Sti. and Olimpos Laundry Teks.Tem. Hizm. Ve Tur. San. Tic. LTD.Sti IS Ortakligi)

Any perimeter limitations for specific indicators will be appropriately indicated in the text.

2. For further information on the Group companies consolidated on a line-by-line basis, please refer to section "3.2 Scope of Consolidation" of the Notes to the Consolidated Financial Statements of Servizi Italia S.p.A. as at 31 December 2023.

3. Consorzio San Martino 2000 S.c.r.l. is a consortium company with registered office in Genoa, incorporated in 2003 for the management of the San Martino Hospital of Genoa, 60% owned by Servizi Italia S.p.A. This company works exclusively as an intermediary between the client and the consortia without making its own profits or having its own production activities or personnel.

1.2 Materiality Analysis

3-1

The materiality analysis is the starting line from which our entire Sustainability Report takes off. It is on the basis of what emerges from this analysis that we steer our goals in line with our priorities, without neglecting the expectations of our stakeholders, thus identifying future strategies in terms of sustainability.

With this in mind, it is of paramount importance for us to proceed along a path of continuous improvement, covering all aspects of sustainability (whether environmental, social, or governance) in order to create medium- to long-term value throughout the value chain.

Downstream of the materiality analysis, whose identification process will be discussed in more detail in the following paragraphs, is the **2024-2026 Sustainability Plan**; the activities and investment initiatives are divided by area (environment, social, people, human rights, anti-corruption) associating the Group's medium-term commitment in each of them with one or more Sustainable Development Goals (SDGs) of the parent company Servizi Italia S.p.A. and the companies included in the perimeter.

Stakeholder Relations

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Stakeholders play a key role, as they are the link between the Group and the contexts in which it operates. It is therefore very important for us to engage in taking their expectations, perceptions, and priorities into account within decision-making processes and in setting economic, environmental and social goals. Maintaining good relations with stakeholders significantly contributes to increasing the perceived trust of our interlocutors.

Within its Code of Ethics, Servizi Italia S.p.A. expresses its

commitment to each stakeholder category, indicating the criteria of conduct to be followed in dealing with them. Good interaction with stakeholders improves communication and mutual understanding, as well as helping shape future prospects in terms of social responsibility.

In the 2022 edition of this report, we updated the list of identified stakeholders, confirming some previously existing categories and including the scientific community. Moreover, with a view to greater inclusion and sharing of relevant sustainability issues, the activity analysis and stakeholder engagement also involved the foreign perimeter (Brazil and Turkey). We deemed there were no significant changes in the stakeholder pattern for this edition.

Below, we list our main stakeholder groups along with the tools identified for each of them and adopted by the Group to make dialogue and discussions with them more fruitful and constructive.



STAKEHOLDERS CATEGORIES	MAIN INITIATIVES FOR DIALOGUE AND ENGAGEMENT
 <p>People</p>	<ul style="list-style-type: none"> • Corporate intranet containing links to press releases, company news, and the company blog. • Involvement in cross-functional working groups on specific company projects. • Specific surveys aimed at capturing business uses and habits, so as to adopt solutions that are responsive to needs. • Implementation of policies aimed at a better work-life balance. • Regular involvement of trade union representatives in all phases of second level bargaining. • Organizing corporate events aimed at learning and sharing information about the company and its people. • "Digital Signage" project, involving the dissemination of information related to health and safety, environment, economics, brand, etc. In particular, an editorial plan has been planned specifically on preventive medicine.
 <p>Direct Customers</p>	<ul style="list-style-type: none"> • Sponsorship of events, conferences, and scientific congresses aimed at the dissemination of information and expertise in health care. • Dissemination of health-related articles of common interest in trade journals, corporate blogs, and social channels. • Updating the corporate website. • Market research.
 <p>Indirect Customers</p>	<ul style="list-style-type: none"> • Drafting and updating the Code of Ethics. • Quality certifications. • Participation in and sponsorship of conventions on research and innovation with a scientific purpose aimed at those who could benefit from the provision of services given by Servizi Italia: doctors, nurses, and managers of the healthcare organization.
 <p>Shareholders</p>	<ul style="list-style-type: none"> • Investor Relations activities (corporate events calendar, communications, and price-sensitive information) • Dedicated mailing to shareholders who have requested it, in which direct information and/or answers to questions are provided. • Constant updating on the company's industrial and management policies, both through the official bodies (BoD) and through direct and indirect reporting. • One-to-one meetings and participation in conferences, roadshows, and meetings. • Institutional website. • Shareholders' Meeting. • Completion of questionnaires aimed at assessing sustainability performance.
 <p>Suppliers</p>	<ul style="list-style-type: none"> • Opening a dedicated supplier portal through which the qualification process can be carried out. • Direct contact with different groups of suppliers so as to manage contractual relationships and improve knowledge of any specific issues.
 <p>Local Communities</p>	<ul style="list-style-type: none"> • Sponsorship of events and initiatives at the local level, in line with company policies. • Promotion of and participation in projects of common interest. • Completion of questionnaires aimed at assessing sustainability performance. • Communication via the company website of objectives related to environmental, social, and governance aspects.
 <p>Scientific Community</p>	<ul style="list-style-type: none"> • Collaborations with universities and research centers. • Participation in Open Innovation projects. • Participation in medical and scientific congresses. • Organization of medical-scientific training opportunities for updating healthcare staff.

The Material Topics for Servizi Italia

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The Servizi Italia Top Management and stakeholder engagement activities carried out at the end of 2022 and in the early months of 2023 enabled us to update the **materiality analysis** and identify the most relevant topics, i.e., those topics that can significantly reflect the economic, environmental, and social impacts of the organization. The material topic identification process was carried out in accordance with the GRI guidance, also taking into consideration the areas specified by Italian Legislative Decree 254/2016.

The process for updating the material topics included the following activities:

1. Context analysis, through:

- Analysis and benchmarking of the Non-Financial Statements of Servizi Italia's representative peers by territory and target market;
- Analysis of the market and changes in the regulatory environment;
- Analysis of internal documentation;
- Analysis of SASB guidelines on the "Healthcare Delivery" sector;
- Risk analysis.

2. Identification of positive and negative, potential and actual impacts on the topics identified as relevant caused by the organization's investments and services.

3. Assessment of the significance of impacts through the analysis of:

- One-on-one interviews with Top Management;
- Questionnaires submitted to about 120 stakeholders from different categories.

4. Prioritizing the identified impacts according to their detected significance and subsequent identification of

the material topics.

5. Evaluation, analysis and discussion of the resulting topics by the Board of Statutory Auditors and the Governance Committee.

In line with GRI Standard 3 - Material Topics, we analyzed which impacts - actual or potential, negative or positive - the organization's activities may have on people and the environment, as well as on the value chain. As in previous editions of this report, the members of the Board of Directors and the Management Committee of Servizi Italia S.p.A. were involved in the evaluation process, while the stakeholders involved this year included employees, customers, suppliers, associations, scientific communities, and investors. All the categories were involved through the distribution of an online questionnaire, which was followed by One-to-One interviews with Top Management.

Following this analysis, we obtained our **list of topics**.

Less than 12 months have passed since the above analysis and in the meantime no conditions have arisen such as to suggest a change of scenario requiring a new analysis of the impacts generated by the Group, nor have any new topics worthy of evaluation emerged. Furthermore, it is worth noting that last year's analysis was the first opportunity for the Group to present topics in relation to impacts. For these reasons, we presented the company's Top Management with the impacts in no particular order this year, asking them to reorder them in order of importance, from highest to lowest.

Thanks to this type of analysis, we were able to rationalize the list of material topics already published in the last edition, grouping together topics connected by similar or somewhat related fields and rewording them descriptively to improve and facilitate understanding. Each topic can simultaneously correspond to one or more impacts, whether positive or negative. For details of the impact analysis carried out, see the "Annexes" section of this document.

With reference to the rationalization work on the topics presented, the following updates should be noted:

- the topic "Service Innovation and Process Digitalization" is now included in "Quality and Safety of Products and Services and Customer Satisfaction," as innovation and digitalization are deemed a key determinant of service quality and safety;
- the topic "Business Continuity" was expanded to "Business Continuity and Data Protection," thus also including privacy issues;
- the topic "Ethical and Sustainable Procurement" includes the topic "Short Supply Chain" from the previous edition, as short supply chains are undoubtedly considered a sustainable procurement method;
- the topic "Human Capital Management and Employee Development" now includes the topic "New Ways of Working and Work-Life Balance," which is nothing other than a positive articulation of human capital management.

The topics are presented on the following page in the order of priority resulting from the analysis conducted.

For ease of reading, the material topics will be grouped by scope, in line with the provisions of Italian Legislative Decree 254/2016 (Environment, Social, People, Human Rights, Combating Active and Passive Corruption).

SCOPE	MATERIAL TOPIC
PEOPLE	WORKERS' HEALTH AND SAFETY
ENVIRONMENT	ENERGY CONSUMPTION, EMISSIONS AND CLIMATE CHANGE
ENVIRONMENT	WATER USE AND MANAGEMENT
PEOPLE	HUMAN CAPITAL MANAGEMENT AND EMPLOYEE DEVELOPMENT
ENVIRONMENT	MATERIALS AND PACKAGING
ENVIRONMENT	CIRCULAR ECONOMY INITIATIVES
ENVIRONMENT	RESPONSIBLE WASTE MANAGEMENT
HUMAN RIGHTS	RESPECT FOR HUMAN RIGHTS AND WORKERS' RIGHTS
HUMAN RIGHTS	DIVERSITY, INCLUSION, AND EQUAL OPPORTUNITY
FIGHT AGAINST ACTIVE AND PASSIVE CORRUPTION	INTEGRITY AND BUSINESS ETHICS
SOCIAL	ETHICAL AND SUSTAINABLE PROCUREMENT
SOCIAL	PATIENTS' HEALTH AND SAFETY
SOCIAL	DIRECT ECONOMIC VALUE GENERATED AND DISTRIBUTED
SOCIAL	QUALITY AND SAFETY OF SERVICES AND CUSTOMER SATISFACTION
SOCIAL	BUSINESS CONTINUITY AND DATA PROTECTION
SOCIAL	ENGAGEMENT AND SUPPORT OF LOCAL COMMUNITIES

Who is responsible for sustainability?

The **Board of Directors** (BoD) is responsible for ensuring that the Non-financial Statement is drawn up and published in accordance with the provisions of Italian Legislative Decree 254/2016, for approving the NFS within the same time-limits as for the submission of draft financial statements and for making it available to the Independent Auditors for the purpose entrusted and to the Supervisory Body. The Board of Directors is active in the development of strategies, guidelines, and policies, including CSR matters.

The **Governance and Related Parties Committee** (GC): an Internal Board Committee consisting only of independent directors. It assesses the correctness of the preparation process of periodic non-financial information, so that it correctly represents the company's business model, strategies, the impact of its activities, and the performance achieved, and examines the content of periodic non-financial information relevant to the Internal Control and Risk Management System, expressing its opinion for approval by the Board of Directors. In this context, it plays a proposition, advisory, and supervisory role vis-à-vis the Board of Directors. The GC actively interacts with the Group's CSR Manager, who is responsible managing the Group's Corporate Social Responsibility System, in order to assess proposals for CSR activities, reporting to the Board of Directors and periodically updating it on CSR activities and any emerging critical issues. In addition, the Governance Committee, in its capacity as **Control and Risk Committee**, is responsible for assessing the completeness and reliability of internal procedures relating to the preparation of the Consolidated Non-Financial

Statement (NFS) and examines the annual report in advance, on which it expresses its opinion for approval by the Board of Directors.

The **Board of Statutory Auditors**: while carrying out the tasks assigned to it by the law, it monitors compliance with the provisions set forth in Italian Legislative Decree 254/2016, reports on them in its annual report to the Shareholders' Meeting, and is consulted by the administrative body to deliberate on the omission of information that may compromise the company's business position.

The **CSR Manager** reports to the delegated body (General Manager) and is responsible for supervising the organizational system and developing the texts of the NFS, risk analysis, and data to be included in the NFS according to current regulations. The CSR Manager is responsible for managing the Group's Corporate Social Responsibility System with functional coordination of the CSR contacts of the different business departments of the companies within the reporting perimeter, as well as the process of collecting data and information and writing the NFS in accordance with current legislation.

The **Sustainability Committee** consists of the CSR Manager, the Regulatory Systems Manager, Communications Manager, together with other department heads involved and/or representatives of the Group companies that are part of the reporting perimeter involved, depending on the different issues to be addressed to fulfill the reporting process and regulations. The Committee is responsible for

promoting an ethical and environmental corporate policy identified among the strategic guidelines of the Board of Directors, monitoring the economic, environmental, social, and governance expectations of all stakeholders, and implementing an organizational, reporting, and control system in order to allow a correct and complete representation of the Consolidated Non-Financial Statement.

During 2022, the Group adopted a **Reporting Procedure** that defines the responsibilities and methods of the organizational, administrative, reporting, and control system set up to enable a correct and complete representation in the annual Consolidated Non-financial Statement and of the Servizi Italia Group's business activities, results and impacts with regard to non-financial issues (environmental, social, respect for human rights, etc.).

1.3 The Sustainability Plan of the Group

3-3

Starting last year, the Group set up "Sustainability Tables" as moments for discussion and sharing aimed at involving and empowering the contact persons of all Italian, Brazilian, and Turkish subsidiaries within the consolidation perimeter. The aim is to train and raise awareness in the persons involved with regard to non-financial reporting issues, such as: reporting procedures, EU taxonomy, environmental, social, and governance data collection, thereby seeking to facilitate the correct flow of information to the parent company first and the auditing company and control bodies later.

The Group's 2024-2026 Sustainability Plan brings together the goals we set, the results we have achieved, and the commitments we make for the future of our organization in terms of sustainable development. This path is implemented through medium- to long-term policies, strategies, actions, and investment initiatives included in the 2024-2026 Business Plan.

Four points of particular focus should be highlighted among the topics represented: workers' health and safety, human capital management and employee development, energy consumption, emissions and climate change, and water use and management. With regard to the topic of consumption and emissions, the reference bases for calculating the indicators were changed to make it possible to represent results for the entire Group (302-3 and 305-4). In addition, indicators 403-8 and 403-10 on workers covered by an occupational health and safety management system and the mapping of occupational disease reports were included.

The purpose of this sustainability plan is to chart the Group's path of growth and sustainable development by initiating a path of broader and more transparent reporting with respect to issues related not only to environmental, but also the social and governance spheres.



In defining the strategy and related commitments presented in the plan, the Sustainable Development Goals (SDGs) of the Agenda 2030 were taken into account, thus contributing - for our part - to their achievement. Of the 17 goals described by the UN, the Group contributes to 13 of them.

In addition to this, the following documents were also taken into account in developing the sustainability plan:

- the Paris agreement (COP21) on climate change;
- the guidelines for reporting climate-related information published by the European Commission;
- the recommendations published by the Task Force on climate-related financial disclosure (TCFD);
- the provisions of current legislation and the recommendations contained in the letter of the Corporate Governance Committee dated December 14, 2023.

Some of the activities that were identified as "targets" in past years are present and are now integrated in the Group's normal operations, thus it was deemed appropriate

to represent them in a separate table at the end of the Sustainability Plan.

In connection with the entry into force of the new CSRD directive for the reporting year 2024, the Group has begun preparatory activities for the required regulatory compliance.

DIMENSION: ENVIRONMENT

MATERIAL TOPICS	TARGET 2023	RESULTS 2023	PLAN 2024-2026
Materials and packaging	Reduction of plastic consumption in laundry packaging.	Purchase of 12-micron plastic shrink film (replacing 16-micron film), leading to a reduction of 29 tons of virgin plastic (-12.9%).	Reduction in the use of virgin plastic for packaging.
Energy consumption, emissions, and climate change	Conducting environmental footprint studies and obtaining certifications for textile wash-hire services.	Certification and compliance with the "Made Green in Italy" scheme for the flat textile washing and rental service for the facilities in Arco (TN), Bolzaneto (GE), Montecchio Precalcino (VI), Castellina (PR), Travagliato (BS), and Pavia di Udine. Audits for certification and compliance with the "Made Green in Italy" scheme for the RTF washing and rental service were successfully concluded in 2023 for the facilities in Bolzaneto (GE), Castellina (PR), Florence, Treviso, Palermo, and Trieste.	Environmental footprint studies conducted, obtaining certifications and compliance with the Made Green in Italy scheme for Servizi Italia's wash-hire services (flat textiles and workwear in healthcare and hospital RTF kits).
	Production of electricity from renewable sources by installing photovoltaic panels.	Installation of photovoltaic panels at the facilities of Servizi Italia in Italy (Bolzaneto, Travagliato, Castellina, Montecchio Precalcino, Udine) and Ankateks in Turkey (Ankara). 347 MWh of energy self-produced from renewable sources.	Production and purchase of energy from renewable sources in corporate activities.
	Purchase of electricity from renewable sources.	Servizi Italia S.p.A. purchased energy produced from renewable sources for its facilities in Ariccia (RM), Castellina (PR), Bolzaneto (GE), Travagliato (BS), Pavia di Udine, and Montecchio Precalcino (VI). Energy from renewable sources was also purchased for the Ekolav S.r.l. plant in Lastra a Signa (FI).	
	Reduction of CO2 emissions: reduction of energy intensity in laundry facilities.	Installation of electrostatic filters on AHUs at the Servizi Italia facility in Castellina (PR) and replacement of the diesel electric generator with medium voltage cabin at the Wash Service facility in Valbrembo (BG).	Reduction of CO2 emissions: reduction of energy intensity in laundry facilities.
	Reduction of specific NOx emissions: boiler replacement in Pavia di Udine.	Replacement of a boiler at the Servizi Italia facility in Pavia di Udine and at the Lavsim facility in Sao Roque (Brazil).	Estimation and monitoring of NOx emissions from steam generation plants within hospital sites.

DIMENSION: ENVIRONMENT

MATERIAL TOPICS	TARGET 2023	RESULTS 2023	PLAN 2024-2026
Energy consumption, emissions, and climate change	Car policy update with provision for at least one electric car in each category.	Servizi Italia policy revised to include a full electric alternative for most of the car fleet.	Solutions for sustainable mobility: <ul style="list-style-type: none"> car policy update with provision for at least one electric/hybrid car in each category; car pooling in facilities with a Home - Work Shift Plan.
	Installation of charging stations at all Servizi Italia S.p.A. facilities.	Electric car charging stations installed at Servizi Italia facilities: four in Bolzaneto (GE), two in Montecchio Precalcino (VI), two in Travagliato (BS), two in Pavia di Udine, in addition to the two already present in Castellina (PR).	
	Car pooling in facilities with a Home - Work Shift Plan.	Servizi Italia encourages carpooling among employees for home-work commutes through the use of the digital service "Jojob Real Time Carpooling." In the first six months of service activation, 614 trips were certified for 2,753.85 kg of CO ₂ saved.	
	Optimization of logistics processes: Scope 3 emissions reduction in the category of contracted transport and distribution.	Pilot project carried out on the distribution of hotel textiles processed at the Arco (TN) facility through vehicle fleet replacement and load optimization.	"Road to CSRD" - Targets and indicators for the decarbonization plan.
Water use and management	Reduction of water withdrawals for industrial laundry activities.	Installed wastewater recovery system by means of ultrafiltration at the Servizi Italia facility in Montecchio Precalcino (VI). New purifier installed at the Travagliato (BS) facility.	Reduction of water withdrawals for industrial laundry activities.
Responsible waste management	Identification of solutions and services for extending the service life of processed textiles.	Initiated projects for the recovery of packaged laundry stained due to improper use and for the processing of broken or worn flat linen for a second life.	Identification of solutions and services for extending the service life of processed textiles.

DIMENSION: ENVIRONMENT

MATERIAL TOPICS	TARGET 2023	RESULTS 2023	PLAN 2024-2026
Circular economy initiatives	Internal training and information on the circular economy.	<p>Seven-meeting training cycle carried out in Servizi Italia focused on: legislation, national circular economy strategy, tools for a circular strategy, materials and ecodesign, good practices already tested at the national level.</p> <p>Examination of the 2022 UNI_TS 11820 standard with an initial assessment of the circularity of Servizi Italia and a possible plan of action.</p>	<p>Transition to a circular economy:</p> <ul style="list-style-type: none"> • inter-company projects aimed at recovering and recycling production waste; • industrial symbiosis projects; • promotion of the use of RTF (Reusable Technical Fabric) instead of NWF (Non-Woven Fabric) in operating rooms.
	Creation of inter-company projects aimed at recovering and recycling production waste.	Participation in the "Call for strategic industrial research projects addressing the priority areas of the Smart Specialization Strategy 2023-2024" with "Project Re-use: eco-design methods and tools for the management and usability of "Digital Product Passport" data to support the certifiable circularity of small and medium-sized fashion enterprises, including through service centers." The purpose is the end-of-life recovery of operating room gowns and certification of the reclaimed product for further washing.	
	Promotion of industrial symbiosis projects.	<p>Collaborations and projects to reuse discarded material initiated.</p> <p>The results of the collaboration with Re.Mat for the recovery of discarded mattresses were presented at the Ecomondo exhibition in Rimini, Italy.</p>	

DIMENSION: PEOPLE

MATERIAL TOPICS	TARGET 2023	RESULTS 2023	PLAN 2024-2026
<p>Workers' health and safety</p>	<p>Healthy business - healthy people: research and development proposals oriented towards organizational well-being and healthy lifestyles.</p>	<p>Information campaign on health and healthy lifestyles in facilities in Italy (via digital signage system) and Brazil.</p> <p>Brazil:</p> <ul style="list-style-type: none"> • information campaign carried out with posters put up in the facilities; • dedicated area for postural gymnastics at the Maxlav facility; • as part of the SIPATMAS event, the drawing of 100 cooler bags containing seasonal fruit, to encourage the consumption of healthy, natural foods and to stimulate the local economy, as all the fruit was purchased from rural producers in the region. <p>Automated food service begun with ready-to-eat meals in the office at Servizi Italia's headquarters in order to provide employees with a healthy, balanced, and nutritious alternative.</p>	<p>Healthy business - healthy people: research and development proposals oriented towards organizational well-being and healthy lifestyles.</p>
<p>Human capital management and employee development</p>	<p>Family Audit certification maintained</p> <p>Employee training and skills enhancement:</p> <ul style="list-style-type: none"> • annual training target: 18,000 hours 	<p>Family Audit certification maintained</p> <p>A total of 31,073 hours of training delivered, 46% of which was for skills development.</p> <p>Servizi Italia's "ACADEMY" project launched. The first course dedicated to laundry staff provided.</p>	<p>EXECUTIVE Family Audit certification obtained.</p> <p>Employee training and skills enhancement:</p> <ul style="list-style-type: none"> • annual training target: 18,000 hours

DIMENSION: PEOPLE

MATERIAL TOPICS	TARGET 2023	RESULTS 2023	PLAN 2024-2026
<p>Human capital management and employee development</p>	<p>Considering and evaluating the organization from the perspective of human capital management:</p> <ul style="list-style-type: none"> • mapping and skills development plan; • succession plan. 	<p>Skills model and related assessment tool created in Servizi Italia.</p> <p>Assumptions and mindset created at the management level to facilitate project acceptance and implementation.</p> <p>Preparatory training for the model's implementation launched.</p>	<p>Considering and evaluating the organization from the perspective of human capital management:</p> <ul style="list-style-type: none"> • application of the model. Definition of assigned goals, skills assessment, succession plan; • creation of dedicated skills and knowledge development paths downstream of the succession plan.
	<p>Updating of the variable compensation plan integrated with the skills evaluation plan (only for Servizi Italia S.p.A. and Brazilian subsidiaries).</p>	<p>For Servizi Italia, the ABS/MBO plan was formalized and communicated to recipients through a formal form. The plan involves 100 people corresponding to the first three clerical organizational levels. LTI/MBO rules for year 2024-2026 revised.</p> <p>ESG objectives incorporated among the indicators for allocating variable compensation.</p> <p>In Brazil, ABS/MBO plan formalized and communicated to recipients through a form. The plan involves the first two levels of the organization. ESG goals were included among the indicators for allocating variable compensation.</p>	<p>Maintenance goal for Italy.</p> <p>Implementation of new variable compensation plan in Brazil.</p>

DIMENSION: HUMAN RIGHTS

MATERIAL TOPICS	TARGET 2023	RESULTS 2023	PLAN 2024-2026
Respect for human rights and workers' rights	100% of Group workers covered by the Social Responsibility Guidelines adopted by all Group companies.	Adoption of specific guidelines on: <ul style="list-style-type: none"> • social responsibility • workplace safety • environment and Energy for all Italian and foreign strategic holdings. Maintenance of SA8000 for Servizi Italia S.p.A.	International human rights law: <ul style="list-style-type: none"> • awareness and training campaign on health and safety and social responsibility issues.
Diversity, inclusion, and equal opportunity	Gender parity certification PdR 125 (Servizi Italia S.p.A. only).	PdR125 certification obtained for Servizi Italia S.p.A.	Gender equality and integration: <ul style="list-style-type: none"> • Training and information on diversity, inclusion, and equal opportunity; • raising awareness against violence in the workplace.
	Training and information on diversity, inclusion, and equal opportunity.	Diversity Manager Appointment in Servizi Italia. Membership of Servizi Italia in the association Valore D and training course for internal resources. Training carried out and information provided on diversity, inclusion, and equal opportunity. Communication of issues in Servizi Italia facilities via digital signage system.	
	Project to raise awareness against violence in the workplace.	Preparation and administration of harassment risk assessment questionnaire to Servizi Italia staff. Workplace harassment risk assessment prepared based on the results. Agreement with Dragonfly Foundation to provide specific training course on gender-based violence.	
	Diversity policy review by BoD. Administration of BoD self-evaluation questionnaire.	Updated Corporate Mission and Policy with adoption by the Board of Directors of Servizi Italia on 11/14/2023.	

DIMENSION: SOCIAL

MATERIAL TOPICS	TARGET 2023	RESULTS 2023	PLAN 2024-2026
Ethical and sustainable procurement	Qualification of 35% of Servizi Italia's strategic suppliers.	At the end of the year, 46% of critical suppliers in Servizi Italia were qualified, accounting for 89% of the amount spent during the year. The percentage rises to 46.8% when considering significant ESG suppliers ⁴ .	Qualification of 100% of critical suppliers. Evaluation based on environmental and social criteria.
	Decent and sustainable working conditions throughout the value chain: drafting of a code of conduct for the suppliers of Servizi Italia S.p.A.	Launch of working group to draft a Code of Conduct for Servizi Italia suppliers (activity completed in January 2024).	Decent and sustainable working conditions throughout the value chain: <ul style="list-style-type: none"> publication and dissemination of the Supplier Code of Conduct.
Quality and safety of products and services and customer satisfaction	Design of a customer satisfaction survey plan.	Launch of an internal working group and assignment to a qualified partner for customer satisfaction analysis on all three business lines of Servizi Italia.	Customer satisfaction survey campaign for the two-year period 2024-2025. All complaints handled.
	Document dematerialization: dematerialization of the purchasing cycle.	Purchasing cycle dematerialization project for Servizi Italia concluded. Management of the entire purchasing cycle (order, transport document, and supplier invoice) will be carried out solely by digital means from January 2024.	Document dematerialization and technology development projects, innovation, and digitalization in activities.

4. Critical suppliers are defined as all companies that can provide goods or services that fall under the core activities of Servizi Italia, such as suppliers of textiles, medical devices, etc. For the purpose of this report, companies whose activities are considered to have an impact on environmental and social issues (e.g., textile suppliers, labor agencies, waste management companies, subcontractors, chemical suppliers, etc.) are considered strategic suppliers.

DIMENSION: SOCIAL

MATERIAL TOPICS	TARGET 2023	RESULTS 2023	PLAN 2024-2026
<p>Business continuity and data protection</p>	<p>cybersecurity and business continuity:</p> <ul style="list-style-type: none"> information campaign; phishing campaign; monitoring foiled attacks. 	<p>Cybersecurity enhanced in Servizi Italia from 12 to 24 hours/day. Security Operations Center (SOC) service for the Information Systems of Servizi Italia.</p> <p>Periodic phishing campaigns carried out to test users' level of knowledge and awareness.</p> <p>At Group level, there was one case of a cyber attack for Steritek, without repercussions and critical issues. An incident was reported to the Privacy Authority.</p>	<p>cybersecurity and business continuity:</p> <ul style="list-style-type: none"> information campaign; phishing campaign; monitoring foiled attacks; ISO 27001 certification obtained for Servizi Italia.
<p>Patients' health and safety</p>	<p>Updating of the Medical Device inventory used in the Servizi Italia S.p.A. perimeter (surgical instrumentation and RTF).</p>	<p>Integral surgical gown with dual MD and Class III PPE marking created for complex procedures, designed to be reconditioned at end of life by replacement of worn parts and recertifiable as MD. Technical launch with sales force completed.</p> <p>Servizi Italia obtained the issuance of EU certificates in accordance with the New MDR Regulation for surgical instrumentation (Busto Arsizio - VA) and RTF (Bolzaneto - GE).</p>	<p>Innovative technologies and solutions to improve the experience of those who live and work within healthcare facilities.</p>
<p>Engagement and support of local communities</p>	<p>Collaboration with universities: activities to promote innovation projects on environmental issues continued.</p> <p>Support for educational development and the fight against poverty (e.g., non-profit organizations, charities).</p> <p>Sponsorships in cultural activities.</p> <p>School work alternation projects.</p>	<p>Collaboration with Ricircola, an innovative start-up spin-off of University of Parma, on research and industrial development projects for innovative circular economy.</p> <p>Sponsorship of cultural and charitable initiatives in the area, sponsorship of scientific conferences.</p> <p>First experiences of school-to-work alternation projects in Servizi Italia and Ekolav started. Ongoing dialogue with local professional institutes for future opportunities.</p>	<p>Collaboration with universities: activities to promote innovation projects on environmental issues continued.</p> <p>Educational development support and school-work alternation projects.</p>

DIMENSION: SOCIAL

MATERIAL TOPICS	TARGET 2023	RESULTS 2023	PLAN 2024-2026
Direct economic value generated and distributed	Maintain growth levels and consolidate our market position at national and international level and distribute value.	<p>The economic value generated by the Group in 2023 is equal to Euro 287.9 million, compared to Euro 270.3 million generated in 2022.</p> <p>The Board of Directors proposed to the Shareholders' Meeting a maximum amount of Euro 0.9 million for the distribution of ordinary dividends per share, gross of legal withholdings, equal to 3 Euro cents for the shares in circulation, excluding treasury shares in the portfolio.</p>	Maintain growth levels and consolidate our market position at national and international level and distribute value.

DIMENSION: FIGHT AGAINST ACTIVE AND PASSIVE CORRUPTION

	TARGET 2023	RESULTS 2023	PLAN 2024-2026
Integrity and business ethics	Review of the Code of Conduct and the Antitrust Handbook .	Activities to revise Servizi Italia's Code of Conduct and Antitrust Handbook launched.	<p>Review of the Code of Conduct and the Antitrust Handbook.</p> <p>Extension of the compliance model to subsidiaries.</p>

Continuing targets

Target 2023	Notes
Renewal of second-level agreement linked to productivity issues.	The 2022 model has currently been renewed in the same manner. Updating of the second-level agreement related to issues of productivity, profitability and attendance planned in the three-year period 2024-2026.
Mapping activities related to the objectives of the European Taxonomy.	100% of the economic activities listed in the annexes to EU Regulation 2020/852 verified; those of Servizi Italia are not among those considered eligible. The continuous monitoring of regulatory developments related to the Taxonomy and verification of technical, DNSH and social screening criteria inherent in economic activities planned for the three-year period 2024-2026.
Monitoring of outsourced services quality.	Storeroom checks carried out to verify incoming textiles from subcontractors. Verification of quantities processed and turnover completed. Monitoring of outsourced services quality is planned in the three-year period 2024-2026.
Amount of dispersed textiles at customers reduced through the consolidation of the tracking system.	Actions carried out to raise customer awareness of the proper use of linen and RTF and reduce the reintegration rate due to loss. Improved tracking of lost items through the laundry tracking system with TAG. The goal remains in the three year period of reducing textile loss at customers' premises through tracking system consolidation: IT system implemented with a dashboard that provides both summary and detailed losses broken down by valued business area, in order to facilitate the management of this data and implement any recovery plans.
Zero privacy violations: <ul style="list-style-type: none"> Privacy Organizational Model maintained and updated; training for clerical staff; internal audits of departments at the headquarters and subsidiaries. 	<p>No reports of data protection violations were received for any Group company in 2023.</p> <p>Servizi Italia's Privacy Organizational Model was maintained during the year; training was provided to clerical staff; internal audits of departments at the headquarters and subsidiaries were carried out by the internal privacy contact person together with the DPO; induction to directors.</p>
<p>231 MOG Update following legislative updates pertaining to predicate offenses and for organizational changes.</p> <p>Training activities to directors and employees (by the SB).</p>	231 MOG update with new predicate offenses at the request of the SB. Training activities to directors and employees (by the SB). Maintenance and full implementation of the 231 MOG planned in the three-year period.
Maintenance of ISO 37001 certification.	Renewal and maintenance of ISO 37001 certification for Servizi Italia; maintenance and updating of adopted policies for the Group companies.

The continuing 2022 goals remain, as normal business activity. Please refer to 2022 NFS for more information.



2

THE GROUP

- 2.1 Group Profile
- 2.2 Governance
- 2.3 Ethics, Integrity, Inclusion
- 2.4 Risk Management within the Group







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2.1 Group Profile

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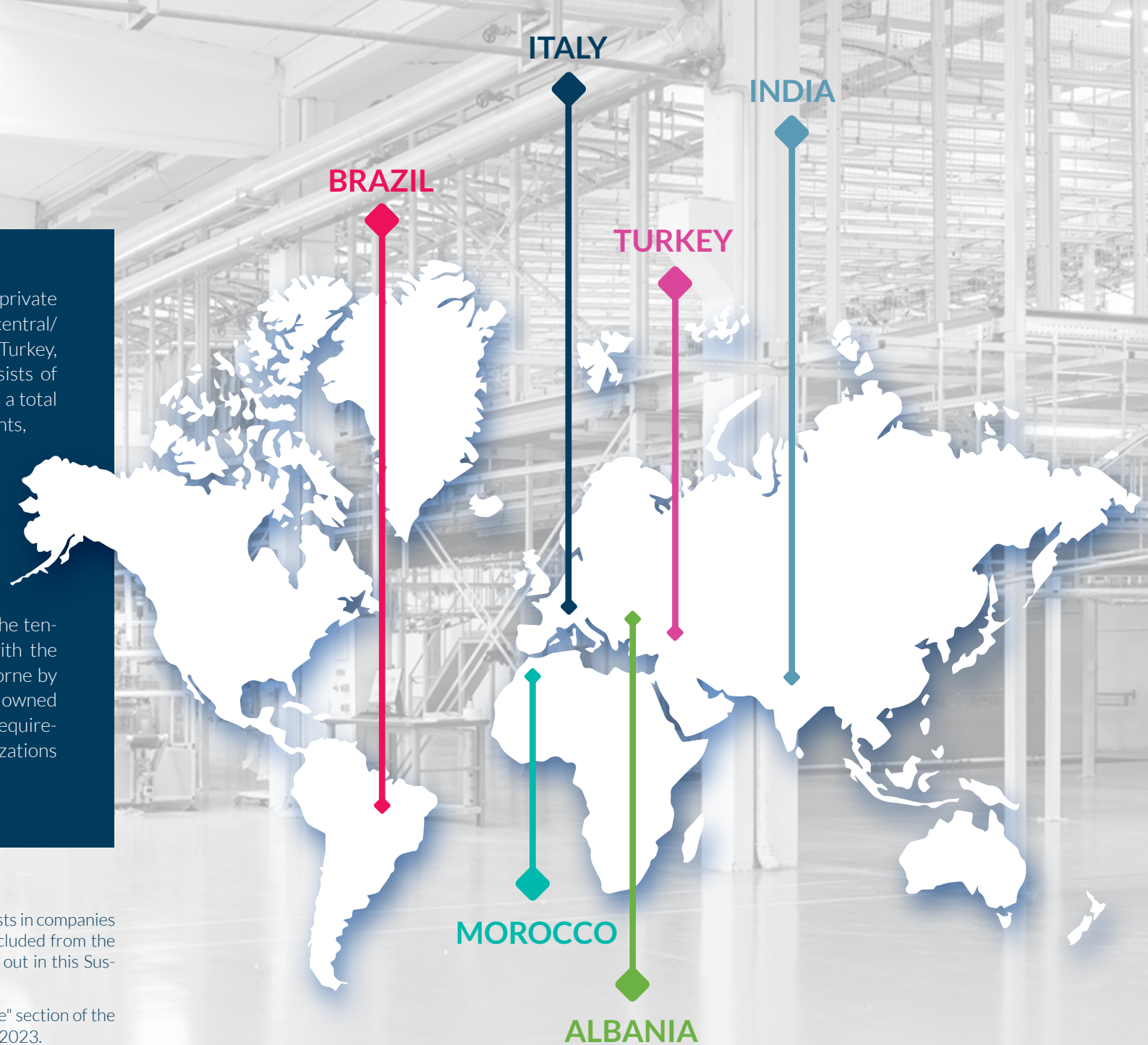
Material Topic	Commitment	SDGs
Integrity and business ethics	The Group's orientation toward respecting the principles of fairness, loyalty and good organization and the fight against active and passive corruption, fraud, monopolistic practices, and anti-competitive behavior provides stakeholders with the certainty of a fair interlocutor operating in full transparency and compliance with regulations.	16

Servizi Italia S.p.A. is Italy's leading operator in the industrial laundry sector for healthcare, offering integrated rental, washing and sterilization services for textiles and medical devices. Servizi Italia was founded in 1986 in the province of Parma, in Castellina di Soragna, where the registered and executive offices are still located. From a simple industrial laundry, it has expanded the scope of its activities over the years and is now engaged in:

	Rental and treatment of hospital linen (sheets, mattress uniforms) for healthcare facilities and nursing homes		Rental, treatment, and sterilization of surgical instruments and management of sterilization service		Textile rental and treatment for the hotel industry ⁵
	Rental and treatment of high-visibility and x-ray personal protective equipment		Technical services for clinical engineering and industry		
	Rental, treatment, and sterilization of textile medical devices assembled in kits		Supply and sale of disposable materials		

5. Service only offered in Trentino Alto-Adige.

The Servizi Italia Group primarily serves public/private healthcare companies and private clients in central/northern Italy, the state of São Paulo in Brazil, in Turkey, India, Albania, and Morocco⁶. The Group consists of several Italian and foreign subsidiaries⁷ and has a total of 22 laundry facilities, six linen sterilization plants, 21 surgical instrument sterilization plants, five transit points and warehouses, as well as several storerooms located at health care companies, which make up an effective and efficient logistics-distribution model. With regard to the buildings in which the company operates, it should be noted that for buildings whose title is linked to the management attached to the tender, all regulatory requirements associated with the licenses and the management of utilities are borne by the owner (Contracting Station). For leased and owned properties, the Group manages all regulatory requirements associated with and linked to the authorizations issued by the competent bodies.



6. The Group holds minority or jointly controlled interests in companies in Albania, India and Morocco, which are therefore excluded from the scope of the social and environmental information set out in this Sustainability Report.

7. For more details, please refer to the "Group Structure" section of the Consolidated Financial Statements as at 31 December 2023.

Group Companies

Steritek S.p.A.

Activities

Technical services for clinical engineering, and more specifically for the validation of sterilization cycles, surgical instrument washing systems, and ancillary services for healthcare facilities.

Wash Service S.r.l.

Activities

Working mainly in northern Italy to offer laundry and linen rental services in healthcare-hospital facilities, assisted living residences, nursing homes and retirement homes.

Ekolav S.r.l.

Activities

Mainly active in Tuscany, the company offers washing and rental services of flat linen, guest laundry and staff uniforms in particular for retirement homes, nursing homes, hospitals and industrial customers.

The Italian subsidiaries have their own Code of Ethics, in line with the Organizational Model pursuant to Italian Legislative Decree 231/2001 and the Code of Ethics of the Parent Company. Certifications, internal regulations, policies dictated by the parent company, and auditing activities make the monitoring of organizational systems effective. Operating system management and governance policies are functional for quality control, environmental management and safety at work in compliance with the regulations of the company's industry and the contractual requirements of its customers.

Presence in Brazil

Servizi Italia began its international development in 2012 by establishing the company SRI Empreendimentos e Participações L.t.d.a., which over the years has acquired several companies operating in the industrial laundry sector in the state of São Paulo: Lavsim Higienização Têxtil S.A., Maxlav Lavanderia Especializada S.A., Vida Lavanderias Especializada S.A. and Aqualav Serviços De Higienização Ltda. As a result of these operations and the investments made in terms of technological innovation, the Group - through local brands - has become a key player in the state of São Paulo for textile wash-hire services and has significantly contributed to the consolidation of the market, which in the past was characterized by many small family-owned laundries and instead now sees two large industrial groups effectively dividing the wash-hire market.

In January 2023, the first textile and surgical instrument sterilization plant was inaugurated. The construction of the plant is in line with the development of cross-selling opportunities for the textile and instrument sterilization sector that the Group had set itself, thus coming to offer a full range of healthcare services.

Presence in Turkey

The Turkish perimeter consists of the companies Ankateks Turizm Insaat Tekstil Temizleme Sanayive Ticaret Ltd Sirketi, (55% shareholding) and its subsidiary Ergülteks Temizlik Tekstil Ltd. Sti and Olimpos Laundry Teks.Tem. Hizm. Ve Tur. San. Tic. LTD.Sti IS Ortakligi. The Turkish companies are active through the brand Ankara Laundry in the wash-hire sector for healthcare facilities and operate mainly in Ankara area.

Turkey is an area with significant growth potential, where Servizi Italia has seen the opportunity to export its industrial model. Over the past few years, the Turkish Government has launched an investment package for public-private collaboration, which includes the construction of impressive health centers that will replace small, outdated hospitals. There is currently no predominant group in the local market providing laundry and sterilization services: some hospitals provide the service internally and others rely on companies offering general cleaning or laundry services for other sectors. Sterilization of surgical instruments is also carried out mainly in hospital facilities, but there is a growing trend towards outsourcing the management of CSSDs to contractors.

Servizi Italia's commitment to companies in the Turkish perimeter is aimed at promoting the adoption of best practices in terms of management systems to ensure proper organization and compliance with regulations.

Other Geographical Areas

In addition to Brazil and Turkey, the Servizi Italia Group is also developing in Albania, India, and Morocco, all areas characterized by:

1.

Recent and strongly developing markets seeking qualified operators able to meet the high demand for quality services related to the wash-hire/sterilization activity, which in some countries is also increased by what is known as medical tourism.

2.

High market penetration rate characterized by a few outsourced wash-hire/sterilization services give to private operators by health authorities (public and private).

3.

Reduced competitiveness, as operators are on average small-scale with low self-financing capacity and inefficient management models.

4.

Production sites are obsolete and without an industrial management model with a real chance of efficiency through the technical management export of the industrial models adopted in the Group.

Although it holds minority shares in companies of these countries, which are therefore excluded from the scope of reporting in this Sustainability Report, the Group, through its management, promotes the adoption of management systems in order to guarantee the proper organization and management of the environment and occupational safety, in compliance with local rules and regulations.

The Value Chain of Servizi Italia

Servizi Italia strives daily to improve the quality of its services and meet its clients' expectations, expanding and maintaining management systems that preside over specific issues such as workplace health and safety, environment, quality, energy efficiency, social responsibility and corruption prevention. The goal is to define and implement prevention and improvement policies on:

- service quality and customer satisfaction;
- limiting environmental impacts associated with operational processes;
- energy efficiency of its plants;
- combating all forms of corruption and anti-competitive behavior in carrying out its activities;
- respect for human rights and labor laws;
- safeguarding people's health and safety.

Quality service is the result of shared standards, collaboration, joint efforts, and stable, trust-based relationships with all partners in the supply chain. The Group strongly believes in the importance of developing increasingly close and fruitful synergies and collaborations with persons who not only guarantee reliable production performance, but also share the Group's values and expectations in terms of ethical, environmental, and social standards, in an effort to create a single virtuous chain.

With this in mind, the Servizi Italia Group adopts Guidelines and specific certified Management Systems with the aim of monitoring the company's processes and activities in respect of Workers' Health and Safety, Environmental Protection, Energy and Quality of the services provided and products supplied. The certificates shown in the table below can be downloaded from the "Certifications" section of our website, www.servizitaliagroup.com.

The Group's constant goal is to promote the adoption of these certifications to ensure proper organization and compliance in all subsidiaries.

During 2023, internal and external audits (accredited third-party certifying bodies) were carried out according to plans to verify the effectiveness of the management systems adopted by the Company.

Company	Scope of application	Certification and accreditation type	Year first certification
Servizi Italia S.p.A.	Management system for the prevention of corruption	UNI ISO 37001:2016	2021
	Quality Management System	UNI EN ISO 9001:2015	1996
	Quality - Medical Devices	UNI CEI EN ISO 13485:2021	1998
	Environmental management	UNI EN ISO 14001:2015	2006
	Biocontamination control	UNI EN 14065:2016	2008
	Energy management system	UNI ISO 50001:2018	2020
	High visibility garments: test methods and requirements	UNI EN ISO 20471:2017	2006
	Occupational health and safety	UNI ISO 45001:2018	2010
	Determination of cytotoxic effects on human cells	ISO 10993-5	2018
	Determination of broad-spectrum antibacterial activities and antifungal efficacy	UNI EN ISO 20645, SN 195921 ⁸	2018
	Compliance with European regulation 1221/2009	EMAS registration certification for production sites in Italy	2019
	Social responsibility management system	SA8000:2014	2019
	Certification that qualifies an organization as being attentive to the family-work balance needs of its employees	FAMILY AUDIT	2021
	National voluntary scheme "Made Green in Italy," Italian Decree 56/2018	Compliance with "MADE GREEN IN ITALY" scheme for flat linen	2023
	Measures to ensure gender equality in the work environment	UNI/PdR 125:2022	2023
Steritek S.p.A.	Quality Management System	UNI EN ISO 9001:2015	2000
	Occupational health and safety	UNI ISO 45001:2018	2019
Wash Service S.r.l.	Quality Management System	UNI EN ISO 9001:2015	2015
	Environment Management System	UNI EN ISO 14001:2015	2021
	Biocontamination Control System	UNI EN 14065:2016	2017
Ekolav S.r.l.	Quality Management System	UNI EN ISO 9001:2015	2011
	Environment Management System	UNI EN ISO 14001:2015	2015
	Occupational Health and Safety Management System	UNI ISO 45001:2018	2021
	Biocontamination Control System	UNI EN 14065:2016	2011
	High Visibility Garment Verification and Control System	UNI EN 20471:2017	2022

8. Certification of the process for conferring and restoring the antibacterial and antifungal properties of textile materials used for hospital linen, workwear (in civil and healthcare settings), Personal Protective Equipment (PPE) subject to laundry washing and maintenance applied to textile fibers and cotton and polyester blends, ensures broad-spectrum antibacterial efficacy, antifungal efficacy and is non-toxic as it has no cytotoxic effects on human cells.

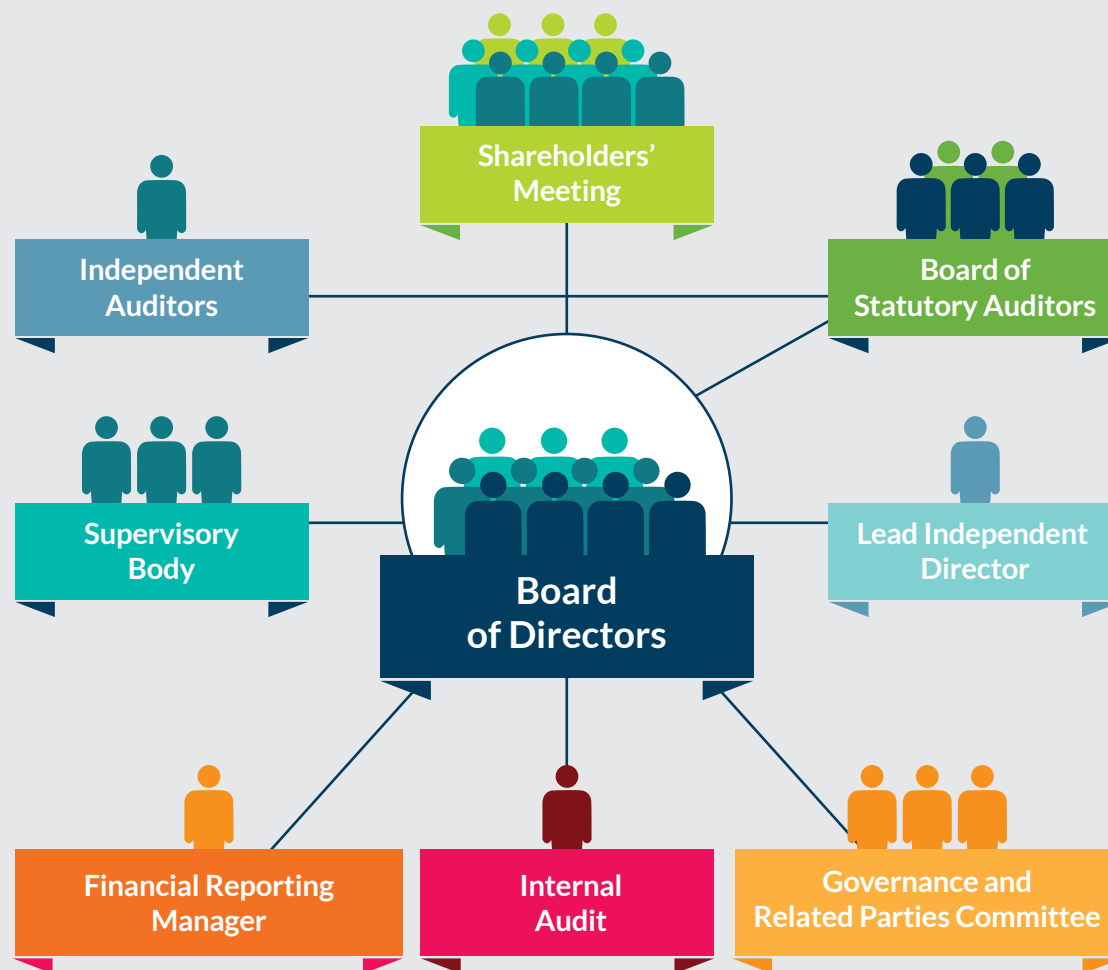
2.2 Governance

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The Corporate Governance system adopted by the Servizi Italia Group is in line with international best practices and adheres to the principles set out in the Code of Conduct for Listed Companies, issued by Borsa Italiana.

Corporate Governance is based on a traditional management model and is made up of the bodies shown in the representation here to the side. →

The Shareholders' Meeting of April 20, 2021 renewed the Board of Directors of the parent company Servizi Italia S.p.A. for the financial years 2021, 2022, and 2023; it consists of seven members, three women and four men, three of which are Independent Directors. As of the reporting date, the Executive Directors are: Roberto Olivi (Chairman of the Executive Committee and Director in charge of the Internal Control and Risk Management System), Ilaria Eugeniani (Vice Chairman of the Executive Committee, Head of Administration Finance and Control) and Michele Magna (Executive Committee member).



COMPOSITION OF THE BOARD OF DIRECTORS OF THE PARENT COMPANY BY GENDER AS AT 31 DECEMBER

	2023			2022		
	Men	Women	Total	Men	Women	Total
SERVIZI ITALIA S.P.A.	57%	43%	100%	57%	43%	100%

COMPOSITION OF THE BOARD OF DIRECTORS OF THE PARENT COMPANY BY AGE GROUP AS AT 31 DECEMBER

	2023				2022			
	< 30	30-50	>50	Total	< 30	30-50	>50	Total
SERVIZI ITALIA S.P.A.	0	29%	71%	100%	0	29%	71%	100%

For further information on the corporate governance system adopted by Servizi Italia Group and the role of the Board of Directors, reference should be made to the Report on Corporate Governance and Ownership Structure drafted for 2023, available on the website ir.servizitaliagroup.com.



It should be noted that although the prerequisites set forth in Recommendation 13 of the Corporate Governance Code are not met, the Board of Directors - in view of the fact that the office of Chairman is held by the same person who also serves as Chairman of the shareholder controlling the Issuer - has deemed it appropriate to set up an additional corporate governance safeguard derived from international best practice, confirming the advisability of appointing a Lead Independent Director.



Laundry operators at work at the Castellina (PR) plant

2.3 Ethics, Integrity, Inclusion

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Material Topic	Commitment	SDGs
Respect for human rights and workers' rights	The company's specific focus on the issue of human rights (which in Servizi Italia includes the formal adoption of the provisions outlined in the United Nations' Universal Declaration of Human Rights and the International Labor Organization (ILO) Conventions in accordance with Standard SA8000) does not stop within the confines of the organization, but can give rise to a virtuous circle that encompasses the entire supply chain.	
Business Integrity and Ethics	The Group's orientation toward respecting the principles of fairness, loyalty and good organization and the fight against active and passive corruption, fraud, monopolistic practices, and anti-competitive behavior provides stakeholders with the certainty of a fair interlocutor operating in full transparency and compliance with regulations.	

Group Mission, Vision and Values

In order to evolve, companies must be able to talk to people and put them at the center of their growth strategies. People connect everything that moves within the Servizi Italia Group, and with this in mind, a set of values that frame the commitment we as a company put into what we do every day was defined during 2023. This was not a document imposed from above, but the result of a long process of discussions that personally involved a diverse group of people who - with the help of specialized trainers - put their personal values into relation with their perceived corporate values, and then proceeded to compare them with companies in similar sectors, companies in the area, and companies with a strong inspirational calling, to create a real map of the key words (and therefore values) that guide us in our daily actions.

The Group cares about people's health and strives every day to ensure the safety of those who live and work in healthcare facilities.

Our Group plays a critical role within society, thus it is im-

portant to have the foresight to experiment with new ideas that lead toward innovation and sustainable growth. Our daily commitment is aimed at researching and developing effective solutions to professionally monitor customer needs, ensuring high service levels.

The Group operates with the understanding that the company we build today is the one that will be left to tomorrow's generations. Human relationships make it possible to achieve a collaborative, equitable, respect-based environment that encourages creativity and the sharing of experience and knowledge: a cohesive context in which we feel we belong.

Every future activity and challenge must be addressed by always operating correctly and ethically, acting in line with corporate identity and with an awareness of the role we play as a Group.

In more than 35 years of business, the Servizi Italia Group has demonstrated its reliability and sense of responsibility on several occasions; now is the time to look ahead and imagine a new future for the industry, with coherence and

consistency.

This is a cultural and growth journey along which the Group feels it must move compactly, because it is aware of its role in **improving the experience of life inside hospitals, innovating the world of health services, and imagining new scenarios and opportunities.**

Following the process of identifying the mission, vision and corporate values, on November 14, 2023 the Board of Directors of Servizi Italia S.p.A. approved the document "Mission and Corporate Policy." In implementing these values, the Group adopts a Code of Ethics, an Organization and Management Model pursuant to Italian Legislative Decree 231/01, Guidelines, Codes of Conduct, Procedures and Internal Regulations, and aims to consolidate its relationships with the relevant territorial systems in the countries where it operates in terms of creating economic value and fairness and transparency in Corporate Governance.

The Values of Servizi Italia

Values are pragmatic and solid guiding principles. An ideal that inspires us and a framework that clearly defines the mutual commitment between Servizi Italia, its team, clients, and suppliers.



Relationships

Creating an equitable environment based on respect, sharing, and inclusive communication by generating tolerance and feelings of belonging in all stakeholders participating in it. Achieving a cohesive environment by eliminating social marginalization and combating prejudice in order to foster integration regardless of personal history and social background.



Foresight

Thinking about the future with optimism and the courage to innovate by continuously experimenting with ideas and considering change as the engine for sustainable growth that leads to the creation of shared value toward all stakeholders.



Awareness

Gaining and conveying consistency by always operating correctly and ethically. Acting in line with our identity, role, and aspirations by overcoming preset patterns and operating with constant responsibility.



Passion

Loving what we do and doing it with enthusiasm, dedication, and curiosity. Seeking and accepting new challenges and new points of view. Sharing and promoting company values, feeling part of a group and a project.



Reliability

Researching and developing effective solutions by professionally monitoring customer needs and ensuring high service levels. Establishing relationships based on trust by operating with transparency, fairness, and absolute integrity in every context.

Commitment to Compliance

2-16 | 2-25 | 2-26 | 2-27 | 205-3 | 206-1 | 406-1 | 418-1

The Servizi Italia Group considers compliance with laws and regulations as a fundamental element in the conduct and development of its activities. Transparency, honesty, fairness, good faith and respect for rules are aspects of primary importance not only to protect its reputation and position as a leading company in the industry, but above all to present itself to stakeholders as an example capable of positively influencing the entire value chain; this not only requires a shared sense of compliance and ethical value among all its employees and collaborators, but also a set of rules, principles and controls designed to ensure integrity, transparency and strict adherence to internationally recognized laws and ethical principles. For this reason, the Group is taking the first steps to achieve greater stakeholder engagement, extending dialogue on sustainability and corporate responsibility issues and creating shared value for the company, its stakeholders and the area in which it operates.

Consistently with its system of values, starting in 2021, Servizi Italia S.p.A. has implemented a management system for the prevention of corruption and implemented a compliance program aimed at preventing antitrust offenses, in order to prevent and reduce the risks to which it might be exposed. In line with the Code of Ethics, the Company has adopted its own **Anti-Corruption Guidelines**, declaring its preventive and repressive commitment against corruption (active, passive, public and private) and an **Antitrust Code of Conduct**, in order to prevent and minimize the risk of possible violations of Italian and European regulations on the protection of competition.

The **Code of Ethics** represents a valid and effective tool for raising awareness among all those who work in the name and on behalf of the company, so that correct, straightforward behavior and compliance with current regulations are maintained in every occasion. Each Group company has its

own document identifying general rules of conduct that everyone must follow, with the intention of ensuring the smooth operation of all aspects of business management in terms of social, ethical and environmental responsibility. The actions, operations, transactions and generally any conduct of the recipients in the exercise of their functions of competence and responsibility, must be based on the utmost integrity, honesty, correctness, loyalty, transparency, fairness, objectivity, as well as respect for individuals. The Code of Ethics for each company is binding on its partners, members of corporate bodies, executives with strategic responsibilities, Senior Managers, Middle Managers, employees, as well as for all those who, although external, work directly or indirectly for it. The Organization and Management Model and Code of Ethics of the parent company and its Italian subsidiaries are available on the company's website, in the Transparent Company section, and on the websites of the individual subsidiaries.

Pursuant to Italian Legislative Decree 24/2023 and 231/2001, the company's Code of Ethics and its Anti-Corruption and Antitrust Policies, Servizi Italia S.p.A. and its subsidiaries have adopted a **Whistleblowing Procedure**. Its purpose is to regulate the operation of the dedicated reporting channels, which are designed to ensure the whistleblower's confidentiality, reconciling them with the duties and responsibilities of the persons in charge of handling the reports received. The Procedure has the objective of defining a system that allows the reporting, by employees, members of corporate bodies and third parties, of illicit behavior and suspicious conduct, irregularities in the conduct of business, attempted, presumed and actual acts of corruption, as well as any violation or shortcoming concerning the management system for the prevention of corruption, acts or facts that may constitute a violation of the internal and external rules governing the activities of the Group, the principles and rules of conduct contained in the Code of Ethics, as well as the provisions contained in the Organization and Management Model pursuant to Italian Legislative Decree 231/01, in the Antitrust Code of Conduct, in the

General Data Protection Regulation.

All persons involved in the whistleblowing process are obliged to ensure the confidentiality, privacy and security of the information received, including with regard to the identity of the whistleblower. If the Supervisory Body receives a report, an initial cataloging and evaluation of the information received will be carried out, and if the report is deemed relevant and/or well-founded, an inspection investigation will be initiated with the aim of reconstructing the events in a timely manner, assessing whether to proceed together with the departments in question, go to the place in question to reconstruct the facts or to contact the whistleblower for more information, in a confidential manner of course. Depending on the severity, or if the report concerns Directors or Statutory Auditors, the Control and Risk Committee and the Board of Statutory Auditors are also involved. At any time, the SB may choose to involve other Group employees or external consultants.

Once the dynamics of the facts have been reconstructed and the investigation has been concluded, the SB formalizes a brief inspection report and forwards it to the Executive Committee, the Control and Risk Committee, the Board of Statutory Auditors and the department affected by the violation, and, if it deems, to the Board of Directors. The appropriate measures will be undertaken for the purpose of the assessment, including by means of communication to the competent authorities, proposed possible risk prevention and mitigation actions and, if necessary, the disciplinary process aimed at imposing the appropriate sanctions on the individuals responsible for the violations, in full compliance with the rules applicable from time to time, including corporate rules. Where the whistleblower is jointly responsible for the violations, preferential treatment in the disposition of disciplinary measures shall be ensured, as compared to other jointly responsible persons, consistent with the applicable discipline.

The SB also verifies that the whistleblower is not subjected to retaliatory, discriminatory or otherwise unfair conduct as a result of the report, even if no actual responsibility of the

reported person is established, without prejudice to the application of disciplinary measures against those who make reports that turn out to be unfounded, with malice or gross negligence.

Following the revision of the Organization, Management and Control Model pursuant to Italian Legislative Decree 231/2001, in 2023 Servizi Italia set itself the goal of increasing the information given in the Model and strengthening its knowledge, as it believes that being informed about and aware of the elements of the 231 Model ensures that people and the company operate responsibly and safely every day. A mandatory training session lasting about 30 minutes was therefore organized for more than 100 employees of the Castellina (PR) head office, during which an explanatory video was presented, followed by a more specific talk by the company's Supervisory Body.

Instead, as regards the possibility of reporting violations of the Code of Ethics and the Organization Model pursuant to Italian Legislative Decree 231/01 during the reporting period, Servizi Italia S.p.A. is equipped with an online platform which has been operational since July 15. The reporting channel complies with Italian Legislative Decree 24/2023, and the SB has monitored its proper functioning.

The SB received two reports in 2023: the first was received before the platform had been created and was dismissed after the necessary investigations, due to being unfounded; the second was received near the end of 2023 and was related to aspects of hierarchical relations at a specific construction site. The SB promptly initiated an internal investigation, met with the whistleblower, acquired documentation, and spoke with the relevant departments. In light of these investigations, no critical issues were found for the purposes of the Model, and the SB pointed out the misuse of the channel. However, the episode served as a trigger to implement a series of awareness-raising activities on social and behavioral policies, as well as an in-depth study on labor practices, to be carried out during 2024 with the support of the HR, Communication and SA8000 Management System Manager departments.

Human Rights

Regarding fiscal year 2023, it should be noted that:

- there were no incidents of corruption ascertained within the Servizi Italia Group in which employees were dismissed or subject to measures and for which contracts with business partners have been terminated or not renewed due to corruption-related violations. In addition, there were no incidents of corruption-related public lawsuits taken against the Group or its employees during the reporting period. With reference to episodes recorded in previous years, these are still under investigation and for further details, please refer to the Separate and Consolidated Financial Statements of Servizi Italia S.p.A. as at 31 December 2023 in the section "Information on pending proceedings";
- there were no reports of violations of the Code of Ethics and the Organizational Model pursuant to Italian Legislative Decree 231/01;
- there were no incidents of discrimination against employees during the reporting period on the basis of ethnicity, gender, sexual orientation, political or religious beliefs;
- there were no cases of substantiated complaints regarding breaches of customer privacy and leaks, theft or loss of customer data and complaints regarding breaches of privacy and loss of personal data in relation to the provisions of EU Regulation 2016/679 (GDPR) and current national data protection regulations;
- no legal actions were filed or concluded during the reporting period concerning anti-competitive behavior, violation of antitrust laws and related monopolistic practices in which the Group was taking part;
- there were no significant pecuniary penalties and non-monetary sanctions, i.e., in excess of Euro 10,000, referring to non-compliance with laws and regulations. For a detailed description of pending litigation related to non-compliance with laws or regulations, please refer to the specific section "Information on pending proceedings" in the Separate and Consolidated Financial Statements of Servizi Italia S.p.A. as at 31 December 2023 available at www.servizitaliagroup.com, Investors area, Financial Statements and Reports section;
- there was no evidence of non-compliance with regulations and/or self-regulatory codes on product information and labeling which have resulted in a sanction, fine or warning from control bodies;
- there were no cases of non-compliance with regulations and/or self-regulatory codes concerning the health and safety impacts of products that have resulted in a sanction, fine or warning from supervisory bodies.

According to the guiding principles of Corporate Social Responsibility, organizations must comply with national and international labor, civil rights, and child protection laws. Servizi Italia recognizes the importance and value of its people and pays close attention to the work environment in which its employees and contractors operate, promoting a corporate culture in which no one feels threatened, discriminated against, or exploited. For this reason, Servizi Italia acts against any form of abuse of human rights, in line with the standards set by the ILO and the international standard SA8000. During 2022, the Group issued and approved specific Social Responsibility Guidelines, adopted during 2023 by all companies fully consolidated in the Financial Statements, which aim to prevent any violation of human rights, including:

- **CHILD LABOR:** All forms of child labor are prohibited, not tolerating any work which by its nature or the circumstances under which it is conducted is likely to harm the health, safety or morals of children, as outlined in ILO No. 182 - Convention on the worst forms of child labor.
- **FORCED LABOR AND HUMAN TRAFFICKING:** Servizi Italia believes that all forms of employment should be the result of free choice; therefore, it does not tolerate any form of forced labor and does not take documents or money from its workers to hold them against their will. Forced labor, prison labor, and any other modern form of slavery or human trafficking is prohibited, and Servizi Italia extends these provisions to its commercial partners in accordance with the provisions set forth in ILO No. 29 - Convention on forced labor and ILO No. 105 - Abolition of the Convention on forced labor.
- **HEALTH AND SAFETY:** Servizi Italia implements and promotes a policy of prevention through systematic training and information initiatives on compliance with relevant regulations. In order to preserve people's health, the organization provides them with all necessary facilities to ensure that activities are carried out in a healthy, safe and sustainable working environment, in accordance with the provisions set out in ILO Convention 155 and Recommendation 164 (Occupational Safety and Health).
- **FREEDOM OF ASSOCIATION AND COLLECTIVE BARGAINING:** Servizi Italia supports the right to freedom of association and respects the choice of its employees to participate in and/or form workers' organizations or unions, without incurring intimidation, reprisal or harassment, in compliance with the provisions set forth in ILO Convention No. 87 - Freedom of association and protection of the right to organize. It is also committed to establishing constructive dialogue with employee representatives so as to create the basis for mutual respect and trust, providing them with protection and facilities, in accordance with the provisions set forth in ILO No. 135 - Convention on workers' representatives.

Growing and Improving Together: the Path to DEI

An equitable environment based on respect, sharing, and inclusion is important to Servizi Italia. From the very beginning, our work has led us to be a multicultural community made up of people of different ages, nationalities, orientations, and life experiences. While accommodating and integrating so many differences can be complex, it still represents an opportunity to build a plural vision. Diversity, Equity and Inclusion are the driver for growth and innovation, as each voice has helped shape our identity over the years. Welcoming, valuing diversity, and freedom of expression are the basis of living well in the company and are determining factors for growing sustainably also from a social point of view.

We live in a historical context of great fragmentation: voices, old and new, calling for sensitivity and respect do not always find ears willing to listen and welcome change. We consider this precisely the right time to take a stand in relation to the major social challenges we face.

Every step in this direction makes it possible to promote active participation in a society where each person is valued, respected, and an integral part of a common project.

As a company and as a Group, we feel it is our duty to move concretely toward that awareness that will help us contribute to changing the culture and reference values of the society in which we live. The commitment that goes beyond the here and now, but is important also with respect to the Servizi Italia we will leave to future generations.

In line with the Code of Ethics and the Social Responsibility Guidelines, no form of discrimination on the basis of ethnic origin, skin color, gender, sexual orientation, religion, nationality, age, political opinion, union affiliation, marital status, physical or mental disability, and any other status or personal characteristic is tolerated.

Inclusion and equity must be rooted in the very heart of the company if we are to build a work environment where every voice is heard and every talent is valued.

With this in mind, Servizi Italia has had a Diversity Manager since July 1, 2023; his job is to foster the integration of every employee and associate, regardless of their diversity. The Diversity Manager can be contacted on a completely confidential basis to receive advice and support on issues concerning inclusion and diversity in the company. The goal is to foster the integration of everyone.

More information about our Diversity, Equity & Inclusion projects can be found in Chapter 5 of this document.

FOCUS ON

What Does the Diversity Manager Do?

For a company that wants to be competitive in the marketplace and at the same time focus on employer branding, i.e., to be attractive to "talents," talking about and dealing with diversity is becoming increasingly important.

The Diversity Manager's job is to **manage and enhance differences among workers and generate inclusion**. "Diversity management" was first discussed when the Hudson Institute published a research study called "Workforce 2000" in 1987, estimating future trends in the composition of the North American workforce. The study revealed a growing need for companies to adopt an approach to management centered on the promotion and enhancement of diversity and no longer on standardization, thus moving beyond the concept of equal opportunity policies.

The Diversity Manager's main objective is to promote policies aimed at inclusion within the company, practiced to enhance the characteristics of each worker, foster inclusion, and use diversity as a strategic element for the company's business.

By promoting an inclusive corporate culture, the Diversity Manager aims to foster the development of creative and innovative ideas by tapping into a very fertile ground of diverse backgrounds and experiences.

Having thus identified the diversities, the Diversity Manager can champion various practical initiatives and actions, with specific attention to ageism, disability, gender, ethnicity, and sexual orientation.

In addition, the Diversity Manager also has a role in helping to make the company an attractive workplace, as many potential employees look at how companies take diversity into account⁹.

9. On this subject, see Randstad, Employer Brand Research 2023 - <https://www.randstad.it/azienda/mercato-del-lavoro/randstad-employer-brand-research/>

2.4 Risk Management within the Group

The Group has developed a model based on the integration of risk management and internal control systems and their adequacy. All major risks that are relevant to the corporate core business have been determined, measured, and managed using the risk analysis process in accordance with the principles of the COSO-ERM framework (Committee of Sponsoring Organization of the Treadway Commission - Enterprise Risk Management):

- risk governance and risk culture;
- strategy and definition of risk targets;
- risk analysis;
- risk information, communication and reporting;
- monitoring of the performance of the risk model.

The ERM Framework supports the proper achievement of corporate objectives and includes five interrelated components that interact with mission, vision, and core values, and determine the performance of the entire organization. The risk model adopted by the Group is aimed at ensuring the continuity of the organization and the adequacy of its processes, activities and performance in terms of:

1. BUSINESS OBJECTIVES:



- achievement of objectives set within company strategies;
- effective and efficient use of organizational resources.

2. GOVERNANCE OBJECTIVES



- ensuring the reliability, accuracy, trustworthiness and timeliness of financial reporting;
- preservation of corporate assets;
- compliance with laws, regulations, contracts, ethical and company rules;
- protection of ethical and social responsibilities;
- sustainable success.

The Board of Directors, through the Director in charge of the internal control and risk management system and the Head of Internal Audit, has implemented special processes to identify the responsibilities for monitoring risks, so as to ensure the soundness and the continuity of the business in the long term. To this end, an internal control system has been set up to monitor the risks associated with the activity.

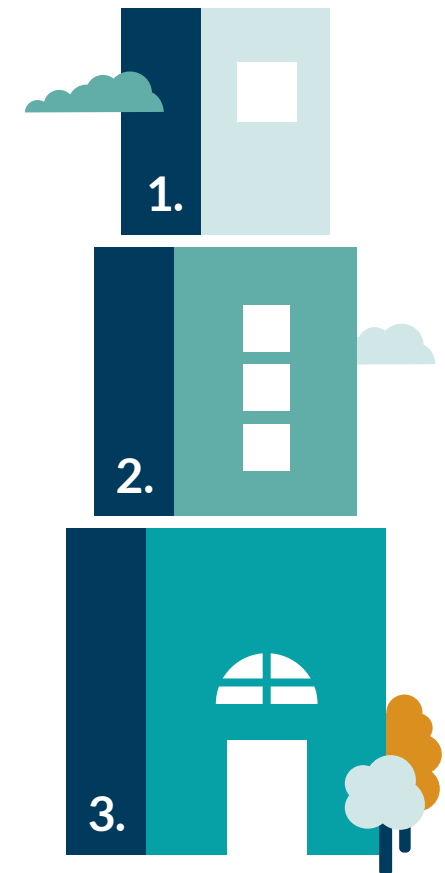
In particular, this control system is reflected in the internal rules of the Group and of the different companies subject to coordination and control through the documentation of the Servizi Italia Compliance Program (e.g., Model 231/01, Code of Ethics, Servizi Italia Compliance Program consisting of group policies inspired by law, recommendations and international best practices, code of conducts, procedures, rules and formats which preventively monitor sensitive processes in terms of offense issues).

The internal risk control system of the Servizi Italia Group is articulated on three levels:

1. First level: the operating structures identify, evaluate, monitor, mitigate and report risks arising from ordinary business activities, ensuring the correctness of operations in accordance with the limits and objectives assigned;

2. Second level: the business departments involved in controls (such as the risk management, legal and compliance departments), articulated according to the size, sector, complexity and risk profile of the business, aimed at monitoring and managing typical business risks (strategic, operational, compliance, financial and reporting);

3. Third level: the Internal Audit department, which reports directly to the Board of Directors, also with the contribution of the Local Unit Reference Persons, for the subsidiaries of strategic importance, assesses the suitability of the overall internal control and risk management system to ensure the effectiveness and efficiency of processes, the safeguarding of company assets, the reliability and integrity of accounting and management information, and compliance with internal and external regulations and management instructions.

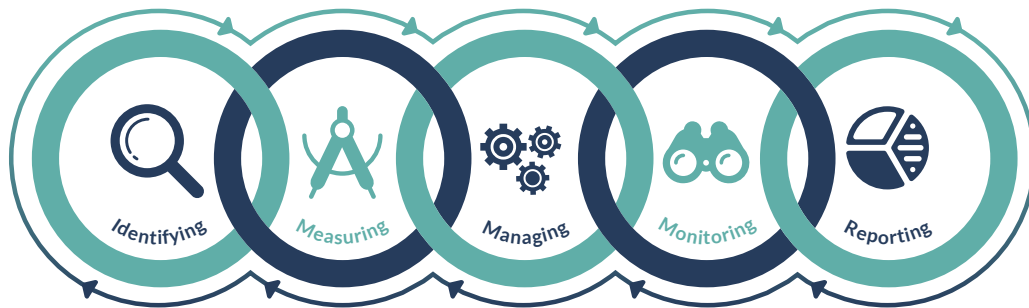


In order to carry out its activities, the Internal Auditor presents an activity plan to the Board of Directors, in which the planned audits are represented, in line with the risks associated with the activities aimed at achieving the corporate objectives.

The results of the activities carried out on a half-yearly basis are brought to the attention of the Director in charge of the Internal Control and Risk Management System, the Governance Committee in the Control and Risks department, the Board of Directors (also through the Governance Committee of the Control and Risks department) and of the Board of Statutory Auditors; the critical elements found during the audit are, on the other hand, promptly reported to the competent company structures for the implementation of any improvement action.

Aware of its mission and corporate policy, the Servizi Italia Group sets itself the aim to monitor the risks identified in all its activities in a timely manner, a primary condition for maintaining the relationship of trust with its stakeholders and ensuring business sustainability over time, while contributing to the sustainable success of the company and the Servizi Italia Group.

THE PHASES OF THE CONTROL PROCESS



The risk control process is common to all control functions, in keeping with relevant best practices; the different types of risk are defined within the "ICRMS Guidelines" and the related Corporate Risk Map, which is subject to periodic updating at least annually.

The Guidelines and Risk Map represent the Risk Appetite Framework (below, also "RAF") of the Group, i.e., the key instrument with which the Board of Directors defines the appetite for risk, the tolerance thresholds, the risk limits, the risk management policies and the framework of the corresponding organizational processes. Aspects related to the management of social, environmental, and economic (ESG) risks are also covered within the RAF, the Risk Map, and thus the internal body of regulations on risk management.

In order to minimize the various types of risk to which it is exposed, the Group has adopted control methods and time scales that allow corporate management to monitor risks and inform the Director in charge of the internal control system and (also through him) the Board of Directors accordingly.

Without prejudice to the principle of continuous monitoring and taking into account the characteristics of the activities carried out by Group companies, the review of the risk analysis shows that, through the application of the planned organizational and management actions, the company has obtained the desired mitigation on the main risks identified in the operational, financial, strategic and compliance areas, implementing and documenting the control points within company procedures.

The Group has identified the main risks to which it is exposed in carrying out its business activity in relation to processes deemed sensitive.

Due to the nature of its business and geographical distribution, the Group is exposed to different ESG risks. The most important are shown in the table below, together with the activities aimed at mitigating their effects and ensuring their proper management.

Additional information about other types of risk is provided in the Separate and Consolidated Financial Statements as at 31 December 2023.

ESG RISK	RISK DESCRIPTION	MANAGEMENT AND MITIGATION ACTIONS
RISKS RELATED TO ENVIRONMENTAL IMPACT	<p>The Group operates in the sector of industrial laundries, which is particularly exposed to environmental risks such as, for example, air, soil, and water pollution resulting from waste disposal, toxic-harmful emissions, and spills of toxic-harmful materials.</p> <p>Environmental protection regulations are also becoming increasingly restrictive, above all as a result of increased community awareness and sensitivity to these issues. The result is an increase in demand toward companies to minimize their environmental impact. In addition, population and economic growth generate impacts related to resource scarcity, water, waste and biodiversity management.</p>	<p>The Servizi Italia Group has developed a strong and constant commitment to managing and monitoring environmental aspects, through the introduction of certified management systems in the Italian plants.</p> <p>The Group's commitment to minimizing its environmental impact is also asked of companies abroad through constant monitoring of environmental performance and is maintained through compliance with all relevant local regulations and by promoting the introduction of certified management systems, the adoption of specific environmental guidelines and the implementation of the Servizi Italia Compliance Program which consists of group policies inspired by law, recommendations and international best practices, codes of conduct, procedures, rules and formats which provide preventive supervision to sensitive process on environmental issues.</p>
PHYSICAL RISKS RELATED TO CLIMATE CHANGE	<p>Physical risks related to climate change may be linked to individual events or to foreseeable long-term changes in climate models. Extreme weather events and natural disasters expose the Group to the risk of damage to production facilities, with the consequent possibility of unavailability of the facilities involved. In addition, the Group is exposed to the risk of impacts on the operation of production facilities related to gradual climate change (e.g., rainfall, windiness).</p>	<p>Being able to rely on several production sites located throughout Italy, and thanks to the possibility of supplying itself alternatively from the water network and/or from wells present at each production plant, the Group has the capacity to meet any additional workloads should any facilities be affected by damage originating from changes in weather patterns. In addition to having insurance coverage against physical hazards, the Group uses the best prevention and protection strategies, also with the aim of reducing possible impacts on production facilities. Periodic construction maintenance work is conducted in this regard, on courtyard areas with attention to stormwater drainage manholes.</p> <p>Through the application of internationally recognized Environmental Management Systems-EMAS, all potential sources of risk are monitored so that any critical issues can be detected in a timely manner. The Group's intention is to further the analysis related to the physical risks of climate change on business activities by assessing the effect of potential adverse events through scenario analyses in line with the main international references.</p>
TRANSITIONAL RISKS RELATED TO CLIMATE CHANGE	<p>The transition to a low-carbon energy model may involve risks related to rules/regulations, political, legal, technological and market changes associated with the fight against climate change, with effects in short, medium and long terms. In this sense, issues such as increasing emissions reporting requirements and other legal requirements, the use of low-emission energy sources and reduced exposure to fossil fuels, uncertainty in market signals with potential unforeseen changes in energy prices, and rising raw material costs are the risk factors related to climate change to which the Group may be exposed and which can potentially affect the company's financial performance.</p>	<p>The Group is committed to the continuous improvement of existing activities in terms of environmental impact, through its emission reduction objectives and adopts a strategy aimed at growing through the use of technologies, low carbon services, and continuous operational research for the optimization of logistics distribution models for goods and services and targeted projects, in line with the objectives defined in the Agenda 2030.</p>

ESG RISK	RISK DESCRIPTION	MANAGEMENT AND MITIGATION ACTIONS
<p>RISKS RELATED TO H&S COMPLIANCE</p>	<p>Direct and indirect risks (consequence of events) related to the Group's activities which as a result of non-compliance with internal regulations and provisions, lead to incidents involving staff and external associates, such as: fires, accidents, medical expenses, insurance and legal expenses, loss of working hours, costs of repair or replacement of materials/machinery, fines, sentences, disqualification, damage to public and professional image, stress, and decline in employee morale.</p> <p>These include reputational risks, business interruption and disqualification from public tenders, in compliance with the provisions of Italian Legislative Decree 146/2021.</p>	<p>In order to mitigate these risks, the Company carries out its activities in full compliance with rules and regulations specific to each country regarding health and safety in the workplace. The Group gives this matter primary importance within the scope of its strategies and corporate objectives. Moreover, for the Italian perimeter, the Group has adopted a UNI ISO 45001 certified Health and Safety management system for its production sites and obtained SA8000 certification in Corporate Social Responsibility. It also intends to adopt its own Supplier Code of Conduct in order to strengthen its presence in the ESG area in the supply chain, as well as a Travel policy.</p> <p>In foreign companies, the Group monitors risk: (i) by promoting and adopting a Code of Ethics in each individual company and introducing specific health and safety guidelines; (ii) by preparing a set of procedures, regulations and formats based on a risk analysis of processes; (iii) through training and auditing activities performed by the parent company and/or third parties.</p> <p>Lastly, the Company has implemented a system of delegated and sub-delegated powers in this regard.</p>
<p>RISK OF GDPR PERSONAL DATA BREACH</p>	<p>Personal data, owned by the Company, can be managed by various company departments, employees and associates. The risk to which Servizi Italia is exposed is of not complying with EU Regulation 679/19 and encountering a potential security breach which accidentally or illicitly involves the destruction, loss, modification, unauthorized disclosure or access to personal data transmitted, stored or otherwise processed. Such events may be malicious or accidental in nature.</p>	<p>In light of the legislative changes and by virtue of the advent of remote working, the Company has adopted an IT Regulation which includes the set of procedures and the company policy for managing the risk of Data Breach. Furthermore, a Data Controller has been appointed. The company staff has been trained: on how to behave when handling personal data, on how to manage workstations during working hours, and on how to manage and store data in paper and electronic form. All company emails have been equipped with a specific "attention" message regarding data confidentiality and processing. When registering, guests are given a specific Privacy Policy according to GDPR 679/19.</p> <p>In compliance with Regulation (EU) 2016/679, the Company has appointed a Data Protection Officer (DPO), a professional with specific skills and experience in Privacy.</p>
<p>SYSTEMS CONTINUITY RISK</p>	<p>This risk concerns the ability to ensure the availability and resilience of processing systems and services on a permanent basis and, consequently, the ability to promptly restore availability and access to data in the event of a physical or technical incident.</p>	<p>The Group has implemented an operational risk prevention system, aimed at making the planned disaster recovery tools effective. The system is based on constantly monitoring the functioning of systems and tools to minimize the impact of risks, through the adoption of appropriate policies, procedures, protocols and tools. The aim is to guarantee the resilience, continuity and availability of the systems, as well as maintain high standards of security, confidentiality and data integrity.</p>

ESG RISK	RISK DESCRIPTION	MANAGEMENT AND MITIGATION ACTIONS
<p>CORRUPTION RISKS</p>	<p>Corruption is the abuse of conferred power for private gain and may be instigated by individuals in both public and private sector. Here it is interpreted to include corruption practices such as bribes, extortion, collusion, conflict of interest and money laundering. The Group pays particular attention to the risks of conduct or negligence that may lead to the occurrence of bribery and corruption events/cases throughout the value chain and promotes the fight against them in all its forms.</p>	<p>On anti-corruption matters, in addition to the Code of Ethics, the Antitrust Guidelines, the Anti-Corruption Policy and the Organization and Management Model pursuant to Italian Legislative Decree 231/01 ("OMM 231"), Servizi Italia has decided to adopt Anti-corruption Guidelines.</p> <p>The general principles that must be observed to ensure an adequate system of internal control and management of risks related also to corruption offenses can be summarized as follows:</p> <ul style="list-style-type: none"> • <u>compliance with the Code of Ethics</u>: all activities must be carried out in accordance with the behavioral principles set forth in the Code of Ethics adopted by Servizi Italia; • <u>segregation of duties</u>: the conduct of business activities must be based on the principle of separation of duties, whereby the authorization of a transaction must be under the responsibility of a person other than the one who operationally executes or controls that transaction. The segregation of duties must be ensured by the intervention of several parties within the same process. Segregation can be implemented through the use of computer systems that allow certain operations to be performed only by identified and authorized persons; • <u>attribution of powers</u>: authorizing and signatory powers must be: i) consistent with assigned organizational and managerial responsibilities; ii) clearly defined and known within the Company. The corporate roles that are assigned the power to commit the Company to certain transactions must be defined, specifying the limits and nature of the transactions. The granting of authority for a certain type of act must comply with the specific requirements that may be required by law for the performance of that act; • <u>process transparency and traceability</u>: every activity must be verifiable, documented, consistent, and congruent. The proper storage of relevant data and information, via computer and/or paper media, must be ensured; • <u>adequacy of internal rules</u>: the set of company rules must be consistent with the operations carried out and the level of organizational complexity and such as to ensure the controls necessary to prevent the commission of corruption offenses; • <u>staff training</u>: specific staff training plans must be provided with special reference to those working in areas where there is a higher risk of corruption.



3

MAIN ECONOMIC PERFORMANCE

- 3.1 Distributed and Generated Economic Value
- 3.2 Value for Shareholders and Investor Relations
- 3.3 Tax Transparency





€
287.9
million

REVENUES

€
71.4
million

EBITDA

€
15
million

EBIT

€
5.3
million

NET INCOME


3.546

EMPLOYEES AT THE END OF THE YEAR



3.1 Distributed and Generated Economic Value

201-1

Material Topic	Commitment	SDGs
Direct Economic Value Generated and Distributed	The ability to generate value impacts staff, shareholders, suppliers, and the local communities and target territories in which the Group operates.	

The integration of economic choices with social and environmental choices is a fundamental commitment to long-term value creation.

The creation of economic value is a necessary condition for business activity, on which its existence and its perpetuation over time depends. For a productive enterprise, the generation of added value is the first way to be socially responsible: finding a new economic paradigm that also integrates environmental considerations and thus opens the way to a transformation of production and consumption patterns.

Value added is the greater value that goods and services acquire as a result of the company's organizational and production activity. This wealth, in various forms, is distributed to the various stakeholders. Through a reclassification of the profit and loss account, a basic indication is given of how the Group has created wealth for its stakeholders, highlighting the economic effects of business management on the main categories of stakeholders.

The consolidated **turnover** of the Servizi Italia Group amounted to Euro 287.9 million, an increase of 6.5%, or 8.1% at constant exchange rates and 5.6% adjusted compared to 2022. Revenues from wash-hire services (which in absolute terms represent 75.4% of the Group's revenues) rose from Euro 206.2 million in 2022 to Euro 216.9 million in 2023, recording an increase of 5.2% (or 7.3% at constant exchange rates), supported both by robust growth in wash-

hire in Italy (+4.9%) and by a rapid recovery resulting from the price adjustment in the Turkey area (+67.7 at constant exchange rates). The Italy area benefits from the excellent performance in terms of revenues for the growth related to the inflation adjustments accrued and subscribed in the course of 2022 and in 2023. Revenues in the Brazil area also showed a positive change for the period of 7.8%, i.e., organic growth of 7.0% and a positive exchange rate of 0.8% driven by the appreciation of the Brazilian Real against the Euro.

Revenues from linen sterilization services (which in absolute terms account for 6.4% of the Group's revenues) increased from Euro 16.1 million in 2022 to Euro 18.4 million in 2023, an increase of 14.1% due primarily to the allocation pertaining to the payback of Euro 2.3 million recorded in fiscal year 2022. In fact, net of the effects resulting from the allocations of the provisions required by the payback rule, the change would amount to Euro 164,000 (+0.9%).

Revenues from surgical instrument sterilization services (which in absolute terms represent 18.2% of the Group's revenues) rose from Euro 47.9 million in 2022 to Euro 52.5 million in 2023, with an increase of 9.6% equal to Euro 4.6 million mainly due to higher operating activities recorded in the period in the Italy area and to the inflation adjustments accrued and subscribed in the course of 2022 and in 2023.

The consolidated financial statements at 31 December

2023, therefore, closed with a net profit of Euro 5.3 million compared to a net profit of Euro 3.4 million in the previous financial year¹⁰.

Over the last few years, the Group's management has considered it appropriate to commit its resources to structural investments, in order to **consolidate its leadership position** and to constantly **improve the efficiency of the Group**.

10. For more information on the 2023 revenue trend, please refer to the Servizi Italia Group's Consolidated Financial Statements as at 31 December 2023.

DISTRIBUTION STATEMENT OF ECONOMIC VALUE GENERATED

<i>(Euro thousand)</i>	2023	2022
Revenues from sales	287,915	270,313
Other income	7,486	9,600
Financial income	1,384	2,229
Income from equity investments	419	366
Revaluations/write-downs of equity investments valued using the equity method	1,948	2,181
Change in inventories	113	-276
Economic value generated by the Group	299,265	284,413
Reclassified operating costs	129,477	130,040
Raw materials and consumables used	28,019	28,958
Costs for reclassified services	99,315	99,117
Other costs	2,143	1,965
Staff remuneration	94,580	89,861
Staff costs	94,580	89,861
Remuneration of lenders	12,640	5,800
Financial charges	12,640	5,800
Remuneration of shareholders	822	-405
Allocation of profit for the year ¹¹	954	0
Profit/(Loss) for the year attributable to minority shareholders	-132	-405
Remuneration of Public Administration	1,977	1,299
Current taxes	1,977	1,299
Communities	57	48
Donations, sponsorships and collaborations	57	48
Economic value distributed by the Group	239,553	226,644
Profit/(Loss) for the year attributable to Parent Company's shareholders to reserves	4,510	3,833
Depreciation, amortization, write-downs and provisions	56,400	56,759
Deferred taxes	-1,198	-2,823
Economic value retained by the Group	59,712	57,769

11. The Board of Directors proposed to the Shareholders' Meeting a maximum amount of Euro 0.9 million for the distribution of ordinary dividends per share, gross of legal withholdings, equal to 3 Euro cents for the shares in circulation, excluding treasury shares in the portfolio.

3.2 Value for Shareholders and Investor Relations

Since listing its shares, the Company has established ongoing dialogue with its shareholders, in full compliance with current regulations, considering it in line with its own specific interest and a duty to the market.

As part of the process of compliance with the Corporate Governance Code and in compliance with Principle IV and Recommendation No. 3 thereof, on January 19, 2021, the Board of Directors adopted a policy for managing shareholder dialogue, formulated by the Investor Relations Manager, in consultation with the Chairman. The Policy governs the methods of engagement and communication with all the company's current and potential shareholders in order, *inter alia*, to enhance the exchange of information and improve the level of mutual understanding between Company and investors, in compliance with the provisions set forth in EU Regulation no. 596/2014 of the European Parliament and of the Council of April 16, 2014 and in the related implementing provisions on the management and public disclosure of "inside information", and with the provisions of the "*Procedure for the internal management and external disclosure of documents and information concerning Servizi Italia S.p.A.*" adopted by the company.

The Policy is posted on the company's website at ir.servizitaliagroup.com. Its aim is to foster the stability of shareholders' investments and the sustainable success of the company through a greater understanding of the company's objectives by the shareholding structure and of shareholders' demands by the Company, promoting communication that helps align their interests with those of the company and the Group.

In order to better implement its relations with the market, the company has set up specific sections on its website that are easily identifiable, accessible and continually updated, where news of importance to shareholders is provided, thereby enabling shareholders to consciously exercise their rights.

On November 9, 2023, Cometa S.r.l., a wholly owned subsidiary of the controlling shareholder Aurum S.p.A. (itself a wholly owned subsidiary of Coopservice Soc. coop. p.A.), announced its decision to promote a **full voluntary takeover bid** for the ordinary shares of Servizi Italia S.p.A. aimed at having the company's shares delisted from Euronext STAR Milan, a regulated market organized and managed by Borsa Italiana S.p.A.

On January 23, 2024, the final results pertaining to the full voluntary takeover bid launched by Cometa S.r.l. on the shares of Servizi Italia S.p.A. were announced. Based on the final results of the Bid, taking into account the shares tendered to the Bid during the acceptance period, the shares held by the persons acting in concert as of the announcement date or

purchased by them afterwards, and the Bidder's own shares, upon completion of the Bid, the Bidder, jointly with the persons acting in concert, would have come to hold 87.235% of the shares in the Issuer's share capital. Thus, the final results confirmed the failure to achieve an overall holding of more than 90% of the share capital. Therefore, since the Bid was subject to the unwaivable condition of the bidder attaining a threshold of more than 90% of the capital, the achievement of a lower total shareholding resulted in its ineffectiveness. The shares taken up in the offer were then returned and placed back into the availability of their respective holders, without charging any costs or expenses to them¹².

On January 19, 2024, a press release was issued in which Cometa S.r.l. informed the market that the acceptance period for the Takeover Bid launched on November 9, 2023 had ended and that the threshold of 90% of Servizi Italia's share capital had not been reached, adding the shares already held by Aurum S.p.A., its own shares, and those brought in to the Bid. Based on the above results, the Takeover Bid was ineffective. For more information, refer to the press releases posted at ir.servizitaliagroup.com.

According to the results of the Shareholders' Register, supplemented by the communications received pursuant to Article 120 of the TUF (Consolidated Law on Finance) and other information available at the date of approval of this Report, the companies that directly or indirectly hold more than 5% of the share capital are:

MAJOR SHAREHOLDINGS AS OF 31/12/2023		
DECLARANT	DIRECT SHAREHOLDER	% OF ORDINARY SHARE CAPITAL
Coopservice S.Coop.p.a.	Aurum S.p.A.	56.51%
Steris Corporation	Steris UK Holding Limited	5.90%
Everest S.r.l.	Everest S.r.l.	5.03%
Servizi Italia S.p.A.	Servizi Italia S.p.A.	7.88%*

*of which non-voting 7.88%

12. In this regard, please refer to the "Annual Financial Report" as at 31 December 2023 for more information.

Servizi Italia S.p.A. considers **financial communication** to be of fundamental importance in building relationships of trust with the financial market; clear and transparent communication, in addition to being a duty to the market, represents an opportunity to establish continuous dialogue with shareholders, in full compliance with current regulations. In particular, the Investor Relations department promotes continuous dialogue with institutional and individual investors and financial analysts, ensuring equal information and transparent, timely and accurate communication, in order to foster a correct perception of the Group's value.

During the year, the Investor Relations team held several individual and group meetings with analysts and investors through conference calls. The meetings with analysts and investors primarily focused on issues related to the results of the company and the Group, the interpretation of those results, and clarifications on the elements guiding the actual results for the period and the fundamentals that may influence the expected results. The meetings with potential new investors also covered in-depth topics such as: the different types of services performed by the Group and the different operating segments that comprise it, management's leading strategies in the short and medium term, and risks and opportunities in the industry understood both as expected growth and competitive scenario.


Starting from June 22, 2009, the company's stock is traded on the Euronext STAR segment of Borsa Italiana S.p.A. As at 31 December 2023, the market cap of Servizi Italia S.p.A. was Euro 53.4 million.

More information on the stock performance can be found in the Annual Financial Report 2023.



3.3 Tax Transparency

207-1 | 207-2 | 207-3 | 207-4

Material Topic	Commitment	SDGs
Integrity and business ethics	The Group's orientation toward respecting the principles of fairness, loyalty and good organization and the fight against active and passive corruption, fraud, monopolistic practices, and anti-competitive behavior provides stakeholders with the certainty of a fair interlocutor operating in full transparency and compliance with regulations.	

The choices underlying the Group's internationalization are guided exclusively by business considerations and not by fiscal reasons. The Board of Directors of Servizi Italia has drafted and approved the tax strategy and guidelines for the entire Group, so that management is uniform across all the entities involved, is inspired by the logic of correct and timely determination and settlement of taxes due, and implements correct tax risk management. The provisions contained in the tax strategy require behavior that adheres to the values of the Group. The governing bodies of the Group's entities have implemented the tax strategy adopted by the parent company by means of a specific resolution, thereby assuming responsibility for ensuring its knowledge and application within the entities for which they are responsible, together with the specific task entrusted to the governing bodies of disseminating the culture and values underlying the strategy. The tax strategy approved by the Board of Directors of Servizi Italia S.p.A. is published in the "Transparent Company" section of the Group's website (www.servizitaliagroup.com). The relevant interpretation is referred to the Parent Company, through the Fiscal Unit¹³, which also takes care of any updates every time a regulatory adjustment and/or mapping of a specific process is required, in order to monitor the relative risks.

Tax Strategy Objectives

The Board of Directors of Servizi Italia S.p.A. has defined the tax strategy for the entire Group, with the aim of ensuring uniform management of taxation at all the entities concerned. The strategy is inspired by the following principles:

- correct and timely determination and settlement of taxes due by law and performance of related obligations;
- limiting tax risk, as the risk of incurring in the violation of tax regulations or the abuse of tax system principles and aims.

Principles of the Tax Strategy

The principles of the tax strategy are an integral part of the tax strategy that the Group intends to pursue; they inspire the company's operations in managing the tax variable and require the adoption of suitable processes that can guarantee their effectiveness and application.

Values. In line with its sustainability strategy, the Group acts according to the values of honesty and integrity in the management of tax activities, as it is aware that tax revenues are one of the main sources of contribution to the economic and social development of the countries in which it operates.

Countries in which it operates.

Lawfulness and transparency. The Group's conduct is oriented towards compliance with tax laws applicable in the countries in which it operates and towards interpreting them in such a way as to responsibly manage tax risk, so as to be able to satisfy the interests of all stakeholders. The Board of Directors defines the Group's tax strategy and ensures its application within the Group, thus assuming the role and responsibility of guiding the spread of a corporate culture based on the values of honesty and integrity and the principle of legality.

The Group maintains a collaborative and transparent relationship with tax authorities, ensuring that the latter, among other things, can gain a full understanding of the facts underlying the application of tax regulations.

Shareholder value. The Group considers taxes as a cost of doing business and, as such, must be managed in compliance with the principle of legality and for the purpose of safeguarding corporate assets and pursuing the primary interest of creating value for shareholders in the medium to long term.

13. The Fiscal unit is understood to be the designated fiscal office in every different jurisdiction.

Guidelines for Implementing the Tax Strategy

In order to ensure the concrete implementation of the general principles outlined above, the Group's tax strategy is broken down into the following guidelines:

- correct application of tax regulations;
- Group entities must comply with the principle of legality, applying the tax legislation of the countries in which the Group operates in a timely manner, in order to ensure that the spirit and purpose that the regulation or law provides for the matter being interpreted is observed. In cases where tax legislation is not sufficiently clear or unambiguous in its meaning, the competent Tax Unit pursues a reasonable interpretation of it, inspired by the principles of legality, availing itself of internal consultancy within the Group's Tax Unit and, where appropriate, of qualified external professionals.

Governance

In the organizational model of Servizi Italia S.p.A., the Tax Unit of the Parent Company is responsible, among other things, for developing the Group's tax strategy, identifying, analyzing and managing the various optimization initiatives, monitoring the most relevant tax issues, and providing support to the various business lines.

Alongside the Tax Unit of the Parent Company, the Tax Units of the various countries, acting in compliance with the values and principles inherent in the tax strategy defined by the Parent Company, are responsible for managing compliance and tax planning and tax monitoring activities at local level, supported by the collaboration of their local consultants.

Compliance

The Group has adopted a set of rules, procedures and prin-

ciples that are part of the Group's wider system of organization and control. These must be considered as fundamental points of reference that all parties, in relation to the type of relationship existing with the Group, are required to comply with ¹⁴.

The various company Policies and Procedures applicable at both Group and Country level regulate the activities, the operating methods for managing them and the responsibilities of the Tax Unit, also in relation to other Company departments. These documents are published on the company's intranet, are accessible to everyone, and constitute the general rules of conduct applicable within the Group for the performance of activities. In particular, with specific reference to the tax area, in addition to the definition of the Tax Strategy, the guidelines are a reference for the processes of Tax Compliance, Tax Planning, Tax Monitoring, Transfer Pricing and Tax Risk Management.

Intercompany Transactions

Intragroup transactions are marginal for the Group and are regulated, for tax purposes, on the basis of the arm's length principle, as outlined by the OECD (Model Tax Convention and Transfer Pricing Guidelines), with the aim of aligning transfer conditions and prices as correctly as possible with the places where value is created within the Group.

Full Cooperation with Tax Authorities

The Group guarantees transparency and correctness in its relations with the tax authorities, including in the case of audits relating to both Group companies and third parties. The Group adheres to the country-by-country reporting requirements.

Organization

The Tax Unit of the Parent Company, coordinated by the Tax Manager, guarantees:

- in agreement with local CFOs, an adequate sizing of the

necessary expertise (internal to the organization and using qualified external professionals), capable of carrying out, in addition to the role of monitoring compliance, also that of decision-making analysis center, included in the governance and business processes;

- periodic contact with peripheral tax units or local CFOs for the purpose of tax updates, analysis of tax benefits and tax compliance;
- training and orientation activities on tax issues, both at a country and global level for any useful form of alignment, for employees involved in the connection between tax strategy, business strategy and sustainable development.

Risk analysis

Fiscal risk is controlled according to two legislative measures: **Italian Law 262/2005 and Italian Legislative Decree 231/2001**. As part of the approach to tax compliance, the main types of risk have been identified (compliance, financial reporting, operational, external) to which an assessment is attributed for each of the sensitive functions and processes. In case of "high" risks, the Tax Manager works with the departments involved in the sensitive processes to mitigate any type of exposure for the Company. The risk matrix is constantly updated through periodic monitoring with ordinary internal audit processes as well as through the tax authority systems provided by cooperative compliance schemes, where activated.

14. For example: Code of Ethics, Anti-Corruption Guidelines, Antitrust Code of Conduct, corporate policies, models and procedures, fiscal strategy, the internal control and risk management system, the system of proxies and powers of attorney, the system of sanctions pursuant to the applicable NCLAs (National Collective Labor Agreements), any other documentation relating to the control systems in place, the reference accounting standards, procedures and IT applications.

Reports

The Servizi Italia group considers tax compliance as one of the fundamental aspects of an ethical and responsible management of the company. In this sense, the violations that can be reported through the company's internal channels also include those of relevance to tax matters. The Code of Ethics adopted by the Group represents the framework of "ethical oversight" with which the Group operates and in the context of which the tax strategy is also fully included. The provisions relating to violations of the Code of Ethics are suitable for ensuring the effectiveness of the prescriptions contained therein and must be understood as extending to the provisions of the fiscal strategy.

Reporting

An annual report is sent to the Board of Directors of the Parent Company, via the Control and Risk Committee, in which, with regard to the Group's entities, the results of the monitoring of the internal control system for tax risk and the state of tax risk management are reported, for the tax period in question, with indications of the Group's Total Tax Contribution (also known as **TTC**) compared with the previous year, and with indications regarding the % of TTC relating to payments that represent a cost for the Group (Taxes Borne) and the residual percentage of payments made as a result of recourse, mechanism, replacement, etc. (Taxes Collected).

The objective of preparing annual TTC reports detailing all tax contributions in Italy and in the main countries in which the Group operates underscores the importance the Group attaches to tax issues, to their social role and, in general, to transparency as a factor that promotes sustainable development. The concept of distributed value refers to the contribution that the company makes to society in general.

According to the TTC reporting methodology, the value distributed by a company is composed of the sum of the follow-

ing elements:

- taxes borne and collected (as value distributed to Government);
- net interest (as the value distributed to creditors);
- wages and salaries after taxes (as the value distributed to employees);
- earnings retained for reinvestment or paid as dividends (as the value distributed to shareholders).



Maintenance of surgical instrumentation at a CSSD

COUNTRY-BY-COUNTRY REPORTING¹⁵

	2023			2022		
In /000 Euro	Italy ¹⁶	Turkey	Brazil	Italy ¹⁶	Turkey	Brazil
Names of resident entities	Servizi Italia S.p.A. Steritek S.p.A. Wash Service S.r.l. Ekolav S.r.l.	Ankateks Turizm İnşaat Tekstil Temizleme Sanayi ve Ticaret Ltd Şirketi Ergülteks Temizlik Tekstil Ltd. Sti Olimpos Laundry Tekst. Tem. Hizm. Ve Tur. San. Tic. LTD.Sti IS Ortaklığı	SRI Empreendimentos e Participações L.t.d.a. Lavsım Higienização Têxtil S.A. Maxlav Lavanderia Espe- cializada S.A. Vida Lavanderias Especial- izada S.A. Aqualav Serviços De Higienização L.t.d.a.	Servizi Italia S.p.A. Steritek S.p.A. Wash Service S.r.l. Ekolav S.r.l.	Ankateks Turizm İnşaat Tekstil Temizleme Sanayi ve Ticaret Ltd Şirketi Ergülteks Temizlik Tekstil Ltd. Sti Olimpos Laundry Tekst. Tem. Hizm. Ve Tur. San. Tic. LTD.Sti IS Ortaklığı	SRI Empreendimentos e Participações L.t.d.a. Lavsım Higienização Têxtil S.A. Maxlav Lavanderia Espe- cializada S.A. Vida Lavanderias Especial- izada S.A. Aqualav Serviços De Higienização L.t.d.a.
Revenues from third party sales	258,195	7,403	32,840	244,955	7,262	30,441
Revenues from intercompany transactions in the same tax jurisdiction	4,515	157	2,153	4,084	147	3,157
Revenues from intercompany transactions having different tax jurisdictions	120	-	-	86	-	-
Profit/Loss before taxes	4,233	611	-3,244	-1,591	-1,981	-831
Tangible assets other than cash and cash equivalents	97,342	2,018	24,669	97,752	2,867	23,732
Corporate income taxes paid on a cash basis	222	-	111	836	-	128
Corporate income taxes accrued on profits/losses	972	45	214	382	13	153
Average number of employees	2,017	283	1,237	2,057	406	1,234

15. Data reported in this table are consistent with what is stated in the "Country by Country" report. The figures differ from those reported in the consolidated financial statements as of 31.12.2023, as the *Local GAAPs* have been adopted.

16. The country-by-country reporting figures do not include San Martino 2000 S.c.r.l., as it is a consortium company of the Group and considered a Third Party for the purposes of the CbCR.




4

ENVIRONMENTAL SUSTAINABILITY

- 4.1 Energy Consumption
- 4.2 Polluting Emissions into the Atmosphere
- 4.3 Management of Water Resources
- 4.4 Consumables and Packaging Materials
- 4.5 Responsible Waste Management



Material Topic	Commitment	SDGs
Circular economy initiatives	The circular economy involves the design of a more virtuous system than that which governs the linear economy. Extending the productive use of materials, reusing them, and increasing their efficiency serves to strengthen competitiveness, reduce environmental impact and gas emissions, and create new jobs.	

The Servizi Italia Group considers environmental sustainability to be one of the core values for the development of its business, alongside technological innovation and customer satisfaction. Environmental sustainability, proper utilization of resources, decreasing the level of pollutant emissions, and circular economy initiatives are just some of the aspects that put us before a necessity that is now unavoidable: responsible interaction with the planet is essential, not only to continue producing goods and services, but also to preserve it for future generations.

From an environmental point of view, it is important to implement strategies and technologies that enable an equitable use of available resources, minimize waste, and where not possible for reuse, see to proper recycling or disposal of used products.

The ultimate goal of this commitment, and what drives the efforts made in the field of sustainability, is to achieve a "balance between meeting present needs without compromising the ability of future generations to meet their own needs"¹⁷.

Goal 12 of the UN's 2030 Agenda calls for corporate accountability in finding sustainable production and consumption patterns. With this in mind, the Servizi Italia Group is striving to find **circular economy** and **industrial symbiosis** solutions to extend the productive use of materials, reuse them, and increase their efficiency so as to strengthen competitiveness, reduce environmental impact and gas emissions, and create new jobs.

Processes and activities are organized through an integrated management system for Quality, Health and Safety, Social Responsibility, Environment and Energy. The Group's concern for the environment is reflected in the constant promotion of efficiency in production processes and in the constant monitoring of the energy resources used at production sites, related greenhouse gas emissions, water consumption and special waste decaying from production processes.

Downstream of this activity are the environmental certification paths (the main ones including ISO 14001, EMAS and ISO 50001) that have already been undertaken and maintained at the various Italian sites and are essential ongoing goals.

For the Group, environmental sustainability means not only being able to preserve natural resources, but to actively work to mitigate as much as possible the direct and indirect impacts generated by production activities.

In this context, the European Commission's commitment to a specific classification system to identify environmentally sustainable economic activities is an important enabling factor to support sustainable investments and to adopt the indications of the European *Green Deal*.

The following paragraphs report on the Group's¹⁸ activities and commitment to mitigating the environmental impacts arising from the conduct of its business; in continuity with previous years, the commitment to fully quantify them, where they are not currently included in the reporting, continues.

FURTHER INFORMATION

The Group applies an **integrated environmental management system** that identifies specific procedures to ascertain the significance (and related risks) for different environmental aspects. For each specific operational phase of the site's production cycle, environmental aspects (water, emissions, energy consumption) are evaluated by assigning a significance level based on legislative (L), environmental (E), and social (S) criteria. The "significance index" (SI) is calculated according to a specific algorithm that combines the factors introduced above and the final value of this index determines which aspects are considered significant. The significance of the environmental aspect and of its impacts is assessed considering normal, abnormal and emergency operating conditions.

17. Brundtland Report, 1987

18. The environmental data reported in this chapter and in the tables in the "Annexes" section do not include the data of Consorzio San Martino 2000 S.c.r.l.

Against this backdrop, the initiatives implemented and the objectives for the future focus on the following areas:



maintenance of environmental certifications for all plants



reducing energy consumption



reducing pollutant emissions



reducing the consumption of water resources



reducing the use of virgin plastic for packaging



waste management, recovery and recycling



investments in technologies to improve environmental impact



circular economy and industrial symbiosis initiatives



FOCUS ON

Made Green in Italy

In 2023 Servizi Italia S.p.A. was admitted to the "Made Green in Italy" scheme of the Ministry of the Environment and Energy Safety and obtained the release of the MGI logo for the linen washing and hire service.

"Made Green In Italy" is a voluntary national scheme for assessing and reporting the environmental footprint of products and services, established by Article 21 of Italian Law 221/2015.

The certification scheme is managed directly by the Ministry of the Environment and Energy Safety (MASE) and is based on the PEF (Product Environmental Footprint) methodology, which is focused on assessing the environmental footprint of products and services according to an approach based on their life cycle (LCA). The goal is to measure the environmental impacts of a product or service throughout its life cycle.

"Made Green in Italy" aims to promote Italian products with high environmental performance (whose quantification is scientifically reliable) on the market and seeks to make products recognizable to consumers with its logo, so as to encourage more conscious choices.

With the achievement of this important certification, Servizi Italia continues on its concrete sustainability path.

It is essential for us to study and assess the environmental footprint of our services so that we can focus environmental impact mitigation and reduction interventions in those areas of the supply chain that have the biggest impact.

4.1 Energy Consumption

302-1 | 302-2 | 302-3

Material Topic	Commitment	SDGs
Energy consumption, emissions, and climate change	This includes activities aimed at reducing pollutant emissions, including making production systems more efficient and increasing the share of renewable sources in the energy mix. In addition to this, Servizi Italia expects to be able to positively influence the supply chain to also steer external services toward alternative energy sources.	

Over the past two years, the focus on environmental issues has been catalyzed by energy-related aspects. By their very nature, laundry activities are highly energy-intensive, and the pursuit of operational efficiency is a key lever for countering not only economic price increases, but also environmental impacts, consistent with the United Nations 2030 Agenda. With this in mind, the Group is constantly working to find solutions to improve energy efficiency and enhance the performance of plants at its various production sites; most of the activities conducted in this regard have focused on reducing energy waste. The replacement of two steam generation plants at the sites of Montecchio Precalcino (VI) and Pavia di Udine is also noteworthy, as well as the installation of a photovoltaic plant in Turkey that allowed self-producing 347 MWh of energy from renewable sources.

Energy consumption trends are constantly monitored with analyses and comparisons of the specific consumption of energy used, such as methane (Italy, Turkey), electricity (Italy, Turkey, Brazil), thermal energy (Italy), eucalyptus wood from certified suppliers and characterized by a high growth rate (Brazil), diesel (Brazil), and coal (Turkey).

Servizi Italia maintained ISO 50001 certification at all Italian sites and renewed EMAS registrations where already present. Of note in this regard is the important recognition received from ISPRA in November, which awarded Servizi

Italia the prize for "**Most Communicatively Effective Environmental Statement.**" This recognition confirms the Group's commitment to monitor its consumption and impact and to evaluate opportunities for improvement, with a view to reducing consumption and improving the energy efficiency of its plants.

With regard to the Italy area, it should be noted that sterilization plants for surgical instruments located within client hospital facilities are not included in the energy and water consumption and emissions reporting because the management of utilities is in most cases the responsibility of the owner (Contracting Station). The sterilization plants in which the energy utilities are fully borne by Servizi Italia are within the reporting perimeter and included in the tables in the Annexes section. Nevertheless, Servizi Italia makes a daily commitment to the proper and rational use of the energy resources necessary to provide the services, in compliance with the instructions given in the specifications and by the customer itself.

The Group's total energy consumption during 2023 amounted to 1,173,324 GJ, down by 0.32% compared to 2022. Among the most significant changes that contributed to the reduction in energy consumption, we highlight

FOCUS ON

EMAS Italy 2023 Award: Servizi Italia among the Winners

At the 2023 edition of Ecomondo, the Ecolabel and Eco-audit Committee and ISPRA wished to give recognition and visibility to certified organizations by awarding those that have best interpreted and applied the guiding principles of the EMAS scheme.

Servizi Italia was awarded for the most communicatively effective Environmental Statement: an important recognition and the result of thorough work carried out with a focus on usability and communicative immediacy.



The jury called our environmental statement "An outstanding example of informative completeness, conciseness, and communicative effectiveness."

on the Italian perimeter a 4.6% decrease in methane gas consumed and 3.3% reduction in electricity; this result was achieved largely thanks to the inclusion of new high-efficiency machines and boilers, as well as specific energy efficiency actions.

In order to accurately measure the energy efficiency of the entire Group, it was decided to change the method of calculating the GRI 302-3 indicator on **energy intensity by relating total energy consumption in GJ to the Group's revenues from sales and not just to the kg processed by some laundries**. The indicator thus calculated makes it possible to monitor the energy savings achieved by the Group.

The amount of **electricity** purchased by the parent company from **certified renewable sources** slightly decreased, accounting for about 52% of total purchased electricity.

At the Group level, 37,5% of the total energy consumed is produced from renewable sources. On this front, the Group confirms its commitment to increasing the share of energy from renewable sources over the next few years.

More information is available in relation to the Group's performance in the Annexes section.

Automotive Fuels

As part of the Group's commitments to reduce the consumption of energy resources, and consequently the release of greenhouse gases into the atmosphere, the focus on automotive fuels is also included.

Industrial laundries are located outside of healthcare facilities and as a result, logistical transportation to and from the facilities is required for the pickup and delivery of textile materials; this activity is carried out with owned vehicles or through qualified third-party suppliers to which the service is outsourced. Over the years, the Group has consolidated its own logistics-distribution model capable of achieving a good compromise between punctuality and quality of service, optimizing daily routes and trips; however, many demanding challenges have

ENERGY INTENSITY			
Type of consumption	UoM	2023	2022
Non-renewable sources	GJ	613,432	626,359
Renewable fuels	GJ	402,541	391,429
Self-generated electricity from renewable sources	GJ	1,250	0
Purchased electricity	GJ	114,899	115,999
Self-produced electricity and electricity sold/transferred to the grid	GJ	-193	-379
Purchased steam	GJ	41,395	43,642
Total energy consumption within the organization	GJ	1,173,324	1,177,050
Revenues from sales	€M	287,915	270,313
ENERGY INTENSITY	GJ/€M	4.08	4.35

been posed by the current environment and for this reason, further efforts are planned to optimize logistics processes and improve transportation management.

Even though fuel consumption associated with benefit car use accounts for a very small part of the total, Servizi Italia still felt it was important to take concrete action where it could, issuing a new car policy in which full electric alternatives were included for the majority of the car fleet. The intention is to include at least one electric or hybrid car in each category in the near future. In the meantime, electric vehicle charging stations have been installed at the main laundry sites, and a carpooling service has also been started at the Italian sites for which a Home - Work Commute Plan has been adopted.

Automobiles used by employees for work needs are provided by long-term rental services, subject to special

internal regulations consistent with the above policy. Regarding the consumption of fuel for internal logistics, the trend in 2023 was in line with what was reported in 2022 (-0.7%). More information is available in relation to the Group's performance in the Annexes section.

4.2 Polluting Emissions into the Atmosphere

305-1 | 305-2 | 305-3 | 305-4 | 305-7 |

Material Topic	Commitment	SDGs
Energy consumption, emissions, and climate change	This includes activities aimed at reducing pollutant emissions, including making production systems more efficient and increasing the share of renewable sources in the energy mix. In addition to this, Servizi Italia expects to be able to positively influence the supply chain to also direct external services to alternative energy sources.	

The control of polluting emissions into the atmosphere, and consequently the Group's commitment against climate change, requires in-depth and constant analyses of the quantity and quality of gaseous effluents resulting from daily activities, in compliance with regulations and the objectives we have set for the medium to long term.

At the Group's production sites, the most significant emissions are nitrogen oxides (NOx) from combustion plants used for the production of technological steam. At the Italian sites, all the steam generators are fueled with natural gas, thereby minimizing emissions of sulfur oxides and dust into the atmosphere. At the Brazilian sites, since the steam generators are wood-fueled, atmospheric emissions also involve the dust parameter; to contain dust, the emission chimneys are equipped with ash and particulate abatement systems. Thanks to investments made to replace steam generators, there was a 12% decrease in nitrogen oxides emitted into the atmosphere in 2023, despite the extension of the reporting perimeter to the Wash Service facilities subject to voluntary analysis.

To accurately control these emissions, all sites periodically carry out burner combustion adjustment and calibration activities, specific analyses of the gaseous effluents conducted by external laboratories and continuous monitoring of

the quality of the fumes by means of probes.

More information is available in relation to the Group's performance in the Annexes section.

Greenhouse Gas Emissions

With regard to greenhouse gas emissions, the Group's commitment is aimed at constant reduction and control, in close correlation with the control of the consumption of energy resources used for its business directly and indirectly.

The Group's carbon dioxide equivalent emission balance (Scope 1 + Scope 2 Location-based + Scope 3) for 2023 is 53,315 tons of CO₂ equivalent, down 1.1% from 2022.

Total tons (Scope 1) of carbon dioxide equivalent increased by 1.2% in 2023 compared to 2022, due to the use of coal at the Antalya plant in Turkey, offset by the numerous efficiency actions implemented to optimize the use of the laundry facilities and despite the entry of the new sites mentioned in the reporting perimeter noted at the beginning of the document; there was also a decrease

FOCUS ON

How are the emissions of CO₂ equivalent broken down?

- **direct emissions - Scope 1,** attributable to the combustion of methane gas, diesel, coal and wood for production purposes and the use of fuels for the refueling of transport vehicles (diesel, gasoline and methane) owned and controlled by the Group;
- **indirect emissions - Scope 2,** from electricity and steam generation imported and consumed by the organization; the importer is indirectly responsible for the emissions generated by the supplier for the production of the required energy;
- **indirect emissions - scope 3,** related to fuel consumption for logistics services not directly operated by the Group (transportation and downstream distribution - cat. 9 GHG Protocol Corporate Value Chain Standard), excluding inbound logistics related to supply flows.

(-3%) in the tons of Scope 2 - Location based emissions emitted compared to 2022. On the other hand, the trend related to Scope 2 - Market-based emissions appears to be on the rise (+7.3%) due to the reduction in the purchase of electricity from renewable sources and the delay incurred in commissioning the photovoltaic plants. Indirect Scope 3 emissions are also decreasing (-11.9%) from the 2022 figure.

Similar to the GRI 302-3 indicator, the GRI 305-4 indicator on GHG emissions intensity was also modified to allow monitoring the GHG emissions of the entire Group over the years in order to objectify the energy savings achieved.

The total CO₂eq emissions from this year are therefore related to the entire turnover of Servizi Italia and not just the kg processed by some laundries. This revision allowed Scope 3 to be included in the GHG emissions intensity calculation in addition to the Scope 1 and Scope 2 - Location based emissions already previously reported.

More information is available in relation to the Group's performance in the Annexes section.

GHG EMISSIONS INTENSITY

Type of consumption	UoM	2023	2022
Total Scope 1 emissions	tCO ₂ eq	37,374	36,932
Total Scope 2 - Location Based	tCO ₂ eq	10,611	10,939
Total Scope 2 - Market-based	tCO ₂ eq	8,742	8,148
Total emissions Scope 1- Scope 2 - Location Based	tCO ₂ eq	47,985	47,871
Total Scope 3	tCO ₂ eq	5,330	6,053
Total emissions	tCO₂eq	53,315	53,924
Revenues from sales	€M	287,915	270,313
GHG EMISSIONS INTENSITY	tCO₂eq/€M	0.19	0.20

Also in view of the CSRD reporting requirements, the Group is aware of the need to carry out a structured climate scenario analysis aimed at examining in detail the physical and transitional risks related to climate change over the short, medium and long term, in accordance with the most widespread international frameworks such as the TCFD (Task-force on Climate-related Financial Disclosure).

Also aware of the importance of the availability of reliable and complete information regarding the climate-changing emissions (GHG) generated by the organization, the Group is committed to defining a pathway that will lead to the in-depth examination and quantification of Scope 3 emissions, in order to complete the GHG inventory of the organization referred to the entire Servizi Italia Group. This effort also goes in the direction of ensuring compliance with CSRD disclosure requirements, particularly the disclosure requirements of ESRS E-1.



Ultimately, this commitment will allow us to consider establishing a GHG emission reduction target that is compatible with commonly understood European and international goals, particularly the goal of limiting global warming to 1.5°C above pre-industrial levels.



Detail of bees living at the Castellina (PR) facility

4.3 Management of Water Resources

303-1 | 303-2 | 303-3 | 303-4 |

Material Topic	Commitment	SDGs
Water use and management	Servizi Italia adopts specific recirculation systems that allow careful resource management and a significant reduction in consumption per kilogram processed. At the same time, through the use of sustainable chemicals and constant monitoring, the quality of wastewater discharge is overseen in compliance with the limits imposed by the permits issued by current regulations.	 

Water Supply and Use of Water in the Production Process

In industrial laundry activities, it is immediately apparent how water necessarily constitutes a significant environmental aspect; at the Group's production sites, the company uses groundwater resources emitted by means of wells or water from the public water supply system. In order to meet the peak water demand for washing processes, the water withdrawn from wells or from the aqueduct is stored in tanks and, before being used, is softened by ion exchange resin softeners. After the softening process, the water is sent to the storage tank for being used in the washing machines and to the osmosis plant for producing steam. The feeding capacity of the machines used for washing is adjusted and fractioned appropriately depending on the work phase and type of product to wash.

Water is used in washing processes (of both linen and surgical instruments) and to power the steam generators; for this reason, water resource management (understood as rationalization of withdrawals and optimization of consumption and recovery) is a significant environmental aspect and a constant objective for the Group, even more so in this historical moment with one of the worst water shortages in history. It is with this in mind that Servizi Italia approves annual environmental improvement plans which include specific goals associat-

ed with water consumption.

Globally, 68% of the water used by Group sites comes from water-stressed areas¹⁹, of which about 61% comes from wells and 39% from aqueducts. During 2023, water withdrawals from high water-stressed areas decreased by 5.4% (while the redistribution of the supply mix remained almost unchanged).

This improvement was made possible by the installation of an ultrafiltration plant at the Montecchio Precalcino (VI) site, which enables the reuse of discharged water in the production process, and the revamping of the treatment plants in Travagliato (BS) and Pavia di Udine, which made it possible to make water consumption in production processes more efficient as well as to significantly improve the quality of discharged water (-75% surfactants discharged).

Numerous initiatives have been implemented at the Group's sites to promote the rational use of water and the optimization of water withdrawals. These include installation of process water recovery systems, modification and modernization of washing machinery, and annual validation of production processes to ensure the right balance between product/service quality levels required by the customer and industry technical standards. Moreover, specific water flow meters have been installed at various Group plants in order to identify any anomalies

or leaks and initiate specific interventions.

The **water withdrawal in 2023 totaled 1,726 megaliters (ML), down 6.3% from 2022**, mainly associated with the efficiency of washing processes and the installation of water recovery systems.

More information is available in relation to the Group's performance in the Annexes section.

19. The Aqueduct Tool was used to identify the level of water stress, and all areas with a medium-high or higher water stress classification were considered water stress areas. For more information, see <https://www.wri.org/applications/aqueduct/water-risk-atlas/>

We have no water to lose!



Water scarcity is an issue of growing interest and strategic importance, as water availability is rapidly declining under the pressure of numerous factors, including population pressure, agricultural and industrial development, growing demand for food, and climate change. The issue of water scarcity is becoming increasingly important, and companies in our industry can no longer ignore the fact that water is indeed "blue gold" and must quickly implement policies to recover and save the resource.

Servizi Italia adopts specific recirculation systems that allow **careful resource management** and a **significant reduction in consumption** per kilogram processed. In particular, we have equipped our facilities in Bolzaneto (GE) and Montecchio Precalcino (VI) with plants for wastewater recovery by means of ultra and nanofiltration, which allowed the recovery of nearly 80,000 cubic meters of water in 2023. The installation of a third plant is planned in 2024, increasing the total amount of recovered water to more than 200,000 cubic meters.



Liquid effluent and wastewater discharges

The wastewater resulting from the production processes is conveyed to the internal wastewater collection network and discharged into the surface water body or into the sewerage system, after appropriate treatment.

At most of the Group's sites there are specific discharge authorizations with quantitative and qualitative limits on wastewater. All sites are equipped with procedures for the control of wastewater treatment plants, plant management booklets, and periodic internal and external analyses are carried out to verify the reliability of the purification process with respect to the required standards.

Surfactants, nitrogen compounds, suspended solids, chlorides, mainly characterize the water coming from activities belonging to the sector in which Servizi Italia operates. The internal purification plants are specifically sized and designed for the abatement of these contaminants. The internal analyses carried out daily and periodically by external laboratories specifically evaluate the above parameters, in order to constantly monitor the efficiency of the purification system according to the characteristics of the sector. For discharge purposes, the characteristics of the receiving water body have been taken into account and the qualitative and quantitative parameters of the discharged wastewater have been realigned accordingly.

The Group confirms its commitment to controlling the quantity and quality of water discharges resulting from its activities, in compliance with mandatory regulations and internal objectives consistent with its environmental management system.

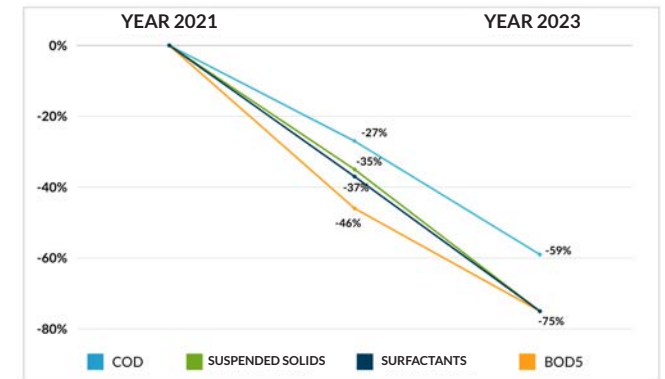
The production sites in the various countries are equipped with internal wastewater treatment plants, which ensure that the outgoing water complies with the values laid down in the site authorization measures and

the relevant binding regulations, both in the case of discharge into surface water (equal to 31.9%) and in the case of discharge into the sewerage system (equal to 68.1%).

In order to guarantee the established level of wastewater quality, chemical analyses of wastewater are carried out at all plants, both internally and by external laboratories, with the frequency prescribed by site authorization measures or internal procedures.

In this regard, the efforts Servizi Italia has undertaken in recent years to ensure better quality of discharged effluent have yielded excellent results. The revamping of the Montecchio Precalcino (VI) and Pavia di Udine treatment plants, combined with other efficiency and consolidation measures at the existing treatment plants, resulted in 2023 in a 75% reduction by weight in COD (chemical oxygen demand), BOD5 (biochemical oxygen demand after 5 days) and surfactant values, as well as a 59% reduction by weight in discharged surfactant values compared to 2021.

Servizi Italia is committed to continuously improving the



quality of the effluent discharged through the continuous modernization and efficiency of the treatment plants.

More information is available in relation to the Group's performance in the Annexes section.

4.4 Consumables and Packaging Materials

301-1 | 301-2

Material Topic	Commitment	SDGs
Materials and packaging	Choosing to use packaging with percentages of recycled plastic or bioplastic contributes to less use of virgin plastic and less dispersion of plastics and microplastics into the environment. Choosing to put customers' laundry in sustainable packaging helps raise awareness and sensitivity among recipients as well, triggering a virtuous circle throughout the chain.	 

Packaging

In order to carry out its activities, the Servizi Italia Group purchases different types of packaging materials that are used within our production sites. Among the packaging purchased, a distinction can be made between packaging supplied to the customer for the collection of linen to be treated and packaging used for the final packing of the sanitized linen and for the sterilization of the surgical instruments to be sent to the customer, the disposal or recovery of which is therefore the responsibility of the end user.

The objectives that the Group sets itself to promote the environmental sustainability of its packaging concern the use of packaging characterized by minimum thickness in plastic and made up of percentages of recycled plastic. The Group also promotes the recovery of waste paper and plastic packaging at regularly authorized waste treatment sites, with a view to continuously improving environmental performance.

To further emphasize the Group's commitment to reducing virgin plastics and reducing the dispersion of plastics into the environment, the statement has been supplemented with a new indicator highlighting the incidence of recycled materials in packaging used to package processed textiles (GRI 301-2).

The Group also obtained an important recognition for its commitment to ecodesign for the second year in a row, by winning the **CONAI award** for reducing the thickness of polyethylene film, which resulted in considerable savings in virgin plastic placed on the market.

During the reporting period, the total consumption of plastic packaging decreased significantly (-12%) from the previous year, reaching 714 tons. This was achieved through the effective optimization of consumption and a gradual reduction in the thickness of the polyethylene film used to package the washed and ready-to-ship linen.

A significant improvement was also made to the methodology for calculating packaging consumed in 2023: an improved data collection system made it possible to extend reporting to all sterilization plants and to also account for the use, albeit marginal, of paper and cardboard packaging.

More information is available in relation to the Group's performance in the Annexes section.

Chemical substances

Within the Group's production sites, different types of chemical products are used for washing, sanitizing and reconditioning textile products, surgical instruments and cabinets, rollers and containers with which the products are handled directly to the end customer.

FURTHER INFORMATION

What Is the Conai Award?

For the second year in a row, Servizi Italia won the "CONAI Award for Packaging Ecodesign in the Circular Economy - Enhancing the Environmental Sustainability of Packaging" sponsored by the Ministry of Environment and Energy Security. The award's tenth edition was celebrated in 2023; its goal is to reward companies that have invested in **prevention activities aimed at the environmental sustainability of their packaging**.

About 100 companies participated in the call, with a total of more than 350 projects submitted. Each project represents a virtuous case of reducing the environmental impact of packs through levers such as facilitating recycling activities, using recovered material, and saving raw materials.



The Group has set itself the goal of constantly improving the efficiency of washing processes in order to optimize the use of chemicals used in production. In particular, it has paid great attention to the use of environmentally friendly chemicals, which is why all laundry washing processes were performed with Ecolabel products in 2023. There was a nearly constant consumption of chemicals in 2023 compared to 2022 (-1%).

More information is available in relation to the Group's performance in the Annexes section.

FOCUS ON

What Does Ecolabel Mean?

EU Ecolabel is the European Union's ecological quality label for products and services that, while guaranteeing high performance standards, have a low environmental impact throughout their life cycle.

The marking was established in 1992 by Regulation 880/92 and is now governed by Regulation (EC) 66/2010 in force in the 28 countries of the European Union and the countries belonging to the European Economic Area-EEA (Norway, Iceland, Liechtenstein).



One of the activities of the Santa Gemma project is the recovery of textiles that have reached their end of life. Torn or irreversibly stained sheets can be transformed into pillowcases or crosspieces that can be put back into the production cycle.

Textile Garments

As of 2023, Servizi Italia has also introduced textile garments owned by the Group and subject to the wash-hire service into the reporting scope. The garments purchased by Servizi Italia are mainly made with cotton and synthetic fibers in varying percentages depending on the garment's end use and customer requirements.

The textile recovery and enhancement projects implemented by Servizi Italia starting in 2023 made it possible to reduce textile consumption from 2,554 tons purchased in 2022 to 2,482 tons in 2023 (-2.8%).

Above all, the circular economy and industrial symbiosis projects developed in Italy, such as the "Santa Gemma" project, allowed reducing the purchase of textile garments by 9% by 2023 (Servizi Italia S.p.A. only).

4.5 Responsible Waste Management

306-1 | 306-2 | 306-3

Material Topic	Commitment	SDGs
Responsible waste management	Proper waste management, by first preventing it from being produced and then sending it for recycling, enables people to reduce their carbon and water footprints. Specifically, in the case of Servizi Italia, recycling and reusing textiles would reduce the use of virgin materials. The introduction of new recovery and recycling activities could also have positive social impacts, generating new industries and new employment prospects.	12

The Group considers the generation of special waste, both hazardous and non-hazardous, to be one of the most significant environmental issues due to the volumes generated. For this reason, where possible, the Group favors recovery operations rather than disposal of the waste generated during the production cycles, with the commitment to carefully select the suppliers providing the final disposal/recovery service.

The Group launched several industrial symbiosis projects in Italy in 2023, all aimed at enhancing the waste produced and giving it new life. One such project resulted in the recovery and enhancement of end-of-life mattresses.

Waste production for the reporting year increased by 7.8% compared to 2022, mainly due to the extraordinary maintenance carried out on the Montecchio Precalcino (VI) treatment plant, which allowed the installation of the water recovery plant, and improved management of textile waste.

More information is available in relation to the Group's performance in the "Annexes" section.

FURTHER INFORMATION

REDUCE - REUSE - RECYCLE

We recover end-of-life mattresses to create second raw materials and reduce the use of virgin polyurethane

We recovered more than 28,000 mattresses over the three-year period 2021-2023, saving about 20 tons of virgin polyurethane and contributing to a 59% reduction in climate-altering emissions, 58% reduction in acidifying gases and 47% reduction in water eutrophication.

One of the circular economy projects developed by Servizi Italia in 2023 involved the recovery of mattresses used in the wash-hire service that had reached the end of their useful life, transforming them from waste into resources from which value can be extracted again. This goal was made possible thanks to a collaboration with an Italian company that reintroduces polyurethane from end-of-life mattresses into new production cycles, reusing it as a new raw material to make other products. This process allows eliminating the production of more than 100 tons of waste and, more importantly, avoids placing on the market an equal quantity of virgin polyurethane produced from the processing of fossil fuels.





5

THE VALUE OF PEOPLE

5.1 Recruitment and Employment

5.2 Employee Listening and Change Management

5.3 Remuneration Policies

5.4 Employee Training and Development

5.5 Diversity and Equal Opportunities

5.6 Occupational Health and Safety

5.7 Welfare, Well-being, and Social Serenity

5.8 Industrial Relations



People are a key element in a company's growth. Close-knit, valued people who recognize themselves in the company's values make it possible to face ever greater challenges in an increasingly dynamic and competitive scenario. Creating stable and continuous employment, as well as ensuring a healthy working environment in which employees feel protected, are central aspects of the relationship between and with the people of the Group.

Human resources are an increasingly strategic element for the success of organizations, but the potential conflict between professional and private life is a threat to the health and well-being of people and to the very development of the organization. It is therefore not only an ethical question of social responsibility for a company, but also an objective of corporate business and public interest.

Over the course of these years, we have made remote working structural and we have implemented flexibility policies that make it easier to manage different care burdens, so that no one needs to feel as if they are forced to choose between career and family responsibilities.

5.1 Recruitment and Employment

2-7 | 2-8 | 401-1 | 401-3 | 405-1

Material Topic	Commitment	SDGs
Human capital management and employee development.	The Group's ability to develop skills and support the professional growth of staff, enhancing corporate know-how. The ability to retain resources, including through the availability of corporate welfare, work-life balance and well-being practices, can affect the relationship with the local area and the community within which the company operates, as well as being a place for growth. The ability to create a well-established and structured corporate culture can have positive repercussions throughout the chain, since in order to work with the Group, its partners and customers will need to share its principles and values.	 

The Servizi Italia Group employs the majority of its resources in the production areas (industrial laundries, sterilization plants, warehouses and storerooms for material distribution). The distribution of resources is proportionate according to the service, which must always be guaranteed regardless of context conditions.

The Group's employment levels remain largely stable; as at 31 December 2023, the **workforce had 3,546 employees** (3,553 in 2022), 87.8% of whom were Factory workers, 10.9% Office workers, 0.9% middle managers, and 0.4% executives.

The activity carried out by the Group is labor-intensive, as despite the automation of some process steps, a large part of the activities still remain manual. It is important to note the presence of a significant number (**96% of permanent contracts**), signifying that the Group offers stable employment opportunities and uses fixed-term contracts only residually to deal with seasonality or possible peaks in work. Most employees are hired on full-time contracts, while part-time contracts are used as a flexibility tool for those who have requested them. Non-employees represent a residual part of the employed workforce (<5%) present mainly in Italy, where outsourced staff contracts are an alternative to the fixed-term contracts given the regulatory rigidities that severely limit the use of the latter.

During 2023, 1,512 people were hired throughout the Group, with an incoming turnover rate of 43%, but with substantial differences at the geographical level related to the particular labor market characteristics of each country.

Concerning parental leave, the companies guarantee equal access conditions for men and women in the countries where the Group operates, in compliance with local regulations in force. In 2023, 65 men and 97 women took parental leave, with a rate of return to work as at 31 December 2023 of respectively 87.5% and 80%. The figure confirms last year's trend regarding parental leave taken by men, reflecting a better balance of family loads; however, there were fewer births in 2023 and consequently, fewer requests for mandatory leave from women. Retention rates remain high in both cases (around 70%), confirming the company's commitment to supporting workers in reconciling work and private life, and in fact confirming the effectiveness

of related company policies.

During 2023, a mentoring program for new hires was developed, ensuring that each new addition to the company is an opportunity for growth and exchange. Welcoming people to join the Servizi Italia team in a structured way fosters the transfer of knowledge and skills between different generations, creating a work environment full of different ways of thinking and diverse experience.

More information is available in relation to the Group's performance in the Annexes section.

5.2 Employee Listening and Change Management

403-6

For a close-knit, yet open and stimulating work environment to be created, it is essential to open channels of internal dialogue and communication that bring all employees closer together and make them participants in company activities. Listening to and satisfying the needs of your employees is a significant advantage in a highly competitive market like today's. The Group communicates through its website, social media, mailing list, company bulletin boards, company intranet, and from the end of 2022, also through a Digital Signage system through which an editorial plan has been shared that includes information related to health, safety prevention, brand, environment, and quality.

Servizi Italia has been operating in the industrial laundry industry for more than 35 years, adapting and modifying its strategy as the market changes, often anticipating future trends and positively influencing industry practices. Normalizing confrontation, even when it is necessary to talk about "things that don't go well," and making listening a shared practice are two goals that Servizi Italia is steadily pursuing to create an increasingly integrated and compact

team. In fact, professional training goes hand in hand with dialogue and listening: starting with what we wish to learn, what is not working properly and what is missing is a key step in creating appropriate development and refresher plans that can fill objective gaps in the operational skills required by the role; defining the value framework and strategy so that each employee can make them their own; and consolidating the awareness that training is a strategic lever for corporate growth as well.

Servizi Italia applies a "**Succession Planning**" policy (last updated March 2021) that ensures business continuity and facilitates generational change within the company through the definition of structured steps and succession tables for executives with strategic responsibility, senior managers, key roles and special roles in the organization, thereby reducing uncertainty in business management and allowing to select the best possible replacements. In addition, the succession policy aims to foster the professional growth of internal company figures with leadership skills and ensure the corporate sustainability of role changes through the identification of short- and medium-term successors for all strategic management positions.

Also with a view to listening, the "**SI Ascolta**" desk was established in 2023 as a place where employees can draw on their own experience to share ideas for improvement and proposals for initiatives aimed at fostering better inclusion in the company. Managed by the Diversity Manager, it is a direct point of contact for improving aspects such as accessibility of services, working together on company policies, and proposing initiatives to foster integration and inclusion regardless of age, gender, sexual orientation, culture, or religion.

5.3 Remuneration Policies

2-19 | 2-20 | 2-21 | 405-2.a

Remuneration policies aim at rewarding people and their contribution based on fair and meritocratic criteria, which are shared transparently in the different valuation processes. The Group's remuneration system differs depending on the corporate position and includes a compensation component and variable incentive schemes by objectives and benefits. The Group offers new recruits and their employees a remuneration package in line with best market practice and in compliance with the minimum standards laid down in the regulatory references in force in the countries where it operates.

The remuneration policy is aimed at recognizing, in a fair and practical way, the commitment and contribution of people to the success of the company. Salary levels depend on people's role and responsibilities, reflecting their experience and skills, the level of excellence demonstrated and the overall contribution to the business without discrimination. In no case have remuneration levels been established below the local minimum remuneration for the reference category of new recruits. The company's supplementary agreement, signed between the company and the trade unions, includes a result bonus based on economic performance and productivity indicators.

There is a bonus linked to performance evaluation and results, also ESG results, for senior roles (annual bonus system plan and long term incentive cash plan), while there is a performance bonus for the entire remaining corporate population.

Through the implementation of the incentive plans, Servizi Italia intends to promote and pursue the following objectives:

- link the remuneration of key corporate resources to the actual performance of the company, to sustainable

success and to the creation of new value for the Servizi Italia Group, as also advocated in the Corporate Governance Code of listed companies;

- steer the company's key resources toward strategies for pursuing economic and financial results and greater pervasiveness of the topic of business activity sustainability, integrated into its strategic prospects;
- align Top Management's interests to those of shareholders and investors;
- introduce retention policies aimed at building the loyalty of key corporate resources and encouraging them to remain with the company or the Group.

For further details, please refer to the "Remuneration Report 2023".

In order to assess the positioning of the remuneration package granted to directors, managers, top executives, staff and line managers in relation to the market, the Group regularly conducts a remuneration placement analysis for the leading positions and key positions of the company (broken down into executives, middle-managers and Office workers) by conducting a benchmark analysis with respect to the target market, with the help of specialized supplier and/or market surveys published by recognized sources. The analysis takes the market as a reference by considering a collection of comparable companies by business sector, by size (in terms of turnover and number of employees), by type/characteristics and weight of role (defined by job description analyses, purpose and responsibility of the role), in order to make the comparison homogeneous also between different companies.

The remuneration structure is based on two items defining the overall remuneration:

- **Gross Annual Remuneration:** generally determined by taking into account professional specialization, the organizational role held and the related responsibilities;
- **Variable Remuneration:** determined to reward the results achieved, based on individual targets allocated annually or

over the medium-long term and which are motivational and retention elements. The objectives may, therefore, be both quantitative, i.e., numerical objectives (absolute values, percentages and/or indices), and qualitative (in any case measurable through observable behavior).

The latest analysis results showed that Servizi Italia's overall positioning is in line with the target market, both in terms of gross annual compensation, variable compensation, and thus total compensation.

It should be noted that with regard to operational staff, any increases in the pay component may occur, in addition to the application of the NCLA (National Collective Labor Agreement), due to the appreciation of professionalism, skills, and abilities.

The ratio of the annual total remuneration of the person receiving the highest remuneration to the median annual total remuneration of all Group employees excluding said person was 17.93 in 2023, 21.08 in 2022.

The ratio of the percentage increase in the annual total pay of the highest paid person to the median percentage increase in the annual total pay of all employees is 0, because the highest paid person within the Group had no pay increases during 2023²⁰.

In the interest of greater transparency and downstream of the certification process according to UNI/PdR 125:2022 related to gender equality, we have chosen to include indicator 405-2.a "Ratio of women's to men's basic salary" and "Ratio of women's to men's total remuneration." Regarding the first indicator ("Ratio of women's to men's basic salary"), this is always equal to 1 since the basic salary, for the same job, is the same for men and women and corresponds to what is established by collective agreements and/or legislation in force in the reference countries.

On the other hand, with regard to the second indicator ("Ratio of women's to men's total remuneration"), the ratio is basically equal to 1 for the blue-collar category, while there is a significant deviation for the other occupational categories (for Office workers and managers the ratio is 87%, while for middle man-

agers it is 68%²¹).


In this regard and as part of the activities under UNI/PdR125:2022 certification, an improvement plan aimed at improving the gender pay gap has already been launched for Servizi Italia S.p.A.

20. Annual total compensation includes base salary in the form of annualized Gross Annual Remuneration as at 31 December non-monetary benefits, bonuses (ABS), and LTI (target values). Overtime and other components related to non-structural factors of pay are excluded. The highest paid individual during the fiscal years analyzed is the General Manager. Target values, i.e., 100% of the achievable award, were considered for the variable part of the compensation because the actual amounts paid are not available as of the date of publication of the NFS. Full-time equivalent pay (FTE) rates were used for part-time employees.

21. The figure is affected by a distorting effect due to a particular salary situation. Net of this effect, the ratio of middle managers would be equal to 80%.

5.4 Employee Training and Development

2-17 | 403-5 | 404-1

Material Topic	Commitment	SDG
Human capital management and employee development	The Group's ability to develop skills and support the professional growth of staff, enhancing corporate know-how. The ability to retain resources, including through the availability of corporate welfare, work-life balance and well-being practices, can affect the relationship with the local area and the community within which the company operates, as well as being a place for growth. The ability to create a well-established and structured corporate culture can have positive repercussions throughout the chain, since in order to work with the Group, its partners and customers will need to share its principles and values.	 

Listening and discussion are the pillars that hold up the training paths within Servizi Italia. Normalizing dialogue and making listening a shared practice are two goals that Servizi Italia is steadily pursuing to create an increasingly integrated and united team. In fact, professional training goes hand in hand with dialogue and listening: starting with what we wish to learn, what is not working properly and what is missing is a key step in creating appropriate development and refresher plans that can fill objective gaps in the operational skills required by the role, as well as defining the value framework and strategy so that each employee can make them their own. Training is a strategic lever for corporate growth; we therefore started from this point to follow up on our commitment to putting people at the center by building training paths that promote an organizational culture based on cooperation, communication, and the ability to work toward a common goal as a team. The pathways over the past year have shared the common denominator of commitment to promoting the value of internal communication, the importance of sharing across departments, sustainability, and the value of safety within our workplaces.

One of the pivotal moments this year was the path that led to defining new corporate values, which consolidated our organizational culture through a new way of communicating, steering us toward innovation and continuous improve-

ment. We built a training project to do this that included mixed work tables with colleagues from different departments and encouraging internal training to update our skills.

We thus invested in pathways that placed the importance of teamwork at the center, creating moments dedicated to tracking efficient and shared work methodologies and consolidating a positive and inclusive climate.

In order to facilitate cooperation, we also organized an off-site meeting with different departments (HR, QHSE, Operations) where we reflected on aspects related to our ethics and morals and new organizational theories in order to reach a shared awareness and willingness to act toward a common, though not equal, goal.

Focus groups were set up to analyze issues regarding our certifications (especially environmental and Family audit certifications) and processes together which will be implemented in future years, such as the pathway on corporate leadership that will be fully implemented in 2024.

Once again this year, the willingness to engage with the outside world and to be inspired was confirmed with participation in events such as Wobi and the Sales Marketing Forum, where we had the opportunity to gather new insights useful for our organization.

As far as internal training is concerned, we built an articulated training course that was open to all but strongly oriented to our sales training, in which several colleagues became the lecturers, transferring their knowledge and skills. Various topics were covered: from updating the new procurement code, to an in-depth study of the solutions we can offer our clients, as well as notions of business organization, and aspects related to budget creation.

Moreover, in the spirit of enhancing internal communication, corporate identity, and training, we created the basis for an internal project, identifying colleagues recognized as "ambassadors" to share and bring more in-house issues related to brand identity, cybersecurity, and netiquette.

During 2023, the **Group provided a total of 31,073 hours of training, equal to 8.76 hours per employee**, involving 68.9% Factory workers, 26.7% Office workers, 3.6% middle managers and 0.8% executives. The significant increase in the number of training hours provided (+46%) certainly stems from a greater enhancement of training activities, both in terms of tracking and in the willingness to open up to different dimensions.

As mentioned, 2023 was a year of significant changes not only in terms of organization, but also in terms of culture, thus leading to the desire to create training paths that could

FOCUS ON

The Academy of Servizi Italia

Always with a view to developing internal resources and enhancing internal know-how, 2023 saw the launch of the **Servizi Italia Academy**.

The project stems from the need to cover the lack of profiles currently in the labor market through an internal growth path of potential roles that can meet the future needs of our production departments, enhance continuity, and also facilitate the inclusion of new technologies. Colleagues from the Technical Office were fully involved in this training scenario, who also transferred their skills through testing and workshops. The training will end in 2024 with the goal of creating effective internal growth paths not only in terms of training but also in terms of role.

Given the success of this initiative, it was deemed useful to broaden the Academy's reach and make it a true skills repository for specially designed training programs.



support the company's strategic goals as well. We worked on several dimensions, enhancing technical skills (sales training, "Academy" project, Excel, legal and HR administrative area) and increasing the space for cross-cutting skills (team coaching, netiquette, values, leadership model), while always strongly maintaining the desire to work in a perspective of quality, sustainability, safety, and empowerment.

The number of training hours also increased in Brazil (+59.4%). This result partly stems from a larger employed workforce, which needed more training hours to be integrated. In addition to this, specific courses were also held that did not exist in the past, such as Human Resources and leadership development training.

In line with previous years, in addition to mandatory safety training, complementary training sessions were organized in order to stimulate risk perception and sustainability in the work environment.


In summary, as was the case in 2022, the growth in training hours provided in 2023 was the result of the careful planning and management of training processes, in line with the human centric view, aimed at enhancing the skills of workers and the strategic growth of the company.

Regarding training for the Board on sustainability issues, the scheduled induction plan was held on October 3, 2023. The training included an analysis of the regulatory environment, the organization of reporting at the Group level, the approach to materiality and related commitments, and then moved on to the future evolution of the regulations, with indications of timelines and implementation schedules, and then closed on the topic of the European Taxonomy and possible evolutionary actions.

Here are the main areas of training divided by geographical area.

AREA	TRAINING AREAS
ITALY	Health and Safety in the workplace, Environment and Quality Diversity and inclusive communication Technology and professional skills development UNI EN 37001, 231 MOG certification systems and regulations in general
BRAZIL	Technology and professional skills development Privacy and labor legislation Health and Safety in the workplace, Environment and Quality
TURKEY	Health and Safety in the workplace, Environment and Quality Technology and professional skills development Privacy, policies within the workplace and general regulations

5.5 Diversity and Equal Opportunities

Material Topic	Commitment	SDGs
Diversity, inclusion, and equal opportunity	Promoting gender equality is a necessity of justice in today's society. Fostering gender equality enables talent retention, stimulates innovation, improves corporate reputation and financial performance, translating into long-term positive returns for investors. The Group is committed to respecting everyone's dignity and providing equal opportunities to all employees, rejecting any form of discrimination. Diversity is recognized at all levels as a value to be cultivated in the organization in order to foster the exchange of experiences, and it enables us to grasp the transformations and changes currently taking place, developing an increasingly open corporate culture.	

The Servizi Italia Group operates in different geographical areas featuring a wide differentiation in terms of age and gender. The heterogeneity of resources is the bearer of values and opportunities arising from the different ways of pursuing and achieving the highest levels of performance within a single, broader Group organizational design.

Safeguarding diversity, guaranteeing equal opportunities, and creating a non-discriminatory environment are commitments that the Group has been making for some time now, through the maintenance of SA8000 certification, the adoption by all companies of a Code of Ethics and Social Responsibility Guidelines, as well as, of course, full compliance with the regulations in force in each country where Servizi Italia is present.

We believe that the presence of people of different genders and, in a broader sense, of different cultures/generations/religions/ethnicities facilitates the creation of an inclusive environment, capable of producing new ideas, insights, solutions, and positive performance, as well as fostering the growth of each individual person and the company itself. Diversity management and innovation are two closely related issues, as different life experiences bring different points of view that can then positively impact corporate development.

To meet the talents of today and tomorrow, organizations

must increasingly evolve their Diversity, Equity and Inclusion programs, placing them at the center of their human capital management strategy. People with diverse cultural, professional, and demographic backgrounds are encountered in the workplace, and it is essential to have the right tools for a multitude of needs. Implementing an inclusive policy within companies creates belonging and ensures that employees are treated fairly and given equal professional opportunities.

From this point of view, Servizi Italia believes in the value of people and the wealth of their differences and is committed to ensuring the same professional growth opportunities for all the people in the company. It has formally made a commitment to promote a policy that focuses on diversity, gender equality, women's empowerment, and equal opportunities by defining commitments and guidelines to be implemented through practices and processes for the creation of an inclusive and gender-equal work environment throughout the entire selection, management, development, and career cycle.

More and more workers, especially younger ones, are completely reconsidering their professional needs and preferences. Now more than ever, it is crucial to highlight that the issues that are becoming increasingly important to workers and to which companies need to pay special attention are precisely those related to diversity, equity, and inclusion

(DEI).

Servizi Italia obtained **UNI/PdR 125:2022** Certification in 2023; its objective is to promote the adoption of policies for gender equality and women's empowerment at the company level, as well as to facilitate women's access to the labor market, harmonizing personal time.

More specifically, the certification process led to the development of a strategic plan whose main topics are:

- recruitment, career management, and pay equity;
- parenting, care, work-life balance, and welfare;
- training and professional development;
- abuse and harassment prevention.

Servizi Italia joined the **Valore D network** this year, which is Italy's first association of companies promoting gender balance and an inclusive culture. Joining the network has given us the opportunity to access the Valore D Academy and its training offering with innovative content that seizes new trends to spread an inclusive corporate culture that values all diversity while maintaining a focus on gender equality. The training is aimed at the entire corporate population, men and women, and is diversified by seniority level so as to meet training needs at various stages of professional life, both for those who have just joined the company and for managers in executive positions. In particular, a number

of Servizi Italia employees participated in online meetings in the second half of 2023 on the topics: women in STEM, comparing generations, disability and inclusion, and others.

With a view to inclusiveness and equality, the staff selection and hiring process is governed by special procedures, and the selection of employees is made on the basis of candidates' professional skills and abilities. The Group guarantees equal opportunities for all, without discrimination on grounds of gender, ethnicity, nationality, religion, political opinions, sexual orientation, personal and social conditions. Human resources management processes are applied according to the same principles of meritocracy, fairness and transparency in all countries where the Group operates.

There are many reasons why creating a diverse and inclusive workplace is important: it improves talent retention, helps in terms of social sustainability, and enables better innovation outcomes. However, these motivations alone are not enough to truly maintain diversity, equity, and inclusion. This is an issue that touches hearts and minds and requires a long-term commitment, benefiting first and foremost employees' health and well-being. This is an issue closely related to corporate culture, and for this very reason, in light of the changes that have taken place over the course of this year, Servizi Italia wants to do more, and do it effectively.

The key factor in the path taken by Servizi Italia will be a consistent approach that aims to change the limiting beliefs and behavior patterns associated with diversity and inclusion, making them important for everyone. In order to create a "respectful workplace" that supports transparency and equal opportunity, all employees must feel heard first and then represented, so that they feel their participation is common and shared.

Therefore, a specific communication and training plan that began in 2023 and will also extend throughout 2024 is part of this. The establishment of the direct communication channel with the Diversity Manager, **SI-Ascolta**, also allows the entire corporate population to get in direct contact with the company function so that suggestions and initiatives

aimed at improving inclusion practices can be shared.

At this stage, we convey different kinds of information on this topic through the Digital Signage system installed in the facilities, such as:

- raising awareness on gender violence;
- how to send reports through the whistleblowing and SA8000 channels;
- who the Diversity Manager is and what he does;
- the importance of "non-hostile communication";
- use and purpose of the SI-Ascolta channel;
- sharing social sustainability projects, with special attention to the inclusion of people with disabilities.

In conclusion, it is important to keep firmly in mind the notion that every company operates within society and therefore naturally traces and reproduces its ongoing motions of change, whether related to generational, ethnic, sexual, or other differences. Diversity, equity, and inclusion are a global priority from which a range of laws, regulations, resources, and support have arisen. However, in order to adopt them within organizations, it is important to first examine the composition of the company as a whole and identify its conscious and unconscious biases that hinder progress by listening to employees' experiences.

It is not an easy path, but this is our starting point for making our contribution.

FOCUS ON

Gender-Based Violence: an Urgent Matter for All



Every year, as part of its **#leparolevalgono** communication campaign aimed at promoting the correct and conscious use of language, the Treccani Italian Encyclopedia Institute chooses a significant word. The 2023 word was "femicide." A word that is used too many times: in fact, 120 women were killed in 2023, more than half of them in family or emotional contexts. Gender-based violence is a fact, it is an overt evil in a society evidently founded on misguided archetypes. This must all be fought vigorously at every level to help change the culture and core values of today's society.

With the understanding that change necessarily comes through knowledge, Servizi Italia invited its employees to an educational meeting entitled "Violence against women and its forms. Starting from the basics: stereotypes, dynamics, signals," edited by **Libellula Foundation**, which has been working for years to build an equitable, respectful, and inclusive society, in particular by carrying out customized information and awareness-raising activities on violence and gender discrimination in companies, in order to act concretely on a cultural level.



5.6 Occupational Health and Safety

403-1 | 403-2 | 403-3 | 403-4 | 403-5 | 403-6 | 403-7 | 403-8 | 403-9 | 403-10

Material Topic	Commitment	SDGs
Workers' health and safety	Servizi Italia considers it important to constantly update risk assessment, in line with the evolution of the services provided, by adapting work organization and workplaces, undertaking actions aimed at spreading a real "safety culture," and focusing on specific training and motivational communication and safety awareness projects for workers. Spreading this kind of awareness can affect not only the workplace, but also the social sphere, if we think of the prevention of injuries, accidents at work and diseases (not only occupational).	 

The Servizi Italia Group considers health, safety, and psychophysical integrity a precious asset to be protected at all times, and the Group is committed to developing and promoting a sound safety culture in the sites where it operates in order to ensure a healthy and safe working environment. The constant commitment of each individual, the integration of safety into processes and training, the reporting and analysis of accident near misses, the rigorous selection and management of contractors, human rights monitoring in the supply chain, quality controls and the sharing of experience within the Group are the founding elements of the safety culture.

Servizi Italia Group's commitment to health and safety is based on the following fundamental principles:

- compliance with regulations, adoption of the best standards and sharing of experience;
- creation, implementation and continuous improvement of the Management System for the Health and Safety of Workers consistent with the international standard ISO 45001;
- the reduction of injuries, occupational diseases and other accidents through the implementation of appropriate prevention measures and verification of their adequacy and effectiveness;
- the identification and assessment of all health and

safety risks and the adoption of a systematic approach to eliminate them at the source or, when not possible, minimize them;

- the promotion of information initiatives to disseminate and consolidate the culture of health, safety and organizational well-being (e.g., the Digital Signage project);
- the adoption of working methods inspired by quality and their dissemination through incisive and effective training aimed at firmly combining technical and safety aspects;
- the direct commitment of managers to strengthening a strong leadership culture on safety;
- the adoption of safe and responsible behavior at all levels of the organization;
- the design of workplaces and the provision of equipment and tools suitable for the performance of safety and working activities ensuring the best conditions of health, safety, comfort and well-being;
- the rigorous selection and management of contractors and suppliers and the promotion of their involvement in programs for the continuous improvement of safety performance;
- constant attention to communities, and to all those

who operate or come into contact with the Group's activities through the sharing of a culture of health and safety protection;

- the annual definition of specific and measurable objectives and their continuous monitoring in order to verify their actual achievement through the involvement of top management.

In implementation of its mission and corporate policy, the parent company, Ekolav S.r.l. and Steritek S.p.A. have a Health and Safety Management System in compliance with UNI ISO 45001, which is based on the identification of hazards, qualitative and quantitative assessment of risks, planning and implementation of prevention and protection measures, verification of the effectiveness of prevention and protection measures, and any corrective actions.

All Group companies, including the Turkish and Brazilian strategic shareholdings, and Wash Service, have adopted specific Occupational Safety Guidelines whose objective is to provide guidelines for the management of health and safety aspects in the absence of specific certification.

Therefore, overall, 55.80% of workers are covered by ISO 45001 management systems and 100% of workers (employees and outsiders) are covered by Guidelines adopted by the Boards of Directors of all companies.

The management system involves both the Servizi Italia

staff and contracted staff working in the subsidiaries and it establishes the following:

- prior assessment of risks and their elimination and/or reduction through the application of the most up-to-date technical knowledge;
- identification of the necessary preventive measures and program for their implementation;
- adoption of residual risk mitigation measures, giving priority to collective measures over individual measures;
- active, responsible and integrated intervention of all those involved in safety, involving workers and/or their representatives, from the identification of risk situations to the choice of solutions to prevent and/or reduce them;
- appointment, where provided for, of a competent doctor and preparation of health surveillance for workers dealing with specific risk processing;
- preparation of an information and training program for workers, in order to achieve greater awareness in dealing with risk situations;
- regular maintenance and cleaning of the working environment.

Risk management in the individual Group companies is guaranteed through an analysis and assessment of the risks typical of the workplace and the substances and equipment present in it, for which specific individual and collective prevention and protection measures are identified. In particular, the Employer assesses all risks associated with routine and extraordinary work activities, i.e., the dangers that may cause accidents to the worker, with “acute” effects, and the dangers that result in occupational diseases, industrial hygiene risks, with “chronic” effects.

The main objective of risk assessment is to establish a permanent and consistent management system aimed at preventing, reducing and controlling any possible risk factor

for workers’ safety and health. A fundamental prerequisite for achieving this objective is to identify all the risk factors potentially existing in the company, their reciprocal interactions, and to assess their extent, where necessary, using analytical and instrumental methods.

It is clear, therefore, that risk assessment is the basic and essential tool that allows:

- reviewing the specific operational situations and activities, with reference to tasks, jobs and subjects exposed to potential risk factors;
- identifying the hazards, possible causes, potential consequences and criticality of any possible intervention;
- identifying the prevention and/or protection measures and consequently planning their implementation, improvement and control to verify their effectiveness.

In this context, it is possible to confirm measures already in place or decide to improve them, in relation to organizational or technical innovations in the field of health and safety.

The main health and safety risks to which employees and external associates are exposed, whose workplace is under the control of the organization, regard the performance of operational activities for the provision of services and at the Group’s production sites. These risks were identified by observing the activities and analyzing the near misses reported, as well as the main events that occurred in the last three years, taking into account all types of work-related injuries (death, amputation, fracture, hernia or stress injury, burns, etc.). In particular, mechanical hazards, falls from ladders and road accidents are associated with the main risks that can lead to serious occupational injuries, i.e., accidents from which the worker cannot recover, does not recover or cannot realistically be expected to recover fully to the state of health before the accident within six months. During the year, attention was also paid to risks arising from operator behavior and the work environment. A specific training and

information campaign has been initiated to raise workers’ awareness.

In performing activities also in different contexts than its own operating sites, Servizi Italia guarantees the appropriate management of interference risks through continuous dialogue with the client, so as to identify any critical issues and then prevent, eliminate or mitigate them.

In addition, an initial assessment of the risk of workplace harassment and violence was carried out during 2023, based on Articles 17, 28 and 29 of Italian Legislative Decree 81/2008 through the involvement of the working population (Servizi Italia S.p.A. only), and the subsequent analysis of the results revealed a scenario in which the risk is present. In this regard, a series of mitigation activities have already been planned at the organizational/communication level.

In terms of frequency of occurrence, in 2023 the Group recorded an occupational **injury rate** of 21.50 based on 1,000,000 hours worked, an increase of 7% compared to 2022 (20.06) for employees; on the other hand, an occupational injury rate of 31.21 was recorded for external associates²², an increase of 54% compared to 2022 (20.21). Injuries increased almost uniformly across all three areas considered, hand in hand with an increase in hours worked. It is important to note that the Group companies constantly monitor injury trends and actively take action to reduce the number of accidents. This commitment takes shape through targeted interventions on plant and structural aspects as well as work organization. In addition, special emphasis is placed on employee awareness by implementing special training sessions to ensure greater awareness and attention to occupational safety. During 2023, the Servizi Italia Group recorded one fatal commuting injury (Turkey) and

22. Data relating to the Health and Safety of external associates includes the types of non-employee workers who work at the Group’s sites and/or under the Group’s control, given their significance and the availability of such data over which the Group does not exercise direct control.

one injury with serious consequences for duration (> 180 days) in Italy.

The actions taken to eliminate or minimize the hazards encountered involved raising awareness and educating the staff directly involved in the activities that were the subject of the injury, by sharing the causes and human errors that triggered the accident, and providing training on correct working procedures and methods.

Initiatives aimed at strengthening the system of controls, including on contractors, and integration between business areas and health and safety departments continued in 2023, in order to identify potential risk areas and prevent the occurrence of accidents.

Starting this year, we have included the new indicator 403-10 related to **"Work-related Ill Health."** The complaints received involved Italian workers, and the illnesses were directly related to the risks of manual handling of loads and upper limb biomechanical overload. Please refer to the Annexes section of this document for details.

ITALY

In Italy, internal auditing activities continued in 2023, performed by the managers in charge, both physically and remotely, in compliance with the annual audit plan and mainly aimed at assessing and improving the organization's efficiency in terms of occupational health and safety; similarly, third-party audits carried out by certification bodies for the purpose of issuing the certificate of conformity in terms of health and safety were also conducted, with positive feedback. As a result of the amendments to the Consolidated Safety Act introduced by Italian Legislative Decree 106/2009, with regard to the duties and responsibilities of the Safety Officer, specific internal discussion and refresher training sessions were organized in order to align appointments and skills with the conduct of control and verification tasks for compliance with occupational safety regulations as outlined in Article 18.

The occupational medicine service is carried out by competent physicians identified within the National Register of Competent Physicians (Decree March 4, 2009) appointed at the territorial level. Servizi Italia has also appointed a coordinating physician given the distribution of its production sites across the country.

BRAZIL

In Brazil, all internal rules of safety and occupational medicine comply with the dictates of the legal provisions in force, whether federal, state or municipal, as well as the treaties issued for the Health Service by ANVISA - National Agency for Health Supervision, in addition to Portaria Law 3214/78 of the Ministry of Labor. Similar to the Italian area, health and safety in the Brazilian area take into account the work areas and its specific features regarding the maintenance of machinery and equipment, the control of physical risks (environmental temperature, noise, vibrations, lighting levels, humidity and ventilation), the control of exposure to chemicals used and ergonomics. The health of the worker is determined by aspects related to environmental, production and work organization factors. During the reporting period, monitoring activities continued at the production sites and all applicable legal provisions, whether federal, state or municipal, were complied with.

Occupational medicine services are provided by private clinics that provide safety counseling, where applicable, and by laboratories attached to these clinics.

TURKEY

In Turkey, the Occupational Health and Safety Law in effect since March 2003 and then updated by Law 3631 of 2012 significantly broadens the protections and rights for workers, and increases the occupational health and safety liability of employers. The obligations include several proactive concepts, including: employer risk assessment, accident prevention plans, industry risk classes, on-site occupational safety experts, employee safety courses, and periodic employee medical examinations. For Turkish companies, the health and safety management system is managed through HSE consultants for the different facilities. The verification activity covers data that fall within the NFS 2023 reporting scope, i.e., injuries, hours worked (for the calculation of injury indices), and training hours. Article 20 of Law 3631 stipulates that workers may elect representatives from among themselves, whose task is to coordinate and contribute to studies on occupational health and safety, to ask the employer to take precautions against workplace hazards, and to make proposals in this regard. Occupational medicine services are carried out by external companies.

FOCUS ON

Travel Risk Management

Servizi Italia has a system in place to manage the risk arising from its employees' travel abroad, in line with national and international standards on the subject. With the support of specialized companies, we carefully analyze the travel/transfer/mission risks by assessing, on a case-by-case basis, the risks arising from: conflict and social instability, geopolitical crises, natural events, pandemic scenarios, illness and injury, criminal events, kidnapping, and terrorist attacks. This activity is closely related to the issue of health and safety, since it also involves taking care of our employees on travel/transfer/mission.

5.7 Welfare, Well-being, and Social Serenity

The Group's focus on people also includes a careful management of welfare, committing to guarantee employees a fair salary that enables families to enjoy well-being and social serenity, while also promoting initiatives or non-monetary benefits aimed at the greater well-being of employees. This includes resources intended to meet the social, welfare and assistance needs of employees. The Group offers its employees a benefit package in line with current market practices and differentiated according to organizational criteria.

In **Italy**, corporate welfare includes supplementary health care, meal vouchers, conventions, shopping vouchers, and fuel vouchers. In addition, the "FlexBenefit" platform is made available to employees, which allows them to voluntarily convert the portion of variable compensation linked to performance bonuses into flexible benefits, such as retirement, education/training, and assistance.

In **Brazil**, the welfare actions are aimed at creating an organizational climate, team motivation and improving productivity levels. In addition to the provisions of the Convenção Coletiva de Trabalho, the additional voluntary benefits made available to workers guarantee the necessary conditions for them to meet their basic needs, which allow their families to enjoy well-being and social serenity, in particular:

- prepaid cards to buy food;
- prepaid cards for meals, used for buying ready meals during working hours;
- prepaid cards for travel expenses from/to home and work;
- company car in compliance with the car policy and provided for certain levels of professional classification;
- supplementary healthcare assistance;

- agreements with local authorities and/or facilities of interest.

In **Turkey**, there are no additional benefits.

5.7 Industrial Relations

2-30

In the latter part of 2022 and in the first months of 2023, as part of the negotiating delegation, the parent company was directly involved in meetings with the trade unions for the renewal of the national collective labor agreement for the "Employees of companies in the integrated industrial system of textile and medical goods and services" sector, a negotiation that resulted in the signing of the contract renewal on March 28, 2023.

In the first part of 2023, several meetings also took place between the parent company and the trade unions, during which the parties discussed the renewal of the economic part of the Supplementary Company Agreement, which, last year, had been renewed for a three-year period (2022-2024) with regard to the regulatory part, while with regard to the Performance Bonus, in light of the conflict in Ukraine and the relevant significant effects in terms of energy price increases, the parties had agreed to renew it for one year only. After extensive discussion, in light of the continuing situation of economic and especially financial uncertainty, with a significant increase in interest rates and the effects of the "Medical Device Payback," the Parties agreed to renew the Performance Bonus for one year, following the contents agreed last year, a renewal signed on May 5, 2023. Once the renewal of the sector's collective labor agreement was signed, industrial relations activities focused on the specifics of the sites which, depending on the issues, required discussions with territorial or company union representatives with a focus on job security, flexibility, and holidays.

All employees are covered by Collective Labor Agreements based on the relevant national legislation.

With regard to the **Parent Company's Italian subsidiaries**, it should be noted that Steritek S.p.A. applies the Commercio Confesercenti National Collective Labor Agreement, while Ekolav S. r.l. and Wash Service S.r.l. apply the National Collective Labor Agreement for workers employed by companies in the integrated industrial system of textile and related medical services.

In Brazil, the Group companies apply the labor legislation in force locally, therefore the Convenção Coletiva de Trabalho, which provides for minimum wage treatment for all workers in Brazil. There is also a variable portion of remuneration linked to company results (e.g., PLR).

In Turkey, the Group companies do not have a specific category contract and apply Labor Law 4857/2003 and subsequent amendments. According to the law, both temporary and permanent employment contracts are allowed in Turkey: contracts with a maximum duration of 30 days are defined as "temporary", while all those exceeding this limit are considered as permanent. This labor law regulates minimum wages, which are set on a national basis by a committee made up of representatives of the government, workers and employers. In addition to the salary, the employee is granted some extra months' pay or bonuses on holidays and/or at the end of the year.




6

SOCIAL SUSTAINABILITY

- 6.1 Procurement Strategies
- 6.2 Customers
- 6.3 Local Communities
- 6.4 Patients' Health and Safety

6.1 Procurement Strategies

204-1

Material Topic	Commitment	SDGs
<p>Ethical and sustainable procurement</p>	<p>Monitoring and engaging suppliers are critical aspects in achieving ethical and sustainable procurement performance. The Group is uniquely positioned to influence global strategies and practices and drive change that will impact the people, communities, and countries in which it operates, thanks to its network of contacts and proven business experience. The Group can influence global strategies and practices and drive change that will impact not only service, but also quality, financial stability, reputation, the environment, and human rights.</p>	

Providing quality service is the result of in-depth sharing, collaboration, joint commitment, and stable relationships based on trust. At the Group level, we believe in the importance of developing close and fruitful partnerships with suppliers with a foundation in values such as ethics, respect, and transparent collaboration.

Sustainability issues have begun to permeate our sourcing strategies over the years, leading us to place greater emphasis on the selection of sustainable sources; although supplier evaluation based on environmental and social criteria has not yet begun, we are aware of the role we play in creating a virtuous circle of shared commitment, positively influencing the entire chain on ethical, social and environmental sustainability issues, as well as on corruption prevention.

Moreover, for Servizi Italia it is fundamental that business integrity, respect for human rights, and environmental protection are priority elements in the definition of objectives along the supply chain and must therefore necessarily be integrated into procurement strategies, so that we can successfully meet the new challenges and create, together with our stakeholders, a new business model capable of focusing on innovation and circularity, developing synergies between values, economics and production development, convinced that this is the way to create new and important growth opportunities.

Servizi Italia has an integrated corporate management system for Quality, Environment, Energy, Health and Safety, Social Accountability and Corruption Prevention, with the aim of pursuing service quality and customer satisfaction goals, awareness of the need to limit climate change risks, and efficient use of natural resources, combating all forms of corruption and anti-competitive behavior, and respect for human rights and labor laws.

From this perspective, the choice and verification of each supplier's compliance with the Group's policies constitutes the basis of the collaboration and, with a view to mutual development and improvement, Servizi Italia - during 2023 - worked on the creation of a Supplier Code of Conduct which defines the expected standards for commercial relations between Servizi Italia and its suppliers, in order to prevent and mitigate the most significant negative impacts on sustainability factors.

The sustainable growth goals we have set for ourselves are a commitment that does not stop within the organization, but must positively involve all those connected to it. Today, current and potential suppliers are qualified through a web portal through which they can learn more about their partners and exchange information more comprehensively, with the possibility of also sharing information with the other business functions involved. Through this tool, it is possible to assess the degree of maturity with respect to issues re-

lated to ethics, human rights, labor practices, environmental sustainability, occupational safety, and anti-corruption; the aim is to actively engage suppliers so that they can achieve high and lasting levels of performance, with a view to mutual growth and sustainable value creation.

The criteria for evaluating suppliers are similar for each product category: reliability, on-time delivery, correspondence to product quality specifications, production capacity, and ethical issues in business.

Servizi Italia promotes initiatives in the relationship with its suppliers so that within their organization and the supply chain, the highest standards are achieved in terms of occupational health and safety; compliance with the principles of clarity, fairness, and transparency, pursuing the principles of prevention of corruption; compliance with the principles contained in the I.L.O. conventions; awareness and containment of risks from climate change, in compliance with the most advanced international criteria and standards for the protection of the environment, energy, and natural resources.

The main products/services the Group buys are divided into the following product categories:



1. LONG-LASTING GOODS

Textiles, surgical instruments, machinery/plants, etc.



2. CONSUMABLES

Chemical products, spare-parts, packaging etc.



3. SERVICES

Transport and distribution, storeroom management, technical services, labor supply etc.

During 2023, **more than 4,600 suppliers** billed the Servizi Italia Group, with spending broken down by country as shown in the following tables:

SPENDING ON LOCAL SUPPLIERS IN 2023 (IN THOUSANDS OF €) ²³

	2023				2022			
	ITALY	BRAZIL	TURKEY	GROUP	ITALY	BRAZIL	TURKEY	GROUP
Local supplier spending	160,437	24,038	3,279	187,754	157,051	22,062	6,243	185,356
Total purchases	162,096	24,520	3,283	189,899	158,433	22,189	6,243	186,865
% of total	98.98%	98.03%	99.91%	98.87%	99.13%	99.43%	100.00%	99.19%

NUMBER OF LOCAL SUPPLIERS IN 2023

	2023				2022			
	ITALY	BRAZIL	TURKEY	GROUP	ITALY	BRAZIL	TURKEY	GROUP
No. of local suppliers ²⁴	2,882	1,159	511	4,552	2,958	1,064	457	4,479
Total no. of suppliers	2,930	1,172	512	4,614	3,021	1,073	457	4,551
% of total	98.36%	98.89%	99.80%	98.66%	97.91%	99.16%	100.00%	98.42%


23. The monetary value per supplier is calculated net of inter-company and excludes VAT apart from data relating to Brazil.

24. In the definition of spending on local suppliers, "local suppliers" included those suppliers with registered offices in the national territory in which each individual business unit operates (Italy, Brazil, Turkey). "Significant operating sites" was used to refer to purchasing data of the different geographical areas to which group companies belong (Italy, Brazil, Turkey), in line with the criterion used for "local".



6.2 Customers

417-2

Material Topic	Commitment	SDGs
Quality and safety of products and services and customer satisfaction	An open dialogue could unlock possible potential, thus influencing not only customers but also end users. The relationship with customers and their degree of satisfaction can be managed through appropriate communication and dialogue channels, and periodic interactions, so as to obtain targeted feedback on the services offered and any deviations from expectations. Against this backdrop, the Group must evolve and improve within the environment in which it operates to achieve higher standards of economic productivity through diversification, technological advancement, and innovation.	 
Business continuity and data protection	The Servizi Italia Group provides a public utility service, which cannot be interrupted because the entire National Healthcare System would be at stake and would find itself unable to provide care and assistance services. Identifying risks that threaten the company, assessing their impact, and preparing Business Continuity plans will help safeguard not only production activities and corporate image, but also the interests of stakeholders. This includes the ability to protect the computer system from threats and to protect workers in order to ensure the privacy, integrity and availability of data. Choosing to focus on this particular aspect means influencing the relationship of trust with customers, the Group's staff and its suppliers. Privacy is managed through the adoption of policies and procedures on data processing focused on transparent and secure management of the entire process.	 
Patients' health and safety	The Group implements and evolves its activities to ensure controlled processes tailored to the needs of customers, whose goal is to put the health and safety of healthcare service end users at the center.	

The Group's activities are almost entirely aimed at the healthcare environment, where the companies operate with specific business lines according to different areas. The main clients are public and private facilities such as hospitals, clinics, university polyclinics, scientific institutes, nursing homes, retirement homes, healthcare residences, outpatient clinics, specialist centers, etc.

The Service Contracting Process

The requirements for services are defined in technical specifications or bids in which contracting bodies or customers in general describe their needs in terms of quality and quantity. After contract awarding, the Group can plan its production activities, i.e., the services that will have to be carried out for the customer. For public customers, the contract award criterion typically consists of two factors: quality of service and price, with a ratio of 70% quality to 30% price, and in few cases 80% and 20%. The formulation of the sales price for business services is generally carried out by considering several variables, such as: contract duration, billing driver (e.g., Euro/bed, Euro/inpatient day, quantity/price, Euro/sterilization unit, Euro/surgery), services required, investments in technology, software, machinery, equipment, direct and indirect staff costs, etc.

The average duration of the contracts signed by the Group in Italy is four years for wash-hire and textile sterilization and six years for surgical instruments sterilization. Once the first experi-

ry date is reached, these contracts can be renewed for a further period, usually having the same duration of the initial contract. Thereafter, at the end of the renewal period, the customers must proceed to issue a further invitation to tender, pending the award of which they can take advantage of a technical extension; pending the new award, the company continues providing the service. In the case of Brazil and Turkey, the contracts instead have a slightly shorter duration (Turkey on average two years and Brazil on average three).

Thanks to the multi-year duration of the procurement contracts, the Group has the opportunity to consolidate its strategic relationship with its customers, planning the provision of services well in advance and seeking concrete solutions to improve the experience of patients and caregivers. Underlying the Group's strategy is a desire not only to meet the expressed needs of customers, but to anticipate them by answering complex questions in a simple manner. In addition, thanks to a widespread presence in the territory, the relationship with the customer is constant and based on mutual exchanges, always oriented towards the improvement of services offered and the development of innovative technology.

Customer Relations

Customer relations is of paramount importance to the organization, which is constantly striving to increase the quality level of service provided in order to increasingly meet their needs. For this reason, it was decided to strengthen the synergy between the sales structure and service managers in order to respond to customer requests, which increasingly involve both technical and economic aspects.

In particular, with regard to the hospital storeroom service, it was found that traceability and logistics are key requirements for efficient and sustainable management. The **job order manager** was thus created, who follows job orders from the technical and economic bidding process to their implementation. This role is important in creating more effective communication between the business structure and the supply chain, blending knowledge and skills.

The Group's sales structure is organized into three areas (Northeast, Central-South, and Northwest), each of which includes area managers, sales and product technicians, and order managers. The latter are the direct channel of connection between the company and customers.

The Group's Operating Context

The Servizi Italia Group operates in an ever-changing environment influenced by the socio-economic conditions of the countries in which it operates. In the past two years, the Covid-19 viral outbreak has forced major changes in hospital procedures and activities to protect medical and nursing staff and prevent infection risk. In spite of this, the Group's activities were only partly affected by the development of the contingent situation, without registering any major impacts.

There was a reduction in energy commodity prices during the year, primarily gas and electricity. However, with regard to the Israeli-Palestinian conflict that has bitterly escalated in recent months, the Group is monitoring the development of the situation despite the fact that, at present, it does not see any direct impact on its business, as it has no strategic stakeholders directly affected by these events.

The sound elements counteracting this period of uncertainty are based on the Group's customer portfolio and its leadership position, its sterilization business diversification strategy in the Brazil area, and a more stable situation in the fundamentals trends in the Turkey area. In the near future, the Group's ability to direct its forces into more profitable domestic and foreign investments and seize the opportunities that the market will be able to offer, rationalizing more marginal commitments, will be crucial. In its medium-term strategy, despite the uncertainty of a situation arising from the increase in interest rates - a structural problem that is constantly monitored in order to take actions to limit its inevitable impact on the fundamental levers of the business -, the Group envisages an organic consolidation of its leadership position in the Italian and foreign markets and a continuous search for optimization and efficiencies, continuing to work to achieve goals and meet its commitments²⁵.

In addition, Servizi Italia also offers a laundry and linen hire service for the hotel and catering industry in the South Tyrol area. This activity represents an important business diversification opportunity, allowing the Group to expand its portfolio of clients and exploit synergies between the different activities performed. In this context, the Group constantly strives to improve the quality of its service and meet the needs of its customers.

25. For more details, please refer to the "Business Outlook" chapter within the Annual Financial Report as at 31 December 2023.

Customer Satisfaction

2-25

Customer satisfaction is a top priority for the Servizi Italia Group and is the result of the care that our staff takes on a daily basis to ensure continuity of service, compliance with contractual conditions, and the quality of the supplies and services provided; dialogue, involvement, discussion and interaction are the fundamental steps on a path aimed at creating value and ensuring increasingly effective service management, to the benefit of the entire system. The corollary to this is the adoption of proven and certified processes underlying organizational quality.

The Group pays special attention to the management of relations and communications with the entities' corporate contacts, to constantly assess their satisfaction. In addition, outcome-based control systems are defined, in which client and service contact persons of the company share criteria and ways to control the quality of services. This system envisages random checks, in joint consultation, on detailed elements with acceptance criteria shared with the customer for verifying the quality of service provided in accordance with the contract between the parties.

The Group also takes a proactive approach to handling complaints and nonconformity reports, which are handled directly in a shared manner by the specific business unit (sales, services, production) assisted by the Quality Office. Analyses of the causes that generated the complaint or nonconformity are carried out in order to identify the immediate corrective actions to be implemented, identify the strengths and weaknesses of the service provided, and develop the necessary improvement actions.

There is no evidence of non-compliance with regulations and/or self-regulatory codes on product information and labeling which resulted in a sanction, fine, or warning from control bodies during the year.

The Group's adoption of variable incentive systems, which assign targets to the sales force, service, and production managers that include, among other things, targets linked to those of the Sustainability Plan, demonstrates the company's ongoing commitment to the quality of its services and customer satisfaction.

Without prejudice to any different assessments based on the type of service offered or type of client, in the past specific surveys were not conducted in relation to the services offered by the Group, as the constant contact between company representatives within the customer's structure generates continuous client satisfaction monitoring. Beginning in 2023, the Group has chosen to take additional measures to monitor the status of its service quality and the satisfaction of its customers in order to implement any corrective actions. To this end, a **Customer Satisfaction Audit** project was set up targeting about 500 customer con-

tacts in Italy who use the laundry, textile sterilization, and surgical instrument sterilization services. The analysis will be conducted during the first half of 2024 by an independent partner specializing in this type of activity, assisted by an internal working group that has defined the questionnaire through which the Audit will be conducted. The project includes this first phase and a second phase in the second half of 2025; any corrective actions aimed at service improvement will be implemented in the intervening period.

The Responsibilities of a "Public Utility" Service

Industrial health care laundry activities, as well as the sterilization service of textiles and surgical instruments, are considered "of public utility and interest" and therefore cannot be discontinued. In particular:

- **laundry service** includes the reconditioning of textiles (flat and packed linen), sheets, high-visibility work clothes, and x-ray protective equipment. Within this service, operations related to washing and/or wash-hire services for operating rooms, wards, emergency rooms, storerooms at healthcare facilities, sterile kits for operating rooms are all considered as indispensable. The service is provided while taking into account specific business organizational conditions and stock availability, so that at least a percentage (stock) of the planned supply is always guaranteed. The hospital storeroom service, as well as the availability of material in the automatic uniform distribution cabinets, is ensured so as to guarantee the functionality of the service, with special attention to the collection of soiled garments and distribution of clean ones to the wards. Furthermore, in the event of strikes, we are required to implement, including through appropriate agreements with the trade unions, every measure to guarantee the continuity of essential services;
- **rental, treatment, and sterilization service of medical devices** for use in the operating facilities of healthcare facilities where product and process traceability needs to be ensured. Any defects in the sterilization process could result in Group liability and give rise to subsequent claim for damages. For this reason, in order to cover these risks, the Group has specific insurance policies, in line with industry practice, to cover both product and civil liability, liability towards third parties and towards employees in the sterilization plants.

6.3 Local Communities

413-1

Material Topic	Commitment	SDGs
Engagement and support of local communities	The Group contributes to the economic development of the area in which it operates, ensuring good employment and supporting initiatives, activities, and projects that stimulate social progress by involving local communities, customers, trade associations, universities, and schools.	11

Being a Group capable of generating value, not only economically, but also environmentally and socially, also generates positive echoes on the community of which it is a part. The Servizi Italia Group is committed to contributing to the welfare of the community in which it operates by supporting organizations working in the social field in various capacities, establishing an open dialogue aimed at mutual understanding and creating fruitful and lasting relationships. The activities carried out throughout the territory aim at spreading the philosophy behind Servizi Italia's activities and raising awareness among the local population about the Group's activities and how it operates. The people of the Group live in the areas where the production sites are located and are the primary conduit through which the Group operates within the community.

The relationship between companies and the territory, therefore, understood as the community of individuals who inhabit it, is inseparable and constantly evolving; for companies, it translates into the need to generate value not only economically, but also environmentally and socially, thus contributing to the well-being of the community in which they operate.

Driven by this, in 2023 we sought to tell the **story of the old laundry at the port of Genoa**, which helped make us realize how the bond between business, territory, and people is inseparable and in fact defines the identity of each.

Each company, within the meshes of its history and in the

words of those who tell its story, holds values, identity, and characteristics that have made it great over time.

Our territory is a heritage of unique and unrepeatable stories. And when we talk about a territory, we are not just referring to a dot on the map, but to the people who inhabit it, the natural environment that surrounds it, the history it has experienced, the resources it has, the culture, the art, and even the economic activities that animate it. The territory lives and changes on the basis of the relationships established among the persons that make it up and that continuously transform it, making it precisely a unique and unrepeatable place, a place with a soul.

A company that feels like part of the territory where it carries out its business is aware that the increase in social complexity that goes hand in hand with production and market complexity, also brings with it a wealth of cultural solicitations and contaminations that foster continuous renewal, the ability to open new paths, innovate and be innovative, through the development and progress of the territories in which it operates.

The territory and the community that populates it stand in close connection with each other. If, therefore, territorial development is the lifeblood of sustainable business progress, the people who inhabit it are the humus that makes its growth possible.

FURTHER INFORMATION

The Story of the Laundry in the Port of Genoa

All places record millions of passages of history. They did not always belong to us and they did not always speak of us, but they are the foundation on which we built our steps, our memory.

In telling the story of the Genoa Harbor Laundry, we wanted to try to collect and preserve a piece of the city's history through the voices of those who lived within those walls for so many years.

The history of the harbor laundry has deep roots. It began in the 1930s and has developed through the major changes the port area has experienced over nearly 100 years.



Would you like to see the documentary about the old Genoa facility? [Click here.](#)

Servizi Italia is committed to actively supporting initiatives and projects that stimulate the social and economic development of the area in which it operates, promoting activities aimed at creating a positive working environment conducive to the growth of people and local businesses. In addition, the Group is always willing to work with local communities to address challenges and opportunities as they arise, actively contributing to the social and economic progress of the area in which it operates.

Sponsorships and Donations

The idea that guides the choice of initiatives to support local communities is the desire to contribute to the growth of the communities of which we are a part, with a view to consolidating the relationship of trust we have with our stakeholders and in compliance with corporate missions, values, and the Code of Ethics.

Sponsorship and support activities for local initiatives are entirely managed at the corporate level; 70% of the Group's production facilities (laundries or sterilization plants) have developed activities in this regard.

The main projects we supported in 2023 are listed below:

- the 2023 Turkey-Syria Earthquake, which occurred during the night of 5-6 February 2023, affected the southern area of Turkey and the northern regions of Syria. According to estimates made by the two countries mostly involved, the earthquake resulted in over 57,700 confirmed victims (including 50,500 in Turkey and 7,259 in Syria), a great number of missing people and more than 121,000 injured. Considering its presence in Turkey, Servizi Italia decided to participate in the fundraiser organized by **Red Cross and Mezza Luna Rossa**;
- on 16-17 May 2023, a large area of Romagna was affected by floods and landslides resulting from the ex-

treme weather events that occurred in May 2023. The Emilia-Romagna Region, through the Civil Protection, set up a fundraiser to support the people and communities that were affected and launched a specific fundraiser in the name of the **Emilia-Romagna Agency for Territorial Security and Civil Protection**. Servizi Italia therefore decided to make a liberal contribution to the people affected by the flooding;

- in celebration of the holiday season, Servizi Italia gave its employees a "little heart" bracelet made by Kiroku for AIL. Through this donation, the Group supported **AIL**, an association that has been promoting and supporting scientific research for the treatment of leukemia, lymphoma, and myeloma since 1969; it assists patients and families by accompanying them at all stages of the disease with services tailored to their needs, and aims to improve the quality of life of patients and raise public awareness of the fight against blood diseases.
- Servizi Italia continues its efforts to promote sports and popularize sports culture among local youth and children by supporting various sports entities active in the area. In particular, Servizi Italia contributed for the second year in a row to the implementation of the "**CittàDella Pallavolo**" summer camp, with the aim of providing free healthy sports activities and lots of fun for children and young people from 6 to 13 years old.

The donation of textile garments to Third Sector entities under Italian Legislative Decree 117/2017, including voluntary organizations, social promotion associations, and non-profit organizations (NPOs), represents another form of support for those dedicated to promoting and carrying out activities of general interest, consistent with their respective statutes or deeds of incorporation. This is a gesture of solidarity that can make a difference in the lives of many people and testifies to the attention paid to caring for the needs of the community. Specifically, in 2023 we supported the project of a large hospital in north-central

Italy that required clothing for victims of sexual abuse.

As for its presence in the area, the Group again confirmed its support for various events of a local nature during the year, usually aimed at raising funds for NGOs and charities, as well as youth sports associations with which it has already been collaborating for years and which are involved not only in initiating children into sports, but also in including disadvantaged people in various activities.

In addition to this, we proudly mention an initiative promoted during 2023 by Ekolav S.r.l. and supported by Servizi Italia. On 27 September 2023, at its plant in Lastra a Signa in the province of Florence, Ekolav presented the "**Santa Gemma**" job inclusion project, which promoted the inclusion of about 20 workers with cognitive disabilities in the company's workforce.

The "Santa Gemma" project enabled the creation of a work and home training center dedicated to people with cognitive delays, with the aim of creating opportunities for social, work, and professional integration, giving young people with Down's syndrome or cognitive delays the chance to build their own life project. The group has been placed in non-secondary workstations within the facility and do not perform repetitive tasks; rather, they follow a training course with even complex tasks and rotation among different tasks and roles. The project aims to combine support for young adults with cognitive disabilities and the development of their independence with the production needs of a business operating in the market. The ambition is for people to achieve an operational ability that is the result of autonomous decision-making and experimentation, which will be achieved through a studied course of stimuli.

The project also includes an afternoon activity outside the normal laundry tasks and is instead dedicated to increasing personal autonomy: according to a precise schedule of activities, the youth participating in the project are guided to take care of themselves, their homes, each other, money, food, and leisure.

Scientific Dissemination

Activities to support research, education, and scientific dissemination play a very important role for the Group, especially in light of its activities. From this point of view, Servizi Italia sponsors specialized events, conventions, and conferences pertaining to the Group's area of operation, in return for promoting its commercial brand.

The main events in which we participated or helped organize are listed below:

- **A.N.M.D.O - National Association of Hospital Medical Executives Congress**, Naples, 17-19 May 2023
- **AIFM National Congress - Italian Association of Medical and Health Physics**, Florence, 8-11 June 2023
- **F.A.R.E. - Federation of Regional Associations of Health Care Bursars and Providers Congress**, Rome, 26-27 October 2023
- **Risk Management Forum**, Arezzo, 21-24 November 2023

Promotional activities are often carried out in collaboration with trade associations, thematic purpose associations concerning healthcare and clinical risk management, and providers qualified for the organization of events.

As has become a tradition, Servizi Italia participated together with its parent company Coopservice S.Coop.p.A. in the 26th edition of **Ecomondo**, the ecological transition fair. The fair was an opportunity to recount its commitment to environmental and social sustainability and present projects implemented to promote social inclusion, organizational well-being, ecosystem protection and conservation, biodiversity preservation, and the dissemination of green and energy-saving policies. At the event, we received the EMAS award for the most communicatively effective Environmental Statement (for more information, see the chapter "Environmental Sustainability"), and we officially presented the



project for the use, reuse, and recovery of mattresses that have reached the end of their life (for more information, see the dedicated focus box in the chapter "Environmental Sustainability").

In addition, along with Coopservice S.Coop.p.A., in 2023 Servizi Italia sponsored the "**Leading Women in Healthcare**" convention, supporting the community's important work in promoting the crucial role of women in the healthcare of the future. We believe in the fundamental importance of sharing the vision of a new model capable of creating new forms of collaboration between hospital facilities, territories, and businesses which, like us, complement the fundamental care work of specialists and physicians and ensure essential services for safeguarding the health and well-being of patients. Our participation has contributed to starting a path to enhance and recognize women's work in synergy with the goals and values of the community, focused on concrete transformation of the social and health care system and the country.

A theme that is particularly close to our hearts is **raising awareness against violence in speech and promoting digital citizenship**. Therefore, together with **Parole O_stili**, we organized a moment of reflection during the Conven-

tion to promote the values expressed in the "Non-Hostile Communication Manifesto" and to help spread virtuous communication practices in a context, that of health care, where relationships - not only between patient and doctor but among all operators within the hospital - are of crucial importance. Led by Rosy Russo, President of Parole O_stili, the workshop was held on 23 June 2023.

Relations with Students, Schools and Universities

Collaboration between the university and business worlds is vital for the country's innovation and development. The Group believes that the company's openness to the outside world and welcoming young and fresh minds are critical to success in research and innovation. The exchange of knowledge between universities and companies and the implementation of joint projects are crucial to the attractiveness of universities, the competitiveness of companies, the employability of graduates, and the economic and social growth of territories.

The collaboration with Almacube and the University of Bologna for the CBI - Challenge Based Innovation program continued for the second year. This year's focus was on possible scenarios for the future development of community-based healthcare. The team of students from different faculties produced innovative ideas and useful insights for the company. The students' multidisciplinary and diverse backgrounds added value, generating ideas that would not have been possible without their participation. The youth spread a positive climate of energy and a desire to rethink processes and projects throughout the organization. Ultimately, collaboration between academia and business is essential for the economic and social growth of territories, the competitiveness of companies, and the employability of graduates.

As part of the circular economy project on the recovery

FURTHER INFORMATION

Posidonia project: our contribution to marine reforestation

Servizi Italia and Coopservice participated in a marine reforestation project in Golfo Aranci (SS) sponsored by Worldrise Onlus and ZeroCO₂. The initiative aims to restore *posidonia oceanica* seagrass beds in the Mediterranean Sea: the seedlings used for reforestation are exclusively those that naturally settle on beaches after storm surges. They are recovered, cleaned, and then encased in coconut fiber mats attached to the seabed that biodegrade over time.

Coopservice and Servizi Italia funded the planting of **500 posidonia cuttings on an area of about 20 square meters of seabed**, one-fifth of the entire project for 2023. *Posidonia* is not only a plant that can absorb CO₂ and produce oxygen through its photosynthesis activity, but it also plays a key role against coastal erosion and for the benefit of marine biodiversity, being a kind of nursery for many animal species.



and reuse of mattresses that have reached the end of their useful life, a collaboration was established in 2023 with the University of Parma and the innovative start-up "Ricircola" that involved the research and industrial development of innovative circular economy initiatives for the recovery of end-of-life materials.

In addition to this, as part of activities related to the Family Audit certification, Servizi Italia again promoted the call for applications for 25 scholarships dedicated to employees and their children in 2023. The call awarded eight scholarships worth Euro 500 each and one scholarship worth Euro 1,000 for the most deserving middle and high school students.

Media Relations

Servizi Italia is present on the main social media channels (LinkedIn, Facebook, YouTube) with corporate pages that are updated at least once a week on the basis of a specific editorial plan that touches on different strands of communication, from commercial activities to human aspects, from financial communication to product videos. In addition to this, Servizi Italia updates its corporate blog on a monthly basis and strives to share original content with trade magazines on topical issues.

We published several insights on topics relevant to our business in 2023, including: energy crisis and impact on industrial laundries, proper washing of healthcare uniforms, corporate identity, circular economy, relations with the local area, sustainability in healthcare, reusable technical fabric, and others.

In terms of financial communication, the Group relies on the collaboration of a Media Partner with which it organizes interviews and in-depth studies mainly aimed at commenting on the economic and business results achieved, as well as sharing success stories.


Relations with Trade Associations

2-28

Servizi Italia is a member and active participant in the trade association Assosistema, which represents companies operating in the field of occupational safety and reusable textile and medical devices. The members produce, distribute and maintain individual and collective protection devices and provide sanitation and sterilization services for textile and medical devices used by major customers, such as public hospitals, healthcare facilities, nursing homes, private clinics, hotels, and restaurants. The statutory objectives of the association are the protection, dissemination and improvement of the activity of the sector, as well as the protection and coordination of instances and interests of members. Servizi Italia adheres to the Ente Bilaterale Nazionale (National Bilateral Agency) in order to encourage and promote studies and research on the sector, to collect the agreements made at territorial and corporate level, to promote studies and research related to corporate social responsibility, occupational health and safety within the scope of legal regulations and collective bargaining. The Servizi Italia Group's relations with local authorities and public bodies are based on principles of transparency and continuous dialogue in order to contribute to developing competitiveness, offering an impeccable service and spreading the values of technological innovation to benefit patient safety and the quality of life of every citizen.

6.4 Patients' Health and Safety

3-3

Material Topic	Commitment	SDG
Patients' health and safety	The Group implements and evolves its activities to ensure controlled processes tailored to the needs of customers, whose goal is to put the health and safety of healthcare service end users at the center.	

Hospitalization is an inevitably stressful experience.

It does not matter if it is short or long term: during their stay in hospital, people need to feel safe in an environment where hygiene and sanitation are essential conditions to make their stay safer and more tolerable.

This is the role of Servizi Italia. We care about people's health and strive every day to ensure the safety of those who live and work in health care facilities. We do this with responsibility and courage, through discussion and sharing with partners and healthcare professionals, guided by a desire to seek innovation and excellence, and envisioning a sustainable future for the communities to which we belong.

Working in integrated healthcare services comes with great responsibility. For this reason, it is our responsibility to grow and innovate, to be promoters and forerunners of best practices that aim to reshape the future of our industry, without ever losing sight of our principles and values.

In this context, **Reusable Technical Fabric** has been a major innovation in the field of operating room equipment. In addition to the logistical and timing advantages it offers hospitals and health care facilities, RTF:

- is an effective antibacterial and antiviral barrier;
- guarantees a high degree of liquid impermeability even after numerous washing and sterilization cycles;
- is resistant to tearing (bursting) and abrasion in both

dry and wet conditions;

- provides comfort, thermoregulation and thermal insulation (the patient under anesthesia needs to maintain constant body heat, hospital staff need lower temperatures to be comfortable and to be able to move freely).

Moreover, RTF is a fabric with low environmental impact because it is sterilized in steam autoclaves, has high durability, maintains its performance even after many reconditioning/maintenance cycles, and can be disposed of as simple waste.

In line with our commitment to focus on the health and safety of health service end-users and ensure controlled and adequate processes, in 2023 Servizi Italia successfully completed the path to obtain the EU Quality Management System Certificate, according to Annex XI Part A of EU Regulation 2017/745, for the process/product related to sterile kits of both surgical instruments (at the sterilization plant in Busto Arsizio - VA) and linen (sterilization plant in Genoa Bolzaneto), in accordance with the provisions of Article 22, paragraph 3 of the same Regulation.

EU Regulation 2017/745 of the European Parliament and of the Council on medical devices (MDR) is the fundamental legislation of the European Union governing the marketing and use of medical devices within its territory.

In accordance with the obligations imposed by the MDR for manufacturers and other operators involved in the distribution of medical devices, the introduction of new devices

to the market after May 26, 2021 requires full compliance with various requirements, including clinical evaluation, risk management, quality management system, post-marketing surveillance, technical documentation, and liability management for defects.

Servizi Italia obtained the EU certificate in 2023 for sterile surgical procedure kits consisting of steam-sterilized RTF linen and/or gowns according to Annex XI of EU Reg-

FURTHER INFORMATION

When Innovation and Circular Economy Meet

A project was carried in 2023 out to produce an **Integral Surgical Gown** with dual MD marking and Class III PPE for the performance of complex surgical procedures.

In addition to safety and protection issues, special attention was also paid to circularity; in fact, once this type of gown has reached the end of its life, it can be reconditioned by simply replacing the parts subject to "wear" (such as the front panel or the forearm area) and then be recertified as a Medical Device and used for another 70 cycles of washing and reconditioning.

ulation 2017/745 (for the Genoa Bolzaneto plant) and the EU certificate for sterile operating room kits consisting of steam-sterilized reusable surgical instrumentation according to Annex XI of EU Regulation 2017/745 (for the Busto Arsizio - VA sterilization plant).

This Regulation requires all actors in the medical device supply chain to comply with specific regulations and traceability requirements. The sterilization process continues to be regulated by ISO 13485:2021 "Medical devices - Quality management systems - Requirements for regulatory purposes."

In addition, as a distributor, pursuant to Article 14 of EU Regulation 2017/745, Servizi Italia is committed to ensuring that the purchasing and supply process complies with the provisions of the Regulation, verifying the compliance of the EC marking and Instructions for Use for each medical device purchased and ensuring their compatibility with the processes implemented by the company.





7

EU TAXONOMY

- 7.1 Introduction to the European Taxonomy
- 7.2 Reporting Obligations for the Year 2023
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- 7.4 Reporting EU Taxonomy Indicators

7.1 Introduction to the European Taxonomy

In order to boost the contribution of the financial services sector, the European Commission has published an action plan for financing sustainable growth that includes ten actions to help link the financial services world with the needs of a sustainable economy. One of the key actions of this plan is the establishment of a **taxonomy of sustainable economic activities**, a classification system which lists the economic activities considered environmentally sustainable. It is a useful tool to facilitate businesses, investors, and policy makers toward the transition to a low-carbon, resilient, and resource-efficient economy.

At the regulatory level, the Taxonomy was introduced into the European system by Regulation (EU) 2020/852, which determines the conditions that an economic activity must meet in order to be considered environmentally sustainable, and applies to companies that currently fall under the scope of the Non-Financial Reporting Directive (Directive 2014/95/EU), transposed into the Italian legislative system by Italian Legislative Decree 254/2016. Starting with reporting for the fiscal year 2024, it will gradually apply to all companies subject to the Corporate Sustainability Reporting Directive (CSRD), including Gruppo Servizi Italia, based on the requirements of EU Directive 2023/2464.

Pursuant to Art. 3 of EU Reg. 2020/852, an economic activity can only be defined environmentally sustainable when that activity:

1. contributes substantially to one or more of the environmental objectives in Article 9;
2. does no significant harm to any of the environmental objectives in Article 9;
3. is carried out in compliance with the minimum safeguards set forth in Article 18;
4. meets the technical screening criteria established by the Commission for each specific environmental objective.

The environmental objectives under Article 9 of EU Reg. 2020/852 are listed below:

- climate change mitigation;
- climate change adaptation;
- sustainable use and protection of water and marine resources;
- transition to a circular economy;
- pollution prevention and control;
- protection and restoration of biodiversity and ecosystems.

7.2 Reporting Obligations for the Year 2023

In order to provide information on how and to what extent the company's activities are associated with economic activities deemed environmentally sustainable under Art. 8 of EU Reg. 2020/852, it is necessary to distinguish between:

- **eligible activities**, which correspond to any activity explicitly included in the list of economic activities in Annexes I and II of Delegated Regulation (EU) 2021/2139 and Delegated Regulation (EU) 2023/2486, regardless of whether that economic activity meets any or all of the technical screening criteria set out in the document.
- **aligned activities**, which correspond to environmentally sustainable activities under Article 3 of Regulation (EU) 2020/852 that jointly meet the following criteria:
 - substantially contribute to the achievement of one or more of the environmental objectives;
 - do no significant harm to any of the other environmental objectives (DNSH principle);
 - compliance with Minimum Safeguards (criteria for verifying the protection of human and labor rights).

To determine whether an activity is eligible for the Taxonomy, it is necessary to check whether its description matches the descriptions of the activities listed in the Annexes to the Delegated Acts (Climate and Environment). In order to verify alignment, it is instead necessary to verify that all the Technical Screening Criteria (Substantial Contribution Criteria and DNSH) established in the Delegated Acts are met, in addition to demonstrating compliance with the Minimum Safeguards.

In particular, in order to analyze the correspondence between the economic activities carried out by the Group and the regulatory requirements in detail, the following regulatory sources were considered:

- **Delegated Regulation (EU) 2021/2139 (Climate Delegated Act)**, which sets the technical screening criteria (Substantial Contribution and DNSH) for the Climate Change Mitigation and Adaptation targets;
- **Delegated Regulation (EU) 2022/1214 (Complementary Climate Delegated Act)**, which supplements Delegated Regulation (EU) 2021/2139 and regulates the economic activities covered by the Taxonomy in the Gas and Nuclear sector, specifying the conditions for considering them environmentally sustainable;
- **Delegated Regulation (EU) 2023/2485 (Amending the Climate Delegated Act)**, which amends Regulation 2021/2139 by setting additional technical screening criteria

referring to the Climate Change Mitigation and Adaptation targets for certain economic activities;

- **Delegated Regulation (EU) 2023/2485 (Environment Delegated Act)**, which sets the technical screening criteria (Substantial Contribution and DNSH) for the objectives of Sustainable Use and Protection of Marine Water and Resources; Transition to a Circular Economy; Pollution Prevention and Reduction; and Protection and Restoration of Biodiversity and Ecosystems.

Once the economic activities that are eligible and aligned with the taxonomy have been identified, **Delegated Regulation (EU) 2021/2178**, which supplements Regulation (EU) 2020/852, specifies the reporting requirements (content, methodology, and presentation of information) that financial and non-financial companies must report with regard to the share of environmentally sustainable economic activities.

In particular, the reporting requirements of non-financial companies to which the Regulations apply include annual reporting on the following KPIs:

- **Turnover:** the proportion of net turnover from products or services, including intangible assets, associated with Taxonomy-Eligible and Taxonomy-Aligned economic activities;
- **CapEx:** the proportion of capital expenditure related to investments in assets and processes associated with Taxonomy-Eligible and Taxonomy-Aligned economic activities; expenditure under CapEx Plans; expenditure related to purchases of products from Taxonomy-Eligible and Taxonomy-Aligned suppliers;
- **OpEx:** the proportion of operating expenditure related to activities or processes associated with Taxonomy-Eligible and Taxonomy-Aligned economic activities; part of the CapEx plan; individual measures that enable target activities to become low-carbon.

7.3 Our Approach to the KPI reporting of the EU Taxonomy

In order to meet the requirements of the regulations, in 2023 the Servizi Italia Group continued the analysis of its activities, investments, and costs in order to assess eligibility for the environmental objectives set forth in the regulations and to understand whether and which of them could also be considered "aligned." To do so, it ascertained compliance with the technical screening criteria in terms of "Substantial Contribution," "DNSH," and "Social Minimum Safeguards," with reference to the Climate Change Mitigation objective, as it was predominantly identified as most suitable given the type of economic activities carried out by the Group.

In light of the regulatory framework outlined above, the analysis on the Group's activities was carried out for the year 2023 with reference to verifying:

- **eligibility and alignment** for the two environmental objectives of "climate change mitigation" and "climate change adaptation" described by Delegated Regulation (EU) 2021/2139;
- **eligibility** for the remaining four environmental objectives of "sustainable use and protection of water and marine resources," "transition to a circular economy," "prevention and reduction of pollution," and "protection and restoration of biodiversity and ecosystems."

The assessment of the alignment of the Group's economic activities with the Taxonomy and the preparation of the disclosures were also carried out considering all the interpretative guidance provided by the European Commission in the form of questions and answers (Q&A).

The financial information and data used to calculate the indicators on Turnover, CapEx, and OpEx required by the regulations were collected and extracted from the computerized accounting system used by the Servizi Italia Group to prepare the consolidated financial statements. In this regard, it should be noted that in conducting the above-mentioned activities of analysis and preparation of disclosures related to the Taxonomy, the company's management has adopted an overall prudent approach based on its understanding and interpretation, at the current state of knowledge, of the applicable regulatory requirements. In this context, the expected publication of the technical reference regulations for the additional environmental objectives defined in Article 9 of the Regulations, as well as further developments in the interpretation of the Regulations, could lead to substantial changes in the assessments and KPI calculation process for the next reporting year.

Eligible Activities

Verification of the eligibility of the Group's economic activities with respect to those under Delegated Regulation (EU) 2021/2139 and Delegated Regulation (EU) 2023/2485 was based on the analysis of the correspondence of the descriptions of the same activities within the Regulations.

In line with the previous year, it is confirmed that, to date, none of the Group's economic activities are among those eligible for the Taxonomy. In fact, most of Servizi Italia's activities consist of washing flat, packed linen, mattresses, and PPE, sterile kits and medical devices for operating rooms, and clinical engineering services, which are not currently within the scope of eligible activities under the Delegated Acts published by the Commission.

However, the analysis described above identified some capital expenditure (CapEx) and

operating expenditure (OpEx) related to the purchase of products from Taxonomy-eligible or Taxonomy-aligned economic activities and to individual measures that enable the target activities to achieve low carbon emissions or greenhouse gas reductions, as well as individual building renovation measures identified in the Delegated Acts. Pursuant to letter c) of paragraphs 1.1.2.2 and 1.1.3.2 of Delegated Regulation 2021/2178, these expenses were considered eligible for the Climate Change Mitigation and/or Circular Economy objective.

Aligned Activities

Complementing the analysis conducted on the verification of eligibility in accordance with Regulation (EU) 2020/852, verification of the alignment of eligible activities included assessing activities in light of the criteria of substantial contribution, DNSH, and compliance with Minimum Safeguards.

Substantial Contribution and DNSH Criteria

The work carried out included the preparation of specific checklists for verifying the substantial contribution and "DNSH" criteria. As anticipated, the former are aimed at verifying that the activity brings specific benefits to the relevant environmental objectives, while the latter are aimed at establishing that none of the other objectives are negatively impacted. The analysis was carried out by assessing the characteristics of the individual activity and involving contact persons from the corporate departments to provide the necessary information, supporting documentation, and to actively contribute, through discussions and interviews, to the assessment of the specific criteria.

As a result of the analysis, it is possible to state that in relation to the "Climate Change Mitigation" and "Transition to a Circular Economy" objectives, to date, none of the activities identified as eligible with reference to capital expenditure (CapEx) and operating expenditure (OpEx) related to the purchase of products from Taxonomy-eligible or Taxonomy-aligned economic activities meet all the substantial contribution and DNSH criteria set forth in Annex I of Delegated Regulation (EU) 2021/2139 and Annex II of Delegated Regulation (EU) 2023/2485.

Minimum Safeguards

The above activities were carried out in parallel with the verification of compliance with the Minimum Safeguards on human rights, corruption, fair competition, and taxation, as defined in the EU Taxonomy Regulation, also with reference to the suggestions made in the Platform on Sustainable Finance's "Final Report on Minimum Safeguards" published in October 2022.

In this context, the company has taken steps to strengthen its due diligence processes within operations and in its value chain, in accordance with the OECD guidelines for multinational enterprises and the United Nations Guiding Principles on Business and Human Rights, including the principles and rights set forth in the eight core conventions identified in the International Labor Organization's Declaration on Fundamental Principles and Rights at Work and the International Bill of Human Rights. For more information on respect for human rights, combating corruption and unfair competition, and fiscal transparency, see sections 2.3 and 3.3 of this report, respectively.

At the level of assessing suppliers' compliance with the Minimum Safeguards attributable to capital expenditure (CapEx) and operating expenditure (OpEx) deemed eligible, in the absence of specific information, the Group has chosen to adopt a conservative and prudential approach, as it does not consider the current safeguards put in place by suppliers to be sufficient to consider the expenditure identified as eligible as aligned with the Minimum Safeguards.

7.4 Reporting EU Taxonomy Indicators

Turnover

Denominator: based on consolidated net turnover in accordance with IAS 1.82(a). For further details on our accounting policies regarding consolidated turnover, please refer to the Group's Consolidated Financial Statements.

Numerator: we analyzed turnover from products or services and, in line with the previous year, determined that no activities carried out by the Group are eligible and/or aligned with the EU Taxonomy to date. Therefore, the numerator results in zero.

FY 2023	YEAR			SOCIAL CONTRIBUTION CRITERIA						DNSH CRITERIA (Do No Significant Harm)										Category (or enabling activity) (19)	Category (transition activity) (20)
	Code (2)	Turnover (3)	Proportion of turnover, year N (4) (2)	Climate change mitigation (5)	Climate change adaptation (6)	Water (7)	Pollution (8)	Circular economy (9)	Biodiversity (10)	Climate change mitigation (11)	Climate change adaptation (12)	Water (13)	Pollution (14)	Circular economy (15)	Biodiversity (16)	Minimum safeguards (17)	Percentage of Taxonomy-aligned (A.1) or Taxonomy-eligible turnover (A.2), year N-1 (18)				
		MEur	%	Y; N; N/EL;	Y; N; N/EL;	Y; N; N/EL;	Y; N; N/EL;	Y; N; N/EL;	Y; N; N/EL;	Y/N	Y/N	Y/N	Y/N	Y/N	Y/N	Y/N	%	Enabling	Transitional		
A. TAXONOMY-ELIGIBLE ACTIVITIES																					
A.1 Environmentally sustainable activities (Taxonomy-aligned)																					
Turnover of environmentally sustainable activities (Taxonomy-aligned) (A.1)		-	0.00%														0%				
of which enabling		-	0.00%														0%	E			
of which transitional		-	0.00%														0%		T		
A.2 Taxonomy-eligible activities but not environmentally sustainable (not Taxonomy-aligned activities)																					
				Y; N; N/EL;	Y; N; N/EL;	Y; N; N/EL;	Y; N; N/EL;	Y; N; N/EL;	Y; N; N/EL;	Y/N	Y/N	Y/N	Y/N	Y/N	Y/N	Y/N					
Turnover of Taxonomy-eligible but not environmentally sustainable activities (not Taxonomy-aligned activities) (A.2)		0	0.00%														0%				
A. Turnover of Taxonomy-eligible activities (A.1 + A.2)		0	0.00%														0%				
B. TAXONOMY - NON-ELIGIBLE ACTIVITIES																					
Turnover of Taxonomy-non-eligible activities		287,915	100%																		
TOTAL		287,915	100%																		

Consequently, the values in the table showing the degree of eligibility and alignment of activities for each of the environmental objectives all report zero values.

PROPORTION OF TURNOVER/TOTAL TURNOVER		
	Taxonomy-alignment by objective	Suitable for Taxonomy by objective
CCM	0%	0%
CCA	0%	0%
WTR	0%	0%
CE	0%	0%
PPC	0%	0%
BIO	0%	0%

Capex

Denominator: consists of additions to tangible and intangible assets during the year, before depreciation and amortization, including those resulting from revaluations and write-ups, and excluding changes in fair value. It includes acquisitions of property, plants, and equipment (IAS 16), intangible assets (IAS 38), and usage rights (IFRS 16). Increases from business aggregations are also included. Goodwill and borrowing costs are not included in the denominator because they are not defined as tangible or intangible assets under IAS 16 and IAS 38. For further details on our accounting policies regarding Capex, please refer to the Group's Consolidated Financial Statements.

As for the expenses concerning interventions for energy efficiency control and improvement (activity codes CCM 7.3, CCM 7.5, and CCM 7.6), the reporting boundary has been limited to interventions targeting the building and the attached sanitary and air conditioning systems and not the production component, in compliance with the provisions of Section 1.1.2.2 of Annex I of EU Delegated Regulation 2021/2178, the Technical Screening Criteria of Delegated Regulation (EU) 2021/2139 in the current text and 2023/2486, and the Q&A published by the European Commission.

Numerator: we analyzed our capital expenditures in line with previous assumptions and considered:

- eligible: activities attributable to the codes:
 - CCM 6.5 - Transportation by motorbikes, passenger cars, and light commercial vehicles
 - CCM 6.6 - Freight transport services by road
 - CCM 7.2 - Renovation of existing buildings
 - CCM 7.3 - Individual renovation measures consisting of installation, maintenance, or repair of energy efficiency equipment
 - CCM 7.4 - Installation, maintenance and repair of charging stations for electric vehicles in buildings (and parking spaces attached to buildings)
 - CCM 7.5 - Installation, maintenance and repair of instruments and devices for measuring, regulating and controlling energy performance of buildings
 - CCM 7.6 - Installation, maintenance and repair of renewable energy technologies
 - CE 1.2 - Manufacture of electrical and electronic equipment
 - CE 2.2 - Production of alternative water resources for purposes other than human consumption
 - CE 4.1 - Provision of data-driven IT/OT (information technology/operational technology) solutions
- aligned: no activities are found to be aligned.

The non-alignment is justified by the revision of the methodology adopted for assessing compliance with the Technical Screening Criteria of the Delegated Acts, as well as for verifying compliance with the minimum safeguards, as outlined in Article 18 of Regulation 852/2020.

The prudent decision to revise the assessment methodology is motivated by the need to take a thorough and rigorous approach to ensure the effective alignment of activities with the criteria set out in Delegated Regulations (EU) 2021/2139 and 2023/2486.

The revised methodology is intended to strengthen our efforts in ensuring that each selected activity is in full compliance with these provisions, minimizing any risks and ensuring a high standard of quality and safety.

Accordingly, the values for 2022 have been restated in light of the revised methodology for assessing supplier compliance with technical screening criteria referring to the Group's operating expenses.

FY 2023	YEAR			SOCIAL CONTRIBUTION CRITERIA						DNSH CRITERIA (Do No Significant Harm)						Minimum safeguards (17)	Percentage of Taxonomy-aligned (A.1) or Taxonomy-eligible CapEx (A.2), year N-1 (18)	Category (or enabling activity) (19)	Category (transition activity) (20)
	Code (2)	CapEx (3)	Proportion of CapEx, year N (4)	Climate change mitigation (5)	Climate change adaptation (6)	Water (7)	Pollution (8)	Circular economy (9)	Biodiversity (10)	Climate change mitigation (11)	Climate change adaptation (12)	Water (13)	Pollution (14)	Circular economy (15)	Biodiversity (16)				
Economic activities (1)		MEur	%	Y; N; N/EL;	Y; N; N/EL;	Y; N; N/EL;	Y; N; N/EL;	Y; N; N/EL;	Y; N; N/EL;	Y/N	Y/N	Y/N	Y/N	Y/N	Y/N	Y/N	%	Enabling	Transitional
A. TAXONOMY-ELIGIBLE ACTIVITIES																			
A.1 Environmentally sustainable activities (Taxonomy-aligned)																			
Renovation of existing buildings	CCM 7.2	-	0.0%														0.0%		T
Individual renovation measures consisting of installation, maintenance, or repair of energy efficiency equipment	CCM 7.3	-	0.0%														0.0%	E	
Installation, maintenance and repair of instruments and devices for measuring, regulating, and controlling the energy performance of buildings.	CCM 7.5	-	0.0%														0.0%	E	
Capex of environmentally sustainable activities (Taxonomy-aligned) (A.1)		-	0.0%																
of which enabling		-	0.0%															E	
of which transitional		-	0.0%																T
A.2 Taxonomy-eligible activities but not environmentally sustainable (not Taxonomy-aligned activities)																			
Transportation by motorbikes, passenger cars, and light commercial vehicles	CCM 6.5	138.34	0.2%	N	N	N/EL	N/EL	N/EL	N/EL		N		N	N		N	1.7%		
Freight transport services by road	CCM 6.6	66.00	0.1%	N	N	N/EL	N/EL	N/EL	N/EL		N		N	N		N	0.1%		
Renovation of existing buildings	CCM 7.2	100.85	0.2%	N	N	N/EL	N/EL	N/EL	N/EL		N	N	N	N		N	0.1%		
Individual renovation measures consisting of installation, maintenance, or repair of energy efficiency equipment	CCM 7.3	241.50	0.4%	N	N	N/EL	N/EL	N/EL	N/EL		N		N			N	0.2%		
Installation, maintenance, and repair of electric vehicle charging stations in buildings (and in parking spaces pertaining to buildings)	CCM 7.4	1.65	0.0%	Y	N	N/EL	N/EL	N/EL	N/EL		N					N	0.0%		

FY 2023	YEAR			SOCIAL CONTRIBUTION CRITERIA						DNSH CRITERIA (Do No Significant Harm)									
	Code (2)	CapEx (3)	Proportion of CapEx, year N (4)	Climate change mitigation (5)	Climate change adaptation (6)	Water (7)	Pollution (8)	Circular economy (9)	Biodiversity (10)	Climate change mitigation (11)	Climate change adaptation (12)	Water (13)	Pollution (14)	Circular economy (15)	Biodiversity (16)	Minimum safeguards (17)	Percentage of Taxonomy-aligned (A.1) or Taxonomy-eligible CapEx (A.2), year N-1 (18)	Category (or enabling activity) (19)	Category (transition activity) (20)
Text		MEur	%	Y; N; N/EL;	Y; N; N/EL;	Y; N; N/EL;	Y; N; N/EL;	Y; N; N/EL;	Y; N; N/EL;	Y/N	Y/N	Y/N	Y/N	Y/N	Y/N	Y/N	%	Enabling	Transitional
A.2 Taxonomy-eligible activities but not environmentally sustainable (not Taxonomy-aligned activities)																			
Installation, maintenance and repair of instruments and devices for measuring, regulating, and controlling the energy performance of buildings	CCM 7.5	-	0.0%	N	N	N/EL	N/EL	N/EL	N/EL		N					N	0.0%		
Installation, maintenance and repair of renewable energy technologies	CCM 7.6	187.54	0.3%	Y	N	N/EL	N/EL	N/EL	N/EL		N					N	0.0%		
Manufacture of electrical and electronic equipment	CE 1.2	2,872.95	5.1%	N/EL	N/EL	N/EL	N/EL	N	N/EL	N	N	N	N		N	N	0.0%		
Production of alternative water resources for purposes other than human consumption	CE 2.2	372.06	0.7%	N/EL	N/EL	N/EL	N/EL	Y	N/EL	N	N	N	N		N	N	0.0%		
Provision of data-driven IT/OT (information technology/operational technology) solutions	CE 4.1	501.52	0.9%	N/EL	N/EL	N/EL	N/EL	N	N/EL		N	N	N		N		0.0%		
CapEx of Taxonomy-eligible activities but not environmentally sustainable (not Taxonomy-aligned activities (A.2))		4,482.41	8.0%	0.3%	0.0%			0.7%									2.1%		
A. CapEx of Taxonomy-eligible activities (A.1+A.2)		4,482.41	8.0%	0.3%	0.0%			0.7%									2.1%		
B. TAXONOMY NON-ELIGIBLE ACTIVITIES																			
A. CapEx of Taxonomy non-eligible activities		51,897.59	92.0%																
TOTAL		56,380.00	100%																

Compared to 2022, there is an increase in the percentage of eligible activities due to the entry into force of Delegated Regulation 2023/2486 and the installation of renewable energy technologies.

The table showing the degree of eligibility and alignment of activities for each of the environmental objectives is shown below.

PROPORTION OF CAPEX/TOTAL CAPEX		
	Taxonomy-alignment by objective	Suitable for Taxonomy by objective
CCM	0.0%	1.3%
CCA	0.0%	0.0%
WTR	0.0%	0.0%
CE	0.0%	6.6%
PPC	0.0%	0.0%
BIO	0.0%	0.0%

OpEx

Denominator: as for the denominator, it consists of non-capitalized direct costs that relate to research and development, building renovations, short-term leases, maintenance and repairs, and any other direct expenditure related to the day-to-day maintenance of owned assets, plants, and equipment.

As for the expenditure concerning interventions for energy efficiency control and improvement (activity codes CCM 7.3, CCM 7.5, and CCM 7.6), the reporting boundary has been limited to interventions targeting the building and the attached sanitary and air conditioning systems and not the production component, even if relevant, in compliance with the provisions of Section 1.1.3.1 of Annex I of EU Delegated Regulation 2021/2178, the Technical Screening Criteria of EU Delegated Regulation 2021/2139 in the text in force and the Q&A published by the European Commission.

In compliance with Section 1.1.3.2 of Annex I of EU Delegated Regulation 2021/2178, there

was no expenditure for activities covered by Delegated Regulation (EU) 2023/2486 of the Commission of June 27, 2023.

Numerator: we analyzed our non-capitalized direct costs in line with previous assumptions and considered:

- eligible: non-capitalized direct costs related to activities attributable to the codes:
 - CCM 7.3 - Individual renovation measures consisting of installation, maintenance, or repair of energy efficiency
 - CCM 9.3 – Professional services related to the energy performance of buildings
- aligned: no activity

The non-alignment is justified by the revision of the methodology adopted for assessing compliance with the Technical Screening Criteria of the Delegated Acts, as well as for verifying compliance with the minimum safeguards, as outlined in Article 18 of Regulation 852/2020.

The prudent decision to revise the assessment methodology is motivated by the need to take a thorough and rigorous approach to ensure the effective alignment of activities with the criteria set out in Delegated Regulations (EU) 2021/2139 and 2023/2486.

The revised methodology is intended to strengthen our efforts in ensuring that each selected activity is in full compliance with these provisions, minimizing any risks and ensuring a high standard of quality and safety.

Accordingly, the values for 2022 have been restated in light of the revised methodology for assessing supplier compliance with technical screening criteria referring to the Group's operating expenses.

FY 2023	YEAR			SOCIAL CONTRIBUTION CRITERIA						DNSH CRITERIA (Do No Significant Harm)						Minimum safeguards (17)	Percentage of Taxonomy-aligned (A.1) or Taxonomy-eligible CapEx (A.2), year N-1 (18)	Category (or enabling activity) (19)	Category (transition activity) (20)
	Economic activities (1)	Code (2)	CapEx (3)	Proportion of CapEx, year N (4)	Climate change mitigation (5)	Climate change adaptation (6)	Water (7)	Pollution (8)	Circular economy (9)	Biodiversity (10)	Climate change mitigation (11)	Climate change adaptation (12)	Water (13)	Pollution (14)	Circular economy (15)				
Text		MEur	%	Y; N; N/ EL;	Y; N; N/ EL;	Y; N; N/EL;	Y; N; N/ EL;	Y; N; N/ EL;	Y; N; N/ EL;	Y/N	Y/N	Y/N	Y/N	Y/N	Y/N	Y/N	%	Enabling	Transitional
A. TAXONOMY-ELIGIBLE ACTIVITIES																			
A.1 Environmentally sustainable activities (Taxonomy-aligned)																			
Individual renovation measures consisting of installation, maintenance, or repair of energy efficiency equipment	CCM 7.3	-	0.0%														0.0%	E	
Professional services related to the energy performance of buildings	CCM 9.3	-	0.0%														0.0%	E	
OpEx of environmentally sustainable activities (Taxonomy-aligned) (A.1)		-	0.0%																
of which enabling		-	0.0%															E	
of which transitional		-	0.0%																T
A.2 Taxonomy-eligible activities but not environmentally sustainable (not Taxonomy-aligned activities)																			
Individual renovation measures consisting of installation, maintenance, or repair of energy efficiency equipment	CCM 7.3	96.9	0.8%	Y	N	N/EL	N/EL	N/EL	N/EL		N		N		N		0.7%		
Professional services related to the energy performance of buildings	CCM 9.3	73.2	0.6%	Y	N	N/EL	N/EL	N/EL	N/EL		N				N		0.6%		
OpEx of Taxonomy-eligible but not environmentally sustainable activities (not Taxonomy-aligned) (A.2)		170.1	1.4%	1.4%	0.0%												1.4%		
A. OpEx of Taxonomy-eligible activities (A.1+A.2)		170.1	1.4%	1.4%	0.0%												1.4%		
B. TAXONOMY NON-ELIGIBLE ACTIVITIES																			
A. OpEx of Taxonomy non-eligible activities		12,103	98.6%																
TOTAL		12,273	100%																

Compared to 2022, no significant changes in eligibility % are reported.

The table showing the degree of eligibility and alignment of activities for each of the environmental objectives is shown below.

PROPORTION OF OPEX/TOTAL OPEX		
	Taxonomy-alignment by objective	Suitable for Taxonomy by objective
CCM	0.0%	1.4%
CCA	0.0%	0.0%
WTR	0.0%	0.0%
CE	0.0%	0.0%
PPC	0.0%	0.0%
BIO	0.0%	0.0%

ANNEXES



Description of impacts, policies, and commitments

3-3

In the following tables, we report the impacts associated with each material topic, indicating the Group's involvement, the scope of impact, and the policies and safeguards in place to manage each one.

Scope	Material Topics	Impact description	Type of impact	Group involvement	Perimeter	Policy and Commitments
ENVIRONMENT	Materials and packaging	Indirect environmental impact related to the processing of consumables (in particular textiles) and packaging materials in manufacturing operations and along the supply chain. The use of materials for manufacturing activities negatively impacts the environment, both in terms of air and water pollution.	NEGATIVE - REAL	Generated by Servizi Italia Group	Servizi Italia Group	<p>Servizi Italia fosters a circular economy model through the selection of textile materials also capable of a second life at the end of their use as part of wash-hire services. The decision to use packaging with less use of virgin raw materials is part of our view to reducing the consumption of virgin raw materials. Choosing to put customers' laundry in sustainable packaging helps raise awareness and sensitivity among recipients as well, triggering a virtuous circle throughout the chain.</p> <p>Policy: Environmental management systems (ISO 14001) - EMAS registration - Environmental policies for non-certified companies</p>
	Energy consumption, emissions, and climate change	Energy consumption from nonrenewable sources at Group sites and along the value chain related to its activities contributes to climate change through direct and indirect GHG emissions and other pollutant emissions. Industrial laundry activities are, by their very nature, highly energy intensive and therefore make an impact on fueling climate change risks.	NEGATIVE - REAL	Generated by the Servizi Italia Group and related to the Group through its commercial relationships	Servizi Italia Group and suppliers of electricity, thermal energy, and logistics	<p>This includes activities aimed at reducing pollutant emissions, including making production systems more efficient and increasing the share of renewable sources in the energy mix. In addition to this, Servizi Italia expects to be able to positively influence the supply chain to also steer external services toward alternative energy sources.</p> <p>Policy: Environmental management systems (ISO 14001) - Energy management systems (ISO 50001) - EMAS registration - Carbon Footprint (ISO 14067) - Environmental policies for non-certified companies</p>

Scope	Material Topics	Impact description	Type of impact	Group involvement	Perimeter	Policy and Commitments
ENVIRONMENT	Water use and management	<p>The use of water in its production processes has impacts on the availability of the water resource in the area and negative impacts in terms of release of pollutants. Industrial laundry activities involve the consumption of significant amounts of water that are normally drawn from wells or mains, and are vulnerable to the risks of scarcity and drought associated with climate change adaptation.</p> <p>Improper discharge management can lead to further environmental damage.</p>	NEGATIVE - REAL	Generated by Servizi Italia Group	Servizi Italia Group	<p>Servizi Italia adopts specific recirculation systems that allow careful resource management and a significant reduction in consumption per kilogram processed. At the same time, through the use of sustainable chemicals and constant monitoring, the quality of wastewater discharge is overseen in compliance with the limits imposed by the permits issued by current regulations.</p> <p>Policy: Environmental management systems (ISO 14001) - EMAS registration - Water Footprint (ISO 14046) - Environmental policies for non-certified companies- 231 Model</p>
	Responsible waste management	<p>Environmental impacts related to the generation of hazardous and non-hazardous waste in the production phase.</p> <p>Waste produces pollution: sewage, gases, toxic substances, and non-biodegradable materials can pollute air, water, land.</p> <p>Waste costs money: it steals space and human and economic resources are needed to treat it, but also to remedy the environmental and health damage it produces.</p>	NEGATIVE - REAL	Generated by Servizi Italia Group	Servizi Italia Group	<p>Proper waste management, by first preventing it from being produced and then sending it for recycling, enables people to reduce their carbon and water footprints. In particular, with regard to laundry services, recycling and reuse of textiles would decrease the use of virgin materials. The introduction of new recovery and recycling activities could also have positive social impacts, generating new industries and new employment prospects.</p> <p>Policy: Environmental management systems (ISO 14001) - EMAS registration - Environmental policies for non-certified companies- 231 Model.</p>
ENVIRONMENT	Circular economy initiatives	<p>Creation of positive impacts through recycling and reuse of waste materials and other outputs in order to reduce raw material requirements and waste-related impacts. Goal 12 of the UN's 2030 Agenda calls for corporate accountability in finding sustainable patterns of production and consumption. The linear economy model is being challenged in favor of a more virtuous system: the circular economy.</p>	POSITIVE - POTENTIAL	Generated by Servizi Italia Group	Servizi Italia Group	<p>The circular economy involves the design of a more virtuous system than the one that governs the linear economy. Extending the productive use of materials, reusing them, and increasing their efficiency serves to strengthen competitiveness, reduce environmental impact and gas emissions, and create new jobs.</p> <p>Policy: Environmental management systems (ISO 14001) - Environmental policies for non-certified companies - 231 Model</p>

Scope	Material Topics	Impact description	Type of impact	Group involvement	Perimeter	Policy and Commitments
PEOPLE	Workers' health and safety	Injuries or other incidents in the workplace that can generate adverse health consequences of direct employees or contractors. This can affect the quality of life of employees and their families.	NEGATIVE - REAL	Generated by the Servizi Italia Group	Employees and external collaborators ²⁴ of the Servizi Italia Group	<p>Servizi Italia considers it important to constantly update risk assessment, in line with the evolution of the services provided, by adapting work organization and workplaces, undertaking actions aimed at spreading a real "safety culture," and focusing on specific training and motivational communication and safety awareness projects for workers. Spreading this kind of awareness can affect not only the workplace, but also the social sphere, if we think of the prevention of injuries, accidents at work and diseases (not only occupational).</p> <p>Policy: Management systems for worker health and safety (ISO 45001) - Health and safety guidelines for Group companies - 231 Model</p>
		An effective management system ensures a work environment in which we feel safe and secure both physically and mentally. This affects the organizational climate, trust in the work environment, and staff satisfaction.	POSITIVE - POTENTIAL	Generated by Servizi Italia Group	Servizi Italia Group	<p>Servizi Italia considers it important to constantly update risk assessment, in line with the evolution of the services provided, by adapting work organization and workplaces, undertaking actions aimed at spreading a real "safety culture," and focusing on specific training and motivational communication and safety awareness projects for workers. Spreading this kind of awareness can affect not only the workplace, but also the social sphere, if we think of the prevention of injuries, accidents at work and diseases (not only occupational).</p> <p>Policy: Management systems for worker health and safety (ISO 45001) - Health and safety guidelines for Group companies - 231 Model</p>

Scope	Material Topics	Impact description	Type of impact	Group involvement	Perimeter	Policy and Commitments
	Human capital management and employee development	People are the Group's most important asset. The ability to create a well-established corporate culture and a stimulating work environment is directly linked to skill enhancement and customized training, growth, and evaluation programs. A cohesive context to which we feel we belong can also have positive repercussions for suppliers, partners, and customers.	POSITIVE - REAL	Generated by the Servizi Italia Group	Servizi Italia Group	The Group's ability to develop skills and support the professional growth of staff, enhancing corporate know-how. The ability to retain resources, including through the availability of corporate welfare, work-life balance and well-being practices, can affect the relationship with the local area and the community within which the company operates, as well as being a place for growth. The ability to create a well-established and structured corporate culture can have positive repercussions throughout the chain, since in order to work with the Group, its partners and customers will need to share its principles and values. Policy: Family Audit - Charter of Values
		Reduced employee satisfaction and well-being due to failure to adopt corporate welfare, work-life balance, and well-being practices. Fostering work-life balance involves improvement in business dynamics and staff retention.	NEGATIVE - POTENTIAL	Generated by Servizi Italia Group	Employees of Servizi Italia Group	The ability to enhance employee well-being touches on actions aimed at promoting initiatives that involve the balance between work life and personal and/or family commitments. For clerical staff, the shift to an alternating combination of work in the offices and from home - along with flexible working hours - also make it possible to reduce vehicle traffic (and consequently emissions). Policy: Family Audit
HUMAN RIGHTS	Respect for human rights and workers' rights	Ineffective management of working conditions that do not guarantee freedom from forced and child labor. A world in which the goal is to enforce human rights for all is a world in which human rights and human dignity, the rule of law, justice, equality, and non-discrimination are universally respected.	NEGATIVE - POTENTIAL	Generated by the Servizi Italia Group	Servizi Italia Group	The company's specific focus on the issue of human rights (which in Servizi Italia includes the formal adoption of the provisions outlined in the United Nations' Universal Declaration of Human Rights and the International Labor Organization (ILO) Conventions in accordance with Standard SA8000) does not stop within the confines of the organization, but can give rise to a virtuous circle that encompasses the entire supply chain. Policy: Code of Ethics, Mission and Corporate Policy, Guidelines for Social Responsibility, SA8000, Manifesto of Non-Hostile Communication

Scope	Material Topics	Impact description	Type of impact	Group involvement	Perimeter	Policy and Commitments
HUMAN RIGHTS	Diversity, inclusion, and equal opportunity	Discrimination (e.g., related to gender, age, ethnicity, etc.) or other non-inclusive practices can generate negative impacts on employee satisfaction and motivation, as well as corporate reputation.	NEGATIVE - POTENTIAL	Generated by the Servizi Italia Group	Servizi Italia Group	<p>Promoting gender equality is a necessity of justice in today's society. Fostering gender equality enables talent retention, stimulates innovation, improves corporate reputation and financial performance, translating into long-term positive returns for investors. The Group is committed to respecting everyone's dignity and providing equal opportunities to all employees, rejecting any form of discrimination. Diversity is recognized at all levels as a value to be cultivated in the organization in order to foster the exchange of experiences, and it enables us to grasp the transformations and changes currently taking place, developing an increasingly open corporate culture.</p> <p>Policy: Code of Ethics, Mission and Corporate Policy, Guidelines for Social Responsibility, SA8000, Manifesto of Non-Hostile Communication</p>
FIGHT AGAINST ACTIVE AND PASSIVE CORRUPTION	Integrity and business ethics	Unethical business conduct, such as the use of aggressive tax policies, corrupt practices, and anti-competitive behavior, can generate negative impacts on people and economic systems, affecting the relationship of trust with stakeholders and corporate perception among customers.	NEGATIVE - POTENTIAL	Generated by Servizi Italia Group	Servizi Italia Group - Customers	<p>The Group's orientation toward respecting the principles of fairness, loyalty and good organization and the fight against active and passive corruption, fraud, monopolistic practices, and anti-competitive behavior provides stakeholders with the certainty of a fair interlocutor operating in full transparency and compliance with regulations.</p> <p>Policy: 231 Model, Code of Ethics, Mission and Corporate Policy, Anti-Corruption Guidelines (ISO 37001), Antitrust Conduct Code.</p>

Scope	Material Topics	Impact description	Type of impact	Group involvement	Perimeter	Policy and Commitments
SOCIAL	Ethical and sustainable procurement	Negative impacts related to the procurement of goods and services from suppliers, particularly the impacts generated by them on social and environmental aspects. The Group's sustainability also depends on that of its suppliers as well as the length of its supply chain.	NEGATIVE - POTENTIAL	Generated by the Servizi Italia Group and to which the Group contributes	Servizi Italia Group and Suppliers	<p>Monitoring and engaging suppliers are critical aspects in achieving ethical and sustainable procurement performance. The Group is uniquely positioned to influence global strategies and practices and drive change that will impact the people, communities, and countries in which it operates, thanks to its network of contacts and proven business experience. The Group can influence global strategies and practices and drive change that will impact not only service, but also quality, financial stability, reputation, the environment, and human rights.</p> <p>Policy: Code of Ethics, 231 Model; ISO 37001 Anti-corruption Management System</p>
	Patients' health and safety	Negative impact on the health of end users resulting from improper process quality management practices.	NEGATIVE - POTENTIAL	Generated by the Servizi Italia Group	Servizi Italia Group	<p>The Group implements and evolves its activities to ensure controlled processes tailored to the needs of customers, whose goal is to put the health and safety of healthcare service end users at the center.</p> <p>Policy: ISO 9001 Quality Management System</p>
	Direct economic value generated and distributed	Positive economic impacts generated by the organization through its business activities for workers, local communities, and other stakeholders. Generating added value is the first way to be socially responsible: enhancing the value of goods and services through the good management of organizational and production activities, with the aim of creating wealth in different forms, distributing it to different stakeholders.	POSITIVE - REAL	Generated by the Servizi Italia Group	Servizi Italia Group	<p>The ability to generate value impacts staff, shareholders, suppliers, and the local communities and target territories in which the Group operates.</p> <p>Policy: Policy for managing dialogue with shareholders.</p>

Scope	Material Topics	Impact description	Type of impact	Group involvement	Perimeter	Policy and Commitments
SOCIAL	Quality and safety of services and customer satisfaction	New business prospects can be identified by understanding and meeting customers' needs and requirements through the examination of technological innovations in process and service. Constant dialogue with customers increases the quality of service and thus the degree of satisfaction throughout the chain, all the way to the end users.	POSITIVE - POTENTIAL	Generated by Servizi Italia Group	Servizi Italia Group and Customers	<p>An open dialogue could unlock possible potential, thus influencing not only customers but also end users. The relationship with customers and their degree of satisfaction can be managed through appropriate communication and dialogue channels, and periodic interactions, so as to obtain targeted feedback on the services offered and any deviations from expectations.</p> <p>Against this backdrop, the Group must evolve and improve within the environment in which it operates to achieve higher standards of economic productivity through diversification, technological advancement, and innovation.</p> <p>Policy: ISO 9001 Quality Management System</p>
		Incidents of information and labeling non-compliance can result in a fine, penalty, or warning and threaten the trust relationship with the customer.	NEGATIVE - POTENTIAL	Generated by Servizi Italia Group	Servizi Italia Group and Customers	

Scope	Material Topics	Impact description	Type of impact	Group involvement	Perimeter	Policy and Commitments
SOCIAL	Business continuity and data protection	Any breaches of data privacy, integrity, and availability may affect the continuity of services and the confidentiality of customer data.	NEGATIVE - POTENTIAL	Generated by the Servizi Italia Group	Servizi Italia Group	<p>The Servizi Italia Group provides a public utility service, which cannot be interrupted because the entire National Healthcare System would be at stake and would find itself unable to provide care and assistance services.</p> <p>Identifying risks that threaten the company, assessing their impact, and preparing Business Continuity plans will help safeguard not only production activities and corporate image, but also the interests of stakeholders.</p> <p>This includes the ability to protect the computer system from threats and to protect workers in order to ensure the privacy, integrity and availability of data. Choosing to focus on this particular aspect means influencing the relationship of trust with customers, the Group's staff and its suppliers. Privacy is managed through the adoption of policies and procedures on data processing focused on transparent and secure management of the entire process.</p> <p>Policy: Data Processing Policy</p>
	Engagement and support of local communities	Supporting local development through contributions and donations to associations in the area where the Group is most present. Local development is directly related both to business activities and to the ability to engage local actors with a system-oriented logic, with an awareness of having an impact on communities.	POSITIVE - REAL	Generated by Servizi Italia Group	Servizi Italia Group - Local Communities	<p>The Group contributes to the economic development of the area in which it operates, ensuring good employment and supporting initiatives, activities, and projects that stimulate social progress by involving local communities, customers, trade associations, universities, and schools.</p> <p>Policy: Mission and Corporate Policy,</p>

Human resources data

DISCLOSURE 2- 7a

TOTAL NUMBER OF EMPLOYEES BY GENDER

Total number of employees	as at 31 December 2023			as at 31 December 2022		
	Men	Women	Total	Men	Women	Total
TOTAL	1,473	2,073	3,546	1,492	2,061	3,553

TOTAL NUMBER OF EMPLOYEES BY REGION

Total number of employees	ITALY		BRAZIL		TURKEY	
	2023	2022	2023	2022	2023	2022
TOTAL	2,024	2,019	1,268	1,197	254	337

DISCLOSURE 2-7b

TOTAL NUMBER OF EMPLOYEES BY CONTRACT TYPE, GENDER, AND REGION

Total number of employees	as at 31 December 2023			as at 31 December 2022		
	Men	Women	Total	Men	Women	Total
ITALY	813	1,211	2,024	820	1,199	2,019
Full-time	715	852	1,567	709	829	1,538
Part-time	98	359	457	111	370	481
on call	0	0	0	0	0	0
BRAZIL	522	746	1,268	477	720	1,197
Full-time	521	743	1,264	473	703	1,176
Part-time	1	3	4	4	17	21
on call	0	0	0	0	0	0
TURKEY	138	116	254	195	142	337
Full-time	138	116	254	195	142	337
Part-time	0	0	0	0	0	0
on call	0	0	0	0	0	0
GROUP	1,473	2,073	3,546	1,492	2,061	3,553
Full-time	1,374	1,711	3,085	1,377	1,674	3,051
Part-time	99	362	461	115	387	502
on call	0	0	0	0	0	0

TOTAL NUMBER OF EMPLOYEES BY CONTRACT TYPE, GENDER, AND REGION

Total number of employees	as at 31 December 2023			as at 31 December 2022		
	Men	Women	Total	Men	Women	Total
ITALY	813	1,211	2,024	820	1,199	2,019
Permanent	751	1,136	1,887	756	1,107	1,863
Temporary	62	75	137	64	92	156
BRAZIL	522	746	1,268	477	720	1,197
Permanent	521	743	1,264	473	703	1,176
Temporary	1	3	4	4	17	21
TURKEY	138	116	254	195	142	337
Permanent	138	116	254	195	142	337
Temporary	0	0	0	0	0	0
GROUP	1,473	2,073	3,546	1,492	2,061	3,553
Permanent	1,410	1,995	3,405	1,424	1,952	3,376
Temporary	63	78	141	68	109	177

DISCLOSURE 2-8

TOTAL NUMBER OF NON-EMPLOYEE WORKERS BY CONTRACT TYPE AND GENDER

External workers	as at 31 December 2023			as at 31 December 2022		
	Men	Women	Total	Men	Women	Total
ITALY	45	90	135	68	89	157
Outsourced labor	38	87	125	62	83	145
Project/ongoing and coordinated collaborators	4	1	5	2	0	2
Trainees and apprentices	3	2	5	4	6	10
BRAZIL	7	5	12	4	3	7
Outsourced labor	4	3	7	4	3	7
Project/ongoing and coordinated collaborators	3	2	5	0	0	0
Trainees and apprentices	0	0	0	0	0	0
TURKEY	0	0	0	0	0	0
Outsourced labor	0	0	0	0	0	0
Project/ongoing and coordinated collaborators	0	0	0	0	0	0
Trainees and apprentices	0	0	0	0	0	0
TOTAL GROUP	52	95	147	72	92	164
Outsourced labor	42	90	132	66	86	152
Project/ongoing and coordinated collaborators	7	3	10	2	0	2
Trainees and apprentices	3	2	5	4	6	10

DISCLOSURE 2-30²⁶: Percentage of employees under collective agreements

	UoM	2023	2022
Employees covered by collective bargaining agreements	No.	3,546	3,553
Percentage	%	100%	100%

DISCLOSURE 202-1: Ratio of standard entry level wage by gender compared to local minimum wage

RATIOS OF STANDARD ENTRY LEVEL WAGE BY GENDER COMPARED TO LOCAL MINIMUM WAGE				
Ratio of standard entry level wage by gender compared to local minimum wage	2023		2022	
	Men	Women	Men	Women
ITALY	1	1	1	1
BRAZIL	1	1	1	1
TURKEY	1	1	1	1
GROUP	1	1	1	1

26. In Italy: the National Collective Agreement for the integrated industrial sector of textile and related medical services is adopted for Servizi Italia S.p.A., the Confesercenti National Collective Agreement for Trade and the Industry Managers Agreement. In Brazil: the *Convenção Coletiva de Trabalho* is adopted, and in Turkey: Law No. 4857/2003.

DISCLOSURE 401-1: New employee hires and employee turnover

ITALY										
New hires										
Number of people	2023					2022				
	<30	30-50	>50	Total	Percentage	<30	30-50	>50	Total	Percentage
Men	44	82	22	148	18%	63	76	25	164	20%
Women	50	98	33	181	15%	62	116	39	217	18%
Total	94	180	55	329	16%	125	192	64	381	19%
Percentage	65%	18%	6%	16%		80%	18%	8%	19%	
Exits										
Number of people	2023					2022				
	<30	30-50	>50	Total	Percentage	<30	30-50	>50	Total	Percentage
Men	37	81	37	155	19%	41	75	48	164	20%
Women	37	81	51	169	14%	59	117	89	265	22%
Total	74	162	88	324	16%	100	192	137	429	21%
Percentage	51%	16%	10%	16%		64%	18%	17%	21%	

BRAZIL

New hires

Number of people	2023					2022				
	<30	30-50	>50	Total	Percentage	<30	30-50	>50	Total	Percentage
Men	211	162	25	398	76%	189	127	10	326	68%
Women	221	232	35	488	65%	228	165	10	403	56%
Total	432	394	60	886	70%	417	292	20	729	61%
Percentage	122%	61%	22%	70%		123%	46%	9%	61%	

Exits

Number of people	2023					2022				
	<30	30-50	>50	Total	Percentage	<30	30-50	>50	Total	Percentage
Men	179	159	15	353	68%	201	128	10	339	71%
Women	212	227	22	461	62%	239	167	15	421	58%
Total	391	386	37	814	64%	440	295	25	760	63%
Percentage	111%	60%	14%	64%		130%	47%	11%	63%	

TURKEY²⁷

New hires

Number of people	2023					2022				
	<30	30-50	>50	Total	Percentage	<30	30-50	>50	Total	Percentage
Men	50	84	29	163	118%	173	106	26	305	156%
Women	29	88	17	134	116%	91	115	21	227	160%
Total	79	172	46	297	117%	264	221	47	532	158%
Percentage	226%	110%	74%	117%		455%	100%	81%	158%	

Exits

Number of people	2023					2022				
	<30	30-50	>50	Total	Percentage	<30	30-50	>50	Total	Percentage
Men	59	116	46	221	160%	177	116	31	324	166%
Women	31	106	22	159	137%	99	126	27	252	177%
Total	90	222	68	380	150%	276	242	58	576	171%
Percentage	257%	141%	110%	150%		476%	110%	100%	171%	

27. Incoming and outgoing turnover rates are affected by Turkish national legislation governing employment relationships, which defines fixed-term contracts as those with a maximum duration of 30 days and for which renewal is not possible more than once. Otherwise, the employment contract is considered permanent even if the relationship is not continuous. Please note that the turnover calculation excludes rehiring during the year.

GROUP

New hires

Number of people	2023					2022				
	<30	30-50	>50	Total	Percentage	<30	30-50	>50	Total	Percentage
Men	305	328	76	709	48%	425	309	61	795	53%
Women	300	418	85	803	39%	381	396	70	847	41%
Total	605	746	161	1,512	43%	806	705	131	1,642	46%
Percentage	114%	41%	13%	43%		146%	37%	12%	46%	

Exits

Number of people	2023					2022				
	<30	30-50	>50	Total	Percentage	<30	30-50	>50	Total	Percentage
Men	275	356	98	729	49%	419	319	89	827	55%
Women	280	414	95	789	38%	397	410	131	938	46%
Total	555	770	193	1,518	43%	816	729	220	1,765	50%
Percentage	104%	43%	16%	43%		148%	38%	20%	50%	

DISCLOSURE 401-3: Parental leave

	GROUP		ITALY		BRAZIL		TURKEY	
	Men	Women	Men	Women	Men	Women	Men	Women
Employees entitled to parental leave	100%	100%	100%	100%	100%	100%	100%	100%
Employees who took parental leave during 2023	65	97	45	80	18	17	2	0
of which status as at 31.12.2023								
<i>still on leave</i>	1	27	1	23	0	4	0	0
<i>returned and still employed</i>	56	56	40	51	14	5	2	0
<i>resigned</i>	8	14	4	6	4	8	0	0
Return to employment rate as of 31.12.2023	87.50%	80.00%	90.91%	89.47%	77.78%	38.46%	100.00%	
Employees who took parental leave during 2022	61	135	38	104	23	31	0	0
of which status as at 31.12.2022								
<i>still on leave</i>	4	25	4	19	0	6	0	0
<i>returned and still employed</i>	45	92	29	74	16	18	0	0
<i>resigned</i>	12	18	5	11	7	7	0	0
Return to employment rate as of 31.12.2022	78.95%	83.64%	85.29%	87.06%	69.57%	72.00%		
Employees who took parental leave during 2022	61	135	38	104	23	31	0	0
of which status as at 31.12.2023								
<i>still on leave</i>	1	19	1	19	0	0	0	0
<i>returned and still employed</i>	41	84	29	71	12	13	0	0
<i>resigned</i>	19	32	8	14	11	18	0	0
Retention rate as of 31.12.2023	68.33%	72.41%	78.38%	83.53%	52.17%	41.94%		

DISCLOSURE 405-1: Diversity among employees

TOTAL NUMBER AND PERCENTAGE OF EMPLOYEES BY PROFESSIONAL CATEGORY, GENDER AND COUNTRY

Professional category	2023			2022		
	Men	Women	Total	Men	Women	Total
ITALY						
Executives	11	1	12	11	2	13
Middle Managers	24	4	28	25	2	27
Office workers	114	121	235	106	104	210
Factory workers	664	1,085	1,749	678	1,091	1,769
Total	813	1,211	2,024	820	1,199	2,019
Percentage of total	40%	60%	100%	41%	59%	100%
BRAZIL						
Executives	-	1	1	2	1	3
Middle Managers	2	2	4	4	5	9
Office workers	74	73	147	75	65	140
Factory workers	446	670	1,116	396	649	1,045
Total	522	746	1,268	477	720	1,197
Percentage of total	41%	59%	100%	40%	60%	100%
TURKEY						
Executives	3	-	3	2	0	2
Middle Managers	-	-	-	0	0	0
Office workers	2	1	3	3	3	6
Factory workers	133	115	248	190	139	329
Total	138	116	254	195	142	337
Percentage of total	54%	46%	100%	58%	42%	100%
GROUP						
Executives	14	2	16	15	3	18
Middle Managers	26	6	32	29	7	36
Office workers	190	195	385	184	172	356
Factory workers	1,243	1,870	3,113	1,264	1,879	3,143
Total	1,473	2,073	3,546	1,492	2,061	3,553
Percentage of total	41.5%	58.5%	100%	42%	58%	100%

TOTAL NUMBER AND PERCENTAGE OF EMPLOYEES BY PROFESSIONAL CATEGORY, AGE GROUP AND COUNTRY

Professional category	2023				2022			
	<30	30-50	>50	Total	<30	30-50	>50	Total
ITALY								
Executives	0	2	10	12	0	3	10	13
Middle Managers	0	16	12	28	0	17	10	27
Office workers	16	142	77	235	9	136	65	210
Factory workers	129	844	776	1,749	147	893	729	1,769
Total	145	1,004	875	2,024	156	1,049	814	2,019
Percentage of total	7%	50%	43%	100%	8%	52%	40%	100%
BRAZIL								
Executives	0	1	0	1	0	2	1	3
Middle Managers	0	2	2	4	0	7	2	9
Office workers	42	78	27	147	44	76	20	140
Factory workers	311	564	241	1,116	295	549	201	1,045
Total	353	645	270	1,268	339	634	224	1,197
Percentage of total	28%	51%	21%	100%	28%	53%	19%	100%
TURKEY								
Executives	0	1	2	3	0	1	1	2
Middle Managers	0	0	0	-	0	0	0	0
Office workers	2	1	0	3	2	4	0	6
Factory workers	33	155	60	248	56	216	57	329
Total	35	157	62	254	58	221	58	337
Percentage of total	14%	62%	24%	100%	17%	66%	17%	100%
GROUP								
Executives	-	4	12	16	0	6	12	18
Middle Managers	-	18	14	32	0	24	12	36
Office workers	60	221	104	385	55	216	85	356
Factory workers	473	1,563	1,077	3,113	498	1,658	987	3,143
Total	533	1,806	1,207	3,546	553	1,904	1,096	3,553
Percentage of total	15.0%	50.9%	34.0%	100%	16%	54%	31%	100%

DISCLOSURE 405-2: Ratio of base salary and remuneration of women to men

RATIO OF MEN'S TO WOMEN'S OVERALL REMUNERATION		
Total remuneration (Euro)	2023	2022
	W/M RATIO	W/M RATIO
Executives	0.87	1.14
Middle Managers	0.68	0.60
Office workers	0.87	0.87
Factory workers	0.98	0.99

The "Ratio between female and male basic salary" is always equal to 1 since the basic salary for the same job, as defined in the relevant GRI Glossary, is the same for men and women and corresponds to what is established by the collective contracts and/or the legislation in force in the countries of reference.

RATIO OF MEN'S TO WOMEN'S BASIC SALARY		
Total remuneration	2023	2022
	W/M RATIO	W/M RATIO
Executives	1	1
Middle Managers	1	1
Office workers	1	1
Factory workers	1	1

DISCLOSURE 404-1: Average hours of training per year per employee

AVERAGE HOURS OF TRAINING PER YEAR PER EMPLOYEE - YEAR 2023

Professional category	Men			Women			Total		
	No.	No. hours	Average hours	No.	No. hours	Average hours	No.	No. hours	Average hours
GROUP									
Executives	14	232.00	16.57	2	8.75	4.38	16	240.75	15.05
Middle Managers	26	950.00	36.54	6	160.50	26.75	32	1,110.50	34.70
Office workers	190	5,222.83	27.49	195	3,076.49	15.78	385	8,299.32	21.56
Factory workers	1,243	11,942.16	9.61	1,870	9,480.26	5.07	3,113	21,422.42	6.88
TOTAL	1,473	18,346.99	12.46	2,073	12,726.00	6.14	3,546	31,073.00	8.76

AVERAGE HOURS OF TRAINING PER YEAR PER EMPLOYEE - YEAR 2022

Professional category	Men			Women			Total		
	No.	No. hours	Average hours	No.	No. hours	Average hours	No.	No. hours	Average hours
GROUP									
Executives	15	138.50	9.23	3	16.50	5.50	18	155	8.61
Middle Managers	29	332.66	11.47	7	39.00	5.57	36	371.66	10.32
Office workers	184	2,801.30	15.22	172	2,048.95	11.91	356	4,850.25	13.62
Factory workers	1,264	8261.00	6.54	1,879	7,599.40	4.04	3,143	15,860.40	5.05
TOTAL	1,492	11,533.46	7.73	2,061	9,703.85	4.71	3,553	21,237.30	5.98

Health and safety data

DISCLOSURE 403-9²⁸: Work-related injuries - Direct workers

ITALY		
Number of accidents	From 1 Jan. to 31 Dec. 2023	From 1 Jan. to 31 Dec. 2022
Total number of fatalities as a result of work-related injuries	0	0
Total number of high-consequence work-related injuries (excluding fatalities)	1	0
Total number of recordable work-related injuries	66	58
Main types of work-related injuries	From 1 Jan. to 31 Dec. 2023	From 1 Jan. to 31 Dec. 2022
Type 1 - Wound / Cut	18	16
Type 2 - Contusion/Crushing	39	31
Type 3- Strain injuries: muscle injuries, hernias, etc.	6	4
Other injuries	3	7
Time data - Hours	From 1 Jan. to 31 Dec. 2023	From 1 Jan. to 31 Dec. 2022
Hours worked	2,992,498	2,590,392
Multiplier for calculation	1,000,000	1,000,000
Rate	From 1 Jan. to 31 Dec. 2023	From 1 Jan. to 31 Dec. 2022
Fatalities as a result of work-related injury rate	0	0
High-consequence work-related injury (excluding fatalities) rate	0.33	0
Recordable work-related injury rate	22.06	22.39

28. The injury rate was calculated as the ratio of the total number of injuries to the total hours worked, using a multiplication factor of 1,000,000.

BRAZIL

Number of accidents	From 1 Jan. to 31 Dec. 2023	From 1 Jan. to 31 Dec. 2022
Total number of fatalities as a result of work-related injuries	0	0
Total number of high-consequence work-related injuries (excluding fatalities)	0	0
Total number of recordable work-related injuries	39	35
Main types of work-related injuries	From 1 Jan. to 31 Dec. 2023	From 1 Jan. to 31 Dec. 2022
Type 1 - Wound / Cut	15	19
Type 2 - Contusion/Crushing	9	13
Type 3- Strain injuries: muscle injuries, hernias, etc.	0	0
Other injuries	15	3
Time data - Hours	From 1 Jan. to 31 Dec. 2023	From 1 Jan. to 31 Dec. 2022
Hours worked	2,105,009	2,082,338
Multiplier for calculation	1,000,000	1,000,000
Rate	From 1 Jan. to 31 Dec. 2023	From 1 Jan. to 31 Dec. 2022
Fatalities as a result of work-related injury rate	0	0
High-consequence work-related injury (excluding fatalities) rate	0	0
Recordable work-related injury rate	18.53	16.81

TURKEY

Number of accidents	From 1 Jan. to 31 Dec. 2023	From 1 Jan. to 31 Dec. 2022
Total number of fatalities as a result of work-related injuries	1	0
Total number of high-consequence work-related injuries (excluding fatalities)	0	0
Total number of recordable work-related injuries	21	17
Main types of work-related injuries	From 1 Jan. to 31 Dec. 2023	From 1 Jan. to 31 Dec. 2022
Type 1 - Wound / Cut	6	7
Type 2 - Contusion/Crushing	13	7
Type 3- Strain injuries: muscle injuries, hernias, etc.	1	0
Other injuries	1	3
Time data - Hours	From 1 Jan. to 31 Dec. 2023	From 1 Jan. to 31 Dec. 2022
Hours worked	764,162	809,767
Multiplier for calculation	1,000,000	1,000,000
Rate	From 1 Jan. to 31 Dec. 2023	From 1 Jan. to 31 Dec. 2022
Fatalities as a result of work-related injury rate	1.31	0
High-consequence work-related injury (excluding fatalities) rate	0	0
Recordable work-related injury rate	27.48	20.99

GROUP

Number of accidents	From 1 Jan. to 31 Dec. 2023	From 1 Jan. to 31 Dec. 2022
Total number of fatalities as a result of work-related injuries	1	0
Total number of high-consequence work-related injuries (excluding fatalities)	1	0
Total number of recordable work-related injuries	126	110
Main types of work-related injuries	From 1 Jan. to 31 Dec. 2023	From 1 Jan. to 31 Dec. 2022
Type 1 - Wound / Cut	39	42
Type 2 - Contusion/Crushing	61	51
Type 3- Strain injuries: muscle injuries, hernias, etc.	7	4
Other injuries	19	13
Time data - Hours	From 1 Jan. to 31 Dec. 2023	From 1 Jan. to 31 Dec. 2022
Hours worked	5,861,669	5,482,497
Multiplier for calculation	1,000,000	1,000,000
Rate	From 1 Jan. to 31 Dec. 2023	From 1 Jan. to 31 Dec. 2022
Fatalities as a result of work-related injury rate	0.17	0
High-consequence work-related injury (excluding fatalities) rate	0.17	0
Recordable work-related injury rate	21.50	20.06

DISCLOSURE 403-9: Occupational injuries - Outsourced workers²⁹

GROUP		
Number of accidents	From 1 Jan. to 31 Dec. 2023	From 1 Jan. to 31 Dec. 2022
Total number of fatalities as a result of work-related injuries	0	0
Total number of high-consequence work-related injuries (excluding fatalities)	0	0
Total number of recordable work-related injuries	8	4
Main types of work-related injuries	From 1 Jan. to 31 Dec. 2023	From 1 Jan. to 31 Dec. 2022
Type 1 - Wound / Cut	2	0
Type 2 - Contusion/Crushing	5	4
Type 3- Strain injuries: muscle injuries, hernias, etc.	1	0
Other injuries	0	0
Time data - Hours	From 1 Jan. to 31 Dec. 2023	From 1 Jan. to 31 Dec. 2022
Hours worked	256,328	197,957
Multiplier for calculation	1,000,000	1,000,000
Rate	From 1 Jan. to 31 Dec. 2023	From 1 Jan. to 31 Dec. 2022
Fatalities as a result of work-related injury rate	0	0
High-consequence work-related injury (excluding fatalities) rate	0	0
Recordable work-related injury rate	31.21	20.21

29. Data relating to the Health and Safety of external workers includes only the category of outsourced workers and not other types of non-employee workers who work at the Group's sites and/or under the Group's control, given their significance and the availability of such data over which the Group does not exercise direct control.

DISCLOSURE 403-10: Work-related ill health

DIRECT WORKERS

Number of accidents	31.12.2023	31.12.2022
Total number of deaths due to work-related ill health	0	0
Total number of recordable cases of work-related ill health	2	13
Main types of work-related ill health	31.12.2023	31.12.2022
Type 1 - Manual handling of loads	1	5
Type 2 - Upper limb biomechanical overload	1	8
Type 3 - Other	0	0

INDIRECT WORKERS

Number of accidents	31.12.2023	31.12.2022
Total number of deaths due to work-related ill health	0	0
Total number of recordable cases of work-related ill health	0	0
Main types of work-related ill health	31.12.2023	31.12.2022
Type 1 Manual handling of loads	0	0
Type 2 Upper limb biomechanical overload	0	0
Type 3 Other	0	0

Environment-related data

The scope of environmental data refers to all Italian, Brazilian, and Turkish production sites. The surgical instrumentation Sterilization Plants located within client hospital facilities are not included in the reporting of water and emission consumption, as the management of utilities is in most cases the responsibility of the owner (Contracting Station). The data of 2023, with regard to the GRI disclosures 301-1, 302-1; 303-3 and 303-4 related to Olimpos Laundry Teks.Tem. Hizm. Ve Tur. San. Tic. LTD.Sti IS Ortakligi is estimated based on billed volumes.

DISCLOSURE 301-1: Materials used by weight or volume³⁰

	UoM	2023	2022
TOTAL USE OF MATERIALS	t	6,965	7,168
TOTAL NON-RENEWABLE MATERIALS	t	6,958	7,159
Total chemicals	t	3,761	3,797
Total plastic packaging	t	714	807
Total textile garments	t	2,482	2,554
Total steel	t	1.4	0.9
TOTAL RENEWABLE MATERIALS	t	7.0	8.8
Paper and cardboard	t	7.0	8.8

DISCLOSURE 301-2: Recycled input materials used

	UoM	2023	2022 ³¹
Weight of materials from recycling	t	56	111
% of total materials used	%	0.8%	1.6%

30. Please note that the weight of the "Total steel" item is estimated starting from the average weight of a representative sample of surgical instruments purchased. In addition, it should be noted that the 2022 figure for the Group's use of materials by weight or volume has been restated as a result of revised calculation methods. Please refer to the 2022 Report for the previously published data.

31. The figure for the Group's use of materials by weight or volume has been restated as a result of revised calculation methods. Please refer to the 2022 Report for the previously published data.

DISCLOSURE 302-1: Energy consumption within the organization³²

ENERGY CONSUMPTION WITHIN THE ORGANIZATION

Type of consumption	UoM	2023		2022	
		Total	Total GJ	Total	Total GJ
Non-renewable sources			613,432		626,359
Natural gas	m3	15,140,482	547,934	16,118,808	578,421
Diesel for generator	l	34,881	1,319	30,876	1,179
Coal (consumed)	kg	572,811	18,234	0	0
Diesel - Corporate Fleet + Internal logistics	l	1,126,365	42,600	1,145,526	43,741
Gasoline - Company fleet	l	97,951	3,336	88,026	3,015
Methane - Company fleet	l	1,093	8.7	458	3.6
Renewable fuels	m3	58,265	402,541	56,657	391,429
Wood	m3	58,265	402,541	56,657	391,429
Purchased electricity	kWh	31,916,406	114,899	32,221,873	115,999
of which from renewable sources (certified)	kWh	10,058,219	36,210	12,284,010	44,222
of which from non-renewable sources	kWh	21,858,187	78,689	19,937,864	71,776
Self-generated electricity	kWh	3,354,217	12,075	2,963,205	10,668
of which from renewable sources	kWh	347,227	1,250	0	0
of which from non-renewable sources	kWh	3,006,991	10,825	2,963,205	10,668
Electricity produced and sold/transferred to the grid	kWh	-53,522	-193	-105,231	-379
of which from renewable sources	kWh	-10,810	-39	0	0
of which from non-renewable sources	kWh	-42,712	-154	-105,231	-379
Purchased steam	MWh	11,499	41,545	12,123	43,642
Total energy consumption	GJ		1,173,324		1,177,050
Renewable energy	GJ		439,962		435,651
Non-renewable energy	GJ		733,362		741,399
% of renewable energy on total	%		37.50%		37.01%

32. Wood consumption in Brazil is estimated based on the number of loading trolleys used to fuel the boilers (1 trolley = 1 m3 of wood).

DISCLOSURE 302-2: Energy consumption outside of the organization

ENERGY CONSUMPTION OUTSIDE OF THE ORGANIZATION ³³

	UoM	2023		2022	
		Total	Total GJ	Total	Total GJ
Diesel for road transport	l	2,103,864.15	79,570	2,361,994.56	90,191
Gasoline for road transport	l	21,483.44	732	5,139.00	176
Total fuel for road transport	GJ		80,301		90,367

DISCLOSURE 302-3: Energy Intensity

ENERGY INTENSITY

Type of consumption	UoM	2023	2022 ³⁴
Non-renewable sources	GJ	613,432	626,359
Renewable fuels	GJ	402,541	391,429
Self-generated electricity from renewable sources	GJ	1,250	0
Purchased electricity	GJ	114,899	115,999
Self-produced electricity and electricity sold/transferred to the grid	GJ	-193	-379
Purchased steam	GJ	41,395	43,642
Total energy consumption within the organization	GJ	1,173,324	1,177,050
Economic value generated by the Group	€M	287,915	270,313
ENERGY INTENSITY	GJ/€M	4.08	4.35

33. Energy consumption outside the organization includes fuel consumption for logistics services not directly managed by the Group (transportation and downstream distribution - cat. 9 GHG Protocol Corporate Value Chain Standard), excluding inbound logistics related to supply flows.

34. The 2022 figure has been restated for a refinement in the calculation method. Please refer to the 2022 Report for the previously published data.

DISCLOSURE 303-3: Water withdrawal

Withdrawal source	UoM	2023		2022	
		All areas	Areas with water stress	All areas	Areas with water stress
Groundwater (total)	MI	1,173	709	1,252	735
Fresh water (≤1,000 mg/l of total dissolved solids)	MI	1,173	709	1,252	735
Other water types (>1,000 mg/l of total dissolved solids)	MI	0	0	0	0
Third party water (total)	MI	553	461	590	502
Fresh water (≤1,000 mg/l of total dissolved solids)	MI	553	461	590	502
Other water types (>1,000 mg/l of total dissolved solids)	MI	0	0	0	0
TOTAL WATER WITHDRAWAL	MI	1,726	1,170	1,842	1,237

DISCLOSURE 303-4: Water discharge³⁵

Place of discharge	UoM	2023		2022	
		All areas	Areas with water stress	All areas	Areas with water stress
Surface water (total)	MI	457	292	482	303
Fresh water	MI	0	0	0	0
Other types of water	MI	457	292	482	303
Third party water (total)	MI	978	731	993	747
Fresh water	MI	0	0	0	0
Other types of water	MI	978	731	993	747
TOTAL WATER DISCHARGE	MI	1,435	1,024	1,475	1,050

35. Discharges from the Brazilian and Turkish production sites are estimated based on the quantities of water withdrawn, assuming 90% discharge based on the quantities withdrawn.

DISCLOSURE 305-1 Direct (Scope 1) GHG emissions

TYPE	UoM	2023	2022
Natural gas	tCO ₂ eq	30,862	32,491
Diesel for road transport	tCO ₂ eq	2,830	2,930
LPG	tCO ₂ eq	0	0
Coal	tCO ₂ eq	1,813	0
Diesel for generator	tCO ₂ eq	87.62	78.98
Wood	tCO ₂ eq	1,087	1,036
Gasoline for road transport	tCO ₂ eq	205.45	190.30
Methane for road transport	tCO ₂ eq	490.01	203.54 ³⁶
TOTAL EMISSIONS SCOPE 1	tCO₂eq	37,374	36,930

DISCLOSURE 305-2: Energy indirect (Scope 2) GHG emissions³⁷

TYPE	UoM	2023	2022
Purchased steam	tCO ₂ eq	2,066	2,070
Purchased electricity- Location Based	tCO ₂ eq	8,545	8,869
Purchased electricity- Market Based	tCO ₂ eq	6,676	6,078
TOTAL SCOPE 2 - LOCATION BASED	tCO₂eq	10,611	10,939
TOTAL SCOPE 2 - MARKET BASED	tCO₂eq	8,742	8,148
TOTAL EMISSIONS SCOPE 1 + SCOPE 2 - LOCATION BASED	tCO₂eq	47,985	47,870
TOTAL EMISSIONS SCOPE 1 + SCOPE 2 - LOCATION BASED + SCOPE 3	tCO₂eq	53,315	53,922

36. The figure for the Group's automotive methane consumption has been restated following a revision of the calculation methods. Please refer to the 2022 Sustainability Report for the previously published data.

37. The reporting standard used (GRI Sustainability Reporting Standards 2021) provides two different approaches to calculating Scope 2 emissions: "Location-based" and "Market-based". The "Location-based" approach involves the use of average emission factors related to specific national power generation energy mixes (source: Terna International Comparisons 2019). The market-based approach involves the use of emission factors defined on a contractual basis with the electricity supplier (source: AIB - European Residual Mixes 2022 and Terna International Comparisons 2019). In the absence of specific contractual agreements between the Organization and the electricity supplier (e.g., purchase of Guarantees of Origin), for the "Market-based" approach the emission factor relating to the national "residual mix" has been used, where available.

DISCLOSURE 305-3: Other indirect (Scope 3) GHG emissions

TYPE	UoM	2023	2022
SCOPE 3	tCO ₂ eq		
Diesel for road transport	tCO ₂ eq	5,285	6,042
Gasoline for road transport	tCO ₂ eq	45	11
Total emissions Scope 3	tCO ₂ eq	5,330	6,053

DISCLOSURE 305-4 GHG emissions intensity

GHG EMISSIONS INTENSITY			
Type of consumption	UoM	2023	2022 ³⁸
Total emissions Scope 1	tCO ₂ eq	37,374	36,930
Total Scope 2 - Location Based	tCO ₂ eq	10,611	10,939
Total Scope 2 - Market-based	tCO ₂ eq	8,742	8,148
Total emissions Scope 1- Scope 2 - Location Based	tCO ₂ eq	47,985	47,870
Total Scope 3	tCO ₂ eq	5,330	6,053
Total emissions	tCO ₂ eq	53,315	53,922
Economic value generated by the Group	€M	287,915	270,313
GHG EMISSIONS INTENSITY	tCO ₂ eq/€M	0.19	0.20

38. The 2022 figure has been restated for a refinement in the calculation method. Please refer to the 2022 Report for the previously published data.

DISCLOSURE 305-7: Nitrogen oxides (NOx), sulfur oxides (SOx) and other significant air emissions

Type	UoM	2023	2022
NOx emissions	t	70	80

GJ conversion factors table

	Natural Gas (GJ/Smc)	LPG (GJ/ton)	Diesel fuel automotive (GJ/ton)	Gasoline (GJ/ton)	CNG (GJ/ton)	Electricity (GJ/kWh)	Steam purchased (GJ/MWh)	Wood (GJ/Ton)	Coking coal (GJ/ton)
2023	0.0362	49.346	45.412	45.577	45.522	0.0036	3.600	16.256	31.832
Source	DEFRA 2023	DEFRA 2023	DEFRA 2023	DEFRA 2023	DEFRA 2023	Constant	Constant	DEFRA 2023	DEFRA 2023
2022	0.0359	49.333	45.278	45.998	45.195	0.0036	3.600	16.256	31.832
Source	DEFRA 2022	DEFRA 2022	DEFRA 2022	DEFRA 2022	DEFRA 2022	Constant	Constant	DEFRA 2022	DEFRA 2022

Table of conversion factors to CO₂eq³⁹

	Natural gas (tCO ₂ eq/m ³)	LPG (tCO ₂ eq/ton)	Diesel (tCO ₂ eq/ton)	Gasoline (tCO ₂ eq/ton)	CNG (tCO ₂ eq/ton)	Wood (tCO ₂ eq/ton)	Coking coal (tCO ₂ eq/ton)	HGV Diesel Rigid (>3.5-7.5 tons) Average laden (tCO ₂ eq/km)
2023	0.002	2.939	0.003	0.002	2.563	0.044	3.165	0.00049
Source	DEFRA 2023	DEFRA 2023	DEFRA 2023	DEFRA 2023	DEFRA 2023	DEFRA 2023	DEFRA 2023	DEFRA 2023
2022	0.002	2.939	0.003	0.002	2.539	0.043	3.165	
Source	DEFRA 2022	DEFRA 2022	DEFRA 2022	DEFRA 2022	DEFRA 2022	DEFRA 2022	DEFRA 2022	

39. The emission factor used to calculate Scope 1 emissions from wood combustion, expressed in tCO₂ equivalent (source: DEFRA 2023), includes CH₄ and N₂O emissions, while the CO₂ emissions have been set to "zero" because the fuel itself (wood) absorbs a quantity of CO₂ during the growth phase that is equal to what is released during combustion. In accordance with the GHG Protocol, the contribution of the CO₂ released during the combustion of wood was also calculated "outside the Scope" to ensure complete accounting of the emissions created. CO₂ emissions from wood combustion were 34,577 tCO₂ in 2022 and 35,565 tCO₂ in 2023. (Emission factor: Source: DEFRA 2022; DEFRA 2023).

Table of conversion factors to CO₂eq⁴⁰

2023	Electricity Location Based (gCO ₂ /kWh)	Electricity Market Based (gCO ₂ /kWh)	Steam Location Based (gCO ₂ /kWh)
Italy	315	457.1	0.17965
Brazil	139	139	-
Turkey	415	415	-
Source	Terna 2019	AIB - European Residual Mix 2022 for Italy; Terna 2019 for Brazil and Turkey	DEFRA 2023 - Heat and steam - Advanced data set

2022	Electricity Location Based (gCO ₂ /kWh)	Electricity Market Based (gCO ₂ /kWh)	Steam Location Based (gCO ₂ /kWh)
Italy	315	456.57	0.17073
Brazil	139	139	-
Turkey	415	415	-
Source	Terna 2019	AIB - European Residual Mix 2021 for Italy; Terna 2019 for Brazil and Turkey	DEFRA 2022 - Heat and steam - Advanced data set

40. The emission factor used to calculate *Scope 1* emissions from wood combustion, expressed in tCO₂ equivalent (source: DEFRA 2023), includes CH₄ and N₂O emissions, while the CO₂ emissions have been set to "zero" because the fuel itself (wood) absorbs a quantity of CO₂ during the growth phase that is equal to what is released during combustion. In accordance with the GHG Protocol, the contribution of the CO₂ released during the combustion of wood was also calculated "outside the *Scope*" to ensure complete accounting of the emissions created. CO₂ emissions from wood combustion were 34,577 tCO₂ in 2022 and 35,565 tCO₂ in 2023. (Emission factor: Source: DEFRA 2022; DEFRA 2023).

DISCLOSURE 306-3: Waste generated

Waste generated (in tons)	2023			2022		
	Hazardous	Non-hazardous	Total	Hazardous	Non-hazardous	Total
of which sent for recovery	383.8	1,448.9	1,833	54.9	1,113.2	1,168
of which sent for disposal	7.9	1,311.3	1,319	433.7	1,323.4	1,757
TOTAL	392	2,760	3,152	489	2,437	2,925
Percentage	12%	88%		17%	83%	

GRI CONTENT INDEX



GRI content index

Declaration of Use: Servizi Italia S.p.A. has submitted reporting in accordance with the GRI Standards for the period from 01/01/2023 to 31/12/2023

GRI 1 used: GRI 1: Foundation (2021)

Applicable GRI Sectoral Standards: N/A

GRI Standards	Information	Location	Omission		
			Requirements Omitted	Reason	Explanation
GRI 2: GENERAL DISCLOSURES (2021)					
GRI 2 (2021)	2-1 Organizational details	24-27; 29-30			
GRI 2 (2021)	2-2 Entities included in the organization's sustainability reporting	5-6			
GRI 2 (2021)	2-3 Reporting period, frequency, and contact point	5-6			
GRI 2 (2021)	2-4 Restatements of information	5			
GRI 2 (2021)	2-5 External assurance	146			
GRI 2 (2021)	2-6 Activities, value chain, and other business relationships	5; 24-27			
GRI 2 (2021)	2-7 Employees	64; 107-109			
GRI 2 (2021)	2-8 Workers who are not employees	64; 110			
GRI 2 (2021)	2-9 Governance structure and composition	29-30			
GRI 2 (2021)	2-10 Nomination and selection of the highest governance body	29-30			
GRI 2 (2021)	2-11 Chair of the highest governance body	29-30			
GRI 2 (2021)	2-12 Role of the highest governance body in overseeing the management of impacts	9			

GRI Standards	Information	Location	Omission		
			Requirements Omitted	Reason	Explanation
GRI 2 (2021)	2-13 Delegation of responsibility for managing impacts	9			
GRI 2 (2021)	2-14 Role of the highest governance body in sustainability reporting	9			
GRI 2 (2021)	2-15 Conflicts of interest	Regulations for Related Party Transactions			
GRI 2 (2021)	2-16 Communication of critical concerns	32			
GRI 2 (2021)	2-17 Collective knowledge of the highest governance body	68			
GRI 2 (2021)	2-18 Evaluation of the performance of the highest governance body	Report on Corporate Governance and Ownership Structure			
GRI 2 (2021)	2-19 Remuneration policies	65-66			
GRI 2 (2021)	2-20 Process to determine remuneration	65-66			
GRI 2 (2021)	2-21 Annual total compensation ratio	66			
GRI 2 (2021)	2-22 Statement on sustainable development strategy	2			
GRI 2 (2021)	2-23 Policy commitments	99-106			
GRI 2 (2021)	2-24 Embedding policy commitments	99-106			
GRI 2 (2021)	2-25 Processes to remediate negative impacts	32; 80			
GRI 2 (2021)	2-26 Mechanisms for seeking advice and raising concerns	32-33			
GRI 2 (2021)	2-27 Compliance with laws and regulations	34			
GRI 2 (2021)	2-28 Membership associations	84			

GRI Standards	Information	Location	Omission		
			Requirements Omitted	Reason	Explanation
GRI 2 (2021)	2-29 Approach to stakeholder engagement	7-8			
GRI 2 (2021)	2-30 Collective bargaining agreements	74; 111			
MATERIAL TOPICS					
GRI 3- Material Topics (2021)	3-1 Process to determine material topics	9			
	3-2 List of material topics	10; 99-106			
MATERIAL TOPIC: Materials and packaging					
GRI 3- Material Topics (2021)	3-3 Management of material topics	60-61; 99-106			
GRI 301-Materials (2016)	301-1 Materials used by weight or volume	60-61; 127			
GRI 301-Materials (2016)	301-2 Recycled input materials used	60-61; 127			
MATERIAL TOPIC: Energy consumption, emissions, and climate change					
GRI 3- Material Topics (2021)	3-3 Management of material topics	54-57; 99-106			
GRI 302-Energy (2016)	302-1 Energy consumption within the organization	54-55; 128; 133			
GRI 302-Energy (2016)	302-2 Energy consumption outside of the organization	54-55; 129; 133			
GRI 302-Energy (2016)	302-3 Energy intensity	54-55; 129			
GRI 305-Emissions (2016)	305-1 Direct (Scope 1) GHG emissions	56-57; 131; 133-134			
GRI 305-Emissions (2016)	305-2 Energy indirect (Scope 2) GHG emissions	56-57; 131; 133-134			
GRI 305-Emissions (2016)	305-3 Other indirect (Scope 3) GHG emissions	56-57; 132-134			

GRI Standards	Information	Location	Omission		
			Requirements Omitted	Reason	Explanation
GRI 305-Emissions (2016)	305-4 GHG emissions intensity	56-57; 132			
GRI 305-Emissions (2016)	305-7 Nitrogen oxides (NOx), sulfur oxides (SOx) and other significant air emissions	56-57; 133			
MATERIAL TOPIC: Water use and management					
GRI 3- Material Topics (2021)	3-3 Management of material topics	58-59; 99-106			
GRI 303-Water and Effluents (2018)	303-1 Interactions with water as a shared resource	58-59			
GRI 303-Water and Effluents (2018)	303-2 Management of water discharge-related impacts	58-59			
GRI 303-Water and Effluents (2018)	303-3 Water withdrawal	58-59; 130			
GRI 303-Water and Effluents (2018)	303-4 Water discharge	58-59; 130			
MATERIAL TOPIC: Responsible waste management					
GRI 3- Material Topics (2021)	3-3 Management of material topics	62; 99-106			
GRI 306-Waste (2020)	306-1 Waste generation and significant waste-related impacts	62			
GRI 306-Waste (2020)	306-2 Management of significant waste-related impacts	62			
GRI 306-Waste (2020)	306-3 Waste generated	62; 135			
MATERIAL TOPIC: Circular economy initiatives					
GRI 3- Material Topics (2021)	3-3 Management of material topics	62; 99-106			

GRI Standards	Information	Location	Omission		
			Requirements Omitted	Reason	Explanation
GRI 306-Waste (2020)	306-1 Waste generation and significant waste-related impacts	62			
MATERIAL TOPIC: Workers' health and safety					
GRI 3- Material Topics (2021)	3-3 Management of material topics	71-73; 99-106			
GRI 403-Occupational health and safety (2018)	403-1 Occupational health and safety management system	71-73			
GRI 403-Occupational health and safety (2018)	403-2 Hazard identification, risk assessment and incident investigation	71-73			
GRI 403-Occupational health and safety (2018)	403-3 Occupational health services	71-73			
GRI 403-Occupational health and safety (2018)	403-4 Worker participation, consultation, and communication on occupational health and safety	71-73			
GRI 403-Occupational health and safety (2018)	403-5 Worker training on occupational health and safety	67-68; 71-73			
GRI 403-Occupational health and safety (2018)	403-6 Promotion of worker health	65; 71-73			
GRI 403-Occupational health and safety (2018)	403-7 Prevention and mitigation of occupational health and safety impacts directly linked by business relationships	71-73			
GRI 403-Occupational health and safety (2018)	403-8 Workers covered by an occupational health and safety management system	71			
GRI 403-Occupational health and safety (2018)	403-9 Work-related injuries	121-125			
GRI 403-Occupational health and safety (2018)	403-10 Work-related ill health	73; 126			

GRI Standards	Information	Location	Omission		
			Requirements Omitted	Reason	Explanation
MATERIAL TOPIC: Human capital management and employee development					
GRI 3- Material Topics (2021)	3-3 Management of material topics	64-68; 99-106			
GRI 202-Market presence (2016)	202-1 Ratios of standard entry level wage by gender compared to local minimum wage	111			
GRI 401-Employment (2016)	401-1 New employee hires and employee turnover	64-65; 112-115			
GRI 401-Employment (2016)	401-3 Parental leave	64-65; 116			
GRI 404-Training and Education (2016)	404-1 Average hours of training per year per employee	67-68; 120			
MATERIAL TOPIC: Respect for human rights and workers' rights					
GRI 3- Material Topics (2021)	3-3 Management of material topics	33-34; 99-106			
GRI 406 - Non-discrimination (2016)	406-1 Incidents of discrimination and corrective actions taken	33-34			
MATERIAL TOPIC: Diversity, inclusion, and equal opportunity					
GRI 3- Material Topics (2021)	3-3 Management of material topics	29-30; 64-66; 69-70; 99-106			
GRI 405 - Diversity and Equal Opportunity (2016)	405-1 Diversity of governance bodies and employees	29-30; 64; 117-118			
GRI 405 - Diversity and Equal Opportunity (2016)	405-2 Ratio of basic salary and remuneration of women to men	65-66; 119			

GRI Standards	Information	Location	Omission		
			Requirements Omitted	Reason	Explanation
MATERIAL TOPIC: Ethical and sustainable procurement					
GRI 3- Material Topics (2021)	3-3 Management of material topics	76-77; 99-106			
GRI 204-Procurement practices (2016)	204-1 Proportion of spending on local suppliers	76-77			
MATERIAL TOPIC: Quality and safety of services and customer satisfaction					
GRI 3- Material Topics (2021)	3-3 Management of material topics	78-80; 99-106			
GRI 417 - Marketing and Labeling (2016)	417-2 Incidents of non-compliance concerning product and service information and labeling	34			
MATERIAL TOPIC: Business continuity and data protection					
GRI 3- Material Topics (2021)	3-3 Management of material topics	31-35; 99-106			
GRI 418 - Customer Privacy (2016)	418-1 Substantiated complaints concerning breaches of customer privacy and losses of customer data	34			
MATERIAL TOPIC: Patient Health and Safety					
GRI 3- Material Topics (2021)	3-3 Management of material topics	85-86; 99-106			
MATERIAL TOPIC: Engagement and support of local communities					
GRI 3- Material Topics (2021)	3-3 Management of material topics	81-84; 99-106			
GRI 413 - Local communities (2016)	413-1 Operations with local community engagement, impact assessments, and development programs	81-84			

GRI Standards	Information	Location	Omission		
			Requirements Omitted	Reason	Explanation
MATERIAL TOPIC: Integrity and business ethics					
GRI 3- Material Topics (2021)	3-3 Management of material topics	31-34; 47-50; 99-106			
GRI 205 - Anti-corruption (2016)	205-3 Confirmed incidents of corruption and actions taken	34			
GRI 206 - Anti-competitive behavior (2016)	206-1 Legal actions for anti-competitive behavior, anti-trust, and monopoly practices	34			
GRI 207 - Tax (2019)	207-1 Approach to tax	47-49			
GRI 207 - Tax (2019)	207-2 Tax governance, control and risk management	47-49			
GRI 207 - Tax (2019)	207-3 Stakeholder engagement and management of concerns related to tax	47-49			
GRI 207 - Tax (2019)	207-4 Country-by-country reporting	50			
MATERIAL TOPIC: Direct economic value generated and distributed					
GRI 3- Material Topics (2021)	3-3 Management of material topics	43-45; 99-106			
GRI 201 - Economic performance (2016)	201-1 Direct economic value generated and distributed	43-44			

We started talking and writing about sustainability fifteen years ago. Over these years, with commitment and determination, we have made a change possible, one which has been a real growth path, not only in terms of awareness at Group level, but in terms of reporting capacity, quality of data and content.

Each of us has contributed to writing a piece of this story, with expertise and willingness, and the desire to understand and improve, amidst a thousand tables, pages, revisions and updates. If today we feel ready to tackle new future challenges, it is because we have always been able to face every change with the right determination and positive attitude.

Heartfelt thanks to all the people who contributed to writing this document, which more than anything represents who we are and our commitment to the community to which we belong. Standards will change, the document will change; the desire on our part to talk about and share the steps we will take will never change.

In particular, we wish to thank: Elena Abbati, Emre Akdag, Cinzia Bassoli, Gemma Bazzoni, Rachele Bolognini, Roberto Cadau, Antonio Ciriello, Robson Clemente, Carlotta Clerici, Paula Domingues da Fonseca, Stefano Deleo, Camila Donato, Alfredo D'Onofrio, Claudia Ghitti, Katia Giacomina, Pietro Giliotti, Marcio Fountoura Granato, Yalcin Karakoc, Marco La Serra, Angelo Minotta, Luca Montermini, Emanuele Moreni, Barbara Pellegrini, Alessandro Prati, Irene Rosa, Daniela Rota.

Gabriele Cesari

Chiara Peterlini

Castellina di Soragna (PR), 14 March 2024

INDEPENDENT AUDITORS' REPORT



INDEPENDENT AUDITOR'S REPORT ON THE CONSOLIDATED NON-FINANCIAL STATEMENT PURSUANT TO ARTICLE 3, PARAGRAPH 10 OF LEGISLATIVE DECREE No. 254 OF DECEMBER 30, 2016 AND ART. 5 OF CONSOB REGULATION N. 20267 OF JANUARY 2018

To the Board of Directors of
Servizi Italia S.p.A.

Pursuant to article 3, paragraph 10, of the Legislative Decree no. 254 of December 30, 2016 (hereinafter "Decree") and to article 5, paragraph 1, letter g) of the CONSOB Regulation n. 20267/2018, we have carried out a limited assurance engagement on the Consolidated Non-Financial Statement of Servizi Italia S.p.A. and its subsidiaries (hereinafter "Servizi Italia Group" or "Group") as of December 31, 2023 prepared on the basis of art. 4 of the Decree, and approved by the Board of Directors on March 14, 2024 (hereinafter "NFS").

Our limited assurance engagement does not extend to the information required by art. 8 of the European Regulation 2020/852 included in the chapter "EU Taxonomy".

Responsibility of the Directors and the Board of Statutory Auditors for the NFS

The Directors are responsible for the preparation of the NFS in accordance with articles 3 and 4 of the Decree and the "*Global Reporting Initiative Sustainability Reporting Standards*" established by GRI - *Global Reporting Initiative* (hereinafter "GRI Standards"), which they have identified as reporting framework.

The Directors are also responsible, within the terms established by law, for such internal control as they determine is necessary to enable the preparation of NFS that is free from material misstatement, whether due to fraud or error.

The Directors are moreover responsible for defining the contents of the NFS, within the topics specified in article 3, paragraph 1, of the Decree, taking into account the activities and characteristics of the Group, and to the extent necessary in order to ensure the understanding of the Group's activities, its trends, performance and the related impacts.

Finally, the Directors are responsible for defining the business management model and the organisation of the Group's activities as well as, with reference to the topics detected and reported in the NFS, for the policies pursued by the Group and for identifying and managing the risks generated or undertaken by the Group.

The Board of Statutory Auditors is responsible for overseeing, within the terms established by law, the compliance with the provisions set out in the Decree.

Auditor's Independence and quality control

We have complied with the independence and other ethical requirements of the *International Code of Ethics for Professional Accountants (including International Independence Standards)* (IESBA Code) issued by the *International Ethics Standards Board for Accountants*, which is founded on fundamental principles of integrity, objectivity, professional competence and due care, confidentiality and professional behaviour.

During the year covered by this assurance engagement, our auditing firm applied *International Standard on Quality Control 1 (ISQC Italia 1)* and, accordingly, maintained a comprehensive system of quality control including documented policies and procedures regarding compliance with ethical requirements, professional standards and applicable legal and regulatory requirements.

Auditor's responsibility

Our responsibility is to express our conclusion based on the procedures performed about the compliance of the NFS with the Decree and the GRI Standards. We conducted our work in accordance with the criteria established in the "*International Standard on Assurance Engagements ISAE 3000 (Revised) – Assurance Engagements Other than Audits or Reviews of Historical Financial Information*" (hereinafter "ISAE 3000 Revised"), issued by the *International Auditing and Assurance Standards Board (IAASB)* for limited assurance engagements. The standard requires that we plan and perform the engagement to obtain limited assurance whether the NFS is free from material misstatement. Therefore, the procedures performed in a limited assurance engagement are less than those performed in a reasonable assurance engagement in accordance with ISAE 3000 Revised, and, therefore, do not enable us to obtain assurance that we would become aware of all significant matters and events that might be identified in a reasonable assurance engagement.

The procedures performed on NFS are based on our professional judgement and included inquiries, primarily with company personnel responsible for the preparation of information included in the NFS, analysis of documents, recalculations and other procedures aimed to obtain evidence as appropriate.

Specifically, we carried out the following procedures:

1. analysis of relevant topics with reference to the Group's activities and characteristics disclosed in the NFS, in order to assess the reasonableness of the selection process in place in light of the provisions of art.3 of the Decree and taking into account the adopted reporting standard;
2. analysis and assessment of the identification criteria of the consolidation area, in order to assess its compliance with the Decree;
3. comparison between the financial data and information included in the NFS with those included in the consolidated financial statements of the Servizi Italia Group;

4. understanding of the following matters:

- business management model of the Group's activities, with reference to the management of the topics specified by article 3 of the Decree;
- policies adopted by the entity in connection with the topics specified by article 3 of the Decree, achieved results and related fundamental performance indicators;
- main risks, generated and/or undertaken, in connection with the topics specified by article 3 of the Decree.

Moreover, with reference to these matters, we carried out a comparison with the information contained in the NFS and the verifications described in the subsequent point 5, letter a);

5. understanding of the processes underlying the origination, recording and management of qualitative and quantitative material information included in the NFS.

In particular, we carried out interviews and discussions with the management of Servizi Italia S.p.A. and with the employees of Ekolav S.r.l. and Ankateks Turizm İnşaat Tekstil Temizleme Sanayi ve Ticaret Ltd Şirketi and we carried out limited documentary verifications, in order to gather information about the processes and procedures which support the collection, aggregation, elaboration and transmittal of non-financial data and information to the department responsible for the preparation of the NFS.

In addition, for material information, taking into consideration the Group's activities and characteristics:

- at the parent company's and subsidiaries' level:
 - a) with regards to qualitative information included in the NFS, and specifically with reference to the business management model, policies applied and main risks, we carried out interviews and gathered supporting documentation in order to verify its consistency with the available evidence;
 - b) with regards to quantitative information, we carried out both analytical procedures and limited verifications in order to ensure, on a sample basis, the correct aggregation of data;
- for the following companies and sites, Castellina di Soragna (PR) headquarters and production plant and Travagliato (BS) production plant for Servizi Italia S.p.A., Lastra a Signa (FI) headquarters and production plant for Ekolav S.r.l., Ankara headquarters and production plant (Turkey) and Bilkent (Turkey) production plant for Ankateks Turizm İnşaat Tekstil Temizleme Sanayi ve Ticaret Ltd Şirketi, which we selected based on their activities, their contribution to the performance indicators at the consolidated level and their location, we carried out site visits, during which we have met their management and have gathered supporting documentation with reference to the correct application of procedures and calculation methods used for the indicators.

Conclusion

Based on the work performed, nothing has come to our attention that causes us to believe that the NFS of the Servizi Italia Group as of December 31, 2023 is not prepared, in all material respects, in accordance with articles 3 and 4 of the Decree and the GRI Standards.

Our conclusion on the NFS does not extend to the information required by art. 8 of the European Regulation 2020/852 included in the chapter "EU Taxonomy".

DELOITTE & TOUCHE S.p.A.

Signed by
Luca Pasquini
Partner

Parma, Italy
March 27, 2024

This report has been translated into the English language solely for the convenience of international readers.



**Servizi
Italia**

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