

2021 sustainability report

*«The task that we are called upon to fulfill:
contribute to making this world a better
place, for us and for future generations»*

Alessandro Mezzalana, CEO



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letter to the stakeholders

Dear partners,

I am pleased to say that 2021 has been a fruitful year for FITT as far as the sustainability journey we embarked on two years ago. After a long process of exchange and deliberate choice of direction, the team focused on a medium-term strategy that gave robustness and greater tangibility to our commitment.

Identifying the three key drivers that would guide the development of the strategy was crucial: **Innovation**, which takes the form not only of product and process innovation, but also of a profound change in mindset, which the FITT people have begun to implement through training courses and extended working tables that put sustainability at the centre. **Transparency**, an approach that has always been our hallmark, but which becomes a competitive advantage when accompanied by the disclosure of measurement data, and an indispensable tangible tool for talking to the markets. **Interdependence**, which establishes the need to create synergies in every possible business area, with customers, suppliers and partners, in order to better and sooner achieve our sustainability goals and transform simple business into responsible business. An example of this is the Social Swimming Pool Project in Senegal promoted by our customer Fluidra, in which FITT played a role.

But I believe that the most important development resulting from the work done in 2021 is the realisation that we need to change our business model, that a responsible company must make every effort to review its way of doing business and its reason for existing, and that its commitment to sustainability cannot be separated from the way it approaches the market. This is why in 2021 FITT became a **Società Benefit**. This change of legal form coincides with a radical change in the DNA of the company: in my managers and in all the areas of the company, I see that our way of thinking and operating is changing. Today, our choices are guided in equal measure by sustainability and business considerations.

Lastly, we can say that we have identified the two main work fronts that will characterise our 2022 and the years to come: as a manufacturing company, we will strive to reduce our environmental impact on the basis of the measurement tools that we have adopted, while as a Società Benefit we have chosen to protect biodiversity and support initiatives in the areas of health, youth, women and people with disabilities.

We have finally defined our path...
I now invite you to walk it with us.

Best regards,

Alessandro Mezzalira, CEO

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profile

The FITT Group

Mission, Brand Values, Vision

Code of Ethics and Values

FITT business solutions

Production process

Corporate governance

the fitt group

FITT has production sites and sales and distribution branches throughout Europe and beyond. As the parent company, FITT Group S.p.A. controls the following companies:

FITT S.P.A.

Commercial branch, 6 production sites and 6 logistics centres

S.A.M. FITT MC

Commercial branch

SAS FITT FRANCE

Commercial branch, 2 production sites and 3 logistics centres

FITT ESPAÑA PORTUGAL, S.A.U.

Commercial branch

FITT POLSKA SP. Z O.O.

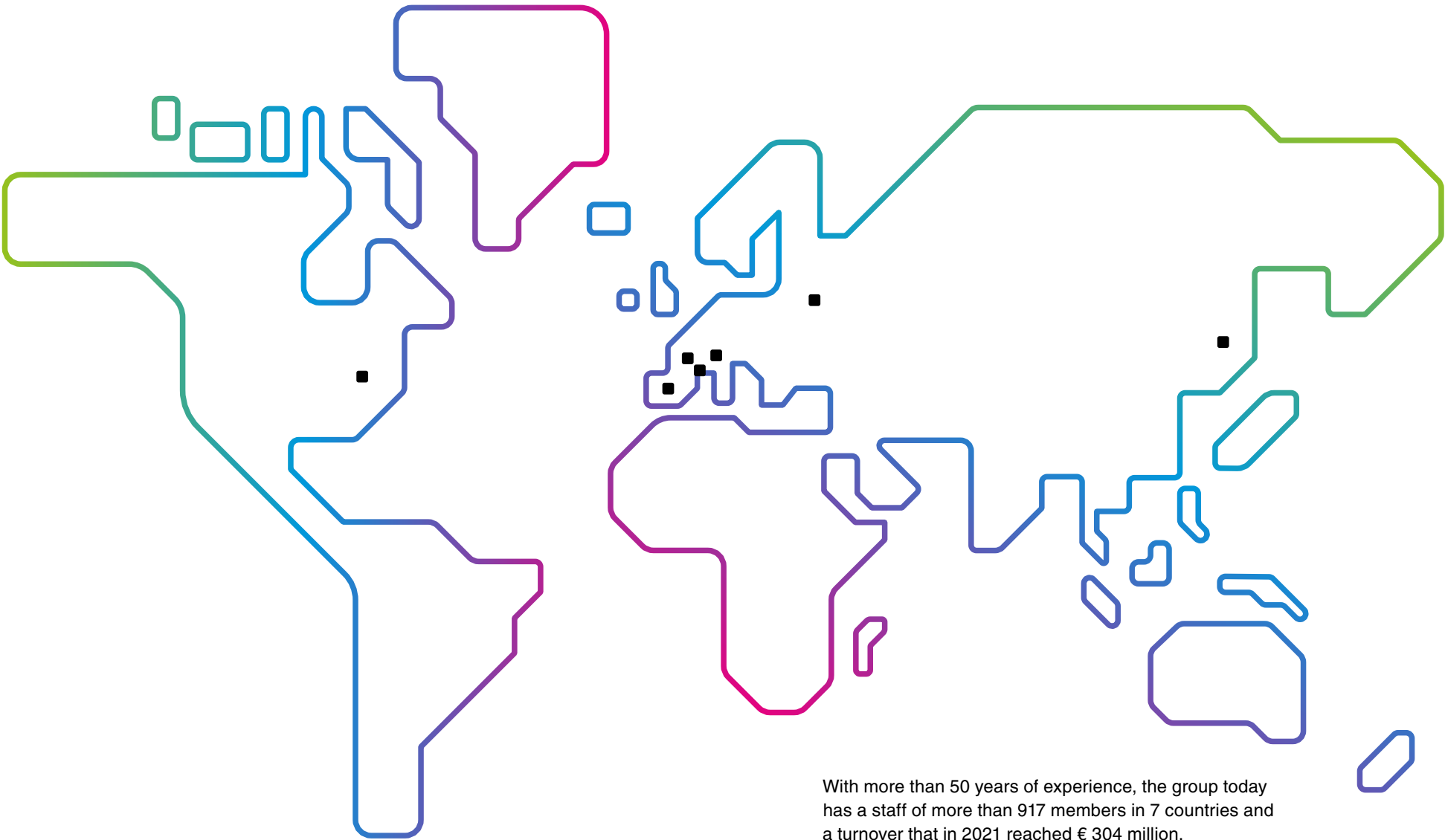
Manufacturing partnership and logistics centre

FITT USA INC.

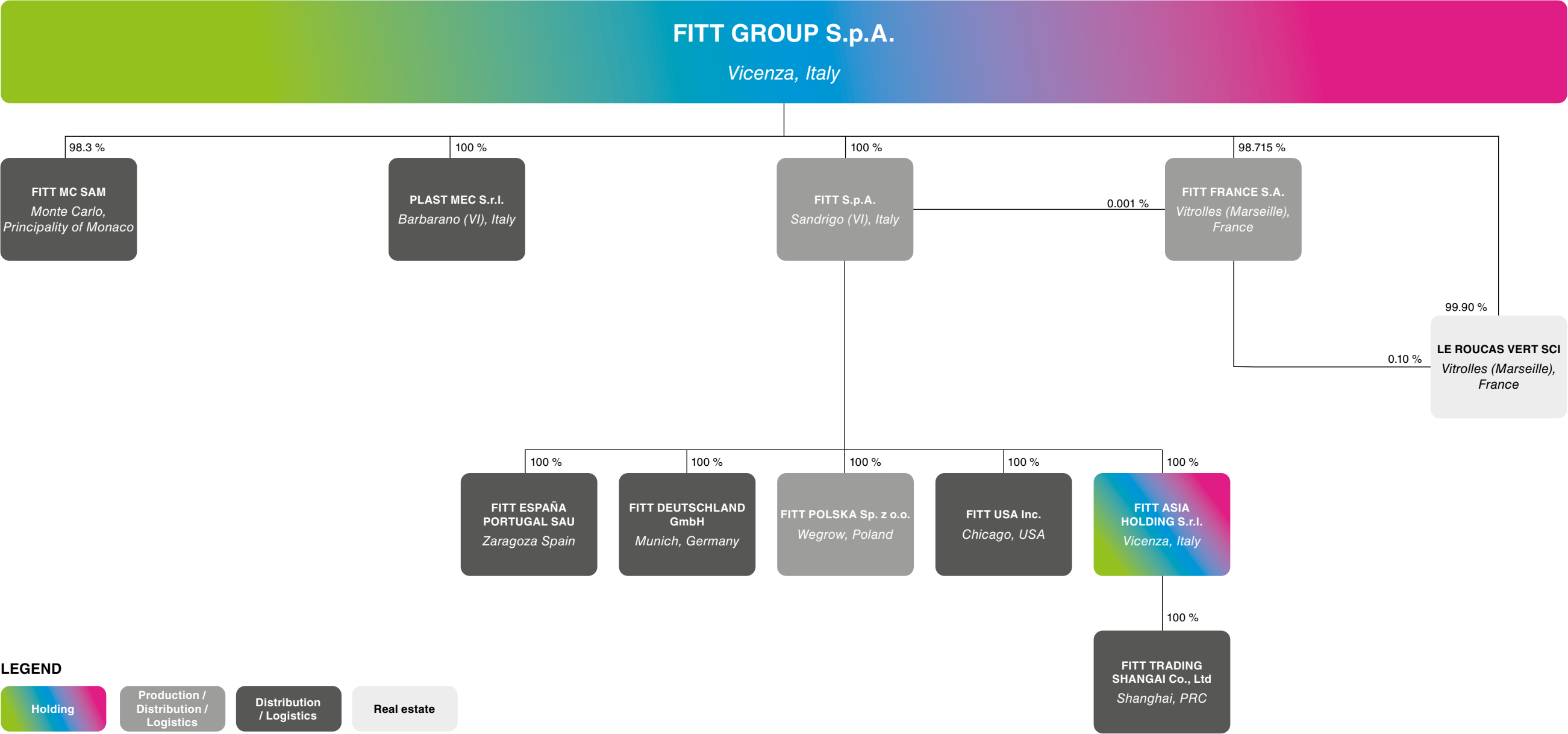
Commercial branch and logistics partner

FITT TRADING SHANGHAI CO., LTD

Commercial branch and logistics centre



With more than 50 years of experience, the group today has a staff of more than 917 members in 7 countries and a turnover that in 2021 reached € 304 million. With 15 branches worldwide, it exports its products to 87 countries.



FITT, a leading international group established in Italy in 1969, is a pioneer in the production and development of highly innovative solutions for the transfer of fluids for domestic, professional and industrial applications.

1969

The passion, innovative vision and creativity of Rinaldo Mezzalira spurred the start of this entrepreneurial adventure.

'00

Technological and commercial partnerships bring to an expansion of the commercial interests, taking the FITT range to America and Japan

2017

FITT implements an advanced digital ecosystem that allows direct access to product end users

2020

FITT measures its sustainability baseline and sets a plan for the development of its profile and sustainability performance

'70 - '90

In a few years, FITT gains a leadership position in Italy and consolidates its presence on the European market.

2015

FITT becomes a unique brand, looking to the future through its 2023 Vision, the pillars of which are the digital revolution, innovation and the central role of the end user

2019

FITT celebrates its 50th anniversary by including Sustainability among the pillars of its 2023 Vision and consolidating its presence in America and Japan.

2021

FITT S.p.A. becomes a SOCIETÀ BENEFIT



mission, brand values, vision

Mission

FITT exists to improve the business of its customers, by supplying pipes and systems for the transport of liquid, gaseous and solid substances, with products at the forefront of technology, design and sustainability.

Brand Values

FITT is founded on simple but important values that, like an ever-burning beacon, clearly and consistently show us what we should be and what we should do. Staying true to oneself is critical to achieving one's ambitions.

EXPERIENCE

The independent pioneering approach has forged the soul of FITT, unchanged in over fifty years of history.

MULTICULTURALITY

The person at the centre and our international vision are part of FITT's character and its way of doing things.

INNOVATION

Continuous technological research and creative thinking are the ingredients for the development of cutting-edge solutions.

SUSTAINABILITY

The FITT Group has started an evolutionary process for improving its social and environmental impact.

Vision

Passion to build together a sustainable future through innovative flow solutions.

code of ethics and values

All the activities and relations of the FITT Group, both internal and external, are driven by respect for the principles, values and rules of conduct outlined in our Code of Ethics.

The Code of Ethics is for FITT a transversal guiding tool of corporate social responsibility addressed to the Directors, Auditors, Executives and Employees of FITT, as well as the confirmation of compliance with Italian Legislative Decree. 231/2001, and a point of reference for new growth opportunities on many levels.

The values at the basis of its drafting originate from an internal comparison process that has involved a transversal team of 18 people, who have met and interviewed 500 colleagues in more than 20 structured meetings, leading, through a shared bottom-up process, to the identification of the Values of the FITT people (the collaborators of the FITT Group):

- Respect** - We care about our relationships with others; we take into account diversity, and the ideas of everyone in our company.
- Responsibility** - We all share the success of the company. Each of us is responsible for our own role.
- Think Positive** - We love what we do and believe in the future, to the shaping of which we all contribute. We face common challenges with a positive outlook.
- Be Brave** - The future that we want to build is challenging, and we want to face it with energy and courage.
- Teamwork** - We work together to build our future. Collaboration and sharing ideas and practices are part of our daily work.

The Code of Ethics is therefore the result of intensive internal participation and an inclusive approach, with the objective of guiding our strategic thinking, our chosen behaviour and that of others. In this way, we succeed in combining moral and managerial aspects, individual and corporate responsibilities, personal and collective.

- FITT'S ETHICAL PRINCIPLES:**
- Every day, the FITT People are committed to our ethical principles, which form the backbone of FITT:
- The value of the individual
 - Listening, respect and predisposition to dialogue
 - Sharing and shared responsibility
 - Integrity and Transparency
 - Fairness and absence of conflicts of interest
 - Confidentiality and privacy
 - Fighting corruption
 - Fair competition
 - Anti-money laundering
 - Financial integrity and accounting transparency
 - Research, innovation and intellectual and industrial property
 - Respect of human rights
 - Protection of the environment
 - Occupational health and safety
 - Compliance with the laws and regulations of the countries in which we operate



fitt business solutions

FITT develops innovative and responsible solutions for transporting fluids, which are indispensable in everyday life. Its products are used in the following areas:

FITT GARDENING SOLUTIONS:

This is the business area of the FITT group that develops solutions and products for gardening, irrigation, cleaning and outdoor life applications for hobby and professional use, such as hoses for camping, watering ornamental gardens, terraces and vegetable gardens, washing cars, bicycles and pets.

FITT INFRASTRUCTURE SOLUTIONS:

This is the business area of the FITT group that produces and develops complete piping, hose and fitting solutions for the pressure and gravity flow of fluids intended for the integrated water service management utilities, such as drinking water and sewerage networks.

FITT BUILDING SOLUTIONS:

This is the business area of the FITT Group that designs, manufactures and develops pipes and hoses, profiles, fittings and accessories for the construction industry, dedicated to the flow of fluids and the installation of cables, for various applications, such as rainwater and sanitary water drainage.

FITT VENTILATION SOLUTIONS:

This is the business area of the FITT Group that develops professional solutions, manufacturing complete HRV (Heat Recovery Ventilation) systems for the air quality of residential environments, for energy saving and the comfort of people.

FITT INDUSTRIAL SOLUTIONS

This is the business area of the FITT group that designs complete solutions and produces professional pipes, hoses and fittings for the industrial sectors, for the suction, compression, flow and adduction of fluids - liquid, gaseous, aeriform and granular - in all industrial applications.

FITT AGRICULTURE SOLUTIONS

This is the business area of the FITT Group that produces and develops complete professional piping and hose solutions for irrigation, the transport of solid and liquid agricultural products, the spreading slurry, for seeding machines, for low, medium and high pressure pump irrigation, and livestock drinking troughs.

FITT POOL&SPA SOLUTIONS

This is the business area of the FITT group that develops complete solutions and produces pipes and hoses, fittings and accessories for water recirculation and the cleaning of swimming pools and whirlpools.

FITT FOOD&BEVERAGE SOLUTIONS

This is the business area of the FITT group that develops complete solutions certified in accordance with European and international regulations, consisting of flexible and spiral hoses for the delivery and suction of food liquids and substances, such as drinking water, milk, wine, beer, spirits, jam, ice cream, cheese and fruit.

FITT MARINE SOLUTIONS

This is the business area of the FITT group that develops and manufactures complete piping and hose solutions for the flow of boat fluids for various applications, such as sanitary drainage of grey and black water, ventilation, cleaning, engine cooling and bilge pumps.

Product and system certifications

To ensure compliance with the industry regulatory framework, FITT is required to comply with rules and regulations. The company has decided to go beyond its legal obligations by certifying some of its products and processes to a much higher extent than strictly required.

FITT has obtained numerous product certifications from third parties, who periodically carry out audits to ascertain that compliance with the product standards is maintained.

The main certification bodies used by FITT are:

PRODUCT SYSTEM

- **IIP (Istituto Italiano dei Plastici)** - national product certification body
- **LNE** - French fire resistance certification body
- **Bureau Veritas** - certification body for the certification of the compliance of FITT products with UNI standards and with United States standards, for the sale of some products to the American market.
- **IMQ** - national certification body for cable insulation
- **SGS Italia** - certification body that awarded FITT BluForce and FITT Sewer EPD certification according to ISO 14025 standards. It also certifies the product Life Cycle Assessment (FITT Force, FITT NTS, FITT Ikon)
- **TUV SUD** - certification body for swimming pool (EN ISO 3994) and compressed air (EN ISO 1402) piping systems.
- **LLOYD’s Register** - certification body for piping systems used in the nautical sector

PROCESS SYSTEM

- **TUV** - ISO 9001:2015 - Quality Management System certification body

Starting from 2020, with the aim of ensuring greater compliance with standards at European level, a course of actions has been taken to obtain product certifications issued by the following certification bodies:

- **Kiwa** - Dutch certification body dealing with the regulations regarding pressurised drinking water, sewage and drains inside buildings.
- **CSTB** - French certification body that in 2020 was involved in the drafting of technical specifications for PVC-A piping for the transport of pressurised fluids, with a view to obtaining the “Avis Technique”, a certificate confirming the suitability of innovative construction processes

production process

In terms of manufacturing, the company takes advantage of two core technologies: material preparation (“compound process”) and extrusion. The hose production process normally includes an additional intermediate stage, consisting in the preparation of the granule, a material with a different physical conformation used to feed the hose extrusion lines.

The preparation of the compound starts with the silo storage of chemical components and polymers, which are suitably treated in the mixing plants for the subsequent production of the wide range of materials conceived by the company to meet the performance, quality and durability requirements of the specific applications of the various customers.

The commercial offer of systems is supported at production level by the presence of assembly islands with varying degrees of automation that cut, wind, join and test the hose/system, which is then packed and shipped to the customer.

The recycling plants in the three industrial hubs - Italy, France and Poland -, make sure that any waste PVC from our own manufacturing process, and to a certain extent from other manufacturing plants (mainly automotive), is duly recycled in real time.



Shareholding

FITT is a family company with a fully paid up share capital of 7,000,000 and the following corporate structure:

INNOVISION HOLDING SRL

5,180,000 shares - 74.00% - owned for 97.13% by Alessandro Mezzalira

ANCIGNANO MEZZALIRA SAS

1,050,000 shares - 15.00%

OTHER MEMBERS OF THE MEZZALIRA FAMILY

770,000 shares - 11%

Group governance

FITT is a family company that was founded in the late 1960s by Rinaldo Mezzalira and went through a generational change in 2007 when Alessandro Mezzalira, the son of the founder, took over the running of the business.

In 2015, FITT created its own brand, driving it into the future with its 2023 Vision, based on 3 pillars: digital revolution, innovation and the central role of the end user.

In 2019, the company added sustainability as the fourth pillar, introducing and formalising related company roles, operating processes and reporting methods.

In 2021, based on the values and awareness developed in previous years, FITT updates the pillars of its Vision 2023, giving greater value to the FITT People and its customers, placing them at the centre of its sustainability and innovation strategies.

Following a process of continuous transformation, FITT is constantly consolidating its organisational structure and strengthening its governance, with the aim of facilitating the achievement of its objectives.

In July 2021, FITT S.p.A. became a “Società Benefit”, changing its legal form with the object of pursuing, during its business activities, one or more common benefit objectives, and operate in a responsible, sustainable and transparent manner towards people, communities, territory and environment, cultural and social assets and activities, bodies and associations, and any other stakeholders.

2021 saw the creation of the internal Sustainability Think Tank committee, consisting of the FITT management team and representatives of the HSE, Brand&Communication and Community Management departments. The committee meets fortnightly to define the FITT’s sustainability strategy to 2030 and monitor its implementation.

Organisational structure

Among the seven companies that make up the Group, FITT S.p.A. acts as the parent company, and as such fulfils the most central functions.

Among its main tasks, it coordinates:

- **The Research and Development area**, carrying out innovation activities for the benefit of all the companies of the group. Before being distributed to the rest of the group, new products are therefore initially tested at the Italian plants.
- **Group marketing campaigns**, delegating individual activities to the various branches of the target countries.
- **Organisational and recruitment policies.** FITT S.p.A. manages the structure of the various companies of the Group, making sure that each of them has the appropriate setup to achieve the corporate purpose. Recruitment activities are carried out at the respective locations, or at the Group headquarters for the more senior positions.
- **Production planning.** FITT S.p.A. oversees the production planning activities of the entire Group, delegating the implementation of such activities to the foreign branches. This allows for greater coordination and efficiency of the production processes.

Board of Directors

The Board of Directors of the FITT Group is made of 3 members.

However, in the Boards of Directors of the main companies of the Group are 8 members, 6 male and 2 female.

As regards to age, 3 members of the Board are between 30 and 50 years old, while the remaining members are over 50.

| COMPOSITION OF THE BOARD OF DIRECTORS (31.12.2020) | | | | |
|--|-----|------|--------|-------|
| AGE GROUPS | UM | MALE | FEMALE | TOTAL |
| Under 30 | no. | 0 | 0 | 0 |
| 30-50 years | no. | 2 | 1 | 3 |
| Over 50 | no. | 4 | 1 | 5 |
| TOTAL | NO. | 6 | 2 | 8 |

Note: The table includes the directors of FITT GROUP (Parent Company), FITT SPA, FITT MC and FITT FRANCE

Risk Management

The risk assessment with regard to the Quality Management System (ISO 9001) is carried out by FITT S.p.A., taking into account both internal and external factors.

A SWOT Analysis is carried out on a regular basis, with the aim of identifying risks and opportunities for the company and the impact on stakeholders.

The risk assessment is constantly monitored and updated at least once a year, or in case of significant internal or external events, like for example the current pandemic.



fitt for sustainability

Innovation and research with sustainability criteria

Sustainability strategic references

The 7 SDGs selected by FITT

FITT's objective

The responsible flow - 2030

Materiality Analysis

The FITT stakeholders

2

innovation and research with sustainability criteria

The criteria of the company in developing its products follow specific guidelines of eco-design, inspired by the safety of the user and the reduction of the environmental impact of the product throughout its life cycle, including at the end of its life.

The adoption of a system for measuring such an impact is paramount in terms of qualitative and quantitative assessment and for establishing a baseline for responsible and transparent continuous improvement, right from the product design stage.

The method used for this analysis is the Life Cycle Assessment (LCA), regulated by international reference standards such as UNI EN ISO 14040 and UNI EN ISO 14044.

A total of ten drivers are used for the impact assessment, ranging from water consumption to ozone layer, or eutrophication of fresh and marine water.

The amount of Co2eq produced by the product over its entire life cycle is the main driver chosen by FITT when assessing the environmental impact of its solutions.

The research of materials has been tangibly supported by the research projects of the company founded by MISE (Ministry for Economic Development) within the framework of the “Sustainable Industry” research tender, aimed at promoting important research and development projects dealing with topics that are of significance in terms of “sustainable industry”.



Product EPD for FITT Bluforce, FITT Bluforce RJ e FITT Sewer

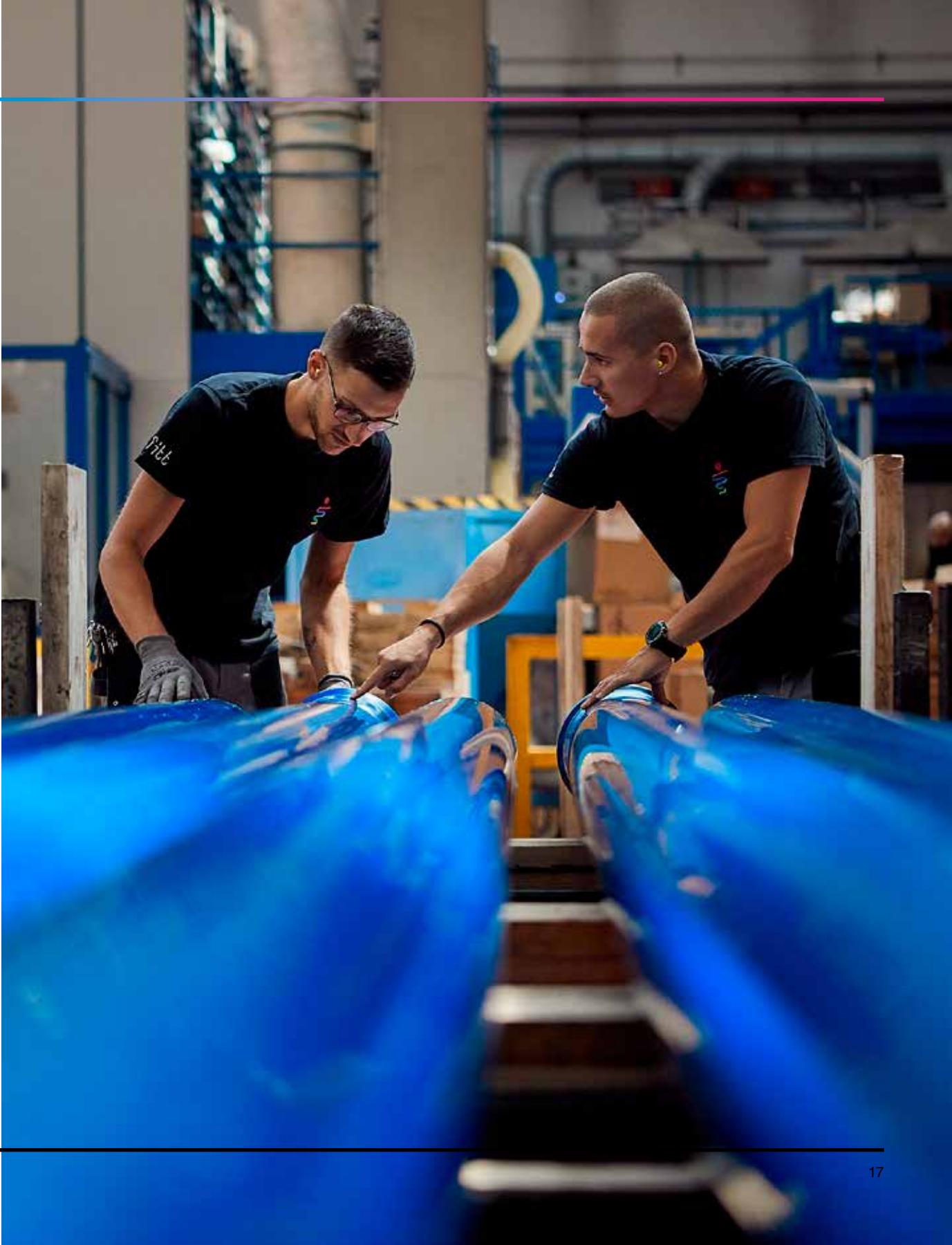
FITT Bluforce is a family of polymer alloy pipelines in a wide range of diameters, specifically developed for water and irrigation networks. Since 2020, it is also available in the RJ version with integrated tensile resistant jointing system in the pipe, suitable for “trenchless” applications.

Developed starting from 2018, the innovative polymer alloy used in Bluforce ensures the same performance levels of standard PVC-U pipelines but with approximately 20% less material.

For this reason, in 2020 the entire FITT Bluforce family was granted the EPD (Environmental Product Declaration) environmental product certification label. The EPD label is granted on the basis of the environmental impact of the product, assessed following a standardised approval process that takes into account a range of product category specific PCR standards, and an LCA product life cycle approach.

In 2021, FITT Sewer, the UNI EN 1401-1:2019 compliant pipe for non-pressurised sewage and underground drains was also granted EPD certification.

The environmental product certifications obtained and the related LCA study can be viewed on the website of Environdec, the operator managing the EDP certification (www.environdec.com).



Product LCA for FITT Force, FITT NTS, FITT Ikon

The internationally recognised method for assessing the environmental sustainability of a product is the Life Cycle Assessment (LCA), which follows the ISO 14040 and 140044 international standards.

The LCA analyses the environmental aspects and the potential environmental impacts of the product throughout its life cycle, from raw material acquisition to production, from use to end of life (from cradle to grave).

According to the ISO 14040 standard, an LCA must be structured in four consequential steps: definition of purpose and scope, inventory analysis, impact assessment, interpretation and improvement.

| CERTIFICATIONS - 2021 | | |
|-----------------------|-----|------------|
| SEWER | EPD | 10/11/2021 |
| FITT FORCE (EU) | LCA | 21/03/2021 |
| FITT IKON | LCA | 21/03/2021 |
| FITT NTS | LCA | 21/03/2021 |

FITT Force, the compact and lightweight garden hose, FITT NTS, the traditional PVC hose, and FITT Ikon, the lightweight and extendable garden hose, have already undergone LCA analysis.



sustainability strategic references

The FITT Group constantly innovates its products and processes, introducing new management tools for the promotion of a corporate sustainability strategy in various structural areas, aware that only through tangible actions it will be possible to make a contribution to the community.

THE EVOLUTION



the 7 sdgs selected by fitt

FITT considers the United Nations 2030 Agenda and its 17 Sustainable Development Goals (SDGs) the main international framework for governments, businesses and the civil society. These goals entail a programme of actions organised into 169 interlinked specific targets to save the planet, promote prosperity and empower people.

FITT is inspired by the goals of the UN 2030 Agenda, and has identified 7 priority objectives:



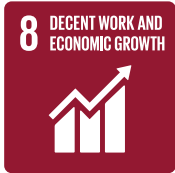
GOAL 6 - ENSURE AVAILABILITY AND SUSTAINABLE MANAGEMENT OF WATER AND SANITATION FOR ALL.

FITT complies with the quality standards for pipelines, to ensure safe water transport.



GOAL 7 - ENSURE ACCESS TO AFFORDABLE, RELIABLE, SUSTAINABLE AND MODERN ENERGY FOR ALL.

FITT works to continuously improve the energy efficiency of its production processes and sites.



GOAL 8 - PROMOTE SUSTAINED, INCLUSIVE AND SUSTAINABLE ECONOMIC GROWTH, FULL AND PRODUCTIVE EMPLOYMENT AND DECENT WORK FOR ALL.

FITT contributes to the social and economic context in which it operates. This means protecting the FITT People by ensuring adequate working conditions, promoting initiatives to improve health and well-being and skill development.



GOAL 9 - BUILD RESILIENT INFRASTRUCTURE, PROMOTE INCLUSIVE AND SUSTAINABLE INDUSTRIALIZATION AND FOSTER INNOVATION.

FITT designs and manages its industrial processes with the best available technologies, for greater resource efficiency.



GOAL 12 - ENSURE SUSTAINABLE CONSUMPTION AND PRODUCTION PATTERNS.

FITT measures all the production stages, from the supply of raw materials to the end life of the product, to reduce the environmental and social impact of its products.



GOAL 13 - TAKE URGENT ACTION TO COMBAT CLIMATE CHANGE AND ITS IMPACTS.

FITT is committed to reducing its impact on climate change through mitigation and adaptation actions in its manufacturing, logistics and commercial activities.

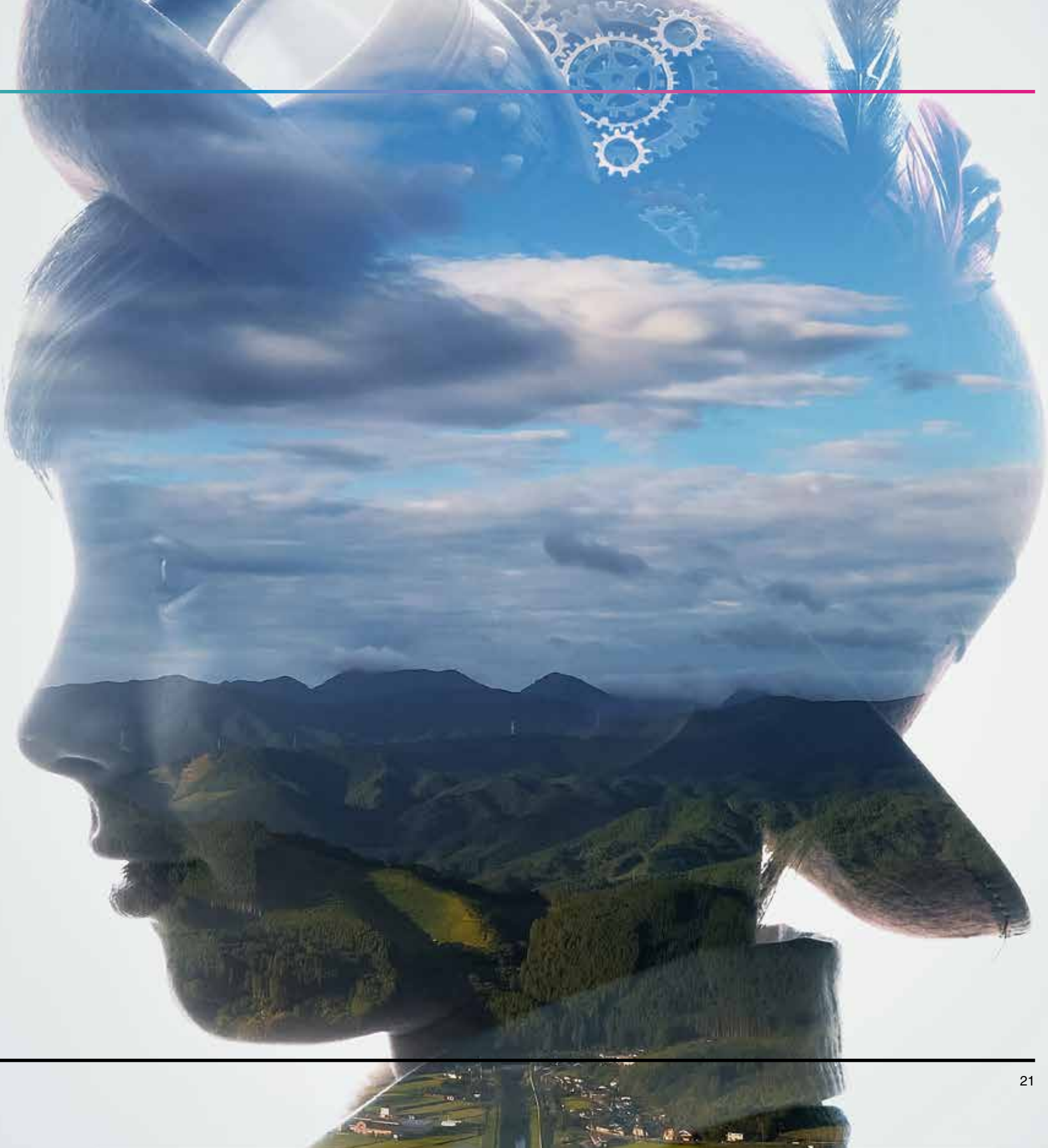


GOAL 17 - STRENGTHEN THE MEANS OF IMPLEMENTATION AND REVITALIZE THE GLOBAL PARTNERSHIP FOR SUSTAINABLE DEVELOPMENT.

FITT promotes partnerships with its stakeholders (institutions, customers, voluntary organisations) at national and international level.

the fitt's objective

«**Making this world a better place, for us and for future generations**» is the entrepreneurial vision of Alessandro Mezzalana, CEO of FITT, which is realised by doing business generating economic, environmental and social value.



3 sustainability drivers

FITT bases its sustainability strategy on 3 core principles: transparency, innovation and interdependence.

The 3 sustainability drivers are both FITT's DNA, meaning the distinctive characteristics that define the company and make it unique, and the way FITT implements its sustainability strategy.

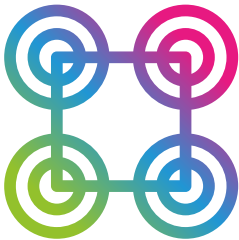
INNOVATION
Invest in the continuous innovation of processes and products, and the culture of the FITT people, aware of the contribution it can bring to people and the planet, constantly evolving in its responsible way of doing business. FITT people champion sustainable change inside and outside the organisation.



TRANSPARENCY
Know its own impacts by investigating the entire value chain and communicating with the outside in a transparent manner.



INTERDEPENDENCE
Maximise the positive impact on the community and promote the responsible development of the sector, through partnerships with all the internal and external stakeholders.



The meaning of ESG for FITT

At a time when the climate challenge is becoming more and more pressing and all companies are being called upon to address ESG issues, FITT defines its own sustainability path, aware that there are no complete and universal solutions.

E

ENVIRONMENT

Invest in the research and innovation of processes and products to reduce the environmental impact by creating a synergy within its own value chain.

FITT is engaged on two parallel fronts: **energy**, with a view to decarbonisation, and **development of low-impact products, producing -10% CO2eq compared with their traditional versions**. For the first, the target is to achieve **carbon neutrality (Scope 1 and 2) for all Italian plants by 2025 and for all group plants by 2030**. For the second, the aim is **an 8% turnover** from environmentally friendly INNOVATIVE products by 2025.

S

SOCIAL

Care for employees and the local and global community by creating generative synergies.

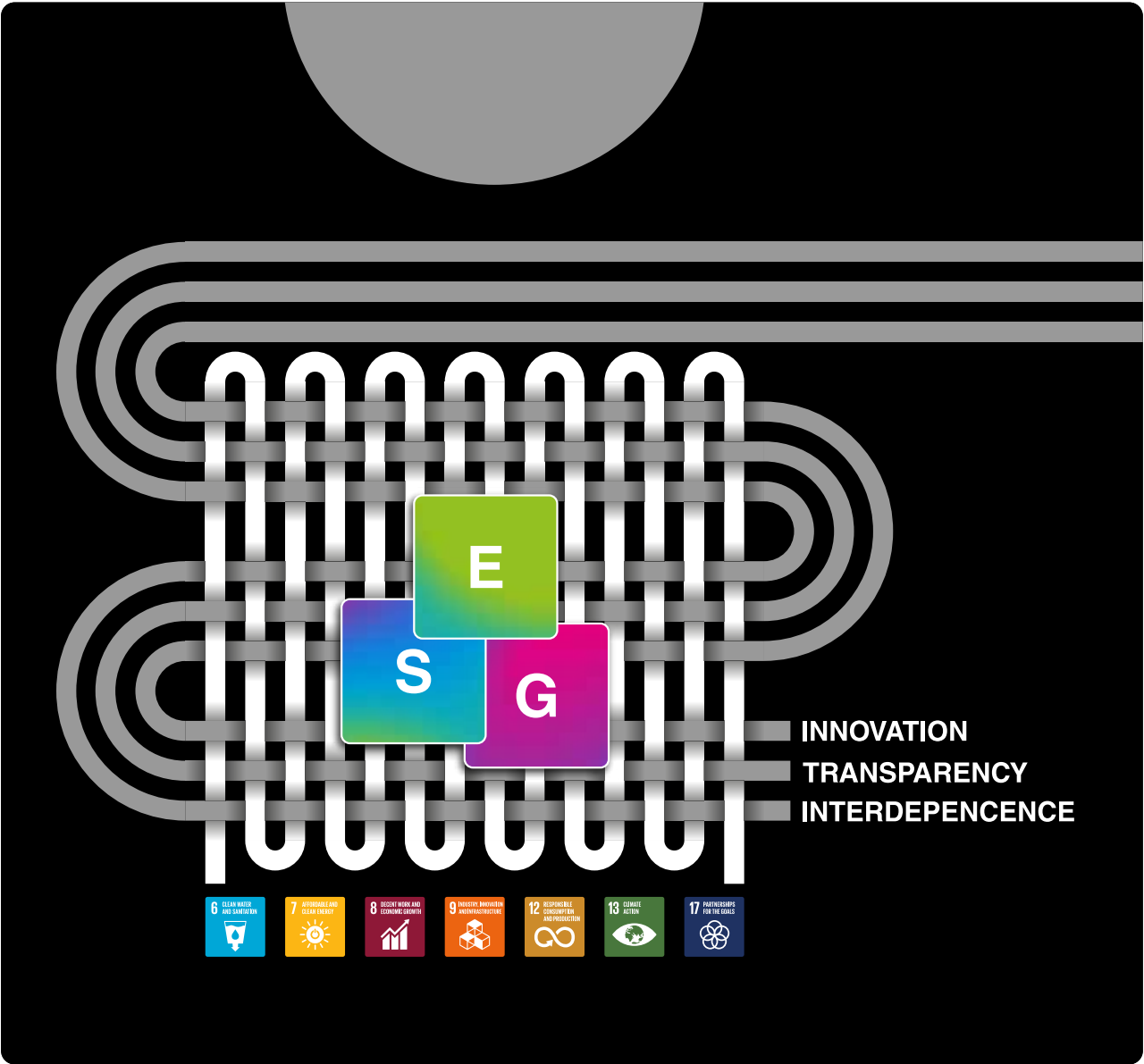
FITT is again engaged on two complementary fronts, one internal and one external. The first, is about **ensuring well-being, inclusion and security for the FITT people**; the second is about **creating partnerships** with local and international stakeholders, to promote the inclusion of under-represented groups (youth, women, children and disabled individuals) and the protection of biodiversity.

G

GOVERNANCE

Act as a responsible company by rewriting a new business model that creates shared value, thus contributing to bring about a positive impact in the life of people and the environment.

FITT is committed to **transforming its business model**, capable of creating social and environmental value.



The FITT Group sustainability strategy to 2030



materiality analysis

The GRI Standards require the completion of a Materiality Analysis to identify which sustainability issues are most relevant to the company and its stakeholders. This is a survey of the significance of a list of economic, social and environmental sustainability aspects for the company and its most significant stakeholders.

The first materiality matrix was carried out for FITT S.p.A. in 2020. This is the parent company and the main company of the Group. In the coming years, it will also be carried out for the other branches.

ENVIRONMENT

- Waste management and circularity
- Energy efficiency and green energy
- Climate change
- Responsible management of water resources

GOVERNANCE

- Sustainability strategy
- Sustainability governance
- Sustainability reporting and communication

PEOPLE

- Employee welfare and professional growth
- Social and environmental qualification of suppliers

The process involved fifty-two members of staff, split into 5 working groups and which, starting from the context in which FITT operates, the competitor analysis, customer needs and requests from internal stakeholders, had the task of identifying the material themes that are relevant to the company.

During the process, a total of 26 material themes were proposed and voted on. The themes were then sorted into 5 macro theme areas: **Environment**, **People**, **Product**, **Governance**, **Community**.

PRODUCT

- Responsible use of raw materials
- Product certifications
- Innovation and development
- Packaging with low environmental impact

COMMUNITY

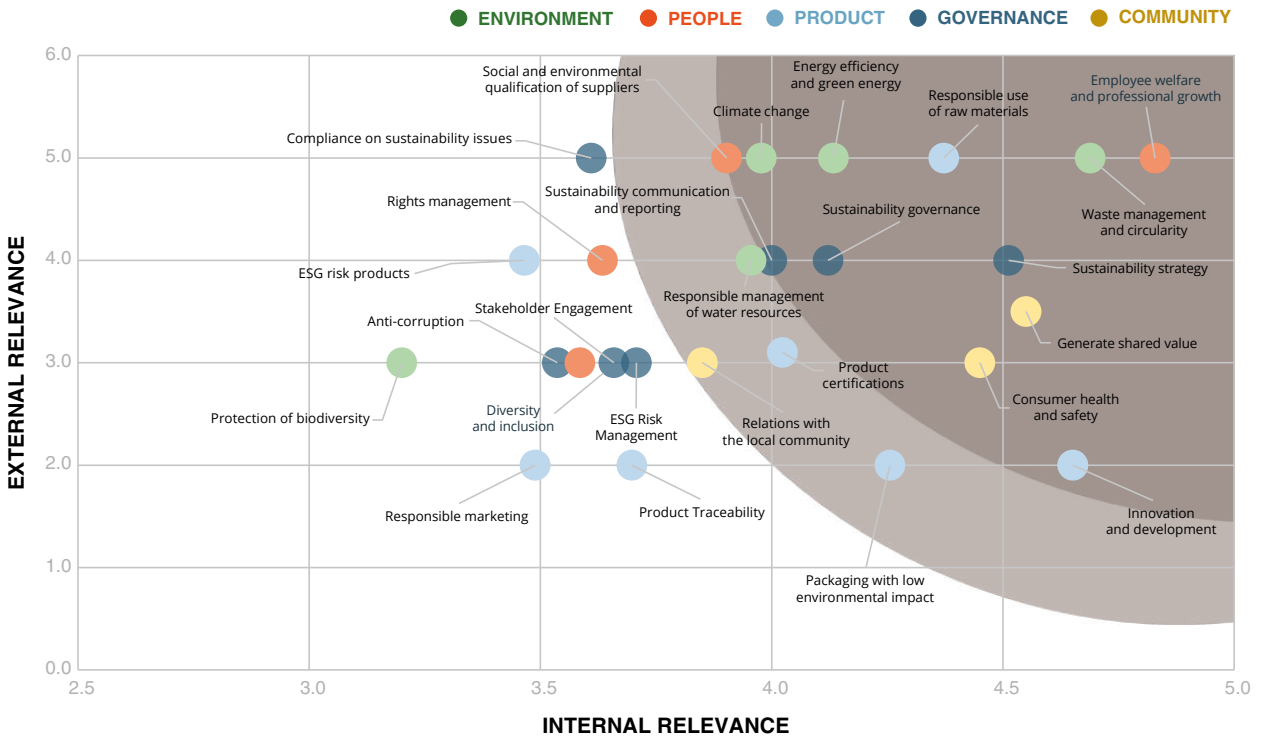
- Consumer health and safety
- Generate shared value
- Relations with the local community

The combination of the visions of internal and external stakeholders therefore enabled us to identify the most relevant topics to be addressed and analysed in the Sustainability Report and in the definition of the strategic corporate objectives.

The results show that for both the internal and external stakeholders the well-being of employees and their professional development is the topic on which the most attention should be focused. This is followed by issues such as waste management and circularity, responsible use of raw materials and the need to define a sustainability strategy.

As far as what external stakeholders consider most important, we note the pursuit of greater energy efficiency, the use of green energy, the need to focus on mitigating the effects on climate change, the requirement for suppliers to have social and environmental approvals and, finally, the compliance of the company with sustainability issues.

On the other hand, the attention of internal stakeholders is focused on the importance of issues such as the generation of shared value, the health and safety of the consumer and the need for continuous innovation and development.



the fitt stakeholders

The identification of its Stakeholders represents for FITT an opportunity to understand their needs and expectations, which can then be used as guidelines for the definition of its business strategies.

In addition, FITT views the dialogue with the Stakeholders as a tool for managing and anticipating changes, with the aim of improving its services and products but also for identifying the needs and expectations of its employees and the communities in which the company operates.

One of our challenges is to strengthen relationships with all organisations and individuals that are affected by or can affect our activities, in order to share improvement goals and create shared value together.

- Our stakeholders of reference:
- **EMPLOYEES AND EXTERNAL COLLABORATORS**, highly competent individuals, with the interest of operating in an environment that recognises the value of people and stimulates their professional profile, guaranteeing opportunities for growth, professional development and good work-life balance.
 - **INTERNATIONAL CUSTOMERS**, an extremely diverse group that includes: retailers, commercial distributors, private customers, construction companies, local retailers, companies of various sectors and agricultural and infrastructure consortia.
 - **SUPPLIERS OF PRODUCTS AND SERVICES**, mainly in relation to the raw materials needed to manufacture FITT products.
 - **PUBLIC INSTITUTIONS**, who set the standards for the sectors and the territories in which the company operates. They have an interest in FITT continuing to comply with the relevant regulations.
 - **LOCAL COMMUNITY**, consisting of different realities, the service sector and the civil society, the Public Administration, as well as the citizens. They have an interest in FITT preserving its capability to operate in full respect of the territory and the environment, to nurture the local community and support social and cultural activities for the development of the territory.
 - **TRADE UNIONS**, calling for responsible business management, full enforcement of labour standards, involvement and timely information on issues relevant to the people of the company.

Stakeholder Engagement

The integrated approach based on corporate social responsibility and sustainability requires consideration of all the legitimate and often diverging expectations of the various stakeholder categories. The definition of effective objectives and strategies also starts with the sharing of ideas and co-planning.

FITT has started to implement Stakeholder Engagement actions aimed at allowing its stakeholders to help the company, with their points of view, to define priority material issues for which to identify improvement objectives, share scenarios, co-plan and evaluate the results of the activities.

A first initiative was the realisation of the first FITT Materiality Matrix in 2020, subsequently reviewed and updated. The process entailed several meetings with a selection of employees from various functions and a selection of customers and suppliers, to identify the issues of greatest relevance to the company.

economic sustainability

2021 economic profile

Determination and distribution of added value

Customers

Service quality and customer satisfaction

3

Like 2020, also 2021 was a complex year. The increase in commodity prices, which started in Q4 2020, continued in 2021. This was compounded by the scarcity of raw materials, which further contributed to the price increases, in addition to extending delivery times.

The reasons for this market complexity are many and can be grouped as follows:

- in the world there are only a few large polymer producers who rule the market;
- due to the Covid-19 pandemic, some plants were stopped or decreased their production;
- after the Covid-19 pandemic, we saw a recovery of the Asian markets, which “monopolised” the use of raw materials and caused shortages in the EU;
- transports from China to Europe suffered significant price increases and delays;
- afraid to be left short of raw material or having to face further increases, material processing companies increased their order levels.

The FITT Group was able to cope with the raw material shortages thanks to an efficient supplier and stock management policy. At the same time, it was also able to counteract the effects of the raw material cost increases by increasing the selling prices of its products.

However, product demand still increased significantly, a challenge that the Group faced successfully thanks to the proactive approach and flexibility of its organisation.

The special pandemic contingency had already created the conditions for cost rationalisation and the reduction of inefficiencies, which had a positive impact on the 2020 budget, and were reconfirmed in the 2021 budget.

2021 economic profile

The year's economic performance was better than the previous year. Compared to 2020, in 2021 revenue increased by 29%.

This increase was generated by both an increase in sales volumes and an increase in the prices of finished products. Both of these factors offset the rise in raw material and transport costs against higher demand.

The year 2021 also saw a gradual restart of trade fairs and promotional events, although restrictions were still in place due to the pandemic.

As for 2020, also 2021 was characterised by an increase in demand, especially in three areas:

- FITT Gardening Solutions - strongly linked to the rediscovery by the end users of the green spaces in their homes;
- FITT Infrastructure Solutions - strongly linked to the demand for sewage and pressure piping products;
- FITT Industrial Solutions - strongly linked to end-user applications such as swimming pools and caravans.

| REVENUE BY TYPE | | | |
|--|-----|--------------|--------------|
| SERVICES | UM | REVENUE 2020 | REVENUE 2021 |
| Complete thermoplastic material systems for the transfer of fluids for domestic, professional and industrial use | M € | 236.3 | 304.5 |
| Leasing | M € | 0.5 | 0.4 |
| Miscellaneous revenue | M € | 1.7 | 1.9 |
| TOTAL | M € | 238.5 | 306.8 |

Notes: a) the data in the table refer to the FITT Group; b) "Miscellaneous turnover" includes, among others, income from the sale of white certificates, capital gains, compensation for damages from insurance companies and suppliers.



determination and distribution of added value

Generated added value

The term added value is a numerical expression that represents the ability of a company to generate wealth, in the period of reference, to the benefit of the various stakeholders and in compliance with management cost efficiency and the expectations of the stakeholders themselves. Its objective is to highlight the economic (or economically expressible) effect that the activities of the company have had on the stakeholders who contribute most directly to the production of the economic wealth of the company and who participate in its distribution.

The added value generated was calculated, following the indications of GBS (Gruppo Bilancio Sociale), considering the difference between the overall value of production, the intermediate costs incurred for the purchase of production factors outside the company and the income net of bank charges.

In 2021, FITT's Gross Global Added Value reached € 77 million, up 17.3% against 2020. However, the 28.9% growth in production value was counteracted by a 69% raw material increase.

| PROSPECT FOR THE DETERMINATION OF THE ADDED VALUE | | | |
|---|------------|-------------|-------------|
| ENTRIES | UM | 2020 | 2021 |
| A. PRODUCTION VALUE | THOUSAND € | 241,825.77 | 329,147.34 |
| Revenues from sales and services | thousand € | 236,295.35 | 304,490.99 |
| Variation of third party inventories | thousand € | 2,187.26 | 20,991.48 |
| Other income and revenues | thousand € | 3,343.15 | 3,664.87 |
| B. COSTS | THOUSAND € | -175,664.73 | -253,576.10 |
| Costs of raw materials, subsidiaries, consumables and goods | thousand € | -119,958.59 | -202,444.82 |
| Costs of services | thousand € | -44,966.25 | -57,324.95 |
| Risk provisions | thousand € | -873.76 | -2,616.02 |
| Adjustment of the value of tangible and intangible assets and trade receivables | thousand € | -230.42 | -968.66 |
| Other operating costs | thousand € | -9,635.71 | 9,778.35 |
| Capitalised costs | thousand € | | |
| C. INCOME NET OF BANK CHARGES | THOUSAND € | -505.62 | 1,416.83 |
| Financial income | thousand € | 447.09 | 752.88 |
| Bank charges | thousand € | -952.71 | 663.95 |
| Variations in fair value | thousand € | | |
| GLOBAL GROSS ADDED VALUE | THOUSAND € | 65,655.42 | 76,988.07 |

Note: The values in the table represent the consolidated data of the Group

Distribution of the added value

In order to understand how the wealth produced by FITT's activities was split among the main categories of bearers of company interests, a calculation of the distribution of the added value among the stakeholders was completed.

In 2021, FITT produced a Gross Global Added Value 17% higher than in the previous year, reaching € 77 million.

The largest share of added value goes to staff remuneration (57.1%), followed by company remuneration (31.8%), and finally community remuneration (0.34%).

| PROSPECT FOR THE DISTRIBUTION OF THE ADDED VALUE | | | |
|---|------------|-----------|-----------|
| ENTRIES | UM | 2020 | 2021 |
| A. REMUNERATION OF STAFF | THOUSAND € | 40,477.64 | 43,941.53 |
| Personnel costs | thousand € | 40,477.64 | 43,941.53 |
| B. REPAYMENT TO THE PUBLIC ADMINISTRATION | THOUSAND € | 5,031.39 | 6,529.30 |
| Current, deferred and prepaid income taxes for the year | thousand € | 4,055.17 | 5,588.30 |
| Other taxes and duties (non-deductible VAT) | thousand € | 976.22 | 941.00 |
| C. REPAYMENT OF DEBT CAPITAL | THOUSAND € | 1,753.74 | 1,739.15 |
| Short and medium term capital charges | thousand € | 1,753.74 | 1,739.15 |
| D. REPAYMENT OF RISK CAPITAL | THOUSAND € | - | - |
| Profit distribution for the year | thousand € | | |
| E. REMUNERATION FOR THE COMPANY | THOUSAND € | 18,139.68 | 24,516.32 |
| Result of the year allocated to reserves | thousand € | 9,902.54 | 14,799.38 |
| Depreciation | thousand € | 8,237.15 | 9,716.94 |
| F. REMUNERATION FOR THE COMMUNITY | THOUSAND € | 252.96 | 261.77 |
| Membership fees/environmental contributions | thousand € | 102.62 | 123.04 |
| Contribution to Universities and Research Centres | thousand € | 100.10 | 132.71 |
| Donations and gifts | thousand € | 50.25 | 6.02 |
| OVERALL GROSS ADDED VALUE (A+B+C+D+E+F) | THOUSAND € | 65,655.42 | 76,988.07 |

Note: The values in the table represent the consolidated data of the Group

customers

The customer has always played a central role in the mind of FITT, who in some of its business areas implements a B2C approach, directly addressing the consumer. For FITT, “centrality” means listening to the market, interpreting its needs, understanding its suggestions and interacting with the customer through direct relations and a multi-channel approach consistent with the social and economic framework of today, made of permanent interconnections between people.

FITT sees “innovation” as a key word, both as regards to technology and the way it approaches the market and its relationships with its customers. During the years, FITT updated the way of listening to the consumer through market research, or the way of tackling NPD (New Product Development) activities, creating solutions always shaped by market requirements.

| TYPES OF CUSTOMERS | | | |
|--------------------|----|---------|---------|
| TYPES | UM | 2020 | 2021 |
| Retail customers | % | 31.30 % | 25.85 % |
| Private customers | % | 0.13 % | 0.15 % |
| Other | % | 68.57 % | 74.00 % |
| TOTAL | % | 100 % | 100 % |

Notes: a) The values in the table include data from FITT S.p.A., FITT France, FITT Monaco and PLAST MEC.
(b) “Private customers” refers to on-line purchases.

74% of FITT’s customers belongs to a macro-category of players including, among others, commercial distributors, construction companies, local retailers, industries of different sectors and agricultural and infrastructure consortia.

The remaining 26% comes from Large Scale Distribution, while on-line sales (e-commerce) to private individuals do not exceed 0.2%.

In 2021, FITT’s customers were mainly European (96% of the total). Fewer customers purchased from other continents: 1.5% from Asia, 1.2% from North America, 0.5% from Africa, 0.5% from South America and the lowest proportion, 0.1%, was made up of customers from Oceania.

This is largely consistent with 2020.

| GEOGRAPHIC CUSTOMER DISTRIBUTION | | | |
|----------------------------------|----|--------|--------|
| AREA | UM | 2020 | 2021 |
| Europe | % | 95.7 % | 96.1 % |
| Asia | % | 1.2 % | 1.5 % |
| North America | % | 1.8 % | 1.2 % |
| South America | % | 0.5 % | 0.5 % |
| Oceania | % | 0.1 % | 0.1 % |
| Africa | % | 0.7 % | 0.6 % |
| TOTAL | % | 100 % | 100 % |

Note: The values in the table include data from FITT S.p.A., FITT France, FITT Monaco and PLAST MEC net of inter-company sales.

service quality and customer satisfaction

FITT operates in 9 different business areas, all with very different customers, who have different needs. It deals with very different audiences, from the end consumer buying online to the Large Scale Distributor. This poses many challenges for the company, who must ensure quality and attention to each category, without neglecting their diversity and individual needs.

A challenge that FITT decides to formally acknowledge in 2020, when the central role of the customer becomes one of the 4 pillars of the company, making customer needs the compass of its business strategies.

In this way, FITT invests even more in providing a quality service that is attentive to the needs and satisfaction of the end user.

The 2020-2021 pandemic emergency brought a revolution in the way we relate to our customers.

Traditional face to face meetings and discussions were no longer possible. Relations were kept alive using remote video-communication platforms.

On the one hand, this brought obvious disadvantages, such as the lack of physical contact. However, it also generated positive effects, such as a reduction of travel, saving time and decreasing emissions.

Moreover, the increased frequency, regularity and efficiency of contacts led to a strengthening of relations, including with remote locations.

FITT monitors customer satisfaction for both the B2B and the B2C sector using indirect indicators for which targets are set annually:

- % of customers retained during the last 3 years
- Average response time for online requests
- Average rating on Marketplace (Amazon) in different countries
- Average commercial department complaint resolution time
- Average time it takes to close technical complaints

This allows the company to measure, over time, its capability to retain customers and handle queries and complaints.

In 2021, the company reached 6 of the 8 targets set. Almost all customers (98% of Garden customers, 97% of Industrial customers and 93% of Building customers) purchased from FITT, demonstrating their level of loyalty to the company. In addition, the average Amazon seller rating reached 97.00%, exceeding expectations by 2 percentage points.

Technical complaints were handled efficiently for Garden and Industrial products but less so for Building products; the average time it took to resolve customer complaints was 40 days, against a target of 21 days.

| INDICATORS | | UNIT | | 2020 31-DEC | 2021 31-DEC | |
|-------------------------|-----------------------|--|--------|--------------|----------------|----------------|
| MKT (MARKET MANAGEMENT) | CUSTOMER SATISFACTION | % Retained customers (Garden) | Actual | % | 96.70 | 98.50 |
| | | | Target | % | 96 | 96 |
| | | % Retained customers (Industrial) | | | | 96.80 |
| | | | | | | 96 |
| | | % Retained customers (Building) | | | | 92.70 |
| | | | | | | 96 |
| | | Average response time for online requests | Actual | working days | 6 working days | 5 working days |
| | | | Target | working days | - | 5 working days |
| | | Amazon seller average rating (in different countries) | Actual | % | 97.60 | 97 |
| | | | Target | % | > 95 | > 95 |
| | | Complaint resolution times (Garden) | Actual | days | 31 | 18 |
| | | | Target | days | | < 21 days |
| | | Complaint resolution times (Industrial) | Actual | days | 40 | 40 |
| | | | Target | days | | < 21 days |
| | | Complaint resolution times (Building) | Actual | days | 33 | 20 days |
| | | | Target | days | | < 21 days |

social sustainability

FITT PEOPLE

The people of FITT

Employment and turnover

Corporate welfare and compensation

Engagement and transparent communication

Smart Working

Inclusion and Equal Opportunities

Training and professional development

Occupational Health and Safety

Listening to employees and managing performance

FITT FOR THE COMMUNITY

Cooperation with universities and local institutions

Social inclusion actions and collaboration
with social voluntary associations

The FITT's way of doing business is evolving.

This implies thinking and acting as a business community, rather than just a manufacturing company: a society living and working together, with shared objectives and values.

The success of FITT is based on the competences and motivation of its people, which find their expression in a culture of active participation, and the ability to promptly respond to the needs of the stakeholders, establishing and strengthening long-term partnerships.

fitt people

FITT women and men are the strength and backbone of the Group. Their ingenious actions are at the basis of our product quality and market position.

In addition to fifty years of experience and the excellence of its know-how, a competitive advantage of FITT is the effectiveness of its teamwork, based on the sharing of ideas and a strong sense of responsibility.

Always united for a common purpose: work together with fun and satisfaction to overcome new and exciting challenges.

For this reason, the safeguard and the growth of the individual, both in terms of respect for their physical and moral integrity, and valorisation and growth of all internal resources, are key requirements of the organisation.

The people of FITT

At the end of 2021, the whole FITT group reached a staff of 944, a 2% increased against the previous year.

FITT S.p.A. accounts for 73% of the staff of the group, while 12% is based at the French facilities (FITT France S.A.), 7% in Poland (FITT POLSKA Sp. zo.o.), 5% in the Principality of Monaco (FITT MC), with the remainder split in smaller percentages between PLAST MEC Srl, Spain (FITT España Portugal SAU), the USA (FITT USA inc.) and China (FITT Trading Shanghai Co., Ltd).

FITT is a Group with an average age of 44 years. 31% of staff is less than 40 years old, while about 36% belongs to the 40-49 age group. At around 33%, the Over 50 represent a good share of the FITT's population worldwide.

Female staff increased from 27% in 2020 to 30% in 2021. Moreover, almost all part-time contracts in place in FITT are covered by women, for a total of about 79%.

Most women work in a clerical position, the only position where they outnumber men.

As already indicated, for the other professional categories the male presence prevails, without any significant variations when compared with the previous year.

In specific, the management team consists of 18 men and 3 women (2 more people than the previous year). Middle management (65 in 2021 against 64 in 2020) grew less than the white-collar (+11 resources when compared with 2020) and blue-collar (+6 resources) categories.

| STAFF BY AGE | | | | | | | |
|----------------|-----|------|--------|-------|------|--------|-------|
| | UM | 2020 | | 2021 | | | |
| | | MALE | FEMALE | TOTAL | MALE | FEMALE | TOTAL |
| Under 30 | no. | 62 | 38 | 100 | 62 | 39 | 101 |
| 30 to 39 years | no. | 243 | 93 | 336 | 117 | 70 | 187 |
| 40 to 49 | no. | 236 | 66 | 302 | 243 | 102 | 345 |
| 50 and Over | no. | 131 | 55 | 186 | 243 | 68 | 311 |
| TOTAL | NO. | 672 | 252 | 924 | 665 | 279 | 944 |

Note: The values in the table include data of all the FITT People.

The people of FITT

| STAFF BY GEOGRAPHICAL AREA | | | | | | | |
|--------------------------------|-----|------|--------|-------|------|--------|-------|
| GEOGRAPHICAL AREA | UM | 2020 | | 2021 | | | |
| | | MALE | FEMALE | TOTAL | MALE | FEMALE | TOTAL |
| Italy | no. | 517 | 178 | 695 | 510 | 189 | 699 |
| France | no. | 84 | 32 | 116 | 83 | 27 | 110 |
| Poland | no. | 27 | 26 | 53 | 28 | 39 | 67 |
| Monaco | no. | 33 | 10 | 43 | 32 | 15 | 47 |
| Spain | no. | 7 | 5 | 12 | 7 | 5 | 12 |
| Rest of the world (USA, China) | no. | 4 | 1 | 5 | 5 | 4 | 9 |
| TOTAL | NO. | 672 | 252 | 924 | 665 | 279 | 944 |

Note: The values in the table include data of all the FITT People.

| STAFF BY PROFESSIONAL CATEGORY | | | | | | | |
|--------------------------------|-----|------|--------|-------|------|--------|-------|
| POSITION | UM | 2020 | | 2021 | | | |
| | | MALE | FEMALE | TOTAL | MALE | FEMALE | TOTAL |
| Managers | no. | 16 | 3 | 19 | 18 | 3 | 21 |
| Executives | no. | 49 | 15 | 64 | 47 | 18 | 65 |
| Office employees | no. | 124 | 140 | 264 | 125 | 150 | 275 |
| Factory workers | no. | 483 | 94 | 577 | 475 | 108 | 583 |
| TOTAL | NO. | 672 | 252 | 924 | 665 | 279 | 944 |

Note: The values in the table include data of all the FITT People.

93% of the employees are on a permanent contract, 6% have a fixed-term contract and 1% have an apprenticeship role.

The category of atypical workers (administration, projects, internship) decreased by 12% compared with the previous year, in favour of new appointments.

Of the total number of atypical workers, 98% are temporary workers and the remaining 2% trainees. This category represents 17% of the employees hired by the various companies of the FITT Group.

| STAFF BY CONTRACT TYPE | | | | | | | |
|--|-----|------|--------|-------|------|--------|-------|
| TYPE OF CONTRACT | UM | 2020 | | 2021 | | | |
| | | MALE | FEMALE | TOTAL | MALE | FEMALE | TOTAL |
| Permanent | no. | 655 | 236 | 891 | 636 | 245 | 881 |
| Fixed term | no. | 9 | 12 | 21 | 22 | 29 | 51 |
| Apprenticeship | no. | 8 | 4 | 12 | 6 | 6 | 12 |
| Atypical (agency, project, internship) | no. | 124 | 61 | 185 | 108 | 55 | 163 |
| TOTAL | NO. | 796 | 313 | 1109 | 772 | 335 | 1107 |

Note: The values in the table include data of all the FITT People.

| STAFF BY CONTRACT TYPE | | | | | | | |
|------------------------|-----|------|--------|-------|------|--------|-------|
| TYPE OF CONTRACT | UM | 2020 | | 2021 | | | |
| | | MALE | FEMALE | TOTAL | MALE | FEMALE | TOTAL |
| Full-Time | no. | 659 | 204 | 863 | 652 | 229 | 881 |
| Part-Time | no. | 13 | 48 | 61 | 13 | 50 | 63 |
| TOTAL | NO. | 672 | 252 | 924 | 665 | 279 | 944 |

Note: The values in the table include data of all the FITT People.

Employment and Turnover

During 2021, in FITT the number of new appointments exceeded the number of people that left the company. 100 new staff members joined the team, while 80 people left.

Over the last year, the recruitment rate of the company therefore stood at around 10.6%, slightly higher than the 9.1% level of 2020.

On the other hand, staff turnover worsened slightly, from 6.5% in 2020 to 8.5% in 2021.

| EMPLOYMENT AND TURNOVER | | | | | | | |
|-------------------------|-----|------|--------|-------|------|--------|-------|
| | UM | 2020 | | | 2021 | | |
| | | MALE | FEMALE | TOTAL | MALE | FEMALE | TOTAL |
| Number of new recruits | no. | 65 | 19 | 84 | 52 | 48 | 100 |
| Staff leaving | no. | 42 | 18 | 60 | 59 | 21 | 80 |
| Total number of staff | no. | 672 | 252 | 924 | 665 | 279 | 944 |
| New staff hiring rate | % | 9.7 | 7.5 | 9.1 | 7.8 | 17.2 | 10.6 |
| STAFF TURNOVER RATE | % | 6.3 | 7.1 | 6.5 | 8.9 | 7.5 | 8.5 |

Note: The values in the table include data of all the FITT People.



Corporate welfare and compensation

SERVICE PLATFORM

FITT's welfare policies include Flexible Benefits: a tax-free amount paid by the company that can be spent on goods and services.

The company allows its employees to receive part or all of their annual performance bonus on an online platform, through which the employee can purchase goods and services using vouchers and coupons.

The advantage of using the platform is that the bonus is not subject to tax, which would not be the case if it were paid in cash.

FITT uses the Edenred Platform, to enable employees to access all company benefits through an App. This allows employees to choose benefits tailored to meet their specific needs.

In spite of not signing the second-level agreement for the performance bonus, in 2021 FITT proposed to the trade unions to grant an extraordinary bonus with a value higher than the nominal value of the expired PB. This premium may be used through the Corporate Welfare platform, which includes a set of goods and services that the company can make available to its employees in order to increase their well-being and facilitate life-work balance.

FITT believes that there is a strong connection between company performance and personnel well-being. For this reason, people's welfare is a key element of the corporate strategy.

The Italian companies allow their own staff to receive part or all of their annual performance bonus in three different ways:

- Reimbursement of expenses already incurred during the year
- Purchasing of goods and services using vouchers and coupons.
- Payments to social security funds.

STAFF HEALTH INSURANCE

Since 2020, FITT S.p.A. has in place a policy to protect its employees and support them in the event of hospitalisation due to Covid-19. The insurance cover guarantees a hospital allowance and a convalescence allowance after discharge.

In 2021, FITT put in place a new insurance cover to financially support employees faced with a serious illness (Dread disease) and their families.

FITT MC has put in place an insurance policy that allows each employee (managerial and non-managerial) to benefit from reciprocal cover in addition to the CCSS reimbursement system; this is a guarantee that improves medical cover and reduces healthcare costs for the employee.

FITT also protects its staff and partners, guaranteeing their physical and moral integrity, as well as working conditions and environments that respect the dignity of the individual and comply with occupational health and hygiene regulations.

Engagement and transparent communication

FITT endeavours to disclose the performance of the company in a transparent manner at all times through structured and regular internal communication processes. A “Corporate Governance” section has been created in WeFITT (corporate intranet), where communications regarding strategic objectives and company trends are published. Moreover, specific meetings called “Let’s Share Together” are organised bi-monthly, to bring the staff together, either physically or in streaming, and share important content on strategies, organisational changes, innovation and business projects, events, etc. The people involved in the specific projects provide update to all the FITT People through presentations.

In 2021, a “Life in FITT” company climate survey was carried out, to ascertain the level of employee satisfaction and well-being and highlight any areas for improvement. The survey was focused on four macro areas: engagement, my work, environments & spaces and collaboration.

69% of employees participated in the survey and the overall result showed 85% positive responses (very positive and positive indicating some areas needing improvement).

Life in FITT also made it possible get a grasp for welfare needs and the degree of adhesion of the employees to pending corporate volunteering activities.

The survey was followed by a deployment plan with focus groups per area/plant/branch of the company, for a better qualification of the improvements required and the drafting and launching of a dedicated action plan.

In 2021, FITT was awarded “**TOP JOB - ITALY’S BEST EMPLOYERS 2021/2022**” recognition by the German Institute for Quality and Finance (Itqf) in collaboration with Affari&Finanza. Using the Social Listening Index method, the Institute conducted a study on the best employers in Italy. During a period of 12 months, it collected over 1 million online mentions (on social media, blogs, forums, news portals, videos) containing references on the 2,000 employers analysed. Among the issues considered were working environment, professional development, growth prospects, sustainability and corporate values



CAR POLICY

FITT has revised its Car Policy with more attention for the environment, introducing hybrid and electric car models in the choice of company cars.

In addition, it has also signed a contract with DKV, choosing their climate neutral fuel card: the DKV CARD CLIMATE.

Through this choice and the payment of a CO2 emission surcharge, calculated on the actual consumption of the company, DKV pays the amount to Myclimate Deutschland, which handles projects for compensating the environmental impact generated by CO2 emissions.

The amount of CO2 offset in 2021 is 126.01 (t).

Smart Working

Smart Working started in FITT well before the arrival of COVID-19. In 2018, the company had already started to implement smart working on an experimental and voluntary basis.

The outbreak of the pandemic in 2020 and its continuation in the current year generated a strong acceleration that helped FITT in experimenting with large-scale smart working, therefore allowing all eligible employees to take advantage of this solution. The year 2021 therefore marked the completion of the implementation project in Italy, with the formalisation and application of the new policy; this policy allows smart working for up to three days a week. A presence in the office of at least two days a week is meant to preserve the continuation of the necessary face to face discussions and collaborations, which contribute to strengthening relationships and teamwork. The project was also extended to the branches by initiating the study and staff training.

This choice consolidated a change of approach that was already being pursued: the fulfilment of the role is no longer centred on “hours worked” but on the “achievement of objectives”, relying on trust and a sense of responsibility of each individual.

The Smart Working project provided for continuous training for managers and employees, in order to develop the skills necessary for greater autonomy, self-organisation, advanced use of digital tools, and to establish a culture of “Smart Working” at all company levels.

The company dedicated training hours to the development of Smart Managers, who had to develop specific skills in order to remotely manage their Smart Workers.

Courses were also run on safety when working from home (Smart Safety), dealing with the risks run by employees.



Diversity and Equal Opportunities

In line with SDGs 5, 8 and 10 of the 2030 Agenda and consistent with the values and principles set out in the Code of Ethics, FITT believes that the principles of fairness and equal opportunities for all staff are key references that must be integrated into all company activities.

Protecting the physical and moral integrity of the individual is one of the core principles of the company. Furthermore, FITT promotes and defends the fundamental rights of people and reject all forms of discrimination based on gender, race, political, religious and sexual orientation, social and personal conditions.

In full compliance with the relevant legal and contractual regulations, FITT is committed to offering all staff regulatory and remuneration treatments solely based on merit and competence criteria, without any type of discrimination.

The Life in FITT survey also polled employees' perceptions regarding the ability of the company to respect cultural, political, sexual, religious and gender diversity, with positive response from 9 out of 10 employees.



GENDER EQUALITY

In FITT, the female presence is lower than the male presence. Only 30% of company staff are female.

FITT aims at equal pay and equal tasks for men and women.

With regard to this, in 2021 the pay gap between the two sexes is slightly smaller than in the previous year, as shown in the table showing the women to men pay ratio for three of the four job categories: executives, middle managers and office workers.

In particular, the narrowing of the gender gap is most pronounced in the middle management and executive categories, where the ratio exceeds 70% for both categories.

The white-collar category shows a slight decrease (Gross Annual Pay 0.70 in 2020, 0.69 in 2021), with a ratio slightly lower than that of the two previous categories.

| WOMEN/MEN PAY RATIO BY PROFESSIONAL CATEGORY | | | | | |
|--|-----|------|--------|------|--------|
| GROSS ANNUAL SALARY AND GLOBAL ANNUAL PAY BY PROFESSIONAL CATEGORY | UM | 2020 | | 2021 | |
| | | MALE | FEMALE | MALE | FEMALE |
| Executives - Gross Annual Salary | no. | 1 | 0.74 | 1 | 0.73 |
| Executives - Global Annual Pay | no. | 1 | 0.68 | 1 | 0.72 |
| Managers - Gross Annual Salary | no. | 1 | 0.92 | 1 | 0.78 |
| Managers - Global Annual Pay | no. | 1 | 0.89 | 1 | 0.79 |
| Employees - Gross Annual Salary | no. | 1 | 0.70 | 1 | 0.69 |
| Employees - Global Annual Pay | no. | 1 | 0.63 | 1 | 0.61 |

Note: The values in the table include data relating to all the FITT people.
(Only FITT S.p.A., FITT France and FITT Monaco in the 2020 Sustainability Report).

Diversity and Equal Opportunities

A further crucial aspect in terms of gender equality concerns the issue of parental leave. Equal choices on maternity and paternity leave can increase the re-population and retention of qualified staff in the company. There is also a positive impact on women, who consequently can benefit from it without jeopardising their careers.

In the last two years, the number of FITT men taking parental leave exceeded the number of women. FITT has for years regulated the possibility for non-EU employees to take extended leave, therefore facilitating their reconciliation with family members residing in their country of origin. In both years, parental leave requested by male employees accounted for 63% of all leave granted.

| PARENTAL LEAVE GRANTED | | | | | | | |
|------------------------|-----|------|--------|-------|------|--------|-------|
| | UM | 2020 | | | 2021 | | |
| | | MALE | FEMALE | TOTAL | MALE | FEMALE | TOTAL |
| PARENTAL LEAVE GRANTED | NO. | 17 | 10 | 27 | 28 | 17 | 45 |

Note: The values in the table include data relating to all the FITT people (Only FITT S.p.A., FITT France and FITT Monaco in the 2020 Sustainability Report).



Professional training and development

FITT considers the professional growth of its staff of strategic importance for the improvement of the performance and productivity of the company, as well as for enhancing the skills of every individual, while stimulating sharing and creativity.

Good and continuous training is useful for learning to grasp opportunities but also for tackling and overcoming challenges while looking to the future.

In 2021, the FITT Group increased the number of training hours for its staff - therefore also increasing the time allocated to the growth of its workers -, by 31% when compared to 2020. The training activities involved 95% of the company population.

As regards to training by occupational category, the average in 2021 was 102 hours per capita for executives, 51 for managers, 30 for employees and 8 hours for blue collar workers. This result points to an increased focus on the executive category in 2021, for which training hours more than doubled when compared with the previous year.

In terms of subject areas, of the 16,799 hours of training provided in 2021, only 22% of these were required by law, and focused on health and safety, while the remaining 78% was dedicated to the development of our staff in different areas of specialisation.

Among the main subject areas, particular focus is recorded on issues relating to the “digitisation” of the own production processes and the related training of employees in Lean areas, the number of hours of which increased by about 50%.

Compared with 2020, training hours in the commercial area more than doubled and the hours of foreign language training more than tripled, demonstrating the high level of attention of the Group to the linguistic integration of the FITT People of the various locations, as well as the focus on global customer satisfaction.

Training courses dealing with the professional development and growth of employees saw a tenfold increase in number of hours.

In particular, it should be noted that in 2021, consistently with 2020, FITT decided to allocate 705 hours of training on CSR, demonstrating the high level of sensitivity of the company to this issue.

| TRAINING HOURS BY PROFESSIONAL CATEGORY | | | | | | | |
|---|-------|-------|--------|--------|-------|--------|--------|
| POSITION | UM | 2019 | | | 2020 | | |
| | | MALE | FEMALE | TOTAL | MALE | FEMALE | TOTAL |
| Managers | hours | 292 | 89 | 381 | 794 | 137 | 931 |
| Executives | hours | 839 | 218 | 1,057 | 1,433 | 381 | 1,814 |
| Office employees | hours | 2,692 | 2,469 | 5,161 | 3,300 | 2,732 | 6,032 |
| Factory workers | hours | 4,038 | 348 | 4,386 | 2,659 | 320 | 2,979 |
| TOTAL | HOURS | 7,861 | 3,124 | 10,985 | 8,186 | 3,570 | 11,756 |

Note: The values in the table include data relating to all the FITT People (only FITT S.p.A. and FITT Monaco in the 2020 Sustainability Report).

| EMPLOYEES INVOLVED IN TRAINING ACTIVITIES BY PROFESSIONAL CATEGORY | | | | | | | |
|--|-----|------|--------|-------|------|--------|-------|
| POSITION | UM | 2019 | | | 2020 | | |
| | | MALE | FEMALE | TOTAL | MALE | FEMALE | TOTAL |
| Managers | no. | 11 | 4 | 15 | 13 | 3 | 16 |
| Executives | no. | 24 | 6 | 30 | 27 | 6 | 33 |
| Office employees | no. | 89 | 87 | 176 | 74 | 103 | 177 |
| Factory workers | no. | 337 | 39 | 376 | 238 | 58 | 296 |
| TOTAL | NO. | 461 | 136 | 597 | 352 | 170 | 522 |

Note: The values in the table include data relating to all the FITT People (only FITT S.p.A. and FITT Monaco in the 2020 Sustainability Report).

Professional training and development

| TOTAL TRAINING HOURS PER SUBJECT AREA | | | |
|---------------------------------------|-------|--------|--------|
| AREAS | UM | 2020 | 2021 |
| IT | hours | 704 | 343 |
| Economic and financial | hours | 549 | 262 |
| Technical / operational | hours | 1,360 | 1,076 |
| Managerial | hours | 1,060 | 1,392 |
| Foreign languages | hours | 250 | 1,112 |
| Commercial | hours | 483 | 1,524 |
| Quality | hours | 809 | 311 |
| Marketing & Communication | hours | 452 | 14 |
| Legal | hours | 383 | 80 |
| HR & Organisation | hours | 586 | 448 |
| Innovation | hours | 426 | 132 |
| Purchasing | hours | 372 | 17 |
| Health and safety | hours | 2,366 | 3,701 |
| Lean | hours | 2,216 | 3,305 |
| Personal development | hours | 189 | 1,827 |
| CSR Corporate Responsibility | hours | 865 | 705 |
| Other (products/services) | hours | 75 | 550 |
| TOTAL | HOURS | 13,145 | 16,799 |

Note: The values in the table include data relating to all the FITT People (only FITT S.p.A. and FITT Monaco in the 2020 Sustainability Report).

LEAN DIGITAL TRANSFORMATION

Over the years, FITT has developed the “Lean Digital Transformation” training program. This project started in 2020 and continued throughout 2021, and involved over 100 members of staff from Office and Operations. The aim was to ensure the acquisition of a range of skills needed for the support of efficiency improvement and/or digitalisation programs, in line with the principle of continuous improvement, one of the core elements of the Lean Management philosophy.

As part of the project, FITT launched a contest for the selection of a group of young company employees to be trained to take on the role of “Lean Digital Agents”.

The selected employees received 8 days of targeted training, specifically focused on project management, leadership development and managing change.

FITT hopes to create a community of Lean Digital Agents capable of supporting colleagues in the various transformation and digitisation projects, through the use of new methods and tools, to improve processes and the generation of ideas.

ACADEMY FOR TECHNICAL OPERATORS

In 2021, FITT repeats the experience of the “Academy for Technical Operators”, a training project designed to develop the technical skills of its employees involved in specialised tasks in the production plants.

Professional training and development

CORPORATE RESPONSIBILITY (CSR)

In order to integrate sustainability into its business, at the end of March 2021 FITT completed a training course - which had started back in December 2019, with the involvement of 60 employees from the various Italian plants -, dealing with the following:

- 1. Definition of materiality and start of interviews with external stakeholders.
- 2. Definition of a sustainability vision.
- 3. Definition of a sustainability plan.

The topics addressed during this journey were:

- Stakeholder as is
- Materiality and assessment
- Data processing
- B Corp and Società Benefit
- Sustainability report
- Sustainable communication
- Corporate Philanthropy

The second part of 2021 saw the start of the Sustainability Pill training project, run by the Sustainability Ambassadors with the aim of spreading a sustainability culture among the FITT People, creating a cultural change, whilst at the same time also influencing the external stakeholders.

The main training and information topics covered during 2021 were:

- Meaning of sustainability for FITT
- Overall view of the SDG
- Fitt's SDG
- FITT's materiality matrix
- Società Benefit
- B Corp path
- Sustainability report

In order to be able to deliver mass training on a regular basis to the Operations staff of all Italian plants, some of the individuals trained as part of the project that ended in March 2021 also became Sustainability Ambassadors.

Sustainability Ambassadors were called upon to hold regular short meetings with the Operations staff on FITT's sustainability issues.

Meetings were held at shift change and lasted a maximum of 30 minutes.

The name Sustainability Pill was chosen in view of the short duration and regular repetition.

No. of people invited to training over 500

No. of people who attended training 390

No. of meetings held (from 23 Nov. to 17 Dec. 2021) ... 25

No. of Ambassadors involved 18

A total of 705 hours of training were delivered during the year by internal lecturers - Sustainability Ambassadors - previously trained during the three-year training course.

The activity will continue in 2022.

FITT DARWIN

FITT Darwin is the Learning Management System of the company. A platform that aims at supporting the continuous training of our employees. Launched in 2020, it is the first Group-wide tool and features an interface translated into all languages spoken at the different FITT Group locations, ensuring easy accessibility for all our employees.

The e-learning platform made available to the personnel of the company addresses various issues, such as Leadership and Management, personal development, creative and innovation skills, relationship management and operations.

The training content predominantly sought by FITT employees deals with improving concentration, better work management and problem solving.

FITT BLUFORCE ACADEMY

FITT Bluforce Academy is an interactive, personalized and flexible training model developed at international level and designed to share the technical and technological know-how of FITT with the players of the infrastructure network sector.

The Academy is the set of seminars, courses and experiential activities that FITT offers to designers, technicians of utilities and reclamation consortia.

The training programs of the Academy are constantly updated, are adapted to the real needs of the participants, and create a flexible and efficient dissemination model.

The FITT Academy makes available 3 training offers:

1. FITT Masterclass

FITT Masterclasses are consultancy, training and technical update activities on the territory, organised by FITT experts in cooperation with I.I.S. utilities. - Integrated Water System, Reclamation Consortia and designers, to improve and share technical expertise and develop a Learning Community thanks to an established professional format.

2. FITT Webinar

FITT Webinars are the digital extension of the FITT Masterclasses. These are technical training and update activities to improve and share technical skills related to product, sustainability and the most innovative application technologies. For this project, FITT works with the National and the Provincial Orders of Engineers, Associations, Integrated Water System utilities, Drainage Consortia, designers, companies and universities.

3. FITT Experience

FITT Experience is a training event that takes place at the Fara Vicentino production facility. The experience includes a guided tour of the FITT Bluforce system production and testing area, managed by Quality Control and R&D Lab experts, and participation in a technical workshop coordinated by the FITT Product Managers. FITT Bluforce Academy can draw on the cooperation among various partners - organisations, associations, companies, institutes and universities -, who work with FITT in various capacities, to help define the training offers at national and international level. In addition to the presence of the technical experts of the company, the participation of outside speakers guarantees the possibility of conveying to participants contents of great interest and high technical level.

Health and Safety in the company

Protecting the health and safety of its workers is for FITT a key factor.

The company seeks to promote and consolidate a culture of safety and health by promoting responsible behaviour by all workers and improving risk awareness through continuous information and training activities.

In addition, FITT aims at maintaining the highest levels of health and safety for its employees, ensuring that the necessary prevention and protection measures are in place to avoid or minimise occupational hazards.

| NUMBER OF ACCIDENTS PER YEAR | | |
|------------------------------|------|------|
| | 2020 | 2021 |
| Frequency Index (FI) | 18.7 | 22.3 |
| Severity Index (GI) | 0.72 | 0.70 |

IF=number of accidents per million hours worked
IG=number of days lost through injury per thousand hours worked
Note: The values in the table only include data relating to FITT S.p.A. and FITT Polska

All the recipients of the Code of Ethics, regardless of their role, are called upon to recognise hazards and contribute to maintaining a healthy and safe working environment, guaranteeing the safety of their colleagues and collaborators, promoting active participation in the management of health and safety, also by reporting near misses and striving for continuous improvement.

In 2021, the number of accidents increased slightly from 23 to 26 episodes per year, 7 of which en route to or from work.



Listening to employees and managing performance

FITT has the desire and the objective of creating a positive working environment, where everyone can express their ideas and where listening and respect for opinions are consistently promoted in all company activities.

In addition to this aspiration, there is also the need to monitor the performance of individuals, with a view to continuous personal improvement and medium and long-term corporate planning.

THE VOICE OF PERFORMANCE

In order to monitor the performance of its employees and their training needs, in 2020 FITT based the cycle for the management of its own staff on the use of three tools: Skill Matrix, People Review and Performance Dialogue.

The Skill Matrix and People Review mapping systems aim at assessing the competencies of employees and make the necessary evaluations for the definition of specific and individual action plans.

Through the Skill Matrix, the company maps the competencies of each employee, thus enabling the identification of skill gaps that need to be addressed.

This system was complemented by a People Review.

This is a process during which, using feedback from the manager of the assessed area, a member of HR produces a summary opinion of the performance of the employee, of their potential and the risks connected with their role or their path in FITT. Therefore, the aim of the questions is to find out whether action needs to be taken in relation to the individual worker, either training or else.

In 2021, the Performance Dialogue enjoyed its first season. This is a company performance management system consisting of annual appraisal interviews between managers and their subordinates. The dialogue is complemented by a comparison with the previous year's results, the definition of the objectives for the coming year, the assessment of leadership attitudes and skills, a discussion regarding professional aspirations and the manager/collaborator relationship.

fitt for community

FITT is aware of the influence, also indirect, that corporate activities can have on the general well-being of the community, as well as the importance of social acceptance within the communities in which it operates.

This is why the company invests and supports territorial initiatives of cultural and social value, in order to contribute to the sustainable development of local communities. This is done in accordance with FITT's strategic objectives, the principles of environmental and social responsibility and the guidelines adopted by the Board of Directors.

As far as donations and gifts, FITT favours initiatives that offer a guarantee of quality, that stand out for the ethical message they convey and that, in line with its mission, contribute to social development.

FITT pays attention to the lives of the communities in which it operates, carefully assessing requests for intervention and providing support in emergencies. To this end, it carries out information, listening and involvement initiatives, especially for the communities living in the vicinity of the current and future premises of the company.

Cooperation with universities and local institutions

NEW GEN PROJECT AND TWIN FACTORY

At the end of 2018, FITT started the NewGen (New Generation) project called “Full Made in Italy”: a project of innovation of products for the transfer of fluids in the European market, funded by the MISE Sustainable Industry Programme. The project extends to the three FITT business areas: Building, Garden and Industrial. The completion of the project is expected during 2021.

A new MISE-funded project called TWIN FACTORY was started at the end of 2020 with the aim of virtualising an innovative production process for fluid transfer solutions, to maximise efficiencies and reduce the environmental impact of customised productions.

As part of both projects, FITT has established several partnerships with some of the most advanced universities in Italy.

COLLABORATION WITH THE POLYTECHNIC OF MILAN

2021 saw the continuation of the second step of the collaboration project between FITT and the Department of Electronics, Information and Bioengineering (DEIB) of the Polytechnic of Milan.

This project brought to the completion of a technological demonstration of a sensor that can be installed inside pipelines to intercept leaks, to avoid water waste, and to analyse in real time the quality of the liquid.

COLLABORATION WITH THE UNIVERSITY OF PADUA

The Department of Industrial Engineering (DIE) of the University of Padua and its research centres have also joined the work team revolving around FITT.

In 2021, the collaboration with the University of Padua focused on two specific research activities:

- the assessment of the potential environmental impact of processes during the life cycle, for the eco-design of new products;
- the development of an innovative virtual factory model, to design and optimise product and process prior to production and integrate the life cycle assessment and industrial virtualisation processes.



FITT FUTURE HEADQUARTERS–YOUNG ARCHITECTS COMPETITIONS

In collaboration with YAC - Young Architects Competitions, at the end of 2020 FITT launched the “FITT Future Headquarters” competition, for the design of the new premises of the Group, with focus on well-being, sustainability and innovation.

The competition is run through an innovative and recognised digital platform, offering the highest opportunity for participation to an international audience. It's open to students, graduates and freelance professionals from all over the world - not necessarily experts in architectural disciplines or members of professional bodies -, organised in teams. Each team must have at least one member aged between 18 and 35.

These are the main numbers of the event: 11,712 documentation downloads, 991 designers from 84 different countries registered, split into 719 teams who presented 207 projects expressing their innovative ideas for the workspace of the future.

The jury called upon to evaluate the proposals that emerged from the competition consists of individuals of great international importance in the field of architecture and innovation: Alessandro Adamo (Lombardini 22), Hasan Çalışlar (Erginoğlu & Çalışlar Architects), Emmanuelle Moureaux (Moureaux Architecture + Design), Adun Opdal (3XN), Carlo Ratti (Carlo Ratti Architets), Nicola Scaranaro (Foster + Partners), Patrik Schumacher (Zaha Hadid Architects) and Alessandro Mezzalana, CEO of FITT.

The competition awarded an overall amount of € 20,000, 10 honourable mentions and a merit mention for a team consisting of a majority of women, called the “Women-Team Award”. The winners were the PIARENA (Sergey Korobkov, Dmitriy Shklyaruk, Evgeniy Korobskoy, Andrey Tsyplakov, Aleksey Cherednikov), VARABYEU PARTNERS (Mihail Sobolkov, Ihar Shamanouski, Siarhei Yasiuk, Mark Kamsin, Viktoryia Vetashkina) and BUFFO ERCOLI (Ruggero Buffo, Danilo Ercoli) teams.

Cooperation with universities and local institutions

COLLABORATION WITH LOCAL COMMUNITIES

In 2021, FITT initiated a dialogue with the local institutions of the municipalities of Sandrigo, Fara Vicentino and San Pietro in Gu, the towns where three of the main Italian plants of FITT are located. The aim was to listen and exchange views regarding the social and environmental needs, highlights and requests of the territory.

The discussion led to an exchange on the redevelopment and use of Villa Mocenigo in Sandrigo, a historic building currently used as a primary school with an environmental focus and a container for social initiatives, including social vegetable gardens. The dialogue with the municipal administration will continue in the coming year.

Links were also developed with the administration of Fara Vicentino, to provide opportunities for promoting sustainability values among school children. The difficulties due to the Covid-19 restrictions put a stop to the planned initiative in support of ecological outings as part of the “Clean up the World” plan of Legambiente. However, in order to meet the requests of the students and the administration regarding sustainability issues, it was decided to undertake a program of school meetings, to be perfected in 2022.

The administration of San Pietro in Gu brought to FITT’s attention the need to regain and renew sociality after 2 years of limitations due to the Covid-19 health emergency, also as a way to counteract the growing psychological, relational and social problems caused by the isolation imposed by the pandemic. FITT decided to donate € 2,000 (to be paid in 2022) in support of the “Natale Gaudense 2021” Christmas celebration social events taking place during the Christmas 2021 - Epiphany 2022 period, working at the side of the community and the pro loco (non-profit organisation for the promotion of the territory) in relaunching the value of the community.



Social inclusion actions and collaboration with social voluntary associations

In order to strengthen relations with the communities of reference and local stakeholders, the company has long promoted and supported cultural and social initiatives, through partnerships with institutions, associations and local non-profit organisations.

In recent years, FITT has developed stable and lasting relationships with the associations it supports, sponsoring their work on an ongoing basis.

IL POMODORO ONLUS

Since 2014, FITT has been supporting Il PomoDoro Onlus, a non-profit association organised following the principles of Social Farming. The association was founded with the aim of helping young people with physical and mental disabilities to live as actively and as independently as possible.

FITT stands by this association because it believes in the values of inclusion, autonomy and the full development of everyone's potential.

Over the years, FITT has supported the growth of the social farm with around € 50,000, through donations and the purchase of their products and services.

An innovative agreement was signed in 2021, regulating and promoting relations between FITT and Il PomoDoro: a true cutting-edge partnership is in place between FITT and Il PomoDoro APS in the Vicenza area, involving a mutual exchange of services and skills.

The signing of this agreement took place on the sidelines of a conference dealing with inclusion held at FITT in collaboration with Centro di Servizio per il Volontariato (Voluntary Work Service Centre). Among others, the conference was attended by the Regional Councillor for health and social services and the Sandrigo municipal administration.

In 2021 alone, the company's contribution amounted to € 10,500, of which € 3,500 as a donation and € 7,500 for the purchase of goods and services produced and provided by the Association with the involvement of disabled people and volunteers.

FITT has also promoted the sale of Il PomoDoro Onlus products among its staff through internal channels, with the commitment to also donating a sum equal to 25% of the amount paid by its employees as part of the company initiatives.



Social inclusion actions and collaboration with social voluntary associations

FLUIDRA

Following the principles promoted by the UN SDG and specifically SDG 17 “Partnership for the goals”, FITT assesses with particular interest the social and environmental initiatives proposed by companies that are part of its customer or supplier network.

In 2016, Fluidra - a multinational group listed on the Spanish Stock Exchange and dedicated since 1969 to the development of applications for the sustainable use of water for the sectors of swimming pools and wellness, and people’s well-being and health -, created Fundació Fluidra, a foundation whose aim is to ensure access to water and its benefits for all, including the most disadvantaged communities, and to promote the sustainable use of water resources. FITT shares Fluidra’s social values and believes that by joining forces we can multiply results.

In 2021, FITT signed an agreement with Fundació Fluidra to contribute with the sum of € 15,000 to the construction of a social swimming pool in Thiaroye, a disadvantaged district of Dakar, Senegal - a facility aimed at educating children -, therefore becoming a partner in this initiative.

The social swimming pool inside a school will help more than 2,000 children to learn to swim. This activity will help combat death by drowning, which, according to the World Health Organisation (WHO), is one of the top 10 causes of death among children worldwide.



FONDAZIONE CITTÀ DELLA SPERANZA

Since 2003, FITT has been supporting “Fondazione Città della Speranza” (City of Hope Foundation), an organisation that works to ensure the health and the physical and mental well-being of children and adolescents affected by onco-haematological and rare diseases.

In specific, the Foundation invests the funds it raises in targeted care and scientific research projects, as well as in raising public awareness of the peculiar aspects of paediatric diseases and the related research activities.

FITT promotes “Fondazione Città della Speranza” by taking part in the many self-funding events organised by the Foundation, as well as by purchasing the products distributed by the Foundation.

In 2021, FITT promoted the charitable initiatives of the Città della Speranza (City of Hope) foundation and the sale of its products among its own staff, also making an additional donation equal to 25% of the value of the purchases from its staff. A further € 1,070 was also donated to the same foundation.



Social inclusion actions and collaboration with social voluntary associations

CSV VICENZA

Centro di Servizio per il Volontariato (Voluntary Work Service Centre) in the province of Vicenza is a local organisation that has been supporting and qualifying the activities of associations and volunteers for many years, providing a wide range of services free of charge to both registered and non-registered volunteer organisations, and spreading the culture of solidarity.

In 2021, the company supported the association's activities with a contribution of €100 as fund-raising for Roberto Vecchioni's concert on 9 December 2021 at Teatro Comunale Città di Vicenza.

Monaco took part in the event, donating the sum of € 960 to the cause (€ 552 for registrations and € 408 for the kilometres travelled).



**Centro di Servizio per il Volontariato
della provincia di Vicenza**

Innovazione Rete Territorio
La nostra idea per il terzo settore
Innovation Network Territory
Our idea for the third area







Social inclusion actions and collaboration with social voluntary associations

TOMMASO ANDRIGHETTO CHILDREN'S SERVICES ASSOCIATION

The "Tommaso Andrighetto" association was established following the desire of a number of volunteers of the Sandrigo area to create a community that could provide moral education, childcare and preparation for compulsory school attendance, complementing and supporting the work of the family, which has the primary right to educate its children. These activities are carried out through the kindergarten service at the "Il sogno di Tommy" facility, as well as activities for children and teenagers, and therefore families.

FITT has been supporting the efforts of the association since 1998, aware of the importance of its activities for the Sandrigo community and the value of educating young people.

In 2021, the company supported the activities of the association with a contribution of € 1,000.

AIUTISMO AND THE MARCEGAGLIA FOUNDATION

FITT is also close to social initiatives through the donation of products to non-profit organisations requesting them for social and environmental reasons.

Also in 2021, FITT was able to contribute:

- by donating watering hoses to AIUTISMO ONLUS, an association that supports children with autism and their families, raising awareness and promoting the knowledge of this condition, creating and facilitating opportunities for social and working life integration;
- by donating FITT branded products for the Christmas fund-raising market organised by the Marcegaglia Onlus Foundation, a foundation that helps women - the driving force behind the growth and development of

their families and communities - in Italy and around the world through job placement and the fight against social marginalisation, domestic violence and new poverty.

SALUTE SOLIDALE ONLUS ASSOCIATION

In agreement with ULSS 6 and the Municipality of Vicenza, the SALUTE SOLIDALE ONLUS association provides free specialist medical care to people in need: people who for various reasons are financially unable to access health and welfare services.

FITT believes in the values of solidarity and inclusion, and in 2021 the company supported the association's activities with a contribution of €350.

ALTROMERCATO

FITT recognises and promotes the values at the basis of SDG 8 "Decent work and economic growth" and believes in the importance of promoting lasting, inclusive and sustainable economic growth, full and productive employment and decent work for all.

Also for this reason, the company decided to buy the Christmas gifts for its employees from AltroMercato Impresa Sociale - Società Cooperativa, whose main aim is to promote fair trade, in full respect of workers' rights and biodiversity, and provide support to inclusion and development projects in the communities where it operates.

In 2021, FITT purchased from AltroMercato Christmas gifts for its employees for a total value of €29,175. In this way, it also supported the creation of a new sustainable forest in Perù by planting a cocoa tree for each employee, helping to create development opportunities for the community.

NO FINISH LINE

No Finish Line® is a solidarity event that has been taking place in Monaco since 1999.

Under the High Patronage of His Serene Highness Sovereign Prince Albert II, this race is open to all, qualified and unqualified, runners and walkers.

People are free to participate for 1 hour or to run a marathon a day... Participation can be alone or as part of a team.

Thanks to registrations, donors and sponsors, for every kilometre covered, Children & Future donates € 1 in support of projects for disadvantaged or sick children.

The FITT Monaco team took part in the 2021 edition, donating the sum of € 960 to the cause (€ 552 for registrations and € 408 for the kilometres travelled).



environmental sustainability

Product design meeting sustainability criteria

Managing environmental aspects

Energy efficiency

Emissions and climate change

Raw materials and packaging

Waste management and circularity

Managing water resources

Sustainable supply chain

5

The environment is a primary asset that FITT is committed to safeguarding by reducing the environmental impact of its activities, as well as preventing risks to the environment, not just by complying with current legislation but also taking into account scientific research and the best experiences in the field.

FITT is committed to protecting the environment in all its activities, using processes, technologies and materials that allow the reduction of energy consumption and natural resources, avoiding or limiting any impact resulting from company activities in terms of pollution, greenhouse gas emissions, waste production and negative effects to local communities.

FITT believes that it is essential to reduce its own impact throughout its whole value chain by actively involving its Stakeholders, with a supply chain approach that provides a comprehensive view of the life cycle of its products.

The data in this section only refer to the parent company, FITT S.p.A. As far as the other companies of the Group, a data collection process started this year, which will allow the information to be shown transparently in the future issues of the Sustainability Report.

product design meeting sustainability criteria

PRODUCT DEVELOPMENT ECO-DESIGN GUIDELINES

Attention to waste and to the environmental impact of its products have long been key aspects of FITT’s way of innovating, making circularity a distinctive feature of its solutions.

The use of latest-generation technology in terms of efficiency and quality has enabled FITT to develop product lines that are at the forefront of sustainability.

| PERFORMANCE | |
|---------------------------|--|
| SAFETY FOR THE CONSUMER | FITT is committed to complying with market standards on chemical (REACH) and product safety, and is therefore committed to <u>eliminating SVHC substances from its products</u> |
| PRODUCT DURABILITY | FITT is committed to guaranteeing product durability throughout the expected life for the application and to improving performance, so that it can be extended <u>as long as possible</u> |
| REPAIRABILITY | FITT is committed to ensuring that all its products can be <u>repaired</u> by the user |
| REDUCTION | |
| RAW MATERIAL REDUCTION | FITT is committed to choosing the best materials, in order to reduce <u>their use</u> as much as possible, and therefore also their environmental impact |
| PACKAGING REDUCTION | FITT considers packaging a useful tool to guarantee transport and non-deterioration of the product, and is committed to limiting its use to the <u>minimum necessary</u> |
| SPACE REDUCTION | FITT is committed to identifying solutions to minimise <u>the bulk</u> of its products during transport |
| CIRCULARITY | |
| USE OF RECYCLED MATERIALS | In compliance with the above, FITT is committed to encouraging the use of <u>second life materials</u> , both POST and PRE CONSUMER |
| USE OF RECYCLED MATERIALS | FITT undertakes to give preference to materials for which a consolidated recycling chain already exists, particularly <u>PE or PP-based</u> materials, and to create or encourage the creation of new chains |
| PROMOTING RECYCLING | FITT is committed to ensuring the use of easily separable single component design solutions, to simplify future recycling |



managing environmental aspects

FITT carries out its activities in compliance with the environmental regulations set by the law with respect to its impacts on key issues such as energy, air emissions, waste and water.

From a regulatory point of view, all Italian plants have an A.U.A. (Autorizzazione Unica Ambientale - Single Environmental Authorisation)

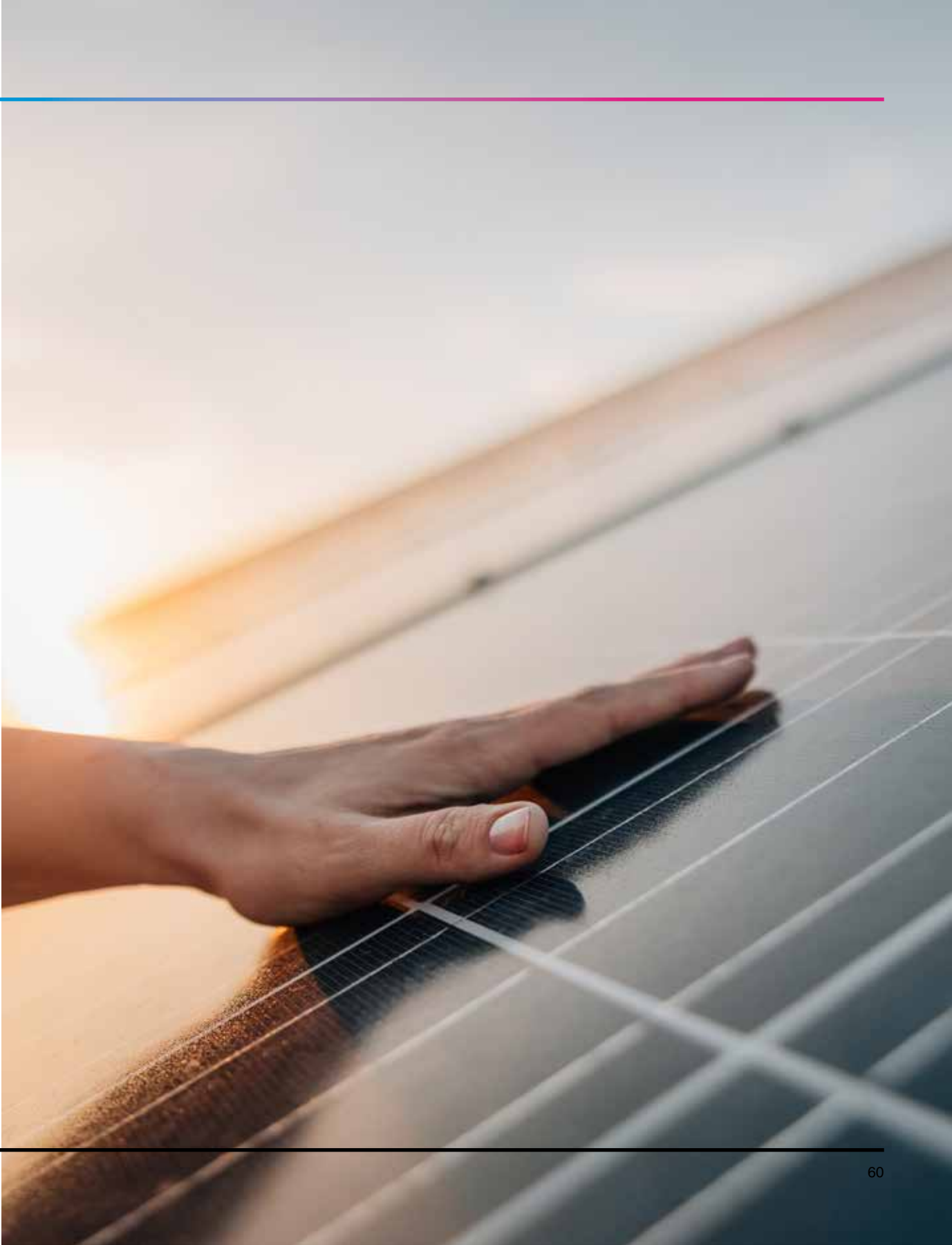
To ensure legislative compliance, FITT has standardised the system procedures for the management of emissions, discharges, waste and the assessment of environmental impacts in general.

FITT is constantly engaged in keeping up to date with legislative changes and implementing improvement actions to remain compliant with regulations. The company has established an internal audit plan for the different environmental aspects, in order to consistently monitor compliance.

Although FITT does not yet have a certified Environmental Management System (EMS), the company manages environmental aspects in a structured manner in accordance with international requirements such as ISO14001. The company has put in place a gradual process for improving the management of those environmental aspects considered of significance, with the aim of ensuring better efficiency and reducing its own direct and indirect impacts.

In order to achieve this objective, FITT has begun a process for the collection of data that will allow it to monitor its environmental performance over time and track the achievement of the set objectives.

As part of its action plan, FITT has established several initiatives which once finalised will be standardised and integrated into business processes, with a view to continuous improvement and transformation.



energy efficiency

FITT considers monitoring energy consumption and the transition to renewable energy of key importance, and as a manufacturer is committed to implementing tangible actions to meet the parameters of SDG 7 - Clean and Affordable Energy - and SDG 13 - Acting for the Climate -.

As for most industrial production processes, energy consumption is a critical aspect that cannot be neglected. The high energy demand required during production and the consequent indirect environmental impact are aspects that companies cannot overlook, now more than ever.

In light of this, FITT has committed to improving production efficiency through optimisation systems. In 2017 and 2018 respectively, trigeneration plants were built in the Fara Vicentino and Sandrigo plants, the two most energy-intensive production facilities of the group.

Trigeneration plants bring an increase in energy efficiency and consequently a reduction in carbon dioxide emissions associated with the activities of the company.

Most of the energy consumed by FITT is mainly connected with production processes, electricity and natural gas for the lighting and heating of offices and, to a much lesser extent, the consumption of fuel for the cars of the company fleet.

On the overall, in 2021 energy consumption increased by 18% when compared with 2020. This increase is linked to the easing of the restrictions put in place in the previous period following the pandemic, which allowed for more regular production activities in 2021.

In percentage terms, the largest increases were in diesel and petrol for the company fleet (+188% and +43% respectively).

The increase in natural gas (+41%) is the result of the increased use of the two cogeneration plants for the production of electricity and for the production cycle cooling systems. This allowed to contain the level of purchases of electricity from the grid, although an increase was nevertheless recorded (+6%). Finally, there was a small increase in diesel fuel used by generator sets, forklifts and fire-fighting booster sets (+7%), related to the increases in production volumes during the year.

On the other hand, electricity consumption is increasing. In fact, despite the pandemic emergency caused by Covid-19, the company has experienced an increase in production levels, resulting in an increase in electricity demand of around 3% compared with the previous year.

For FITT, the reduction of energy consumption and the increase in the use of energy from renewable sources are strategic objectives aimed at reducing the environmental impact of the company activities.

This is why since 01 July 2021 FITT has only been using energy from renewable sources.

| ENERGY CONSUMPTION BY SOURCE | | | |
|---|-----|------------|------------|
| ENERGY SOURCES | UM | 2020 | 2021 |
| Natural gas | m3 | 2,181,883 | 3,074,260 |
| Diesel for forklift trucks, generator sets and fire-fighting booster sets | l | 33,667 | 36,154 |
| Diesel fuel for the fleet | l | 73,672 | 105,025 |
| Petrol for the fleet | l | 2,635 | 7,598 |
| Electricity from the grid | kWh | 43,935,146 | 46,671,301 |

Note: The values in the table include data relating to the main production companies of the FITT Group - FITT S.p.A., FITT FRANCE and FITT POLSKA

| ENERGY CONSUMPTION BY SOURCE (GJ) | | | |
|---|----|---------|---------|
| ENERGY SOURCES | UM | 2020 | 2021 |
| Natural gas | Gj | 76,979 | 108,463 |
| Diesel for forklift trucks, generator sets and fire-fighting booster sets | Gj | 1,202 | 1,191 |
| Diesel fuel for the fleet | Gj | 2,631 | 3,751 |
| Petrol for the fleet | Gj | 84 | 243 |
| Electricity from the grid | Gj | 158,167 | 168,017 |
| Total | Gj | 239,064 | 281,765 |

Note: The values in the table include data relating to the main production companies of the FITT Group - FITT S.p.A., FITT FRANCE and FITT POLSKA

emissions and climate change

The effects of global warming are now unmistakable. This is confirmed by the latest reports of the Intergovernmental Panel on Climate Change (IPCC), the world’s most authoritative scientific body for understanding climate change and its consequences.

For several years, the World Economic Forum has ranked climate change in its annual “Global Risk Report” among the most significant risks to the global community. It is also one of the most pressing concerns in the world today.

Evidence from recent years and numerous publications show the interconnection between climate, social and geopolitical risks, such as mass migrations, pandemics and water scarcity.

The climate changes already observed in recent decades may be further exacerbated by the climate changes expected in the future, with risks of varying levels, depending on what can be done to limit global warming.

In a world where natural resources are being consumed faster than they are being regenerated, and climate change is manifested through increasingly recurrent natural disasters, companies are called upon to implement appropriate mitigation measures to support international guidelines and movements and contribute to Sustainable Development.

FITT pays particular attention to climate change, placing SDG 13 - Combating Climate Change - at the centre of its strategy.

FITT has started to monitor its own impact, calculating direct and indirect emissions (Scope 1 and Scope 2), in order to give an account of the effect of its activities and be able to track improvements over the years.

The company mainly produces indirect emissions, consuming significant amounts of electricity during the production processes. In 2021, Scope 2 emissions accounted for 56% of the total emissions of FITT (77% in 2020).

In the last two years, there has been a 27% reduction in total emissions compared with 2019. The main reason for this decrease is the clean energy purchased and consumed by FITT S.p.A. starting from 01 July 2021. In fact, following the post-pandemic resuming of regular activities, direct emissions (Scope 1) from transport (+47%) and plant heating (+40%) increased. Emissions from the use of diesel for forklift trucks, generators and fire-fighting booster sets also increased slightly (+7%).

On the other hand, an important decrease was recorded in 2021 in the production of indirect emissions (Scope 2), associated with higher electricity consumption from renewable sources (-47%).

| CO2 EQ EMISSIONS | | | |
|---|----------------------|---------------|---------------|
| | UM | 2020 | 2021 |
| Natural gas for heating and Trigeneration | t CO ₂ eq | 4,329 | 6,099 |
| Diesel for forklift trucks, generator sets and fire-fighting booster sets | t CO2 eq | 88 | 95 |
| Diesel fuel for the fleet | t CO2 eq | 194 | 276 |
| Petrol for the fleet | t CO2 eq | 6 | 18 |
| Total Scope 1 | t CO2 eq | 4,617 | 6,488 |
| Electricity from the grid | t CO2 eq | 15,766 | 8,416 |
| Total Scope 2 | t CO2 eq | 15,766 | 8,416 |
| TOTAL SCOPE 1 + SCOPE 2 | T CO2 EQ | 20,383 | 14,904 |

Note: The values in the table only include data relating to the main production companies of the FITT Group - FITT S.p.A., FITT FRANCE and FITT POLSKA
CO2eq emissions due to Electricity from the grid are "Location Based" and obtained from the TERNA report (year 2018)

Other emissions

FITT continuously monitors dust and pollutant emissions from its plants through specific measurements.

Filters are cleaned regularly to ensure the best possible absorption of pollutants.

In both 2020 and 2021, FITT never exceeded the emission limits set by Italian law.

The variations in emissions between the two years are not due to specific events. The differences are probably due to the different levels of cleanliness of the filters at the time of the measurements.

| OTHER EMISSIONS | | | |
|--|---------|----------|----------|
| TYPE | UM | 2020 | 2021 |
| Total organic carbon in gaseous form | kg/year | 3,793.10 | 3,657.12 |
| Powders | kg/year | 1,777.60 | 2,018.86 |
| Alkaline dusts/basic mists (expressed as NaOH) | kg/year | 12.26 | 15.48 |
| Chlorides as HCl (Table C Class III) | kg/year | 77.96 | 853.40 |
| Benzene, VCM (Table A1 Class III) | kg/year | 0.00 | 0.00 |
| Table A1 Class I | kg/year | 0.01 | 0.00 |
| Table D Class I | kg/year | 124.39 | 111.67 |
| Table D Class II | kg/year | 449.00 | 408.51 |
| Table D Summary of Classes III+IV+V | kg/year | 5,266.36 | 3,475.02 |
| TABLE B CLASSES I+II+III | KG/YEAR | 0.09 | 0.44 |

Notes: Emissions relating to Italian plants (Sandrigo, Fara, SPG, Lugo, Occhiobello and Monsampolo).



raw materials and packaging

FITT aims at reducing environmental impacts through responsible resource management and sustainable production and consumption models, protecting the biodiversity of the territories in which it operates, focusing on both the reduction of direct impacts, resulting from production processes, and indirect impacts, associated with the value chain that characterises the business.

The aim of FITT is to reduce as much as possible the amount of raw materials needed for its products. To this end, the company has been investing for years in research to reduce waste and find alternative materials.

FITT plans to include environmental and social criteria in the selection of suppliers, with the aim of creating a more sustainable value chain.



Raw materials

In addition to the indirect emissions associated with high energy consumption, the activities of FITT also have an impact in terms of raw material consumption. In fact, the production processes of the company require various resources in order to manufacture the finished products.

Of the main raw materials required, polyvinyl chloride (PVC) is certainly the most widely used. Most of FITT's products are made from PVC, to which products such as plasticisers, stabilisers and other additives are added in smaller quantities during the different production stages.

PVC pipes for transporting fluids are generally used by various sectors, such as industrial irrigation and hydraulic infrastructures. These are sectors that are experiencing continuous growth and expansion, partly thanks to increasingly rapid urbanisation and a race to adapt water systems, for which FITT is committed to meet demand more and more efficiently.

PVC is a superior raw material in terms of durability, cost, lightness and ease of installation compared with the available alternatives, and demand is expected to grow rapidly in the future in the markets in which FITT operates.

FITT is careful in the selection of raw material suppliers to ensure the quality and safety of its products and prefers the purchase of certified recycled raw material over virgin material, to limit the environmental impact of raw materials on the finished product.

As well as sourcing regenerated PVC, FITT also post-processes and recovers PVC waste from its own production and returns it to its own production chain.

| MATERIALS USED-PRODUCTION | | | |
|--|----|-------------|-------------|
| MATERIAL | UM | 2019 | 2020 |
| Virgin PVC powder | kg | 42,854,918 | 46,796,463 |
| Virgin granule | kg | 10,171,725 | 12,120,345 |
| Process additives and adjuvants | kg | 24,743,030 | 26,033,573 |
| Other polymers | kg | 4,912,198 | 5,912,590 |
| Rigid granule | kg | 4,144,480 | 5,085,896 |
| TOTAL VIRGIN MATERIAL PURCHASED | KG | 86,826,351 | 95,948,867 |
| Regenerated granule (supply chain waste recovery) | kg | 3,621,589 | 4,329,185 |
| Other regenerated polymers (supply chain waste recovery) | kg | 1,819,134 | 1,830,832 |
| Ground and micronised (supply chain waste recovery) | kg | 702,932 | 570,620 |
| Ground mixed PVC (supply chain waste recovery) | kg | 3,717,230 | 2,891,061 |
| Black rubber for soaker hose (supply chain waste recovery) | kg | 415,120 | 385,101 |
| TOTAL RECOVERY MATERIAL PURCHASED | KG | 10,276,004 | 10,006,800 |
| TOTAL MATERIALS PURCHASED | KG | 97,102,355 | 105,955,667 |
| Virgin granule made from PVC powder and additives | kg | 26,155,864 | 31,166,601 |
| Regenerated granule from production waste | kg | 5,432,383 | 6,493,778 |
| Scrap (post-industrial recovery) | kg | 2,053,504 | 2,404,812 |
| Ground and micronised (post-industrial recovery) | kg | 3,435,399 | 4,013,771 |
| TOTAL PRODUCED INTERNALLY | kg | 37,077,151 | 44,078,962 |
| TOTAL MATERIAL PROCESSED | KG | 134,179,506 | 150,034,629 |

Note: The values in the table only include data relating to FITT S.p.A.

Packaging

As far as the packaging of its products, FITT uses different types of materials: wood, plastic, paper, steel and other miscellaneous materials.

The data show an increase in the consumption of all types of materials compared with 2020, except for mixed packaging, for which a reduction in tonnes used is recorded. In particular, in the last two years the consumption of wood increased by 59%, plastic by 28%, and paper and steel (including packaging screws) by 22% and 11% respectively.

FITT relies on suppliers with sustainable product and process certifications. In specific, in 2021 57.2% of the paper purchased was FSC certified (3.4% in 2020), as a guarantee of production based on an environmentally friendly, socially useful and economically sustainable forest management chain.

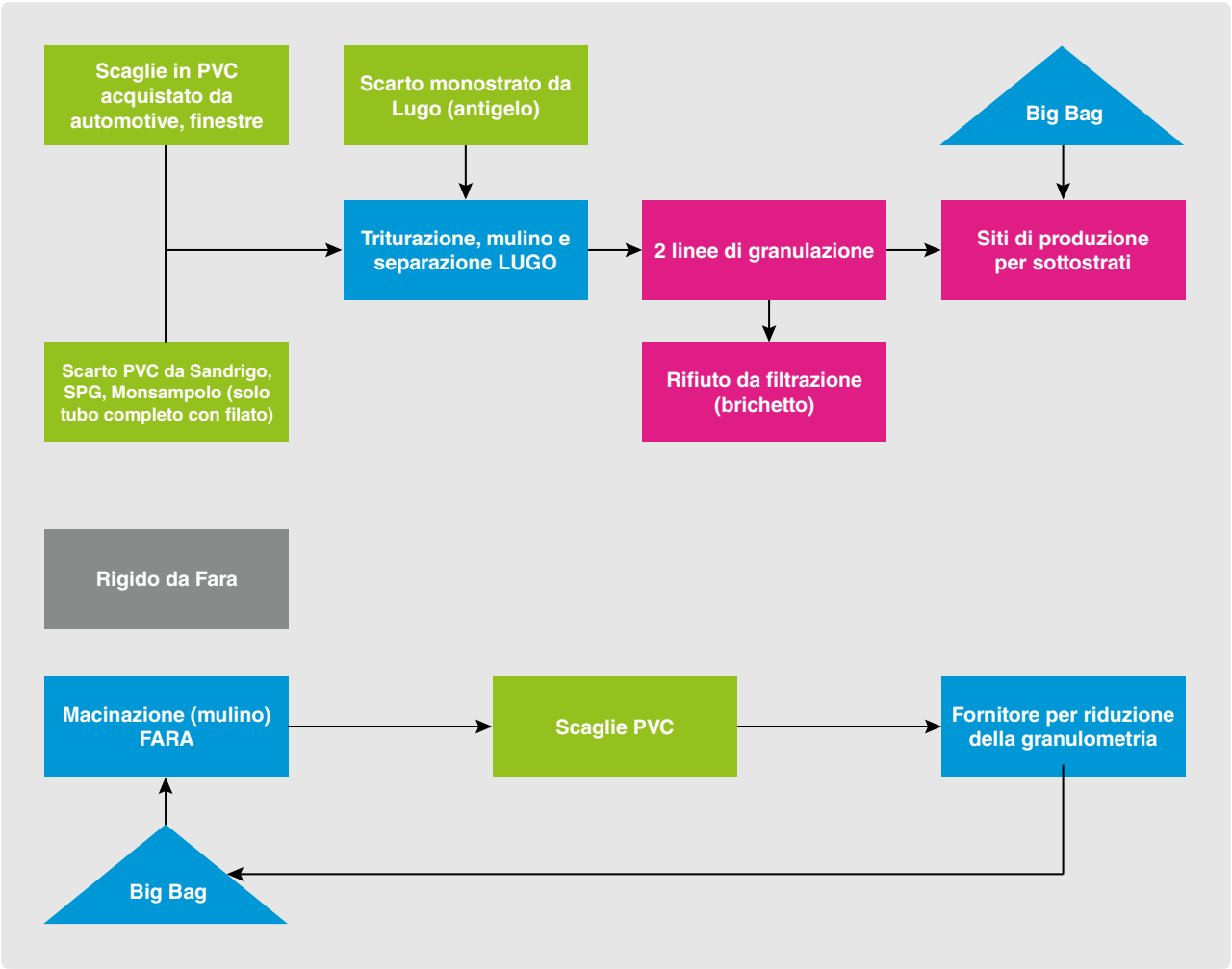
More significant in 2021, compared with 2020, is the percentage of PEFC-certified pallet wood (74.3%), as a guarantee of a more sustainable use of forests.

| MATERIALS USED-PACKAGING | | | | |
|--------------------------|--------|-------|-------|--|
| MATERIAL | UM | 2020 | 2021 | |
| Wood | tonnes | 3,938 | 6,243 | |
| Plastic | tonnes | 436 | 559 | |
| Paper | tonnes | 1,435 | 1,796 | |
| Miscellaneous | tonnes | 17 | 1 | |
| Steel | tonnes | 62 | 69 | |
| TOTAL | TONNES | 5,888 | 8,668 | |

Note: The values in the table include data relating to FITT S.p.A. and FITT Polska

| CERTIFIED MATERIALS USED | | | | |
|---|-----------|--------|---------|-------|
| | MATERIAL | UM | 2020 | 2021 |
| Quantity of material used that has environmental product certifications | FSC paper | tonnes | 49 | 1,028 |
| | PEFC wood | tonnes | 1.1.771 | 2,755 |
| % of certified material compared to total | Paper | % | 3.4 | 57.2 |
| | Wood | % | 45.0 | 74.3 |

Note: The values in the table include data relating to FITT S.p.A. and FITT Polska



waste management and circularity

In light of the eco-design guidelines on new product development, FITT reuses all PVC production waste and invests in the research and development of new materials, which enable the reduction of raw material use while ensuring the same performance.

An example of this tangible commitment is the use of the PVC-A polymer alloy, with 25% less PVC use than a standard PVC-U product manufactured according to ISO 1452-2:2009.

The company strives daily to limit its direct impact by reducing consumption and waste, favouring the use of recycled and recyclable resources.

| QUANTITY OF WASTE PRODUCED BY TYPE | | | |
|---|----|-----------|-----------|
| TYPE | UM | 2020 | 2021 |
| Plastics (non-production waste) (e.g. packaging, water bottles) | kg | 522,317 | 586,547 |
| Wood | kg | 594,875 | 638,225 |
| Paper | kg | 288,470 | 270,702 |
| Steel scrap | kg | 82,740 | 96,350 |
| Waste oil | kg | 2,230 | 7,735 |
| Toner | kg | 221 | 112 |
| Solvents | kg | 2,281 | 1,139 |
| Electrical and electronic hazardous waste | kg | 1,616 | 51,682 |
| Other hazardous waste | kg | 26,250 | 50,610 |
| Other | kg | 2,885,434 | 2,495,360 |
| TOTAL | KG | 4,406,434 | 4,198,462 |

Note: The values in the table include data relating to FITT S.p.A., FITT France and FITT Polska.

The Miscellaneous item mainly includes production waste generated at the Sandrigo, San Pietro in Gu and Monsampolo del Tronto plants (source: MUD), transferred to Lugo di Vicenza for recycling and subsequent reuse in the production process, as well as Fitt Force production waste (TPV), currently not reusable in the production process.

managing water resources

Drinking water is not an inexhaustible and unlimited resource. Therefore, it must be conserved and consumed wisely by reducing consumption wherever possible.

The water crisis, caused by over-consumption and exacerbated by the effects of climate change, is one of the most pressing issues in the modern world.

For this reason, the UN dedicates an entire Goal of the 2030 Agenda to water: Goal 6 - ensure availability and sustainable management of water and sanitation for all.

Also companies are called to responsibly do their part to manage both their consumption and their production process water effluents in a sustainable manner.

FITT uses water from wells and from the mains.

Water is also the main fluid that flows through the FITT products, which is why SDG 6 was selected in the 2030 sustainability strategy.

Water consumption is a major issue for FITT, given the high consumption in the cooling of pipes and hoses during production. Therefore, the company is committed to reducing the use of drinking water, investing in production process innovation.

FITT meets the piping system quality standards through the development of a reintegration system and the implementation of a closed loop that allows water to be reused.

As one of its future actions, FITT plans to set up an advanced monitoring system that will provide quantitative data on water usage and the efficiency actions for reducing consumption and waste.

As far as customers and end users are concerned, FITT offers systems and products that optimise the flow and use of water, such as the Acquastop garden hose system.



sustainable supply chain

The development of a sustainable supply chain is an essential part of achieving the sustainability objectives that FITT has set for itself.

Objectives that not only aim at greater sustainability for FITT, but also have the greater purpose of contributing to the achievement of the goals of the United Nations 2030 Agenda.

Hence the commitments made by FITT in its strategy to 2030 - THE RESPONSIBLE FLOW -, to establish an increasingly environmentally and socially sustainable supply chain.

FITT has set for itself the goal to start mapping the environmental and social performance of its suppliers and to support the transformation of its supply chain, contributing to a renewal of the entire value chain.

In 2020, FITT began a supplier assessment process that is resulting in a re-evaluation of the supply chain against quality, safety, environment, ethical responsibility and privacy criteria.

Supplier self-assessment questionnaire

FITT has drafted a questionnaire for outlining an environmental and social profile of its suppliers, in order to track the current state of the value chain.

The process started in 2020, involving the suppliers of direct materials and marketed products; the questionnaire was also extended to service providers in 2021.

FITT's objective is to have an overview of the impact of its activities, also outside the boundaries of the company perimeter.

This process highlights the weaknesses of the supply chain, so that an improvement strategy may then be defined.

The questionnaire, based on a transversal and multi-topic approach, asks FITT's suppliers to explain their positions regarding issues such as quality, environment, health and safety and social responsibility.

Where are our suppliers

During 2021, 83% of the suppliers of FITT S.p.A., FITT France, FITT Monaco, FITT Polska and PLAST MEC were located within the boundaries of their national territory, 38% of which at a distance of less than 80 km. These made up 61.5% and 21% of the company supply costs respectively. This shows that FITT's supply chain is quite short and, therefore, does not require long-distance transport.

Due to the 2021 price increases, when compared with 2020 the values of the supply chain have increased significantly. The number of suppliers increased slightly (+4%), while the turnover value increased by more than 50% (+52% for local suppliers).

| ANSWER | UM | 2020 | 2021 |
|--|-----|-------------|-------------|
| Suppliers | no. | 2,711 | 2,815 |
| Suppliers based in the country of the supplied branch | no. | 2,264 | 2,346 |
| Local suppliers (max. distance 80km) | no. | 1,110 | 1,073 |
| National supplier share | % | 83.5 % | 83.34 % |
| Local supplier share | % | 40.9 % | 38.1 % |
| Turnover | € | 175,834,730 | 271,131,378 |
| Turnover for suppliers based in the country of the supplied branch | € | 109,976,174 | 166,653,929 |
| Local suppliers turnover (max. distance 80km) | € | 40,201,615 | 57,026,544 |
| National turnover share | % | 62.5 % | 61.47 % |
| LOCAL TURNOVER | % | 22.9 % | 21.0 % |

Note: The values in the table include data from FITT S.p.A., FITT France, FITT Monaco FITT Polska and PLAST MEC, net of inter-company purchases.

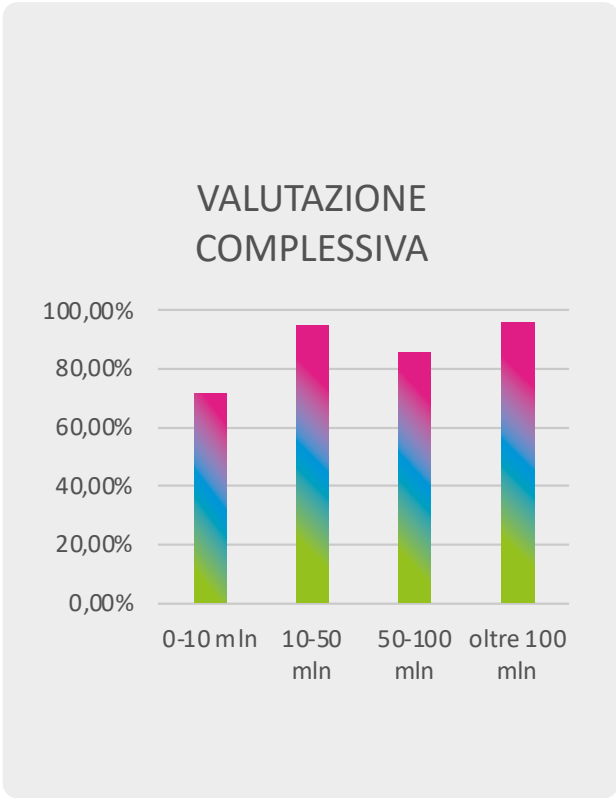
Supplier relations

The rules of conduct for the relations with suppliers are set out in Code of Ethics. The basis of the relationship is a guarantee by FITT that it will make an impartial and independent selection. On the other hand, suppliers are required to share and adopt the principles of the Code of Ethics, in addition to guaranteeing the necessary quality standards.

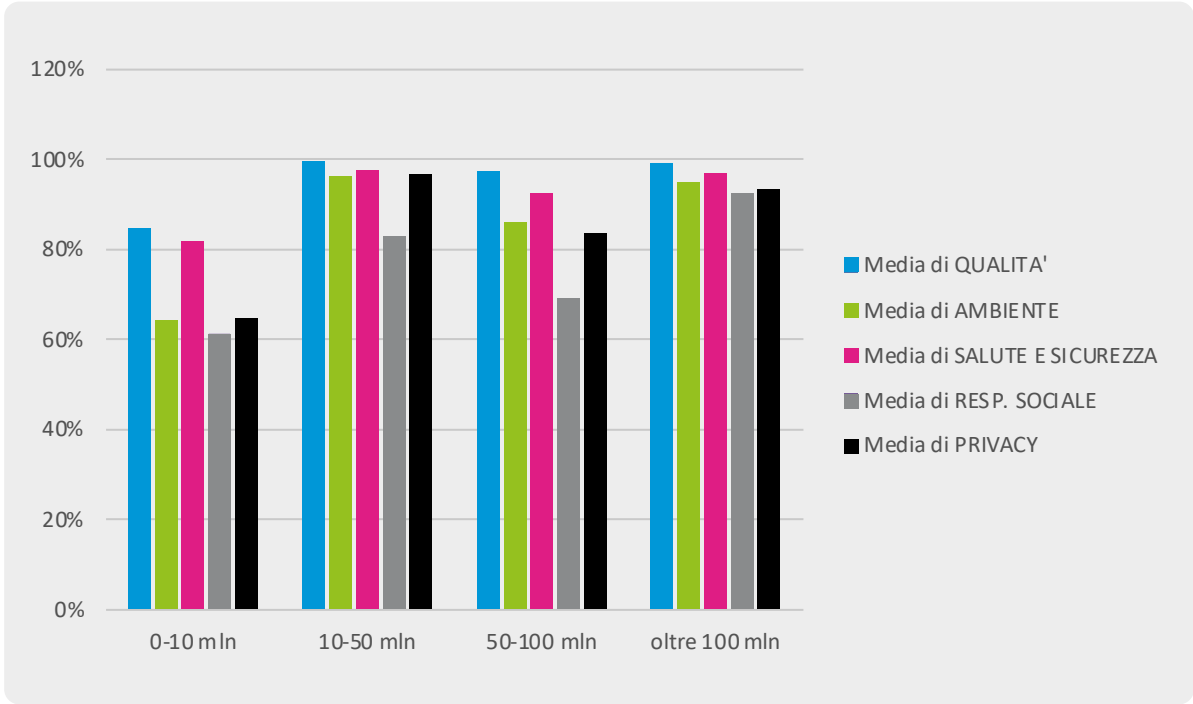
During 2021, through a self-assessment questionnaire FITT involved its suppliers - as strategic Stakeholders - in a process aimed at ascertaining and monitoring their performance.

The questionnaire was organised into 5 areas of competence (Quality, Environment, Occupational Health and Safety, Social Responsibility and Code of Ethics and Privacy), with a score assigned depending on the level of risk for each area (low, medium and high). Depending on the criticality of the risk, FITT would also ask the supplier to indicate the corrective actions put in place.

The representative sample of responding suppliers was then split by turnover class and an overall assessment was carried out on the basis of the 5 areas of competence.



The following chart provides detailed information on the 5 competence areas considered in the evaluation questionnaires submitted and returned by the representative sample of suppliers participating in the survey.



the main sustainability indicators

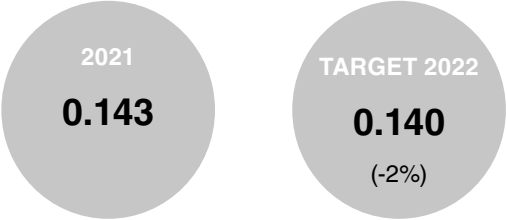
6

Measuring sustainability means assigning numerical values to the choices made and trying to set quantifiable targets for improvement.

In this second year of issuing of its sustainability report, FITT is embarking on a journey to measure its environmental and social performance, with the intention of communicating its activities in a transparent manner.

ENERGY EFFICIENCY INDICATOR

The kWh to metres produced ratio.
The value includes the data of FITT S.p.A.,
without the Lugo plant, and FITT Polska



SDG



NUMBER OF HOURS OF SUSTAINABILITY TRAINING DELIVERED TO EMPLOYEES

It measures the LCA products turnover to total turnover ratio.
The value only includes data from FITT S.p.A.



SDG



WELL-BEING INDICATOR

Percentage of positive answers to the corporate climate survey.
The value only includes data from FITT S.p.A.,
FITT France, FITT Monaco and FITT Espana

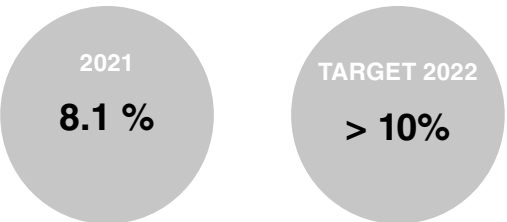


SDG



PRODUCTS WITH LCA

It measures the LCA products turnover to total turnover ratio.
The value only includes data from FITT S.p.A.



SDG



ACCIDENT SEVERITY INDEX

The value includes the data of FITT S.p.A.,
without the Lugo plant, and FITT Polska

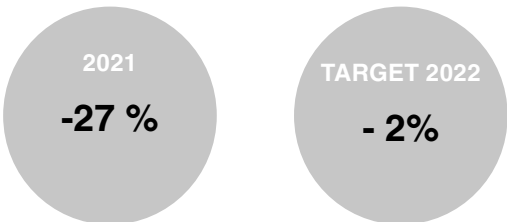


SDG



PERCENTAGE OF REDUCTION OF TOTAL GREENHOUSE GAS EMISSIONS

The value includes data from the manufacturing plants of
the Group, FITT S.p.A., FITT France and FITT Polska.



SDG



The large decrease in 2021 is due to FITT S.p.A. only purchasing energy from renewable sources starting from 01/07/2021.

An aerial photograph of a winding river or stream flowing through a dense, vibrant green forest. The river meanders through the landscape, creating several small islands and peninsulas. The water is a dark, calm blue-grey color, reflecting the surrounding greenery. The forest appears thick and healthy, with varying shades of green indicating different types of vegetation.

new 2022 sustainability objectives

7







Following what stated in the 2020 Sustainability Report, shown are the improvement actions planned and completed during 2021.






For 2022 FITT has issued an action plan for its sustainability objectives that includes targeted improvement activities, with the object of increasing its sustainability across the board.




The actions deal with several environmental, social (internal and external) and governance (ESG) issues.





Each action entails the involvement and responsibility of various area managers, in line with the FITT Business Strategy and consistently with the UN 2030 Agenda SDG.





| SUSTAINABILITY AREAS / ESG 2021 | PLANNED ACTIONS | UN SDG REF. | ACTION COMPLETED 2021 |
|---------------------------------|---|---|-----------------------|
| GOVERNANCE | Adoption of the Società Benefit legal form for FITT spa | 12 RESPONSIBLE CONSUMPTION AND PRODUCTION | ✓ |
| | Align managers on shared environmental, social and economic sustainability objectives | 12 RESPONSIBLE CONSUMPTION AND PRODUCTION | ✓ |
| | Assess the performance of managers against sustainability targets | 12 RESPONSIBLE CONSUMPTION AND PRODUCTION | ✓ |
| | 2st Sustainability Report with GRI criteria | 12 RESPONSIBLE CONSUMPTION AND PRODUCTION | ✓ |
| | Creation of the Sustainability Committee | 12 RESPONSIBLE CONSUMPTION AND PRODUCTION | ✓ |

| SUSTAINABILITY AREAS / ESG 2021 | PLANNED ACTIONS | UN SDG REF. | ACTION COMPLETED 2021 |
|---------------------------------|--|--|-----------------------|
| ENVIRONMENT | 100% supply from renewable energy sources | 7 AFFORDABLE AND CLEAN ENERGY  | Partially |
| | Strengthening of Eco-Design criteria for new products | 12 RESPONSIBLE CONSUMPTION AND PRODUCTION  | ✓ |
| | Environmental Product Analysis (EPD) for new products | 13 CLIMATE ACTION  | ✓ |
| | Purchase of Carbon Credits for offsetting indirect emissions in the supply chain | 13 CLIMATE ACTION  | ✓ |
| | Home-Work Travel Plan (HWTP) | 13 CLIMATE ACTION  | Partially |
| | Reduction of water consumption in the production processes | 6 CLEAN WATER AND SANITATION  | Partially |

| SUSTAINABILITY AREAS / ESG 2021 | PLANNED ACTIONS | UN SDG REF. | ACTION COMPLETED 2021 |
|---------------------------------|--|--|-----------------------|
| ENVIRONMENT | Reduction of water consumption in the supply chain with the involvement of suppliers | 6 CLEAN WATER AND SANITATION  | Partially |
| | Improved separate waste collection in all offices and facilities | 12 RESPONSIBLE CONSUMPTION AND PRODUCTION  | ✓ |
| | Evaluation of significant biodiversity hazards at the premises of suppliers | 13 CLIMATE ACTION  | ✓ |
| | Involvement of suppliers for Green Supply Chain actions | 12 RESPONSIBLE CONSUMPTION AND PRODUCTION  | ✓ |
| | Procurement action plan following sustainability-ESG criteria | 12 RESPONSIBLE CONSUMPTION AND PRODUCTION  | Partially |

| SUSTAINABILITY AREAS / ESG 2021 | PLANNED ACTIONS | UN SDG REF. | ACTION COMPLETED 2021 |
|---------------------------------|---|--|-----------------------|
| SOCIAL (EMPLOYEES) | Evaluation of the competence profile of employees - "People Review" - 1st season | 8 DECENT WORK AND ECONOMIC GROWTH  | ✓ |
| | Online survey on new needs relating to welfare services / work-life balance / Diversity | 8 DECENT WORK AND ECONOMIC GROWTH  | ✓ |
| | Corporate Welfare Plan with new dedicated conventions for employees | 8 DECENT WORK AND ECONOMIC GROWTH  | ✓ |

| SUSTAINABILITY AREAS / ESG 2021 | PLANNED ACTIONS | UN SDG REF. | ACTION COMPLETED 2021 |
|---------------------------------|--|--|-----------------------|
| SOCIAL (COMMUNITY) | Community Development actions with various Social Voluntary Associations | 17 PARTNERSHIPS FOR THE GOALS  | ✓ |
| | FITT Community School-Social Skills Development Training School with Volunteer Employees | 17 PARTNERSHIPS FOR THE GOALS  | ✓ |
| | Corporate Voluntary Work Days | 17 PARTNERSHIPS FOR THE GOALS  | Partially |
| | Online survey on perception of inclusion/diversity | 8 DECENT WORK AND ECONOMIC GROWTH  | ✓ |

| SUSTAINABILITY AREAS / ESG 2021 | PLANNED ACTIONS | UN SDG REF. | ACTION COMPLETED 2021 |
|---------------------------------|--|---|-----------------------|
| ENERGY | 100% supply from renewable energy sources | <div>7 AFFORDABLE AND CLEAN ENERGY</div>  | ✓ |
| | Project for reducing water consumption in the Sandrigo plant | <div>6 CLEAN WATER AND SANITATION</div>  | ✓ |
| | Sustainability training for all the FITT People | <div>8 DECENT WORK AND ECONOMIC GROWTH</div>  <div>17 PARTNERSHIPS FOR THE GOALS</div>  | ✓ |

methodological note

The 2nd Sustainability Report of FITT wants to present to its Stakeholders the environmental, social, economic and governance sustainability profile of the company, providing qualitative and quantitative information.

The data and information contained in this Report relate, as much as possible, to all the companies of the group. On the other hand, for the environmental data priority was given to considering the companies with the greatest impact, i.e. the manufacturing facilities (FITT S.p.A., FITT France and FITT Polska).

The data tables in the document offer specific information within the reference boundaries of each indicator.

The document contains information on initiatives implemented in the year 2021, where possible supplemented with descriptions and performance details relating to 2020, in order to show performance trends over time.

In preparing the Report, reference was made to data and information collected directly by the company, based on indicators and reporting methods consistent with the main international sustainability reporting standards, with reference to the GRI Reporting Standards. For the calculation of the added value, the reference indicated by GBS (Gruppo Bilancio Sociale) was adopted.

The issuing of the report involved all the functions of the company.

The document also highlights the relationship between the commitments of the company and the 17 Sustainability Goals (SDGs) of the 2030 Agenda of the United Nations.

Technical support: Focus Lab srl SB–B Corp certified

Issue of the Sustainability report: FITT S.p.A.

gri content index

BY FOCUS LAB

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