

2020 sustainability report

*«The task that we are called fulfil is to
contribute to make this world a better
place, for us and for future generations»*

Alessandro Mezzalana, CEO



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letter to the stakeholders

Sustainability has always been in FITT's DNA. But it is with the celebration of our 50th anniversary that it has become part of our Vision and that we have decided to make it a central factor in the strategies and choices for the future of the company.

Not just as regards to our presence in the market but also in our existence as an organisation, as part of a territory and a community of people that share not just a work place but also a sense of belonging and values, acknowledged and recognised by all.

We must however remember that sustainability cannot be invented and cannot be approximate, especially in this historic moment, during which we urgently need to revisit our ways of living and doing business.

I believe that the concept of sustainability has so many different faces and aspects that it is not possible to have one single recipe for everyone: those who seriously want to follow this path must take their time in acquiring information and analyse their own situation and starting point. They must look for "their own" sustainability path, which means the main drivers that will ensure maximum results in that virtuous system where profits, environment and social commitment coexist and create a positive balance.

I have also come to the conclusion that if only understood and acted upon by a few, sustainability will never be long lasting: simply having a sustainability manager inside the company is not enough. The sustainability culture must be promoted at all levels through training and example, ensuring that each and every member of staff is on board.

This is why we have chosen a wider path: to ensure that we have the tools required to understand what idea of sustainability we need, involving from the very beginning the highest number of people from all company areas.

This type of approach is well known in FITT: participative culture is at the basis of our company activities, because nowadays a company exists and defines its future through the participation and commitment of all its members.

This is how we will secure the future of FITT as a community of business and people.



«The task that we are called fulfil is to contribute to make this world a better place, for us and for future generations.»

Alessandro Mezzalira, CEO

profile

The FITT Group

Mission, Brand Values, Vision

Code of Ethics and Values

FITT business solutions

Production process

Corporate governance

1

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.

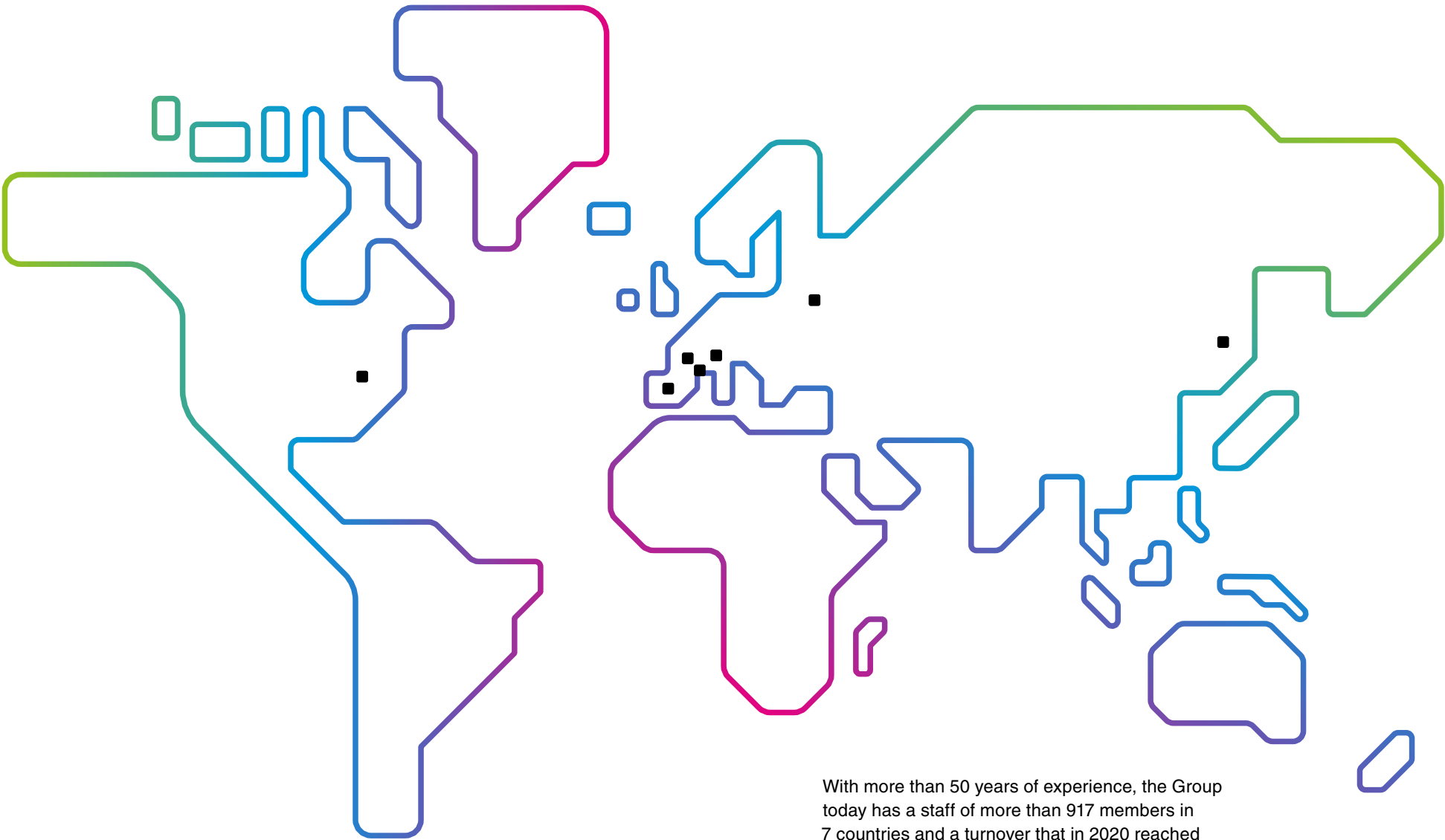
Manufacturing partnership and logistics centre

FITT USA INC.

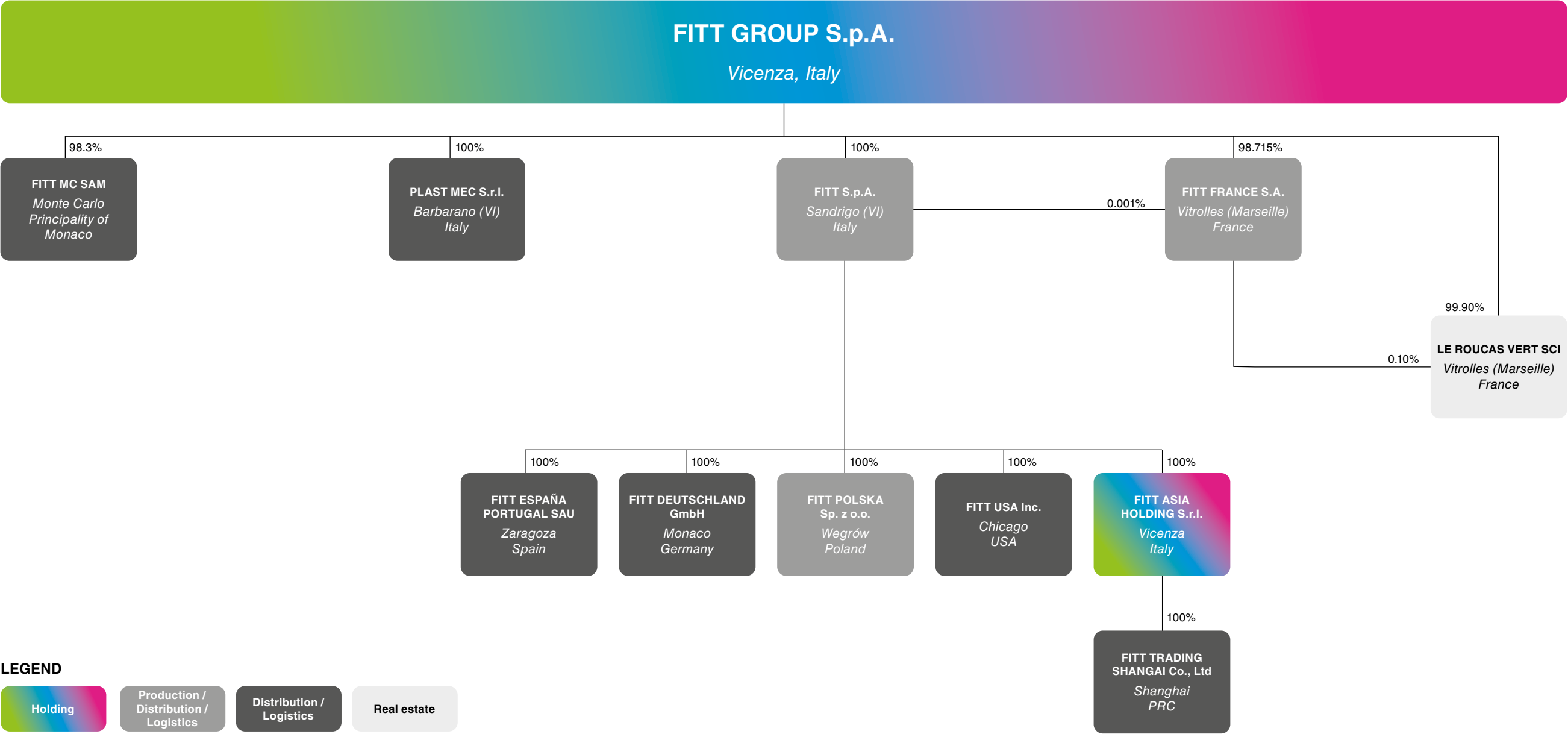
Commercial branch and logistics partner

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 2020 reached € 236 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 Mezzalana 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, sets a plan for the development of its profile and its sustainability performance, and becomes a benefit company

'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.



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.

The value of identity

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 therefore 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 EPD certification according to ISO 14025 standards.

PROCESS SYSTEM

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

As far as 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.

Since 2015, FITT has been building its own brand, driving it into the future with its 2023 Vision, based on three 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, FITT decided to update its pillars on the basis of the values and the awareness developed in recent years.

FITT therefore strived to allocate further value to its staff and customers, electing them to supporting pillars, side by side with sustainability and innovation.

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.

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, 5 male and 3 female, showing a good balance between the two genders.

As regards to age, 5 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.	4	1	5
Over 50	no.	1	2	3
TOTAL	NO.	5	3	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.

This is regularly monitored and checked, and updated at least once a year, or in case of significant internal or external events, like for example the current pandemic.

fitt and sustainability

Innovation and research with sustainability criteria

The FITT Group and its vision of the future for corporate sustainability

Sustainability strategic references

Corporate responsibility

Materiality Analysis

The FITT stakeholders

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innovation and research with sustainability criteria

The criteria of the company in developing its products follow specific guidelines in support 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 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 analysis (LCA), regulated by international reference standards such as ISO 14025 and EN 15804:2012+A2:2019.

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

As the design choices may favour some drivers to the detriment of others, the amount of CO₂eq gas emitted by the product over its entire life cycle was selected as the main driver on which to base the environmental impact assessment for the product

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”.



EPD for FITT Bluforce and FITT Bluforce RJ

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.

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).



the fitt group and its vision of the future for corporate sustainability

GOVERNANCE

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.

EVOLUTION

In 2019, FITT begins the process of adapting its corporate social responsibility plan, making the “FITT Sustainability Vision” an official pillar of its corporate vision. A commitment made tangible by the intention in 2021 to become a benefit company.

SUSTAINABLE DEVELOPMENT

FITT has adhered to the Sustainable Development Goals (SDGs) Agenda of the United Nations, which lists 17 ambitious goals to be achieved by 2030. The UN is asking companies around the world to participate in the programme by selecting some of these goals. Following a specialist analysis, FITT has identified 7 goals on which to take tangible action.

RESPONSIBILITY

Aware of the energy consumption that its activities for the processing of plastic materials entail, FITT has updated the view of its own economic and social responsibility: in addition to supporting the families of more than a thousand people - including its own direct staff and the network developed through its activities in over 60 international countries -, it now adds the support for a manufacturing approach directed at preserving the future of the planet, with specific investment programs aimed at ensuring carbon neutrality of the CO₂eq emissions of the company through environmental compensation.

THE ADVANTAGES OF PLASTIC

Since 1969, FITT’s products have been doing an important but often invisible job, with numerous infrastructures serving nature and people’s lives - from pipelines for the irrigation of farmland to sewage systems -, with durable products and cutting-edge technologies, such as using almost 40% less plastic for the most innovative garden hoses.

The 7 SDGs selected by FITT



sustainability strategic references - un 2030 agenda

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:



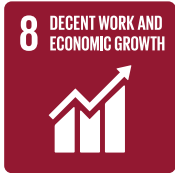
GOAL 6 - ENSURE AVAILABILITY AND SUSTAINABLE MANAGEMENT OF WATER AND SANITATION FOR ALL.

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.

corporate responsibility

THE VISION OF THE FUTURE

In the FITT vision, being a responsible business increasingly means respecting environmental sustainability.

FITT has embarked on a process of optimisation of its industrial models, with the aim of creating economic value while improving the environment and society.

CORPORATE RESPONSIBILITY

FITT is committed to producing state-of-the-art products, providing its customers with the best technologies in the field of fluid handling.

Investing in innovation, scientifically measuring the impact of its offering and adopting a supply chain approach that aims at minimising negative effects throughout the product life cycle, enables FITT to create an increasingly sustainable business model.

For FITT, the concept of Responsibility is central to its awareness of its impact on the world and the community. An ideal balance needs to be found, which requires a path where time and work must be put at the service of continuous improvement.

FITT bases its concept of Responsibility on 3 key principles:
there are 3 drivers that guide FITT in acting as a responsible company:



TRANSPARENCY:
FITT places transparency at the heart of its relationships, communications and activities.



INNOVATION:
FITT actively invests in the development of new products that are more sustainable than those of the past.



INTERDEPENDENCE:
FITT believes in the concept of collaboration and takes advantage of partners to develop innovative technologies and create strategic synergies.

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**.

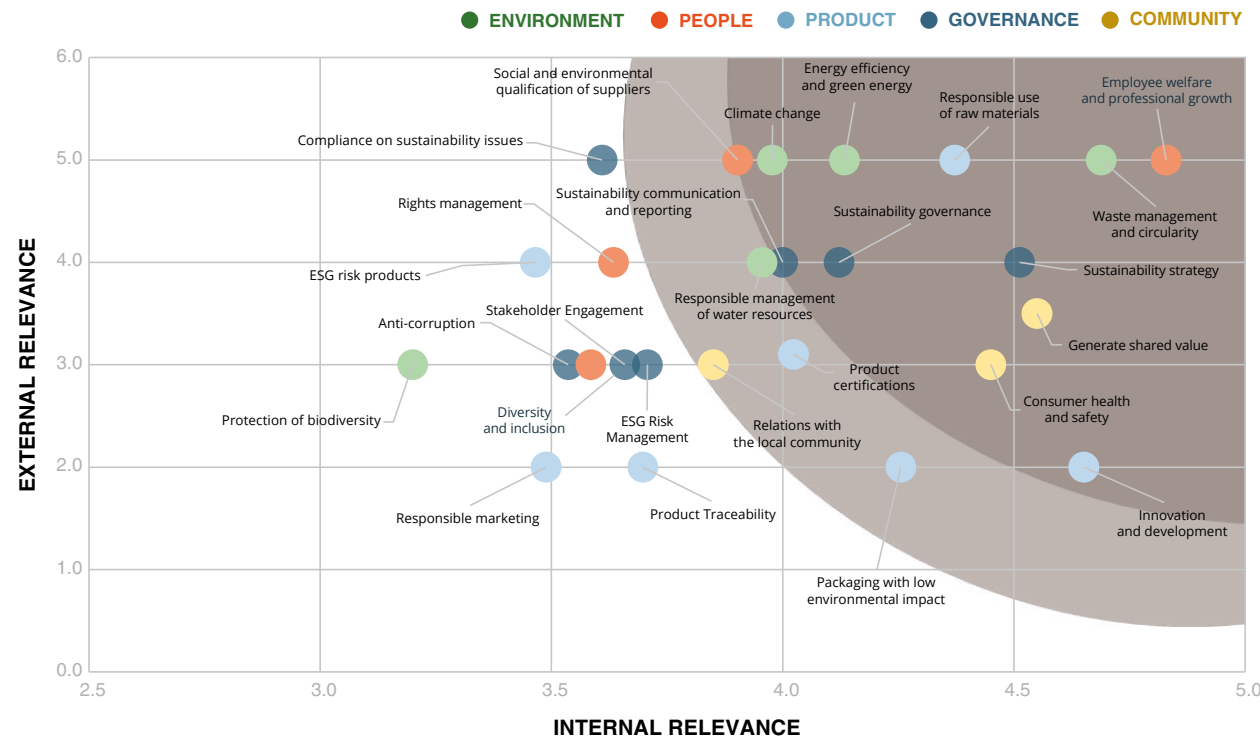
- PRODUCT**
 - Responsible use of raw materials
 - Product certifications
 - Innovation and development
 - Packaging with low environmental impact
- COMMUNITY**
 - Consumer health and safety
 - Generate shared value
 - Relations with the local community

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. 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.

In view of the current Covid-19 pandemic, in 2020 FITT wanted to listen to its staff, to support them at this difficult time. A series of internal Focus Groups were therefore set up to understand the possible difficulties generated by working remotely and to identify possible solutions together.

economic sustainability

2020 economic profile

Determination and distribution of added value

Customers

Service quality and customer satisfaction



2020 was another complex year. The rapid global spread of the Covid19 pandemic has swept through the world of business and economies with unprecedented force. The Organisation for Economic Co-operation and Development (OECD) has estimated the impact of the Coronavirus on the world economy to be profound, leading to a global downturn in 2020.

At the start of the pandemic in Italy, FITT S.p.A. stopped the activities in its production departments for about 4 weeks, in order to protect the health of its workers. At the same time, it also started to put in place various workplace protection measures and implemented “smart working” on a large scale, thereby also greatly reducing the need to travel for its employees.

Despite the difficult year for many companies, demand for our products on the market increased significantly and FITT S.p.A. managed to be ready thanks to the expertise and planning capabilities acquired during the years.

Be Brave is one of the values of the FITT people that drives the collaborators of the company in their work, conveys the energy and courage with which every day FITT tackles the challenges of the market, and acts as a beacon for our way of doing business.

2020 Financial outlook

Despite the difficult year, in 2020 the company performed better than the previous year. FITT's revenues grew by +1% compared with the previous year, which is significant considering the extended period during which it was closed.

The main factors were a general drop in the cost of raw materials, which generated higher margins on finished products.

In addition, the pandemic also brought a reduction of the costs for organising trade fairs and events, and in travel costs, while occupational safety costs increased.

Also positively decisive were: the increase of market demand for products for the Garden world, partially due to the Covid-19 lockdowns, which pushed people to rediscover their own green spaces; the increase in purchases from the infrastructural sector, with a strong growth of the demand for sewage and pressure pipelines; lastly, the increase in sales in the industrial sector, especially for those products revolving around the

human sphere, such as swimming pools and caravans, for which the company supplies the piping systems.

FITT's core business is the sale of complete systems in thermoplastic materials, with specific products for all the business areas of interest. Their sale is responsible for almost all the revenue of the company (99%).

Revenue from leasing activities and other forms of income is on the other hand minimal, amounting to an overall 1% of the total, and therefore not significant in terms of company performance.

REVENUE BY TYPE

SERVICES	UM	REVENUE 2019	REVENUE 2020
Complete thermoplastic material systems for the transfer of fluids for domestic, professional and industrial use	M €	233,4	236,3
Leasing	M €	0,5	0,5
Miscellaneous revenue	M €	2,2	1,7
TOTAL	M €	236,0	238,5

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

determination and distribution of the 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 2020, FITT's Gross Global Added Value reached € 65.7 million, up 16.9% against 2019. This is mainly due to an increase in production value of 1.86% and a decrease in costs of 4.2%.

PROSPECT FOR THE DETERMINATION OF THE ADDED VALUE			
ENTRIES	UM	2019	2020
A. PRODUCTION VALUE	THOUSAND €	237,405.25	241,825.77
Revenues from sales and services	thousand €	233,442.92	236,295.35
Variation of third party inventories	thousand €	319.57	2,187.26
Other income and revenues	thousand €	3,642.77	3,343.15
B. COSTS	THOUSAND €	-183,339.94	-175,664.73
Costs of raw materials, subsidiaries, consumables and goods	thousand €	-134,354.98	-119,958.59
Costs of services	thousand €	-45,135.33	-44,966.25
Risk provisions	thousand €	-230.16	-873.76
Adjustment of the value of tangible and intangible assets and trade receivables	thousand €	-1,134.45	-230.42
Other operating costs	thousand €	-2,485.02	-9,635.71
Capitalised costs	thousand €		
C. INCOME NET OF BANK CHARGES	THOUSAND €	488.54	-505.62
Financial income	thousand €	567.81	447.09
Bank charges	thousand €	-79.27	-952.71
Variations in fair value	thousand €		
GLOBAL GROSS ADDED VALUE	THOUSAND €	54,553.85	65,655.42

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 2020, FITT produced a Gross Global Added Value 20% higher than in the previous year, reaching € 65 million.

The largest share was used for the remuneration of staff (61.7%). The second highest share was allocated to company remuneration (27.6%). Lastly, the lowest share was allocated to community remuneration (0.39%).

PROSPECT FOR THE DISTRIBUTION OF THE ADDED VALUE			
ENTRIES	UM	2019	2020
A. REMUNERATION OF STAFF	THOUSAND €	38,873.07	40,477.64
Personnel costs	thousand €	38,873.07	40,477.64
B. REPAYMENT TO THE PUBLIC ADMINISTRATION	THOUSAND €	3,015.76	5,031.39
Current, deferred and prepaid income taxes for the year	thousand €	2,035.28	4,055.17
Other taxes and duties (non-deductible VAT)	thousand €	980.49	976.22
C. REPAYMENT OF DEBT CAPITAL	THOUSAND €	1,504.56	1,753.74
Short and medium term capital charges	thousand €	1,504.56	1,753.74
D. REPAYMENT OF RISK CAPITAL	THOUSAND €	-	-
Profit distribution for the year	thousand €		
E. REMUNERATION FOR THE COMPANY	THOUSAND €	10,829.05	18,139.68
Result of the year allocated to reserves	thousand €	3,704.09	9,902.54
Depreciation	thousand €	7,124.96	8,237.15
E. REMUNERATION FOR THE COMMUNITY	THOUSAND €	331.41	252.96
Membership fees/environmental contributions	thousand €	112.17	102.62
Contribution to Universities and Research Centres	thousand €	203.90	100.10
Donations and gifts	thousand €	15.35	50.25
OVERALL GROSS ADDED VALUE (A+B+C+D+E+F)	THOUSAND €	54,553.85	65,655.42

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, which uses 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. Over the years, market

research has helped us to update the way we listen to the consumer. We have also changed the way we tackle NPD (New Product Development) activities, creating solutions always shaped by the requirements of our consumers.

A large part of FITT’s turnover, around 69%, comes from a macro-category of players including, among others, commercial distributors, construction companies, local retailers, industries of different sectors and agricultural and infrastructure consortia.

Almost all the rest of the turnover comes from the large-scale distribution (31%), while on-line sales don’t exceed 0.2%.

TYPES OF CUSTOMERS			
TYPES	UM	2019	2020
Retail customers	%	30.35%	31.30%
Private customers	%	0.05%	0.13%
Other	%	69.60%	68.57%
TOTAL	%	100.00%	100.00%

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

In 2020, 96% of the customer base of the company was European. Fewer customers purchased from other continents: 1.8% from North America, 1.2% from Asia, 0.7% from Africa, 0.5% from South America and the lowest proportion, 0.1%, was made up of customers residing in Oceania.

This is largely consistent with 2019. The most significant change was purchases from North America, which in 2020 increased by 1.2%.

GEOGRAPHIC CUSTOMER DISTRIBUTION			
AREA	UM	2019	2020
Europe	%	96.3%	95.6%
Asia	%	1.6%	1.2%
North America	%	0.6%	1.8%
South America	%	0.5%	0.5%
Oceania	%	0.1%	0.1%
Africa	%	1.0%	0.7%
TOTAL	%	100.0%	100.0%

Note: The values in the table include the figures for FITT S.p.A., FITT France and FITT Monaco, net of company sales.

service quality and customer satisfaction

FITT operates in 6 different business areas, with very different types of customers and requirements. The individual customers themselves can also be very different, going from private consumers buying on line, to Large Scale Distribution. 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.

Therefore, FITT now puts even more effort into providing a quality service that is attentive to the needs and satisfaction of the end user.

Unfortunately, the pandemic emergency has revolutionised the way we relate to our customers. The standard solutions, such as trade fairs, conventions and face to face meetings have not been possible.

New ways of relating to each other have been developed using what are now well-known remote video communication platforms. On one side, this has caused obvious disadvantages, such as the lack of physical contact. But on the other hand, it has also brought a number of advantages that cannot be denied, such as a reduction in travelling, and therefore in associated time and emissions, and a higher frequency, regularity and efficiency of exchanges, which have helped to strengthen relations.

FITT monitors customer satisfaction - both B2B and B2C - through the use of indirect indicators, for which it sets annual targets:

- % of customers retained during the last 3 years
- Average response time for online requests
- Average rating on Marketplace (Amazon) in different countries
- Average time it takes Sales to open a complaint
- 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 2020, two of the three targets set by the company were achieved. More than 96% of customers continued to buy FITT's products. In addition, the average rating of its Amazon seller reached 97.60%, exceeding expectations by almost 3 percentage points. The handling of technical complaints was less efficient: it took an average of 28 days to resolve customer issues, against a target of 15 days.

INDICATORS		UNIT	DEP.	2020 31-DEC	
MKT (MARKET MANAGEMENT)	% Retained customers	Actual	%	DIV_Dir	96.70
		Target	%	DIV_Dir	96
	Average response time for online requests	Actual	working days	B&C	6 working days
		Target	working days	B&C	-
	Average Amazon seller rating (across countries)	Actual	%	B&C	97.60
		Target	%	B&C	> 95%
	Complaint opening times (by CS)	Actual	days		15
		Target	days		
	Average closure of technical complaints (NO returns)	Actual	days	PQ	28
		Target	days	PQ	15

social sustainability

FITT PEOPLE

The people of FITT

Employment and turnover

Corporate welfare and compensation

Smart Working

Diversity and Equal Opportunities

Professional training and development

Health and safety in the company

Listening to employees and managing performance

Industrial relations

FITT FOR THE COMMUNITY

Cooperation with universities and local institutions

Social inclusion actions and collaboration
with social voluntary associations

The way in which FITT operates 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 principles and values.

The success of FITT is based on the competence and motivation of its people, supported by shared corporate values, and on the ability to promptly respond to the needs of the stakeholders, establishing and strengthening long-term partnerships.

fitt people

The FITT men and women are the strength and backbone of the Group: they are the foundation of product quality and development in the world markets.

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, thanks to the capability of sharing ideas and a strong sense of responsibility. Always united for a common purpose: to achieve our goals together.

The FITT people

At the end of 2020, between Italy, France and Monaco, FITT reached a staff of 848, a growth of 6% compared with the previous year. This increase is mainly due to the demerger of PLAST MEC and the incorporation by FITT S.p.A. of the staff from its production branch. The growth therefore mainly concerned the blue collar segment of the company, which recorded the largest increase in absolute numbers compared with other types of roles (+32 people).

When only considering the 3 locations indicated above, 81% of the company staff works in FITT S.p.A., while 14% is at the French branches and a small percentage, 5%, is in Monaco.

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.

In FITT, the average staff age is 45 years. 46% of staff is less than 40 years old, while about 33% belongs to the 40-49 age group. However, at around 21% for the three countries, also the Over 50s are well represented in the company.

Both in 2019 and 2020 the percentage of female staff was around 26%. Moreover, almost all part-time contracts in place in FITT are covered by women, for a total of about 77%.

Women mainly cover office personnel roles, the only category where their number exceeds that of men, who nevertheless represent almost 50% of the office workforce (48%).

As already indicated, for the other professional categories the male presence prevails, without any significant variations when compared with the previous year, with the exception of blue collar workers, where a 6% increase has been recorded when compared with 2019.

In specific, the top management team consists of 12 men and 2 women, with an increase of 2 individuals in 2020 over the previous year. Whereas, the number of managers increased to 56 in 2020, with 5 more resources than in 2019.

STAFF BY AGE							
AGE GROUPS	UM	2019			2020		
		MALE	FEMALE	TOTAL	MALE	FEMALE	TOTAL
Under 30	no.	48	24	72	51	21	72
30 to 39 years	no.	230	78	308	228	86	314
40 to 49	no.	194	53	247	228	56	284
50 and Over	no.	117	59	176	125	53	178
TOTAL	NO.	589	214	803	632	216	848

Note: The values in the table only include the data for FITT S.p.A., FITT France and FITT Monaco.

The people of FITT

STAFF BY GEOGRAPHICAL AREA							
GEOGRAPHICAL AREA	UM	2019		2020			
		MALE	FEMALE	TOTAL	MALE	FEMALE	TOTAL
Italy	no.	476	169	645	515	174	689
Monaco	no.	31	11	42	33	10	43
France	no.	82	34	116	84	32	116
TOTAL	NO.	589	214	803	632	216	848

Note: The values in the table only include the data for FITT S.p.A., FITT France and FITT Monaco.

STAFF BY PROFESSIONAL CATEGORY							
POSITION	UM	2019		2020			
		MALE	FEMALE	TOTAL	MALE	FEMALE	TOTAL
Managers	no.	12	3	15	14	3	17
Executives	no.	39	12	51	43	13	56
Office employees	no.	116	127	243	120	129	249
Factory workers	no.	422	72	494	455	71	526
TOTAL	NO.	589	214	803	632	216	848

Note: The values in the table only include the data for FITT S.p.A., FITT France and FITT Monaco.

With regard to the type of contract, about 84% of staff is on a permanent contract, while of the remainder 13% are on a project-based work contract, is employed through an agency or is completing an internship at the company. The category of agency workers grew by 76% compared with the previous year, due to an increase in market demand, which led to an increase in volumes sold and, therefore, to a greater demand for labour.

Fewer workers are on a fixed-term contracts or apprenticeship. In fact, the two categories together barely account for 2% of the total number of staff.

STAFF BY CONTRACT TYPE							
TYPE OF CONTRACT	UM	2019		2020			
		MALE	FEMALE	TOTAL	MALE	FEMALE	TOTAL
Permanent	no.	578	200	778	620	206	826
Fixed term	no.	5	12	17	5	6	11
Apprenticeship	no.	6	2	8	8	4	12
Atypical (agency, project, internship)	no.	65	9	74	93	37	130
TOTAL	NO.	654	223	877	726	253	979

Note: The values in the table only include the data for FITT S.p.A., FITT France and FITT Monaco.

STAFF BY CONTRACT TYPE							
TYPE OF CONTRACT	UM	2019		2020			
		MALE	FEMALE	TOTAL	MALE	FEMALE	TOTAL
Full-Time	no.	577	174	751	619	172	791
Part-Time	no.	12	40	52	13	44	57
TOTAL	NO.	589	214	803	632	216	848

Note: The values in the table only include the data for FITT S.p.A., FITT France and FITT Monaco.

Employment and Turnover

During 2020, the number of new hires at FITT exceeded the number of people that left the company. 78 new staff members joined the team, while 50 people left.

Over the last year, the recruitment rate of the company therefore stood at around 9.2%, slightly lower than the 12.5% level of 2019.

Staff turnover improved slightly, from 7.1% in 2019 to 5.9% in 2020.

This figure shows a greater ability of the company to retain its personnel.

EMPLOYMENT AND TURNOVER							
	UM	2019			2020		
		MALE	FEMALE	TOTAL	MALE	FEMALE	TOTAL
Number of new recruits	no.	69	31	100	62	16	78
Staff leaving	no.	38	19	57	38	12	50
Total number of staff	no.	589	214	803	632	216	848
New staff hiring rate	%	11.7	14.5	12.5	9.8	7.4	9.2
STAFF TURNOVER RATE	%	6.5	8.9	7.1	6.0	5.6	5.9

Note: The values in the table only include the data for FITT S.p.A., FITT France and FITT Monaco.



Corporate welfare and compensation

Corporate Welfare is the set of goods and services that a 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 company allows its 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.

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

FITT seeks to always and transparently inform its staff regarding the performance of the company through internal communication systems, such as the company intranet system, which includes a specific section called “Corporate Governance” with content relating to strategic objectives and company results.

PERFORMANCE BONUS

In collaboration with the trade unions, FITT has developed a performance bonus platform applicable to all employees who do not receive an individual variable bonus (managers and certain specialist or project management figures).

This bonus is the annual recognition of the contribution of workers to the results of the company.

The bonus system is based on different assessment parameters, such as:

- Meeting or exceeding the EBIT targets of the company.
- Individual department performance or process indicators
- Occupational safety indicators
- Absenteeism rate

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 taxes, which would not be the case if it was 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.

STAFF HEALTH INSURANCE

In 2020, during the pandemic, FITT S.p.A. activated a policy with Generali Assicurazioni to safeguard its employees.

In the event of Covid-19 hospitalisation exceeding 7 days, the insurance guaranteed a daily allowance for the hospitalised employee. It also provided for a recovery allowance after discharge from hospital.

EXTRAORDINARY BONUSES

In 2020, FITT decided to give to its staff an extra bonus in recognition of the important contribution made by all employees in terms of continuity and management of unforeseen events during the pandemic. The company distributed shopping vouchers worth € 250 to all employees in force during the furlough period who do not qualify for a variable MBO (Management by Objective) bonus.

CAR POLICY

In 2020, the company decided to revise its Car Policy to pay more attention to the environment and the impact of FITT on the same.

FITT therefore decided to change its fuel card, signing a contract with DKV and choosing their climate neutral fuel card: the DKV CARD CLIMATE.

Through the payment of a CO₂ surcharge, calculated on the basis of the actual consumption of the company, DKV offsets CO₂ emissions by paying the amount to Myclimate Deutschland, which carries out compensation projects.

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.

Obviously, the arrival of the pandemic in 2020 led to a strong acceleration that made it easier for FITT to experiment on a large scale, leading to the majority of workers working from home.

This 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.

The aim that FITT set for itself was to preserve and further increase our commitment to improving the work-life balance of our staff, defining a group policy for the appropriate implementation of Smart Working procedures within all the companies of the FITT Group, including those located outside the Italian territory.



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 our Code of Ethics, we believe that the principles of fairness and equal opportunities towards 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 our company. Furthermore, we promote and defend 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, we are committed to offering all staff and partners regulatory and remuneration treatments solely based on merit and competence criteria, without any type of discrimination.



GENDER EQUALITY

As already mentioned, the female presence within FITT S.p.A. is significantly lower than the male presence. Only 26% of company staff are female.

Despite this, FITT still promotes and defends the fundamental rights of people and rejects all forms of discrimination on the grounds of gender, as clearly stated in its Code of Ethics.

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

In this respect, the last two years have seen a reduction in the gender pay gap, highlighted in the table by an increase in the female/male pay ratio for two of the three professional categories: executives and office employees.

In particular, the narrowing of the gender gap is most noticeable in the executive category. It goes from a total pay ratio of 0.69 in 2019 to a factor of 0.74 in 2020.

There is also an improvement, albeit more moderate, for the office employee category, with the man/woman gross annual salary ratio increasing by 0.05 compared with 2019.

On the other hand, there was a slight deterioration in the manager category, which reduced the male/female pay ratio by 0.03.

WOMEN/MEN PAY RATIO BY PROFESSIONAL CATEGORY					
GROSS ANNUAL SALARY AND GLOBAL ANNUAL PAY BY PROFESSIONAL CATEGORY	UM	2019		2020	
		MALE	FEMALE	MALE	FEMALE
Executives - Gross Annual Salary	no.	1	0.69	1	0.74
Executives - Global Annual Pay	no.	1	0.66	1	0.69
Managers - Gross Annual Salary	no.	1	0.95	1	0.92
Managers - Global Annual Pay	no.	1	0.88	1	0.89
Employees - Gross Annual Salary	no.	1	0.67	1	0.72
Employees - Global Annual Pay	no.	1	0.62	1	0.64

Note: The values in the table only include the data for FITT S.p.A., FITT France and FITT Monaco.

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. In 2019, maternity leave accounted for only 30% of all leave granted, while in 2020 the share was slightly rebalanced, with mothers claiming 42% of total leave.

PARENTAL LEAVE GRANTED							
	UM	2019			2020		
		MALE	FEMALE	TOTAL	MALE	FEMALE	TOTAL
PARENTAL LEAVE GRANTED	NO.	32	14	46	12	9	21

Note: The values in the table only include the data for FITT S.p.A., FITT France and FITT Monaco.



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 2020, FITT increased the number of training hours for its staff, therefore also increasing the time allocated to the growth of its workers by 7% when compared to 2019. The training activities involved 62% of the entire company population.

As regards to training by occupational category, the average in 2020 was 58 hours per capita for executives, 55 for managers, 34 for employees and 10 hours for blue collar workers. This result points to an increased focus on the executive category in 2020, for which training hours more than doubled when compared with 2019.

In terms of topics, of the 11,756 hours of training provided in 2020, only 18% were required by law and focused on health and safety, while the remaining 82%, supported by an investment of € 125,000, was dedicated to the development of our staff in different areas of specialisation.

In particular, during the financial year of this report, FITT dedicated a lot of attention to the “digitalisation” of its employees. And in fact, the number of IT training hours delivered to employees through a series of intensive courses offered by the company almost tripled.

But FITT did not solely focus on digitalisation. Compared with 2019, the number of training hours increased considerably in almost all the training fields.

In 2020, FITT decided to allocate 865 training hours to CSR, for which only 48 hours had been allocated in 2019. This is a further demonstration of the sensitivity of the company to the 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 only include data relating to FITT S.p.A. and FITT Monaco.

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 only include data relating to FITT S.p.A. and FITT Monaco.

Professional training and development

TOTAL TRAINING HOURS PER SUBJECT AREA			
AREAS	UM	2019	2020
IT	hours	250	704
Economic and financial	hours	1,007	549
Technical / operational	hours	62	1,130
Managerial	hours	28	838
Foreign languages	hours	1,565	0
Commercial	hours	14	373
Quality	hours	72	429
Marketing & Communication	hours	20	452
Legal	hours	0	383
HR & Organisation	hours	88	586
Innovation	hours	23	426
Purchasing	hours	8	372
Health and safety	hours	4,685	2,173
Lean	hours	0	2,216
Personal development	hours	3,116	189
CSR Corporate Responsibility	hours	48	865
Other (products/services)	hours	0	75
TOTAL	HOURS	10,985	11,756

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

LEAN DIGITAL TRANSFORMATION

Over the years, FITT has implemented several training projects, such as the “Lean Digital Transformation” project, started in 2020 and involving 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.

Over the years, FITT has implemented several training projects, such as the “Lean Digital Transformation” project, started in 2020 and involving over 100 members of staff from Office and Operations, during 5 days entirely dedicated to the Lean Management approach.

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 FITT’s “Lean Digital Agents”.

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

At the end of the course, the Lean Digital Agents will have 20% of their working time allocated to improvement projects, even outside their area of improvement.

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

ACADEMY FOR TECHNICAL OPERATORS

In 2020, FITT launched the “Academy for Technical Operators”, a training project designed and implemented in collaboration with Umana Forma, and financed through the Forma.Temp Fund.

The 80-hour training course, some of which was led by FITT staff, aimed to provide participants with the necessary practical knowledge to carry out toolmaker jobs.

This is the first initiative of a program for the training of external technicians, and to ensure the support of continuous training to internal personnel.

At the end of the training, all participants received their attendance certificate recognised by Fondo Forma. Temp and a general safety certificate, in addition to fork-lift driver and PES-PAV certificate.

Professional training and development

CORPORATE RESPONSIBILITY (CSR)

In order to make sustainability part of its businesses, FITT has undertaken a training path, which started in December 2019 and run over the whole of 2020 (and the first quarter of 2021), through the:

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

The themes addressed during this path were:

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

During 2020, a total of 865 hours of training were delivered to more than 50 employees from different company areas and plants (Italy).

Given the ongoing health emergency, the way in which such training was organised had to be adapted from March 2020 by introducing remote training sessions.

The transversal objective of this training was to lay the foundations for a sustainability culture, to be later on extended to every area and member of staff of FITT.

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 in 2020 focused on improving concentration, better work management and problem solving.

By the end of 2020, 80% of employees registered with FITT Darwin had logged on to the platform and taken training courses.

FITT BLUFORCE ACADEMY

FITT Bluforce Academy is an interactive, personalized and flexible training model 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 we offer to designers, technicians of utilities and reclamation consortia.

The training programs of the Academy are constantly updated, adapting to the real needs of our interlocutors, creating a flexible and efficient dissemination model.

There are 3 different types of training offered by the FITT Bluforce Academy:

1. FITT Masterclass

FITT Masterclasses are consultancy, training and technical updating activities that take place on the territory, organized by FITT experts in collaboration with S.I.I. (integrated information technology system) utilities, Reclamation Consortia and designers, to deepen and share technical skills and develop a Learning Community through a consolidated 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, we are working with the National and 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 our Quality Control and R&D Lab experts, and participation in a technical workshop coordinated by the FITT Product Managers.

Partners involved:



Health and Safety in the company

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

As a company, we seek to spread 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, we aim at maintaining the highest levels of health and safety for our employees, ensuring that the necessary prevention and protection measures are in place to avoid or minimise occupational hazards.

NUMBER OF ACCIDENTS PER YEAR		
	2019	2020
Frequency Index (FI)	14.8	18.7
Severity Index (GI)	0.17	0.72

IF=number of accidents per million hours worked
IG=number of days lost through injury per thousand hours worked

All the recipients of our 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 2020, the number of accidents increased slightly from 17 to 21 episodes per year. However, the increase in lost working days has grown considerably, due to the increased severity of accidents over the past year, to a level of + 620% when compared with 2019.



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 THE FITT PEOPLE

FITT considers listening to and involving its employees as key ingredients of its way of doing business. All this starting with the drafting of its values and principles, developed through a process based on participation (involving more than 500 people), so that they could be shared and accepted by as many people as possible before being written down in black and white in the Code of Ethics of the company.

In 2020, a series of focus groups were held with employees, to identify together the possible problems and difficulties of working remotely. This gave FITT the opportunity to outline useful actions to reduce critical issues, such as the implementation of specific training courses on time management, the use of video communication platforms and home safety.

In addition, FITT regularly carries out a survey involving all employees. The questions in the survey cover several aspects and aim at assessing the perception that employees have of FITT and their involvement in company activities.

The last survey carried out in the company was in 2018, with a participation of 81% of all employees. The questions in the survey asked the employee about 5 drivers: Motivation, Teamwork, Execution, Willingness to Change and Trust.

The results were then processed to highlight the impact on 4 macro-dimensions: Company Retention capabilities, Productivity, Customer Orientation and Future Success.

A new survey has been planned for next year, in order to ascertain how the perception of workers has changed in three years, and what are the new needs.

PERFORMANCE ASSESSMENT

In order to monitor the performance of its employees and their training needs, in 2020 FITT developed 3 different tools: Skill Matrix, People Review and Performance Dialogue.

The Skill Matrix and People Review assessment systems, already operational in 2020, aim at evaluating the skills of employees and analyse their professional expectations.

With the Skill Matrix, the company will be able to map all the skills of each employee (completion expected in 2021), and therefore identify gaps and critical issues in the various company departments.

This system was complemented by a People Review. This is a process during which, using feedback from different managers, 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.

2020 was also the year of the creation of the Performance Dialogue project, a company performance management system consisting of annual appraisal interviews between managers and their subordinates. The project, which aims at tracing the performance of individual employees, will put its first edition to test in 2021.

Industrial relations

The company pays the utmost attention to proper industrial relations, based on regulations, on national and company collective negotiations, in compliance with the relevant national collective bargaining agreement (CBA) of reference.

In 2019/2020, in addition to the Gomma Plastica Industria CBA, our company signed second-level agreements relating to: performance bonuses and the harmonisation of customs and practices. The merger of the production branch of PLAST MEC SRL has in fact brought the need for a standardisation of the economic treatments throughout the different plants.

FITT endeavours to maintain industrial relations based on fair and mutual respect of roles. It promotes dialogue and participation, while taking into account the needs of the union representatives and those of the company.

As stated in our Code of Ethics, we do not make contributions of any kind to political parties, movements, committees, political and trade union organisations and candidates in elections. Furthermore, we do not exert any form of pressure on public representatives in order to obtain advantages for the company.

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.

Collaboration with Universities and Local Institutions

NEW GEN PROJECT

In 2019, 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.

In 2020 alone, the project recorded outstanding numbers. € 800,000 was in fact the cost reported for equipment, consultancy and materials, and € 1.3 million was the cost for the FITT personnel involved, equal to 38,000 man-hours.

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

COLLABORATION WITH THE POLYTECHNIC OF MILAN

2020 saw the launch of the first phase of a collaboration project between FITT and the Department of Electronics, Information and Bioengineering (DEIB) of the Polytechnic of Milan.

The aim of this project is to produce 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 2020, the collaboration with the University of Padua focused on two specific research activities:

- the first relating to new polyolefin-based polymeric materials/blends for the redesign of FITT products, to allow end of life recycling;
- the second dealing with improving the sustainability of products across the board, carrying out LCA analyses and supporting EPD certification for some products of the FITT range.

FITT FUTURE HEADQUARTERS–YOUNG ARCHITECTS COMPETITIONS

In collaboration with YAC - Young Architects Competitions, during 2020 FITT launched the “FITT Future Headquarters” competition, for the design of the new premises of the Group, focused 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.

By the end of 2020, 774 designers from 79 different countries were already registered, for a total of 594 teams, who in the coming months will present their innovative ideas for the workspace of the future.

The jury called upon to evaluate the proposals emerging 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 obviously Alessandro Mezzalira, CEO of FITT.

The competition will award 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 competition will also run during the first half of 2021.

THE “CHILDREN’S FOUNTAIN OF VICENZA”: A PLACE GIVEN BACK TO THE COMMUNITY

In 2020, FITT took advantage of the Art Bonus, a law issued in 2014 to encourage sponsorship for the safeguard of the cultural heritage, the development of culture and the relaunch of tourism.

This law allows those making donations in support of Italy’s public cultural heritage to benefit from a 65% tax benefit, thereby encouraging greater participation by companies and individuals who wish to contribute to the culture of the country.

FITT has contributed to the restoration and conservation of the “Children’s Fountain of Vicenza” by donating € 12,500 to support the maintenance costs of this monument for the next six years.

The fountain has a deep meaning for the Mezzalira family. Rinaldo Mezzalira, founder of FITT, was in fact one of its original commissioners. The work, conceived as a way to regenerate and enhance an important segment of the old town of Vicenza, is one of the highest artistic expressions of the Vicenza territory of the last century.

With this decision, the Mezzalira family wanted to return a valuable work of art to Vicenza and its community, of which FITT is very fond.

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 structured 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 € 40,000, through donations and the purchase of their products and services. In 2020 alone, the contribution of the company amounted to € 7,635.

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.

FONDAZIONE CITTÀ DELLA SPERANZA

For several years, 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 research surrounding them.

FITT has promoted and continues to promote “Fondazione Città della Speranza” both financially and by taking part in the many self-founding events organised by the Foundation, as well as by purchasing the products sold to finance the activities.

In 2020, FITT raised € 17,275 in favour of the foundation, promoting the sale of its products also among its staff, and donating a sum equal to 25% of the amount paid by its employees as part of company initiatives.

FONDAZIONE SAN BORTOLO ONLUS

Fondazione San Bortolo Onlus is a non-profit association created in 2008 to support the Vicenza Hospital and other local hospitals part of ULSS 8 Berica of Vicenza.

The funds raised by the association are used to purchase new high-technology equipment or functional goods, such as ambulances and furniture. The foundation also supports training and research by awarding scholarships to people working in the hospital.

FITT has been supporting the work of the foundation since 2010, sharing its values and believing in the importance of its activities for the territory.

In 2020, the company supported Fondazione San Bortolo Onlus with donations amounting to € 20,000, contributing to the AiutiAMOvicenza initiative undertaken to help hospitals, doctors, nurses and volunteers in the emergency caused by the Coronavirus pandemic.

ANDRIGHETTO CHILDHOOD SERVICE 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 2020, the company supported the activities of the association with a contribution of € 1,000.

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 has been started, 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 products.

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 <u>reduce their use as much as possible</u> , 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 <u>minimise 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, we have system procedures for the management of emissions, discharges, waste and the assessment of environmental impacts in general.

We make sure to be always up to date regarding regulatory changes and implement improvement actions to always ensure compliance. We have established an internal audit plan for the different environmental aspects, in order to consistently monitor compliance.

Although there is no certified Environmental Management System (EMS), FITT manages environmental aspects in a structured manner, in accordance with international requirements, such as the ISO14001 standard. In terms of internal organisation, the company has initiated a gradual process for the improvement of the management of significant environmental aspects, with the aim of achieving greater efficiency and reducing its direct and indirect impacts.

With this in mind, 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 its objectives along the way.

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



energy efficiency

Energy consumption and the transition towards renewable energy are two key issues for FITT as a manufacturing company. This is demonstrated by the selection of the company of Goals 7 (Clean and Accessible Energy) and 13 (Acting for the Climate) as two of the seven priority objectives that FITT is committed to supporting.

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

This issue has led to FITT's efforts to improve the efficiency of its plants and the use of optimisation systems that have allowed it to use much less energy over the years.

An example of this commitment can be found in FITT's two most energy-intensive factories, Fara Vicentino and Sandrigo, which since 2017 and 2018 respectively have been equipped with a trigeneration plant for the production of electricity, heating for the offices, and to cool the water used in production processes on site. The plant, therefore, increases energy efficiency and consequently reduces the carbon dioxide emissions associated with the activities of the company.

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

On the overall, in 2020 energy consumption fell slightly, by 3% when compared with 2019. This reduction can be attributed to: the lower consumption of diesel fuel used by generator sets, forklift trucks and fire-fighting booster sets (-16%); the reduction in diesel and petrol for the fleet (respectively: -10% and -58%); and the lower use of natural gas for heating the office spaces (-12%).

In addition to the role of FITT in improving its energy efficiency, the main reason for this decrease is the pandemic emergency, which has significantly reduced the use of the company fleet and consumption inside the offices.

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.

Therefore, FITT is planning actions to increase the consumption of energy from clean sources and plans to reduce the impact caused by commuting.

ENERGY CONSUMPTION BY SOURCE			
ENERGY SOURCES	UM	2019	2020
Natural gas	m3	2,449,810	2,147,937
Diesel for forklift trucks, generator sets and fire-fighting booster sets	l	39,369	33,200
Diesel fuel for the fleet	l	48,385	43,764
Petrol for the fleet	l	1,574	655
Electricity from the grid	kWh	36,183,553	37,438,850

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

ENERGY CONSUMPTION BY SOURCE (GJ)			
ENERGY SOURCES	UM	2019	2020
Natural gas	Gj	86,486	75,781
Diesel for forklift trucks, generator sets and fire-fighting booster sets	Gj	1,406	1,186
Diesel fuel for the fleet	Gj	1,728	1,563
Petrol for the fleet	Gj	50	21
Electricity from the grid	Gj	130,261	134,780
Total	Gj	219931	213331

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

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.

Climate change, ranked for years among the most significant risks for the global community by the World Economic Forum in its annual “Global Risk Report”, is 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 the issue of climate change, and has selected Goal 13 (fight against climate change) of the 17 sustainability goals of the UN 2030 Agenda as one of its priority objectives.

We have therefore started to monitor our impact, calculating our direct and indirect emissions (Scope 1 and Scope 2), in order to give an account of the effect of our activities and be able to track our improvements over the years.

Our company mainly produces indirect emissions, consuming significant amounts of electricity during its production processes. In 2020, Scope 2 emissions accounted for 74% of the total emissions of FITT.

In the last two years, there has been a 12% reduction in total emissions compared with 2019. The main reason for this decline is due to the effects of the pandemic. In fact, the implementation of Smart Working solutions has resulted in a decrease in direct emissions (Scope 1) from transport (-11%) and heating of company premises (-16%). Emissions from the use of diesel for forklift trucks, generators and fire-fighting booster sets have also decreased (-11%).

On the other hand, a slight increase was recorded for indirect emissions (Scope 2), associated with higher electricity consumption in 2020 (+3.5%).

CO ₂ EQ EMISSIONS			
	UM	2019	2020
Natural gas for heating and Trigeneration	t CO ₂ eq	4839.22	4261.3
Diesel for forklift trucks, generator sets and fire-fighting booster sets	t CO ₂ eq	103.47	87.25
Diesel fuel for the fleet	t CO ₂ eq	127.16	115.01
Petrol for the fleet	t CO ₂ eq	3.66	1.54
Total Scope 1	t CO₂eq	5073.51	4465.1
Electricity from the grid	t CO ₂ eq	12157.67	12579.5
Total Scope 2	t CO₂eq	12157.67	12579.5
TOTAL SCOPE 1 + SCOPE 2	T CO₂EQ	17231.18	17044.6

Note: The values in the table only include data relating to FITT S.p.A.
CO₂eq emissions due to Electricity from the grid are “Location Based” and obtained from the TERN 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 2019 and 2020, FITT never exceeded the emission limits set by the 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	2019	2020
Total organic carbon in gaseous form	kg/year	4,810.78	3,793.10
Powders	kg/year	1,370.39	1,777.60
Alkaline dusts/basic mists (expressed as NaOH)	kg/year	18.92	12.26
Chlorides as HCl (Table C Class III)	kg/year	206.74	77.96
Benzene, VCM (Table A1 Class III)	kg/year	52.08	0.00
Table A1 Class I	kg/year	0.01	0.01
Table D Class I	kg/year	47.62	124.39
Table D Class II	kg/year	11.04	449.00
Table D Summary of Classes III+IV+V	kg/year	2,357.30	4,382.36
TABLE B CLASSES I+II+III	KG/YEAR	0.26	0.09

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



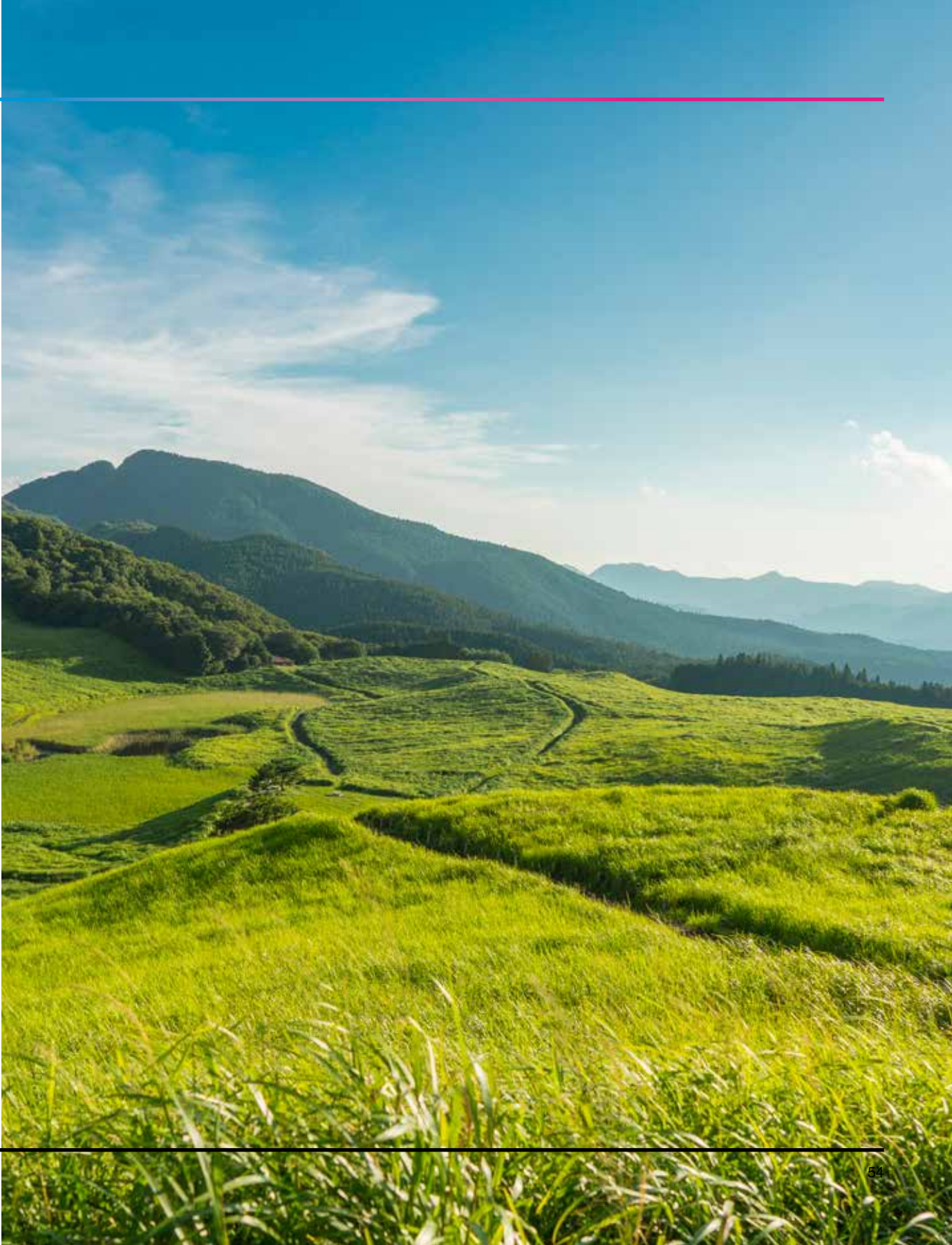
raw materials and packaging

We want to reduce environmental impacts through the responsible management of resources and sustainable production and consumption models, while protecting the biodiversity of the territories in which we operate.

To this end, we look for options that allow us to reduce both direct impacts resulting from our operational activities and indirect impacts associated with the value chain typical of our 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.

Where it will not be possible to reduce input resources, the company plans to include environmental and social criteria in the selection of suppliers, with the aim of building a more sustainable supply 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 sectors are continually growing and expanding, partly thanks to increasingly rapid urbanisation and a race to adapt water systems to meet demand more efficiently.

The current superiority of PVC - in terms of durability, recyclability, cost, light weight and ease of installation -, compared with alternative materials, points to a rapid expansion that goes hand in hand with the expansion of the sectors of interest.

FITT selects its raw materials suppliers very carefully, to ensure the quality and safety of its products. Consistently with market availability, the company prefers to purchase certified recycled raw materials over virgin materials, to limit the environmental impact of raw materials for the finished product

As well as externally sourcing regenerated PVC, FITT also post-processes and recovers PVC waste from its own production and returns it to its own supply chain. In 2020, 79% of PVC waste was recovered and returned to the production cycle as raw material.

MATERIALS USED-PRODUCTION			
MATERIAL	UM	2019	2020
Virgin PVC	kg	71,770,351	73,078,307
Regenerated PVC	kg	9,721,384	11,481,064
Other polymers	kg	7,338,938	7,340,773
Process additives and adjuvants	kg	24,794,943	25,008,811
Yarns	kg	1,178,219	1,270,328
Accessories	kg	332,387	414,798
TOTAL	KG	115,136,222	118,594,081

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 2019, except for paper, for which a reduction in tonnes used is recorded. In particular, in the last two years the consumption of wood has increased by 13%, plastics by 7%, other miscellaneous materials and steel by 3% and 2% respectively. On the other hand, the consumption of paper fell by 8%.

Some of the materials purchased by FITT from various suppliers are certified, as a guarantee of greater sustainability. In specific, 3.4% of the paper purchased is FSC certified, which guarantees an environmentally friendly, socially useful and economically sustainable forest management chain.

More significant, however, is the percentage of PEFC certified pallet wood used in 2020 (45%). PEFC also guarantees a more sustainable use of forests.

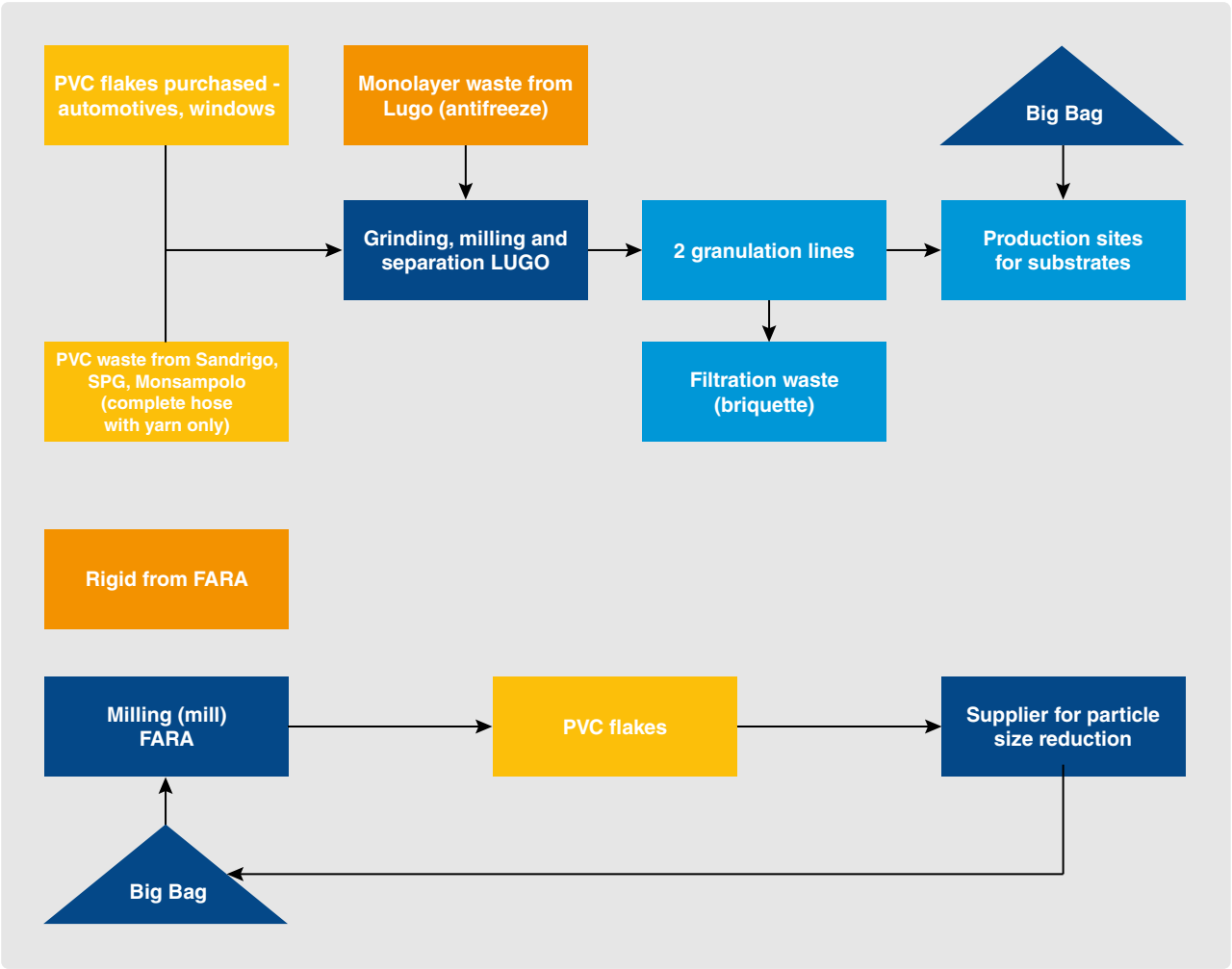
Although the amount of certified paper and wood has decreased slightly, FITT has become more aware of the problem and has devised an Action Plan to include environmental and social criteria in its purchasing decisions regarding new products.

MATERIALS USED-PACKAGING			
MATERIAL	UM	2019	2020
Wood	tonnes	3,488	3,938
Plastic	tonnes	404	436
Paper	tonnes	1,562	1,435
Miscellaneous	tonnes	16	17
Steel	tonnes	61	62
TOTAL	TONNES	5532	5887

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

CERTIFIED MATERIALS USED				
	MATERIAL UM		2019	2020
Quantity of material used that has environmental product certifications	FSC paper	tonnes	74	49
	PEFC wood	tonnes	1,576	1,771
% of certified material compared to total	Paper	%	4.7	3.4
	Wood	%	45.2	45.0

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



waste management and circularity

For several years, FITT has been designing its products taking into account their destination at the end of their useful life.

The company focuses on the re-use of PVC waste, as well as reducing the quantity of materials used, whilst guaranteeing a final product with the same performance.

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

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

In 2020, FITT S.p.A. recorded an increase of about 6% of PVC production waste when compared with 2019. This increase was due to a change in reporting waste. Since the beginning of 2020, in addition to waste granule, also milled spiral and flexible waste is included in the calculation of waste.

During the same year, the capacity of the Italian company to internally regenerate PVC also increased. In 2019, the company only recovered 60% of the generated PVC waste, while in 2020 this share increased to 78.8%.

The figure for production waste reintroduced in the production process includes waste sent from the Sandrigo, San Pietro in Gu, and Monsampolo plants to the Lugo plant. It also includes waste from the Fara production which, once externally micronised is fed back into the production process at the Fara and Occhiobello plants.

In 2020, production waste associated with product processes not using PVC also increased significantly. A 270% increase in waste when compared with 2019 was in fact recorded. This unusual increase is due to the start of the production of the FITT Force hoses of the Eco-design line, for which TPV (Thermoplastic Vulcanisate) is used as raw material instead of PVC.

As far as waste generated outside the production process, there was a 14% reduction in both plastic and wood consumption, while paper consumption increased by 22%.

QUANTITY OF WASTE PRODUCED BY TYPE			
TYPE	UM	2019	2020
Production waste - PVC	kg	3,376,103	3,394,507
Production waste - other than PVC	kg	393,339	224,357
Plastics (non-production waste) (e.g. packaging, water bottles)	kg	566,570	491,566
Wood	kg	558,930	480,060
Paper	kg	212,850	258,890
Steel scrap	kg	77,330	74,120
Waste oil	kg	1,220	1,830
Toner	kg	44	186
Solvents	kg	740	2,150
Electrical and electronic hazardous waste	kg	192	1,616
Other hazardous waste (specify)	kg	34,743	26,166
Other (specify)	kg	1,972,119	2,651,894
TOTAL	KG	3,424,738	3,988,478

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

REUSE OF PRODUCTION WASTE			
	UM	2019	2020
Reused production waste - reused PVC	%	58	85
Reused production waste (excluding PVC)	%	11	5

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

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.

Therefore, companies must also responsibly do their part to manage both their consumption and their production process water effluents in a sustainable manner.

For the manufacturing of its products, FITT sources water from both wells and the water distribution network.

This is why we have included Goal 6 of the 2030 Agenda as one of our 7 priority SDGs.

Considering the high usage during production, for the company the issue of water consumption

is rather relevant. Water is used in high quantity during the production process, particularly during the product cooling stages.

As a company, we try to reduce the consumption of drinking water resources by continuously innovating our production systems.

Firstly, we comply with the pipeline quality standards to ensure safe water transport. In addition, we have developed a reintegration system, with a closed loop that allows us to reuse water that has already been used, therefore avoiding the need for new drinking water.

Among our next objectives, we plan to set up an advanced monitoring system, with the aim of gathering comprehensive quantitative data on our usage of water and on the efficiency improvement actions that we put in place to reduce consumption and waste.

As far as our customers are concerned, we offer management systems and products that increasingly optimise water consumption to avoid unnecessary waste.



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 Action Plan to establish an increasingly environmentally and socially sustainable supply chain.

The aim of the actions subscribed to by FITT is to map the environmental and social performance of its suppliers. After this, the task is to promote the transformation of the supply chain, trying to contribute to a renovation that, looking beyond the boundaries of the company, brings improvements to the whole value chain.

In specific, in 2020 FITT began a supplier assessment process in order to evaluate the supply chain against quality, safety, environment, ethic responsibility and privacy criteria.

Self-assessment questionnaire for our suppliers

FITT has developed a questionnaire for producing an environmental and social profile of its suppliers. As already indicated, the desired objective is to obtain a clear view of what is happening throughout the whole value chain.

The process began by applying the new methods to suppliers of direct materials and marketed products, with the objective to extend them to service suppliers during 2021/2022.

In this way, FITT hopes, first of all, to acquire an overview of the impact of its activities also outside the company boundaries. Secondly, it also wishes to identify the weaknesses of the supply chain, so that an improvement strategy may be defined.

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

Where we stock up

Taking into account the three companies, FITT S.p.A., FITT France and FITT Monaco, in 2020 82% of the suppliers were located in their respective national territories, with 40% less than 80 km from their company premises. Moreover, such suppliers also accounted for 62% and 23% of the company supply budget respectively. This shows that FITT's supply chain is quite short, and therefore does not require long-distance transport.

Compared with 2019, the supply chain figures are more or less unchanged. Worthy of mention is a slight decrease in the number of suppliers, which fell by 6%, while the share of local suppliers (< 80km distance) increased (+5.8%).

ANSWER	UM	2019	2020
Suppliers	no.	2,504	2,354
Suppliers based in the country of the supplied branch	no.	2,104	1,938
Local suppliers (max. 80km away)	no.	859	943
National supplier share	%	84.0	82.33
Local supplier share	%	34.3	40.1
Turnover	€	171,431,206	170,835,550
Turnover for suppliers based in the country of the supplied branch	€	102,979,044	105,800,515
Turnover for local suppliers (max. 80km away)	€	34,276,940	38,512,412
National turnover share	%	60.1	61.93
LOCAL TURNOVER SHARE	%	20.0	22.5

Note: The values in the table include the figures for FITT S.p.A., FITT France and FITT Monaco net of the purchases of the companies.

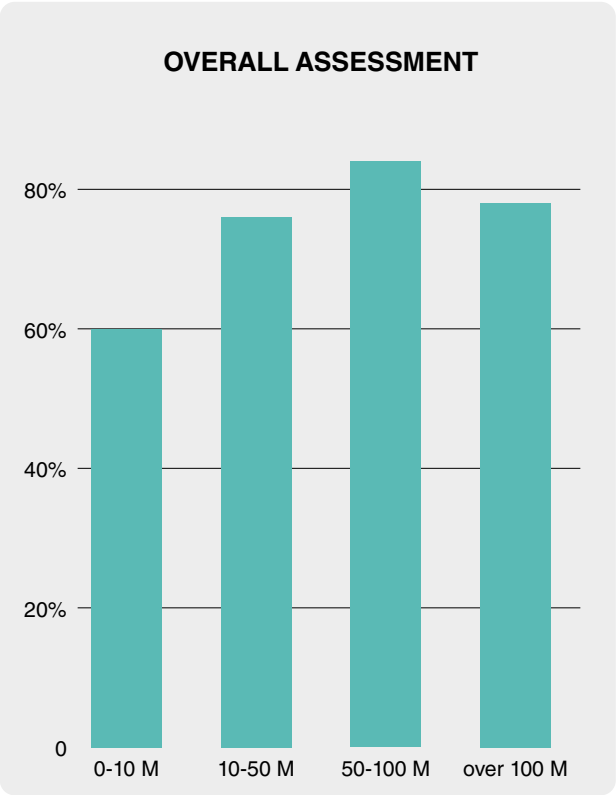
Relations with suppliers

The rules of conduct for the relations with suppliers are set out in our 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 our Code of Ethics, in addition to guaranteeing the necessary quality standards.

During 2021, FITT involved its suppliers - as strategic Stakeholders - in a process aimed at ascertaining and monitoring their performance for 2020 through a self-assessment questionnaire.

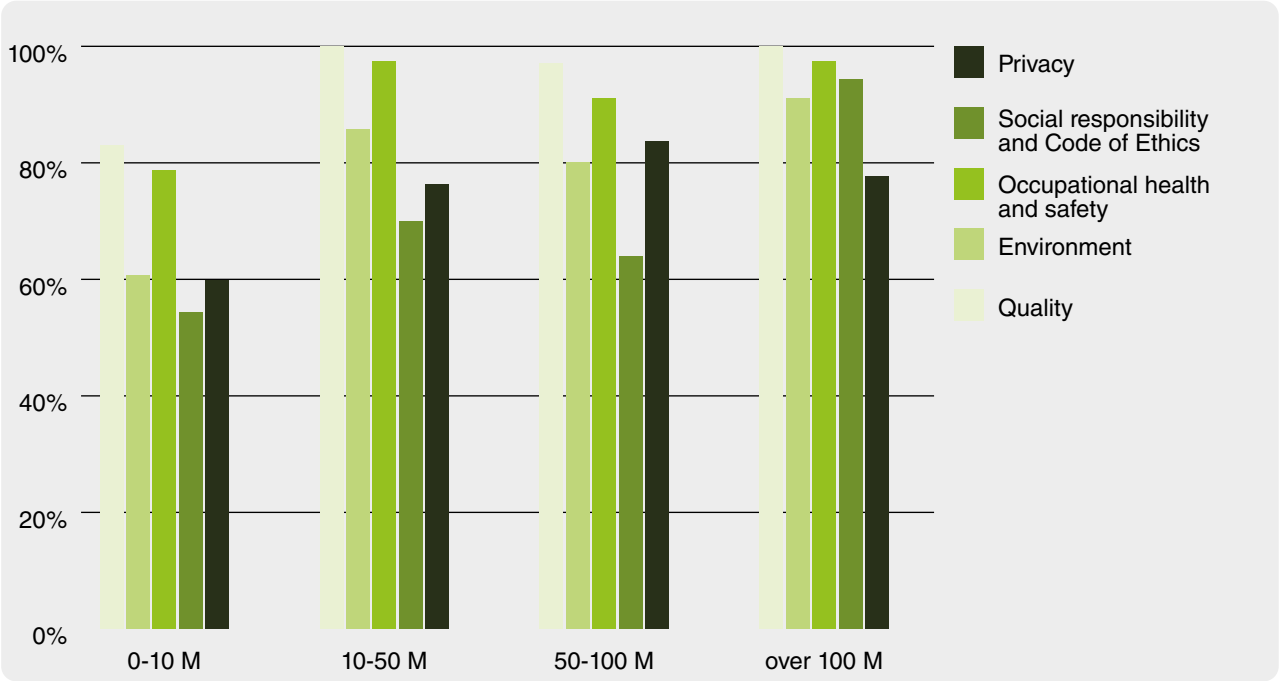
The questionnaire was organised into 5 areas of competence (Quality, Environment, Occupational Health and Safety, Social Responsibility and Code of Ethics and Privacy), with a score assigned depending on the level of risk for each area (low, medium and high). Depending on the criticality of the risk,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

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



The following chart provides detailed information on the 5 areas of competence analysed in the evaluation questionnaires forwarded and supplied by the representative sample of surveyed suppliers.

Integration with commentary.



new 2021 sustainability objectives

6








FITT has produced an action plan for its 2021 sustainability objectives that includes around 70 improvement actions with targeted objectives for improving 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 SDGs.

SUSTAINABILITY AREAS / ESG 2021	PLANNED ACTIONS	UN SDG REF
GOVERNANCE	Adoption of the Benefit Company 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
	1st 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
ENVIRONMENT	100% supply from renewable energy sources	7 AFFORDABLE AND CLEAN ENERGY 
	Strengthening of Eco-Design criteria for new products	12 RESPONSIBLE CONSUMPTION AND PRODUCTION 
	Environmental Product Analysis (EPD) for new products	13 CLIMATE ACTION 
	Reduction of greenhouse gas emissions in the supply chain (Scope 3)	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 
	Reduction of water consumption in the production processes	6 CLEAN WATER AND SANITATION 

SUSTAINABILITY AREAS / ESG 2021	PLANNED ACTIONS	UN SDG REF
ENVIRONMENT	Reduction of water consumption in the supply chain with the involvement of suppliers	6 CLEAN WATER AND SANITATION 
	Improved separate waste collection in all offices and facilities	12 RESPONSIBLE CONSUMPTION AND PRODUCTION 
	Evaluation of significant biodiversity hazards at the premises of suppliers	15 LIFE ON LAND 
	Involvement of suppliers for Green Supply Chain actions	13 CLIMATE ACTION 
	Procurement action plan following sustainability-ESG criteria	12 RESPONSIBLE CONSUMPTION AND PRODUCTION 



SUSTAINABILITY AREAS / ESG 2021	PLANNED ACTIONS	UN SDG REF
SOCIAL (EMPLOYEES)	Evaluation of the competence profile of employees - “People Review” - 1 st season	<div>8</div> <div>DECENT WORK AND ECONOMIC GROWTH</div> <div></div>
	Online survey on new needs relating to welfare services / work-life balance / Diversity	<div>5</div> <div>GENDER EQUALITY</div> <div></div>
	Corporate Welfare Plan with new dedicated conventions for employees	<div>3</div> <div>GOOD HEALTH AND WELL-BEING</div> <div></div>



SUSTAINABILITY AREAS / ESG 2021	PLANNED ACTIONS	UN SDG REF
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 
	Online survey on perception of inclusion / diversity	10 REDUCED INEQUALITIES 
	/Diversity Management and Equal Opportunity policy	5 GENDER EQUALITY 

methodological note

The 1st Sustainability Report of the FITT Group wants to present to its Stakeholders the environmental, social, economic and governance sustainability profile of the company, providing qualitative and quantitative information.

The scope of the reporting of the data and information contained in the 1st Report extends to the following companies: FITT S.p.A., FITT France and FITT Monaco. However, aggregate data from the FITT Group have also been included whenever possible.

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

The document contains information on initiatives implemented in the year 2020, where possible supplemented with descriptions and performance details relating to 2019, 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.

For information on the contents of the Report contact: comunicazione@fitt.com

Technical support and issuing of the Sustainability Report:

Focus Lab srl SB–B Corp certified

gri content index

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