



2022
sustainability
report

fitt[®]
2022
sustainability
report

letter to the stakeholders

Dear partners,

2022 has been a year of great growth for our organisation as far as of sustainability and corporate responsibility.

We have grown in terms of awareness that this is an issue that can only be tackled by a large and cohesive team; we have grown in terms of skills - which we have nurtured with training courses, convinced that there is no room for improvisation and that solutions must be sought by ensuring that we have the right methods and tools; we have grown in terms of planning, as we have written our sustainability strategy: The Responsible Flow.

Reducing our carbon footprint is, of course, at the heart of our strategy, both because our business community is made of almost a thousand people and because of the manufacturing nature of FITT. In the same way as at the heart of our ecodesign guidelines is our use of materials, with a focus on reducing the use of virgin raw materials and promoting the use of secondary raw materials, therefore also taking an active role in the development of new circular economy chains.

Examples of this are our new products: we have launched FITT force, the garden hose with a 43% reduction in CO₂ emissions, FITT NTS Eco, with which we have reduced CO₂ emissions by 10% compared to our traditional garden hoses, and last but not least FITT Freel, the first hose reel with 30% recycled plastic.

And if I were to look for an image to describe this journey, I would look at Nature and its genius, which in its perfection is a source of inspiration and a master of ingenious solutions.

If I had to describe this adventure, I would ask you to think of a river: it requires the same unstoppable force that nature imparts to the water flow, the flexibility to draw beds that are never linear, and sometimes tortuous. Having made the necessary turn to get around an obstacle, it takes determination to find the way back to sea.

I am grateful to my employees, who day after day dismantle and rebuild dams with ingenuity and foresight, so that this river can continue to flow.



Alessandro Mezzalira
CEO of the FITT Group

Alessandro Mezzalira

A handwritten signature in black ink, appearing to be 'AM', written over a white background.

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Scan the QR code and visit the
section of our portal dedicated to all
the sustainability topics.



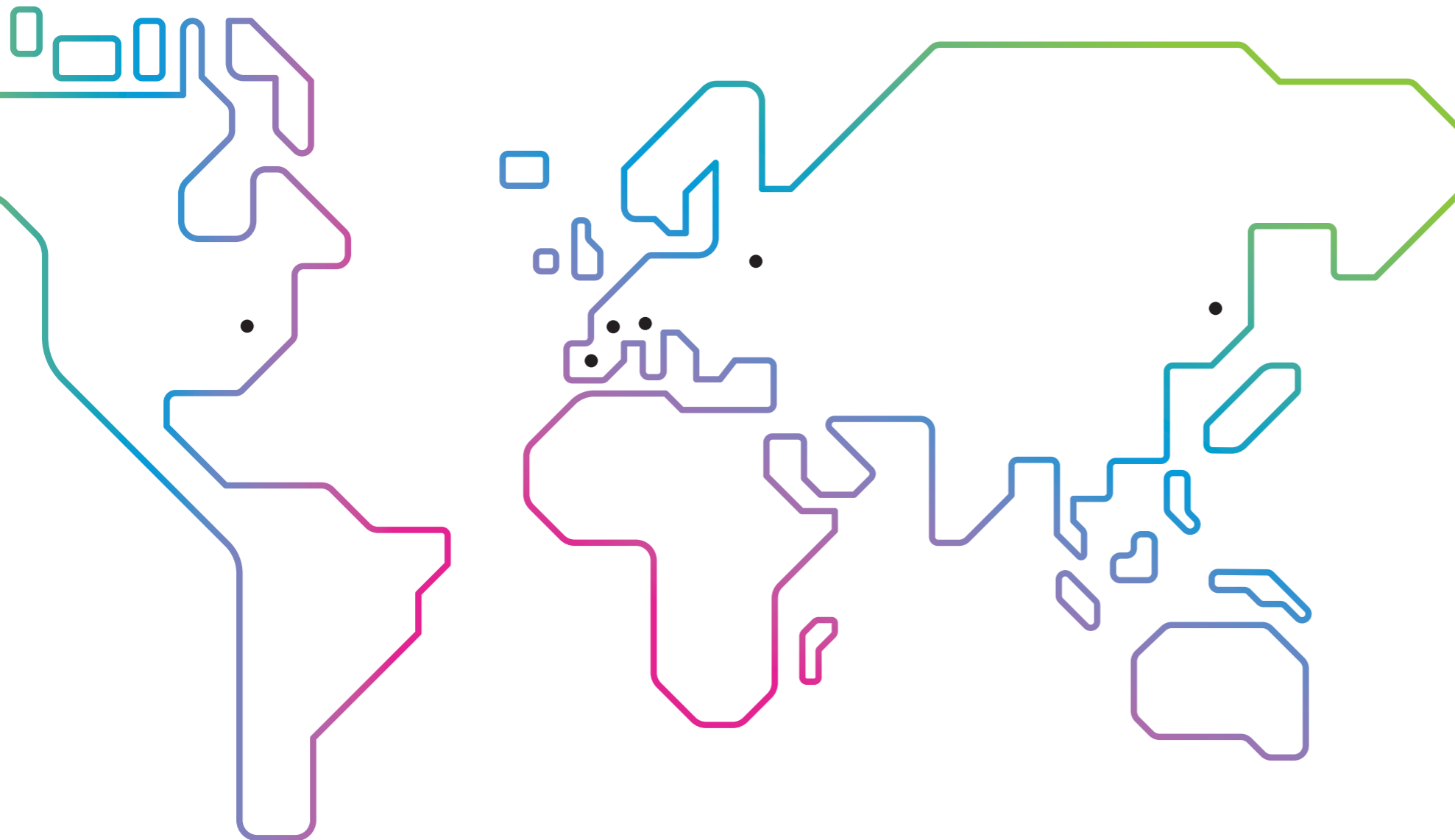
an evolutionary history

**An international Group looking to the future,
where innovation and sustainability will
shape the way we live, produce and prosper
on the Planet.**

→ 01

FITT, a leading international Group founded in Italy in 1969, and since 2021 a Benefit Company, is a pioneer in the production and development of highly innovative fluid transfer and management solutions for domestic, professional and industrial applications.

With 973 employees in 16 locations worldwide and a turnover of 305 million Euros in 2022, the FITT Group consists of 9 companies with both production sites and sales subsidiaries in 7 European and non-European countries, for a global market that reaches 87 countries worldwide.



FITT has seven sites in Italy: Sandrigo (HQ), Fara Vicentino, Lugo, San Pietro in Gu, Pianezze, Occhiobello, Monsampolo. There are four sites in France: Tricot, St. Herblain, Grenay, Vitrolles. One office in the Principality of Monaco and one in Poland, in Wegrow. Two overseas sales offices, one in the USA, in Charlotte, and one in China, in Shanghai.

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

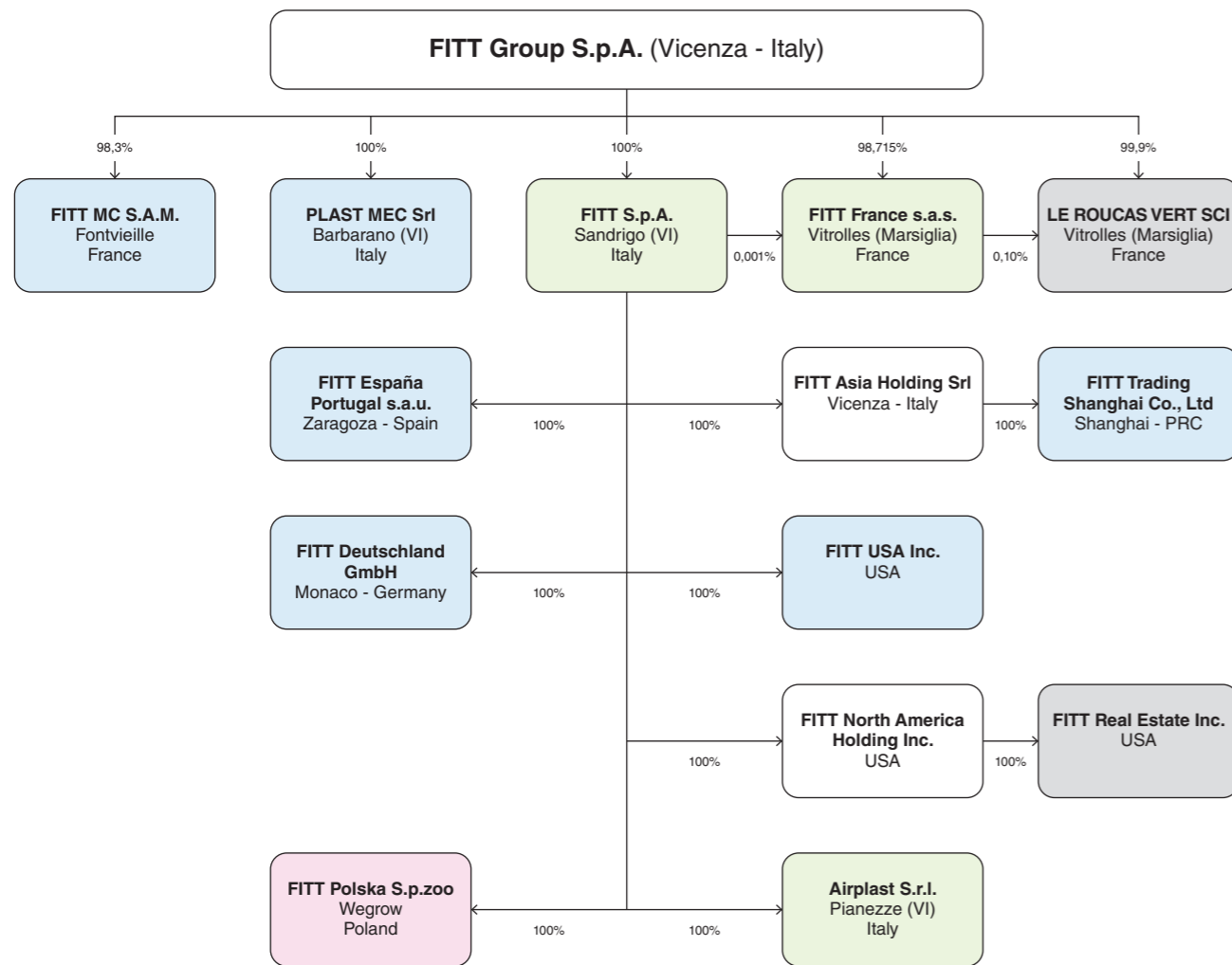
- INNOVISION Holding S.r.l. / 5,180,000 shares - 74.00% owned for 97.13% by Alessandro Mezzalira
- ANCIGNANO MEZZALIRA s.a.s. / 1,050,000 shares - 15.00%
- Other members of the Mezzalira family / 770,000 shares – 11%

FITT Group S.p.A., based in Vicenza, is the Group's financial holding company and directly controls:

- FITT S.p.A.: sales subsidiary, 6 production plants and 6 logistics centres;
- FITT MC S.A.M.: commercial branch;
- FITT France S.A.S.: commercial branch, 2 production plants and 3 logistics centres;
- LE ROUCAS VERT SCI: French real estate company that owns the buildings of the logistics hub of Lyon;
- PLAST MEC Srl: building division commercial branch;

FITT Group S.p.A. also indirectly holds, through its operating parent company FITT S.p.A.:

- FITT España Portugal s.a.u.: Spanish commercial branch;
- FITT Polska sp. zo.o.: production branch and logistics hub, both in Poland;
- FITT USA Inc.: commercial branch and logistics partner based in Chicago;
- FITT Trading Shanghai Co. Ltd: commercial branch and logistics hub based in Shanghai (indirectly owned through FITT Asia Holding S.r.l.);
- FITT Deutschland GmbH: German commercial branch (in liquidation);
- AIRPLAST S.r.l.: Italian company that designs and sells HRV system components;
- FITT North America Holding Inc.: holding company based in North Carolina (USA);
- FITT Real Estate, Inc.: US real estate company based in Indiana, USA.



Holding
 Production
 Real estate
 Production / distribution / logistics
 Distribution/commercial

Composition of the Board of Directors

The Board of Directors of the FITT Group is made of 3 members. In the Boards of Directors of the main companies of the Group are 14 members, 11 male and 3 female.

1a		2022		
Composition of the BoD		Men	Women	Total
Under 30		0	0	0
30-50 years		4	2	6
Over 50		7	1	8
Total		11	3	14

INSIGHT

FITT's numbers in 2022

Countries where FITT is present

87

Sites around the world

16

Turnover (million Euros)

305.5

Millions of metres of pipes and hoses manufactured

314.8

People

973

Customers

4,387

Suppliers

2,515

Local suppliers (within 80 km)

43%

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 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 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 transfer of fluids intended for the integrated water service management utilities, such as drinking water and sewerage networks.



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 supply of fluids - whether liquid, gaseous, aeriform or granular - in all industrial applications.



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 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 manufactures 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 products for human consumption, such as drinking water, milk, wine, beer, spirits, jam, ice cream, cheese and fruit.

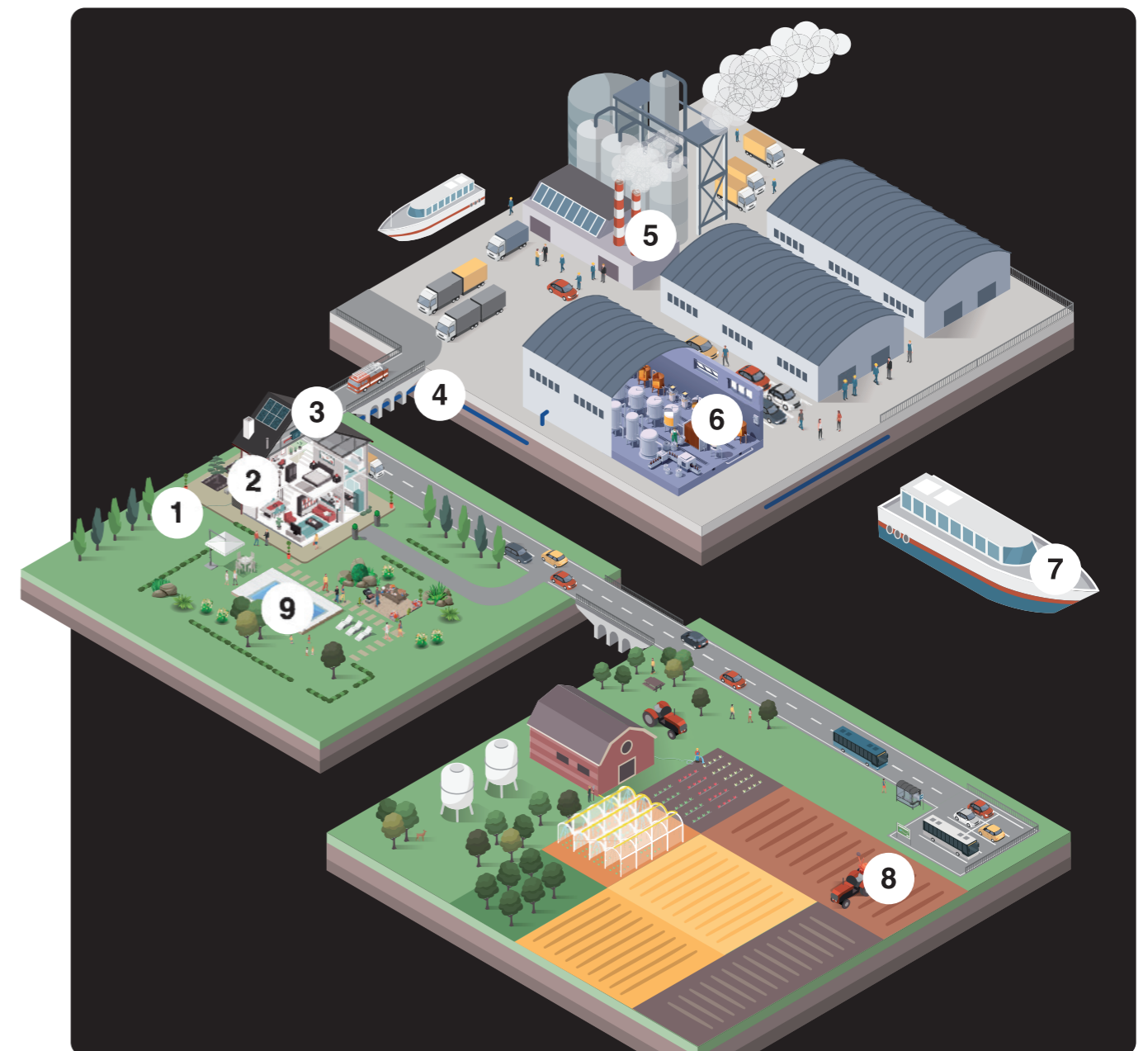


FITT Marine Solutions

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

The diagram below summarises the nine business areas in which the FITT Group operates.

- 1_Gardening
- 2_Ventilation
- 3_Building
- 4_Infrastructure
- 5_Industrial
- 6_Food & Beverage
- 7_Marine
- 8_Agriculture
- 9_Pool & Spa



Certifications for product conformity

IIP (ITALIAN INSTITUTE OF PLASTICS)

Accredited certification body for systems and products of the building division (sewer, building and pressure pipes).

LNE

French certification body for reaction to fire.

BUREAU VERITAS

Accredited 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

Accredited national certification body for the certification of products for underground cable installation for the Building division, and the certification of products for the Industrial division - gas conduits.

SGS ITALY

Certification body that awarded FITT BluForce and FITT Sewer EPD certification according to ISO 14025 standards. It also certifies the product Life Cycle Assessment (FITT Force, FITT NTS, FITT Ikon) according to ISO 14040 and ISO 14044 standards.

TUV SUD ITALY

TUV SUD - certification body for swimming pool (EN ISO 3994) and compressed air (EN ISO 1402) piping systems.

LLOYD'S REGISTER

Accredited body for the certification according to ISO 8099 of hoses and pipes for the nautical sector.

KIWA

Water adduction certifying body that certifies the suitability of products for the applications, pressurised systems, sewage and draining systems inside buildings and Heat Recovery Ventilation (HRV) systems.

CSTB

Accredited French Market body for the certification of products for the transfer of pressurised fluids and drainage systems inside buildings (pipes, hoses and fittings).

IPPR (INSTITUTE FOR THE PROMOTION OF RECYCLED PLASTICS)

Voluntary environmental product certification dedicated to products obtained from the recycling of plastic waste from separate waste collection or industrial waste.

Certifications for process conformity



TUV SUD ITALY

ISO 9001:2015 - Quality Management System certification body for the FITT S.p.A, Plast Mec Srl and FITT Polska plants.

IMQ SPA

ISO 9001:2015 - Quality Management System certification body for the company Airplast Srl.

LLOYD'S REGISTER

ISO 9001:2015 - Quality Management System certification body for FITT France - French production site of Tricot.

APAVE CERTIFICATION

ISO 9001:2015 - Quality Management System certification body for FITT France - French production site of Saint Herblain.

Offering good products and service has always been at the core of FITT's objectives. However, this is no longer enough to compete. Professionalism, competence and quality are in fact seen as simple prerequisites, no longer sufficient to be considered the best on the market. It is the intangible assets - like know-how, experience, patents and the brand - that create value and capitalise on long-term efforts.

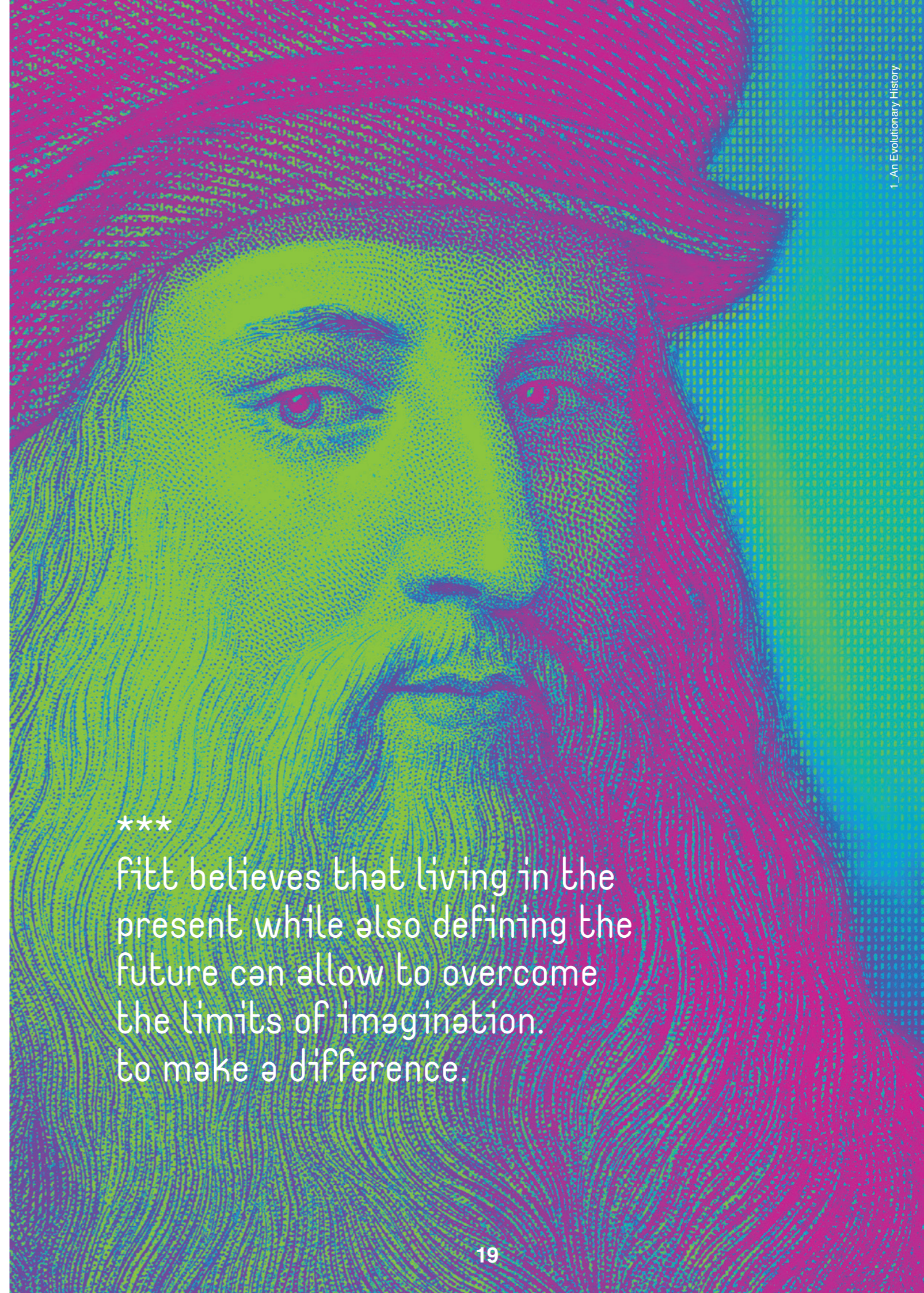
The mission of the Group is to improve the business of its customers by providing pipes & hoses and complete fluid transfer systems at the forefront of technology, design and sustainability.

But the most important thing is that FITT's customers have at their disposal a world-leading brand of exceptional ingenuity and style, which shares their passion for building a sustainable future through innovative solutions.

The value of identity

FITT is founded on simple but important values that, like in a constant flow, clearly and consistently show us what we should be and what we should do. For FITT, staying true to itself is the critical success factor in achieving its ambitions, whilst also respecting the four pillars of the brand:

<u>Experience</u>	The independent pioneering approach has forged the soul of FITT, unchanged in over fifty years of history.
<u>Innovation</u>	Continuous technological research and creative thinking are the ingredients for the development of cutting-edge solutions.
<u>Multiculturalism</u>	The person at the centre and our international vision, are part of FITT's character and the way it operates.
<u>Sustainability</u>	The FITT Group has started an evolutionary process for improving its social and environmental impact.



fitt believes that living in the present while also defining the future can allow to overcome the limits of imagination. to make a difference.

a business model projected into the future

FITT's history has - among its main strengths - two major turning points and an ambitious vision of the future, in which the Group continually strives to move forward and develop increasingly sustainable processes, products and innovations.

With the start of its transformation in 2015 into a “market driven organisation”, building on its operational leadership and established technology partnerships, the Group has been implementing a strategy aimed at consolidating its brand through innovation and the central role of the customer.



fitt has initiated the process of optimising its own industrial models with a look to doing business by generating economic, environmental and social value.

It is precisely the strong focus of the organisation on listening to and reading the needs of markets and stakeholders, together with the generational transition and an increased awareness of its business, that has led in 2019 to a second major turning point, with the inclusion of sustainability among the pillars of the Vision and Mission of the company.

The choice, consolidated over the years, to treat fluid handling solutions as essential elements of everyday city life and the manufacturing sectors, as well as the search for innovations to make these solutions durable, efficient and intelligent, becomes a virtuous and perfectly appropriate challenge from the point of view of sustainability.

FITT is consistently striving to create the right conditions so that our resources are involved in achieving the quality objectives of the organisation. The common purpose, direction and commitment allows FITT to align strategies, policies, processes and resources to achieve its goals.



FITT has sales, logistic and production facilities in Europe (Italy, France and Poland), the US and China.

The Group operates on an international scale with multi-site production and logistics, to guarantee business continuity and the highest level of service to major customers, procurement centres and private individuals, through e-commerce and the centralisation of some of the functions that are of the utmost importance for its business model.

In particular, the parent company manages:

- The Research and Development area, carrying out innovation activities for the benefit of all the companies of the group. Before being extended to the rest of the Group, new products and processes are 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. sets guidelines to be followed so that each company of the Group has an organisational structure capable of pursuing 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.

The Group's projection into the future has already outlined its next workflow: the transition from offering solutions to offering innovative and sustainable fluid and air management systems; the acquisition in 2022 of Airplast Srl is a confirmation to this.

Airplast is, in fact, a trading company specialising in Heat Recovery Ventilation (HRV) systems that has enabled the Group to increase its expertise and develop the FITT Agix offer, the complete ventilation system particularly suited to the future transition to cooling and healthier residential and commercial environments.

The history of the FITT Group

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

1969

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

1975

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

1993

FITT patents the revolutionary NTS (No Torsion System), which establishes its technological leadership in Europe and lays the foundations for entry into the US market.

2000

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

2019

FITT celebrates its 50th anniversary by including Sustainability among the pillars of its 2023 Vision and consolidating its presence in markets such as the United States and China.

2017

FITT implements an advanced digital ecosystem that allows direct access to the end user of the products.

2015

FITT looks to the future through its 2023 Vision. The pillars are the digital revolution, innovation and the centrality of the end user.

2007

The business enters its second generation: Alessandro Mezzalira takes control of the company.

2020

FITT starts measuring its sustainability baseline and the life cycle of its products through the Life Cycle Assessment (LCA).

2021

FITT becomes a Benefit Company and issues its first voluntary sustainability report.

2022

FITT releases "The Responsible Flow 2030", its sustainability strategy to 2030.

2023

FITT sets its vision and begins the writing of its 2030 Vision.

the responsible flow 2030

The scope of FITT's commitment towards sustainability is progressively growing: the Group's strategy intervenes at every level of the company to create an impact throughout the value chain.

→ 02

2.1

strategy and objectives for the future

The Responsible Flow 2030 is FITT's sustainability strategy, introduced in the last edition of the Sustainability Report and drafted to completion and decoded during the year 2022 thanks to the work of the corporate Think Tank.

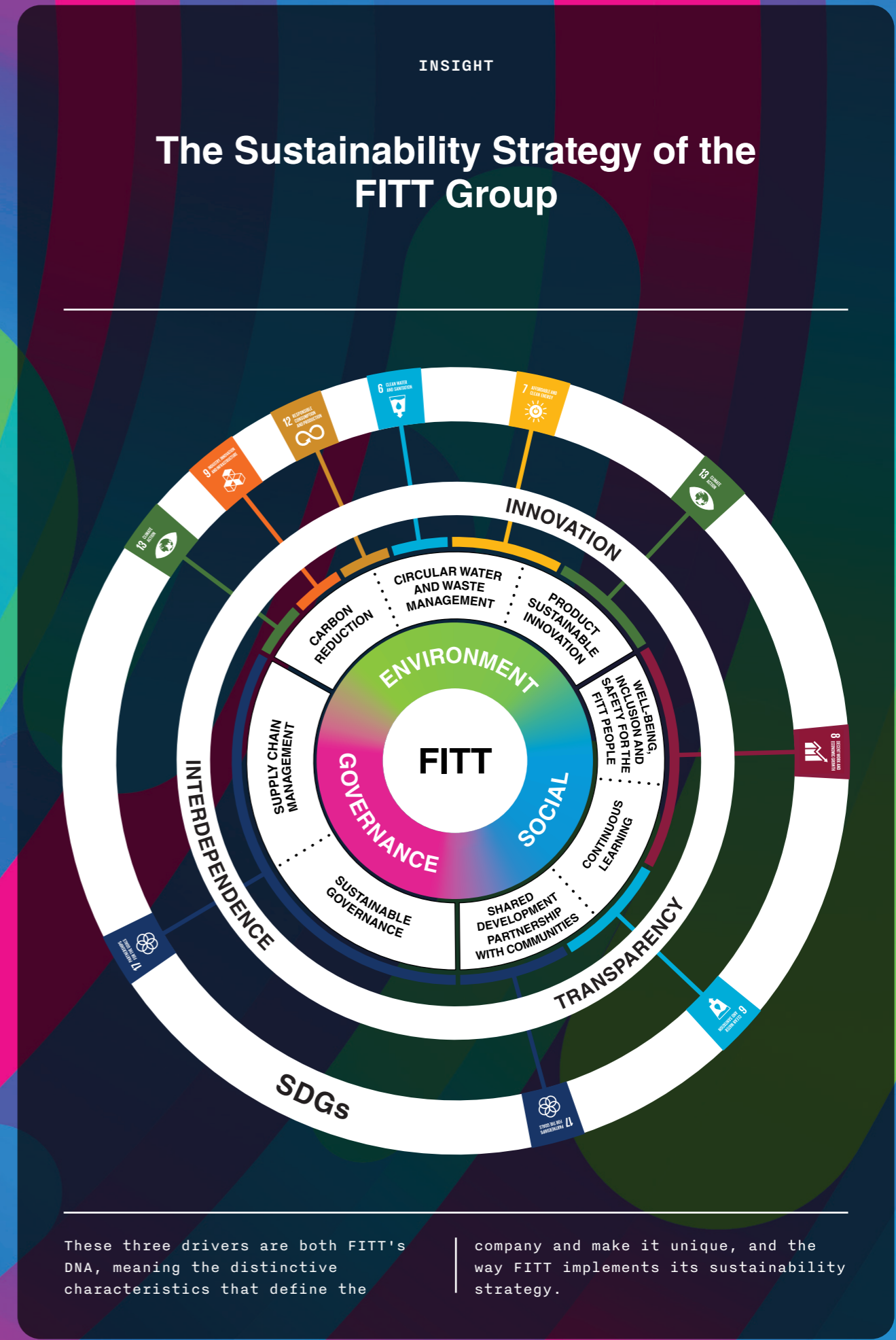
The strategy leans on three drivers (transparency, innovation and interdependence) and has defined qualitative-quantitative targets on the basis of the three ESG dimensions, with the aim of optimising the industrial models and create an increasingly sustainable business model.

<u>Transparency</u>	Know its own impacts by investigating the entire value chain and communicating with the outside in a transparent manner.
<u>Innovation</u>	Invest in the continuous innovation of processes and products, and the culture of the FITT people, aware of the contribution it can bring to people and the planet, constantly evolving in its responsible way of doing business. The FITT People champion sustainable change inside and outside the organisation.
<u>Interdependence</u>	Maximise the positive impact on the community and the environment at the same time, and promote the responsible development of the sector, through partnerships with all the internal and external stakeholders.



“the task that we are called upon to fulfill: contribute to making this world a better place, for us and for future generations”.

—alessandro mezzalana, ceo of fitt



FITT is a Benefit Company, and in addition to the object of making a profit, it has added in its statute the public and official commitment of a positive impact on society and the biosphere, operating in a sustainable and transparent manner.

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 at all company levels.

<u>Environment</u>	Invest in the research and innovation of processes and products to reduce the environmental impact by creating a synergy within its own value chain
<u>Social</u>	Care for employees and the local and global community with the object of ensuring generative synergies and inclusion.
<u>Governance</u>	Act as a responsible company by rewriting a new business model that creates shared value and positively affects the life of people and the environment.



PILLAR	TOPIC	OBJECTIVE
Environment	CO ₂ e reduction	10% self-generated energy by 2025. -10% energy intensity by 2030, calculated on the basis of the kWh to metres produced ratio.
	Energy, water and waste management	85% reuse of water at the production sites by 2025. No waste from the production plants to landfills by 2025.
Sustainable Product Innovation		8% turnover from innovative and sustainable products that emit -10% CO ₂ e than their traditional versions by 2025, LCA/EPD certified. Mapping of 50% of products using the LCA by 2025, and 80% by 2030. Progressive recycled material use increase and investments for the study of post-consumer recycling chains.
Social	Create well-being, inclusion and safety for the FITT People	80% response to the company climate survey with 75% positive evaluations in 2025. Reduce workplace accidents by 50% by 2025 (FITT S.p.A.). Issue of a "diversity & inclusion policy".
	Continuous training	Activation of more than 90% performance dialogues. Ongoing sustainability training.
	Shared development partnerships with the community	Creating structural partnerships with local and international stakeholders to protect biodiversity and support initiatives in the areas of health, youth, women and people with disabilities. Involvement of the FITT People in partnership activities.
Governance	Sustainable governance	Refinement and consolidation of sustainability governance at business division level (Business Think Tank). Recourse to green finance.
Supply Chain Management		Supply chain policy definition. Inclusion of all new suppliers in the sustainability assessment process.

reference sdgs and adhesion to the un global compact

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.

FITT regularly analyses and compares the 169 specific targets to its common benefit objectives defined with its transformation into Benefit Company and its “The Responsible Flow 2030” strategy, in order to assess and map its own contribution to their realisation. The Group focuses on seven objectives.

2a
The objectives of the FITT Group

<p>SDG #6</p>  <p>Clean water and sanitation</p>	<p>SDG #7</p>  <p>Affordable and clean energy</p>	<p>SDG #8</p>  <p>Decent work and economic growth</p>	<p>SDG #9</p>  <p>Industry, innovation and infrastructure</p>
<p>SDG #12</p>  <p>Responsible consumption and production</p>	<p>SDG #13</p>  <p>Climate action</p>	<p>SDG #17</p>  <p>Partnership for the goals</p>	



Adhesion to the UN Global Compact

Since 2020, FITT has chosen to adopt international references by adhering to the UN Global Compact.

The UN Global Compact is an international network that brings together governments, businesses, United Nations agencies, trade unions and civil society organizations, to promote a sustainable global economy, respectful of human and labour rights, environmental protection and fight against corruption.

SUSTAINABLE DEVELOPMENT GOALS	FITT'S COMMITMENT FOR EACH SDG
<p>SDG #6 Ensure availability and sustainable management of water and sanitation for all.</p>	<p>FITT complies with the quality standards for pipelines, to ensure safe water transport.</p> <p>FITT has set a target to reuse 85% of water in its production systems by 2025.</p>
<p>SDG #7 Ensure access to affordable, reliable, sustainable and modern energy for all.</p>	<p>FITT works to continuously improve the energy efficiency of its production processes and sites.</p> <p>In 2022, FITT purchased energy from renewable sources and set itself the target of achieving 10% self-generation by 2025.</p>
<p>SDG #8 Promote sustained, inclusive and sustainable economic growth, full and productive employment and decent work for all.</p>	<p>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.</p> <p>FITT has set itself a target to reduce workplace accidents by 50% by 2025, to activate more than 90% of the performance dialogues, as well as training courses on sustainability issues</p>
<p>SDG #9 Build a resilient infrastructure, promote inclusive and sustainable industrialization and foster innovation.</p>	<p>FITT designs and manages its industrial processes with the best available technologies, for greater resource efficiency.</p> <p>FITT has set itself the target of achieving 8% of turnover from innovative certified low-impact products by 2025.</p>
<p>SDG #12 Ensure sustainable consumption and production patterns.</p>	<p>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.</p> <p>FITT has set itself the target of mapping 50% of its product range with a certified Life Cycle Assessment by 2025 and 80% by 2030.</p>
<p>SDG #13 Take urgent action to combat climate change and its impacts.</p>	<p>FITT is committed to reducing its environmental impact through mitigation and adaptation actions in its manufacturing, logistics and commercial activities.</p> <p>FITT has set itself the target of achieving 8% of turnover from innovative certified low-impact products by 2025.</p>
<p>SDG #17 Strengthen the means of implementation and revitalize the global partnership for sustainable development.</p>	<p>FITT promotes partnerships with its stakeholders (institutions, customers, voluntary organisations) at national and international level.</p> <p>FITT has set for itself the objective of creating partnerships with local and international stakeholders to protect biodiversity and support initiatives in the areas of health, youth, women and people with disabilities</p> <p>FITT adheres to the UN Global Compact.</p>

From benefit to strategy, 2022 at a glance

FITT's history of commitment led to its transformation into a Benefit Company as an essential turning point in integrating sustainability into its corporate strategy. 2022 was the year of consolidation of the strategic path and of the shift towards the implementation of the new strategy.

2019	FITT includes sustainability as one of the pillars of its corporate vision.
2020	FITT starts measuring its own sustainability baseline. First materiality matrix. Sustainability training begins in the Office & Operations areas. Start of path for measuring products using the LCA.
2021	FITT becomes a Benefit Company. FITT publishes its 1st Sustainability Report. Smartworking Policy (3wk).
2022	FITT develops "The Responsible Flow 2030", its sustainability strategy to 2030. Second materiality matrix. FITT People awareness campaign regarding SDGs issues. Use of ESG finance.

In the light of the identified Sustainable Development Goals and consistently with the common benefit objectives, an action plan at all levels with focused targets has been issued for every year. Each action entails the involvement and responsibility of various area managers, in line with FITT's sustainability strategy, "The Responsible Flow 2030".

Following the path started in 2021, FITT has renewed its commitment to the following environmental, social and governance activities.

Environment

- FITT has purchased energy from renewable sources for its Italian production plants
- FITT has started installing photovoltaic panels on the roof of its production plant in San Pietro in Gu,
- FITT has mapped the following products with certified LCA: FITT B-active, FITT Force Pro. FITT Sewer is EPD certified, while FITT Interpact M1 and FITT Batipro System are awaiting for their registration date,
- FITT has launched FITT Force Carbon Neutral, the first carbon neutral hose in the European gardening sector.
- All the new FITT's suppliers have completed the SAC supplier assessment questionnaire: a tool for assessing the social, ethical, environmental, health and safety performance of suppliers, assigning scores that will result in approval or rejection.

UN SDGs	PLANNED ACTION	2021	2022
#7	100% procurement from renewable energy sources.	✓	✓
#12	Strengthening of ecodesign criteria for new products.	✓	✓
#13	Environmental Product Analysis (EPD) for new products.	✓	✓
#13	Purchase of carbon credits for compensating the production phase of innovative and sustainable products (-10% CO ₂ eq emissions compared to the previous version).	✓	✓
#13	Home-Work Travel Plan (HWTP).	WIP	WIP
#6	Reduction of water consumption in the production processes.	WIP	WIP
#12	Improved separate waste collection in all offices and facilities.	✓	✓
#12	Evaluation of current and new suppliers from an ESG perspective.	✓	✓
#12	Procurement action plan following the Sustainability-ESG criteria.	WIP	WIP
#7	Design and construction of the first photovoltaic system (San Pietro in Gu plant).		✓
#7	Design and realisation of additional photovoltaic systems.		✓

Social

- Still ongoing in 2022 are the investment for improving safety measures on production facilities, to maximise the safety of workers.
- The FITT People has been involved in an awareness campaign regarding the 7 SDGs incorporated in the strategy of the Group.
- 100% of the Italian sales network has been trained in sustainability issues,
- FITT is the first company in Italy to be twinned with the Città della Speranza (City of Hope) Onlus non-profit foundation,
- FITT signs a partnership with the Women For Freedom association,
- FITT For School: FITT has started to raise the awareness on sustainability issues through training sessions in the territory in which it operates.

UN SDGs	PLANNED ACTION	2021	2022
#8	Evaluation of the competence profile of employees - "People Review."	✓	✓
#8	Online survey on new needs in terms of welfare services/work life balance/volunteering/outreach to the external community.	✓	
#8	Survey focusing on understanding job satisfaction and related working conditions and environment, skill development, pay satisfaction.	✓	
#8	Corporate Welfare Plan with new dedicated conventions for employees.	✓	✓
#8	Diversity Management and Equal Opportunity policy.	WIP	WIP
#17	Community Development actions with non-profit organisations.	✓	✓
#17	FITT Community School-Social Skills Development Training School with volunteer Employees		✓
#17	Corporate voluntary work days.		WIP
#17	Sustainability training for all the FITT People.	✓	✓

FITT For School: The FITT People make their expertise available to the middle school students of Fara Vicentino.



Governance

- FITT applies the concept of sustainable development to the financial activity through the use of green finance,
- FITT's second materiality matrix is produced, with the involvement of internal and external stakeholders,
- FITT further strengthens its internal governance by creating 3 new committees (Business Sustainability Think Tank), with the aim of turning sustainability into a business driver,
- On request of its customers, FITT is present in the following rating platforms: Ecovadis, Integrity Next, Achilles and Smeta-Sedex,
- FITT was awarded the Ecovadis gold medal in October 2022.

1
Realised in 2021.

2
Maintained in 2022.

UN SDGs	PLANNED ACTION	2021 ¹	2022 ²
#17	Adoption of the Company Benefit legal form for FITT S.p.A.	✓	✓
#17	Alignment of managers on shared environmental, social and economic sustainability objectives.	✓	✓
#17	Assessment of the performance of managers against sustainability targets.	✓	✓
#17	Issue of Sustainability Report with GRI criteria.	✓	✓
#17	Creation of the Sustainability Committee.	✓	✓
#17	Strengthening of the sustainability governance (creation of the Garden and Building Think Tanks).		✓



consistently with "the responsible flow 2030" strategy, annual action plans were defined at all levels, involving various area managers.

materiality analysis

Sustainability reporting focuses on issues that reflect the impact, positive or negative and actual or potential, of the activities of the organisation on the economy, the environment and people - including on human rights -, and capable of significantly affecting the perception of the stakeholders. In addition to being the focus of sustainability reporting, these aspects are central in guiding the corporate strategy.

In 2022, the materiality matrix, first created in 2020, was updated through questionnaires, the organisation of focus groups and one-on-one interviews with internal and external stakeholders. Compared to the previous edition, in 2022 the main stakeholders also include suppliers of products and services. The company actively involved the FITT People in this process, with 65 workers responding to an online questionnaire and 9



through the materiality analysis, FITT identifies issues of interest for its stakeholders, both internal and external.

individual interviews with Think Tank members. Special attention was paid to the involvement of external stakeholders through the distribution of 50 online questionnaires, with a 50% response rate.

A focus group was also organised, dedicated to 7 categories, including customers, suppliers and not-for-profit organisations, which allowed stakeholders from different areas and countries to come together “live”, creating an innovative way of approaching and developing topics, highlighting country-specific needs and ways of acting on specific issues, whilst maintaining common objectives.

A dashboard comparing the materiality analysis results, GRI requirements, ESG ratings, green finance commitments and targets and indicators relevant to The Responsible Flow 2030



To update its materiality matrix, in 2022 FITT interviewed 74 internal and 50 external stakeholders.

was created, in order to build a cohesive and meaningful view of impacts and potential risks.

With respect to the three ESG areas, the creation of the comparison dashboard drove FITT to set out the activities that led to this sustainability report taking into account three key guidelines:

- Environment: substantial alignment between Strategy, materiality analysis, Cerved's ESG rating and refinement of the set of indicators placed under control;
- Social: substantial alignment to be completed with quantitative targets relating to community partnership activities;
- Governance: work area considered strategic by the Group; to be strengthened in some aspects regarding the definition of the goals.

The following page shows the list of topics taken into account for the materiality analysis in the year 2022.

This diagram shows the areas and topics of the questionnaire submitted to internal and external stakeholders.

PILLAR	TOPIC	REF. MATRIX	DESCRIPTION
Environmental	Resource circularity and process	1	Management practices to reduce raw materials and emissions throughout the product life cycle and production processes; reuse, recycling, recovery and redesign of various waste materials. It is important for FITT to ensure the responsible use of water resources by avoiding water waste and losses, to maximise the reuse of waste, know the impact of its products throughout their whole life cycle, using the Life Cycle Assessment tool, and use packaging with less environmental impact.
	Carbon reduction	2	Reduction of greenhouse gas emissions associated with the business activities.
	Product sustainable innovation	3	Research and development of new solutions and materials with low environmental impact for products and production processes. It is important for FITT to consider, starting from the design of its products and also during production, not just performance improvements but also innovative solutions that avoid water wastage and losses during use. FITT certifies the environmental performance of its products (e.g. EPD and Carbon Compensation).
	Customer health and safety	4	Prioritise end-user and customer satisfaction through the development of procedures and systems for monitoring and managing their satisfaction and any complaints.
Social	Employee professional growth	5	Programs and activities for the continuous update of the knowledge and skills of company employees.
	Employee well-being	6	Management of various activities to ensure psychological and physical well-being and work-life balance.
	Diversity, Equity and Inclusion	7	Gender, cultural, ethnic, social, religious diversity of employees and other stakeholders seen as a wealth of values and contributions for corporate change activities.
	Projects with local communities	8	Involvement of the company in various initiatives and projects in collaboration with the local community (schools, voluntary associations, small businesses), to support the social and economic development of the area.
Governance	Business ethics	9	In addition to ensuring compliance, ethical corporate behaviour (based on transparency and fairness towards all internal and external stakeholders) also sets the company apart in terms of its social sustainability values.
	Sustainability governance	10	The set of policies and procedures that govern the organisation and management of the activities of the company for positive environmental and social sustainability impacts.
	Risk management & shared value	11	Managing risks to the safety of employees, the environment and the business is a fundamental corporate obligation to ensure good economic performance and maintain a sustainable organisation over time, and to ensure positive benefits and impacts for both customers and the various stakeholders. It is important for FITT to build partnerships with stakeholders that have a positive impact on the community.
	Sustainable supply chain	12	A sustainable supply chain includes the evaluation and selection of suppliers also based on social and environmental criteria that follow the best existing standards.

The 2022 matrix is streamlined in terms of topics compared to the previous edition, due to a smaller number of topics for which definitions and links to FITT's business have been shared. The matrix shows the 12 issues considered of importance by FITT and its stakeholders, positioned on the relevant axes.

The 2022 materiality analysis shows a very clear focus on environmental issues related to circularity and sustainable innovation of products and processes and carbon reduction, as well as an area of work related to the FITT People in terms of well-being and professional growth.

With regard to the environmental dimension, FITT's approach is again focused on process and product innovation, supported by scientific analysis and certification. This is reflected in the application of ecodesign guidelines, the extension of the systematic approach and the continuous improvement in the use of recycled materials that characterise the strong commitment on the product front, as well as in the investments in the reduction of emissions from the Italian plants and in the study of future post-consumer recycling chains.

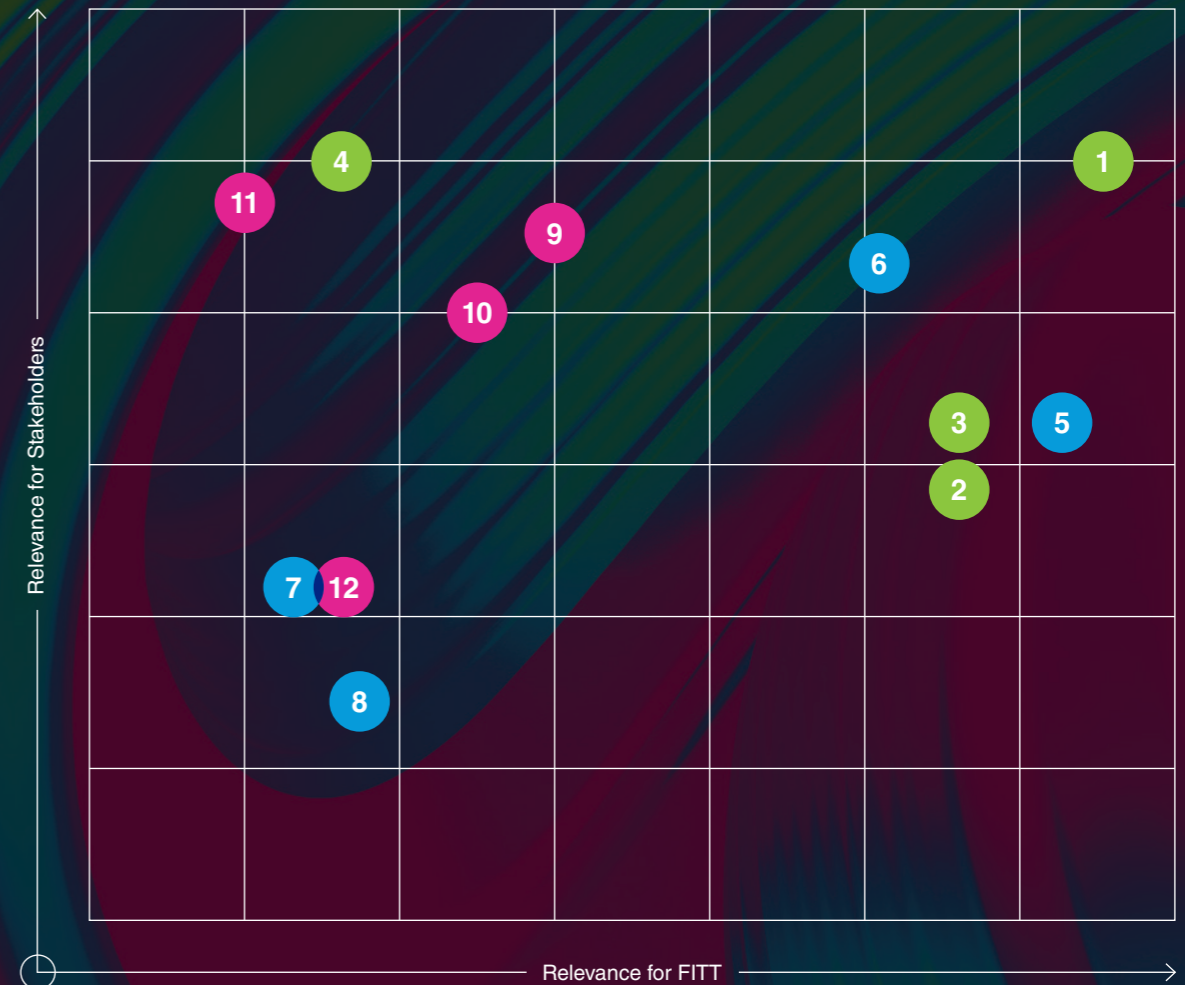
The chapters "Stream of production" and "Spreading innovation" describe in more detail the main environmental initiatives implemented during the year. Issues relating to the well-being and professional development of the FITT People are also important to both stakeholders and FITT, who recognise their central role in the company's development and the importance of developing their talents and potential, including through work-life balance programs. The "Innervating people energy" chapter describes in more detail the main personnel initiatives implemented during the year.



in 2022, the materiality matrix, the last version of which dated back to 2020, was updated through questionnaires, the organisation of focus groups and one-on-one interviews with internal and external stakeholders.

INSIGHT

Materiality Matrix 2022



Legend: the 2022 matrix shows the 12 topics deemed of importance by FITT and its stakeholders, positioned on the corresponding relevant axes (see pages 38-39 for details).

Environmental

- 01_Resource circularity and process
- 02_Carbon reduction
- 03_Product sustainable innovation
- 04_Customer health and safety

Social

- 05_Employee professional growth
- 06_Employee well-being
- 07_Diversity, Equity and Inclusion
- 08_Projects with local communities

Governance

- 09_Business ethics
- 10_Sustainability governance
- 11_Risk management & shared value
- 12_Sustainable supply chain

stakeholder engagement

The interrogation 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 offer of services and products but also for identifying the needs and expectations of its employees and the community.

<u>Employees and external collaborators</u>	They are 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.
<u>International customers</u>	Very different figures, such as: retailers, commercial distributors, private customers, construction companies, local retailers, companies of various sectors and agricultural and infrastructure consortia.
<u>Suppliers of products and services</u>	Mainly of raw materials needed to manufacture FITT products.
<u>Public institutions</u>	They 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.
<u>Local community</u>	Entities belonging to the Third Sector, civil society, PA, and citizenship at large. 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.
<u>Trade unions</u>	They call for responsible business management, full enforcement of labour standards, involvement and timely information on issues relevant to the people of the company.



Stakeholder engagement is an important part of FITT's organisational policy and strategy formulation.

One of the challenges of the Group 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.

Therefore, some stakeholders were involved in the process of revising the materiality matrix, as described in the dedicated chapter. But the real cultural change occurred with the progressive contamination of the contexts entailing relation and engagement with stakeholders with The Responsible Flow 2030 strategy objectives, which made it possible to enhance the path defined by the Group with opportunities for sharing ideas and, above all, co-design initiatives.

Some examples of stakeholders

- Città della Speranza (City of Hope)
- Women for Freedom
- Adeo supplier meeting
- Leroy endorsement letter
- Greentech Conference
- Intesa Sanpaolo and resale group event
- Green Week
- Participation in trade fairs: Gafa, Interclima, Piscina22, Agra Middle East, K 2022 Trade Fair)
- FITT Experience

managing the flow

Managing change, aligning goals and expectations for a sustainable future: an energy flow that never stops, with constantly evolving forms of governance to keep it going.

→ 03

sustainability governance

The Sustainability Think Tank, created in 2021, became fully operational in 2022, during which it channelled all FITT's sustainability objectives into The Responsible Flow 2030 strategy through bimonthly meetings. It also generated three new Business Think Tanks, into which objectives are poured and from which concrete projects, sustainable innovations and performances shared with the market in terms of sustainability are derived.

The Business Think Tank is the link between The Responsible Flow 2030 and the market. It is here that the processes relating to market analysis, product development and the creation of strategic partnerships find the highest expression in terms of sustainability, supported by characteristic corporate processes.

The idea behind this governance approach is to have a structure for thinking and acting in order to monitor impacts and generate sustainable change at corporate and macro-business unit level (Building, Garden and Industry) for effective transfer to products, processes and markets.

In 2022, the process of structuring the Sustainability Department began. The department will share responsibility for the impacts generated with the Corporate Think Tank and the Business divisions.



INSIGHT

Sustainability Corporate Think Tank

FITT's Sustainability Think Tank, active since 2022, drives the sustainability goals of "The Responsible Flow 2030" strategy. It generates innovative projects and sustainable performance, and promotes corporate sustainability.

Functions involved

Management Team, HSE, Brand&Communication, Sustainability, Community Management

KPI

- 20 corporate Think Tank 2022
- 60 dedicated hours



Business Think Tank

FITT's Business Think Tank links strategy and market, driving sustainability and business change.

Functions involved

IGT, Operation, Marketing & Communication, Sales

KPI

- 5/12 meetings per year for each Think Tank
- 3 hours on average per month

2022 objectives

KPI definition and implementation of "The Responsible Flow" strategy.





FITT Bluforce, made of PVA, is the high performance solution for drinking water networks and irrigation systems.

Building

In the Building trade, sustainability awareness is developing in both the private and public sectors: the former is moving towards the definition of the sustainability requirements within products, but also the first requests for certifications attesting to the sustainability levels of the solutions offered by suppliers. On the other hand, the public sector is paying attention to environmental impacts by including in Legislative Decree 36/2023 “Code of public contracts,” energy and environmental sustainability criteria.

As part of its Business Think Tank, in 2022 the Division developed some ideas on how to integrate sustainability both into its own products and at market positioning level.

On the product side, the work was divided into 3 design strands which, based on the Group's ecodesign guidelines, led to the creation of 3 products with sustainability features such as the use of post-consumer recycled material or the reuse of material from the own production cycle. FITT Bluforce RJ is FITT's pipe made of thermoplastic material with tensile resistant integrated and non-slip mechanical and hydraulic tightness jointing system. It's ideal for *trenchless* applications such as Horizontal Directional Drilling (HDD), therefore without the need for open trenches, which can significantly reduce impacts when compared to a traditional construction site. The FITT Bluforce RJ innovation is described in the Spreading Innovation chapter.

From a positioning point of view, the Division is an active player in the market, for example through its main partnership with Terrevalute, Festival della Bonifica (Terrevalute, Reclamation Festival), an opportunity to share communication and awareness-raising material on the issues, which now constitute a permanent platform for discussion in all meetings with customers.

Garden

Although the market is still in its infancy in terms of sustainability, FITT has been able to differentiate itself by developing expertise in measuring the environmental impact of its products. This represents one of the most significant innovation efforts in order to achieve a market leader position.

Based on the FITT Group's strategy and market trends, the Business Think Tank of the Garden Division has issued a roadmap for developing a range of products with reduced environmental impact through the use of recycled materials, the reduction and compensation of emissions and a review of the packaging. In 2022, this roadmap led to two products: FITT Force Carbon Neutral and FITT NTS eco, both of which are able to reduce CO₂ emissions over their entire life cycle, as shown by the Life Cycle Assessment. Moreover, during the year, the partnership with the Gardena Group brought to a PVC-free product for the EcoLine range, using recycled materials and 100% recycled fibre packaging.



FITT NTS ECO is the garden hose that combines outstanding performance with a reduced environmental footprint.

In fact, GARDENA EcoLine is the first range of garden tools made from at least 65% post-consumer recycled material. These products are described in detail in the Spreading Innovation chapter.



the business think tanks were created with the aim of connecting the corporate strategy to the markets in which fitt operates, enabling the development and integration of sustainability strategies in the building, garden and industrial divisions, and ensuring a sustainable footprint at every stage of the activities of the company.



B-Active Flex & Rigid hoses & pipes ensure maximum safety, strength and durability in any swimming pool.

Industrial

Market pressure on sustainability is very limited and depends largely on the sensitivity of the individual operator. Combining high performance and sustainability objectives is the challenge for the FITT's Industrial division on which the Business Think Tank is working, particularly in terms of reducing raw materials and using recycled materials.

In 2022, FITT signed a major commercial partnership with Fluidra, one of Europe's leading swimming pool companies, manufacturer and distributor of products for swimming pools, irrigation systems, water treatment and the transport of liquids. Together with its foundation, Fundació Fluidra, and Fundación CRAM, FITT has undertaken a plan for the renovation of a centre dedicated to the rescue of marine animals.

The aim for the coming years is to develop new sustainable products together with this important partner. The story of this collaboration can be found in the Communities connection section.

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 also a point of reference for new growth opportunities on many levels. The values at the basis of its drafting are the result of an internal discussion process involving a cross-functional team which, through a collaborative bottom-up process, led to the identification of the values of the FITT People.

<u>Respect</u>	We care about our relationships with others; we take into account diversity, and the ideas of everyone in our company.
<u>Responsibility</u>	We all share the success of the company. Each of us is responsible for our own role.
<u>Think Positive</u>	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.
<u>Be Brave</u>	The future that we want to build is challenging and we want to face it with energy and courage.
<u>Teamwork</u>	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

Taken together, these principles ensure that the relations with all the stakeholders are fair and provide the basis for deriving concrete rules of conduct.

- | | | |
|---|---|--|
| #1
The value of the individual | #2
Listening, respect and predisposition to dialogue | #3
Sharing and shared responsibility |
| #4
Integrity and Transparency | #5
Fairness and absence of conflicts of interest | #6
Confidentiality and privacy |
| #7
Fighting corruption | #8
Fair competition | #9
Anti-money laundering |
| #10
Financial integrity and accounting transparency | #11
Research, innovation and intellectual and industrial property | #12
Respect of human rights |
| #13
Protection of the environment | #14
Occupational health and safety | #15
Compliance with the laws and regulations of the countries in which we operate. |

In 2018, FITT S.p.A., the largest subsidiary, adopted the organisational and management model in accordance with Legislative Decree no. 231/01 only as far as safety and environment offences, then updated in 2022 and extended to all the sensitive areas of activity, taking into account all predicate offences.

In 2021, FITT S.p.A. also adopted a “whistleblowing” procedure, updated in June 2023 with the entry into force of Legislative Decree no. 24/2023, which provides for various channels through which reports of unlawful behaviour can be forwarded. These channels guarantee the confidentiality and anonymity of the reporter in case of anonymous reporting. The Code of Ethics is communicated to suppliers through publication on the company website and, where possible, by including a contractual clause. In 2022, following the update of the model, a training program on Legislative Decree 231/2001 involving all the FITT People was also implemented.

To date, the training has been delivered to colleagues of the following areas: Health, Safety and Environment, Purchasing and Administration, Human Resources, Building Division, Product Research and Development. The training will continue in 2024 and, starting from 2023 has also been delivered to newly appointed personnel as part of the “Induction” plan followed by FITT S.p.A.

At the same time, in accordance with Legislative Decree 231/2001, the Supervisory Board appointed by the company carries out its activities for ascertaining and monitoring the compliance of the company with the Management Model, in accordance with its activity plan, approved every year and which entails approximately four audits per year.

The focus of the FITT Group on conducting its business ethically is evidenced by the fact that there were no cases of declared non-compliance with laws and regulations during the two-year period. In addition, all Group companies were analysed for corruption risk and no causes for concern were found.

Every day, the FITT People are committed to upholding the ethical principles that form the basis of the existence of the company.



risk analysis, green finance and esg rating

2022 will also be remembered as a watershed year in the global perception of interdependence and fragility, with the food crisis triggered by the conflict in Ukraine, the food price index soaring to unprecedented levels, and the worst drought in at least 500 years recorded on the European continent, with 47% of the continent in alert, 17% in red alert and 400,000 hectares of grassland and forest lost to fire.



looking back on the 2020-2022 three-year period, it is fair to say that society as a whole and companies in particular have been called upon to deal with very complex historical circumstances, from the covid-19 pandemic to the outbreak of the war in ukraine.

2022 was a black year for climate, marked by an acceleration in weather events that caused much damage and loss of lives. For FITT, these elements become constitutive of the Group's strategic projection into the future, in which water management is central, not only for its business, but also, and above all, for its potential to generate positive impacts in terms of rationalising consumption, recoverability and management in residential, urban and industrial situations. In addition, the management of operational and market risks is increasingly linked to global processes (raw material sourcing, transport, etc.) that must necessarily be monitored and controlled with a view to sustainability.

INSIGHT

Green Finance e rating ESG

On 20 December 2022, the subsidiary FITT SpA issued a non-convertible debenture loan for a total nominal amount of 10,000,000 Euros, at a variable rate and maturing on 20 December 2028, with UniCredit and Cassa Depositi e Prestiti, and based on financial and ESG covenants.

For this transaction, FITT SpA. was specifically ESG rated by Cerved and received an ESG score of 73 out of 100, considered a "high" performance rating.

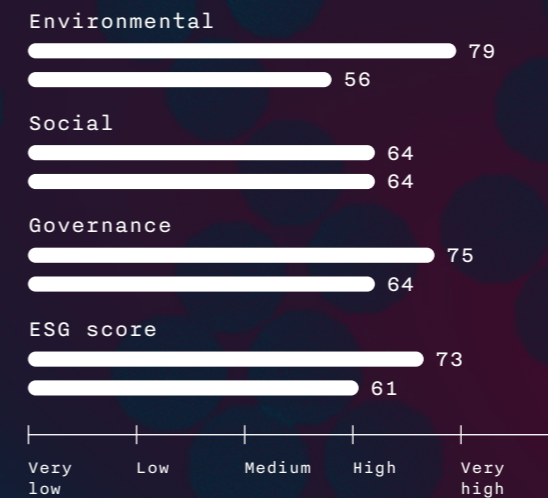
In addition to the debenture loan, FITT also entered into three green loan agreements with three banks - BPM, UniCredit and Intesa San Paolo - on the basis of identified agreed KPI reduction trends in the areas of health and safety, CO₂ equivalents, energy consumption reduction, employee welfare and sustainability training. Performance reporting is under way

ESG SCORE



HIGH PERFORMANCE

BREAKDOWN OF ESG SCORE BY SECTION

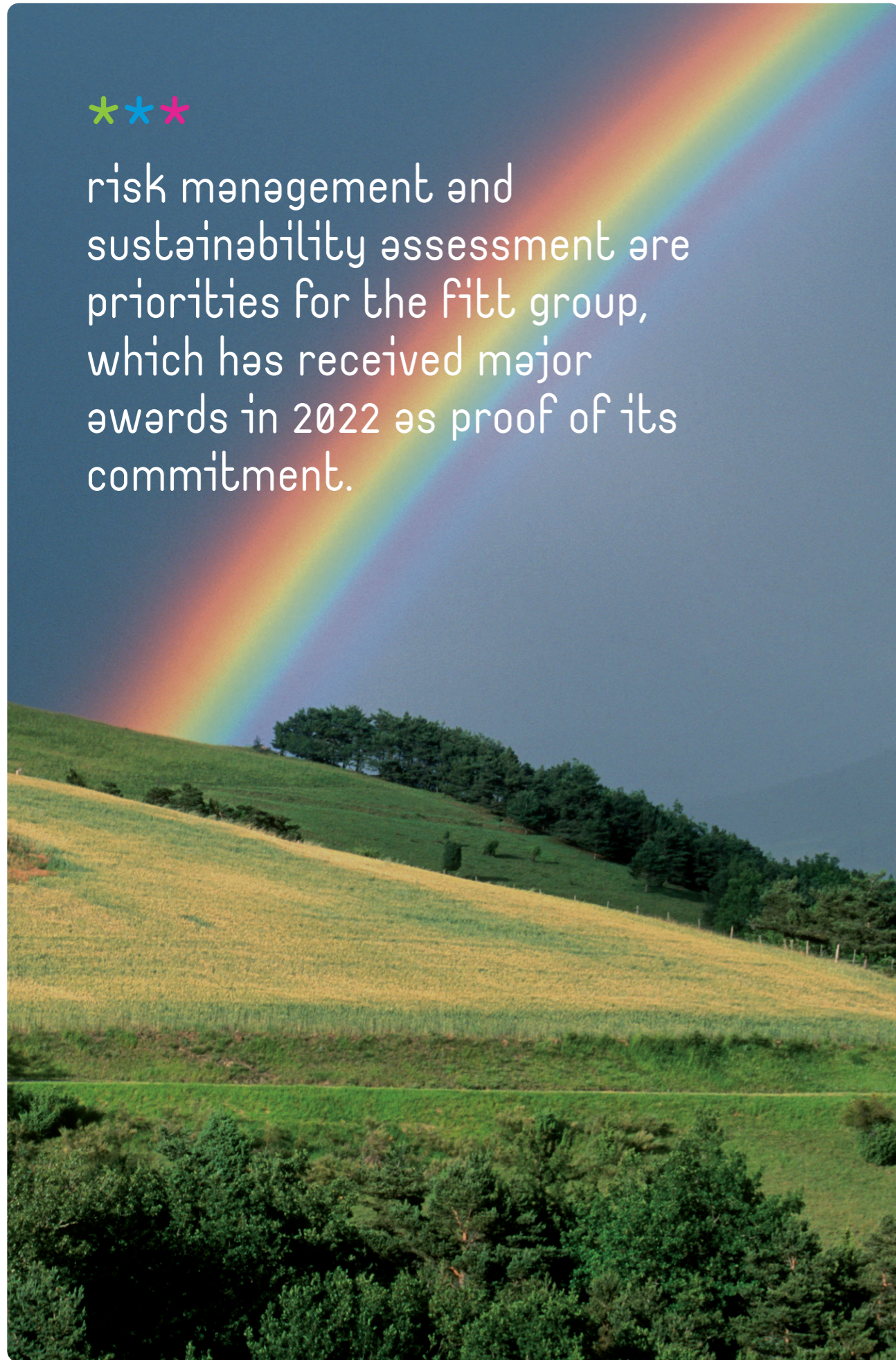


and will follow the guidelines of this Sustainability Report.

The development of the relationship with UniCredit has also provided the opportunity to participate in networking and discussions dealing with sustainability issues as part of their green finance and financial education programs.



risk management and sustainability assessment are priorities for the Fitt group, which has received major awards in 2022 as proof of its commitment.



In FITT, the risk assessment today mainly relates to financial risks and the Quality Management System (ISO 9001), and is carried out by FITT S.p.A., taking into account both internal and external factors.

A SWOT Analysis is carried out on a regular basis, with the aim of identifying risks and opportunities for the company and the impact on stakeholders. The risk assessment is constantly monitored and updated at least once a year, or in case of significant internal or external events, like for example the pandemic crisis.

As evidence of the Group's commitment and continuous improvement in the area of sustainability, here are the ratings obtained by the Group in 2022.

Ecovadis



FITT was awarded the Gold EcoVadis Medal, placing it among the best companies rated by the international rating agency. This has been possible thanks to the consistent work of the company in structuring its commitment towards sustainability, first by becoming a Benefit Company, and last year by defining its sustainability strategy, "The Responsible Flow 2030"

EcoVadis is the world's first and largest platform for sharing information on sustainability performance in the supply chain. It is based on major international standards, such as the Global Reporting Index (GRI), the 10 principles of the Global Compact and the ISO 26000 standard, and investigates four corporate areas: environment, labour and human rights, ethics and sustainable procurement.

Carbon Disclosure Project



Participation in the CDP allows FITT to manage its climate strategy by committing to carry out a thorough risk analysis and set timely reduction targets. CDP (Carbon Disclosure Project) is an international non-profit organisation that enables companies to disclose and report their own risks connected with climate change and communicate their environmental performance to stakeholders.

Achilles



FITT was awarded a silver medal in its first year of participation to the Achilles platform. The assessment takes into account the approach of the company as regards to ESG issues and sustainable supply chain management, enabling the company to monitor its performance with a view to delivering increasing value to customers.

3.4

creation and distribution of shared value

After a year of significant growth in 2021, a sharp drop in demand was recorded in 2022, with a decline in sale, particularly in the European DIY sector. The number of linear metres produced fell, but the upward trend in prices allowed continuity of the results. FITT SpA, Poland and Monaco recorded a slight decrease in sales, while things remained virtually stable in France and an increase was recorded Spain and the United States.

The distribution of turnover among the Business Units of the FITT Group remained at levels similar to the previous year, with a slight decrease in the Industrial BU (-5.7%) and an increase in the other two: +2.6% Building and +.0.6% Gardening.

3a Revenue by business line (€)

Entries	2021	2022
Total turnover	304,490,986	305,504,978
Industrial	53,663,273	50,595,619
Building	133,956,584	137,398,283
Gardening	116,871,130	117,511,074

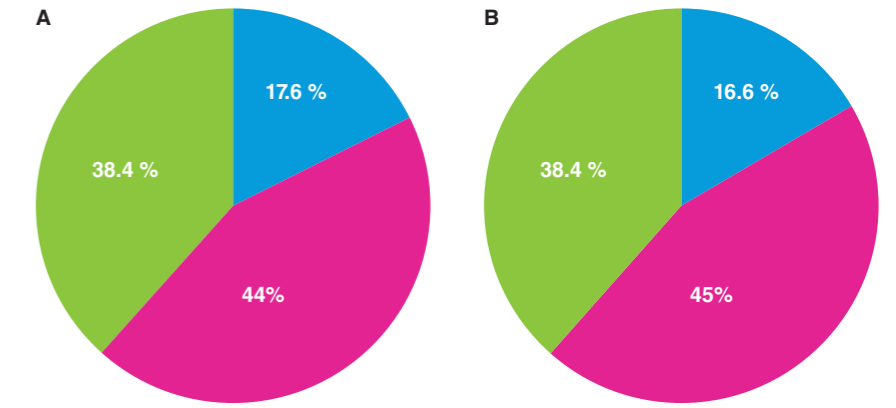
Over the past year, FITT's product range has been strongly directed towards private customers, also thanks to e-commerce. In fact, the turnover from this customer category increased by 46.5%. A slight increase was also recorded in the Large Scale Distribution sector (+2.62%).

3b Revenue by customer type (€)

Entries	2021	2022
Total turnover	304,490,986	305,504,978
Retail customers	78,707,444	80,766,789
Private customers	454,293	665,432
Other	225,329,249	224,072,757

A Breakdown of turnover by business unit (year 2021).

Industrial ■
Building ■
Gardening ■

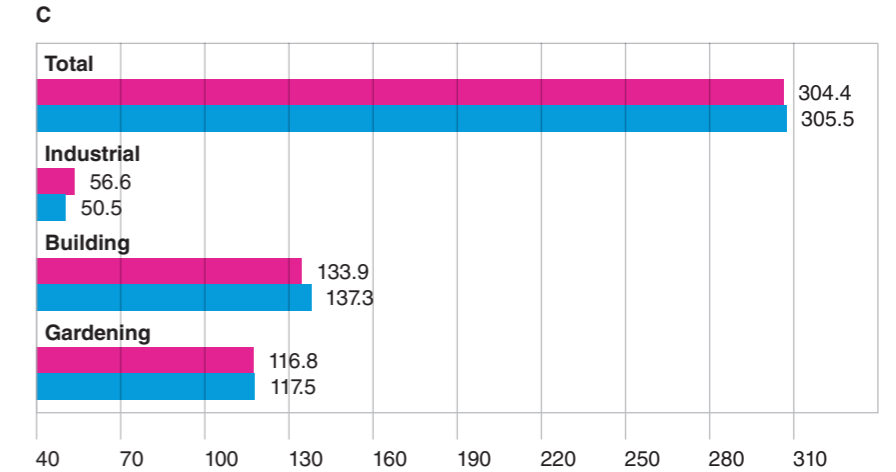


B Breakdown of turnover by business unit (year 2022).

Industrial ■
Building ■
Gardening ■

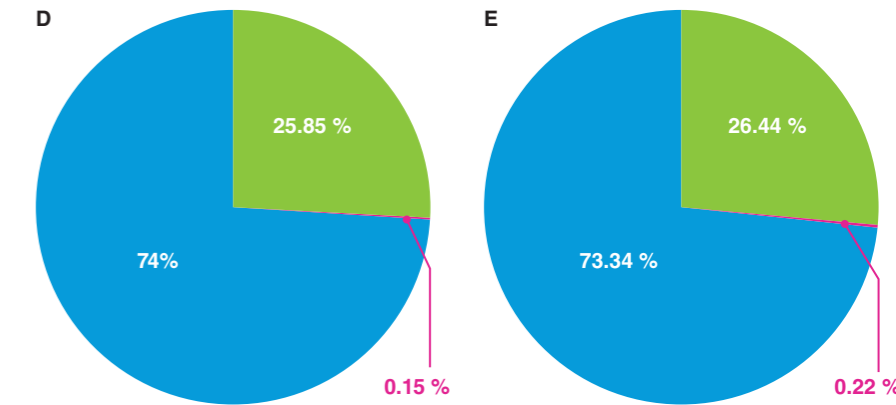
C 2021 - 2022 turnover comparison by business unit (million Euros).

2021 ■
2022 ■



D Breakdown of turnover by customer type (year 2021).

Retail customers ■
Private customers ■
Other ■

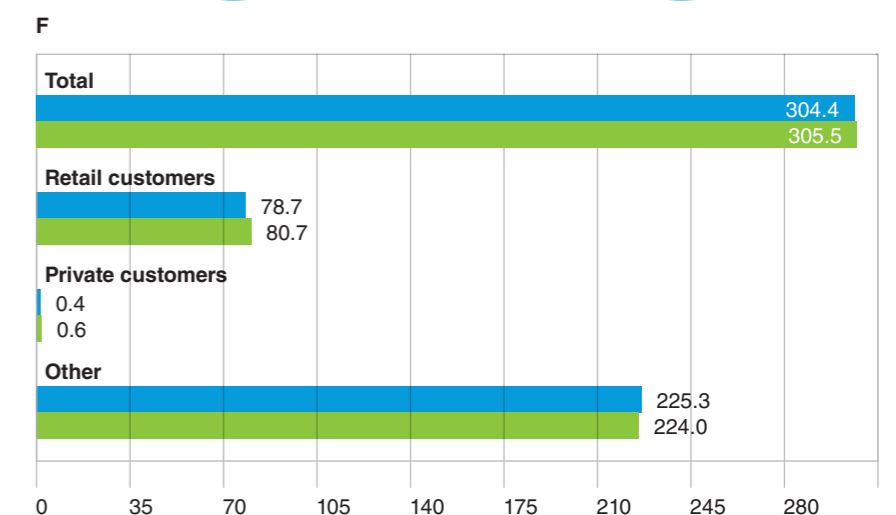


E Breakdown of turnover by customer type (year 2022).

Retail customers ■
Private customers ■
Other ■

F 2021 - 2022 turnover comparison by customer type (million Euros).

2021 ■
2022 ■



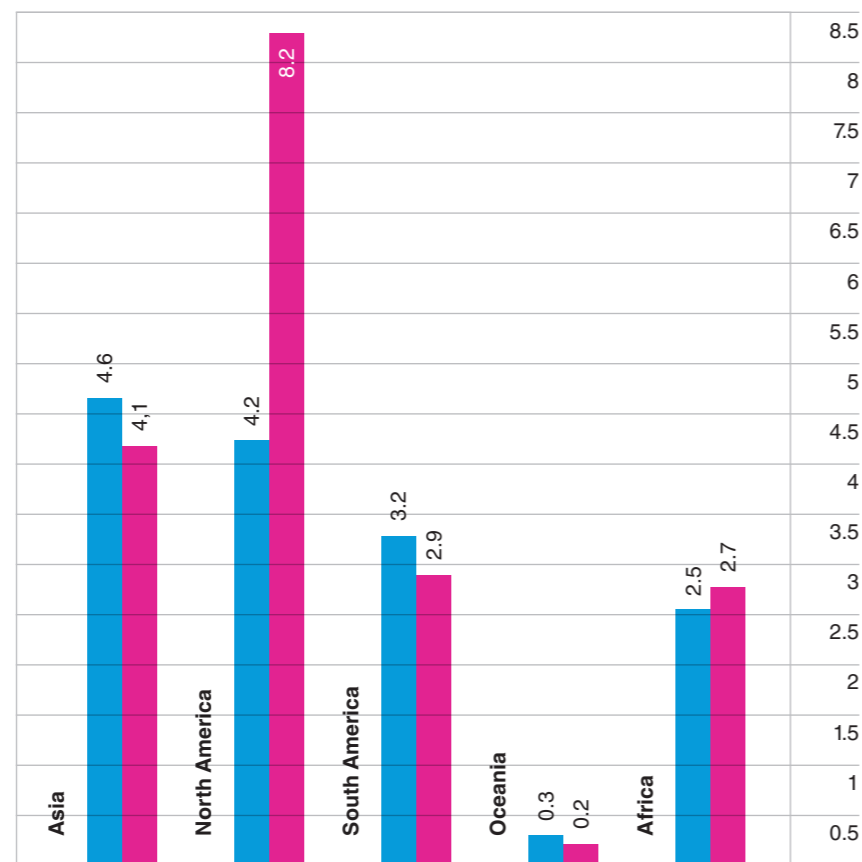
Europe remains FITT's leading market, totalling almost 94% of the turnover, followed by North America with 2.7% and Asia with 1.4%.

3a	Entries	2021	2022
Revenue by business line (€)			
	Total turnover	304,490,986	305,504,978
	Europe	289,414,764	287,104,608
	Asia	4,660,632	4,186,214
	North America	4,240,124	8,288,488
	South America	3,293,674	2,906,681
	Oceania	318,059	234,611
	Africa	2,563,733	2,784,376

The Group also saw a significant rise in energy costs, which accounted for more than 75% of cost increases, partly covered by non-repayable grants allocated to FITT, as well as significant increases in transport and freight costs due to the limited availability of these services.

Turnover comparison, non-European geographical areas (millions of Euros)

2021 ■
2022 ■



As far as raw material, after a steady price increase between the end of 2020 and the end of 2021, the situation stabilised again during the second half of the year. Due to market dynamics, only part of these increases was reflected in the selling prices.

At prospect level, there is a specific impact on the variations of inventories due to the decrease of raw material prices recorded in 2022 on the extensive stocks of 2021, and a small impact due to operating contributions.

The Added Value has the objective of highlighting 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.



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 the cost efficiency management parameters and the expectations of the stakeholders themselves.

In 2022, FITT's Gross Global Added Value reached 65 million Euros approximately, a 16% variation from 2021. As indicated above, the variation is largely due to the increase in energy costs, as well as an essentially stable generated value due to higher prices in relation to the linear metres produced. 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 2022, FITT's Gross Overall Added Value was 16% lower than in the previous year. This means a decrease in the payment by the company to the reserve, as well as to the public administration, while the payment to the community is stable as a percentage of the total distribution and the remuneration to employees increases.

The implementation of The Responsible Flow 2030 strategy is also being carefully monitored in financial terms, with a shared medium to long term perspective and recognising sustainability as a critical success and risk mitigation factor.

For this reason, investments in equipment and processes are driven by the search for best sustainability and innovation performance and are seen as a reasonable minimum threshold for projecting FITT's production capacity into the future. The same applies to investments in research, development and technology, where FITT excels not only in product design but also in process design, and therefore in the design of production equipment, thanks to the direct work of dedicated in-house teams.

3d / Generated added value (thousands of Euros)		
Entries	2021	2022
A / Generated value	329,147.34	315,641.94
Revenue from products and services	304,490.99	305,504.98
Change in inventories on behalf of third parties	20,991.48	1,604.16
Other revenue	3,664.87	8,532.80
B / Operating costs	-253,576.10	-250,909.29
Raw material costs	-202,444.82	-182,502.38
Costs of services	-57,324.95	-65,370.25
Risk provisions	-2,616.02	-109.00
Adjustment of the value of tangible and intangible assets and trade receivables	-968.66	-315.86
Other operating costs	9,778.34	-2,611.80
C / Income net of bank charges	1,416.83	-99.24
Revenue from financial activities	752.88	394.18
Bank charges	663.95	-493.42
Global gross added value	76,988.07	64,633.41

Operating costs for certification, training, sustainable procurement and services are evaluated on a cost-benefit basis from the perspective of the sustainability strategy. In 2022, the costs of the sustainability teams have also increased, not only in terms of the structure of the sustainability department, but also of their distribution across the different functions of the strategy.

3e / Distributed added value (thousands of Euros)		
Entries	2021	2022
A / Remuneration of staff	43,941.53	43,250.68
Personnel costs	43,941.53	43,250.68
B / Repayment to the public administration	6,529.29	2,484.08
Current, deferred and prepaid income taxes for the year	5,588.30	1,210.33
Other taxes and duties (non-deductible VAT)	940.99	1,273.75
C / Repayment of debt capital	1,739.15	1,887.85
Short and medium term capital charges	1,739.15	1,887.85
D / Repayment of risk capital	-	-
Profit distribution for the year	-	-
E / Remuneration for the community	261.77	250.01
Membership contributions and sponsorships	123.04	143.44
Contribution to Universities and Research Centres	132.71	68.84
Donations and gifts	6.02	37.73
F / Remuneration for the company	24,516.32	16,760.79
Result of the year allocated to reserves	14,799.38	6,950.88
Depreciation	9,716.94	9,809.91
Global gross added value	76,988.07	64,633.41

spreading innovation

Nature's ingenuity as inspiration: the multiple solutions for managing water and air, together with the interdependence with all living things, allows FITT to look positively towards tomorrow to generate shared innovation.

→ 04

eco-design and performance measurement

Design has always been the field of future exploration. It begins with the first step, to then become a wealth of research and pursuit of intuitions that feed projects, attempts, prototypes, finally leading to a large or small piece of actual and tangible future. Today, when the future seems complex and requires us to operate with an increasingly open mindset, looking at mining, production and consumption processes from a multi-stakeholder perspective, we need to ask the right questions and explore extraordinary possibilities.

With all this in mind, attention to the social and environmental interdependencies of products is a key aspect of FITT's way of innovating, and circularity becomes a distinctive feature of its solutions. The use of the latest technologies in terms of efficiency and quality then allows the development of product lines at the forefront of sustainability, starting with a key tool: the Ecodesign Guidelines (see box opposite).



by applying ecodesign guidelines, fitt manufactures products with reduced environmental impact during their life cycle.

These guidelines are applied both during the production of branded products and in the development of customer products, and although there is more scope for experimentation in branded production, also for catalogue production the principles are rooted in the logic of the company. For example, the durability that distinguishes FITT's production range, thanks to the use of PVC, or the reparability of the gardening range, due to the possibility of disassembling the accessories of ready-to-use systems, so that the damaged section of the hose can be cut and discarded as necessary, an aspect that is particularly relevant to the American market due to the method of fixing accessories.

INSIGHT

Ecodesign Guidelines

1_performance

A1_Safety for the consumer
FITT is committed to complying with market standards on chemical (REACH) and product safety, and is therefore committed to eliminating SVHC substances from its products.

A2_Duration of products
FITT is committed to guaranteeing product durability throughout the expected life for the application and to improving performance, so that it can be extended as long as possible.

A3_Repairability
FITT is committed to ensuring that all its products can be repaired by the user.

2_reduction

B1_Raw material reduction
FITT is committed to choosing the best materials, in order to reduce their use as much as possible, and therefore also their environmental impact.

B2_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 minimum necessary.

B3_Space reduction FITT is committed to identifying solutions to minimise the bulk of its products during transport.

3_circularity

C1_Use of recycled materials
In compliance with the above, FITT is committed to encouraging the use of second life materials, both post and pre consumer.

C2_Use of recyclable materials
FITT undertakes to give preference to materials for which a consolidated recycling chain already exists, particularly PE or PP-based materials, and to create or encourage the creation of new chains.

C3_Facilitate recyclability
FITT is committed to ensuring the use of easily separable single component design solutions, to simplify future recycling.

FITT translates the design of entire production lines into a competitive advantage.

The application of ecodesign principles means that in many cases the production process also has to be revisited and very often designed in-house: it is precisely because of FITT's leading position in fluid handling solutions, that the company can encounter difficulties in finding suitable machinery on the market for new productions. Ecodesign has been a distinctive and defining topic since 2014, the year when the company developed FITT Yoyo, the first FITT-branded product that thanks to its patented structure stretches when internal pressure is applied.

The innovative design and use of high performance thermoplastic elastomers allows for a 50% reduction in material used, whilst ensuring great manoeuvrability and a much longer life than most extendable hoses. To ensure full product circularity, polypropylene yarn reinforcements have also been developed. Combined with the use of thermoplastic elastomers, these innovative yarns will allow the creation of single-material structures that can be easily recycled, both at industrial waste level and potentially at finished product level.



The adoption of a system for measuring the impact of a single product over its entire life cycle, including end-of-life, is the resulting tool to qualitatively and quantitatively objectify the performance achieved in the field of ecodesign and create a baseline for responsible and transparent continuous improvement, right from the product design stage.



fitt's products are the ultimate expression of research into the reduction of raw material use, reusable packaging, efficiency of production processes and end-of-life.

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

A total of ten drivers are used for the impact assessment, ranging from water consumption to ozone layer, or eutrophication of fresh and marine water. The amount of Co2eq produced by the product over its entire life cycle is the main driver chosen by FITT when assessing the environmental impact of its solutions.

FITT Force, the compact and light garden hose, FITT NTS, the traditional PVC hose, FITT Ikon, the light and extendable garden hose, have already been subjected to LCA; moreover, FITT Bluforce is the first PVC-A product platform in Europe to be awarded the EPD® label, the Environmental Product Declaration that provides certified product life cycle data according to the ISO 14025 and EN 15804: 2012+A2:2019 international standards.

Other EPD certifications have been obtained for three FITT brand products in the construction industry: FITT Sewer, FITT Batipro and FITT Interpact M1.

The LCA method on which ecodesign is based has been extended to products representing a turnover of over 50 million Euros. But above all, the approach to LCA product certification has been reassessed in collaboration with the University of Padua, moving from ISO 14040 and ISO 14044 to ISO 14067, which thanks to its systematic approach, allows the creation of a standard calculation model that makes it possible to certify an increasing number of products, making the studies more efficient both technically and in terms of time, and also enabling the company to achieve the targets set in terms of number of LCA-certified products (50% by 2025 and 80% by 2030).

FITT Force

The aim: create a new garden hose for intensive and domestic use with the best combination of performance, material use reduction and recycling.

1_The performance

- Up to 2 times lighter and 3 times more compact than a conventional hose.
- Resistant to abrasion and punctures, for a long life guaranteed 30 years thanks to HD-TECH technology.
- A comparison of the CO2 emissions between a traditional PVC hose and FITT Force shows with FITT Force a 43% reduction in CO2eq emissions compared to a traditional PVC product.
- No phthalates, PVC or lead.

2_The design

- Unusual structure for an irrigation hose: flat, requiring a low space when stored, it only takes on the classic round shape when in use.
- In-house new equipment design and significant investments due to both the use of TPV and the objective to obtain a flat expandable product.

3_The materials

- New high-performance thermoplastic vulcanised elastomer (TPV), a polypropylene and EPDM polymer alloy until now mainly used in the automotive and medical sectors.
- Also a recyclable material, its industrial waste is 100% recycled.
- New packaging for the industry, cardboard to contain the product and straps made of recycled paper instead of plastic.
- Maximum reparability and separability of fittings for replacement and end-of-life separation¹.

4_LCA and compensation

- FITT Force has been assessed using the Life Cycle Assessment (LCA) method. This has shown that as far as its CO2e emissions, 45% derive from the raw materials used in manufacturing and 35% from end-of-life management; smaller percentages are identified due to FITT's internal production (8%) and inbound and outbound transport (12%).
- FITT has chosen to offset all CO2eq emissions (2,541 tonnes) generated by the production of the entire FITT Force range by purchasing Gold Standard certified carbon credits generated by the Water is Life project.
- The mission of Water is Life is to take safe and clean drinking water to families living around the city of Tulear, one of the poorest cities in Madagascar. Even today, in some areas around the city of Tulear in Madagascar 80% of the population has no direct access to drinking water and is forced to make long daily journeys to reach water sources in semi-desert areas.



¹ Separability would allow recyclability. This is something not currently practised in Italy, where recycling processes are almost exclusively for the packaging.



FITT Bluforce RJ

A family of pipelines for water supply and distribution and irrigation networks.

1_The materials and Innovation

- The pipelines are manufactured using a polymer alloy consisting of two main compounds: traditional PVC-U and chlorinated polyethylene (CPE).
- PVC-A combines the strength of PVC-U and the ductility of polyethylene, resulting in a product that offers very high resistance to crack propagation, the main cause of failure in pressure networks.
- 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.

2_Environmental Product Declaration

- 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.

3_The installation

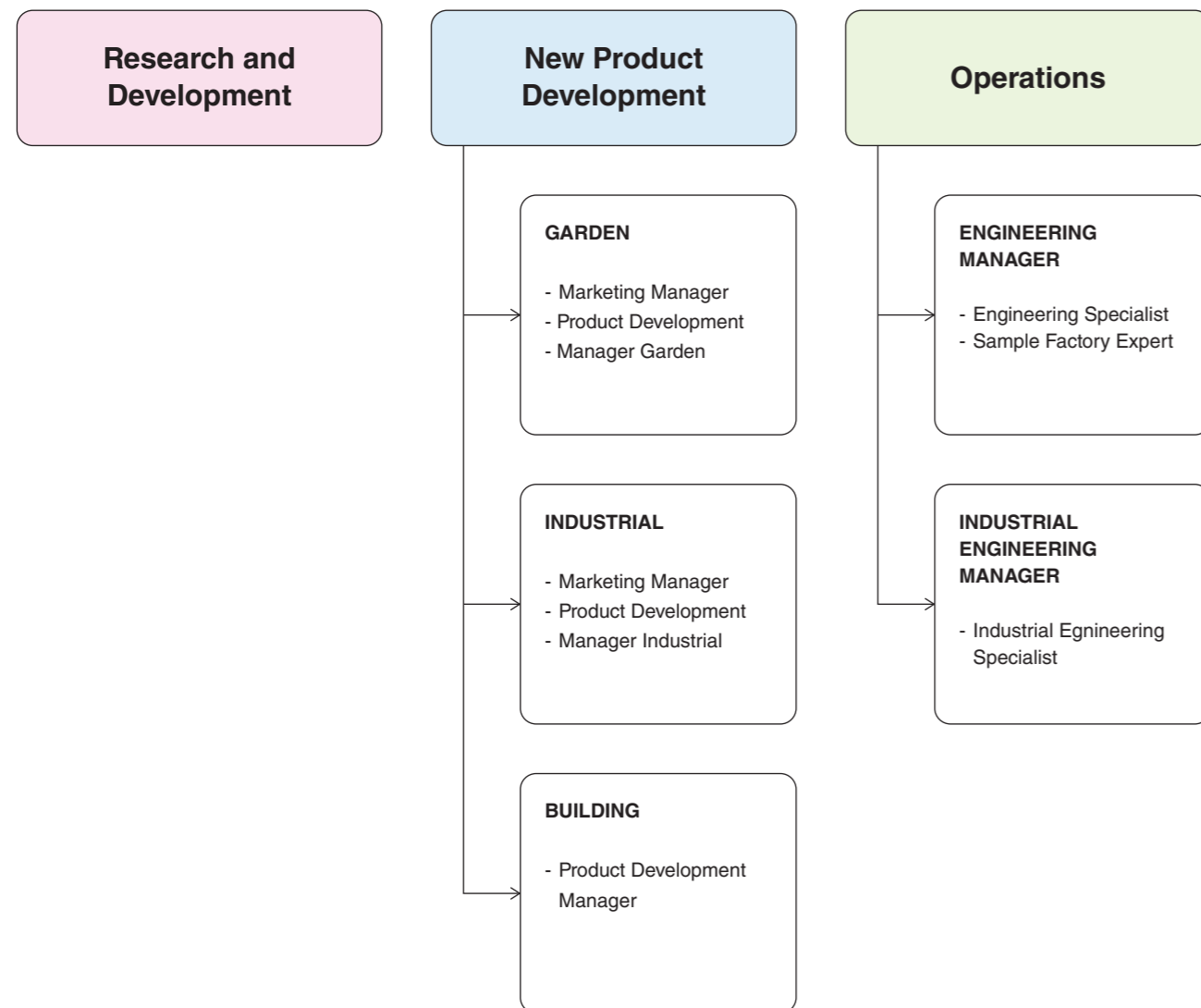
- It incorporates a tensile resistant jointing system, suitable for "trenchless" applications such as Horizontal Directional Drilling (HDD): Europe's first thermoplastic pipe with this system.
- Horizontal Directional Drilling is a trenchless technology suitable for installing new pipelines without the need for open trenches, which can significantly reduce impacts when compared to a traditional construction site.

- The use of a polymer alloy, as opposed to the steel, cast iron or polyethylene traditionally used for this application, makes on-site handling easier, therefore reducing the impacts at the site where the work is being carried out.
- The mechanical seal and the hydraulic tightness achieved with the tensile resistant gasket allow easy, fast and safe installation without the need for thrust blocks, even on steep slopes and landslide prone terrains.



Open Innovation, market analysis and market tests lead to the most revolutionary, ready-to-use products that make the daily activities of end users much simpler.

FITT strongly believes in the principle of Open Innovation and collaborates with an international network of partners, universities and research centres. It relies on external organisations to validate protocols and quality tests, and to map the environmental impact of its products. The box on the opposite page shows the structure of Innovation & Technology as organised in 2023, precisely completing the market and agility oriented reorganisation started in recent years.



Innovation & Technologies in FITT

INNOVATION

R&D Corporate

Entire team dedicated to the development of product innovation "Technology Bricks", aligned with the three-year strategic plan and reporting directly to the CEO.

Support to the divisional product development teams through its centres of competence.

Knowledge management and sharing.

New Product Development (NPD) for each division

Resources directly reporting to the Marketing Manager or the Divisional Director, to better intercept customer needs.

Innovation of products already on the market or to be launched next year.

OPERATIONS

Engineering management

Process innovation team reporting to the head of Operations.

Responsibility

Product R&D support

Operational support, technological promotion of new products.

Equipment and machinery development support.

New plant development support.

STAKEHOLDER ESTERNI



2022 was an important year for FITT's innovation: it saw the completion of the New Gen research project, dedicated to the performance and aesthetic innovation of a new generation of fully "Made in Italy" functional products for the transport of fluids in the garden, building and industrial sectors, intended for EU and non-EU markets, with the payment of all the contributions provided for in the agreement and the interim verification of Twin Factory.

Twin Factory



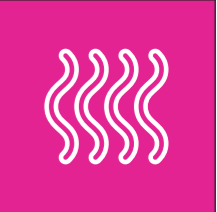
The project was developed in collaboration with the Department of Industrial Engineering of the University of Padua. The aim was to create a digital model of the factory that would allow the identification of ways to improve management efficiency and reduce environmental impact in a pre-production stage through a virtual trial and error process.

FITT-X

In September 2022, FITT launched a research project - financed in collaboration with MISE and the Veneto Region -, dedicated to the circular economy and the creation of new supply chains, precisely to fill the gap in the PVC world.



FITT promotes Open Innovation through the collaborating with a global network of partners and research centres, with the aim of moving towards a sustainable and innovative future.

THE THREE AREAS OF PATENT INVOLVEMENT OF THE FITT GROUP					
#1		#2		#3	
Bio-based and biodegradable hose for the transport of fluids.		Recyclable reinforced hose.		Use of a thermoplastic elastomer containing a high percentage of post-consumer material to produce an environmentally friendly hose, and a hose made from such an elastomer.	

Designed in accordance with the guidelines of the "Agreements for Innovation, Min. Decree of 31.12.2021" Ministerial Program, FITT-X is entirely focused on recycled plastic issues and pursues two objectives: the first is to study and make available within FITT the technologies and skills for the complete management of recycled polymers (characterisation, extrusion, chemical recycling); the second concerns the activation of supply chains for the recycling of PVC, both rigid and flexible, through the network of current customers and by offering collaborative circular economy projects.

FITT is a member of Gruppo Tubi PVC (PVC Pipe Group) and Gruppo Riciclatori PVC (PVC Recyclers Group), with which it has already discussed the idea of creating new recycling chains, with the aim of increasing, in the coming years, the availability of recycled PVC through the widespread presence of PVC collection and sorting centres, in addition to the possibility of sorting lead-free PVC (since PVC is very durable, many of the products potentially eligible for recycling were produced in the years before the lead ban came into force).

Moreover, during 2022 the company funded another PhD project in collaboration with the University of Padua to support the FITT-X project. One of its objectives is to study the chemical recycling processes of plastics and also map all the materials on the market in order to identify the most suitable sources of supply.

The lack of large scale PVC supply chains in the market, and consequently the lack of circularity in PVC management, will be a key aspect on which FITT will focus its research in the coming years, also with a view to pushing its business in the right direction.

From an industrial point of view, 2.5 million Euros were invested in 2022 to install a Manufacturing Execution System (MES) platform, to collect and monitor real-time data from all production sites.

customer health and safety

Product safety

Making sure that products are safe for our customers is of paramount importance to FITT and the various sectors in which it operates, both from a regulatory and non-regulatory perspective. Significant investments are therefore being made to guarantee market standards for chemical product safety (REACH). In order to achieve this, FITT is committed to screening the products it purchases and the products and materials used in its production systems.

The purpose of these screenings is to verify that there is no contamination in the production process that could affect the safety of the products. As a consequence, the centrality of this issue also affects the selection of suppliers of raw materials or finished products, in order to ensure the highest quality and safety standards.

All these actions are aimed at ensuring compliance not only with the legal requirements, but also with voluntary product and process certification schemes, as mentioned in the About Us section.



the commitment of fitt is reflected in an excellent performance of zero non-conformities in 2021 and 2022, both as far as health and safety standards and correct product labelling and information.



For FITT, managing the interaction with stakeholders, such as its own customers, is vital for sustainability and the creation of added value for its business. FITT manages relations among stakeholders with a view based on shared values and partnership.

Service quality and customer satisfaction

Since 2020, the customer has become for FITT of key importance, driving the company strategy with its needs, so much so that it has been included in the 4 pillars of the company.

This stems from the strong desire of FITT to ensure the highest level of attention to the different needs of different types of customers, from individual consumers to retail operators, as well as representatives of the industrial, infrastructure and building sectors.

It was therefore decided to monitor customer satisfaction by creating indicators that would allow FITT to check its ability to attract new customers, retain existing ones and handle complaints.

To this end, the indicators for which FITT sets targets are:

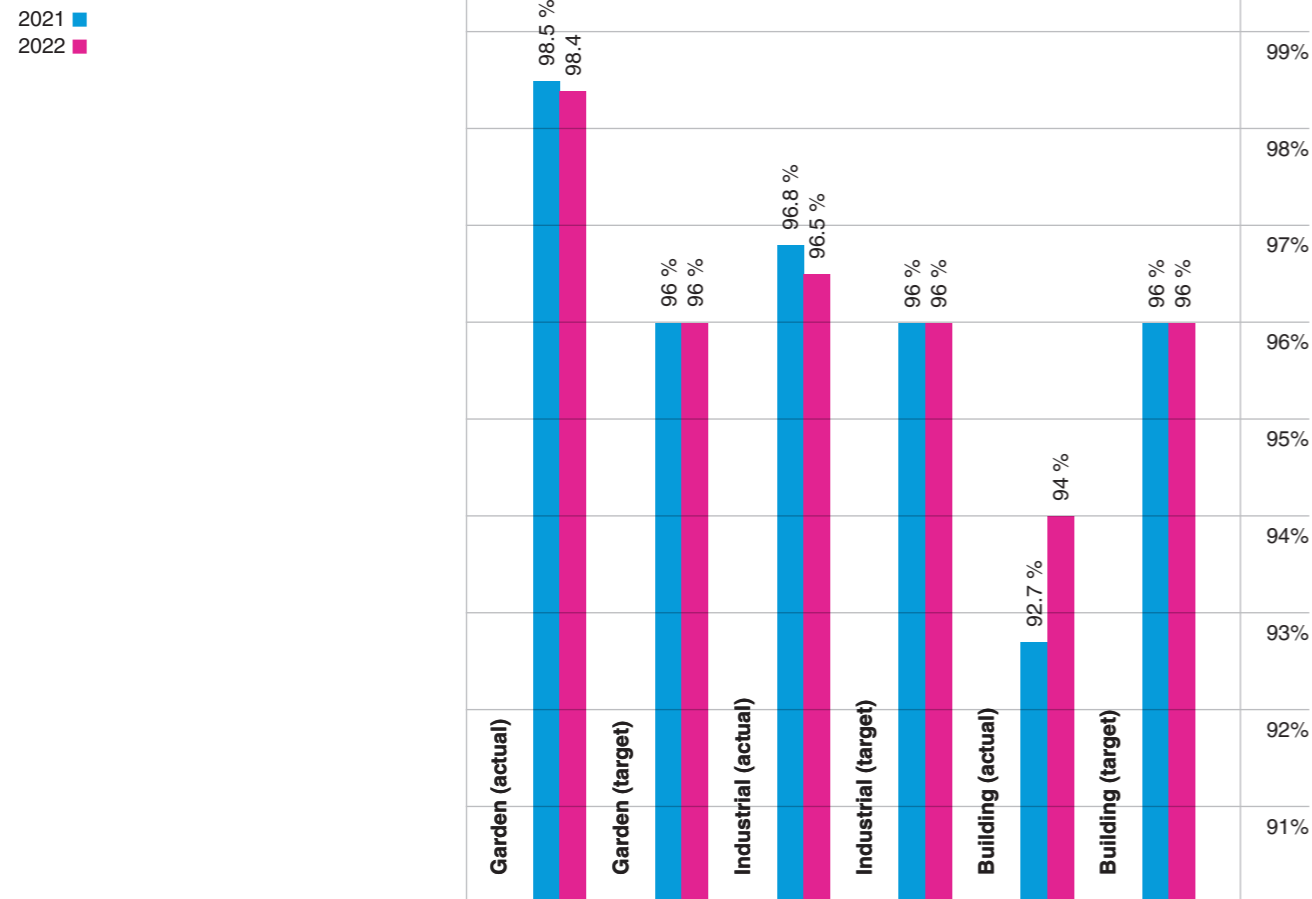
- percentage of customers retained;
- average response time for online requests;
- average rating on Marketplace (Amazon) in different countries;
- average commercial department complaint resolution time;
- average time it takes to close technical complaints.

FITT's ability to retain customers is shown by the data regarding the percentage of customers retained in 2022. Like in 2021, the Garden and Industrial business units once again exceeded their targets, while the Building business unit, although not achieving its target, increased the number of retained customers by almost 2%. However, it is worth highlighting the results achieved by the latter in terms of acquisition of new customers, which account for 6% of the sales of the division for the year 2022. In the Garden and Industrial divisions, the corresponding figures are 1.6% and 3.5% respectively.

4a
Percentage of customers retained in Italy

Division	Customer type	2021	2022
Garden	Actual	98.5 %	98.4 %
	Target	96.0 %	96.0 %
Industrial	Actual	96.8 %	96.5 %
	Target	96.0 %	96.0 %
Building	Actual	92.7 %	94.0 %
	Target	96.0 %	96.0 %

Percentage comparison of customers retained, 2021/22 two-year period.



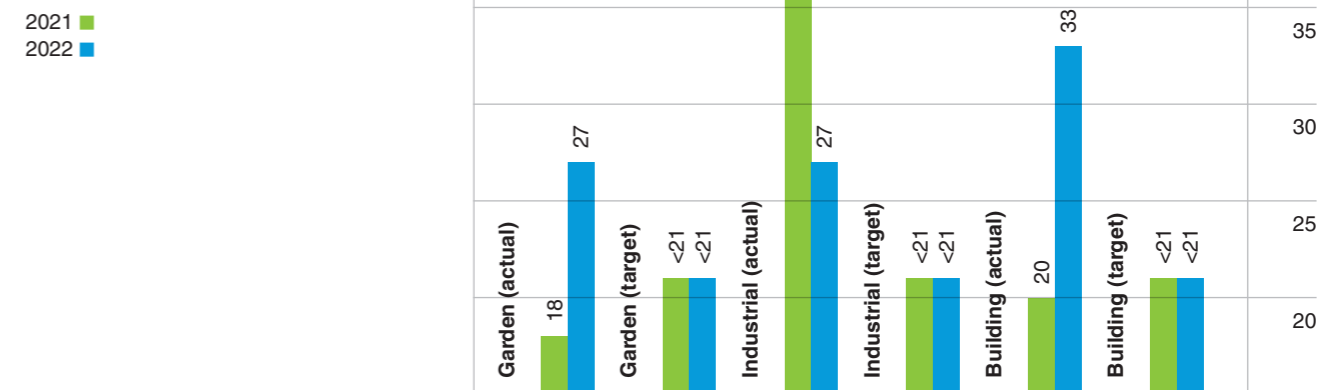
The average customer rating on Amazon is higher than expected, although slightly down on the previous year (96% vs.97%).

The data collected regarding the complaint handling times shows that the number of days taken is higher than last year. This is due both to a lack of accuracy in the 2021 data and the introduction of new software in 2022 at FITT S.p.A. and FITT France, which resulted in the need of a period of time for staff to adapt to the new system. The benefits of this software will be seen over the years, as it will make the data more reliable and the complaint handling steps faster, when more than one company function is involved to provide support and solutions.

4b / Percentage customers retained in Italy

Indicators	Customer type	2021	2022
Average response time for group online requests (dd)	Actual	5	11
	Target	5	5
Average Amazon seller rating (across countries) (%)	Actual	97.0	96.0
	Target	>95	>95
Time to close complaints (dd) Garden	Actual	18	27
	Target	<21	<21
Time to close complaints (dd) Industrial	Actual	40	27
	Target	<21	<21
Time to close complaints (dd) Building	Actual	20	33
	Target	<21	<21

Comparison of the time it takes to close complaints (dd) for the 3 BUs (2021/22).



stream of production

The FITT Group defines industrial models by directly designing its own equipment with the objective of creating low-impact workflows capable of feeding recycling and reuse processes.

→ 05

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, in compliance with the Consolidated Environmental Declarations applicable to production plants.

To optimise environmental management, the company has standardised its system procedures for managing emissions, discharges, waste and for the assessment of the environmental impact in general, as well as for keeping abreast of legislative changes. An internal audit plan to monitor environmental compliance and continuous improvement activities has recently been restructured to improve the quality of the results.



in 2022, Fitt launched a data collection process to monitor environmental performance and improve the action plan of the company.

Although it does not yet have a certified Environmental Management System (EMS), FITT manages environmental aspects in accordance with the ISO 14001 standard and has devised a gradual improvement process to achieve greater efficiency and reduce its direct and indirect impacts.

In order to achieve this, during the 2022 financial year the company has embarked on a process of data collection which will allow to obtain an increasingly precise overview of its environmental performance and to monitor the achievement of its objectives. As part of its action plan, FITT has established several initiatives, which are being implemented during this year and will be standardised and integrated into business processes, with a view to continuous improvement and transformation.

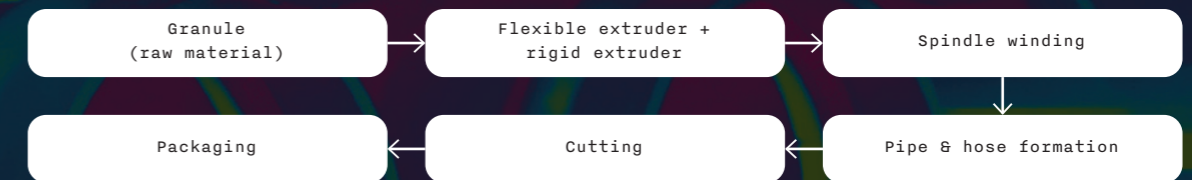
INSIGHT

FITT's production process

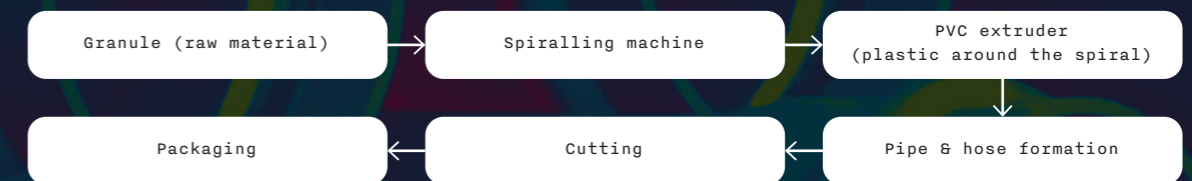
Knitted + Braided+ Weaved



PVC spiralled



Steel spiralled



In terms of manufacturing, the company takes advantage of two core technologies: material preparation ("compound process") and extrusion. The hose production cycle usually includes an intermediate step, consisting in the preparation of the granule. 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 materials conceived by the company to meet the performance, quality and durability requirements of the specific applications of the various customers.

At production level there are assembly stations 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 the manufacturing process, and to a certain extent from other manufacturing plants (mainly automotive), is duly recycled in real time.

manufacturing and packaging raw materials

Producing durable goods by optimising the use of raw materials - also by contributing to the development of new technological solutions and new supply chains -, is the primary framework within which the company focuses its investments in research and development, starting from ecodesign guidelines, waste reduction, recycling optimisation, to the implementation of Life Cycle Assessment analyses, which allow the company to understand the actual extent of its impact.

In 2022, more than 82,000 tonnes of materials were used in the production cycle - 24% less than in the previous year, due to the reduction in production volumes -, of which 15.92% came from recycling, with a perspective of continuous and incremental improvement with a minimum threshold of 0.5% per year. The main material used, 67% of the total, is polyvinyl chloride (PVC), 19.20% of which is reclaimed and to which products such as plasticisers, stabilisers and other additives are added in smaller quantities to achieve the desired performance levels.



each solution is designed for maximum performance, yield and durability, using a specific chemical formula with specific plastics.

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

Together with its versatility, lightness and cost, the durability of PVC makes it a material suitable for many applications, in particular for rigid pipes, also thanks to its resistance to salt; the actual challenge lies in the ability to recover and recycle this material, as mentioned in the Spreading Innovation chapter.

1 www.vinylplus.eu/wp-content/uploads/2023/07/VinylPlus_ProgressReport_Digital_2023.pdf

2 single-market-economy.ec.europa.eu/news/circular-plastics-alliance-new-report-calls-all-stakeholders-work-together-2022-02-25_en

Through VinylPlus 2030, the voluntary sustainable development program, the plastics industry is striving to transform the traditional linear economy model, in which plastics are disposed of at the end of their useful life, into a circular plastics economy.

The programme has recycled 813,266 tonnes of PVC, with a target of one million tonnes by 2030. The amount of PVC waste recycled represents about 27% of the total PVC waste generated in 2022 in the EU-27, Norway, Switzerland and the UK region¹.

However, the demand for recycled PVC remains very high: the Circular Plastics Alliance² report underlines the need for a systemic change in the EU market and deeper cooperation between all public and private players in the European plastics value chain, and identifies the need for new European standards for recycled plastics.

5a Main materials used for production (t)	2021			2022		
	Used	Recycled	% recycled	Used	Recycled	% recycled
Total material used	109,861	14,461	13.16%	82,998	13,215	15.92%
PVC	75,641	11,612	15.35%	55,727	10,702	19.20%
EVA-EBA	33	-	-	35	-	-
TPE (TPV-SEBS)	1,225	-	-	1,099	-	-
Polyethylene	6,389	2,459	38.49%	5,723	2,217	38.74%
Polypropylene	60	5	8.29%	57	5	8.76%
PET tape	28	-	-	13	-	-
Resins (PA, polystyrene, TPU, POM, NBR)	65	-	-	88	-	-
Porous rubber	385	385	100.00%	291	291	100.00%
Charge - Calcium carbonate	11,725	-	-	9,002	-	-
Plasticisers	11,479	-	-	8,762	-	-
Stabilisers (thermal)	1,870	-	-	1,459	-	-
Dyes	638	-	-	475	-	-
Lubricants	225	-	-	186	-	-
Additives	98	-	-	80	-	-

In terms of other materials, we have the use of metal with significant recycling percentages, also in view of the characteristics of the markets for these materials, such as for example steel. But also worth mentioning is the consumption of polyethylene, 38.74% of which is purchased from post-consumer recycling, and black rubber, entirely of recycled origin, used at the Monsanpolo del Tronto plant for the production of the soaker hose for distributed irrigation.

5b Other materials (t)	2021			2022		
	Used	Recycled	% recycled	Used	Recycled	% recycled
Total material used	3,364	-	-	2,773	-	-
PET yarn	2,593	-	-	2,078	-	-
PP yarn	0	-	-	4	-	-
Steel wire	247	-	90%	250	-	90%
Plastic accessories				313	-	2%
Brass accessories				46		90%
Aluminium Accessories	516	-	-	40		-
Ferrous Accessories				26		60%
Rubber seals	0	-	-	5	-	-
Mechanical and plastic material lubricants	2	-	-	5	-	-
Marking Inks and solvents 6	-	-	6	-	-	

The use of recycled materials and the related objectives are also evaluated on the basis of existing regulatory and safety performance limits. For example, at the moment no recycled material can be used for food contact hoses for the liquid food sector.

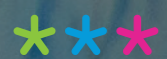
Packaging

As far as the packaging of its products, FITT uses different types of materials: wood, plastic, paper, steel and other miscellaneous materials, for a total consumption of 9,301 tonnes in 2022. Over the past year, there has been a slight increase in the materials used compared to the previous year (+8%), particularly as far as plastics and steel (+30% and +13% respectively). Also mixed materials are on the increase, particularly at the French plant.

5c Main materials used in packaging (t)	2021			2022		
	Renewable	Non-Renewable	Total	Renewable	Non-Renewable	Total
Total material used	8,000	628	8,628	8,486	815	9,301
Wood	6,243	-	6,243	6,654	-	6,654
Plastic	-	559	559	-	727	727
Paper	1,757	-	1,757	1,843	-	1,843
Mixed	-	0,7	0,7	-	5	5
Steel	-	53	53	-	60	60
Packaging Screws	-	16	16	-	10	10

As part of the progressive increase in the use of environmentally friendly materials, 97% of the paper used in 2022 is FSC certified (57% in 2021) and the percentage use of wood for PEFC certified pallets is at the same level as last year (45%), ensuring a more sustainable exploitation of forests.

5d Certified materials used	2021	2022
Total	5,640	6,053
PEFC wood	2,755	2,589
FSC paper	1,003	1,683
EPAL	1,882	1,782



rigid pvc is used in the production of pipes for construction, sewage and drinking water network pipelines, due to its resistance to mechanical stress in both hot and cold conditions, its intrinsic non-flammability and the fact that it is specifically formulated for contact with drinking water and chemically aggressive substances.



circulation, from waste to water

Raw materials and waste are inextricably linked in a circularity perspective, where the ability to reduce, recover and recycle production waste and products at the end of their life is one of the most important industrial challenges of our time. FITT has taken up this challenge and embraced it in the Ecodesign principles outlined in the Spreading Innovation chapter. The first two areas of innovation, development and adaptation of production processes, focused on:

- the development of new materials that use less raw material (with the same performance), such as the use of the PVC-A polymer alloy, which uses 25% less PVC than a standard PVC-U product manufactured according to ISO 1452-2:2009;
- the total recovery of production waste and its reintroduction into the production cycle itself.



in 2022, FITT intensified the circular approach between raw material and waste also by implementing eco-design principles, reducing PVC use by 25% and improving packaging waste management.

This last point means that the waste accounted for does not include rigid pipe processing waste, as this is reprocessed internally and returned directly to the production cycle. On the other hand, it does include the waste sent from the hose production plants to the Lugo plant for reprocessing as raw material, which is then returned to the plants.

Other waste generated by the company, mainly secondary packaging and sorted waste, is managed by external suppliers. In 2022, the amount of waste generated (6.7 million tonnes) was exceptional, due to a technological change in water management, which resulted in the water being stored and disposed of as non-hazardous liquid waste, as otherwise it would have affected the environment around the production plant. The impact will be limited to this year.

And indeed, at 47%, the percentage of waste destined for disposal is strongly affected by this event. The remaining 1% is classified as hazardous. With a view to ensuring a systematic approach to waste management on all fronts, in 2022 the company also launched a major project to reduce mixed packaging waste at the Veneto plants, with a training program for all involved staff and partners, which has already resulted in a reduction in mixed packaging of -8%, or 70 tonnes.

5e Waste not destined for disposal (t)	2021			2022		
	Internal	Ext. Site	Total	Internal	Ext. Site	Total
Hazardous waste	0	49,364	49,364	0	28,221	28,221
Of which recycled	0	420	420	0	179	179
Of which other recovery	0	48,944	48,944	0	28,042	28,042
Non-hazardous waste	1,185,642	2,621,921	3,807,563	1,442,224	2,125,609	3,567,833
Of which preparation for reuse	1,179,783	48,640	1,228,423	1,442,090	0	1,442,090
Of which recycled	5,859	5,646	11,505	134	10,360	10,494
Of which other recovery	0	2,567,635	2,567,635	0	2,115,249	2,103,354
5f Waste for disposal (tonnes)	2021			2022		
	Internal	Ext. Site	Total	Internal	Ext. Site	Total
Hazardous waste	0	11,252	11,252	0	25,663	25,663
Non-hazardous waste	0	115,397	115,397	0	3,102,217	3,102,217
Of which incinerated (energy recovery)	0	48,640	48,640	0	57,080	57,080
Of which to landfill	0	455	455	0	386	386
Of which otherwise disposed 0	66,302	66,302	0	3,044,751	3,044,751	

Water is a key socio-economic factor for sustainable growth, equitable development, food security and employment. Water is a vital resource for the survival of mankind, animals and plants. Its availability is a global challenge that requires solutions to be understood and implemented locally, nationally and globally.

For FITT, this is also a privileged field of action, as its products will be increasingly effective and sustainable solutions for the management of water at agricultural, civil and industrial level, thus participating in the debate and creation of a culture of innovation in water management in line with SDG 6.

As far as its own industrial processes, in 2022 FITT carried out a uniformity study in order to understand the current state of the art and the path to reducing the use of water from the water network, as well as the potential for uniformly extending water recycling to the different plants. All of this to help achieve the target of 85% water reuse in production facilities by 2025, as set out in “The Responsible Flow 2030”

With the solutions implemented so far, a total of 50% overall water reuse was achieved in the Italian plants by 2022.

The Sandrigo and San Pietro in Gu plants have closed loop water recycling systems.



energy efficiency and carbon neutrality

The effects of global warming are now unmistakable. IPCC, the Intergovernmental Panel on Climate Change, recently published its Sixth Assessment Report on Climate Change (AR6). Its key messages can be summarised with three words: gravity, urgency and hope. The global situation is serious: keeping the temperature increase below 1.5°C is becoming increasingly challenging.

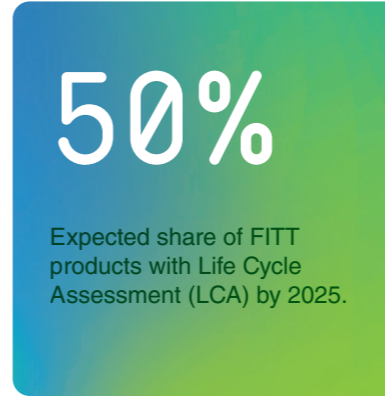
The need for action is indeed urgent: emissions must peak by 2025 and be halved by 2030. The higher the temperature rise, the more ecosystems and the society will be exposed to impacts and risks.

But there is still hope to save the planet: to date, there is a wide range of solutions that can be adopted to reduce the impact of human activities, which, if applied in a synergistic and collaborative manner, may allow to achieve the global climate goals and promote sustainable development, with planet and people thriving in harmony.

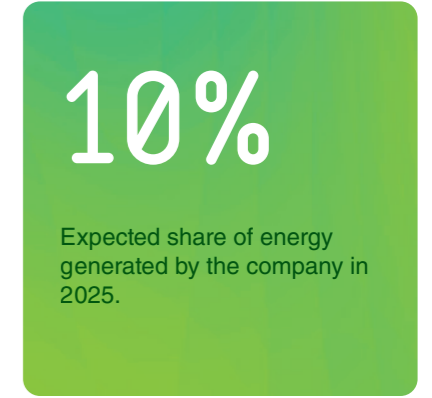
FITT pays particular attention to the issue of climate change, placing at the heart of its strategy SDG 13 - Combat climate change and achieve carbon neutrality (Scope 1-2) - for all Italian plants by 2025 and for all Group plants by 2030.

To achieve this ambitious goal, FITT needs to implement a number of initiatives at both plant and product level: FITT's approach is one of measurement and innovation, involving the analysis, testing and monitoring of performance and investments.

On the product side, the solution chosen is the Life Cycle Assessment, directly working on a number of specific products launched in 2022. However, last year it was also decided to follow the "Carbon footprint Systematic Approach", laying the foundations for carbon footprinting all products in order to identify priority areas in need of action, including through the use of predictive modelling, and achieve the targets set out in The Responsible Flow 2030 in terms of turnover percentage from innovative and sustainable products (8%), and in terms of products with LCA by 2025 (50%) and 2030 (80%).



FITT is committed to sustainable innovation and the reduction of CO₂e emissions: significant progress was recorded in 2022 towards these goals.



On the industrial front, in 2022 it was decided to pursue the policy of purchasing energy from renewal sources agreed in July 2021, and indeed all energy (100%) requirements of the Italian plants were fulfilled through renewable sources. At the same time, self-production solutions are also being assessed. A 795 kWh photovoltaic plant was, in fact, installed last year to meet the needs of the entire San Pietro in Gu plant: a first step towards achieving 10% energy self-sufficiency by 2025, as envisaged in The Responsible Flow 2030.

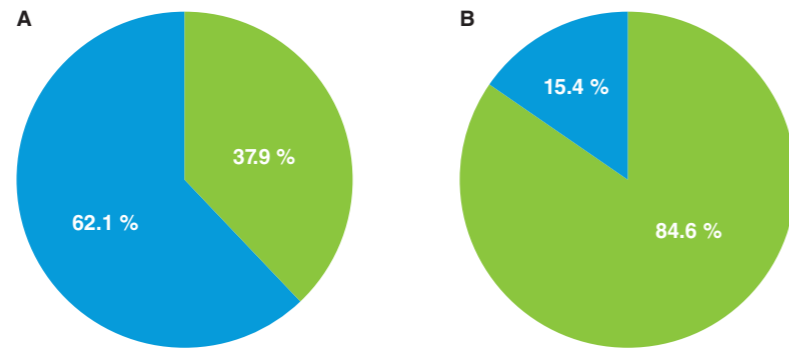


decarbonisation is at the heart of FITT's the responsible flow 2030 strategy.

- In terms of energy procurement, trigeneration plants have already been installed at the Fara Vicentino and Sandrigo plants, which produced 5,498,375 kWh and 4,721,342 kWh respectively in 2022.
- In terms of energy efficiency, investments continue to be made in improvement solutions. For example, work was carried out in 2022 in the rigid pipe production plants on: energy efficiency of the mechanical presses at the Lugo plant, with the introduction of a system that allows to assess the level of pressure required to produce each product, motor energy consumption optimisation software, and a more efficient motor series, which led to a 39% reduction on two lines and a 28% reduction on the third.
- Design of a new production line to optimise times and obtain an 80% production increase when compared with a standard line.
- Introduction of new e4 motors on extruders and e5 reluctance motors, estimated to reduce energy consumption by 20% and 16% respectively.

Comparison of general consumption of energy from the national grid and energy from renewable sources (chart A for the year 2021 and chart B for the year 2022).

Energy from non-renewable sources ■
Energy from renewable sources ■



These innovations will lead to an overall reduction in energy consumption that will be particularly noticeable in the coming years. Energy consumption in 2022 is mainly due to the use of electricity and natural gas for the production process, lighting and office heating, and to a lesser extent fuel consumption for the company fleet. The figures show an 18% reduction compared to 2021, due to efficiency measures as well as production shutdowns. The change in diesel consumption is due, on the other hand, to the renewal of the forklift truck fleet.

FITT also applies an automatic, agile and customised logistics system capable of adapting to the demands of the different sales channels of large customers, with a service that supplies both large central structures and the individual point of sale, up to the private individual buying online. FITT's network of logistics centres, strategically located throughout Europe, enables delivery in 48/72 hours to the main European markets, in addition to a reduction in environmental impact and the resulting CO₂ emissions. For the same reason, FITT adopts a policy of load saturation and favours inter-modal transport.

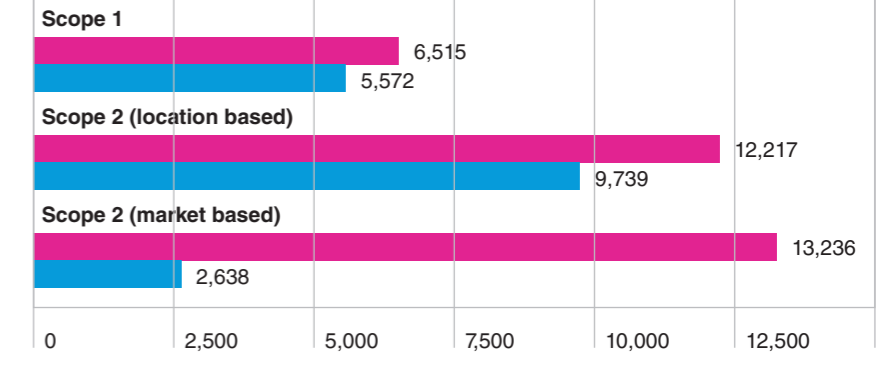
3
FITT's energy consumption was calculated in terms of Gigajoules (GJ), using the conversion factors as a source: "UK Government GHG conversion factors for company reporting 2021-2022".

4
The 2021 data has been restated due to the change in the conversion factors used, to facilitate comparability with the 2022 data.

5g	Consumption detail	2021 ⁴	2022
Energy consumption (GJ) ³	Total energy consumption	283,731	232,046
	Natural gas	110,181	92,069
	Diesel for forklift trucks, generators and fire-fighting set	1,510	1,022
	Diesel for fleet	3,775	4,153
	Petrol per fleet	248	233
	Electricity from the grid	168,017	134,569
	Of which renewable	63,752	113,785

Comparison of direct and indirect emissions related to energy consumption (tCO₂eq) in the years 2021 and 2022.

2021 ■
2022 ■



The efficiency of the production process is reflected in the energy intensity data.

5h	Detail	2021	2022
energy intensity	Energy intensity per metre produced (GJ/m)	0.000742	0.000737
	Energy intensity per turnover ⁵ (GJ/€)	0.000932	0.000760
	Electricity intensity per m produced (kWh/m) ⁶	0.144	0.149

5
The energy intensity per turnover was calculated using the turnover of the FITT Group.

6
The electricity intensity per metre produced is calculated taking into account the metres produced by the extrusion production activity, which represents approximately 85% of the total production activity of the three companies included in the scope.

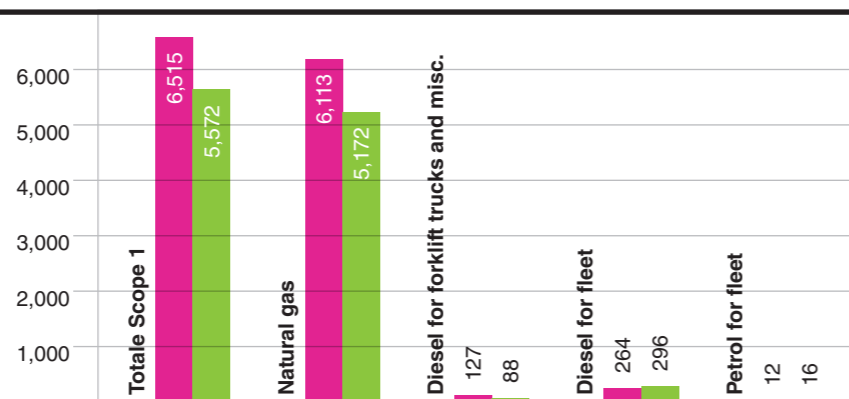
For the purposes of planning investments for energy efficiency, FITT has placed under monitoring, in particular, the intensity of electricity consumption per metre of product, calculated considering the plants where the extrusion and moulding production processes take place, and which is equal to 0.149 in 2022 and 0.144 in 2021, with a minimum threshold for improvement of 2% per year.

In relation to the CO₂ equivalent emissions associated with FITT's processes and activities, the following main elements of the GHG Protocol are monitored:

<u>Scope 1</u>	Direct emissions from sources owned or controlled by the company.
<u>Scope 2</u>	Emissions connected with energy sources acquired for self-consumption by the organisation.

Comparison of Scope 1 emissions detail (tCO₂eq) in the years 2021 and 2022.

2021 ■
2022 ■



The reporting standard used (GRI Sustainability Reporting Standards 2016) offers two different approaches for calculating Scope 2 emissions: “Location-Based” and “Market-Based”. The first involves the use of average emission factors relating to the specific electricity production national energy mixes, while the second involves the use of emission factors defined on a contractual basis with the electricity supplier.

5i
Direct and indirect emissions connected to energy consumption (tCO₂eq)

Detail	2021 ⁷	2022
Scope 1⁸	6,515	5,572
Natural Gas	6,113	5,172
Diesel for forklift trucks, generators and fire-fighting set	127	88
Diesel for fleet	264	296
Petrol per fleet	12	16
Scope 2 - Location Based⁹	12,217	9,739
Scope 2 - Market Based¹⁰	13,236	2,638

⁷ The 2021 figure has been restated due to the change in emission factors used to facilitate comparability with the 2022 data.

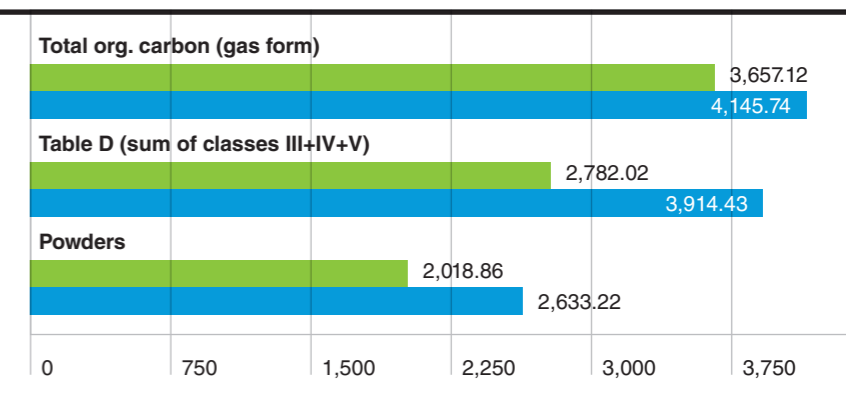
⁸ FITT's Scope 1 emissions were calculated using the emission factors as a source: “UK Government GHG conversion factors for company reporting 2021-2022”.

⁹ FITT's Scope 2 Location Based emissions were calculated using the CO₂ emission factors for electricity production, heat production and electricity consumption - Ispra - Italy data. The reference year of the emission factor is the one preceding the year of reporting.

¹⁰ FITT's Scope 2 Market Based emissions were calculated using “AIB Residual Mix” as the source of emission factors.

Comparison of other polluting emissions (kg) in the years 2021 and 2022 (top 3).

2021 ■
2022 ■



As a result of the energy efficiency measures implemented last year, direct emissions have been reduced by 14% compared to 2021. The production of emissions is mainly attributable to the production of electricity and its procurement (65% of total emissions come from Scope 2 Location Based), with a decrease in direct emissions caused by natural gas mainly due to production stops and an 80% reduction in indirect Scope 2 Market Based emissions due to the purchase of energy from renewable sources.

Other emissions

FITT continuously monitors dust and pollutant emissions from its plants through specific measurements and regularly cleans its filters to ensure the best possible absorption of pollutants. There were fluctuations in total organic carbon in gas form, nevertheless in line with the legal emission limits.

¹¹ The data relate to FITT S.p.A. and FITT Polska.

5j
Other polluting emissions (kg)¹¹

Detail	2021	2022
Total organic carbon in gaseous form	3,657.12	4,145.74
Dust	2,018.86	2,633.22
Alkaline powders/Basic mist (e.g. NaOH) 15.48	11.85	
Chlorides as HCl (Table C Class III)	853.40	52.85
Table A1 Class I	0.01	0.00
Table D Cls. I	111.67	85.53
Table D Cls. II	408.51	316.05
Table D Summary of Classes III+IV+V	2,782.02	3,914.43
Table B Classes I+II+III	0.44	0.95

sustainable supply chain

The development of a sustainable supply chain is an essential part of achieving the sustainability objectives that FITT has set for itself. Objectives that not only aim at greater sustainability for FITT, but also have the greater purpose of contributing to the achievement of the goals of the United Nations 2030 Agenda. Hence the commitments made by FITT in its strategy The Responsible Flow – 2030, aimed at establishing an increasingly environmentally and socially sustainable supply chain.

The rules of conduct for the relations with suppliers are set out in Code of Ethics. FITT is committed to ensuring impartial and independent selection, while the supplier is required to share and adopt the principles of the Code of Ethics, in addition to the guarantee required by the quality standards.



FITT has a “sustainable procurement policy” that applies to all the group's facilities, to ensure consistency in the group's responsible approach.

To ensure that this approach is followed, FITT's Sustainable Procurement Policy 2022 defines the following commitments:

- Where possible, give preference to suppliers who have incorporated and are pursuing sustainability practices within their organisation in line with the profile of The Responsible Flow 2030 strategy;
- Purchase goods and use services in accordance with the international principles for the promotion and protection of human rights, as recognised by the United Nations Global Compact (as defined by the Universal Declaration of Human Rights) and the International Labour Organisation (ILO) Declaration on Fundamental Principles and Rights at Work for all those involved in the company supply chain;

- Promote a level of awareness among supply chain partners, to encourage them to adopt sustainable practices;
- Give preference to suppliers who manufacture using energy from certified renewable sources;
- Promote the sourcing of materials, products and services from local markets within 300 km wherever possible;
- Give priority to purchasing equipment and facilities that can help reduce the environmental impact of the company production processes;
- Collaborate with partners and stakeholders for continuous improvement and mutual growth, to progressively increase performance with a view to sustainability. To this end, it is also necessary to favour suppliers with characteristics consistent with the company objectives.

These commitments represent important control measures to avoid or minimise possible negative impacts that may occur along the supply chain.

In order to consolidate its own sustainable supplier management framework, the policy is accompanied by the mapping of the environmental and social performance of suppliers, both for raw materials, intermediate products and services.

In fact, since 2020 FITT has started a supplier evaluation process that has led to the integration of sustainability criteria in 2021.

The questionnaire, based on a transversal and multi-topic approach, asks FITT's suppliers to explain their positions regarding issues such as quality, environment, health and safety and social responsibility. FITT's objective is to have an overview of the impact of its activities, also outside the boundaries of the company perimeter. The first trials were launched in 2021 by FITT S.p.A. and extended in 2022 to FITT France and FITT Monaco, both for new and established suppliers. In the first year, 28 suppliers were evaluated, while the following year the number doubled to a total of 55.

¹² The values in the table include data from FITT S.p.A., FITT France and FITT Monaco.

5k	Detail	2021	2022
Suppliers evaluated on the basis of environmental and social criteria ¹²	Total	28	55
	Of which existing suppliers	26	49
	Of which new suppliers	2	6

As part of the commitments of the Group, a significant role is assigned to the impacts generated in the territories of activity, through sourcing from local suppliers. During 2022, 87% of the suppliers of FITT S.p.A., FITT France, FITT Monaco, FITT Polska and PLAST MEC were located within the boundaries of their national territory, 43% of which at a distance of less than 80 km. These suppliers account for 63% and 20% of the company supply costs respectively.

13
Local suppliers are considered to be those whose head offices are at a maximum distance of 80 km from the FITT plant.

5I / Proportion of expenditure to local suppliers

Detail	2021	2022
Suppliers (no.)	2,815	2,515
Suppliers based in the country of the supplied branch (n.)	2,346	2,210
Local suppliers ¹³ (no.)	1,073	1,084
Share of domestic suppliers (%)	83.3%	87.9%
Share of local suppliers (%)	38.1%	43.1%
Value ordered (€)	271,131,378	251,350,249
Value ordered from suppliers based in the country where the ordering branch operates (€)	166,653,929	156,958,187
Value ordered from local suppliers ¹³ (€)	57,026,544	51,284,219
National percentage ordered (%)	61.5%	62.5%
Local percentage ordered (%)	21.0%	20.4%

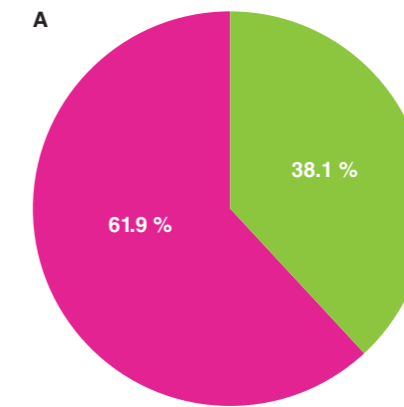


the systematic evaluation of suppliers, launched in 2020, covers both raw materials and intermediate products.

Compared to 2021, the number of suppliers based in the same country as the ordering subsidiary and the number of local suppliers is essentially stable, while the total number of suppliers is reduced by 11%. Also at ordered level there is a 10% reduction in value, but this has less of an impact on local suppliers (-3.0%), while national suppliers saw an increase in share (+1.6%).

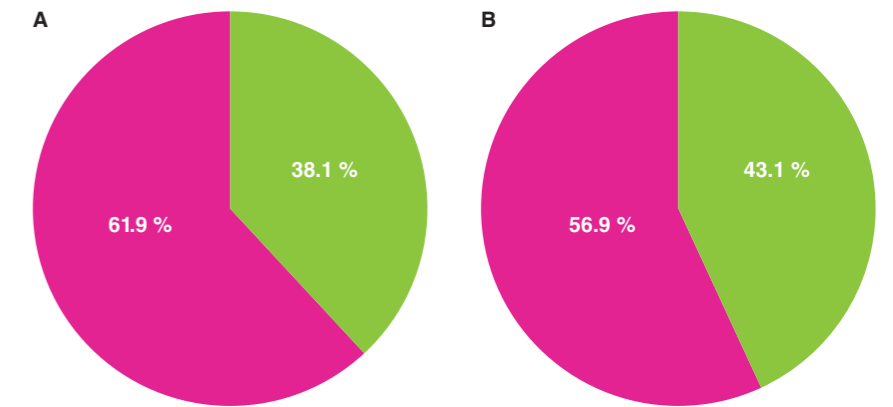
A Share of local suppliers in the FITT Group (year 2021).

Local suppliers ■
Other suppliers ■



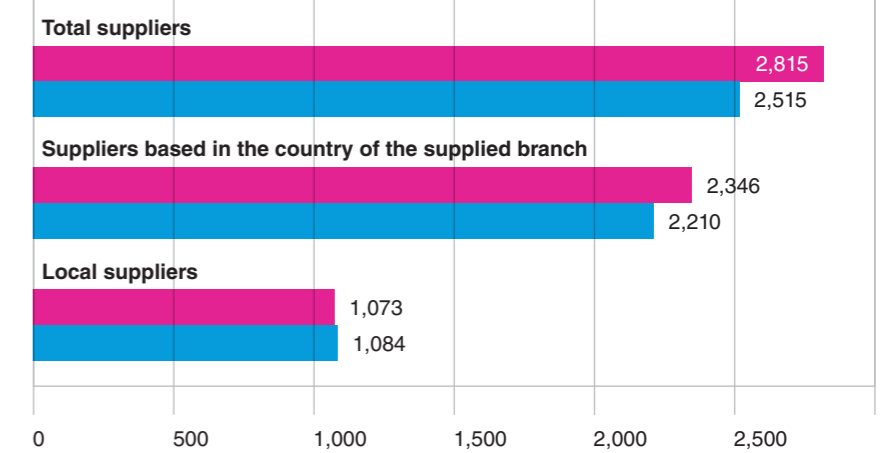
B Share of local suppliers in the FITT Group (year 2022).

Local suppliers ■
Other suppliers ■



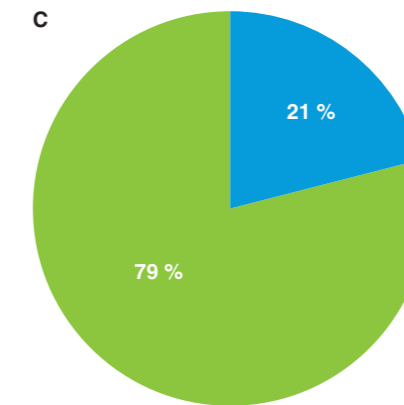
Comparison (year 2021 and 2022) of suppliers of the FITT Group (units).

2021 ■
2022 ■



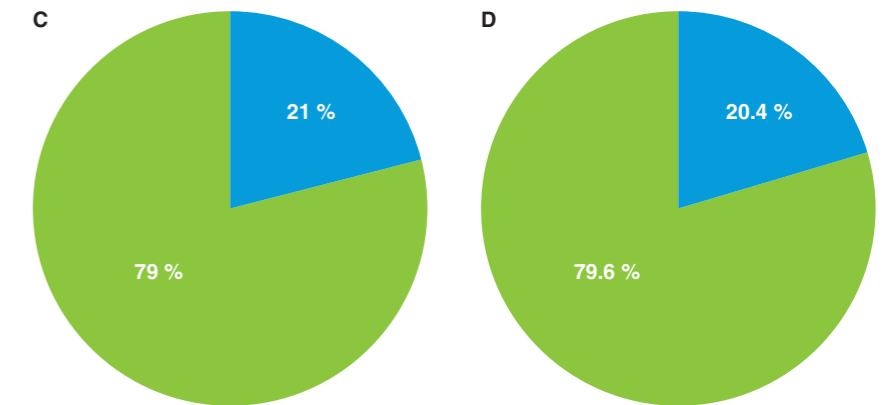
C FITT Group locally ordered share (year 2021).

Local orders ■
Other orders ■



D FITT Group locally ordered share (year 2022).

Local orders ■
Other orders ■



innervating people energy

It is the shared energy that gives FITT the drive to innovate, grow and improve together: an energy that is fuelled by creating a style of training, participation and well-being that is typical of the “FITT People”.



→ 06

people, employment and turnover

FITT people

To be a community, a society that lives and works together, with shared goals and values. A flow of energy, knowledge and well-being, to move forward in the way of doing business.

This is the concept behind the care for the FITT People.

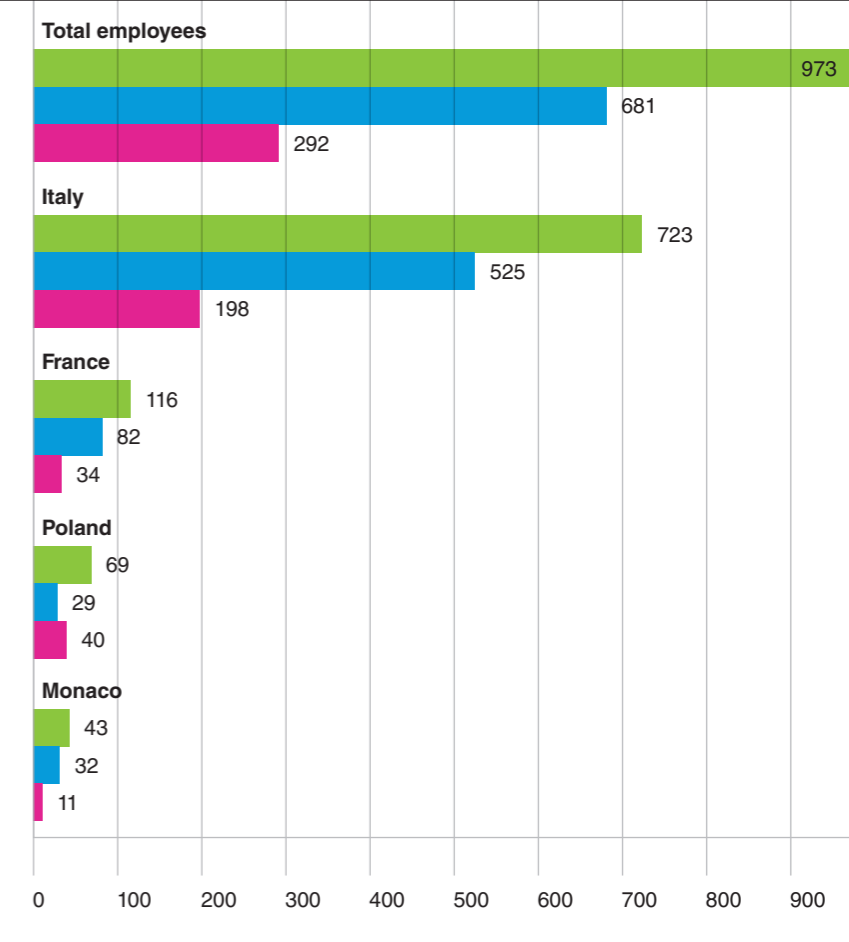
The FITT women and men are the strength and backbone of the Group. Their ingenious ideas are at the basis of our product quality and market position. In addition to the know-how, gained from its 50 years of experience, FITT has an important competitive advantage: successful teamwork, based on active participation, the ability to respond to the needs of stakeholders and a strong sense of responsibility.

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 2022, the FITT Group has a staff of 973 employees, an increase of 2% compared to 2021. Of these, 74% are based at the Italian plants, 12% in France, 7% in Poland, 4% in Munich and the remaining 3% in Spain, China and the United States of America.

6a Employees: nationality	2021			2022		
	Men	Women	Total	Men	Women	Total
Total employees	670	281	951	681	292	973
Italy	516	195	711	525	198	723
France	83	29	112	82	34	116
Poland	25	36	61	29	40	69
Monaco	32	13	45	32	11	43
Spain	9	4	13	7	5	12
Rest of the world (USA, China)	5	4	9	6	4	10

Number of male and female employees across the FITT Group (year 2022, total and four main countries by staff).

Total ■
Male ■
Female ■



The commitment of the Group to the stability and security of its employees is evidenced by the fact that 95% of employees are on permanent contracts, 4% on fixed-term contracts and 1% on apprenticeship contracts. Permanent employees include 16 transfers from fixed term contracts and 14 transfers from apprenticeship contracts. 89% of employees globally, with exceptions also on the basis of specific country situations, are covered by collective bargaining agreements.

6b Staff: type of contract	2021			2022		
	Men	Women	Total	Men	Women	Total
Total employees	670	281	951	681	292	973
On permanent contract	641	246	887	659	266	925
Fixed-term contract	23	29	52	17	22	39
Apprenticeship	6	6	12	5	4	9

In 2022, the category of atypical workers (administration, projects, internship) consisted of 64 workers, a decrease of 51% compared with the previous year, also in favour of new appointments. Of the total number of atypical workers, 81% are temporary workers, 10% interns, 5% external collaborators and the remaining 4% are other employees, such as executive directors.

On the other hand, staff turnover worsened slightly, from 8.6% in 2021 to 10.1% in 2022. The hiring rate for the under-30 age group is 43%, a figure that indicates the intention of the company to invest in young resources for the development of the Group.

6c Employees: full-time vs. part-time	2021			2022		
	Men	Women	Total	Men	Women	Total
Total employees	670	281	951	681	292	973
Full-time workers	657	231	888	668	238	906
Part-time workers	13	50	63	13	54	67

Employment and turnover

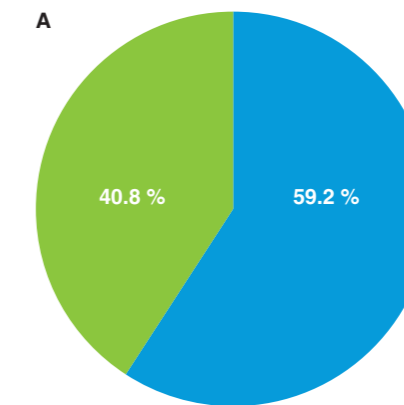
During 2022, in FITT the number of new appointments exceeded the number of people that left the company. 120 new staff members joined the team, while 98 people left. Among the newly hired, 11 are transfers from supply contracts to direct employment by FITT. Over the last year, the recruitment rate of the company therefore stood at around 12.3%, higher than the 9.6% level of 2021.

6d Employees: hired vs. terminated (by gender)	2021			2022		
	Men	Women	Total	Men	Women	Total
Employees hired	52	39	91	71	49	120
Employees terminated	63	19	82	62	36	98
Recruitment rate	7.8%	13.9%	9.6%	10.4%	16.8%	12.3%
Termination rate	9.4%	6.8%	8.6%	9.1%	12.3%	10.1%

6e Employees: hired vs. terminated (by age)	2021				2022			
	<30	30-50	>50	Total	<30	30-50	>50	Total
Employees hired	34	46	11	91	47	57	16	120
Employees terminated	18	36	28	82	17	56	25	98
Recruitment rate	34.7%	8.5%	3.5%	9.6%	43.1%	8.5%	8.4%	12.3%
Termination rate	18.4%	6.7%	8.9%	8.6%	15.6%	8.3%	13.2%	10.1%

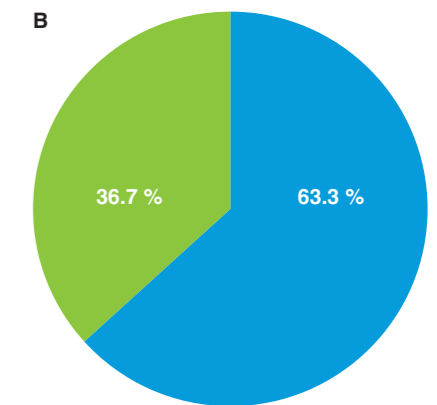
A Breakdown of men and women, hired employees (year 2022).

Male ■
Female ■



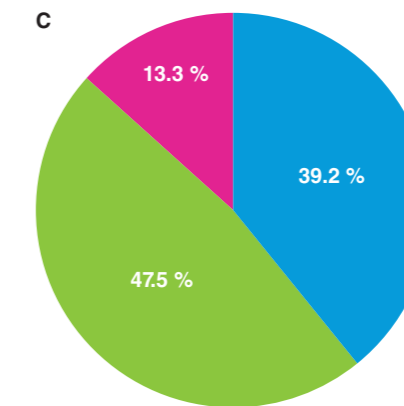
B Breakdown of men and women, terminated employees (year 2022).

Male ■
Female ■



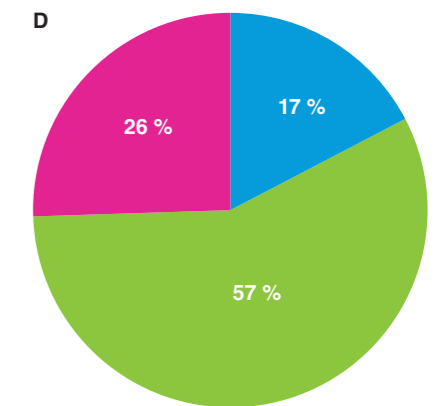
C Age distribution, recruited employees (year 2022).

Under 30 ■
30-50 ■
Over 50 ■



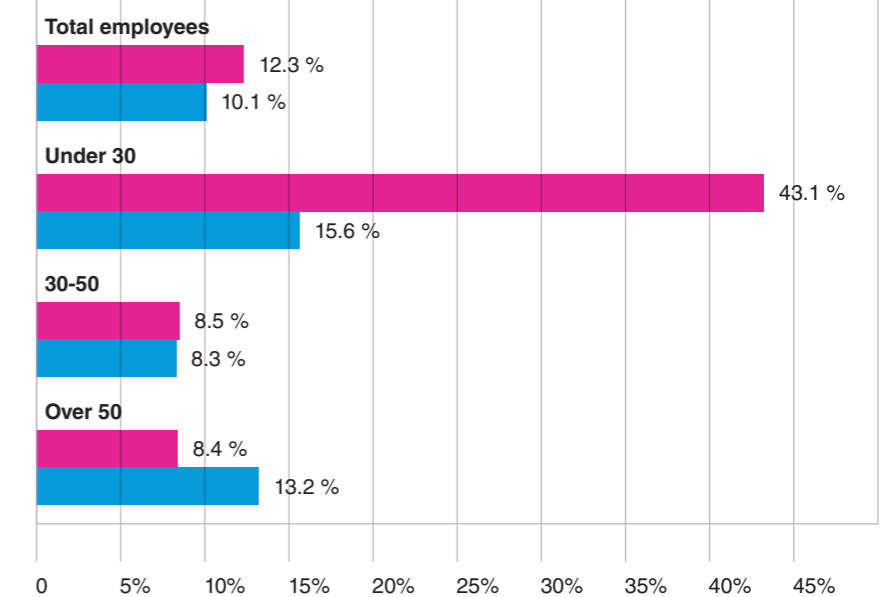
D Age distribution, terminated employees (year 2022).

Under 30 ■
30-50 ■
Over 50 ■



Hiring and termination rates by age group (under 30, 30-50 and over 50), year 2022.

Hiring rate ■
Termination rate ■



employee well-being

An integral part of the care for the FITT People is, of course, the offer of integrated welfare conditions, also developed by listening to the people themselves and by focusing on transparent and continuous internal communication.

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, in compliance with Italian laws. Employees can choose to receive part or all their annual performance bonus, before tax, on an online platform where they can purchase goods and services.

Insurance for the health of staff

Since 2020, FITT S.p.A. implemented a policy to support its employees in the event of hospitalisation due to Covid-19. This was then extended in 2021 with the subscription of an insurance policy for the financial support of workers and their families in case of serious illnesses (the so called "Dread diseases").

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

Engagement and transparent communication

FITT endeavours to disclose the performance of the company in a transparent manner at all times through structured and regular internal communication processes. A "Corporate Governance" section has been created in WeFITT (corporate intranet), where communications regarding strategic objectives and company trends are published.

Moreover, 3 specific meetings called "Let's Share Together" were organised in 2022, to bring the staff together, either physically or in streaming, and share important content on strategies, organisational changes, innovation and business projects, events, etc. It is the players in these projects that become the voice of the company in favour of all the FITT People, in highly followed speeches.

INSIGHT

Focus groups on well-being



During 2022, 350 employees in Italy took part in focus groups aimed at exploring the main issues that emerged from the "Life at FITT" survey carried out in 2021 with the aim of ascertaining the level of satisfaction and well-being of employees and identify issues for organisational improvement in the four macro areas of the investigation: *Engagement, My Work, Environments & Spaces and Collaboration*. 69% of employees participated in the survey

and the overall result showed 85% positive responses (very positive and indicating some areas needing improvement). The discussions and insights of the focus groups, consisting of 10 people from different company levels, mainly dealt with manager-employee relationship, perceived company climate and resulting needs. A master plan for each plant was the next step, with an impact on the year 2023.

For several years now, every plant has had a Dreambox, giving employees the opportunity to anonymously put forward possible improvements for the company.

To ensure value feedback and high reliability levels, an information campaign has been run across the whole organisation, to share the criteria and the methods for the assessment of the proposals received.

Car policy

The Car Policy of FITT is integrated with its sustainability strategy, and the company has introduced hybrid and electric company cars.

In addition, the chosen climate-neutral fuel card mechanism, DKV CARD CLIMATE, allows for CO₂ compensation of fuel purchases by taking advantage of the compensation projects of Myclimate Deutschland. This translates into 217.93 tonnes of CO₂ in 2022, an increase of 73% compared to 2021, due to the restart of travel post Covid-19.

In addition to its fifty years of experience and the excellence of its know-how, FITT's competitive advantage lies in its effective teamwork, the sharing of ideas and values to achieve goals together and make a sustainable difference.



in FITT, smart working is based on a cultural level focused on “goal achievement”, where the foundation of the working paradigm is trust and the sense of responsibility of each individual.

Smart working

Following a path that started in 2018, well before the COVID-19 pandemic, FITT has, over time, structured its Smart Working solutions and implemented a Policy that allows up to three days a week of smart working for employees for whom this is feasible in view of their roles.

In Italy, 96% of white-collar workers benefit from this arrangement, while in Monaco the opportunity is open to 50% of eligible workers, with plans for extension to the rest of the workforce in the coming months. A trial has also been launched in France, involving 30% of the eligible workers. A presence in the office of at least two days a week is meant to preserve the continuation of the necessary face to face discussions and collaborations, which contribute to strengthening relationships and teamwork.

Financial support

To cope with the high cost of living of the past year, FITT brought forward by 7 months the increases provided for in the Plastics and Rubber National Collective Bargaining Agreement for about 400 employees below a set pay level, with the aim of sustaining their purchasing power.

Solidarity Gifts

For years, FITT's choice of Easter and Christmas corporate gifts has favoured solidarity products. This represents a double gift: for the recipient and for the not-for-profit organisation supplying it. The partner for 2022 was Altromercato.

6.3

diversity, equity and inclusion



In 2022, FITT's corporate staff consists of employees from more than 17 different countries.

In line with SDGs 5, 8 and 10 of the 2030 Agenda and consistent with the values and principles set out in the Code of Ethics, FITT believes that the principles of fairness and equal opportunities for all staff are key references that must be integrated into all company activities. Protecting the physical and moral integrity of the individual is one of the core principles of the company. Furthermore, FITT promotes and defends the fundamental rights of people and reject all forms of discrimination based on gender, race, political, religious and sexual orientation, social and personal conditions.

In full compliance with the relevant legal and contractual regulations, FITT is committed to offering all staff regulatory and remuneration treatments solely based on merit and competence criteria, without any type of discrimination. The Life in FITT survey completed in 2021 also polled the perception of employees regarding the ability of the company to respect cultural, political, sexual, religious and gender diversity, with positive response from 9 out of 10 employees.

In FITT, the female presence is lower than the male presence. It represents, in fact, 30% of the company population, in line with the previous year. The category to which most of the female workers belong to is that of office workers, which employs more than 54% of all women.

6f Employees: categories	2021			2022		
	Men	Women	Total	Men	Women	Total
Total employees	670	281	951	681	292	973
Executives	18	4	22	14	4	18
Middle managers	47	18	65	55	17	72
Office workers	129	154	283	124	148	272
Factory workers	476	105	581	488	123	611

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 5% increase has been recorded. At global level, the average age of the FITT People is 44 years. 11% of staff is less than 30 years old, while about 69% belongs to the most represented age band, the 30-49 age group. The Over 50 represent 19% of the FITT's population worldwide.

6g Employees: age groups	2021			2022		
	Men	Women	Total	Men	Women	Total
Total employees	670	281	951	681	292	973
Below 30	61	37	98	64	45	109
30 to 50	363	176	539	491	183	674
Over 50	246	68	314	126	64	190

FITT aims at equal pay and equal tasks for men and women. In this respect, in 2022 the pay gap between the two genders shows an improving trend in the middle managers and office workers categories, as shown in the table illustrating the male to female pay ratio by category over the last two years.

The closer the ratio is to 1, the smaller the gender gap. As far as the executive category is concerned, the increase in the gender gap is due to a change in FITT France personnel.

¹ The 2021 data underwent a restatement compared to the previous edition of the Sustainability Report, due to a calculation error, in order to facilitate comparability of the data with 2022.

6h Employees: pay ratio	2021 ¹		2022	
	Men	Women	Men	Women
Executives - Gross Annual Pay	1.00	0.90	1.00	0.83
Executives - Global Annual Pay	1.00	0.90	1.00	0.82
Middle managers - Gross Annual Pay	1.00	0.77	1.00	0.86
Middle managers - Global Annual Pay	1.00	0.79	1.00	0.76
Office workers - Gross Annual Pay	1.00	0.69	1.00	0.93
Office workers - Global Annual Pay	1.00	0.61	1.00	0,76

Moreover, in 2022, the FITT company population comes from more than 17 countries. In order to facilitate the reunification with family members living in their countries of origin, FITT has for many years regulated the possibility for non-EU employees to take extended leave.

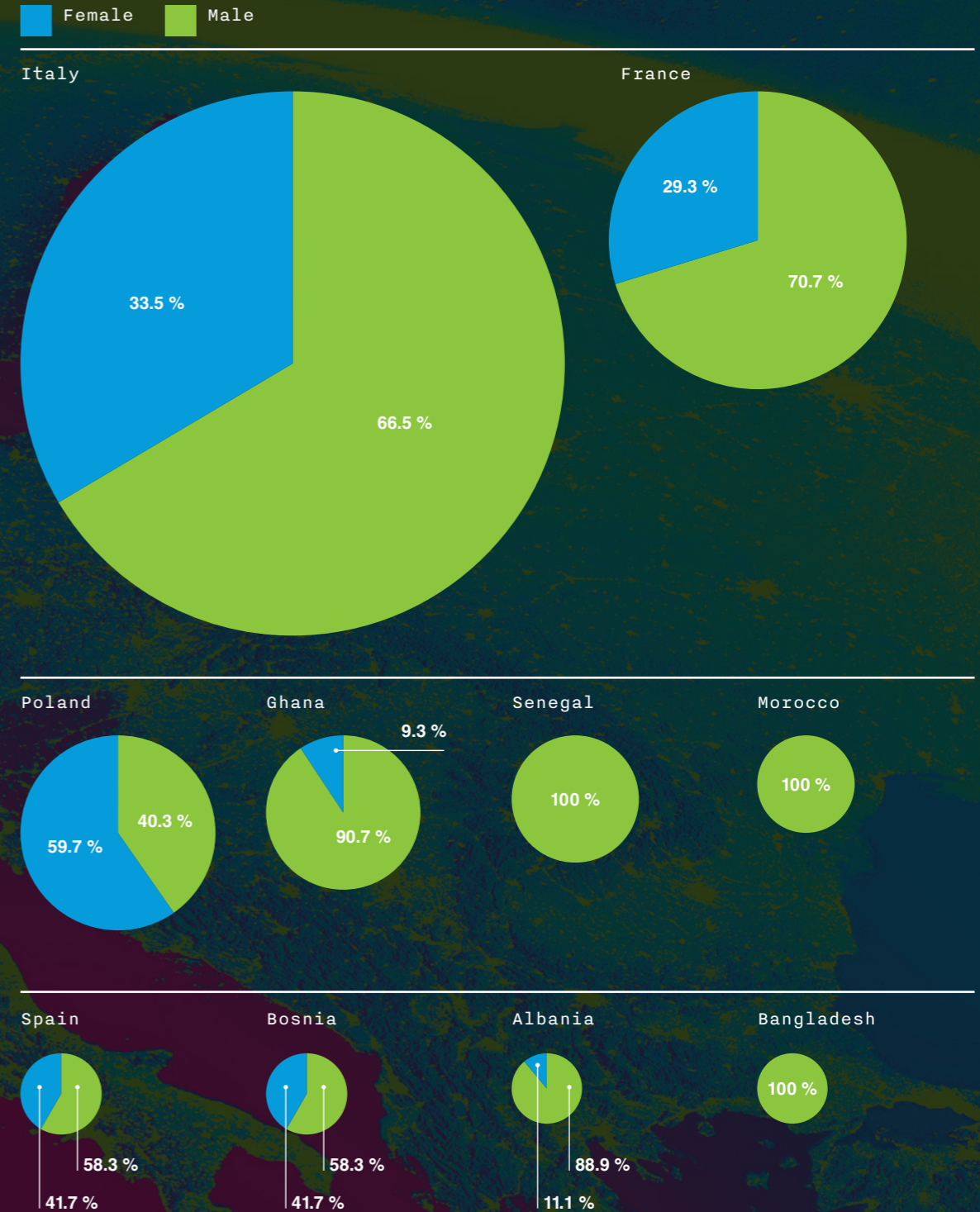


furthermore, fitt promotes and defends the fundamental rights of people and reject all forms of discrimination based on gender, race, political, religious and sexual orientation, social and personal conditions.

6i	2022			
Employees: Countries of origin	Country	Men	Women	Total
	Italy	351	177	528
	France	111	46	157
	Poland	27	40	67
	Ghana	39	4	43
	Senegal	29	0	29
	Morocco	17	0	17
	Spain	7	5	12
	Bosnia	7	5	12
	Albania	8	1	9
	Bangladesh	9	0	9
	Ivory Coast	8	0	8
	Other countries	62	7	69

INSIGHT

Top 10 countries of origin of employees



6.4

continuous learning and career development

The chart on the opposite page shows the breakdown of training subject areas (top 8).

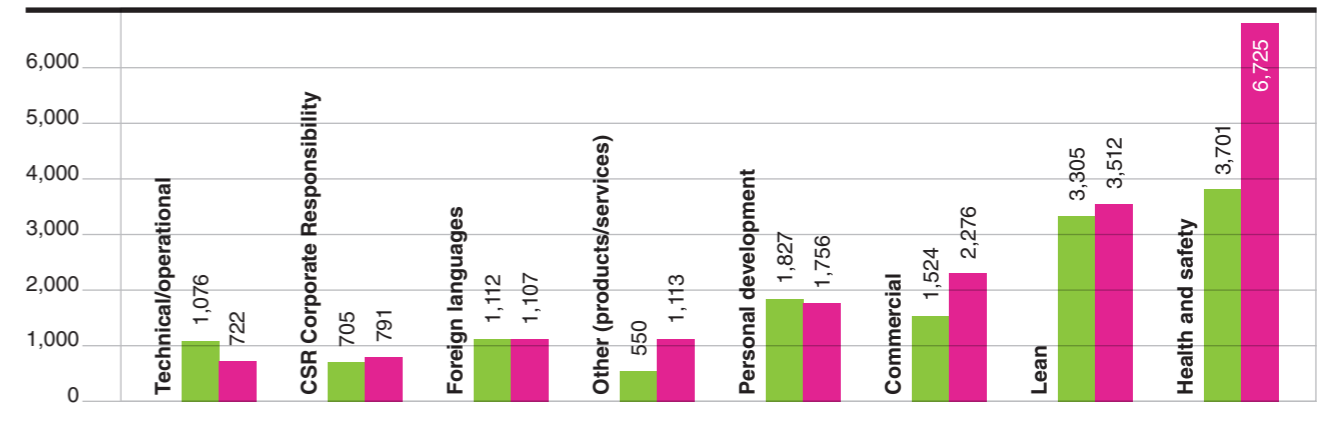
2021 ■
2022 ■

For FITT, the professional development of its employees is a real energy boost that improves the performance of the company as well as individuals and teams. Training is therefore seen as a continuous flow of opportunities for the entire company population, both to provide technical tools and to deepen personal soft skills, as well as to foster a culture of collaboration and projection towards the future.

6j Training hours	2021			2022		
	Men	Women	Total	Men	Women	Total
Average training hours	12.3	12.8	12.5	21.0	21.7	21.1
Executives	44.1	45.7	44.3	32.0	65.5	33.9
Middle managers	30.5	21.2	27.9	32.0	39.5	33.8
Office workers	26.4	18.2	21.9	27.2	25.0	26.0
Factory workers	5.6	3.0	5.1	18.5	14.8	17.7

In 2022, the FITT Group provided 20,536 hours of training to its employees, an increase of 22% compared to 2021 and a further increase compared to previous years, involving 95% of the company workforce, with an average of 21.5 hours per person.

Broken down by occupational category, the average highlights the high level of investment in the company blue-collar workforce, which has seen its training hours triple thanks to targeted training investment projects.



6k Training hours	Subject area	2021	2022
Total		16,799	20,536
	IT	343	37
	Economic and financial	262	608
	Technical/operational	1,076	722
	Managerial	1,392	515
	Foreign languages	1,112	1,107
	Commercial	1,524	2,276
	Quality	3,701	417
	Marketing & Communication	311	621
	Legal	14	94
	HR & Organization	80	130
	Innovation	448	82
	Purchasing	132	32
	Health and Safety	3,701	6,725
	Lean	3,305	3,512
	Personal development	1,827	1,756
	CSR Corporate Responsibility	705	791
	Misc. (products/services)	550	1,113



For FITT, taking care of its people brings a positive change in the experience of the employee, who therefore becomes increasingly involved and engaged within the corporate paradigm.

In 2022, very significant investments were made in particular in health and safety training, with a focus on better highlighting and mapping near misses, thus increasing the sense of individual and collective responsibility, both through better formalisation of roles and responsibilities and through increased knowledge of the subject.

Commercial and Customer Service were the other two functions in particular need of new life, following the historically difficult period in sales and supply management. The Customer Service teams were helped to reflect on service performance and to work through the emotional baggage accumulated during the last difficult season, both at team and personal level.

The Commercial area focused on the technical dimension of marketing strategies, market analysis and the development of new markets, and above all on understanding and translating the brand and sustainability strategy values as differentiating assets for the establishment of advanced relationships with buyers and customers.

The Lean project continued, addressing a different target group than last year: the Operations area. The program focused on the daily activities of production operators, such as workspace management, problem solving, proactive approach.



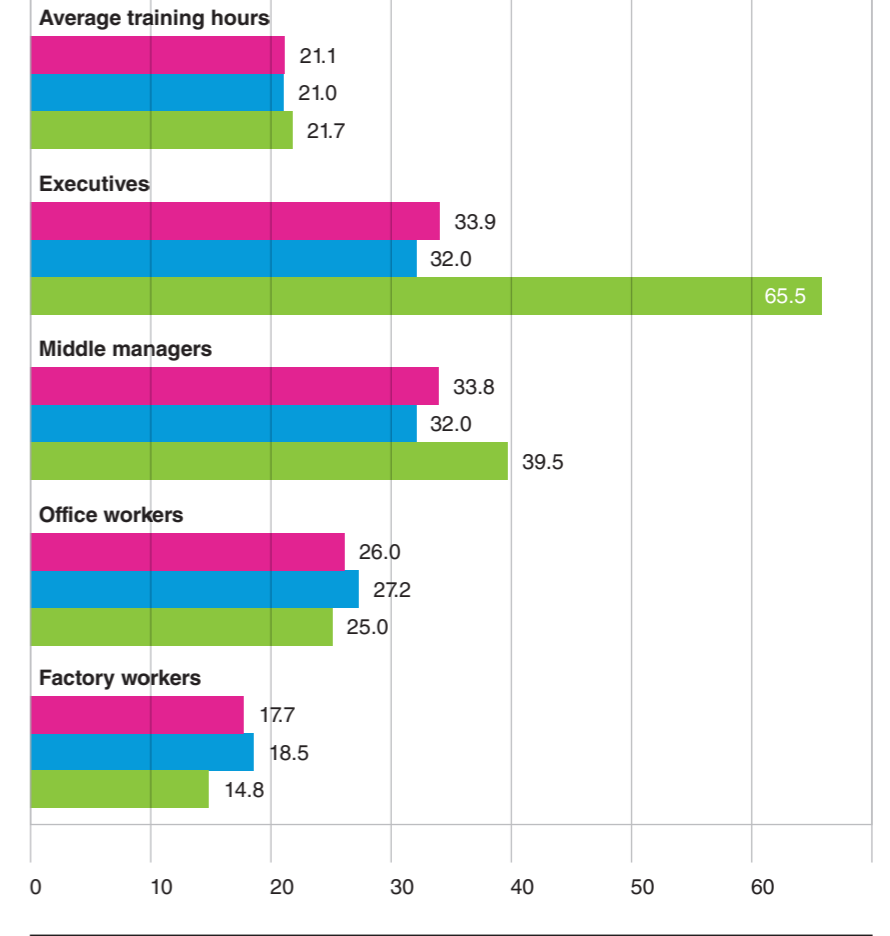
fitt continues to invest in training, talent culture and skill development, key elements on which to focus for the support of long-term business sustainability.

Training hours in economics, finance and marketing and communications more than doubled, and sustainability awareness training for all employees continued.

The number of hours devoted to foreign languages was also in line with the previous year, demonstrating the Group's commitment to the linguistic integration of the FITT People across the sites and to ensuring the satisfaction of customers worldwide. All training benefits from the uniform Group-wide presence of FITT Darwin, the Learning Management System designed to support the continuous training of employees.

Distribution of average training hours per employee category (year 2022).

Total ■
Male ■
Female ■



SDGs Campaign

In 2022, FITT launched a culture change campaign regarding the 17 Sustainable Development Goals and the 2030 Agenda at all its European sites. The aim was to promote sustainable behaviour in everyday life, engaging the FITT People in the topic of sustainability and keeping them up to date about the progress of the FITT's journey.

Through company intranet channels, FITT Mail, posters and the FITT Darwin portal, questionnaires were circulated to measure the level of knowledge of sustainability. The results showed that the FITT People has a good knowledge of the subject, particularly on topics closer to personal and professional experiences, such as carbon neutrality, LCA and renewable energy sources.

In addition, each month an SDG was identified and analysed, with an ad hoc fact sheet outlining the current situations in Italy and worldwide, FITT's role and commitment, possible individual actions and related topical issues. A database of books, films and documentaries was also made available to the FITT People for private consultation in the WeFITT portal, to broaden the knowledge of the SDGs and the 2030 Agenda.



321 individuals from Operations were involved in the training, with an average of 16 hours per individual, across 6 plants.

Operations training

In the course of 2022, FITT launched a training course dedicated to Operations personnel.

Based on the skill matrix analyses defined for all plants, a number of priority training needs common to all were identified, such as the need to strengthen leadership skills for those in charge of teams, transversal skills useful for managing interpersonal relationships and managerial problem-solving skills.

The training was divided into two groups: line managers took part in a two-day leadership empowerment outdoor training experience at Villa San Biagio in Colceresa, with the aim of turning them from “plant managers” to “people managers”. As for the production operators, they attended a series of meetings with internal lecturers on safety, waste management and company regulations. Three workshops were also run by three external lecturers on S5, problem solving and soft skills.

At the end of the training, a questionnaire was sent to the participants to assess the level of appreciation, suggestions for improvement and the level of understanding of what was explained during the training course.

The results were very encouraging, with a good percentage of correct answers, confirming the willingness to grow and learn despite the language gaps, which were also bridged through collaboration between the participants.

Lean Digital Transformation

Over the years, FITT has developed the “Lean Digital Transformation” training program. This project started in 2020 and continued throughout 2021 and 2022, and involved over 100 members of staff from Office and Operations. The aim was to ensure the acquisition of a range of skills needed for the support of efficiency improvement and/or digitalisation programs, in line with the principle of continuous improvement, one of the core elements of the Lean Management philosophy.

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

The selected employees received 8 days of targeted training, specifically focused on project management, leadership development and managing change. FITT hopes to create a community of Lean Digital Agents capable of supporting colleagues in the various transformation and digitisation projects, through the use of new methods and tools, to improve processes and the generation of ideas.



FITT Darwin is the innovative digital e-learning platform, launched in 2020 and extended to the entire Group. It provides a new and fully personalised way of learning, available at any time in complete autonomy.

Academy for Technical Operators

In 2022, FITT continued the “Academy for Technical Operators”, a training project designed to develop the technical skills of its employees involved in specialised tasks in the production plants.



the academy for technical operators allows employees to make the most of their talents and express their professional aspirations, opening up new possibilities.

Corporate Responsibility (CSR)

In order to continue the promotion of sustainability in all business areas, in 2022 FITT involved the commercial staff in a training course focused not only on the value of the brand, but also on sustainability.

In particular, the training tackled the sustainability principles included in the FITT strategy, such as ecodesign, Life Cycle Assessment, Environmental Product Declaration and offsetting of emission, in order to broaden the scope of negotiations beyond mere trade negotiations.

Also FITT France and FITT Monaco underwent sustainability training in 2022. The training was delivered to 20 employees for a total of 138 hours. The aim was to provide an overview of the new approaches and tools available for corporate sustainability and promote knowledge and awareness of the objectives and tools of the sustainability policies of the FITT Group. The course consisted of 6 modules on the following topics:

- Governance & sustainability
- Environmental management
- Social Sustainability: Employee
- Social Sustainability: Community
- Customers and Sustainability
- Sustainability Reporting



in 2022, fitt intensified in-house training, investing more than 20,000 hours and involving 95% of its employees: priority was given to health and safety issues, with particular focus on near misses.

FITT Bluforce Academy

An interactive, personalized and flexible training model developed at international level and designed to share the technical and technological know-how of FITT with the players of the infrastructure network sector. The Academy is the set of seminars, courses and experiential activities that FITT offers to designers, technicians of utilities and reclamation consortia. The training programs of the Academy are constantly updated, are adapted to the real needs of the participants, and create a flexible and efficient dissemination model. The FITT Academy makes available 3 training offers:

FITT Experience

Training event held in the Fara Vicentino production facility, with access to the production and testing area of the FITT Bluforce system. The FITT Experience consists of a guided tour by our Quality Control and R&D laboratory experts, followed by a technical round table coordinated by the FITT Product Managers.

FITT Masterclass

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

FITT Webinar

FITT Webinars are the digital extension of the FITT Masterclasses. These are training and technical update activities proposed at national level in collaboration with the National and Provincial Orders of Engineers, Associations, Integrated Water System utilities, Reclamation Consortia, designers, companies and Universities, to deepen and share technical skills related to the product, sustainability and the most innovative application technologies. Our formats, which allow for CFP (Carbon Footprint of Products) recognition, can consist of individual modules of 3 or 4 hours or full-fledged weekly training courses.

During 2022, a total of four events were held, one of them a webinar. The training offer was mainly targeted at customers and stakeholders in the French infrastructure and integrated water services sectors, while at a national level, a FITT Experience involved the Reclamation Consortia of the Veneto region.

In total, the FITT Academy involved 62 people, with an overall module of 19 hours of training, and resulted in 62 new qualified leads through webinar and 24 through face-to-face events. The webinar, the digital format of the FITT Academy, allowed the analysis of the proposed topics and formats through a series of surveys, to which about 50% of the participants responded. The results showed that 76% of them consider it important and of added value to work with a company that is tangibly active in the field of product sustainability, and 67% of them say they are informed about the issues relating to the goals of the UN 2030 Agenda.



FITT Bluforce Academy is for FITT not just a training tool, but an actual opportunity for engaging stakeholders and establishing a dialogue with them.

Performance Management

A complex system such as that of work and personal relationships requires constant training in the management of the energies at play and the ability to create positive exchange and respect flows. In view of all this, the need to monitor the performance of individuals becomes an aspect of continuous personal improvement, as well as medium and long-term business planning. Skill Matrix, People Review and Performance Dialogue are the three tools FITT has implemented for this purpose. Through the Skill Matrix, since 2020 the company maps the competencies of each employee, identifying any skill gaps that need to be addressed.

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

The Performance Dialogue was activated in FITT for the first time in 2021: this is a company performance management system consisting of annual appraisal interviews between managers and their subordinates. The dialogue is complemented by a comparison with the previous year's results, the definition of the objectives for the coming year, the assessment of leadership attitudes and skills, a discussion regarding professional aspirations and the manager/collaborator relationship. In 2022, the process was also extended to FITT France, FITT Monaco and FITT Polska, involving a total of 470 employees, 48% of the FITT People.

In specific, the evaluations involved 88% of top and middle management, 98% of office workers and 22% of the operations staff.

61

Employees subject to evaluation

2022

Detail	Men	Women	Total
Total	266	204	470
Executives	12	3	15
Middle managers	43	15	58
Office workers	136	124	260
Factory workers	75	62	137

health and safety in the company

Protecting the health and safety of its workers is for FITT a key factor. FITT aims at maintaining the highest levels of health and safety for its employees, ensuring that the necessary prevention and protection measures are in place to avoid or minimise occupational hazards.

Ongoing investment in creating a culture of safety insists on promoting responsible behaviour through increased awareness.

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

In 2022, the number of accidents decreased significantly, from 33 to 22 episodes during the year. The severity of accidents also decreased by about 32%. In continuity with the previous year, one occupational disease was recorded among employees. No accidents were recorded during the year among contractors' external workers.

In 2022, very significant investments were made in particular in Health and Safety training, with a focus on better highlighting and mapping of near misses, thus increasing the sense of individual and collective responsibility.



INSIGHT

Health and safety risks associated with labour-intensive processes



The introduction in the company of assembly and packaging operations for some of the company branded products has inevitably drawn attention to labour-intensive processes and the associated health and safety risks.

Therefore, with an investment of almost 200,000 Euros, a process automation experiment was initiated using palletizers, one of which Cartesian, and introducing a collaborative robot.

At FITT S.p.A. level, the company has set a target of 50% reduction in the number of accidents by 2025, while at Group level (excluding FITT Monaco and FITT España), FITT is working towards a 5% annual reduction in the severity index.

6m	Detail	2021 ³	2022
Accidents at work ²	Total number of deaths at work	0	0
	Total number of accidents at work	33	22
	Total hours worked	1,581,511	1,407,472
	Days lost	1,373	661
	Rate of accidents at work ⁴	20.9	15.6
	Accident Severity Index ⁵	0.87	0.47

² The data presented in the table refer to production companies: FITT S.p.A, FITT France and FITT Polska.

³ The 2021 data underwent a restatement compared to the previous edition of the Sustainability Report: commuting accidents are now also included in the total accident count, while in 2021 they were excluded.

⁴ The rate of accidents at work is calculated according to the GRI standard: number of accidents at work ÷ total number of hours worked × 1,000,000.

⁵ The accident severity index is calculated as follows: days lost ÷ total hours worked × 1,000.

Through training, active participation and constant analysis, the employees of the FITT Group contribute to a significant reduction in accidents, ensuring a healthy and safe working environment for all.



The commercial companies FITT Monaco and FITT España were excluded and will be included in the consolidated results starting from next year. With 26,000 hours worked in 2022 by the two companies, one commuting accident was recorded for FITT Monaco. The company organisation has implemented a risk prevention and management system based on the involvement of workers and supervisors, which always includes a root cause analysis of the events. In addition, a near-miss management process is used to identify unsafe behaviours, hazardous situations and near-misses.

These are managed by means of targeted weekly and monthly meetings at various levels, involving various company figures, in order to analyse the causes and the relevant corrective actions, and identify the responsible resources. In addition, all supervisors are involved in monthly spot checks on various issues to identify anomalies and actions for continuous improvement. During the year 2022, extensive training and involvement of workers on near miss management and accident prevention was carried out, as well as a process to revise work instructions and procedures to increase workers' awareness of the risks of their activities and the relevant preventive measures.

In addition, targeted fortnightly meetings with the management of each production unit ensured the implementation of further corrective actions in addition to those already planned, thus ensuring continuous prevention with the aim of reducing the recurrence of risk events. As a result of the important training provided, a near-miss KPI was added to the annual production bonus.



fitt's sustainability strategy, "the responsible flow 2023", aims to reduce the number of accidents by 50% by 2025: a demonstration of the priority commitment to the health and safety of employees.

community connection

The Group is part of an ecosystem of relationships with various parties, both similar and different from FITT: the goal is to create long-term valuable and stable relationships.

→ 07

Fitt for the community

The relationship between FITT and the community in which it operates is central to the vision of the company. FITT considers the three community levels that may be affected by its actions: the business community, the local community and the global community. While the initiatives described in the previous chapter are dedicated to the corporate community, and the global community is recognised as a partner in the great challenges of our time, particularly decarbonisation, special attention is paid to the local community and therefore to the areas in which the company operates.

Over the years, FITT has developed an ability to listen to the needs of the territories, as well as an internal dialogue to translate them into real opportunities for intervention, so that the relationships established can have a real long-term effect, whether through donations or, better still, the combination of factors such as the subsidiarity of service provision, educational collaboration or the involvement of the FITT People in the territory itself.

FITT's sustainability strategy, The Responsible Flow 2030, sets the commitment to building partnerships with local and international stakeholders, to promote the inclusion of under-represented groups and the protection of biodiversity.



INSIGHT

The five areas of social intervention outlined in the FITT's sustainability strategy for the Community

Disability

Promote the inclusion, autonomy and development of the potential of people with disabilities and their families.



Healthcare

Contribute to support activities and research in the field of oncological diseases and in local hospitals.



Youth

Raise the awareness of sustainability issues among young people and increase the opportunities for improving living and educational standards.



Women

Contribute to the fight against the alarming phenomenon of violence against women, giving them opportunities for independence and promoting gender equality as a tool for the betterment of the whole community.



Environment

Promote the environmental protection culture, also through the implementation of projects focused on improvement actions. The flagship project that FITT has committed to in 2022 is Marcesina, a project that has the ambition to apply the concept of subsidiarity not only in the social sphere, but also in the environmental sphere.



marcesina: for environmental and social change

In 2018, the Marcesina plain in the Vicentine Pre-Alps was hit by the biggest hurricane ever to hit Italy, hurricane Vaia. The damage caused by the force of the wind, which reached speeds of 200 kilometres per hour, was immense: 42 million trees were felled, representing 300,000 cubic metres of wood. There are historical reasons for FITT's attachment to this area but even more so there was the desire to take part in a multi-stakeholder cooperation experiment to rehabilitate an area so affected by climate change.

This is why, in 2022 FITT decided to take the lead in a study on the recovery of the Marcesina plain, a study financed by the company itself and which resulted in a project master plan. A year of intense activities during which, as CEO Alessandro Mezzalana regularly points out, FITT's innovative spirit joined forces with the application of a methodology for the holistic reprogramming of an area, with the aim of completing a multidimensional project spanning across three axes: environment, social and economy.



“this first intervention is part of a master plan that we wanted very much in order to recreate a unique environment where man can once again meet nature in an authentic and regenerating way.

—alessandro mezzalana, ceo of fitt



Thanks to FITT's contribution, in 2022 the first planting and restoration of 6.5 hectares of forest took place, with the planting of 9,000 trees and the restoration of grazing pastures on the same plain.



Protection and restoration of biodiversity in the area

The main objective of the project was to formulate a “Proposal for forestry and environmental restoration and for the enhancement of the Marcesina plain.”

This study produced a recovery plan that takes into account both the characteristics of the location and its traditions, including both a wooded area and an area used for grazing, but without neglecting innovation, and so allowing the creation of a biodiversity that would be best able to cope with the climatic changes that will occur in the coming years. For this reason, the plan includes a selection of different trees, such as birch, poplar, larch, beech, spruce and fir.

There are also plans to involve citizens in voluntary tree planting activities, and to develop economic schemes to attract new businesses, through the creation of carbon credits to compensate CO₂ emissions. In order to share this project with the community, it was decided to make it accessible to everyone. Therefore, it was submitted to the European Union in October 2022 through a Life call for tender, under the name “FIT for LIFE”. Once approved, the project will be replicable by any organisation (both public and private) throughout Europe.

Redevelopment and accessibility

In order to increase the possibilities for the community to enjoy the area, road improvements and peat land habitat improvement projects are also contemplated. These activities are functional to the redevelopment of the area, so as to create a tourist and cultural centre.

Responsible development and external partners

In order to maximise the positive impact of the project on the whole community, FITT has taken steps to bring together different players, including both local stakeholders (Enego Municipality, Veneto Region, Veneto Agricoltura, Coldiretti and Legambiente) and FITT's historical partners (Leroy Merlin Italia, Bigmat, Tecnomat and Fluidra).

not just customers but partners in change



The collaboration with Fluidra for the social pool is FITT's first social project with a customer, highlighting the ability to generate shared value beyond business.

In 2022, FITT joined a second project in partnership with Fluidra, a leading Spanish multinational in the swimming pool and wellness sector and one of FITT's main industrial customers. The aim of the project signed last year was to contribute to the construction of a swimming pool in a school in Senegal, to combat the phenomenon of deaths by drowning.

Through its Fundació Fluidra, a foundation set up in 2016 with the aim of guaranteeing access to water for all and promoting its sustainable use, a project was launched with Fundació CRAM, a non-profit organisation dedicated to the protection of the marine environment and its inhabitant species, entailing the renovation of a centre for the recovery of marine animals. This centre was the first in Europe of its kind, and the creation of Fundació CRAM in 1996 allowed the organisation to expand its activities, also thanks to its continuous collaboration with various research centres and universities.



partnerships are essential for a positive impact on the community and to promote responsible development.

The centre has a threefold function: it has an area dedicated to the recovery of marine species, unique in Europe for its work on cetaceans, turtles and sea birds; it carries out research to combat the decline of marine fauna; it trains professionals involved in recovery activities and organises initiatives to raise the awareness of the conservation of the marine environment among visitors.

At the heart of the renovation and expansion of this key facility are changes to make the entire centre more accessible, easier to visit and sustainable.

Together with Fluidra, FITT is contributing to the renovation and expansion of the marine animal rescue centre, which will therefore become more easily accessible, walkable and sustainable.



ecology of local relations

¹ "Where. The dimension of place that recomposes business and society" Paolo Venturi, Flaviano Zandonai 2021.

We need to set in motion projects capable of sustaining an economy that contributes to restoring meaning for urban and non-urban spaces and renewing social and cultural links: an economy that produces places and communities.

The dimension of place adds to the dimension of space the fact that within the dimension of proximity people have the need to construct meanings and therefore work, live and have neighbourly relationships¹.

This is the driving force behind FITT's efforts to shape its relations with the local third sector in terms of shared objectives and mutual cooperation, so that the relationships generated by the partnerships become a constitutive factor of corporate culture, territorial coexistence and economic and skills support. A challenge that translates into formal partnerships, moments of shared reflection and an invitation to all the FITT People to participate.

Disability



PomoDoro is a "social enterprise": Its apprentices run a farm, a catering business and a cultural space, with an increasingly busy calendar in terms of events and people.

Il PomoDoro Onlus

FITT is linked to PomoDoro Onlus by a ten-year partnership based on the mutual exchange of goods and services. PomoDoro Onlus is a non-profit social farm organised on the basis of the social agriculture principles. It was established with the aim of helping young people with physical and mental disabilities and allow them as much as possible to enjoy an active and independent life, through inclusion in the job market.

In 2022, FITT took part in the organisation of a series of conferences called "Between saying and doing: autonomy is possible," aimed at raising awareness in the community of the need for people with disabilities to lead an autonomous life. The events covered the following topics:

- Instruments aimed at helping people with disabilities to pursue an independent and autonomous life (such as Law 112/2016 and the Trust model);
- The importance of a life project for each individual (including the selection of operators to be relied upon, job placement, various types of residences and places accredited by the ASL). With the related presentation of the "the future is now" network;
- Presentation of the meetings for 2023 centred on carers and the challenges they face on a daily basis.



Corporate Social Responsibility is also realised through a policy of attention to the territory in which the company lives and operates. It is thanks to the territory that the company exists and flourishes, which is why taking care of it is for FITT a tangible commitment.

- This cycle came to completion with two testimonials: the first by Elisabetta Morando who, living in a sheltered flat, recounted her concerns, expectations, satisfactions and difficulties related to this living situation. The second by Laura Baldisserotto, who told how persistence, hope and willpower can achieve great results even in difficult situations, as in the case of her son, who thanks to the attention and time devoted to him over the years has been able to develop important communication and motor skills to cope with the rare disease he is affected by and which prevented him from walking and speaking until he was eight years old.

FITT also took part in the celebrations for the 10th anniversary of the association. On this occasion, the CEO of the company gave a speech at the "Sempre pomodoro è" (Always tomato is) conference, during which he recalled the milestones of the collaborations that have taken place.

PomoDoro Onlus non-profit is one of the associations that FITT promotes among its employees for the purchase of products, with a donation for each purchase equal to 25% of the value spent.

<p>Collaborations and partnerships FITT actively engages in various charitable and sustainability initiatives with local and national associations and organisations, helping to promote inclusion, medical research and fundamental rights</p>		
		
		
		

Baskin

In addition, also in the field of disability, FITT has undertaken the commitment to support the organisation of the national inclusive basketball final (Baskin) with the ASD Bears Baskin of Isola Vicentina, which allows both disabled and non-disabled people to play together in the same team, ensuring total integration.

Healthcare



Città della Speranza (City of Hope) Onlus Foundation, a non-profit organisation dedicated to ensuring the health and well-being of children with serious illnesses.

The Foundation opened and supports Istituto di Ricerca Pediatrica Città della Speranza (City of Hope Paediatric Research Institute), the largest European research centre of this field, which deals with childhood diseases from several point of views, with the object of increasing success levels and new discoveries.

Fondazione Città della Speranza

FITT supports the Città della Speranza (City of Hope) Foundation, an organisation that conducts research into rare diseases and paediatric oncohaematology, to improve the physical and psychological well-being of children and support their families. FITT buys the products sold by the Foundation and actively supports its charitable initiatives and numerous self-funding events.

In mid-2002, FITT signed a partnership agreement with Città della Speranza, developing for the first time for the Foundation a collaboration model involving the business community. This made it possible to support the “Let’s champions run” relay race, sponsored by the Carabinieri and which travelled across Italy to raise the awareness of the community on paediatric oncology research and fund a three-year scholarship for a researcher.

In addition, a project set up by the Foundation to help young Ukrainians suffering from oncological diseases who cannot receive the necessary treatment in their own country is being supported in response to the emergency in Ukraine.

San Bortolo Foundation

FITT has been supporting the ULSS 8 hospitals in Vicenza for 15 years through the San Bortolo Onlus non-profit Foundation, which organises fundraising events to purchase high-tech machinery and other functional goods, such as ambulances and furniture. FITT contributed to the fundraising by purchasing Christmas gifts from the Bolzani patisserie, a member of the Foundation.

A.L.I.Ce. Veneto

Also in the area of healthcare, FITT supports cultural initiatives to raise stroke awareness with the community through A.L.I.Ce. - Veneto Onlus, promoting the dissemination of useful information.

Youth

“Tommaso Andrighetto” Children’s Services Association

Since 1998, FITT has strongly been supporting the voluntary work carried out by the “Tommaso Andrighetto” association in Sandrigo. The association is dedicated to activities aimed at moral education, childcare and preparation for compulsory schooling, supporting the primary educational role of families. It mainly runs the “Il sogno di Tommy” nursery school and other activities for children and young people.

Schools and Universities

FITT is fully aware of the importance of focusing on young people and especially on university research. There are several active projects in this area. In the university sector, there are two PhD agreements and several research contracts with local universities. FITT has activated a project called “FITT for School - Lessons in Sustainability”, in collaboration with the Municipality of Fara Vicentino. This takes the form of activities carried out at middle and high schools and aimed at spreading sustainability values, helping students to understand what it means to integrate sustainability into a business.



born in a generous region, FITT is committed to sharing and giving back through social projects and a sense of community.

Female



Women for Freedom

FITT supports the humanitarian organisation Women for Freedom (WFF), whose mission is to help women and children who are denied their basic rights to achieve freedom. Together, they work to build a better world through projects that prevent human trafficking, combat domestic violence, support education, and provide training and microcredit to women and children.

This collaboration has led to the signing of an important partnership agreement, with the aim of making FITT an official partner of WFF, promoting its activities and directly supporting its projects:

- “Energia Donna” in Italy: aimed at supporting women on their way to regaining autonomy and social inclusion, through integration into the job market.
- “Life from the Source” in Cameroon: a number of projects are being carried out in Cameroon in collaboration with the local partner SERDIF, including one in Bawonwa financed by FITT, to ensure access to drinking water and therefore improve health, social and economic conditions - particularly for women and children who are more vulnerable to water-borne diseases -, reduce violence against women and children, and ensure more available time for work, independence and study.

Marcegaglia Foundation

Other active initiatives in this area include FITT's support for the non-profit Marcegaglia Onlus Foundation, which focuses on helping women in the fight against marginalisation and domestic violence, and support them in entering the job market by donating products.

Women For Freedom, an independent and impartial humanitarian organisation that bases its relationship with FITT on universal and shared values such as equality, culture, respect, inclusion, listening and self-fulfilment.

dialogue with local communities

The dialogue with the local communities and institutions, in particular the municipalities of Sandrigo, Fara Vicentino and San Pietro in Gu, has always been central for FITT, who believes in the need to contribute to the sustainable development of local communities. For this reason, FITT promotes cultural and social initiatives in the area. Several projects are continuing in the same way as when they started in 2021, such as the redevelopment of Villa Mocenigo in Sandrigo and the support of the candidature of the city of Vicenza as “Italian Capital of Culture 2024,” with FITT’s qualification as animating company of “Fabbrica dell’Ingegno (Factory of Ingenuity).



As proof of its commitment, FITT received the certificate of "Special Enterprise" from UNCHR.



FITT is also involved in initiatives concerning global issues. The year 2021 was characterised by the start of the war in Ukraine and FITT immediately decided to offer help. The company immediately started to offer help to employees of Ukrainian origin. This was followed by other initiatives and the involvement of all the FITT People, including from foreign branches:

- Fundraising for UNCHR in support of refugees and displaced people: the contributions made consisted of a direct donation and a Payroll Giving (the donations from staff are supplemented by an additional donation by the company).
- Reporting of verified humanitarian initiatives in all the countries of the Group (Italy, France, Poland and Spain), such as the one by the Città della Speranza (City of Hope) Foundation
- Among the initiatives abroad, it is important to mention the work carried out in Poland. A partnership has been established with AVSI Polska, where Polish employees take part in charitable activities for refugees and provide personal support to vulnerable families living near the border.



fitt stands by the ukrainian people, the women, men and children who are suffering tragedies that the modern world should not allow: peace and respect for freedom are the foundations in which fitt believes and strives to establish.



As it can be seen from the actions taken, FITT's impact on the community is a critical issue. For this reason, a Social Impact Plan has been put in place and is constantly updated and monitored, also thanks to a dedicated governance structure. In addition to the collaborations in place, there are also two company policies, described below.

Match Giving Policy +25%

For sales and fundraising campaigns in support of non-profit organisations proposed during the year to its employees, FITT undertakes to donate an additional 25% of any expenditure by the employee.



fitt is committed to making a positive impact on the community through a continuously monitored social impact plan, supported by a dedicated governance structure.

Corporate Gift Policy

The choice of corporate gifts favours solidarity products purchased from Bcorp companies, benefit companies or third sector organisations, or products with a sustainability value. In addition to the organisations mentioned above, AltroMercato Impresa Sociale - Società Cooperativa (AltroMercato Social Enterprise - Cooperative Company) is another organisation that FITT uses for wrapping Christmas gifts for its employees.



methodological note and gri index content



FITT has prepared this report, which covers the period from 1 January to 31 December 2022, on a voluntary basis. The scope of the data and information contained in the document extends to the companies FITT S.p.A., FITT France S.A.S., FITT Polska Sp. z o.o., FITT MC SAM, FITT España Portugal S.A.U., while only the manufacturing companies have been considered for the environmental data, as they are those with the greatest impact (FITT S.p.A., FITT France and FITT Polska).

The Sustainability Report is issued annually. Trends in relation to the previous year have been included in order to show how results have evolved. Where useful for a better understanding and comparability of the data, the calculation method is also indicated.



the sustainability report follows the gri standards: the data, accurate and internally validated, comes from accounting, non-accounting and other company systems.

This sustainability report has been drafted following the Sustainability Reporting Standards of the Global Reporting Initiative (GRI). The report has not been independently verified. However, the table below demonstrates how its content aligns with the indicators of the standard.

The data and information contained in this report have been reported in a timely manner with the accounting, non-accounting and other information systems used by the relevant functions and have been validated by the relevant managers. This document is issued under the supervision of the Management Team of the company. For any information or further details, please write to: sarah.colpo@fitt.com.



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FITT Group
2022 Sustainability Report

FITT S.p.A.
Single-shareholder Company
Via Piave, 8
36066 Sandrigo (VI)
Italy

For more information:
[FITT.com](https://www.fitt.com)

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