



Servizi
Italia

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A simple answer
to complex questions.



Sustainability Report 2022

Letter to stakeholders

2-22



Bold choices can only be made when there is an underlying unity of purpose. And it is these choices that allow us to evolve and continue along the path of technological and social transformation that we have set out, even during difficult historical times.



You are holding the tenth sustainability report of the Servizi Italia Group in your hands. This is an important milestone for us, representing our commitment to reporting on the environmental, social, and governance aspects of our Group over the past few years. We believe that the sustainability report is a key tool for transferring our social responsibility and positively influencing the entire value chain, which is why it is still drafted beyond regulatory requirements.

We have behind a particularly complex year behind us that presented us with difficult challenges to face. We lived through the two-year health emergency with hope, and now we have come face to face with the conflict in Ukraine, which has triggered an unprecedented political, economic, social, and humanitarian crisis. The climate crisis, the pandemic, and now a conflict in the heart of Europe: emergencies that have challenged us all indiscriminately, forcing us to change the way we live and work. Unity of purpose and bold choices are necessary in order to experience this historic moment as an opportunity to change our approach and move forward on the path of technological and social transformation that we have set out.

Financial indicators are no longer the only metric by which companies are evaluated, which today must relate to the territory, the market and society with many more interpretations and the ability to combine value creation with sustainability over time, respect for workers, and harmony with the community.

Today more than ever, it is therefore necessary to use sustainability as one of the key values influencing our growth strategy and shared value creation. At the Group level, we therefore want to limit the impact resulting from the use of energy resources and raw materials: this is why we constantly strive to improve our processes and services, moving towards new models based on a circular economy and industrial symbiosis.

The Sustainable Development Goals identified by the United Nations for the year 2030 put the individual at the center of all future development. At the Group level, we have cho-

sen to be guided by ethics and transparency, indiscriminately guaranteeing all our workers respect for human rights, the elimination of forced and child labor, the elimination of all forms of discrimination, and the fight against corruption.

Our people continue to be a key element in the development and growth of our activities. We have thus begun a real cultural evolution, introducing new ways of working, improving work-life balance, promoting a training program on inclusiveness and non-hostile communication, and initiating an extensive internal communication project aimed at actively and consciously engaging people.

Despite the complex global context, the people of the Servizi Italia Group have applied great responsibility over the year, and this has allowed us to continue along the path we set without any deviations. I therefore send my sincerest thanks to them all, for the enthusiasm and commitment with which each new challenge was faced.

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

Chairman - Roberto Olivi



Letter to stakeholders

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METHODOLOGICAL FOREWORD

1.1 Methodological Note

1.2 Materiality Analysis

1.3 Sustainability Plan
of the Group

1.1 Methodological Note

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Servizi Italia has published the Sustainability Report annually since 2010. The purpose of this document is to inform a wide and diverse audience of stakeholders (customers, local communities, shareholders, employees, suppliers, etc.) of the choices, activities, achievements, and commitment to ESG (Environment, Social and Governance) issues. This report constitutes the **Consolidated Non-financial Statement of the Servizi Italia Group** and is prepared in accordance with Italian Legislative Decree 254/16, reporting on the issues deemed relevant and stipulated in Art. 3 of Italian Legislative Decree 254/16, with reference to fiscal year 2022 (January 1 to December 31). The reporting period is the same as the Consolidated Financial Statements of the Servizi Italia Group.

The 2022 Sustainability Report is subject to a Limited Assurance Engagement according to the criteria outlined in ISAE 3000 Revised, carried out by Deloitte & Touche S.p.A. The review was carried out according to the procedures outlined in the "Independent Auditor's Report" included herein.

The publication of this NFS, together with the Financial Report, follows the approval by the Board of Directors of Servizi Italia S.p.A. which took place on March 14, 2023.

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

During fiscal year 2022, with reference to significant changes during the reporting period under consideration, it should be noted that the shareholding in Steritek S.p.A. increased from 75 to 90%. In addition, on September 9, 2022, a new company was established in Turkey, (Olimpos Laundry Tekst. Tem. Hizm. Ve Tur. San. Tic. LTD.Sti IS Ortakligi) 51% controlled by Ankateks Turizm Insaat Tekstil Temizleme Sanayi ve Ticaret Ltd Sirketi Ankateks Turizm Insaat Tekstil Temizleme Sanayi ve Ticaret Ltd Sirket. For more details, please refer to the Management Report as of December 31, 2022. It should be noted that during 2022, three sterilization plants (Cona-FE, Treviglio-BG and Romano di Lombardia-BG) and two new warehouses/transit-points (Fiume Veneto -PN and Padua) entered the Servizi Italia S.p.A. perimeter. The new sites, in which the energy utilities are fully borne by Servizi Italia, are within the reporting perimeter and included in the tables in the "Annexes" section. There have been no significant changes in the Group's structure and supply chain.

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

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

The following chapters of this NFS discuss non-financial issues, for which the Group has also publicly shared its com-



Scrubs and uniforms processed at Bolzaneto (GE, Italy) plant

mitment to achieving specific objectives, whose contents are discussed in more detail in the appropriate section of the Group's Sustainability Plan.

FOCUS ON

Reporting Perimeter

The reporting perimeter of economic and financial data and information corresponds to that of the Consolidated Financial Statements of **Servizi Italia S.p.A** as of December 31, 2022; the reporting perimeter of qualitative information and quantitative social and environmental data corresponds to that of the companies consolidated on a line-by-line basis within the Consolidated Financial Statement. It should be noted that the surgical instrumentation Sterilization Plants located within client hospital facilities are not included in the reporting of energy, water and emission consumption, as the management of utilities is in most cases the responsibility of the owner (Contracting Station). The same case history is also present for two warehouses for which the utilities are not currently charged to the Group. The sterilization plants in which the energy utilities are fully borne by Servizi Italia are included in the reporting perimeter: in this regard, it should be noted that in 2022 the energy consumption and emissions of the sterilization plants of Cona (FE), Palermo and Genoa, which were not available in 2021, are included in the perimeter. In this regard, it continues its commitment to the full quantification of environmental impacts arising from the provision of its services, where not included in reporting today as the management of utilities is under the responsibility of the Contracting Station.



ITALY: Steritek S.p.A., Wash Service S.r.l., Ekolav S.r.l., Consorzio San Martino 2000 S.c.r.l.²



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

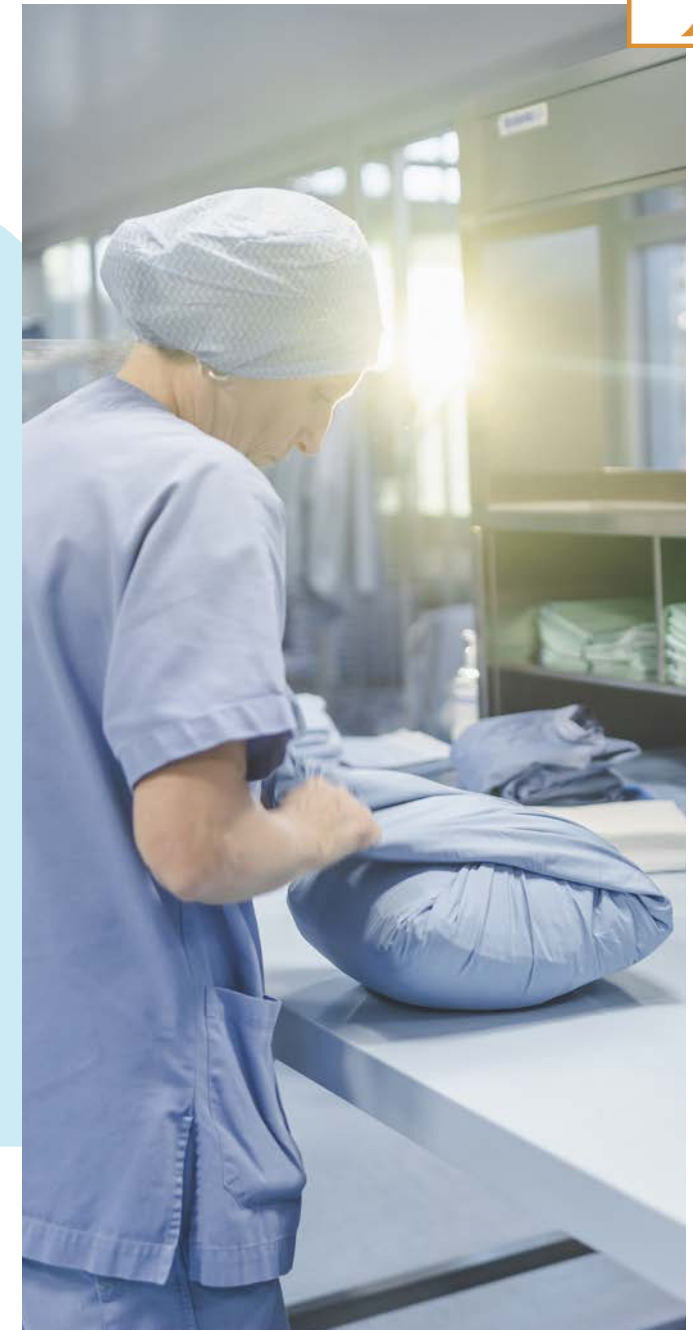


TURKEY: Ankateks Turizm Insaat Tekstil Temizleme Sanayi ve Ticaret Ltd Sirketi (parent company of the company Ergülteks Temizlik Tekstil Ltd. Sti. and Olimpos Laundry Teks.Tem. Hizm. Ve Tur. San. Tic. LTD.Sti IS Ortakligi)

Any perimeter limitations will be specifically stated in the text.

1. For further information on the Group companies consolidated on a line-by-line basis is provided in section "3.2 Scope of Consolidation" of the Notes to the Consolidated Financial Statements of Servizi Italia S.p.A. As of December 31, 2022.

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



Packing a sheet in Reusable Technical Textile

1.2 Materiality Analysis

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The materiality analysis is the beacon that lights our way in our reporting journey; it is the beating heart of our entire sustainability report. That which emerges from this analysis becomes the foundation on which we orient our goals in line with our priorities, without neglecting the expectations of our stakeholders, thus proceeding to identify future strategies in terms of sustainability.

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

Downstream of the materiality analysis, whose identification process will be discussed in more detail in the following paragraphs, is the **2023-2025 Sustainability Plan**; the different activities and investment initiatives are divided within the plan according to the different areas (environment, social, people, human rights, anti-corruption) associating the Group's medium-term commitment in each of them to one or more Sustainable Development Goals (SDGs) of the parent company Servizi Italia S.p.A. and the companies included in the perimeter.

Stakeholder Relations

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

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

In this sense, we have updated the list of identified stakeholders by including **the scientific community** for the first time, since we constantly engage and relate with this category (e.g., through collaborations with universities, for research and Open Innovation projects, and participation in medical-scientific congresses) and which we thus consider important to involve, seeking to understand their interests and the issues they care about in the medium to long term.

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



Processing hospital textiles



People



Suppliers



Direct Customers



Local Communities



Indirect Customers



Scientific Community



Shareholders

With a view to greater inclusion and sharing of relevant sustainability issues, the activity analysis and stakeholder engagement also involved the foreign perimeter (Brazil and Turkey).

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

The Material Topics for Servizi Italia

2-12 | 2-13 | 2-14 | 3-2

The Servizi Italia top management and stakeholder engagement activities carried out during the year enabled updating the materiality analysis and identifying the most relevant topics, i.e., those topics that can significantly reflect the economic, environmental, and social impacts of the organization. The material topic identification process is carried out annually, in accordance with the GRI guidance and also taking into consideration the areas stipulated in Italian Legislative Decree 254/2016. In order to be able to identify more specific goals, so that we can then measure and report on them, we have chosen to articulate each of the macro-topics already identified in previous editions into several more specific topics, so that we have a more precise view on each of them.

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

1. Context analysis, through:

- Analysis and benchmarking of the Non-Financial Statements of Servizi Italia's representative peers by territory and target market

- Analysis of the market and changes in the regulatory environment
- Analysis of internal documentation
- Analysis of SASB guidelines on the "Healthcare Delivery" sector
- Risk analysis.

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

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

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

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

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

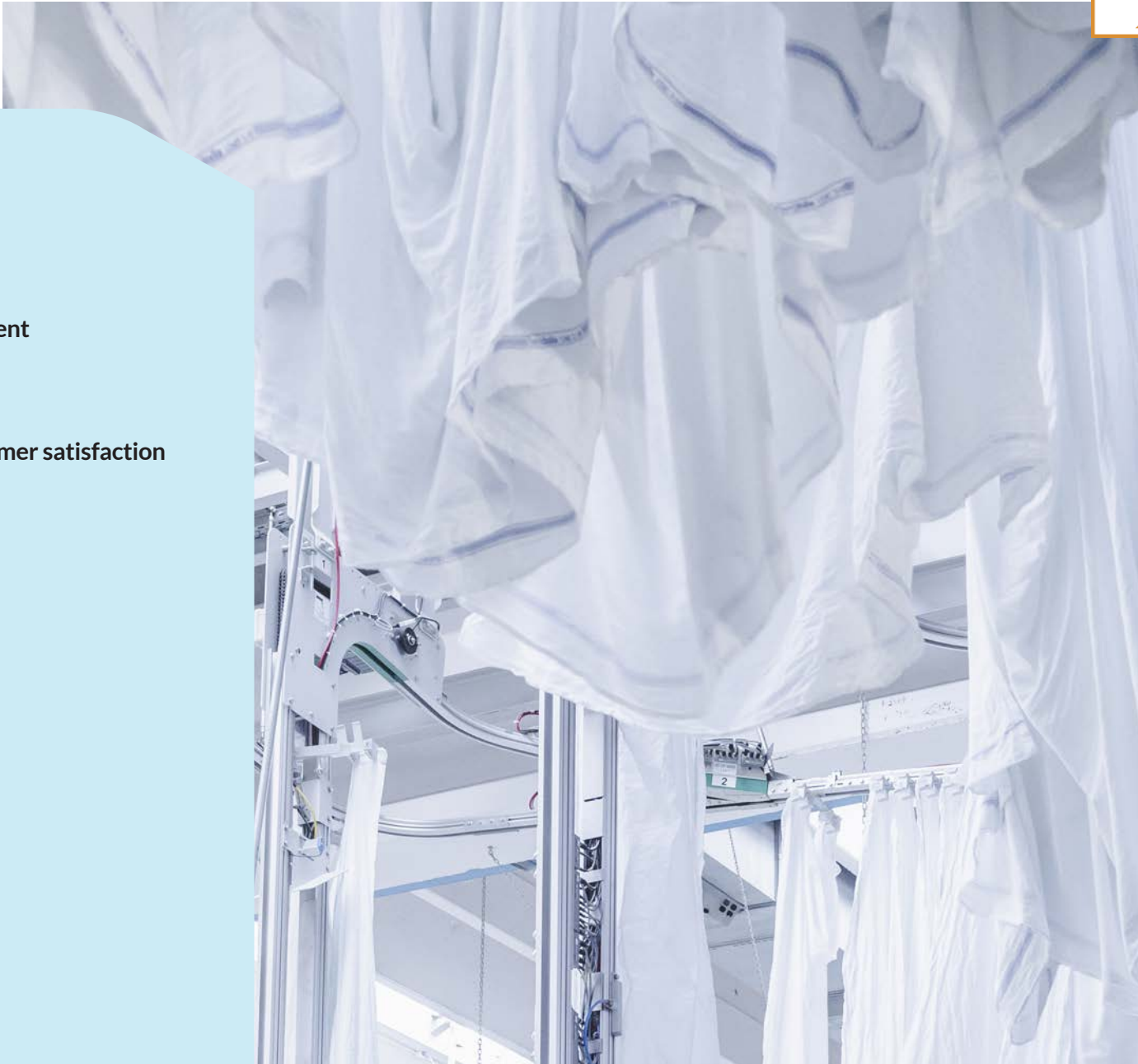
In line with GRI Standard 3 - Material Topics, we analyze which impacts - actual or potential, negative or positive - the organization's activities may have on people and the environment, as well as on the value chain. For details of the impact analysis carried out, see the "Annexes" section of this document.

To reach the definition of the list of material topics, we related the results obtained from the assessment of impacts of both internal and external relevance and then associated them with the material topics. In line with the previous editions of this report, we engaged the members of the Board of Directors and the Management Committee of Servizi Italia S.p.A. as well as employees, customers, suppliers, associations, scientific communities, and investors. All the categories were involved through the distribution of an online questionnaire, which was followed by One-to-One interviews with Top Management.

As a result of this analysis, we obtained the following **list of topics**, listed below in order of relevance. For ease of reading, the material topics will be grouped by scope and macro-area hereinafter, in line with what has been done in the past and what is indicated by Italian Legislative Decree 254/2016 (Environment, Social, People, Human Rights, Combating Active and Passive Corruption).



Detail of an automated wardrobe inside the hospital



- Workers' health and safety
- Patients' health and safety
- Respect for human rights and workers' rights
- Human capital management and employee development
- Combating corruption and anti-competitive behavior
- Diversity, inclusion, and equal opportunity
- Quality and safety of products and services and customer satisfaction
- Integrity and business ethics
- Short supply chain
- New ways of working and work-life balance
- Business continuity
- Circular economy initiatives
- Responsible waste management
- Water use and management
- Ethical and sustainable procurement
- Direct economic value generated and distributed
- Materials and packaging
- Service innovation and process digitization
- Energy consumption, emissions, and climate change
- Privacy and data protection
- Engagement and support of local communities

Who is responsible for sustainability?

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

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

sues. In addition, the Governance Committee, in its capacity as **Control and Risk Committee**, is responsible for assessing the completeness and reliability of internal procedures relating to the preparation of the Consolidated Non-Financial Statement (NFS) and examines the annual report in advance, on which it expresses its opinion for approval by the Board of Directors.

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

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

The **Sustainability Committee** consists of the CSR Manager, the Regulatory Systems Manager, Communications Manager, together with other department heads involved and/or representatives of the Group companies that are part of the reporting perimeter involved, depending on the different issues to be addressed to fulfill the reporting process and regulations. The Committee is responsible for the promotion of an ethical and environmental corporate policy identified among the strategic guidelines of the Board of Directors, monitoring the economic, environmental, social, and governance expectations of all stakeholders, and implementing an organizational, reporting, and control system in order to allow a correct and complete representation of the Consolidated Non-Financial Statement.

1.3 The Sustainability Plan of the Group

3-3

With an eye to engagement and accountability, the contact persons of all Italian, Brazilian, and Turkish subsidiaries that are part of the consolidation perimeter were invited to participate in "Sustainability Tables" in 2022 which, also thanks to the contribution of external lecturers, focused on training and raising awareness of the actors involved with respect to issues related to non-financial reporting, such as: reporting procedures, EU Taxonomy, environmental, social, and governance data collection, thereby seeking to facilitate the correct flow of information to the Parent Company first and the auditing company and control bodies later.

The Group's 2023-2025 Sustainability Plan brings together the goals we set, the results we have achieved, and the commitments we make for the future of our organization in terms of sustainable development. This path is implemented through medium- to long-term policies, strategies, actions, and investment initiatives included in the 2023-2027 Business Plan.

Among the themes represented, five points of particular focus should be highlighted: the health and safety of workers and patients, human rights/valuing people, innovation and digitalization, combating active and passive corruption, and circular economy. Furthermore, some new indicators have been added from this edition on, responding to the need to better represent the Group's performance in terms of its energy consumption and emissions in relation to the weight of textiles processed in the factory (302-3 and 305-4) and the incidence of recycled materials in the packaging used for processed textiles (301-2).

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



Recomposing a surgical kit in a sterilization plant



the social and governance spheres.

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

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

- the Paris agreement (COP21) on climate change;
- the guidelines for reporting climate-related information published by the European Commission;

- the recommendations published by the Task Force on climate-related financial disclosure (TCFD);
- the provisions of current legislation and the recommendations contained in the letter of the Corporate Governance Committee dated January 25, 2023.

Some of the activities that were identified as "targets" in past years are present and integrated into the Group's normal operations, thus it was deemed appropriate to represent them in a separate table, available on page 24 at the end of the Sustainability Plan.

DIRECT AND INDIRECT ENVIRONMENTAL IMPACTS

DIMENSION: ENVIRONMENT

MATERIAL TOPICS	TARGET 2022	RESULTS 2022	PLAN 2023-2025
Materials and packaging	Continuation of efforts to extend the use of films from recycled plastics .	Implemented use of shrink film composed of 30 to 70% recycled plastic. With this solution, Servizi Italia was awarded the Conai 2022 Call for Proposals Award . Virgin plastic shrink film thickness reduced from 16 to 12 microns.	Reduction in the use of virgin plastic for packaging.
	Continuation of investigations into alternative materials to plastic for packaging.	Conducted analyses on the use of biodegradable plastics. The solution submitted for evaluation was discarded due to the inability to be heat-treated.	
Energy consumption, emissions, and climate change	Continued environmental footprint assessment on other Group sites/services.	Obtained Carbon Footprint and Water Footprint certification for the Bolzaneto plant - Servizi Italia.	Conducting environmental footprint studies and obtaining environmental certifications for textile laundering and reusable technical fabric (TTR) services.
	Conduct of studies for Made Green in Italy certification (sector CPR published June 17, 2021).	Completion of feasibility analysis for Made Green in Italy certification.	
	Purchase of green energy produced entirely from renewable energy.	Servizi Italia purchased green energy produced from renewable sources for about 67% of its needs for plants in Italy. At the Group level, the purchase was 38%.	Production and purchase of energy from renewable sources in corporate activities.
	Encouragement of energy production from renewable sources.	Conducted feasibility studies and completed design activities for photovoltaic and solar thermal installation in Servizi Italia and Wash Service plants.	

DIRECT AND INDIRECT ENVIRONMENTAL IMPACTS

DIMENSION: ENVIRONMENT

MATERIAL TOPICS	TARGET 2022	RESULTS 2022	PLAN 2023-2025
Energy consumption, emissions, and climate change	Offsetting carbon equivalent emissions.	No neutralization/compensation activities of increased CO ₂ emissions with credits from forestation projects. The Group is oriented toward a strategy for reducing consumption and emissions. Offsetting is still to be evaluated based on evolving market conditions and the possibility that it could be part of the reward criteria of the Laundry and Textiles CAM.	Production and purchase of energy from renewable sources in corporate activities.
	Reduction of energy and raw material consumption by making company resources more efficient.	The implementation of various initiatives for energy and resource use efficiency in laundries generated a reduction in consumption in 2022. Many of the activities focused on reducing energy waste. To better represent the results achieved in the NFS, two new disclosures (GRI 302-3 and GRI 305-4) for monitoring the intensity of energy consumption and emissions were considered.	CO2 emissions reduction: energy intensity reduction in laundry plants.
	Continuous improvement of data collection aimed at monitoring and obtaining white certificates and the objectification of savings achieved.	Submitted applications for boiler replacement in Montecchio, compressor replacement in Travagliato, and compressor heat recovery in Bolzaneto and Travagliato for obtaining white certificates. Activities under review by ENEA.	
	Continued installation of energy-efficient light sources.	Purchased and installed new energy-efficient light sources at the Florence Sterilization Plant (c/o Careggi Hospital).	
	Adaptation work for medium combustion plants with modernization or replacement of steam generators.	Completed design activities and purchased new boilers for the Servizi Italia plants in Pavia di Udine and Montecchio. Purchased new wood boiler for the Lavsim plant in Brazil.	
			Reduction of specific NOx emissions.

DIRECT AND INDIRECT ENVIRONMENTAL IMPACTS

DIMENSION: ENVIRONMENT

MATERIAL TOPICS	TARGET 2022	RESULTS 2022	PLAN 2023-2025
Energy consumption, emissions, and climate change	Renewal of the company fleet with low-carbon vehicles.	Issued Servizi Italia policy in which mild-hybrid cars are included in the high brackets Made four electric car charging stations at the Castellina site. Appointed a Mobility Manager and adopted home-work shift plan for Servizi Italia's Treviso, Florence, Genoa and Castellina sites (volunteers).	Solutions for sustainable mobility: <ul style="list-style-type: none"> Car policy update with provision for at least one electric car in each bracket. Installation of charging columns at all Servizi Italia S.p.A. plants. Carpooling in the plants with a Moving plan Home-Work
	-	-	Logistics process optimization: Reduction of Scope 3 emission related to transportation and downstream distribution outsourced Servizi Italia S.p.A. to subcontractors
Water use and management	Equip all industrial laundry facilities with fully managed wastewater treatment plants to improve wastewater quality and reduce wastewater consumption.	Design and contracting work for new Travagliato sewage treatment plant; revamping Udine sewage treatment plant. Award works for the wastewater ultrafiltration recovery system at the Montecchio plant. Wastewater recovery system built in Brazil at the Maxlav plant	Reduction of water withdrawals for industrial laundry activities.
	Evaluation and implementation of new wells in plants currently without them.	No new wells. Drilling the well in Bolzaneto to search for an aquifer for water for industrial use was unsuccessful. Application for a well in Florence (c/o Careggi Hospital) still pending.	
Responsible waste management	-	-	Identification of solutions and services for extending the service life of processed textiles.

DIRECT AND INDIRECT ENVIRONMENTAL IMPACTS

DIMENSION: ENVIRONMENT

MATERIAL TOPICS	TARGET 2022	RESULTS 2022	PLAN 2023-2025
Circular economy initiatives	Internal training and information on the circular economy.	Started training course on circular economy (seven meetings for 28 hours total).	Transition to a circular economy: <ul style="list-style-type: none"> ● Define and promote appropriate improvement actions with a view to aligning with the latest circular economy policies. ● Internal training and information on the circular economy. ● Creation of inter-company projects aimed at recovering and recycling production waste. ● Promotion of industrial symbiosis projects.
	Define and promote appropriate improvement actions with a view to aligning with the latest circular economy policies.	Update internal procedures for the free disposal of textile goods and update contracts with qualified suppliers for textile waste recovery.	
	Creation of inter-company projects aimed at recovering and recycling production waste. Promotion of industrial symbiosis projects.	Carried out by Centrocot, as part of the CIRCULAR TEXTILES project - Textile chain for recycling industrial waste and used textiles funded by the Region of Lombardy, an analysis of the circularity needs of Servizi Italia was carried out, along with the creation of prototypes related to the circular economy. Studies and agreements have been initiated with industrial partners to evaluate industrial symbiosis activities. The goal continues into the three-year period.	

ATTENTION TO EMPLOYEES

DIMENSION: PEOPLE

MATERIAL TOPICS	TARGET 2022	RESULTS 2022	PLAN 2023-2025
Workers' health and safety	Research and development proposals oriented towards organizational well-being and healthy lifestyles.	Digital Signage communication project launched for laundry workers of Servizi Italia with an editorial plan containing helpful information, including related to health.	Healthy business - Healthy people: Research and development proposals oriented towards organizational well-being and healthy lifestyles.
	The " Healthy business - Healthy people " project including activities aimed at the psycho-physical well-being of employees (e.g., prevention packages, agreements, etc.).	A second-level agreement was signed, with the possibility for two paid hours of leave for preventive screening (only Servizi Italia).	
New ways of working and work-life balance	EXECUTIVE Family Audit certification	FAMILY AUDIT certification maintained	Obtain EXECUTIVE certification Family Audit
Human capital management and employee development	Annual training target: 12,000 hours The scheduled courses include: <ul style="list-style-type: none"> • Safety training in sterilization plants • Continuation of the safe and sustainable driving course. <p>Launch motivational communication and safety awareness project for workers (highlighting attention to their own safety and that of colleagues). Training focus for safety officers.</p>	Implemented training programs totaling 21,237 hours . The increase is partly due to an improved data collection process on technical vocational courses and skills development. Training on diversity and inclusive communication in Italy has begun. Health and safety training project started and still ongoing for sterilization plant workers and supervisors. Participation in WOBI in Milan. Training for environmentally-sustainable driving for 50 employees of Servizi Italia.	Employee training and skill enhancement: minimum annual training target: 18,000 hours
	-	-	Considering and evaluating the organization from the perspective of human capital management: <ul style="list-style-type: none"> • mapping and skills development plan; • succession plan.

ATTENTION TO EMPLOYEES

DIMENSION: PEOPLE

MATERIAL TOPICS	TARGET 2022	RESULTS 2022	PLAN 2023-2025
Human capital management and employee development	Performance assessment of blue-collar workers at Servizi Italia S.p.A. in accordance with the provisions of second-level agreements.	Performance assessment of blue-collar workers at Servizi Italia S.p.A. in accordance with the provisions of second-level agreements. Second-level agreement linked to productivity issues.	Renewal of second-level agreement linked to productivity issues.
	Maintenance of the ABS and LTI Cash plan of Servizi Italia S.p.A. and its Brazilian subsidiaries.	Formalized the ABS plan for all perimeter employees.	Update of the variable compensation plan integrated with the skills evaluation plan (only for Servizi Italia S.p.A. and Brazilian companies).
Privacy and data protection	-	-	Zero privacy violations: <ul style="list-style-type: none"> ● Maintenance and updating of a Privacy Organization Model. ● Training for clerical staff. ● Internal audits of departments at the headquarters and subsidiaries.
Respect for human rights and workers' rights	Maintenance/renewal of SA8000 certification (Servizi Italia)	SA8000 scheme for Servizi Italia renewed in May 2022. Social Responsibility Guidelines approved in Servizi Italia BoD.	International human rights law: <ul style="list-style-type: none"> ● 100% of Group workers covered by the Social Responsibility Guidelines adopted by all Group companies. ● Maintenance/renewal of SA8000 certification (Servizi Italia).

DIVERSITY AND EQUAL OPPORTUNITIES

DIMENSION: HUMAN RIGHTS

MATERIAL TOPICS	TARGET 2022	RESULTS 2022	PLAN 2023-2025
Diversity, inclusion, and equal opportunity	Training program dedicated to diversity issues and inclusive communication.	Two training meetings organized on the topics of diversity and inclusive communication in cooperation with Parole Ostili. Non-Hostile Communication Manifesto was signed and distributed to the operating sites.	Gender equality and integration: <ul style="list-style-type: none"> • Gender parity certification PdR 125 (only for Servizi Italia S.p.A.). • Training and information on diversity, inclusion and equal opportunity. • Project to raise awareness against violence in the workplace.
	Monitoring the implementation of the diversity policy in the Board of Directors and Board of Statutory Auditors of the Parent Company and positively influencing the subsidiaries.	Diversity Policy for the BoD and Board of Statutory Auditors of Servizi Italia. The last edition of the policy was in 2021.	Maintenance and possible update of the policy for the Board of Statutory Auditors and the BoD and extension of the diversity policy to the subsidiaries in Italy.

PROCUREMENT PRACTICES

DIMENSION: SOCIAL

MATERIAL TOPICS	TARGET 2022	RESULTS 2022	PLAN 2023-2025
Ethical and sustainable procurement	Qualification of 100% of critical suppliers.	The activity began in September. At the end of the year, 34% of Servizi Italia's critical suppliers had been qualified.	Qualification of 100% of strategic suppliers Assessment based on environmental and social criteria.
	Creation of a software-based list of Servizi Italia S.p.A. suppliers of goods and services.	Supplier register of Servizi Italia S.p.A. of goods and services on software platform made operational and functioning.(Servizi Italia)	Mapping activities related to the objectives of the European Taxonomy.
	-	-	Decent and sustainable working conditions throughout the value chain: training/information for strategic suppliers.
Short supply chain	-	-	Supporting the local economy.

QUALITY SERVICE AND OPERATIONAL IMPROVEMENT

DIMENSION: SOCIAL

MATERIAL TOPICS	TARGET 2022	RESULTS 2022	PLAN 2023-2025
Quality and safety of products and services and customer satisfaction	-	-	Customer Satisfaction and Claim Management
	-	-	Monitoring quality of outsourced services.
Business continuity	Implementation of a plan to strengthen and improve technological, operational and analytical capabilities within the Group, continuing to promote and disseminate the culture of cybersecurity.	A program has begun for increasing the security and control measures. The measures activated include conducting periodic Vulnerability Assessments to test pre-protection levels and uncover any vulnerabilities on both infrastructure and application systems, as well as periodic phishing campaigns to test the level of users.	Cybersecurity and business continuity: <ul style="list-style-type: none"> Information campaign. Phishing campaign. Monitoring foiled attacks. Obtain ISO 27001 information systems certification.
Patients' health and safety	-	-	Update of the Medical Device inventory used in the Servizi Italia perimeter (surgical instrumentation and TTR).
Service innovation and process digitization	Construction of a new sterilization plant in Brazil.	Plant ready for commissioning. Inauguration scheduled for 3/28/23.	-
	Traceability - information assurance - recovering missing textiles.	In order to combat textile dispersal at customers' premises, Servizi Italia has certified the digitized process of textile tracking and reporting dispersed textiles.	The amount of dispersed textiles reduced through the consolidation of the tracking system.
			Document dematerialization and technology development projects, innovation, and digitization in activities.

COMMUNITY ENGAGEMENT AND DEVELOPMENT

DIMENSION: SOCIAL

MATERIAL TOPICS	TARGET 2022	RESULTS 2022	PLAN 2023-2025
Engagement and support of local communities	Collaboration with universities to continue promoting innovation projects on environmental issues.	Second year of collaboration with Almacube of the University of Bologna to develop innovative projects. After the first program Oper.CBI (Challenge Based Innovation), which investigated how to increase the environmental performance of the laundry service while respecting minimum environmental criteria and the people involved in the service, the second program launched is aimed at evaluating innovative solutions for future healthcare. Agreement initiated with UNIPARMA and Ricircola, innovative start-up for the project for valorizing laundry waste for a sustainable economy.	Collaboration with universities: activities to promote innovation projects on environmental issues continued.
	Support for educational development and the fight against poverty (e.g., non-profit organizations, charities). Sponsorships in cultural activities.	Sponsorship of cultural and charitable initiatives in the area, sponsorship of scientific conferences. School work alternation projects.	Support for educational development and the fight against poverty (e.g., non-profit organizations, charities). Sponsorships in cultural activities. School work alternation projects.

VALUE CREATION

DIMENSION: SOCIAL

MATERIAL TOPICS	TARGET 2022	RESULTS 2022	PLAN 2023-2025
Direct economic value generated and distributed	Maintain growth levels and consolidate our leading market position at national and international level.	The economic value generated by the Group in 2022 is equal to Euro 270.3 million compared to Euro 256.7 million generated in 2021.	Maintain growth levels and consolidate our market position at national and international level and distribute value.
	Guarantee of shareholder remuneration.	The BoD proposes to carry forward profits for the year to the Shareholders' Meeting (after setting aside profits from the valuation of equity investments using the equity method).	

INTEGRITY AND BUSINESS ETHICS

DIMENSION: FIGHT AGAINST ACTIVE AND PASSIVE CORRUPTION

	TARGET 2022	RESULTS 2022	PLAN 2023-2025
Integrity and business ethics	Structured training course for managers and executives focused on the application of the 231 Model.	Structured training course for managers and executives focused on the application of the 231 Model carried out.	231 Organization Model Update following legislative updates pertaining to predicate offenses and for organizational changes. Training activities to directors and employees (by the SB).
Combating corruption and anti-competitive behavior	Maintenance of ISO 37001 anti-corruption certification and supervision of the application of the guidelines.	Maintenance of ISO 37001 anti-corruption certification and supervision of the application of the guidelines in Servizi Italia S.p.A.	Renewal and maintenance of ISO 37001 Certification for Servizi Italia; maintenance and updating of adopted policies for the Group Companies.
		Monitor conduct, especially in the commercial sector. No reports of antitrust violations.	Review of the Code of Conduct and the Antitrust Handbook. Extension of the compliance model to subsidiaries.

Ongoing Objectives

Macro-area	Target 2022	Notes
Direct and indirect environmental impacts	Preparation of environmental policies for non-certified Group companies according to recognized standards.	Continued maintenance and updating of environmental policies as a normal business activity.
	Renewal/maintenance of EMAS registration for Italian production sites.	Renewal of EMAS registration for Italian production sites of Servizi Italia. Continued maintenance and three-year renewal as a normal business activity.
Attention to employees	Definition of internal rules for the adoption of smart working.	Servizi Italia has regulated the use of agile work through a special Experimental Policy with annual validity and effective from September 1, 2022 to August 31, 2023. Conducted training/information meeting on the Agile Work Policy for Servizi Italia. Continued maintenance and updating of the Agile Work Policy as a normal business activity.
	Maintain training activities in distance mode.	This objective falls under the goal of employee training and skill enhancement.
	Benefit package maintained for the various companies of the Group.	Continued maintenance of the benefits package as a normal business activity.
Integrity and business ethics	Issue of: <ul style="list-style-type: none"> Guidelines for tax governance, control and risk management Whistleblowing procedure Updating the Code of Ethics 	All subsidiaries with strategic importance in Italy and abroad have adopted guidelines for tax governance, the whistleblowing procedure and have updated their Code of Ethics.
	Monitoring reports as referred to in the Whistleblowing procedure.	There were no reports in 2022 through whistleblowing channel. Maintenance and full execution of the 231 MOG. Update expected in 2023.
	Arrangement of a structured induction plan dedicated to Board members and Statutory Auditors with a particular focus on Group activities.	Made presentation to the Board of Statutory Auditors on regulatory changes on ESG reporting. Still an internal goal to be carried out in 2023 and subsequent years in line with regulatory updates on reporting.
	Continuous maintenance of certifications	Maintenance and renewal of certifications as a normal business activity



2

THE GROUP

2.1 Group Profile

2.2 Governance

2.3 Ethics, Integrity, Inclusion

2.4 Risk management within the Group

The history of Servizi Italia

1986 *Servizi Italia was established*

Servizi Italia began operating in the industrial laundry market in the health care and hospital sectors in 1986, beginning to carry out a fundamental service for the health of the community: dressing health care workers, setting up inpatient beds.

1986

2002 *Servizi Italia acquired by Coopservice*

Servizi Italia was acquired by Coopservice in 2002, a Reggio Emilia-based group that provides facility services: a real transformation thus began that led the company to become a benchmark in the field of integrated health care services.

2002

2006 *Development of the sterilization service*

Servizi Italia began to focus on developing a new service in 2006: the rental and sterilization of surgical instruments and medical devices. A choice that was the result of the ability to keenly observe market developments and seize opportunities emerging in the field of healthcare services.

2006

2007 *Listing on the Italian Stock Exchange*

The year 2007 marked a new important milestone in the history of Servizi Italia: its listing on the Expandi (now AIM) market of the Italian Stock Exchange, further consolidating its position on the market. In 2009 the company joined the Euronext STAR segment, placing it permanently among High Requirements Securities and rising to the attention of the international financial community.

2007

2008-2011 *Expansion of services in Italy*

From 2008 to 2011, the company further expanded its washing and sterilization services, becoming even more widespread in Italy and taking its first steps into international markets.

2008
2011

2014 Entry into the Turkish and Indian market

In 2014 Servizi Italia expanded its presence in foreign markets. Two new companies were established: SAS Sterilizasyon Servisleri in Turkey, a facility providing sterilization services, and Shubhram Hospital Solutions, an industrial laundry in India.

2016-2018 Consolidation of the Italian market and acquisition of Steritek

While consolidating its presence abroad through the startup of a company in Morocco that deals with sterilization of surgical instruments (2017), in 2016 Servizi Italia acquired 100% of Tintoria Lombarda (a washroom service) and in 2017 a majority stake in Steritek SpA, a company that specializes in clinical engineering.

2012

Entry into the Brazilian market

Servizi Italia took its expertise beyond national borders and began internationalization: in 2012 it acquired 50% of Lavsim Higienização Têxtil SA, Maxlav Lavanderia Especializada SA and Vida Lavanderias Especializada SA, Brazilian laundries operating in the state of São Paulo.

2014

2015

Consolidation of Servizi Italia's presence abroad

In 2015, it acquired the remaining 50% of Lavsim, 100% of Aqualav (another Brazilian laundry), and 40% of Ankateks, which provides laundry services for healthcare facilities in the Ankara and Izmir (Turkey) area.

Constant investment in technological innovation pays off: In fact, Servizi Italia became an important reference operator for healthcare facilities in the state of São Paulo and was awarded a ten-year contract for sterilization services and rental of surgical instruments and medical devices for all hospitals (state and regional) in Albania.

2016
2018

2021

2021 35 years of activity

Servizi Italia celebrated its 35th anniversary in 2021 and wanted to do so by telling the stories of the people who work in laundries, sterilization plants, checkrooms, offices and warehouses every day. Those 3,600 people whose passion, pride, strength and endurance allow the company to be present in Italy, Brazil, Turkey, India, Albania and Morocco with more than 50 production facilities.

2.1 Group Profile

2-1 | 2-6

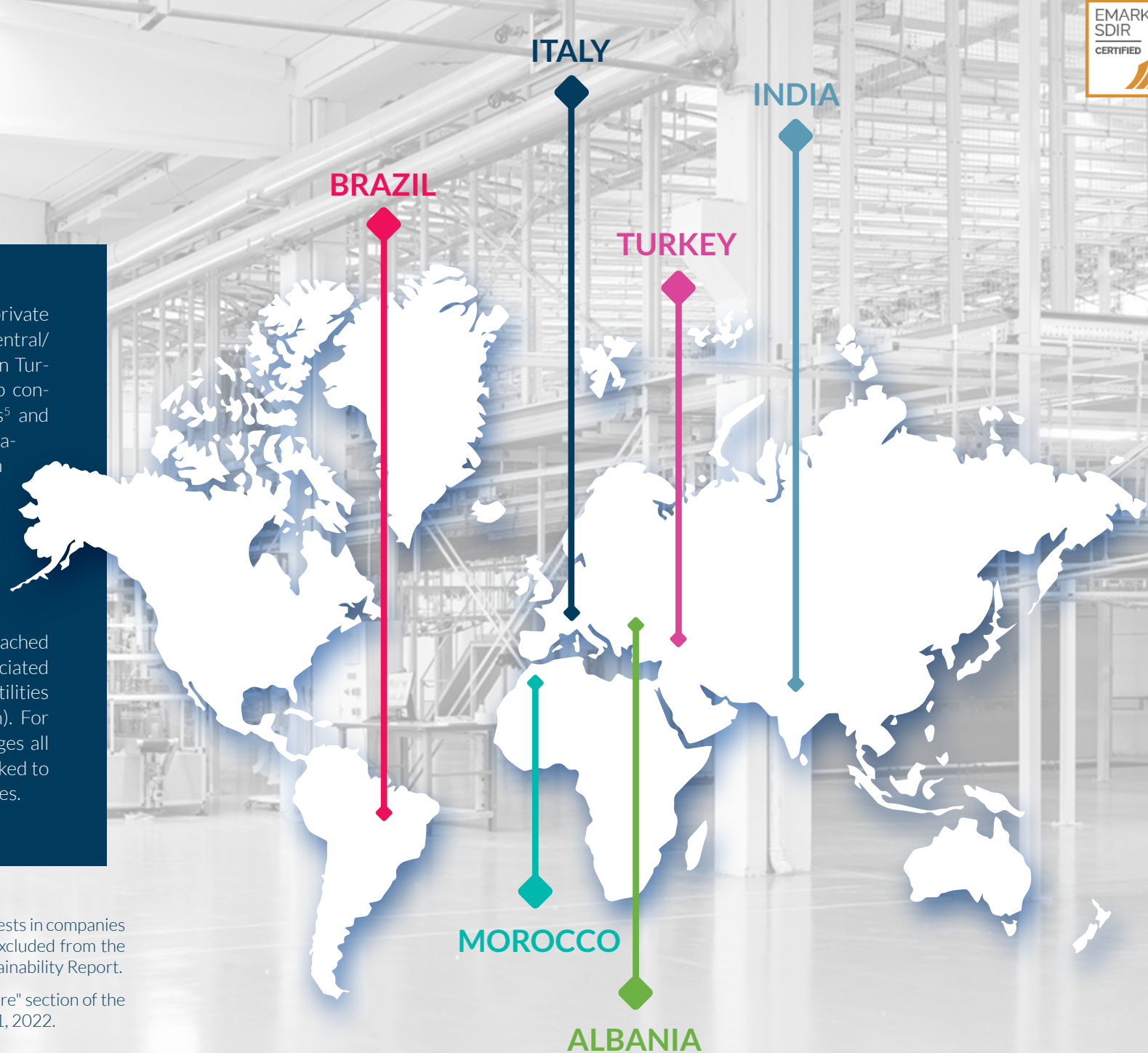
Material Topic	Commitment	SDGs
Integrity and business ethics	Establishing principles, procedures, and policies for responsible conduct (such as the Code of Ethics and 231 Model) can impact stakeholders (customers, suppliers, local communities, shareholders, trade associations, etc.). The topic is managed through the adoption of these documents, as well as obviously complying with existing laws and regulations in order to avoid the occurrence of unlawful events.	16

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

	Rental and treatment of hospital linen (sheets, mattress uniforms) for healthcare facilities and nursing homes;		Rental, treatment and sterilization of surgical instruments and management of sterilization service;		Textile rental and treatment for the hotel industry ³ .
	Rental and treatment of high-visibility and anti-rx personal protective equipment;		Technical services for clinical engineering;		
	Rental, treatment and sterilization of textile medical devices assembled in kits;		Supply and sale of disposable materials;		

3. Service offered only in Trentino-Alto Adige.

The Servizi Italia Group primarily serves public/private healthcare companies and private clients in central/northern Italy, the state of São Paulo in Brazil, in Turkey, India, Albania, and Morocco⁴. The Group consists of several Italian and foreign subsidiaries⁵ and has a total of 21 laundry plants, six linen sterilization plants, 20 surgical instrument sterilization plants, five transit points and warehouses, as well as several wardrobes located at health care companies, which make up an effective and efficient logistics-distribution model. With regard to real estate structures in which the company operates, it should be noted that for real estate facilities whose title is linked to management attached to the tender, all regulatory requirements associated with various licenses and the management of utilities are borne by the owner (Procurement Station). For leased and owned properties, the Group manages all regulatory requirements associated with and linked to the authorizations issued by the competent bodies.



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

5. For more details, please refer to the "Group Structure" section of the Consolidated Financial Statements as of December 31, 2022.

Group Companies

Steritek S.p.A.

Activities

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

Wash Service S.r.l.

Activities

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

Ekolav S.r.l.

Activities

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

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

Presence in Brazil

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

During 2022, work was completed on the construction of the first sterilization plant, which is scheduled to be commissioned in the first half of 2023. The establishment of the plant is in line with the development of cross-selling opportunities related to the textile and instrument sterilization sector that the Group had set out for itself, thus coming to offer a full range of healthcare services.

Presence in Turkey

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

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

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

Other Geographical Areas

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

1.

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

2.

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

3.

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

4.

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

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



Maxlav Plant, Sao Roque, Brazil

The Value Chain of Servizi Italia

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

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

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

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

The Group's constant goal is to promote the adoption of

these certifications to ensure proper organization and compliance in all subsidiaries. During 2022, internal and external audits (accredited third-party certifying bodies) were carried out according to plans to verify the effectiveness of the management systems adopted by the Company.



A laundry worker at work during the first wave of the Covid-19 pandemic

Company	Scope of application	Certification and accreditation type	Year first certification
Servizi Italia S.p.A.	Management system for the prevention of corruption	UNI ISO 37001:2016	2021
	Quality Management System	UNI EN ISO 9001:2015	1996
	Quality - Medical Devices	UNI EN ISO 13485:2016	1998
	Environmental management	UNI EN ISO 14001:2015	2006
	Biocontamination control	UNI EN 14065:2016	2008
	Energy management system	UNI EN ISO 50001:2018	2020
	High visibility garments: test methods and requirements	UNI EN 20471:2017	2006
	Workplace health and safety	UNI ISO 45001:2018	2010
	Biological evaluation and biocompatibility testing - medical devices	ISO 10993	2018
	Determination of antibacterial activities	UNI EN ISO 20645:2004, SN 195921 ⁶	2018
	Compliance with European regulation 1221/2009	EMAS registration certification for production sites in Italy	2019
	Social responsibility management system	SA8000:2014	2019
	Certification that qualifies an organization as being attentive to the family-work balance needs of its employees	FAMILY AUDIT	2021
Steritek S.p.A.	Quality Management System	UNI EN ISO 9001:2015	2000
	Workplace health and safety	UNI ISO 45001:2018	2019
Wash Service S.r.l.	Quality Management System	UNI EN ISO 9001:2015	2015
	Environment Management System	UNI EN ISO 14001:2015	2021
	Biocontamination Control System	UNI EN 14065:2016	2017
Ekolav S.r.l.	Quality Management System	UNI EN ISO 9001:2015	2011
	Environment Management System	UNI EN ISO 14001:2015	2015
	Workplace Health and Safety Management System	UNI ISO 45001:2018	2021
	Biocontamination Control System	UNI EN 14065:2016	2011
	High Visibility Garment Verification and Control System	UNI EN 20471:2017	2022
Lavsim Higienização Têxtil S.A.	Certified Quality System for the treatment of hospital linen	ONA	2021

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

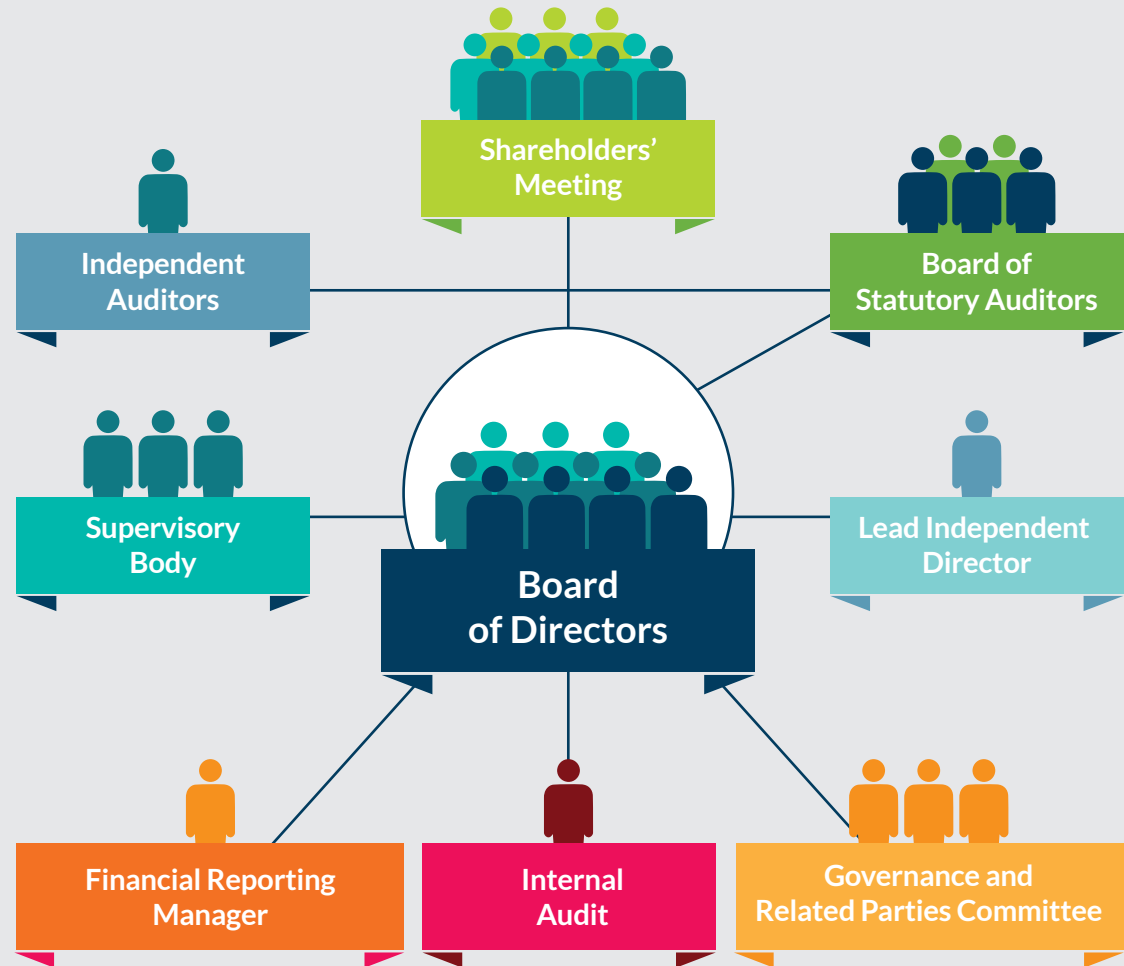
2.2 Governance

2-9 | 2-10 | 2-11 | 405-1

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

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

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



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

	2022			2021		
	Men	Women	Total	Men	Women	Total
SERVIZI ITALIA S.P.A.	57%	43%	100%	57%	43%	100%

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

	2022				2021			
	< 30	30-50	>50	Total	< 30	30-50	>50	Total
SERVIZI ITALIA S.P.A.	0	29%	71%	100%	0	29%	71%	100%

For further information on the corporate governance system adopted by Servizi Italia Group and the role of the Board of Directors, reference should be made to the Report on Corporate Governance and Ownership Structure drafted for 2022, available on the website www.servizitaliagroup.com.

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






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



Laundry workers at work at the Castellina (PR) plant

2.3 Ethics, Integrity, Inclusion

2-27 | 205-3 | 206-1

Material Topic	Commitment	SDGs
Respect for human rights and workers' rights	The company's specific focus on the issue of human rights (which in Servizi Italia includes the formal adoption of the provisions outlined in the United Nations' Universal Declaration of Human Rights and the International Labor Organization (ILO) Conventions in accordance with Standard SA8000) does not stop within the confines of the organization, but can give rise to a virtuous circle that encompasses the entire supply chain.	  
Privacy and data protection	Ability to protect the computer system from threats and to protect workers in order to ensure the privacy, integrity and availability of data. Choosing to focus on this particular aspect means influencing the relationship of trust with customers, the Group's staff and its suppliers. Privacy is managed through the adoption of policies and procedures on data processing focused on transparent and secure management of the entire process.	
Combating corruption and anti-competitive behavior	The Group's orientation towards respect for the principles of fairness, loyalty, and good organization and fight against active and passive corruption, fraud, monopolistic practices, and anti-competitive behavior provides stakeholders with the certainty of a fair interlocutor operating in complete transparency and compliance with regulations.	

Group Values

People at the center.

There is a common denominator that binds everything that moves within Servizi Italia, and it is people. Employees, customers, the community. Speaking of values means specifying those pragmatic, and by no means ethereal, guiding principles that influence and change the way we act in every area of our lives, even in our daily work lives. It means talking about people and putting them at the center of our actions.

Defining a set of values and motivations for adopting them is essential so that they become a driver, an ideal that inspires

us, and a framework that clearly defines the mutual commitment between Servizi Italia and its team. A commitment to move toward these values, always, with the goal of evolving together. Because we can only make a difference if we feel like part of a group, only if there is a strong, established and shared sense of belonging underlying our actions.

Looking to the future with courage and responsibility.

Working in integrated healthcare services comes with great responsibility. We have a key role in protecting the health, safety and well-being of the people in healthcare facilities every day, whether as patients or workers. The values that underpin our services and activities go far beyond industry regulations.

Indeed, we have a responsibility to look to the future with courage; the courage to grow and innovate, to continue to create value. We have a responsibility to be ahead of the game in regulatory processes and to push the market down the path that gives us the opportunity to be reliable even in the most critical historical moments, such as pandemics, wars and economic crises.

Inclusion as a pillar of trust and collaboration.

The strength of a working group is based on a mutual sense of trust and a spontaneous spirit of cooperation; the freedom to communicate transparently and express one's opinion; and the certainty of being heard and being able to welcome discussion (and even confrontation) constructively

so that it becomes an opportunity for mutual growth. We are a company that has established and confirmed itself as a benchmark for its customers and stakeholders even in the most critical historical moments. We also want to be so for the people who work in Servizi Italia. We want to create a fair environment that is able to generate respect and tolerance toward others, as we are certain of operating in a fair and ethical manner when we starting from respect and tolerance.

For these reasons, we are working to write a Charter of Values for Servizi Italia; it will not be a document forced on workers from above, but the result of a path of discussion personally involving our employees, who - with the help of specialized trainers - are completing a specific path to clear-ground the values that guide us in our daily actions.

Commitment to Compliance

[2-16](#) | [2-25](#) | [2-26](#) | [2-27](#) | [205-3](#) | [206-1](#) | [406-1](#) | [418-1](#)

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

Consistently with its system of values, starting in 2021,

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

The **Code of Ethics** represents a valid and effective tool for raising awareness among all those who work in the name and on behalf of the company, so that correct, straightforward behavior and compliance with current regulations are maintained in every occasion. Each Group company has its own document identifying general rules of conduct that everyone must follow, with the intention of ensuring the smooth operation of all aspects of business management in terms of social, ethical and environmental responsibility. The actions, operations, transactions and generally any conduct of the recipients in the exercise of their functions of competence and responsibility, must be based on the utmost integrity, honesty, correctness, loyalty, transparency, fairness, objectivity, as well as respect for individuals. The Code of Ethics for each company is binding on its partners, members of corporate bodies, executives with strategic responsibilities, Senior Managers, Middle Managers, employees, as well as for all those who, although external, work directly or indirectly for it. The Organization and Management Model and Code of Ethics of the Parent Company and its Italian subsidiaries are available on the company's website, in the Transparent Company section, and on the websites of the individual subsidiaries.



Operating room and surgeon's dressing made of TTR

The Group has a specific **Whistleblowing Procedure**, the objective of which is to define a system for allowing the reporting, by employees, members of corporate bodies and third parties, of illicit phenomena and suspicious conduct, irregularities in the conduct of business, attempted, presumed and actual acts of corruption, as well as any violation or shortcoming concerning the management system for the prevention of corruption, acts or facts that may constitute a violation of the internal and external rules governing the activities of Servizi Italia S.p.A, the principles and rules of conduct contained in the Code of Ethics, as well as the provisions contained in the Organization and Management Model pursuant to Italian Legislative Decree 231/01, in the Antitrust Code of Conduct, in the General Data Protection Regulation.

All those involved in the whistleblowing process have an obligation to ensure the confidentiality, privacy and security of the information received. including the identity of the whistleblower. If the Supervisory Body receives a report, an initial cataloging and evaluation of the information received will be carried out, and if the report is deemed relevant and/or well-founded, an inspection investigation will be initiated with the aim of reconstructing the events in a timely manner, assessing whether to proceed together with the departments in question, go to the place in question to reconstruct the facts or to contact the whistleblower for more information, in a confidential manner of course. Depending on the severity, or if the report concerns Directors or Statutory Auditors, the Control and Risk Committee and the Board of Statutory Auditors are also involved. At any time, the SB may choose to involve other Group employees or external consultants. Once the dynamics of the facts have been reconstructed and the investigation has been concluded, the SB formalizes a brief inspection report and forwards it to the Executive Committee, the Control and Risk Committee, the Board of Statutory Auditors and the department affected by the violation, and, if it deems, to the Board of Directors. The appropriate measures will be undertaken for the purpose of the assessment, including by means of communication to the competent authorities, proposed possible risk prevention and mitigation actions and, if necessary, the disciplinary process aimed at imposing the appropriate sanctions on the individuals responsible for the violations, in full compliance with the rules applicable from time to time, including corporate rules. Where the whistleblower is jointly responsible for the violations, preferential treatment in the disposition of disciplinary measures shall be ensured, as compared to other jointly responsible persons, consistent with the applicable discipline. The SB also verifies that the whistleblower is not subjected to retaliatory, discriminatory or otherwise unfair conduct as a result of the report, even if no actual responsibility of the reported person is established, without prejudice to the possibility of applying disciplinary measures against those who make reports that turn out to be unfounded, with malice or gross negligence.

Regarding fiscal year 2022, it should be noted that:

- There were no incidents of corruption ascertained within the Servizi Italia Group in which

employees were dismissed or subject to measures and for which contracts with business partners have been terminated or not renewed due to corruption-related violations. In addition, there were no incidents of corruption-related public lawsuits taken against the Group or its employees during the reporting period. With reference to the updates of the episodes in progress and recorded in previous years, these are still under investigation and for further details, please refer to the Separate and Consolidated Financial Statements of Servizi Italia S.p.A. as of December 31, 2022 in the section about ongoing proceedings;

- There are no reports of violations of the Code of Ethics and the Organizational Model pursuant to Italian Legislative Decree 231/01;
- No discrimination incidents towards employees have been recorded during the reporting period;
- There have been no cases of substantiated complaints regarding breaches of customer privacy and leaks, theft or loss of customer data and complaints regarding breaches of privacy and loss of personal data in relation to the provisions of EU Regulation 2016/679 (GDPR) and current national data protection regulations;
- No legal actions were filed or concluded during the reporting period concerning anti-competitive behavior, violation of antitrust laws and related monopolistic practices in which the Group was taking part;
- There are no significant pecuniary or non-pecuniary sanctions for non-compliance with laws and regulations. For a detailed description of pending litigation related to non-compliance with laws or regulations, please refer to the specific section "Information on pending proceedings" in the Separate and Consolidated Financial Statements of Servizi Italia S.p.A. as of December 31, 2022 available at www.servizitaliagroup.com, Investors area, Financial Statements and Reports section;
- There is no evidence of non-compliance with regulations and/or self-regulatory codes on product information and labeling which have resulted in a sanction, fine or warning from control bodies;
- There are no cases of non-compliance with regulations and/or self-regulatory codes concerning the health and safety impacts of products that have resulted in a sanction, fine or warning from supervisory bodies.

Human Rights

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

- **CHILD LABOR:** All forms of child labor are prohibited, not tolerating any work which by its nature or the circumstances under which it is conducted is likely to harm the health, safety or morals of children, as outlined in ILO No. 182 - Convention on the worst forms of child labor.
- **FORCED LABOR AND HUMAN TRAFFICKING:** Servizi Italia firmly believes that all forms of employment should be the result of free choice; therefore, it does not tolerate any form of forced labor and does not take documents or money from its workers to hold them against their will. Any kind of forced labor, prison labor, or any other modern form of slavery or human trafficking is prohibited, and Servizi Italia extends these provisions to its commercial partners in accordance with the provisions set forth in ILO No. 29 - Convention on forced labor and ILO No. 105 - Abolition of the Convention on forced labor.

- **HEALTH AND SAFETY:** Servizi Italia implements and promotes a policy of prevention through systematic training and information initiatives on compliance with relevant regulations. In order to preserve people's health, the organization provides them with all necessary facilities to ensure that activities are carried out in a healthy, safe and sustainable working environment, in accordance with the provisions set out in ILO Convention 155 and Recommendation 164 (Occupational Safety and Health).
- **FREEDOM OF ASSOCIATION AND COLLECTIVE BARGAINING:** Servizi Italia supports the right to freedom of association and respects the choice of its employees to participate in and/or form workers' organizations or unions, without incurring intimidation, reprisal or harassment, in compliance with the provisions set forth in ILO Convention No. 87 - Freedom of association and protection of the right to organize. It is also committed to establishing constructive dialogue with employee representatives so as to create the basis for mutual respect and trust, providing them with protection and facilities, in accordance with the provisions set forth in ILO No. 135 - Convention on workers' representatives.

The Value of Inclusion

At the Group level, Servizi Italia operates in an international context and considers diversity a capital to be enhanced.

The Group is made up of pluralities, different generations, and different cultures which are a resource, an opportunity for enrichment, and an invaluable asset in confronting the challenges that the future holds.

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

To further strengthen its commitment with respect to inclusion issues, in 2022 Servizi Italia began a training course on the topic of inclusive communication together with **Parole O_Stili**, an association that raises online and offline awareness against verbal violence. The association seeks to redefine the style with which people are online and wants to spread the positive attitude of choosing words carefully in different contexts. As part of this project, Servizi Italia has signed the **Manifesto of Non-Hostile Communication** for companies so that everyone is updated on the few simple rules for transparent, sincere, and above all respectful dialogue between companies, clients, and stakeholders.

Welcoming, valuing diversity, and freedom of expression are the basis of living well in the company and are determining factors for growing sustainably also from a social point of view.

2.4 Risk Management within the Group

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

- governance and risk culture;
- Strategy and definition of objectives for risk management;
- Risk analysis;
- information, communication and reporting for risks;
- monitoring the performance of the risk management model.

The model adopted by the Group is aimed at ensuring the continuity of the organization and the adequacy of its processes, activities and performance in terms of:



1. BUSINESS OBJECTIVES:

- Achievement of the objectives set during the definition of corporate strategies;
- Effective and efficient use of the organization's resources.



2. GOVERNANCE OBJECTIVES

- Ensure credibility, accuracy, reliability and timeliness of financial reporting;
- Safeguarding company assets;
- compliance with laws, regulations, contracts, ethical and company rules;
- Protection of ethical and social responsibilities.

The Board of Directors, through the Administrator in charge of the Internal Control and Management System and the Internal Audit Manager, has implemented specific processes to determine responsibilities for risk management to ensure long-term business soundness and continuity. To this end, an internal control system has been set up to monitor the risks associated with the activity.

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

The internal risk control system of the Servizi Italia Group is divided into three levels:

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

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

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



In order to carry out its activities, the Internal Auditing Department presents an activity plan to the Board of Directors, in which the planned auditing activities are represented in line with the risks associated with the activities aimed at achieving Company's objectives.

The results of the activities carried out, on a half-yearly basis, are brought to the attention of the Board of Directors and the Board of Statutory Auditors, after being examined by the Control and Risk Committee; the critical elements found during the verification are promptly reported to the competent company structures for the implementation of improvement actions.

Aware of its mission and corporate policy, the Servizi Italia Group aims to guard against risks identified in all activities in a timely manner, a primary condition for preserving the relationship of trust with stakeholders and ensuring business sustainability over time, contributing to the sustainable success of the company and the Servizi Italia Group.

The risk control process is common to all control functions, consistent with relevant best practices; the different types of risk are defined within the "ICRMS Guidelines" and

the related Corporate Risk Map, which is subject to periodic updating at least annually.

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

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

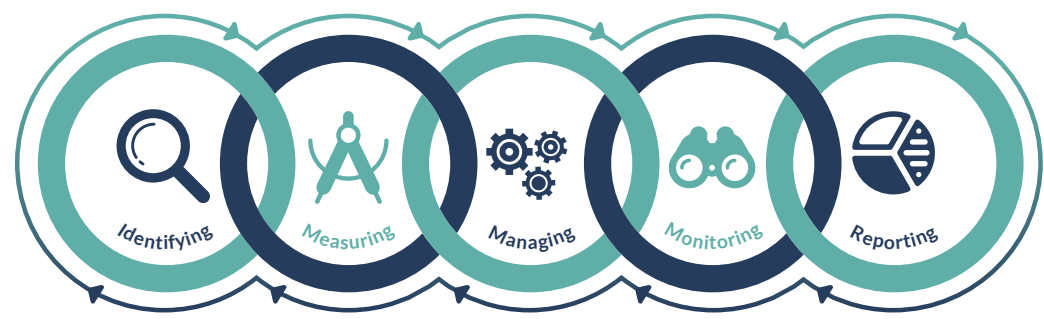
Without prejudice to the principle of continuous monitoring and taking into account the characteristics of the activities carried out by Group companies, the review of the risk analysis shows that, through the application of the planned organizational and management actions, the company has obtained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

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

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

Additional information about other types of risk is provided in the Separate and Consolidated Financial Statements as of December 31, 2022.

RISK CONTROL PROCESS PHASES



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

ESG RISK	RISK DESCRIPTION	MANAGEMENT AND MITIGATION ACTIONS
<p style="text-align: center;">RISKS RELATED TO H&S COMPLIANCE</p>	<p>Direct and indirect risks (consequence of events) related to the Group's activities which, as a result of non-compliance with internal rules and regulations, lead to the occurrence of accidents involving staff and external collaborators:</p> <ul style="list-style-type: none"> ● Fires ● Injuries ● Medical expenses ● Insurance and legal costs ● Loss of working hours ● Cost of repair or replacement of materials/machinery ● Fines ● Convictions ● Interdiction ● Damage to public and professional image ● Stress and falling worker morale <p>These include reputational risks, business interruption and disqualification from public tenders, in compliance with the provisions of Italian Legislative Decree 146/2021.</p>	<p>In order to mitigate these risks, the Company carries out its activities in full compliance with rules and regulations specific to each country regarding health and safety in the workplace. The Group gives this matter primary importance within the scope of its strategies and corporate objectives. Moreover, for the Italian perimeter, the Group has adopted a UNI ISO 45001 certified Health and Safety management system for its production sites and obtained SA8000 certification in Corporate Social Responsibility, adopting its own Supplier Code of Conduct in order to strengthen its presence in the ESG area in the supply chain and a Travel policy.</p> <p>In its foreign companies, the Group presides over risk: (i) by promoting and adopting a Code of Ethics in each individual company; (ii) by preparing a set of procedures, regulations and formats based on a risk analysis of processes; (iii) by training and auditing activities performed by the Parent Company and/or third parties.</p> <p>Lastly, the Company has implemented a system of delegated and sub-delegated powers in this regard.</p>

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

3

MAIN ECONOMIC PERFORMANCE

3.1 Distributed and Generated Economic Value

3.3 Tax Transparency

3.2 Value for Shareholders and Investor Relations





€
270.3
million

REVENUES

€
59.7
million

EBITDA %

€
2.9
million

EBIT

€
3.4
million

NET INCOME

3,553

EMPLOYEES AT THE END OF THE YEAR



3.1 Distributed and Generated Economic Value

201-1

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

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

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

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

The consolidated turnover of the Servizi Italia Group amounted to Euro 270.3 million, an increase of 5.3% or 6.0% at constant exchange rates compared to 2021. Revenues from laundry services (which in absolute terms account for 76.3% of the Group's revenues) rose from Euro 195.1 million in 2021 to Euro 206.2 million in 2022, registering an increase of 5.7% or 6.6% at constant exchange rates, supported by significant growth in Italian laundry ser-

vices (+4.3%), an increase related both to tenders in north-eastern Italy and the full recovery of the hotel business as well as the increase in revenues recorded in the northwest area by Wash Service S.r.l. Revenues in the Brazil area show a positive change for the period of 16.7%, driven by the appreciation of the Brazilian Real against the Euro (exchange rate var. effect +17.2%) albeit characterized by a slight decrease in local currency (-0.5%). The Turkey area shows growth in the local currency of 86.1% offset, however, by a negative exchange rate effect of 88.1% (depreciation of the Turkish Lira against the Euro) leading to a negative change in Euro sales of 2.0%.

Revenues from linen sterilization services (which in absolute terms account for 6.0% of the Group's revenues) decreased from Euro 18.2 million in 2021 to Euro 16.1 million in 2022, a decrease of 11.3%, attributable to the allocation related to the payback requests on medical devices for Euro 2.3 million, only partially offset by the increase related to the increased supplies of disposables in the central Italy area. The organic change in the operating segment, excluding the impact of the payback above, shows a growth of 1.5% in FY2022.

Revenues from surgical instrument sterilization services (which in absolute terms represent 17.7% of the Group's revenues) passed from Euro 43.3 million in 2021 to Euro

47.9 million in 2022, with an increase of 10.6% mainly due to new orders in the north-eastern Italy area and the growth recorded in the period by Steritek S.p.A. In general, it should be noted that growth is driven by the recovery of operating activities that occurred in 2022 compared to the previous year⁷.

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

7. For more information on the 2022 revenue trend, please refer to the Servizi Italia Group's Consolidated Financial Statements as of December 31, 2022.

DISTRIBUTION STATEMENT OF ECONOMIC VALUE GENERATED

<i>(Euro thousand)</i>	2022	2021
Revenues from sales	270,313	256,694
Other income	9,600	8,430
Financial income	2,229	804
Income from equity investments	366	342
Revaluations/write-downs of equity investments valued using the equity method	2,181	2,247
Changes in inventories	-276	199
Economic value generated by the Group	284,413	268,716
Reclassified operating costs	130,040	113,764
Raw materials and consumables used	28,958	27,629
Costs for services	99,165	84,731
Other costs	1,965	1,403
Staff remuneration	89,861	86,658
Staff costs	89,861	86,658
Remuneration of lenders	5,800	4,989
Financial charges	5,800	4,989
Remuneration of shareholders	-405	-263
Allocation of profit for the year ⁸	0	0
Profit/(Loss) for the year attributable to minority shareholders	-405	-263
Remuneration of Public Administration	1,299	1,586
Current taxes	1,299	1,586
Communities	48	17
Donations, sponsorships and collaborations	48	17
Economic value distributed by the Group	226,644	206,750
Profit/(Loss) for the year attributable to Parent Company's shareholders to reserves	3,833	7,500
Depreciation, amortization, write-downs and provisions	56,759	55,114
Deferred taxes	-2,823	-649
Economic value retained by the Group	57,769	61,966

8. The Board of Directors has proposed to the Shareholders' Meeting to allocate Euro 0.4 million to the Reserve for the valuation of investments using the equity method and to carry forward the remaining profit for the year.

3.2 Value for Shareholders and Investor Relations

Since listing its shares, the Company has considered, in line with its own specific interest, as well as a duty to the market, to establish ongoing dialogue with its shareholders, in full compliance with current regulations.

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

The Policy is posted on the Company's website at www.servizitaliagroup.com. and is aimed at fostering the stability of shareholders' investments and the sustainable success of the company through a greater understanding of the company's objectives by the membership and the company's demands of shareholders, promoting communication that helps align their interests with those of the company and the Group.

In order to better implement relations with the market, with reference to its website, the company has established special sections that are easily identifiable, accessible and continuously updated, which provide important news to shareholders, so that shareholders can exercise their rights in an informed manner.

According to the results of the Shareholders' Register, supplemented by the communications received pursuant to Article 120 of the TUF and other information available at the date of approval of this Report, those who directly or indirectly hold more than 5% of the share capital are:

MAJOR SHAREHOLDINGS AS OF 12/31/2022		
DECLARANT	DIRECT SHAREHOLDER	% OF ORDINARY SHARE CAPITAL
Coopservice S.Coop.p.a.	Aurum S.p.A.	55.334%
Steris Corporation	Steris UK Holding Limited	5.903%
Servizi Italia S.p.A.	Servizi Italia S.p.A.	7.47%*

*of which non-voting 7.47%

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

During the year, the Investor Relations team held several individual and group meetings with analysts and investors through conference calls.

Servizi Italia also met with potential investors and shareholders in 2022 by participating in the May 11, 2022 TP ICAP Midcap event organized by Midcap Partners.


The meetings with analysts and investors primarily focused on issues related to the results of the company and the Group, the interpretation of those results, and clarification of the elements that drive the actual results for the period and the fundamentals that may influence the expected results. The meetings with potential new investors also covered in-depth topics such as: the different types of services performed by the Group and the different operating segments that comprise it, management's leading strategies in the short and medium term, and risks and opportunities in the industry understood both as expected growth rather than competitive scenario.

As of June 22, 2009, the company's stock is traded on the Euronext STAR segment of Borsa Italiana S.p.A. As of December 31, 2022, the market cap of Servizi Italia S.p.A. was Euro 37.5 million.

More information on the stock performance can be found in the Annual Financial Report 2022.

3.3 Tax Transparency

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

Material Topic	Commitment	SDGs
Integrity and business ethics	Establishing principles, procedures, and policies for responsible conduct (such as the Code of Ethics and 231 Model) can impact stakeholders (customers, suppliers, local communities, shareholders, trade associations, etc.). The topic is managed through the adoption of these documents, as well as obviously complying with existing laws and regulations in order to avoid the occurrence of unlawful events.	

The choices underlying the Group’s internationalization are guided exclusively by business considerations and not by fiscal reasons. The Board of Directors of Servizi Italia has drafted and approved the tax strategy and guidelines for the entire Group, so that management is uniform across all the entities involved, inspired by the logic of correct and timely determination and settlement of taxes due and implements correct tax risk management. The provisions contained in the tax strategy require behaviors that adhere to the values of the Group. The governing bodies of the Group’s entities are required to adopt the tax strategy adopted by the Parent Company by means of a specific resolution, thereby assuming responsibility for ensuring that it is known and applied within the entities for which they are responsible, together with the specific task entrusted to the governing bodies of disseminating the culture and values underlying the strategy. The tax strategy approved by the Board of Directors of Servizi Italia S.p.A. is published in the “Transparent Company” section of Group’s website (www.servizitaliagroup.com). The relevant interpretation is referred to the Parent Company, through the Fiscal Unit⁹, which also takes care of the relative update every time a regulatory adjustment is required and/or mapping a specific process in order to monitor the relative risks.

Tax Strategy Objectives

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

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

Principles of the Tax Strategy

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

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

Countries in which it operates.

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

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

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

⁹ The Fiscal unit is understood to be the designated fiscal office in every different jurisdiction.

Guidelines for Implementing the Tax Strategy

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

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

Governance

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

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

Compliance

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

ciples that are part of the Group's wider system of organization and control. These must be considered as fundamental points of reference that all parties, in relation to the type of relationship existing with the Group, are required to comply with ¹⁰.

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

Intercompany Transactions

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

Full Cooperation with Tax Authorities

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

Organization

The Tax Unit of the Parent Company, coordinated by the Tax

Manager, guarantees:

- in agreement with local CFOs, an adequate sizing of the necessary competencies (internal to the organization and using qualified external professionals), capable of carrying out, not only the role of monitoring compliance, but also the one decision-making analysis center, included in governance and business processes;
- periodic contact with peripheral tax units or local CFOs for the purpose of tax updates, analysis of tax benefits and tax compliance;
- training and orientation activities on tax issues, country and global level for any useful form of alignment, towards the employees involved on the link between tax strategy, business strategy and sustainable development.

Risk Analysis

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

10. For example: Code of Ethics, Anti-Corruption Guidelines, Anti-trust Code of Conduct, corporate policies, models and procedures, fiscal strategy, the internal control and risk management system, the system of proxies and powers of attorney, the system of sanctions pursuant to the applicable collective bargaining agreements, any other documentation relating to the control systems in place, the reference accounting standards, procedures and IT applications.

Reports

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

Reporting

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

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

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

ing elements:

- Taxes borne and collected (as value distributed to Government);
- Net interest (as the value distributed to creditors);
- Wages and salaries after taxes (as the value distributed to employees);
- Earnings retained for reinvestment or paid as dividends (as the value distributed to shareholders).



Maintenance of surgical instrumentation at a CSSD

COUNTRY-BY-COUNTRY REPORTING ¹¹						
	2022			2021		
In /000 Euro	Italy ¹²	Turkey	Brazil	Italy	Turkey	Brazil
Names of resident entities	Servizi Italia S.p.A. Steritek S.p.A. Wash Service S.r.l. Ekolav S.r.l.	Ankateks Turizm İnşaat Tekstil Temizleme Sanayi ve Ticaret Ltd Şirketi Ergülteks Temizlik Tekstil Ltd. Sti Olimpos Laundry Teks.Tem. Hizm. Ve Tur. San. Tic. LTD.Sti IS Ortaklig	SRI Empreendimentos e Participações L.t.d.a. Lavsim Higienização Têxtil S.A. Maxlav Lavanderia Especializada S.A. Vida Lavanderias Especializada S.A. Aqualav Serviços De Higienização L.t.d.a.	Servizi Italia S.p.A. Steritek S.p.A. Wash Service S.r.l. Ekolav S.r.l.	Ankateks Turizm İnşaat Tekstil Temizleme Sanayi ve Ticaret Ltd Şirketi Ergülteks Temizlik Tekstil Ltd. Sti.	SRI Empreendimentos e Participações L.t.d.a. Lavsim Higienização Têxtil S.A. Maxlav Lavanderia Especializada S.A. Vida Lavanderias Especializada S.A. Aqualav Serviços De Higienização L.t.d.a.
Revenues from third party sales	244,955	7,262	30,441	234,236	7,289	26,469
Revenues from intercompany transactions having different fiscal jurisdictions	4,170	147	3,157	4,135	112	2,175
Profit/Loss before taxes	-1,591	-1,981	-831	753	-756	1,539
Tangible assets other than cash and cash equivalents	97,752	2,867	23,732	100,722	3,335	21,471
Corporate income taxes paid on a cash basis	836	0	128	263	0	261
Corporate income taxes accrued on profits/losses	382	13	153	658	0	178

11. Data reported in this table are consistent with what is stated in the "Country by Country" report. The figures differ from those reported in the consolidated financial statements as of 31.12.2021, as the *Local GAAPs* have been adopted.

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



4

ENVIRONMENTAL SUSTAINABILITY

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



Material Topic	Commitment	SDGs
Circular economy initiatives	The circular economy involves the design of a more virtuous system than that which governs the linear economy. Extending the productive use of materials, reusing them, and increasing their efficiency serves to strengthen competitiveness, reduce environmental impact and gas emissions, and create new jobs.	12

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

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

The ultimate goal of this effort, and what drives efforts made in the field of sustainability, is to achieve a "balance between meeting present needs without compromising the ability of future generations to meet their own needs."¹³

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

Processes and activities are organized through an integrat-

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

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

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

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

The following paragraphs report on the Group's¹⁴ activities and commitment to mitigating the environmental impacts arising from the conduct of its business; continuing, as in previous years, the commitment to the full quantification of the same, where not included in the reporting today.

SOMETHING MORE

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

13. Brundtland Report, 1987

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

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



maintenance of environmental certifications for all plants



reducing energy consumption



reducing pollutant emissions



reducing the consumption of water resources



reducing the use of virgin plastic for packaging



waste management, recovery and recycling



investments in technologies to improve environmental impact



circular economy and industrial symbiosis initiatives

4.1 Energy Consumption

302-1 | 302-2 | 302-3

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

Never before has the focus on environmental issues been catalyzed by energy aspects as it has been this year. By their very nature, laundry activities are highly energy-intensive, and the pursuit of operational efficiency is a key lever for countering not only economic price increases, but also environmental impacts, consistent with the United Nations 2030 Agenda.

With this in mind, the Group is constantly working to find solutions to improve energy efficiency and enhance the performance of plants at its various production sites; most of the activities conducted in this regard have focused on reducing energy waste. Also noteworthy is the replacement of the boiler in Turkey (last quarter 2021), as it made it possible to achieve the "Coal Zero" goal, thus permanently eliminating coal from the Group's energy sources.

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

During 2022, Servizi Italia maintained ISO 50001 certifi-

cation at all Italian sites and renewed EMAS registrations where already present. This activity confirms the Group's commitment to monitor its consumption and impact and to evaluate opportunities for improvement, to reduce consumption and improve the energy efficiency of its plants.

With regard to the Italy area, it should be noted that sterilization plants for surgical instruments located within client hospital facilities are not included in the energy, water consumption and emissions reporting because the management of utilities is in most cases the responsibility of the owner (Contracting Station). The same case history is also present for two warehouses for which utilities are not currently borne by the Group. The sterilization plants in which the energy utilities are fully borne by Servizi Italia S.p.A. are included in the reporting perimeter and included in the tables in the "Annexes" section. In 2022, the energy consumption and emissions of the sterilization plants of Cona (FE), Palermo and Genoa are included in the perimeter. For the latter two, 2021 data not previously available were also included. Nevertheless, Servizi Italia makes a daily commitment to the proper and rational use of the energy resources necessary to provide the services, in compliance with the instructions given in the specifications and by the customer

itself.

The Group's total energy consumption during 2022 is **1,177,050 GJ, down 4.95% from 2021**. Among the most significant changes that contributed to the reduction in energy consumption, a 10% decrease in methane gas consumed and a 5% reduction in electricity should be noted in Italy; this result was achieved largely due to new ways of turning on/off boilers and specific energy efficiency actions, as well as the closure of the Ariccia¹⁵ plant. The removal of coal as a supply fuel for the steam generator in Turkey also contributed. In order to measure the energy efficiency of the production and consumption system in a timely manner, we have included the GRI 302-3 indicator on **energy intensity**. As this is the first year in which it is being reported, this indicator refers only to laundries of Servizi Italia S.p.A. in which utilities are directly headed¹⁶.

The data show the ratios of energy consumed from methane, electricity, and steam to tons of textiles processed by the plants in the perimeter. The amount of **electricity** purchased by the Parent Company from **certified renewable sources** has remained constant and accounts for about 67% of total purchased electricity (38% at the Group level). On this front, the Group confirms its commitment to increasing the share of energy from renewable sources, and in 2022 it conducted feasibility studies and completed design activities for the installation of photovoltaic and solar-thermal systems at Italian production facilities.

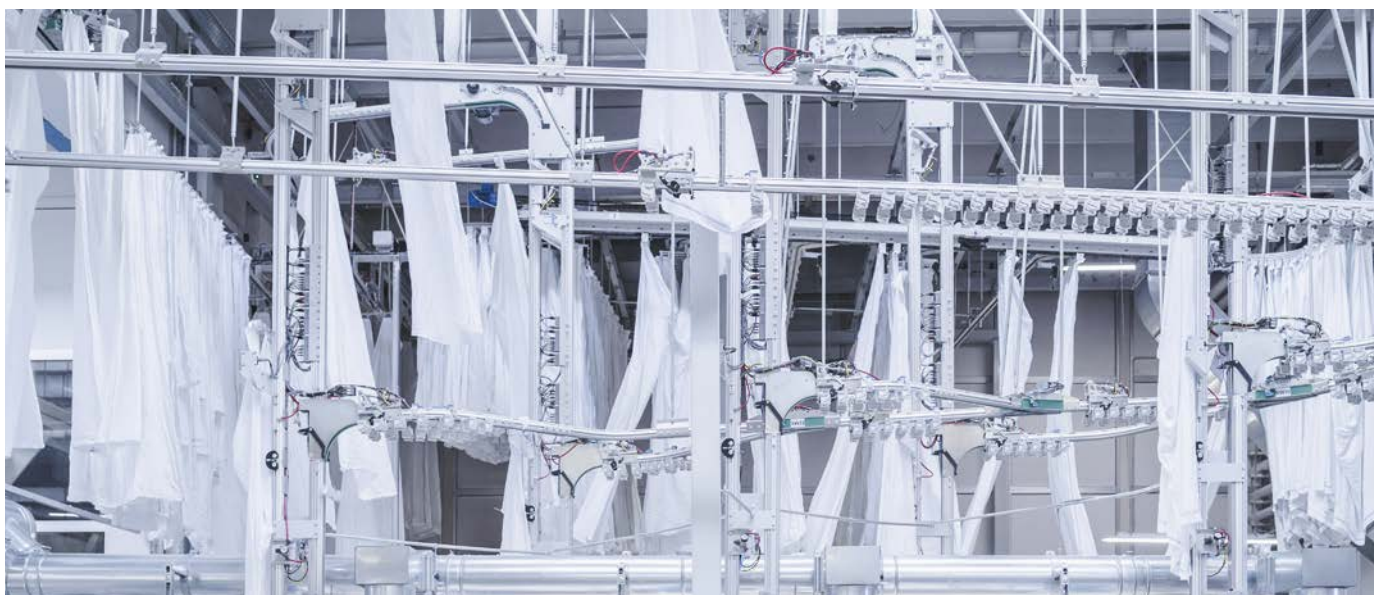
More information is available in relation to the Group's performance in the Annexes section.

15. For more information, see the 2021 report on the topic.

16. The indicator reports data for the laundry plants of Servizi Italia S.p.A, excluding the production sites in Treviso, and Trieste.

ENERGY INTENSITY - Laundry plants of Servizi Italia S.p.A.¹⁶

Type of consumption	Unit of measurement	2022	2021
Non-renewable sources	GJ	356,757	384,802
Renewable fuels	GJ	0	0
Purchased electricity	GJ	50,423	52,767
Self-produced electricity and electricity sold/ transferred to the grid	GJ	-379	-151
Purchased steam	GJ	27,679	26,693
Total energy consumption within the organization	GJ	434,480	464,111
Tons of textiles processed	t	67,884	67,953
ENERGY INTENSITY	GJ/t	6.40	6.83



Sheets "flying" during the production process

Automotive Fuels

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

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

Even though the fuel consumption associated with benefit car use accounts for a very small part of the total, Servizi Italia still felt it was important to act where it could act concretely and quickly, and for this reason, it issued a new car policy in which mild-hybrid cars were included for the upper echelons, with the provision to include at least one electric car in each category. Meanwhile, the first four electric vehicle charging stations have been installed at the Castellina (PR) site.

Automobiles used by employees for work needs are provided by long-term rental services, subject to special internal regulations consistent with the above policy.

FOCUS ON

Sustainable Corporate Mobility

Servizi Italia has appointed a **Mobility Manager** and adopted a home-to-work commute plan for the Treviso, Florence, Genoa Bolzaneto, and Castellina locations (the latter on a voluntary basis). The analysis conducted involved a large panel of the company's population in order to identify strategies, solutions, and design interventions to improve the its employees' commute. The goal is to reduce pollution and decongest traffic for the benefit of the community, consistent with the core values of environmental sustainability adopted by Servizi Italia.

There was a 31% increase in fuel consumption for internal logistics in 2022, largely due to the full resumption of normal post-pandemic work activities, and on the Turkish side, the transportation internalization process on Turkish production sites, where outsourcing is no longer used.

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



Detail of Reusable Technical Textile sheets

4.2 Polluting Emissions into the Atmosphere

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

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

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

At the Group's production sites, the most significant emissions are nitrogen oxides (NOx) from combustion plants used for the production of technological steam. At the Italian sites, all the steam generators are fueled with natural gas, thereby minimizing emissions of sulfur oxides and dust into the atmosphere. At the Brazilian sites, since the steam generators are wood-fueled, atmospheric emissions also concern the dust parameter; to contain the latter, the emission chimneys are equipped with ash and particulate abatement systems. As mentioned, the last coal-fueled boiler in Turkey was replaced at the end of 2021, contributing to the reduction of particulate matter and carbon black.

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

With regard to total NOx emissions, the 2022 consolidated figure shows an increase of 16% compared to 2021. The increase mainly comes from the Brazilian area, which uses wood as its main source of combustion. Outside Brazil, the trend is declining due to the use of state-of-the-art steam generators with automatic combustion management.

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

FOCUS ON

How are the emissions of CO₂ equivalent broken down?

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

Greenhouse Gas Emissions

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

The Group's carbon dioxide equivalent emission balance (Scope 1 + Scope 2 Location based + Scope 3) for 2022 has 53,719 tons of CO₂ equivalent, down 12.3% from 2021.

The total tons (Scope 1) of carbon dioxide equivalent in 2022 show a 15.1% decrease from 2021, driven both by the abandonment of coal as an energy source and the reduction in methane gas consumption due to the many efficiency actions implemented to optimize its use by the laundry facilities. For this same reason, there is also a decrease (-1.2%) in the tons of Scope 2 - Location-based emissions emitted compared to 2021, the trend of which is also confirmed (-1.1%) in Scope 2 - Market-based emissions.

Indirect Scope 3 emissions are also decreasing (-12.5%) from the 2021 figure.

In order to measure the impact on the environment in a timely manner, we have included the GRI 305-4 indicator on **GHG emission intensity**.

As this is the first year in which it is being reported, this indicator refers only to laundries of Servizi Italia S.p.A. in which utilities are directly headed¹⁷.

The data show the ratios of Scope 1 and Scope 2 - Location-Based emissions to the tons of textiles processed by the mills in the perimeter.

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

GHG EMISSION INTENSITY - Laundry plants of Servizi Italia S.p.A.

Type of consumption	Unit of measurement	2022	2021
Total emissions Scope 1	tCO ₂ eq	20,965	22,679
Total Scope 2 - Location Based	tCO ₂ eq	5,692	5,870
Total Scope 2 - Market-based	tCO ₂ eq	2,493	2,536
Total emissions Scope 1- Scope 2 - Location Based	tCO ₂ eq	26,656	28,549
Tons of textiles processed	t	67,884	67,953
GHG EMISSION INTENSITY	tCO₂eq/t	0.39	0.42





Control of a high-visibility device

17. The indicator reports data for the laundry plants of Servizi Italia S.p.A, excluding the production sites in Treviso, and Trieste.

4.3 Management of Water Resources

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

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

Water Supply and Use of Water in the Production Process

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

Water is used in washing processes (of both linen and surgical instruments) and to power the steam generators; for this reason, water resource management (understood as rationalization of withdrawals and optimization of consumption and recovery) is a significant environmental aspect and a constant objective for the Group, even more so in this historical moment with one

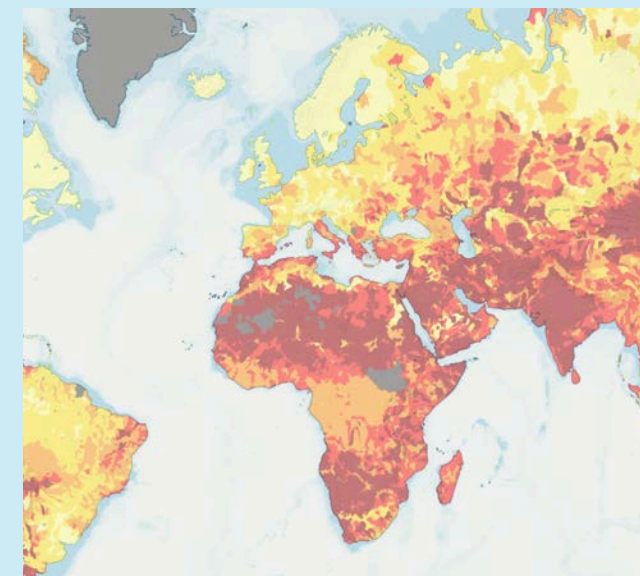
of the worst water shortages in history; to this end, management annually approves environmental improvement plans within which specific objectives associated with water withdrawals fall.

Globally, 67% of the water used by Group sites comes from water-stressed areas, of which about 60% comes from wells and 40% from aqueducts. During 2022, water withdrawals from areas of high water stress decreased by 23% (partly due to the closure of the Ariccia plant), while redistribution of the supplied mix was necessitated by the shortage of water detected in some aquifers.

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

Water scarcity areas¹⁸

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



Overall Water Risk



In this context, Servizi Italia planned to adopt the primary water recovery model already in use at the Bolzaneto plant at other laundry sites.

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

In 2022 we reached 1,842 megaliters (ML) of water withdrawal, down 16.6% from 2021, mainly associated with three motives: washing process efficiency, reduction in production volumes due to the Ariccia plant closure, and better data collection and monitoring of discharges from the Brazilian and Turkish plants.

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

Discharges of Liquid Effluent and Wastewater

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

At most of the Group's sites there are specific discharge authorizations with quantitative and qualitative limits on wastewater.

All sites are equipped with procedures for the control of wastewater treatment plants, plant management booklets and periodic internal and external analysis to verify the reliability of the purification process with respect to

the required standards.

Surfactants, nitrogen compounds, suspended solids, chlorides, mainly characterize the water coming from activities belonging to the sector in which Servizi Italia operates. The internal purification plants are specifically sized and designed for the abatement of these contaminants. The internal analyses carried out daily and periodically by external laboratories specifically evaluate the above parameters, in order to constantly monitor the efficiency of the purification system according to the characteristics of the sector.

The characteristics of the receiving water body have been taken into account for the discharge and the qualitative and quantitative parameters of the discharged wastewater have been commensurate with this.

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

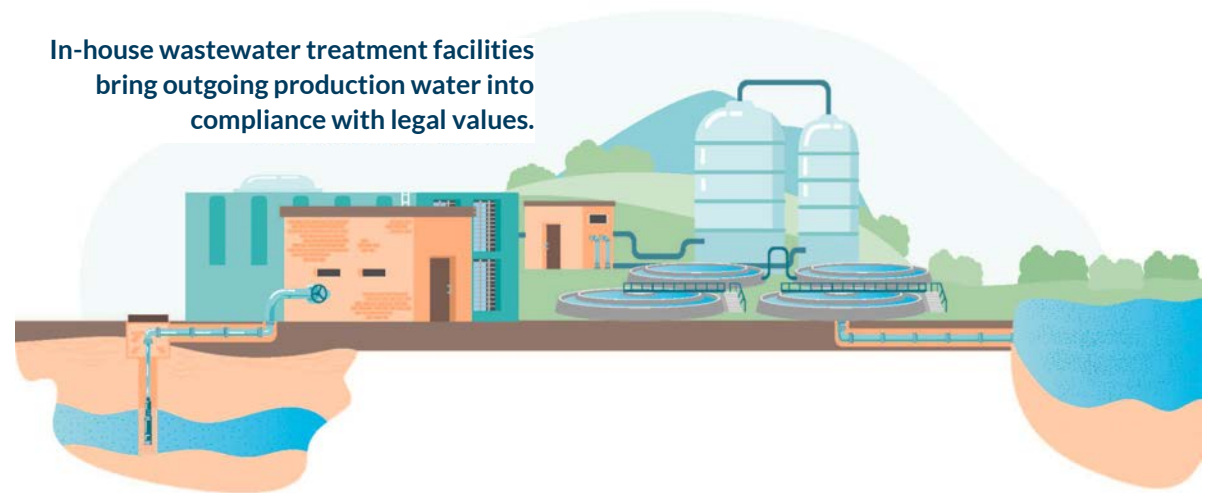
The production sites located in the various countries are equipped with internal wastewater treatment plants,

which make the outgoing water comply with the values established in the site authorization measures and the binding regulations on the subject, both in the case of discharges into surface water (equal to 32.7%) and in the case of discharges into the sewerage system (equal to 67.3%).

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

Servizi Italia is committed to continuously improving the quality of the effluent discharged through the continuous modernization and efficiency of the treatment plants.

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



4.4 Consumables and Packaging Materials

301-1 | 301-2

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

Packaging

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

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

To further emphasize the Group's commitment to reducing virgin plastics and reducing the dispersion of plastics and microplastics into the environment, the statement has been supplemented with a new indicator highlighting

the incidence of recycled materials in packaging used to package processed textiles (GRI 301-2).

In addition, the Group has won major awards for its commitment to ecodesign, such as the **CONAI award** for replacing standard polyethylene film with a recycled plastic film, given to Servizi Italia during 2022.

During the reporting period, the total consumption of plastic packaging decreased significantly (-13,7%) from the previous year, reaching 947 tons. This was achieved through the effective optimization of consumption and a gradual reduction in the thickness of the polyethylene film used to package the washed and ready-to-ship linen. Reducing the thickness of the polyethylene film from 16 to 12 microns has the additional consequence of reducing the percentage of usable recycled plastic.

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

Chemicals

Within the Group's production sites, different types of chemical products are used for washing, sanitizing and reconditioning textile products, surgical instru-

ments and cabinets, rollers and containers with which the products are handled directly to the end customer. The Group has set the goal of constantly improving the efficiency of washing processes in order to optimize the use of chemicals used in production. In particular, it has paid great attention to the use of environmentally friendly chemicals, which is why most washing processes in 2022 were carried out with Ecolabel products.

There was a 26,6% increase in 2022 compared to 2021 because all the chemicals used for water treatment (weighing 896 t in 2022) were also taken into account.

Consumption of chemicals for the production process alone is reduced by 3% compared to 2021.

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

4.5 Responsible Waste Management

306-1 | 306-2 | 306-3

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

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

During 2022, the Group initiated a process to digitize waste management in order to ensure greater traceability of data and the process itself. In addition, the first stages of several industrial symbiosis projects have been initiated in Italy aimed at valorizing the waste produced and giving it new life.

Regarding waste generation, there is a 3.7% reduction compared to 2021 mainly related to the reduction of nonhazardous waste sent both for recovery and disposal. There is an increase in the amount of hazardous waste, particularly waste sent for recovery.

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



Complete set up of the operating room



5

THE VALUE OF PEOPLE

- 5.1 Work-life balance
- 5.2 Recruiting and Employment
- 5.3 Employee Listening and Change Management
- 5.4 Remuneration Policies
- 5.5 Employee Training and Development
- 5.6 Diversity and Equal Opportunity
- 5.7 Workplace Health and Safety
- 5.8 Welfare, Well-being, and Social Serenity
- 5.9 Industrial Relations



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

At a time of major transformations in work organization, the stabilization of remote work and the adoption of greater flexibility have assumed a key role in meeting the needs of work-life balance. These measures not only promote environmental sustainability and collective well-being, but also enable a reduction in home-to-work commuting and an improvement in the livability of urban centers. They also promote an innovative perspective of work based on trust, autonomy and shared responsibility. These needs, exacerbated by the health emergency from Covid-19, have led to a greater diffusion of agile work which involves organizational and process change, supported by the use of appropriate technological tools and specific training paths to enable all workers to do their work efficiently and satisfactorily.




The Group's wealth is its people who have successfully created a positive work environment over the years that not only offers equal opportunities, but also provides incentives for developing professional aptitudes and skills.

Lastly, we hope that this approach can go beyond the confines of our home to embrace and positively influence the entire value chain.

5.1 Work-life Balance

Material Topic	Commitment	SDGs
New ways of working and work-life balance	The ability to enhance employee well-being touches on a series of actions aimed at promoting initiatives that contemplate the balance between work life and personal and/or family commitments. For clerical staff, the shift to an alternating combination of work in the offices and from home - along with schedule flexibility - also allows for a reduction in vehicular traffic (and consequently emissions).	5


Human resources are an increasingly strategic element for the success of organizations, but the potential conflict between professional and private life is a threat to the health and well-being of people and to the very development of the organization. For a company, therefore, it is not only an ethical issue of social responsibility, but also a corporate business and public interest objective. With this in mind, several initiatives have been introduced to facilitate work-life balance:

- 
Remote work.
Signed individual agreement to make remote work structural up to two days a week (for eligible roles). In total, there are 157 beneficiaries of this initiative;
- 
Schedule flexibility.
Flexible start and finish hours, with entry until 9 a.m. and exit starting at 5 p.m;
- 
Short Fridays.
In summer months, two-hour reduction in working hours for early exit;

- 
Hourly parental leave.
Possibility of splitting parental leave into groups of two hours for permanent staff, with re-proportioning if part-time staff.
- 
Joint assignment of vacation or leave.
Ability to support employees in difficult situations through the joint transfer of vacation and ROL (reduced working hours) and with an hourly contribution from the company.
- 
Child sick leave.
Recognized additional day of paid leave in the event of illness of children aged between 3 and 8 years (total two days).
- 
Leave for preventive medical screening.
Opportunity to take two hours of paid leave to participate in National Healthcare Authority-sponsored cancer screening programs.

5.2 Recruiting and Employment

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

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

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

The Group's employment levels remain largely stable; as of December 31, 2022, the **workforce had 3,553 employees** (3,676 in 2021), of whom 88.5% are blue-collar workers, 10% white-collar workers, 1% middle managers, and 0.5% executives. On the side there is the territorial distribution.

The activity carried out by the Group is labor-intensive, as despite efforts to automate some process steps, a large part of the activities still remain manual. It is important to note the presence of a significant number (**95%**) of **permanent contracts**, signifying that the Group offers stable employment opportunities and uses fixed-term contracts only residually to deal with seasonality or possible peaks in work. Most employees are hired on full-time contracts, while part-time contracts are used as a flexibility tool for those who have requested them. Non-employees represent a residual part of the employed workforce (<5%) present mainly in Italy, where outsourced staff contracts are an alternative to the fixed-term contracts given the regulatory rigidities that severely limit the use of the latter.

During 2022, 1,642 resources were recruited throughout

the Group, with an incoming turnover rate of 46% and an outgoing turnover rate of 50%, slightly up from the 2021 figures, but with substantial geographic differences related to the particular labor market characteristics of each country.

Concerning parental leave, the companies guarantee equal access conditions for men and women in the countries where the Group operates, in compliance with local regulations in force. In 2022 61 men and 135 women took parental leave, with a rate of return to work as of December 31, 2022 of respectively 79% and 84%. An interesting finding emerges from these numbers, namely the increase in parental leave taken by men (women remain broadly in line with the past), reflecting a better balance of family commitments. Retention rates remain high in both cases (around 70%), confirming the company's commitment to supporting workers in reconciling work and private life, and in fact confirming the effectiveness of related company policies.

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

FOCUS ON

Family Audit

In 2021, Servizi Italia obtained the basic **Family Audit** certification, thus becoming part of a virtuous network of organizations oriented towards increasingly qualifying themselves as excellent workplaces sensitive to the issues of work-life balance and therefore to the well-being of their employees. The foundation of this effort was the desire to **promote and initiate a process of cultural change and continuous improvement within the company**.

*Bottom-up logic lies at the heart of Family Audit certification: it is not the organization that chooses and implements the initiatives from above, but the employees themselves who express the different needs in terms of reconciliation. The organization has **three years to implement the planned measures**. After this time has elapsed, the organization is awarded the Family Audit Executive certificate.*



5.3 Employee Listening and Change Management

403-6

For a compact, yet open and stimulating work environment to be created, it is essential to open channels of internal dialogue and communication that bring all employees closer together and make them participants in company activities.

The Group communicates through its website, social media, mailing list, company bulletin boards and corporate intranet. A new internal communication project began at the end of 2022 that involves the use of a digital signage system through which information related to safety, prevention, brand, environment, and quality is shared. The information is updated every two weeks based on an editorial plan shared with all production managers.

Servizi Italia has been operating in the industrial laundry industry for more than 35 years, adapting and modifying its strategy as the market changes, often anticipating future trends and positively influencing industry practices.

Normalizing confrontation, even when it is necessary to talk about "things that don't go well," and making listening a shared practice are two goals that Servizi Italia is steadily pursuing to create an increasingly integrated and compact team. In fact, professional training goes hand in hand from confrontation and listening: starting with what one wants to learn, what is not working, and what is missing is a fundamental step in creating appropriate development and refresher plans that can fill objective gaps in the operational skills required by the role. Defining the value framework and strategy so that each employee can make them their own, consolidating the awareness that training is a strategic lever for corporate growth as well.

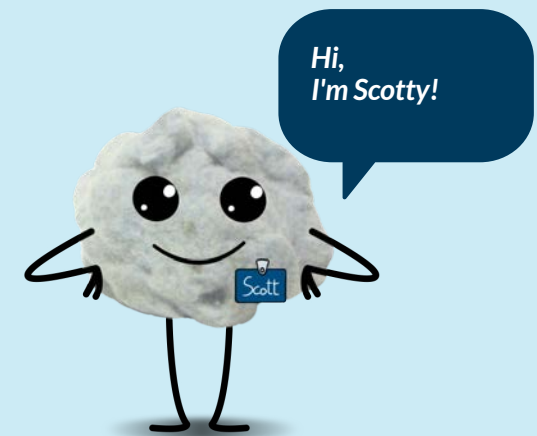
Servizi Italia has adopted and applies a "Succession Planning" policy (last updated March 2021) that ensures business continuity and facilitates generational change within the company through the definition of structured steps and

succession tables for executives with strategic responsibility, senior managers, key roles and special roles in the organization, thereby reducing uncertainty in business management and allowing to select the best possible replacements. In addition, the succession policy aims to foster the professional growth of internal company figures with leadership skills and ensure the corporate sustainability of role changes through the identification of short- and medium-term successors for all strategic management positions.

FOCUS ON

Our Digital Signage Project

The Digital Signage Project came about by gathering requests from production sites, where paper communication is redundant and often does not attract sufficient attention. Therefore, we moved from the intention to only include messages regarding safety to promoting different themes, each with an internal contact person promoting the content. For Servizi Italia, it is an opportunity to create a true communication channel of simple and inclusive use that ranges over particularly sensitive topics, such as the environment, health, and safety, passing also through economic data, to more specific information about the brand, without neglecting aspects related to the well-being of people in their private lives. To transfer the messages in an easy and fun manner, we chose a character, Scotty, a cotton ball born in an industrial laundry, who accompanies viewers along the narrative.



5.4 Remuneration Policies

2-19 | 2-20 | 2-21

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

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

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

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

- link the remuneration of key corporate resources to the effective performance of the company, to sustainable success and to the creation of new value for the Servizi Italia Group, as also advocated in the Corporate Governance Code of listed companies;
- orient the company's key resources towards strategies for pursuing economic and financial results and greater pervasiveness of the theme of sustainability of business activity, integrated into its strategic prospects;
- align Top Management's interests to those of shareholders and investors;
- introduce retention policies aimed at building the loyalty of key corporate resources and encouraging them to remain with the company or the Group.

For further details, please refer to the "Remuneration Report 2022".

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

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

- **Gross Annual Remuneration:** generally determined taking into account professional specialization, the organizational role played by the related responsibilities;
- **Variable Remuneration:** determined to reward the results achieved, based on individual targets allocated annually or over the medium-long term and which are motivational and retention elements. The objectives may, therefore, be both quantitative, i.e., numerical objectives (absolute values, percentages and/or indices), and qualitative (in any case measurable through observable behavior).

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

It should be noted that with regard to operational staff, any increases in the pay component may occur, in addition to the application of the CCNL, due to the appreciation of professionalism, skills, and abilities.

The ratio of the annual total remuneration of the person receiving the highest remuneration to the median annual total remuneration of all Group employees excluding said person is 21.08 in 2022, 20.29 in 2021. The ratio of the percentage increase in the annual total pay of the person receiving the highest pay to the median percentage increase in the annual total pay of all employees is 2.54.¹⁹

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

5.5 Employee Training and Development

2-17 | 403-5 | 404-1

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

People are the most important factor in the company's growth. Servizi Italia is aware of this and is committed to promoting their professional development, paying attention to workplace quality, encouraging team spirit and fostering the development of an integrated and compact group, proud of its corporate identity. This approach makes it possible to create a positive work environment in which each employee feels valued and stimulated to give their best. For this reason, Servizi Italia invests in the professional growth of all people through refresher and training programs defined based on an analysis of people's specific needs. These programs provide innovative ways and activities to ensure adequate training with respect to the skills required by the role.

During 2022, the **Group provided a total of 21,237 hours of training, equal to 5.98 hours per** employee, involving 74.7% blue-collar workers, 22.8% office workers, 1.8% Middle Managers and 0.7% executives. The significant increase in training hours provided (+42%) is only partly due to an improved data collection process on vocational-technical and skills development courses. The result was also brought about by the initiation of internal reorganization aimed at better planning and management of training processes, as well as the mapping and development of workers' skills.

Several training areas have been planned for 2022, including vocational technical training and technical systems,

Several training areas have been planned for 2022, including vocational technical training and technical systems, occupational health and safety, environment and quality, certification systems and regulations in general, safe and environmentally sustainable driving, diversity, and inclusive communication. Vocational technical training has enabled workers to further their skills and get up to speed on new technologies and work processes. Occupational health and safety training has ensured a safe working environment for all employees; in addition to the legally required training, training covered the use of machinery and equipment, complex facilities, confined environments, AED use and safe driving (50 employees involved). Training on certification systems and regulations in general has enabled the company to improve the quality of its services and to keep up with evolving regulations. A large part of the training covered worker health and safety. Those initiated include a pathway for updating employees at sterilization plants and updating supervisors (with reference to the changes introduced by Italian Legislative Decree 106/2009 to Article 18 of the Consolidated Safety Act). The training initiatives included 20 employees' participation in WOBI in Milan, which enabled them to engage with the most current trends in Management and Business and increase sensitivity to strategic issues.

In summary, the growth in training hours provided in 2022

was the result of careful planning and management of training processes, in line with the human-centric perspective aimed at enhancing the skills of workers and the strategic growth of the company. Regarding training to the Board of Directors on issues related to sustainability, it is reported that no specific activities were conducted during 2022, but an induction plan will be carried out during 2023. Below are the main areas of training by geographical area.

AREA	TRAINING AREAS
ITALY	Skills development Professional technology and technical systems Health and Safety in the workplace, Environment and Quality UNI EN 37001, 231 MOG certification systems and regulations in general Diversity and inclusive communication
BRAZIL	Skills development Health and Safety in the workplace, Environment and Quality
TURKEY	Health and Safety in the workplace, Environment and Quality.

5.6 Diversity and Equal Opportunity

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

The staff selection and hiring process is governed by specific procedures and the selection of employees is carried out based on candidates' professional skills and abilities. The Group guarantees equal opportunities for all, without discrimination on grounds of gender, ethnicity, nationality, religion, political opinions, sexual orientation, personal and social conditions.

The Servizi Italia Group made real its commitment to the protection of diversity, equal opportunities and non-discrimination adopting a Code of Ethics for all Italian, Brazilian and Turkish companies and being compliant with the regulations in force in each country where it is present.

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

It is in this perspective that the Servizi Italia Group operates, respecting the dignity of each individual and offering equal opportunities at all stages and for all aspects of the employment relationship, avoiding any form of discrimination that may derive from differences in gender, age, state of health, nationality, political or religious opinions.

Human resources management processes are applied according to the same principles of meritocracy, fairness and transparency in all countries where the Group operates.

FOCUS ON

Non-hostile communication

To provide information about the few, simple rules for transparent, sincere, and non-discriminatory dialogue, with the support of the association **Parole O_Stili**", we organized two different educational events aimed at raising awareness against online and offline word violence in 2022. Communication is a powerful tool. It is a means of shaping our attitudes, perceptions, and behaviors and reflects the world in which we aspire to live and work. The first part of the training focused on the issues of non-hostile communication, while the theme of the second part was "Words have consequences." Choosing language that respects gender identity and is free from bias is a way to distance ourselves from outdated perceptions about men, women, people with disabilities, and other groups of people who make up society. People come together and can feel less lonely through speech; that is why we believe that communicating properly is the first step in creating inclusion.



5.7 Workplace Health and Safety

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

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

The Servizi Italia Group is strongly committed to taking care of the safety and health of its employees, customers and community as a whole. Health, safety and psychophysical integrity are considered a precious asset to be protected at all times and the Group is committed at developing and promoting a solid safety culture in the sites where the Group operates in order to ensure a healthy and safe working environment. Everybody's constant commitment, the integration of safety into processes and training, the reporting and analysis of accident prevention, rigorous selection and management of contractors, human rights monitoring in the supply chain (in compliance with the internal Supplier Code of Conduct), quality controls and the sharing of experience within the Group are the founding elements of the safety culture of the Servizi Italia Group.

The Servizi Italia Group has a declaration of commitment to Health and Safety, signed by Top Management, which is based on the following fundamental principles:

- compliance with legislation, adoption of the best standards and sharing of experience;
- creation, implementation and continuous improvement of the Management System for the Health and Safety of Workers in compliance with the international standard ISO 45001;
- the reduction of accidents, occupational diseases and

other incidental events through the implementation of appropriate prevention measures and verification of their adequacy and effectiveness;

- the identification and assessment of all health and safety risks and the adoption of a systematic approach to eliminate them at the source or, when not possible, minimize them;
- the promotion of information initiatives to disseminate and consolidate the culture of health, safety and organizational well-being (e.g., the Digital Signage project);
- the adoption of working methods inspired by quality and their dissemination through incisive and effective training aimed at firmly combining technical and safety aspects;
- the direct commitment of managers to strengthening a strong leadership culture on safety;
- the adoption of safe and responsible behavior at all levels of the organization;
- the design of workplaces and the provision of equipment and tools suitable for the performance of safety and working activities ensuring the best conditions of health, safety, comfort and well-being;
- the rigorous selection and management of

contractors and suppliers and the promotion of their involvement in programs for the continuous improvement of safety performance;

- constant attention to communities, and to all those who operate or come into contact with the Group's activities through the sharing of a culture of health and safety protection;
- the annual definition of specific and measurable objectives and their continuous monitoring in order to verify their effectiveness achievement through the involvement of Top Management.

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

The management system involves both the Servizi Italia staff and contracted staff working in the subsidiaries and it establishes the following:

- prior assessment of risks and their elimination and/or reduction through the application of the most up-to-date technical knowledge;

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

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

The main objective of risk assessment is to establish a permanent and organic management system aimed at presenting, reducing and controlling any possible risk factor for workers’ safety and health. A fundamental prerequisite for achieving this objective is the identification of all the risk factors potentially existing in the company, their reciprocal interactions, as well as the assessment of their extent carried out, where necessary, by means of analytical and in-

strumental methods.

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

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

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

The main health and safety risks to which employees and external collaborators are exposed, whose workplace is under the control of the organization, are to be attributed to the performance of operational activities in the provision of services and at the Group’s production sites. The identification of these risks was carried out not only by observing the activities but also by analyzing the near misses and main events that occurred in the last three years, taking into account all types of injuries occurring at work (death, amputation, fracture, hernia or stress injury, burns, etc.). In particular, mechanical hazards, falls from ladders and road accidents are associated with the main risks that can lead to serious occupational injuries, i.e., accidents from which the worker cannot recover, does not recover or cannot realistically be expected to recover fully to the state of health before the accident within six months. During the year, attention was also paid to risks arising from operator behavior and the work environment. A specific training and information campaign has been initiated to raise workers’ awareness.

Performing activities also in different contexts from one’s own operating sites ensures the appropriate management

of interference risks through continuous discussion with the client, so as to identify any critical issues, then prevent, eliminate, or mitigate them.

In terms of frequency of occurrence, in 2022 the Group recorded an occupational injury rate of 20.06 based on 1,000,000 hours worked, an increase of 7% compared to 2021 (18.67%) for employees; on the other hand, an occupational injury rate of 20.21 was recorded for external collaborators²⁰, a decrease of 41% compared to 2021 (34.10). The slight increase recorded was mainly due to injuries in the Turkish area, which were however characterized as short-lived or minor.

During 2022, the Servizi Italia Group had no fatal injuries or injuries with serious consequences by duration (> 180 days).

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

Initiatives aimed at strengthening the system of controls, including on contractors, and integration between business areas and health and safety functions continued in 2022, in order to identify potential risk areas and prevent the occurrence of accidents.

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

FOCUS ON



Healthy and safe work environment Let's lighten the load!

Servizi Italia received the **Good Practice Award 2020-2022**, obtained as part of the EU campaign "Healthy Workplaces. Let's Lighten the Load!", promoted by the European Agency for Safety and Health at Work (EU OSHA), as a virtuous example of the management and prevention of musculoskeletal disorders in the workplace.

The good practice presented by Servizi Italia, in collaboration with ErgoCert - Certification Body for Ergonomics, concerns the use of an inertial system for computerized motion and posture analysis to objectify the use of the upper limbs and trunk in various work activities. The success comes from a combination of technical, organizational, and training adjustments put in place over the past ten years. Servizi Italia has applied state-of-the-art technical instrumentation to limit risks and preserve employees' health. The award is a starting point for future activities and demonstrates the Group's commitment to the health and safety of its workers.



ITALY

In Italy, in 2022, planned internal auditing activities were performed by the managers in charge, both physically and remotely, in compliance with the annual audit plan and aimed at improving organizational efficiency on workplace health and safety; in the same way, third-party verifications have been carried out, with a positive outcome, in order to release the conformity certificate on health and safety. As a result of the amendments to the Consolidated Safety Act introduced by Italian Legislative Decree 106/2009, with regard to the duties and responsibilities of the Safety Officer, specific internal discussion and refresher training sessions have been organized in order to align appointments and skills with the conduct of control and verification tasks for compliance with occupational safety regulations as outlined in Article 18.

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

BRAZIL

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

monitoring activities continued at the production site all applicable legal provisions, whether federal, state or municipal, were complied with.

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

TURKEY

In Turkey, the Occupational Health and Safety Law in effect since March 2003 and then updated by Law 3631 of 2012 represents a significant expansion of protections and rights for Turkish workers, as well as increased responsibility of employers for occupational health and safety. These obligations include several proactive concepts, including: employer risk assessment, accident prevention plans, industry risk classes, on-site occupational safety experts, employee safety courses, and periodic employee medical examinations. For Turkish companies, the health and safety management system is managed through third parties. There are four different HSE consultants for the different plants. The verification activity covers data within the reporting scope of the 2022 NFS, therefore injuries, hours worked (for the calculation of injury indices) and training hours. Article 20 of Law 3631 on Occupational Health and Safety stipulates that workers may elect representatives from among themselves, whose task is to coordinate and contribute to studies on occupational health and safety, to ask the employer to take precautions against workplace hazards, and to make proposals in this regard. The occupational medicine service is carried out by outside companies that provide doctors holding a Certificate of Occupational Medicine approved by the Ministry of Labor. The Occupational Health and Safety Act requires employers to provide medical examinations for their employees on a routine basis, as well as after certain events, including return to work after a work injury or illness, or at the employee's request.

5.8 Welfare, Well-Being and Social Serenity

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

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

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

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

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

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

5.9 Industrial Relations

2-30

In the first months of the year, several meetings were held between the Parent Company and the SSOs during which the parties, taking into account the reference context which remains critical compared to 2021, as well as the recent conflict in Ukraine and the related repercussions in terms of energy price increases, agreed to sign a Supplementary Agreement that establishes a different validity of the regulatory and economic parts.

As a result of the above, the new Supplementary Agreement was signed on June 9, 2022, with a three-year term (2022-2024) for the regulatory part and annual validity with regard to the regulation of the Results Bonus (2022).

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

For that which concerns the **Italian subsidiaries of the Group**, it should be noted that Steritek S.p.A. applies the CCNL Commercio Confesercenti, while Ekolav S.r.l. and Wash Service S.r.l. apply the National Collective Bargaining Agreement for workers employed by companies in the integrated industrial system of textile and related medical services.

Brazil

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

eration linked to company results (e.g., PLR).

Turkey

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



SOCIAL SUSTAINABILITY

6.1 Procurement Strategies

6.2 Customers

6.3 Local Communities



6.1 Procurement Strategies

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Material Topic	Commitment	SDGs
Ethical and sustainable procurement	Monitoring and engaging suppliers are critical aspects in achieving ethical and sustainable procurement performance. The Group is uniquely positioned to influence global strategies and practices and drive change that will impact the people, communities, and countries in which it operates, thanks to its network of contacts and proven business experience. The Group can influence global strategies and practices and drive change that will impact not only service, but also quality, financial stability, reputation, the environment, and human rights.	
Short supply chain	Choosing a short supply chain made up of labor and raw materials that are as local as possible can be a solution to ensure service continuity and generate positive impacts on human and environmental aspects.	

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

Sustainability issues have begun to permeate our sourcing strategies over the years, leading us to place greater emphasis on the selection of sustainable sources; although we have not yet begun supplier evaluation based on environmental and social criteria, we are aware of the role we play in creating a virtuous circle of shared commitment, positively influencing the entire chain on ethical, social and environmental sustainability issues, as well as on corruption prevention. In a future perspective, sustainability issues must therefore necessarily be integrated into procurement strategies, so as to enable us to successfully meet the new challenges and achieve, together with our stakeholders, a new business model capable of putting innovation and circularity at the center, developing synergy between values, economy, and productive development, convinced that this is the way to

create new and important opportunities for growth. With this in mind, the selection and verification of each supplier's compliance with Group policies is the basis for collaboration, and with a view to mutual development and improvement, Servizi Italia shares an integrated Corporate Policy for Quality, Health and Safety, Social Responsibility, Environment and Energy, Prevention of Corruption, Prevention of Antitrust Offenses and Tax Strategy with its suppliers in order to strengthen its oversight in the ESG area in the supply chain.

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

aim is to actively engage suppliers so that they can achieve high and lasting levels of performance, with a view to mutual growth and sustainable value creation.

The criteria for evaluating suppliers are similar for each product category: reliability, adherence to delivery schedules, correspondence to product quality specifications, production capacity, sustainability issues (labor practices, environmental criteria, human rights), and related to ethics in business. No suppliers were evaluated according to environmental and social criteria in the year 2022.

At the same time, in accordance with the Group's policies, the Purchasing Department is constantly striving to make the procurement process more efficient through the enhancement of internal expertise, the rationalization of the various purchasing processes, and the definition of policies to guarantee fairness, traceability, and transparency in relations with suppliers.

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



1. LONG-LASTING GOODS

Textiles, surgical instruments, machinery/equipment, etc.



2. CONSUMABLES

Chemical products, spare-parts, packaging etc.



3. SERVICES

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

The Servizi Italia Group has a **database of over 4,551 suppliers**, broken down by country as shown in the following table

SPENDING ON LOCAL SUPPLIERS IN 2022 (IN THOUSANDS OF €) ²¹

	2022				2021			
	ITALY	BRAZIL	TURKEY	GROUP	ITALY	BRAZIL	TURKEY	GROUP
Local supplier spending	157,051	22,062	6,243	185,356	146,627	20,693	4,396	171,715
Total purchases	158,433	22,189	6,243	186,865	147,694	21,020	4,401	173,115
% of total	99.13%	99.43%	100.00%	99.19%	99.28%	98.44%	99.88%	99.19%

NUMBER OF LOCAL SUPPLIERS IN 2022

	2022				2021			
	ITALY	BRAZIL	TURKEY	GROUP	ITALY	BRAZIL	TURKEY	GROUP
No. of local suppliers ²²	2,958	1,064	457	4,479	2,896	1,049	546	4,491
Total no. of suppliers	3,021	1,073	457	4,551	2,981	1,056	547	4,584
% of total	97.91%	99.16%	100.00%	98.42%	97.15%	99.34%	99.82%	97.97%

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

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



6.2 Customers

417-2

Material Topic	Commitment	SDGs
Quality and safety of products and services and customer satisfaction	An open dialogue could unlock any potential, thus influencing not only customers but also end users. The relationship with customers and their degree of satisfaction can be managed through appropriate communication, dialogue channels, and periodic interactions, so as to obtain targeted feedback on the services offered and any deviations from expectations.	
Business continuity	The Servizi Italia Group provides a public utility service, which cannot be interrupted because the entire National Healthcare System would be at stake, which would find itself unable to provide care and assistance services. Identifying risks that threaten the company, assessing their impact, and preparing Business Continuity plans will help safeguard not only production activities and corporate image, but also the interests of stakeholders. The Group has developed a model based on the integration of risk management and internal control systems and their adequacy. All major risks that are relevant to the corporate core business been determined, measured, and managed using the risk analysis process in accordance with the principles of the new COSO-ERM framework (Enterprise Price Risk Management).	
Patients' health and safety	The Group implements and evolves its activities to ensure controlled processes tailored to the needs of customers, whose goal is to put the health and safety of healthcare service end users at the center.	
Service innovation	Innovation and digital transformation can also positively impact workers, who will notice improved internal management and new services for customers using evolved platforms. Against this backdrop, the Group must evolve and improve within the environment in which it operates to achieve higher standards of economic productivity through diversification, technological advancement, and innovation.	

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

The Service Contracting Process

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

The average duration of the contracts signed by the Group is 4 years for wash-hire and textile sterilization and 6 years for surgical instruments sterilization. Once the first expiry date is reached, these contracts can be renewed for a further period, usually having the same duration of the initial contract. Thereafter, at the end of the renewal period, the customers must proceed to issue a further invitation to tender, pending the award of which they can take advantage of a technical extension; pending the new award, the company continues providing the service.

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

Customer Relations

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

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

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

The Group's Operating Context

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

However, during the year, the sector in which the Group operates was significantly impacted both by the price increases recorded in relation to energy and by the generalized increase in costs driven by inflation in all areas in which the Group operates, as well as by extraordinary and unexpected elements such as the requests for remediation by regions in the Italy area through the Medical Device Payback incentive.

Short- and medium-term forecasts are complex due to the destabilizing geopolitical environment and the price volatility of the primary consumer goods in our business, but the Group can count on several sound elements to counter the present moment of uncertainty: its customer portfolio and leadership position, the sterilization business diversification strategy in the Brazil area, and the gradual recovery of margins in the Turkey area. The Group's ability to direct its forces into more profitable domestic and foreign investments will be crucial in the near future, rationalizing gradually more marginal commitments. The Group anticipates an organic consolidation of its leadership position in the Italian and foreign markets and a continuous pursuit of optimization and efficiencies, continuing to work toward goals and meeting commitments²³.

23. For more details, compare the chapter "Business Outlook" within the Management Report as of December 31, 2022.

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

Customer Satisfaction

2-25

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

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

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

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

The Group's adoption of variable incentive systems which include the assignment of goals to the sales force, service, and production managers that include, among other things, the assignment of scores linked to sustainability goals, demonstrates the Company's ongoing commitment to the quality of its services and customer satisfaction.

Without prejudice to any different assessments based on the type of service offered or type of client, specific surveys are not normally conducted in relation to the services offered by

the Group, as the constant contact between company representatives within the customer's structure generates continuous client satisfaction monitoring. However, the Group is always ready to take any additional measures to improve the quality of its services and the satisfaction of its customers

The Responsibilities of a "Public Utility" Service

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

- **Wash-hire service:** includes the reconditioning of textiles (flat and packed linen), sheets, high-visibility work clothes, and anti-rx protective equipment. Following appropriate agreements with the trade unions, the Group takes all measures to ensure the continuity of the essential services in the event of strikes. Operations related to washing and/or wash-hire services for operating rooms, wards, emergency rooms, healthcare facilities, sterile kits for operating rooms are all considered as indispensable. The service is provided while taking into account specific business organizational conditions and stock availability, so that at least a percentage (stock) of the planned supply is always guaranteed. The hospital wardrobe service, as well as the availability of material in the automatic uniform distribution cabinets, is ensured so as to guarantee the functionality of the service, with special attention to the collection of dirty garments and distribution of clean ones to the wards.
- **Rental, treatment, and sterilization service of medical devices** for use in the operating facilities of health care facilities where product and process traceability needs to be ensured. Any defects in the sterilization process could result in Group liability and give rise to subsequent claim for damages. For this reason, in order to cover these risks, the Group has specific insurance policies, in line with industry practice, to cover both product and civil liability, to third parties and to labor suppliers in sterilization plants.

6.3 Local Communities

413-1

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

Being a group capable of generating value, not only economically, but also environmentally and socially, also generates positive echoes on the community of which it is a part. The Servizi Italia Group is committed to contributing to the welfare of the community in which it operates by supporting organizations working in the social field in various capacities, establishing an open dialogue aimed at mutual understanding and the creation of fruitful and lasting relationships.

The people of the Group inhabit and live in the areas where the production sites are located and are the primary conduit through which the Group operates within the community. The activities on the ground are instrumental in publicizing the philosophy behind Servizi Italia's activities and raising awareness among the local population about the Group's activities and how it operates.

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

Sponsorships and Donations

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

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

The main projects we have supported are listed below.

ASSO Confederation - participation in humanitarian mission in Kiev

Following the start of the Russian-Ukrainian conflict, Servizi Italia has supported a humanitarian mission in Kiev that aimed to support and then reorganize the national blood collection service to benefit those wounded in war. Sponsored by the ASSO Confederation, the initiative involved several Ukrainian professors and physicians, with the coordination of the Biomedical University Campus in Rome.



Solidarity gifts - AIRC Christmas ornaments

In celebration of the holiday season, Servizi Italia gave its employees an ornament to hang on their Christmas tree. Through this donation, the Group supported AIRC in research for cancer treatment and in disseminating correct information about its achievements, prevention, and treatment prospects.



Photo exhibition “I reduci del Coronavirus”

The photo exhibition “I reduci del Coronavirus” (Coronavirus Veterans) and the publication of the book of the same name are the conclusion of a more than two-year journey in which photographer Matteo Placucci documented the emotional sphere of healthcare workers who worked in contact with Covid-19. Through close collaboration with a professional in the field of psychology, the photographer constructed an interview which, question after question, gave the healthcare workers engaged in the front lines of the pandemic fight an opportunity to open up and recount their emotions and feelings in those difficult days. The succession of the various waves, the shift “from heroes to plotters,” the arrival of the vaccine, the illusion of a return to normalcy, to the current NoVax battle, are all events that have affected their emotional sphere and are expressed in the project. Bringing these personal stories to the Italian territory in such a clear and honest way is meant to raise awareness and make them more involved in what happened, humanizing the relationship between healthcare staff and patients.

“Aiutaci a crescere. Regalaci un libro!” Initiative con Giunti Editore

This is our second year involved with the initiative (Help us grow. Give us a book!). It consists of the purchase of 400 books that were given to children between the ages of 5 and 11 who underwent vaccination against Covid-19.

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

The donation of textile garments to Third Sector entities under Italian Legislative Decree 117/2017, including voluntary organizations (VOs), social promotion associations, and nonprofit organizations (NPOs), represents another important form of support for those dedicated to promoting and carrying out activities of general interest, consistent with their respective statutes or deeds of incorporation. This is a gesture of solidarity that can make a difference in the lives of many people and is a testament to caring for the needs of the community.

Bees in Castellina

Servizi Italia is participating in the “Ripartiamo dalle api” project (Starting over with bees), which aims to repopulate the land and environment with honey bees. The decision to participate in this project stems from a desire to actively contribute to the fight against climate change. Performing an irreplaceable function in carbon dioxide absorption and climate regulation, biodiversity is our best ally against global warming. Through their daily activities, bees make a fundamental contribution to the maintenance of natural balances. The bee repopulation project included the installation of twelve beehives on the land adjacent to the Castellina (PR) site.

“To practice beekeeping is to enter a great little world, a world in constant motion and change that derives its vitality from the repetition of behaviors and rituals tested and perfected over eras.”



Scientific Dissemination

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

Congresses and medical-scientific training activities returned to full capacity during 2022. The main events in which we participated or helped organize are listed below:

- **A.L.E. Congress. - Lombard Association of Healthcare Economy and Providers**, Milan, May 27, 2022
- **AIOS Congress, "The world of sterilization: from large power plants to small sterilizers,"** Bari, Italy, June 9-11, 2022
- **ANIPIO Congress, "Nurses after Covid - What needs to change in antimicrobial stewardship and infection control,"** Milan September 16-17, 2022
- **XI MePAIE Healthcare - Industry and Public Administration: together for the country**, Milan, November 3-4, 2022

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

Servizi Italia participated in the 25th edition of Ecomondo, the green transition fair, with an area shared with Coopervice S.c.p.A. and a smaller space at the "Sanitation Village." The event is always an important time to externally share the sustainability projects conducted throughout the year, with a view to comparing and exchanging ideas; we also had the opportunity to present our sustainable healthcare model by giving a public talk entitled: "Reusable Technical Fabric in healthcare: a sustainable and informed choice."



Relations with Students, Schools and Universities

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

In this context, the collaboration with Almacube and the University of Bologna for the CBI - Challenge Based Innovation program was perfect. The project was an exciting experience and offered an opportunity for professional growth for both the students and our staff. The team of students from different universities produced innovative and useful ideas for the company on the environmental aspects of the laundry service in a very short period of time. The students' multidisciplinary and diverse backgrounds added value, generating ideas that would not have been possible

without their participation. Full of drive and enthusiasm, youth spread a positive climate of energy and a desire to re-think processes and projects throughout the organization. Ultimately, collaboration between academia and business is essential for the economic and social growth of territories, the competitiveness of companies, and the employability of graduates.

In addition to this, as part of activities related to the Family Audit certification, Servizi Italia promoted the call for applications for 25 scholarships dedicated to employees and their children. The announcement included awarding 12 scholarships worth Euro 500 each, dedicated to the most deserving middle and high school students.



Media Relations

Servizi Italia is present on the main social media channels (LinkedIn, Facebook, YouTube) with corporate pages that are updated at least once a week on the basis of a specific editorial plan that touches on different strands of communication, from commercial activities to human aspects, from financial communication to product videos. In addition to this, Servizi Italia updates its corporate blog on a monthly basis and strives to share original content with trade magazines on topical issues. We published several insights on topics relevant to our business in 2022, such as the benefits of public-private partnership, the energy crisis, surgical instrument sterilization service, and the importance of ergonomics in the workplace.

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

Relations with Trade Associations

2-28

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



Castellina's executive office at sunrise



EU TAXONOMY

- 7.1 Introduction to the European Taxonomy
- 7.2 Reporting EU Taxonomy indicators



7.1 Introduction to the European Taxonomy

In order to boost the contribution of the financial services sector, the European Commission has published an action plan for financing sustainable growth that includes ten actions to help link the financial services world with the needs of a sustainable economy. One of the key actions of this plan is the establishment of a taxonomy of environmentally sustainable economic activities. It is a framework for redirecting investments toward more sustainable activities through six environmental objectives, Do No Significant Harm (DNSH) criteria, minimum social guarantees, and technical screening criteria.

The Servizi Italia Group discloses information according to the Non-Financial Reporting Directive (NFRD) on environmentally sustainable economic activities, as defined in the EU Taxonomy.

At this stage, only those economic activities with the most significant need and potential to make a substantial contribution to climate change mitigation and adaptation have been included in the scope of the Climate Act. Within this framework, most of Servizi Italia's activities, which consist of washing flat, packed linen, sheets and PPE, sterile kits and medical devices for operating rooms, and clinical engineering services, are currently outside the scope of the Taxonomy.

For the reasons stated above, there is no turnover from economic activities included in the scope of the Climate Delegated Act; nevertheless, Servizi Italia has identified some Taxonomy-eligible and Taxonomy-aligned activities within its business, in particular related to its Capex and Opex.

Our Approach to the KPI reporting of the EU Taxonomy

Article 8 of Regulation (EU) 2020/852 requires non-financial companies to disclose information on the percentage of their turnover, capital expenditure, and operating expenditure ("key performance indicators") related to goods or processes associated with environmentally sustainable economic activities

To be environmentally sustainable, a business must:

1. positively contribute to at least one of the six environmental objectives;
2. do no significant harm to any of the environmental objectives (DNSH criterion)
3. be carried out in compliance with minimum social guarantees (e.g., those laid down in the OECD guidelines and UN documents).

4. be compliant with the technical screening criteria (Commission Delegated Regulation EU 2021/2139 of June 4, 2021).

Servizi Italia has developed a specific analysis to meet these information requirements, in line with the provisions of Article 2 of EU Delegated Regulation 2021/2178. Specifically, a study was conducted according to the following methodological steps, briefly described below for the sake of stakeholder understanding:

Substantial contribution

Annexes I and II of Commission Delegated Regulation (EU) 2021/2139 of June 4, 2021 set out the Technical Screening Criteria for determining the conditions under which a specific economic activity qualifies as a substantial contribution to climate change mitigation or climate change adaptation, respectively. Accordingly, the technical screening criteria specify the minimum requirements that the economic activity must meet in order to be considered environmentally sustainable.

Do No Significant Harm (DNSH)

The Climate Delegated Act establishes, for each relevant environmental objective in Article 9 of the Taxonomy Regulation, the technical screening criteria for determining whether the economic activity in question does no significant harm to one or more of these environmental objectives. The technical criteria for "does no significant harm" should ensure that the economic activity does not have a significant negative environmental impact.

Minimum Social Safeguards

Even in the absence of EU Taxonomy-eligible turnover, Servizi Italia reviewed the minimum safeguards on human rights, corruption, taxation, and fair competition set forth in the EU Taxonomy Regulation, as well as the final report on Minimum Safeguards published by the EU Platform on Sustainable Finance.

For more information on respect for human rights, combating corruption and unfair competition, and fiscal transparency, see sections 2.3 and 3.3 of this report, respectively.

7.2 Reporting EU Taxonomy Indicators

Turnover

As for the denominator, we have relied on our consolidated turnover in accordance with IAS 1.82(a). For further details on our accounting policies regarding consolidated turnover, please refer to the Group's Consolidated Financial Statements. Regarding the numerator, we analyzed our turnover from products or services and determined that no activity carried out by the Group is eligible and/or aligned with the EU Taxonomy to date. Therefore, the numerator results in zero.

CapEx

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

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

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

- **eligible.** Activities attributable to the codes:
 - 6.5 - Transport by motorbikes, passenger cars, and light commercial vehicles
 - 6.6 - Freight transport services by road
 - 7.2 - Renovation of existing buildings
 - 7.3 - Individual renovation measures consisting of installation, maintenance or repair of energy efficiency devices
 - 7.4 - Installation, maintenance and repair of electric vehicle charging stations

in buildings (and in parking spaces pertaining to buildings)

- **aligned.** Activities attributable to the codes:
 - 7.2 - Renovation of existing buildings
 - 7.3 - Individual renovation measures consisting of installation, maintenance or repair of energy efficiency devices
 - 7.5 - Installation, maintenance and repair of instruments em devices for measurement, regulation and control of the energy performance of buildings.

To determine whether the eligible activities listed above were also aligned, a supplier engagement activity was conducted by sending a self-declaration to be signed by the counterparty. This required compliance with technical screening criteria, including DNSH, and minimum safeguards.

This activity will include the collection of documentary evidence in order to strengthen the soundness of the statement in the coming years.

OpEx

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

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

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

- **eligible:** non-capitalized direct costs related to activities under the following codes:
 - 7.3 - Individual renovation measures consisting of the installation, maintenance or repair of energy efficiency devices
- **aligned:** non-capitalized direct costs related to activities attributable to codes
 - 7.3 - Individual renovation measures consisting of installation, maintenance or repair of energy efficiency devices
 - 9.3 - Professional services related to the energy performance of buildings

To determine whether the eligible activities listed above were also aligned, a supplier engagement activity was conducted by sending a self-declaration to be signed by the counterparty. This required compliance with technical screening criteria, including DNSH, and minimum safeguards.

This activity will include the collection of documentary evidence in order to strengthen the soundness of the statement in the coming years.

Economic activities (1)	Code(s) (2)	Absolute turnover (3)	Proportion of turnover (4)	Criteria for substantial contribution						Criteria (DNSH) for "does no significant harm"							Proportion of turnover Taxonomy-aligned, year N (18)	Proportion of turnover Taxonomy-aligned, year N - 1 (19)	Category (enabling activity) (20)	Category (transition activity) (21)
				Climate change mitigation (5)	Climate change adaptation (6)	Water and marine resources (7)	Circular economy (8)	Pollution (9)	Biodiversity and ecosystems (10)	Climate change mitigation (11)	Climate change adaptation (12)	Water and marine resources (13)	Circular economy (14)	Pollution (15)	Biodiversity and ecosystems (16)	Minimum safeguard guarantees (17)				
		MEur	%	%	%	%	%	%	%	Y/N	Y/N	Y/N	Y/N	Y/N	Y/N	Y/N	Percentage	Percentage	A	T
A. TAXONOMY-ELIGIBLE ACTIVITIES																				
A.1 Environmentally sustainable activities (Taxonomy-aligned)																				
Turnover of environmentally sustainable activities (Taxonomy-aligned) (A.1)		-	0.00%	0%	0%	N/A	N/A	N/A	N/A								0.00%	N/A		
A.2 Taxonomy-eligible activities but not environmentally sustainable (not Taxonomy-aligned activities)																				
Turnover of Taxonomy-aligned activities but not environmentally sustainable (not Taxonomy-aligned activities) (A.2)		-	0.00%																	
Total (A.1 + A.2)		-	0.00%																	
B. TAXONOMY NON-ELIGIBLE ACTIVITIES																				
Turnover of Taxonomy-non-eligible activities (B)		270,313	100.00%																	
Total (A + B)		270,313	100.00%																	

Economic activities (1)	Code(s) (2)	Absolute capital expenditures (3)	Proportion of capital expenditures (4)	Criteria for substantial contribution						Criteria (DNSH) for "does no significant harm"							Proportion of capital expenditure Taxonomy-aligned, year N (18)	Proportion of capital expenditure Taxonomy-aligned, year N - 1 (19)	Category (enabling activity) (20)	Category (transitional activity) (21)
				Climate change mitigation (5)	Climate change adaptation (6)	Water and marine resources (7)	Circular economy (8)	Pollution (9)	Biodiversity and ecosystems (10)	Climate change mitigation (11)	Climate change adaptation (12)	Water and marine resources (13)	Circular economy (14)	Pollution (15)	Biodiversity and ecosystems (16)	Minimum safeguard guarantees (17)				
		MEur	%	%	%	%	%	%	%	Y/N	Y/N	Y/N	Y/N	Y/N	Y/N	Y/N	Percentage	Percentage	A	T
A. TAXONOMY-ELIGIBLE ACTIVITIES																				
A.1 Environmentally sustainable activities (Taxonomy-aligned)																				
Renovation of existing buildings	7.2	15	0.03%	100%	0%	N/A	N/A	N/A	N/A	N/A	Y	Y	Y	Y	N/A	Y	0.03%	N/A	N/A	A
Individual renovation measures consisting of installation, maintenance, or repair of energy efficiency devices.	7.3	30	0.05%	100%	0%	N/A	N/A	N/A	N/A	N/A	Y	N/A	N/A	Y	N/A	Y	0.05%	N/A	A	N/A
Installation, maintenance and repair of instruments and devices for measuring, regulating, and controlling the energy performance of buildings	7.5	3	0.01%	100%	0%	N/A	N/A	N/A	N/A	N/A	Y	N/A	N/A	N/A	N/A	Y	0.01%	N/A	A	N/A
Capital expenditure of environmentally sustainable activities (Taxonomy-aligned) (A.1)		48	0.09%	100%	0%	N/A	N/A	N/A	N/A								0.09%	N/A	0.06%	0.03%
A. TAXONOMY-ELIGIBLE ACTIVITIES																				
A.2 Taxonomy-eligible activities but not environmentally sustainable (not Taxonomy-aligned activities)																				
Transportation by motorbikes, passenger cars, and light commercial vehicles	6.5	936	1.72%																	
Freight transport services by road	6.6	52	0.10%																	
Renovation of existing buildings	7.2	21	0.04%																	
Installation, maintenance, and repair of energy efficiency devices.	7.3	68	0.13%																	
Installation, maintenance, and repair of electric vehicle charging stations in buildings (and in parking spaces pertaining to buildings)	7.4	20	0.04%																	
Capital expenditure of taxonomy-aligned activities but not environmentally sustainable (Taxonomy-non-aligned activities) (A.2)		1,097	2.02%																	
Total (A.1 + A.2)		1,145	2.10%														0.09%	N/A	0.06%	0.03%
B. TAXONOMY NON-ELIGIBLE ACTIVITIES																				
Capital expenditures of Taxonomy-non-eligible activities (B)		53,237	97.90%																	
Total (A + B)		54.381	100%																	

Economic activities (1)	Code(s) (2)	Absolute operating expenditure (3)	Proportion of operating expenditure (4)	Criteria for substantial contribution						Criteria (DNSH) for "does no significant harm"							Proportion of operating expenditure Taxonomy-aligned, year N (18)	Proportion of operating expenditure Taxonomy-aligned, year N - 1 (19)	Category (enabling activity) (20)	Category (transitional activity) (21)
				Climate change mitigation (5)	Climate change adaptation (6)	Water and marine resources (7)	Circular economy (8)	Pollution (9)	Biodiversity and ecosystems (10)	Climate change mitigation (11)	Climate change adaptation (12)	Water and marine resources (13)	Circular economy (14)	Pollution (15)	Biodiversity and ecosystems (16)	Minimum safeguard guarantees (17)				
		MEur	%	%	%	%	%	%	%	Y/N	Y/N	Y/N	Y/N	Y/N	Y/N	Y/N	Percentage	Percentage	A	T
A. TAXONOMY-ELIGIBLE ACTIVITIES																				
A.1 Environmentally sustainable activities (Taxonomy-aligned)																				
Individual renovation measures consisting of installation, maintenance, or repair of energy efficiency devices.	7.3	22	0.19%	100%	0%	N/A	N/A	N/A	N/A	N/A	Y	N/A	N/A	Y	Y	Y	0.19%	N/A	A	N/A
Professional services related to the energy performance of buildings	9.3	73	0.63%	100%	0%	N/A	N/A	N/A	N/A	N/A	Y	N/A	N/A	N/A	N/A	Y	0.63%	N/A	A	N/A
Operating expenditure of environmentally sustainable activities (Taxonomy-aligned) (A.1)		95	0.83%	100%	0%	N/A	N/A	N/A	N/A								0.83%	N/A	0.83%	0.00%
A. TAXONOMY-ELIGIBLE ACTIVITIES																				
A.2 Taxonomy-eligible activities but not environmentally sustainable (not Taxonomy-aligned activities)																				
Individual renovation measures consisting of installation, maintenance, or repair of energy efficiency devices.	7.3	61	0.53%																	
Operating expenditure of Taxonomy-aligned activities but not environmentally sustainable (not Taxonomy-aligned activities) (A.2)		61	0.53%																	
Total (A.1 + A.2)		157	1.36%																	
B. TAXONOMY NON-ELIGIBLE ACTIVITIES																				
Operating expenditure of Taxonomy-non-eligible activities (B)		11,340	98.6%																	
Total (A + B)		11,496	100.00%																	

ANNEXES



Description of impacts, policies, and commitments

3-3

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

Scope	Macro-areas	Material Topics	Impact description	Type of impact	Group involvement	Perimeter	Policy and Commitments
ENVIRONMENT	Direct and indirect environmental impacts	Materials and packaging	Consumption of raw materials for packaging. Indirect environmental impact related to the processing of consumables and packaging materials in manufacturing operations and along the supply chain. The use of virgin plastics for packaging materials negatively impacts the environment, both in terms of air and water pollution.	NEGATIVE - REAL	Generated by the Servizi Italia Group	Servizi Italia Group	Choosing to use packaging with percentages of recycled plastic or bioplastic contributes to less use of virgin plastic and less dispersion of plastics and microplastics into the environment. Choosing to put customers' laundry in sustainable packaging helps raise awareness and sensitivity among recipients as well, triggering a virtuous circle throughout the chain. Policy: Environmental management systems (ISO 14001) - EMAS registration
		Energy consumption, emissions, and climate change	Energy consumption and generation of climate-changing emissions. Consumption of energy from non-renewable sources and consequent contribution to climate change through direct and indirect GHG emissions and other pollutant emissions, related to the activities carried out in the Group's offices and sites and along the value chain. Industrial laundry activities are, by their very nature, highly energy intensive and therefore make an impact on fueling climate change risks.	NEGATIVE - REAL	Generated by the Servizi Italia Group and related to the Group through its commercial relationships	Servizi Italia Group and suppliers of electricity, thermal energy, and logistics	This includes activities aimed at reducing pollutant emissions, including making production systems more efficient and increasing the share of renewable sources in the energy mix. In addition to this, Servizi Italia expects to be able to positively influence the supply chain to also direct external services to alternative energy sources. Policy: Environmental management systems (ISO 14001) - Energy management systems (ISO 50001) - EMAS registration - Carbon Footprint (ISO 14067) - Environmental policies for non-certified companies

Scope	Macro-areas	Material Topics	Impact description	Type of impact	Group involvement	Perimeter	Policy and Commitments
ENVIRONMENT	Direct and indirect environmental impacts	Water use and management	Reduction in water availability and quality. Use of water in its production processes with impacts on the availability of the water resource in the area and negative impacts in terms of release of pollutants. Industrial laundry activities involve the consumption of significant amounts of water that are normally drawn from wells or mains, vulnerable to the risks of scarcity and drought associated with climate change adaptation. Further environmental damage may be caused by the mismanagement of discharges.	NEGATIVE - REAL	Generated by the Servizi Italia Group	Servizi Italia Group	Choosing to use packaging with percentages of recycled plastic or bioplastic contributes to less use of virgin plastic and less dispersion of plastics and microplastics into the environment. Choosing to put customers' laundry in sustainable packaging helps raise awareness and sensitivity among recipients as well, triggering a virtuous circle throughout the chain. Policy: Environmental management systems (ISO 14001) - EMAS registration.
		Responsible waste management	Generation of waste. Environmental impacts related to the generation of hazardous and non-hazardous waste in the production phase. Waste produces pollution: sewage, gases, toxic substances, and non-biodegradable materials can pollute air, water, land. Waste costs money: it steals space and human and economic resources are needed to treat it, but also to remedy the environmental and health damage it produces.	NEGATIVE - REAL	Generated by the Servizi Italia Group	Servizi Italia Group	Proper waste management, by first preventing it from being produced and then sending it for recycling, enables people to reduce their carbon and water footprints. Specifically, in the case of Servizi Italia, recycling and reusing textiles would allow decreasing the use of virgin materials. The introduction of new recovery and recycling activities could also have positive social impacts, generating new industries and new employment prospects. Policy: Environmental management systems (ISO 14001) - EMAS registration.

Scope	Macro-areas	Material Topics	Impact description	Type of impact	Group involvement	Perimeter	Policy and Commitments
ENVIRONMENT	Direct and indirect environmental impacts	Circular economy initiatives	Recycling and reuse of production waste and waste generated. Creation of positive impacts through recycling and reuse of waste materials and other outputs in order to reduce raw material requirements and waste-related impacts. Goal 12 of the UN's 2030 Agenda calls for corporate accountability in finding sustainable patterns of production and consumption. The linear economy model is being challenged in favor of a more virtuous system: the circular economy.	POSITIVE - REAL	Generated by the Servizi Italia Group	Servizi Italia Group	The circular economy involves the design of a more virtuous system than that which governs the linear economy. Extending the productive use of materials, reusing them, and increasing their efficiency serves to strengthen competitiveness, reduce environmental impact and gas emissions, and create new jobs.
PEOPLE	ATTENTION TO EMPLOYEES	Workers' health and safety	Workplace injuries. Injuries or other incidents in the workplace that adversely affect the health of direct employees or contractors. The work environment should be a place where one feels safe and secure, both physically and psychologically.	NEGATIVE - REAL	Generated by the Servizi Italia Group	Employees and external collaborators ²⁴ of the Servizi Italia Group	Servizi Italia considers it important to constantly update risk assessment, in line with the evolution of the services provided, adapting organization and workplaces and undertaking actions aimed at spreading a real "safety culture," focusing on specific training and motivational communication and safety awareness projects for workers. The spread of this kind of awareness can have feedback not only in the workplace, but also in the social sphere, if one considers the prevention of injuries, occupational accidents and diseases (not only occupational). Policy: Management systems for worker health and safety (ISO 45001) - Environmental policies for non-certified companies

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

Scope	Macro-areas	Material Topics	Impact description	Type of impact	Group involvement	Perimeter	Policy and Commitments
PEOPLE	ATTENTION TO EMPLOYEES	New ways of working and work-life balance	Reduced employee satisfaction and well-being. Risk related to reduced employee satisfaction and well-being due to failure to adopt corporate welfare, work-life balance, and well-being practices. Fostering work-life balance involves improvement in business dynamics.	NEGATIVE - POTENTIAL	Generated by the Servizi Italia Group	Servizi Italia Group	The ability to enhance employee well-being touches on a series of actions aimed at promoting initiatives that contemplate the balance between work life and personal and/or family commitments. For clerical staff, the shift to an alternating combination of work in the offices and from home - along with schedule flexibility - also allows for a reduction in vehicular traffic (and consequently emissions). Policy: Family Audit
	ATTENTION TO EMPLOYEES	Human capital management and employee development	Training and growth of workers. Enhancement of workers' skills through training and professional development activities, including those linked to personalized growth and assessment goals. People are the Group's most important assets. The ability to create a well-established and structured corporate culture can also have positive repercussions with partner suppliers and customers.	POSITIVE - REAL	Generated by the Servizi Italia Group	Servizi Italia Group	The Group's ability to develop skills and support the professional growth of staff, enhancing corporate know-how. The ability to retain resources can have implications for the relationship with the local area and the community within which the company operates, as well as a place for growth. The ability to create a well-established and structured corporate culture can have positive repercussions throughout the chain, since in order to work with the Group, its partners and customers will need to share its principles and values.
	ATTENTION TO EMPLOYEES	Privacy and data protection	Violations of data security and privacy protection. Violation of worker and client privacy due to loss of data and personal information. Protecting the integrity and confidentiality of data and information is a key point in protecting the information system from threats and to protect workers in order to ensure their privacy, integrity, and availability of data.	NEGATIVE - POTENTIAL	Generated by the Servizi Italia Group	Servizi Italia Group	Ability to protect the computer system from threats and to protect workers in order to ensure the privacy, integrity and availability of data. Choosing to focus on this particular aspect means influencing the relationship of trust with customers, the Group's staff and its suppliers. Privacy is managed through the adoption of policies and procedures on data processing focused on transparent and secure management of the entire process. Policy: Data processing

Scope	Macro-areas	Material Topics	Impact description	Type of impact	Group involvement	Perimeter	Policy and Commitments
PEOPLE	ATTENTION TO EMPLOYEES	Respect for human rights and workers' rights	Discrimination and non-inclusive practices in the workplace. Risks related to ineffective management of working conditions that does not guarantee the human right to freedom from forced labor and child labor. A world in which the goal is to enforce human rights for all is a world in which human rights and human dignity, the rule of law, justice, equality, and nondiscrimination are universally respected.	NEGATIVE - POTENTIAL	Generated by the Servizi Italia Group	Servizi Italia Group	The company's specific focus on the issue of human rights (which in Servizi Italia includes the formal adoption of the provisions outlined in the United Nations' Universal Declaration of Human Rights and the International Labor Organization (ILO) Conventions in accordance with Standard SA8000) does not stop within the confines of the organization, but can give rise to a virtuous circle that encompasses the entire supply chain. Policy: Code of Ethics, Guidelines for Social Responsibility, SA8000, Manifesto of Non-Hostile Communication
HUMAN RIGHTS	Diversity and equal opportunities	Diversity, inclusion, and equal opportunity	Diversity and equal opportunities. Negative impacts on employee satisfaction and motivation due to discrimination (e.g., related to gender, age, ethnicity, etc.) or other non-inclusive practices. Promoting gender equality is a necessity of justice in today's society. Fostering gender equality enables talent retention, stimulates innovation, improves corporate reputation and financial performance, translating into long-term positive returns for investors.	NEGATIVE - POTENTIAL	Generated by the Servizi Italia Group	Servizi Italia Group	Promoting gender equality is a necessity of justice in today's society. Fostering gender equality enables talent retention, stimulates innovation, improves corporate reputation and financial performance, translating into long-term positive returns for investors. The Group is committed to respecting everyone's dignity and providing equal opportunities to all employees, rejecting any form of discrimination. Diversity is recognized at all levels as a value to be cultivated in the organization in order to foster the exchange of experiences, and it enables us to grasp the transformations and changes currently taking place, developing an increasingly open corporate culture. Policy: Code of Ethics, Mission and Corporate Policy, SA8000, Manifesto of Non-Hostile Communication

Scope	Macro-areas	Material Topics	Impact description	Type of impact	Group involvement	Perimeter	Policy and Commitments
SOCIAL	Procurement practices	Ethical and sustainable procurement	Negative social and environmental impacts related to suppliers. Negative impacts related to the procurement of goods and services from suppliers, particularly the impacts generated by them on social and environmental aspects. The Group's sustainability also depends on that of its suppliers. It is also essential to share the same values and commitment on an ethical and social level, just as respect for human rights is paramount.	NEGATIVE - POTENTIAL	Generated by the Servizi Italia Group and to which the Group contributes	Servizi Italia Group and Suppliers	Monitoring and engaging suppliers are critical aspects in achieving ethical and sustainable procurement performance. The Group is uniquely positioned to influence global strategies and practices and drive change that will impact the people, communities, and countries in which it operates, thanks to its network of contacts and proven business experience. The Group can influence global strategies and practices and drive change that will impact not only service, but also quality, financial stability, reputation, the environment, and human rights.
		Short supply chain	Impacts generated by local procurement practices. This impact refers to procurement practices that favor local suppliers of raw materials and other purchasing materials. Each service is the result of a supply chain consisting of companies that supply materials, produce equipment, and provide energy and support services. External events in recent years (global warming, pandemic, geopolitical situation) have highlighted the limitations and implications of very large, often international, supply chains.	POSITIVE - REAL	Generated by the Servizi Italia Group and to which the Group contributes	Servizi Italia Group and Suppliers	Choosing a short supply chain made up of labor and raw materials that are as local as possible can be a solution to ensure service continuity and generate positive impacts on human and environmental aspects.

Scope	Macro-areas	Material Topics	Impact description	Type of impact	Group involvement	Perimeter	Policy and Commitments
SOCIAL	Quality service and operational improvement	Quality and safety of products and services and customer satisfaction	Reduction in direct and indirect customer satisfaction. Inadequate ability to meet customers' needs in terms of service quality, relationship management, and complaints. By understanding and accommodating the needs and requirements of one's clients, it is possible to customize and improve the services offered. Constant dialogue between the Group and customers increases the quality of service and thus the degree of satisfaction throughout the chain, all the way to the end users.	NEGATIVE - POTENTIAL	Generated by the Servizi Italia Group	Servizi Italia Group	An open dialogue could unlock any potential, thus influencing not only customers but also end users. The relationship with customers and their degree of satisfaction can be managed through appropriate communication, dialogue channels, and periodic interactions, so as to obtain targeted feedback on the services offered and any deviations from expectations.
		Business continuity	Disruption of service continuity. Catastrophic and pandemic phenomena can impact the Group's productivity, as can the international geo-political situation. Interruption of production activities caused by extreme natural phenomena, sabotage, cyber attacks, and unavailability of ICT systems can affect the continuity of services.	NEGATIVE - POTENTIAL	Generated by the Servizi Italia Group	Servizi Italia Group	The Servizi Italia Group provides a public utility service, which cannot be interrupted because the entire National Healthcare System would be at stake, which would find itself unable to provide care and assistance services. Identifying risks that threaten the company, assessing their impact, and preparing Business Continuity plans will help safeguard not only production activities and corporate image, but also the interests of stakeholders. The Group has developed a model based on the integration of risk management and internal control systems and their adequacy. All major risks that are relevant to the corporate core business been determined, measured, and managed using the risk analysis process in accordance with the principles of the new COSO-ERM framework (Enterprise Price Risk Management).

Scope	Macro-areas	Material Topics	Impact description	Type of impact	Group involvement	Perimeter	Policy and Commitments
SOCIAL	Quality service and operational improvement	Patients' health and safety	Negative impacts on patients' health and safety. Negative impact on consumer health from improper quality and safety management practices. Timely and quality service helps put the health and safety of the end users of the healthcare service, namely patients, at the center.	NEGATIVE - POTENTIAL	Generated by the Servizi Italia Group	Servizi Italia Group	The Group implements and evolves its activities to ensure controlled processes tailored to the needs of customers, whose goal is to put the health and safety of healthcare service end users at the center.
	Quality service and operational improvement	Service innovation	Technological innovation of services offered. Positive impacts on people and economic systems generated by technological process and service innovations linked to research and development activities. Innovation and digitalization are the basis for designing new services, anticipating customer needs, thereby identifying new business prospects and defining specific technologies, with a view to improving the quality of the relationship between the group and its customers.	POSITIVE - REAL	Generated by the Servizi Italia Group	Servizi Italia Group	Innovation and digital transformation can also positively impact workers, who will notice improved internal management and new services for customers using evolved platforms. Against this backdrop, the Group must evolve and improve within the environment in which it operates to achieve higher standards of economic productivity through diversification, technological advancement, and innovation.
	Community engagement and development	Engagement and support of local communities	Local engagement and community relations. Supporting local development through contributions and donations to associations in the area where the Group has the greatest presence (e.g., headquarters). Local development is directly related both to business activities and to the ability to engage local actors with a systemic logic, with an awareness of having an impact on communities.	POSITIVE - REAL	Generated by the Servizi Italia Group	Servizi Italia Group	The Group contributes to the economic development of the area in which it operates, ensuring good employment and supporting initiatives, activities, and projects that stimulate social progress by involving local communities, customers, trade associations, universities, and schools. Policy:

Scope	Macro-areas	Material Topics	Impact description	Type of impact	Group involvement	Perimeter	Policy and Commitments
FIGHT AGAINST ACTIVE AND PASSIVE CORRUPTION	Integrity and business ethics	Integrity and business ethics	Unethical business conduct. Negative impacts on people and economic systems generated by unethical business conduct, including through the use of aggressive tax policies. The adoption of ethical, transparent, and integral behaviors can influence the relationship of trust with stakeholders and corporate perception among customers.	NEGATIVE - POTENTIAL	Generated by the Servizi Italia Group	Servizi Italia Group	Establishing principles, procedures, and policies for responsible conduct (such as the Code of Ethics and 231 Model) can impact stakeholders (customers, suppliers, local communities, shareholders, trade associations, etc.). The topic is managed through the adoption of these documents, as well as obviously complying with existing laws and regulations in order to avoid the occurrence of unlawful events. Policy: 231 Model, Code of Ethics, Mission and Corporate Policy, Anti-Corruption Guidelines (ISO 37001), Antitrust Conduct Code.
		Combating corruption and anti-competitive behavior	Corruption and anti-competitive behavior. Negative impacts on people and economic systems generated by corruption-related behavior. Fighting corruption is a major global challenge. Indeed, corruption is a major obstacle to sustainable development and democracy and has a devastating effect, especially on the poorest communities.	NEGATIVE - POTENTIAL	Generated by the Servizi Italia Group	Servizi Italia Group	The Group's orientation towards respect for the principles of fairness, loyalty, and good organization and fight against active and passive corruption, fraud, monopolistic practices, and anti-competitive behavior provides stakeholders with the certainty of a fair interlocutor operating in complete transparency and compliance with regulations. Policy: 231 Model, Code of Ethics, Mission and Corporate Policy, Anti-Corruption Guidelines (ISO 37001), Antitrust Conduct Code, Whistleblowing Procedure, Code of Conduct for Relations with the Public Administration.
SOCIAL	Value creation	Direct economic value generated and distributed	Generation and distribution of economic value. Positive economic impacts generated by the organization through its business activities for workers, local communities, and other stakeholders. Generating added value is the first way to be socially responsible: enhancing the value of goods and services through the effect of good managerial management of organizational and production activities, with the aim of creating wealth in different forms, distributing it to different stakeholders.	POSITIVE - REAL	Generated by the Servizi Italia Group	Servizi Italia Group	The ability to generate value impacts staff, shareholders, suppliers, and the local communities and target territories in which the Group operates. Policy: Policy for managing dialogue with shareholders.

Human resources data²⁴

DISCLOSURE 2- 7a

TOTAL NUMBER OF EMPLOYEES BY GENDER

Total number of employees	as of December 31, 2022			as of December 31, 2021		
	Men	Women	Total	Men	Women	Total
TOTAL	1,492	2,061	3,553	1,524	2,152	3,676

TOTAL NUMBER OF EMPLOYEES BY REGION

Total number of employees	ITALY		BRAZIL		TURKEY	
	2022	2021	2022	2021	2022	2021
TOTAL	2,019	2,067	1,197	1,228	337	381

24. It should be noted that in all the human resources tables below (with the exception of those for GRI 2-30 and GRI 202-1), the staffing data as of 12/31/2021 for the Brazilian companies have been restated following an improvement in the data collection process. Please refer to the 2021 Sustainability Report for the previously published data.

DISCLOSURE 2-7b

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

Total number of employees	as of December 31, 2022			as of December 31, 2021		
	Men	Women	Total	Men	Women	Total
ITALY	820	1,199	2,019	820	1,247	2,067
Full-time	709	829	1,538	687	835	1,522
Part-time	111	370	481	133	412	545
on call	0	0	0	0	0	0
BRAZIL	477	720	1,197	490	738	1,228
Full-time	473	703	1,176	484	723	1,207
Part-time	4	17	21	6	15	21
on call	0	0	0	0	0	0
TURKEY	195	142	337	214	167	381
Full-time	195	142	337	214	167	381
Part-time	0	0	0	0	0	0
on call	0	0	0	0	0	0
GROUP	1,492	2,061	3,553	1,524	2,152	3,676
Full-time	1,377	1,674	3,051	1,385	1,725	3,110
Part-time	115	387	502	139	427	566
on call	0	0	0	0	0	0

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

Total number of employees	as of December 31, 2022			as of December 31, 2021		
	Men	Women	Total	Men	Women	Total
ITALY	820	1,199	2,019	820	1,247	2,067
Permanent	756	1,107	1,863	744	1,090	1,834
Temporary	64	92	156	76	157	233
BRAZIL	477	720	1,197	490	738	1,228
Permanent	473	703	1,176	484	723	1,207
Temporary	4	17	21	6	15	21
TURKEY	195	142	337	214	167	381
Permanent	195	142	337	214	167	381
Temporary	0	0	0	0	0	0
GROUP	1,492	2,061	3,553	1,524	2,152	3,676
Permanent	1,424	1,952	3,376	1,442	1,980	3,422
Temporary	68	109	177	82	172	254

DISCLOSURE 2-8

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

External workers	as of December 31, 2022			as of December 31, 2021		
	Men	Women	Total	Men	Women	Total
ITALY	68	89	157	58	49	107
Outsourced labor	62	83	145	55	49	104
Project/ongoing and coordinated collaborators	2	0	2	3	0	3
Trainees and apprentices	4	6	10	0	0	0
BRAZIL	4	3	7	6	13	19
Outsourced labor	4	3	7	5	6	11
Project/ongoing and coordinated collaborators	0	0	0	0	0	0
Trainees and apprentices	0	0	0	1	7	8
TURKEY	0	0	0	0	0	0
Outsourced labor	0	0	0	0	0	0
Project/ongoing and coordinated collaborators	0	0	0	0	0	0
Trainees and apprentices	0	0	0	0	0	0
TOTAL GROUP	72	92	164	64	62	126
Outsourced labor	66	86	152	60	55	115
Project/ongoing and coordinated collaborators	2	0	2	3	0	3
Trainees and apprentices	4	6	10	1	7	8

DISCLOSURE 2-30²⁵: Percentage of employees under collective agreements

	UOM	2022	2021
Employees covered by collective bargaining agreements	No.	3,553	3,676
Percentage	%	100%	100%

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

RATIOS OF STANDARD ENTRY LEVEL WAGE BY GENDER COMPARED TO LOCAL MINIMUM WAGE				
Ratio of standard entry level wage by gender compared to local minimum wage	2022		2021	
	Men	Women	Men	Women
ITALY	1	1	1	1
BRAZIL	1	1	1	1
TURKEY	1	1	1	1
GROUP	1	1	1	1

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

DISCLOSURE 401-1: New employee hires and employee turnover

ITALY										
New hires										
Number of people	2022					2021				
	<30	30-50	>50	Total	Percentage	<30	30-50	>50	Total	Percentage
Men	63	76	25	164	20%	66	87	16	169	21%
Women	62	116	39	217	18%	79	133	27	239	19%
Total	125	192	64	381	19%	145	220	43	408	20%
Percentage	80%	18%	8%	19%		94%	25%	4%	20%	
Exits										
Number of people	2022					2021				
	<30	30-50	>50	Total	Percentage	<30	30-50	>50	Total	Percentage
Men	41	75	48	164	20%	42	86	31	159	19%
Women	59	117	89	265	22%	55	108	75	238	19%
Total	100	192	137	429	21%	97	194	106	397	19%
Percentage	64%	18%	17%	21%		63%	22%	10%	19%	

BRAZIL

New hires

Number of people	2022					2021				
	<30	30-50	>50	Total	Percentage	<30	30-50	>50	Total	Percentage
Men	189	127	10	326	68%	186	152	17	355	72%
Women	228	165	10	403	56%	190	187	13	390	53%
Total	417	292	20	729	61%	376	339	30	745	61%
Percentage	123%	46%	9%	61%		105%	52%	14%	61%	

Exits

Number of people	2022					2021				
	<30	30-50	>50	Total	Percentage	<30	30-50	>50	Total	Percentage
Men	201	128	10	339	71%	176	187	33	395	81%
Women	239	167	15	421	58%	193	232	40	396	63%
Total	440	295	25	760	63%	369	419	73	863	70%
Percentage	130%	47%	11%	63%		103%	64%	33%	70%	

TURKEY²⁷

New hires

Number of people	2022					2021				
	<30	30-50	>50	Total	Percentage	<30	30-50	>50	Total	Percentage
Men	173	106	26	305	156%	106	113	26	245	114%
Women	91	115	21	227	160%	63	109	19	191	114%
Total	264	221	47	532	158%	169	222	45	436	114%
Percentage	455%	100%	81%	158%		245%	92%	64%	114%	

Exits

Number of people	2022					2021				
	<30	30-50	>50	Total	Percentage	<30	30-50	>50	Total	Percentage
Men	177	116	31	324	166%	96	109	34	239	112%
Women	99	126	27	252	177%	58	103	19	180	108%
Total	276	242	58	576	171%	154	212	53	419	110%
Percentage	476%	110%	100%	171%		223%	88%	76%	110%	

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

GROUP										
New hires										
Number of people	2022					2021 ²⁸				
	<30	30-50	>50	Total	Percentage	<30	30-50	>50	Total	Percentage
Men	425	309	61	795	53%	358	352	59	769	50%
Women	381	396	70	847	41%	332	429	59	820	38%
Total	806	705	131	1,642	46%	690	781	118	1,589	43%
Percentage	146%	37%	12%	46%		119%	44%	9%	43%	
Exits										
Number of people	2022					2021				
	<30	30-50	>50	Total	Percentage	<30	30-50	>50	Total	Percentage
Men	419	319	89	827	55%	314	382	98	794	52%
Women	397	410	131	938	46%	306	443	134	883	41%
Total	816	729	220	1,765	50%	620	825	232	1,677	46%
Percentage	148%	38%	20%	50%		107%	47%	17%	46%	

28. The Group's percentage revenue figure and expenditure totals have been restated following the revision of calculation formulas. Please refer to the 2021 Sustainability Report for the previously published data,

DISCLOSURE 401-3: Parental leave

	GROUP		ITALY		BRAZIL		TURKEY	
	Men	Women	Men	Women	Men	Women	Men	Women
Employees who took parental leave during 2022	61	135	38	104	23	31	0	0
of which status as of 31.12.2022								
<i>still on leave</i>	4	25	4	19	0	6	0	0
<i>returned and still employed</i>	45	92	29	74	16	18	0	0
<i>resigned</i>	12	18	5	11	7	7	0	0
Return to employment rate as of 31.12.2022	78.95%	83.64%	85.29%	87.06%	69.57%	72.00%	-	-
Employees who took parental leave during 2021 ²⁹	52	128	40	96	12	30	0	2
of which status as of 31.12.2021								
<i>still on leave</i>	5	39	5	33	0	6	0	0
<i>returned and still employed</i>	36	72	29	56	7	15	0	1
<i>resigned</i>	11	17	6	7	5	9	0	1
Return to employment rate as of 31.12.2021	76.60%	80.90%	82.86%	88.89%	58.33%	62.50%	-	50%
Employees who took parental leave during 2021	52	128	40	96	12	30	0	2
of which status as of 31.12.2022								
<i>still on leave</i>	2	9	2	9	0	0	0	0
<i>returned and still employed</i>	35	84	30	73	5	10	0	1
<i>resigned</i>	15	35	8	14	7	20	0	1
Retention rate as of 31.12.2022	70.00%	70.59%	78.95%	83.91%	41.67%	33.33%	-	50%

29. The return rate for the Italian and Turkish companies has been restated following improvements in the data collection process. Please refer to the 2021 Sustainability Report for the previously published data.

DISCLOSURE 405-1: Diversity in governing bodies

PERCENTAGE OF BOARD MEMBERS BY GENDER

	2022			2021		
	Men	Women	Total	Men	Women	Total
Servizi Italia S.p.A.	57%	43%	100%	57%	43%	100%

COMPOSITION OF THE BOARD OF DIRECTORS BY AGE GROUP

	2022				2021			
	<30	30-50	50<	Total	<30	30-50	50<	Total
Servizi Italia S.p.A.	0%	29%	71%	100%	0%	29%	71%	100%

DISCLOSURE 405-1: Diversity among employees

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

Professional category	2022			2021		
	Men	Women	Total	Men	Women	Total
ITALY						
Executives	11	2	13	10	2	12
Middle Managers	25	2	27	25	2	27
Office Workers	106	104	210	108	103	211
Factory Workers	678	1,091	1,769	677	1,140	1,817
Total	820	1,199	2,019	820	1,247	2,067
Percentage of total	41%	59%	100%	40%	60%	100%
BRAZIL						
Executives	2	1	3	2	1	3
Middle Managers	4	5	9	7	4	11
Office Workers	75	65	140	77	58	135
Factory Workers	396	649	1,045	404	675	1,079
Total	477	720	1,197	490	738	1,228
Percentage of total	40%	60%	100%	40%	60%	100%
TURKEY						
Executives	2	0	2	2	0	2
Middle Managers	0	0	0	0	0	0
Office Workers	3	3	6	3	5	8
Factory Workers	190	139	329	209	162	371
Total	195	142	337	214	167	381
Percentage of total	58%	42%	100%	56%	44%	100%
GROUP						
Executives	15	3	18	14	3	17
Middle Managers	29	7	36	32	6	38
Office Workers	184	172	356	188	166	354
Factory Workers	1,264	1,879	3,143	1,290	1,977	3,267
Total	1,492	2,061	3,553	1,524	2,152	3,676
Percentage of total	42%	58%	100%	41%	59%	100%

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

Professional category	2022				2021			
	<30	30-50	>50	Total	<30	30-50	>50	Total
ITALY								
Executives	0	3	10	13	0	5	7	12
Middle Managers	0	17	10	27	0	16	11	27
Office Workers	9	136	65	210	10	138	63	211
Factory Workers	147	893	729	1,769	144	717	956	1,817
Total	156	1,049	814	2,019	154	876	1,037	2,067
Percentage of total	8%	52%	40%	100%	7%	42%	50%	100%
BRAZIL								
Executives	0	2	1	3	0	2	1	3
Middle Managers	0	7	2	9	0	8	3	11
Office Workers	44	76	20	140	39	74	22	135
Factory Workers	295	549	201	1,045	318	567	194	1,079
Total	339	634	224	1,197	357	651	220	1,228
Percentage of total	28%	53%	19%	100%	29%	53%	18%	100%
TURKEY								
Executives	0	1	1	2	0	1	1	2
Middle Managers	0	0	0	0	0	0	0	0
Office Workers	2	4	0	6	3	5	0	8
Factory Workers	56	216	57	329	66	236	69	371
Total	58	221	58	337	69	242	70	381
Percentage of total	17%	66%	17%	100%	18%	64%	18%	100%
GROUP								
Executives	0	6	12	18	0	8	9	17
Middle Managers	0	24	12	36	0	24	14	38
Office Workers	55	216	85	356	52	217	85	354
Factory Workers	498	1,658	987	3,143	528	1,520	1,219	3,267
Total	553	1,904	1,096	3,553	580	1,769	1,327	3,676
Percentage of total	16%	54%	31%	100%	16%	48%	36%	100%

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

AVERAGE HOURS OF TRAINING PER YEAR PER EMPLOYEE - YEAR 2022

Professional category	Men			Women			Total		
	No.	No. hours	Average hours	No.	No. hours	Average hours	No.	No. hours	Average hours
GROUP									
Executives	15	138.50	9.23	3	16.50	5.50	18	155	8.61
Middle Managers	29	332.66	11.47	7	39.00	5.57	36	371.66	10.32
Office Workers	184	2,801.30	15.22	172	2,048.95	11.91	356	4,850.25	13.62
Factory Workers	1,264	8,261.00	6.54	1,879	7,599.40	4.04	3,143	15,860.40	5.05
TOTAL	1,492	11,533.46	7.73	2,061	9,703.85	4.71	3,553	21,237.30	5.98

AVERAGE HOURS OF TRAINING PER YEAR PER EMPLOYEE - YEAR 2021

Professional category	Men			Women			Total		
	No.	No. hours	Average hours	No.	No. hours	Average hours	No.	No. hours	Average hours
GROUP									
Executives	14	89.36	6.38	3	7.8	2.60	17	97.2	5.72
Middle Managers	32	40.13	1.25	6	5.5	0.92	38	45.6	1.20
Office Workers	188	937.30	4.99	166	898.2	5.41	354	1,835.50	5.19
Factory Workers	1,290	7,279.44	5.64	1,977	5,662.7	2.86	3,267	12,942.10	3.96
TOTAL	1,524	8,346.23	5.48	2,152	6,574.2	3.05	3,676	14,920.40	4.06

30. The training hours figure for Brazilian companies has been restated following improvements in the data collection process. Please refer to the 2021 Sustainability Report for previously published data..

Health and safety data

DISCLOSURE 403-9³¹: Occupational injuries - Direct workers

ITALY		
Number of injuries	From Jan. 1 to Dec. 31, 2022	From Jan. 1 to Dec. 31, 2021
Total number of fatalities as a result of work-related injuries	0	0
Total number of high-consequence work-related injuries (excluding fatalities)	0	1
Total number of recordable work-related injuries	58	63
Main types of work-related injuries	From Jan. 1 to Dec. 31, 2022	From Jan. 1 to Dec. 31, 2021
Type 1 - Wound / Cut	16	23
Type 2 - Contusion/Crushing	31	27
Type 3- Strain injuries: muscle injuries, hernias, etc.	4	10
Other injuries	7	3
Time data - Hours	From Jan. 1 to Dec. 31, 2022	From Jan. 1 to Dec. 31, 2021
Hours worked	2,590,392	2,746,409
Multiplier for calculation	1,000,000	1,000,000
Rate	From Jan. 1 to Dec. 31, 2022	From Jan. 1 to Dec. 31, 2021
Fatalities as a result of work-related injury rate	0	0
High-consequence work-related injuries (excluding fatalities)	0	0
Recordable work-related injury rate	22.39	22.94

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

BRAZIL

Number of injuries	From Jan. 1 to Dec. 31, 2022	From Jan. 1 to Dec. 31, 2021
Total number of fatalities as a result of work-related injuries	0	0
Total number of high-consequence work-related injuries (excluding fatalities)	0	0
Total number of recordable work-related injuries	35	35
Main types of work-related injuries	From Jan. 1 to Dec. 31, 2022	From Jan. 1 to Dec. 31, 2021
Type 1 - Wound / Cut	19	18
Type 2 - Contusion/Crushing	13	13
Type 3- Strain injuries: muscle injuries, hernias, etc.	0	4
Other injuries	3	0
Time data - Hours	From Jan. 1 to Dec. 31, 2022	From Jan. 1 to Dec. 31, 2021
Hours worked	2,082,338	1,962,953
Multiplier for calculation	1,000,000	1,000,000
Rate	From Jan. 1 to Dec. 31, 2022	From Jan. 1 to Dec. 31, 2021
Fatalities as a result of work-related injury rate	0	0
High-consequence work-related injuries (excluding fatalities)	0	0
Recordable work-related injury rate	16.81	17.83

TURKEY

Number of injuries	From Jan. 1 to Dec. 31, 2022	From Jan. 1 to Dec. 31, 2021
Total number of fatalities as a result of work-related injuries	0	0
Total number of high-consequence work-related injuries (excluding fatalities)	0	0
Total number of recordable work-related injuries	17	6
Main types of work-related injuries	From Jan. 1 to Dec. 31, 2022	From Jan. 1 to Dec. 31, 2021
Type 1 - Wound / Cut	7	2
Type 2 - Contusion/Crushing	7	3
Type 3- Strain injuries: muscle injuries, hernias, etc.	0	0
Other injuries	3	1
Time data - Hours	From Jan. 1 to Dec. 31, 2022	From Jan. 1 to Dec. 31, 2021
Hours worked ³²	809,767	859,918
Multiplier for calculation	1,000,000	1,000,000
Rate	From Jan. 1 to Dec. 31, 2022	From Jan. 1 to Dec. 31, 2021
Fatalities as a result of work-related injury rate	0	0
High-consequence work-related injuries (excluding fatalities)	0	0
Recordable work-related injury rate	20.99	6.98

32. The 2021 hours worked for Turkish companies has been restated in light of an updated estimation methodology. Specifically, the product of workable hours times the average absenteeism rate for the year was used. Please refer to the 2021 Sustainability Report for the previously published data.

GROUP

Number of injuries	From Jan. 1 to Dec. 31, 2022	From Jan. 1 to Dec. 31, 2021
Total number of fatalities as a result of work-related injuries	0	0
Total number of high-consequence work-related injuries (excluding fatalities)	0	1
Total number of recordable work-related injuries	110	104
Main types of work-related injuries	From Jan. 1 to Dec. 31, 2022	From Jan. 1 to Dec. 31, 2021
Type 1 - Wound / Cut	42	43
Type 2 - Contusion/Crushing	51	43
Type 3- Strain injuries: muscle injuries, hernias, etc.	4	14
Other injuries	13	4
Time data - Hours	From Jan. 1 to Dec. 31, 2022	From Jan. 1 to Dec. 31, 2021
Hours worked	5,482,497	5,569,281
Multiplier for calculation	1,000,000	1,000,000
Rate	From Jan. 1 to Dec. 31, 2022	From Jan. 1 to Dec. 31, 2021
Fatalities as a result of work-related injury rate	0	0
High-consequence work-related injuries (excluding fatalities)	0	0.18
Recordable work-related injury rate	20.06	18.67

DISCLOSURE 403-9: Occupational injuries - Outsourced workers

GROUP		
Number of injuries	From Jan. 1 to Dec. 31, 2022	From Jan. 1 to Dec. 31, 2021
Total number of fatalities as a result of work-related injuries	0	0
Total number of high-consequence work-related injuries (excluding fatalities)	0	0
Total number of recordable work-related injuries	4	6
Main types of work-related injuries	From Jan. 1 to Dec. 31, 2022	From Jan. 1 to Dec. 31, 2021
Type 1 - Wound / Cut	0	4
Type 2 - Contusion/Crushing	4	2
Type 3- Strain injuries: muscle injuries, hernias, etc.	0	0
Other injuries	0	0
Time data - Hours	From Jan. 1 to Dec. 31, 2022	From Jan. 1 to Dec. 31, 2021
Hours worked	197,957	175,943
Multiplier for calculation	1,000,000	1,000,000
Rate	From Jan. 1 to Dec. 31, 2022	From Jan. 1 to Dec. 31, 2021
Fatalities as a result of work-related injury rate	0	0
High-consequence work-related injuries (excluding fatalities)	0	0
Recordable work-related injury rate	20.21	34.10

Supply chain data

DISCLOSURE 204-1: Proportion of spending on local suppliers

SPENDING ON LOCAL SUPPLIERS IN 2022 (IN THOUSANDS OF €)³³

	2022				2021			
	ITALY	BRAZIL	TURKEY	GROUP	ITALY	BRAZIL	TURKEY	GROUP
Local supplier spending	157,051	22,062	6,243	185,356	146,627	20,693	4,396	171,715
Total purchases	158,433	22,189	6,243	186,865	147,694	21,020	4,401	173,115
% of total	99.13%	99.43%	100.00%	99.19%	99.28%	98.44%	99.88%	99.19%

NUMBER OF LOCAL SUPPLIERS IN 2022

	2022				2021			
	ITALY	BRAZIL	TURKEY	GROUP	ITALY	BRAZIL	TURKEY	GROUP
No. of local suppliers ³⁴	2,958	1,064	457	4,479	2,896	1,049	546	4,491
Total no. of suppliers	3,021	1,073	457	4,551	2,981	1,056	547	4,584
% of total	97.91%	99.16%	100.00%	98.42%	97.15%	99.34%	99.82%	97.97%

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

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

Environment-related data

The scope of environmental data refers to all Italian, Brazilian, and Turkish production sites. The surgical instrumentation Sterilization Plants located within client hospital facilities are not included water and emission consumption, as the management of utilities is in most cases the responsibility of the owner (Contracting Station).

DISCLOSURE 301-1: Materials used by weight or volume³⁵

	Unit of measurement	2022	2021
TOTAL NON-RENEWABLE MATERIALS	t	4,838	4,171
Total chemicals	t	3,890	3,073
Total plastic packaging	t	947	1,098

DISCLOSURE 301-2: Recycled input materials used

	Unit of measurement	2022	2021
Weight of materials from recycling	t	68.23	99.45
% of total materials used	%	7%	9.1%

35. The Group does not use paper and cardboard to package its products/services; therefore, this figure has been excluded from the reporting. Please refer to the 2021 Sustainability Report for the previously published data.

DISCLOSURE 302-1: Energy consumption within the organization

ENERGY CONSUMPTION WITHIN THE ORGANIZATION

Type of consumption	Unit of measurement	2022		2021 ³⁶	
		Total	Total GJ	Total	Total GJ
Non-renewable sources			626,359		690,458
Natural gas	Smc	16,118,808	578,421	16,884,868	601,563
Diesel for generator	l	30,876	1,179	35,710	1,364
Coal (consumed)	kg	0	0	1,634,750	52,037
Diesel - Corporate Fleet + Internal logistics	l	1,145,526	43,741	836,817	31,954
Gasoline - Company fleet	l	88,026	3,015	102,876	3,535
Methane - Company fleet	l	458	3.6	122	5
Renewable fuels	m3	56,657	391,429	57,018	393,926
Wood	m3	56,657	391,429	57,018	393,926
Purchased electricity	kWh	32,221,873	115,999	34,404,099	123,855
of which from renewable sources (certified)	kWh	12,284,010	44,222	12,726,391	45,815
of which from non-renewable sources	kWh	19,937,864	71,776	21,677,708	78,040
Self-generated electricity	kWh	2,963,205	10,668	3,432,531	12,357
of which from renewable sources	kWh	0	0	0	0
of which from non-renewable sources	kWh	2,963,205	10,668	3,432,531	12,357

36. In particular, due to billing errors made by suppliers in 2021, energy and methane gas consumption of Treviso, Piacenza Warehouse, Cesano Boscone (Wash Service) and Castellina- (the latter limited to the last three monthly payments) were partially re-exposed. Consumption at the sterilization plants in Genoa and Palermo, not previously available, was also included. Gasoline consumption for the Brazilian subsidiaries was also re-revised based on fuel cards. Finally, the figure for purchased renewable energy was updated based on the GO certificate issued following the publication of the previous document. Overall, these corrections lead to a 1.78 percent reduction in total energy consumption and a 3.93 percent reduction in purchased renewable energy in 2021.

Self-produced electricity and electricity sold/transferred to the grid	kWh	-105,231	-379	-41,996	-151
of which from renewable sources	kWh	0	0	0	0
of which from non-renewable sources	kWh	-105,231	-379	-41,996	-151
Purchased steam	MWh	12,123	43,642	8,390	30,204
Total energy consumption	GJ		1,177,050		1,238,292
Renewable energy	GJ		435,651		439,741
Non-renewable energy	GJ		741,399		798,551
% of renewable energy on total	%		37.01%		35.51%

DISCLOSURE 302-2: Energy consumption outside the organization

ENERGY CONSUMPTION OUTSIDE THE ORGANIZATION ³⁷					
	Unit of measurement	2022		2021	
		Total	Total GJ	Total	Total GJ
Diesel for road transport	l	2,361,994.56	90,191	2,754,433	105,178
Gasoline for road transport	l	5,139.00	176	0	0
Total fuel for road transport	GJ	0	90,367	0	105,178

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

DISCLOSURE 302-3: Energy intensity - Laundry plants of Servizi Italia S.p.A.³⁸

As this is the first year in which it is being reported, this indicator refers only to laundries of Servizi Italia S.p.A. in which utilities are directly headed.

TYPE OF CONSUMPTION	Unit of measurement	2022	2021
Total energy consumption within the organization	GJ	434,480	464,111
Tons of textiles processed	t	67,884	67,953
Energy intensity	GJ/t	6.40	6.83

38. The figure refers to the laundry plants of Servizi Italia S.p.A., excluding the production sites in Treviso and Trieste.

DISCLOSURE 303-3: Water withdrawal

Withdrawal source	Unit of measurement	2022		2021 ³⁹	
		All areas	Areas with water stress	All areas	Areas with water stress
		Groundwater (total)	MI	1,252	735
Fresh water ($\leq 1,000$ mg/l of total dissolved solids)	MI	1,252	735	1,447	922
Other water types ($> 1,000$ mg/l of total dissolved solids)	MI	0	0	0	0
Third party water (total)	MI	590	502	762	679
Fresh water ($\leq 1,000$ mg/l of total dissolved solids)	MI	590	502	762	679
Other water types ($> 1,000$ mg/l of total dissolved solids)	MI	0	0	0	0
TOTAL WATER WITHDRAWAL	MI	1,842	1,237	2,209	1,601

39. The water withdrawal figure for Turkish companies has been restated as a result of the improved process of identifying withdrawal sources. Please refer to the 2021 Sustainability Report for the previously published data.

DISCLOSURE 303-4: Water discharge⁴⁰

Place of discharge	Unit of measurement	2022		2021	
		All areas	Areas with water stress	All areas	Areas with water stress
Surface water (total)	MI	482	303	558	373
Fresh water	MI	0	0	0	0
Other types of water	MI	482	303	558	373
Sewerage (total)	MI	993	747	1,269	1,011
Fresh water	MI	0	0	0	0
Other types of water	MI	993	747	1,269	1,011
TOTAL WATER DISCHARGE	MI	1,475	1,050	1,827	1,384

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

DISCLOSURE 305-1: Direct (Scope 1) GHG emissions

TYPE	Unit of measurement	2022	2021 ⁴¹
Natural gas	tCO ₂ eq	32,491	34,130
Diesel for road transport	tCO ₂ eq	2,930	2,102
LPG	tCO ₂ eq	0	0
Coal	tCO ₂ eq	0	5,174
Diesel for generator	tCO ₂ eq	78.98	89.72
Wood	tCO ₂ eq	1,036	1,498
Gasoline for road transport	tCO ₂ eq	190.30	240.70
Methane for road transport	tCO ₂ eq	0.20	0.31
TOTAL EMISSIONS SCOPE 1	tCO₂eq	36,727	43,235

DISCLOSURE 305-2: Energy indirect (Scope 2) GHG emissions⁴²

TYPE	Unit of measurement	2022	2021 ⁴¹
Purchased steam	tCO ₂ eq	2,070	1,432
Purchased electricity- Location Based	tCO ₂ eq	8,869	9,642
Purchased electricity- Market Based	tCO ₂ eq	6,078	6,805
TOTAL SCOPE 2 - LOCATION BASED	tCO₂eq	10,939	11,074
TOTAL SCOPE 2 - MARKET BASED	tCO₂eq	8,148	8,238
TOTAL EMISSIONS SCOPE 1 + SCOPE 2 - LOCATION BASED	tCO₂eq	47,666	54,310
TOTAL EMISSIONS SCOPE 1 + SCOPE 2 - LOCATION BASED + SCOPE 3	tCO₂eq	53,719	61,230

41. The 2021 emissions figure has been restated, following the changes made explicit in Note 36 of this document. Specifically, there is a 3.66% reduction in total Scope 1 emissions, a 6.05% increase in total Scope 2 - Location based emissions, and a 63.93% increase in total Scope 2 - Market based emissions compared to the data reported in the 2021 Sustainability Report.

42. The reporting standard used (GRI *Sustainability Reporting Standards 2016*) provides two different approaches to calculating Scope 2 emissions: "Location-based" and "Market-based." The "Location-based" approach involves the use of average emission factors related to specific national power generation energy mixes (source: Terna international comparisons 2019). The "Market-based" approach involves the use of emission factors defined on a contractual basis with the electricity supplier (source: AIB - *European Residual Mixes 2021* and Terna international comparisons 2019). In the absence of specific contractual agreements between the Organization and the electricity supplier (e.g., purchase of Guarantees of Origin), for the "Market-based" approach the emission factor relating to the national "residual mix" has been used, where available.

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

TYPE	Unit of measurement	2022	2021
SCOPE 3	tCO ₂ eq		
Diesel for road transport	tCO ₂ eq	6,042	6,920
Gasoline for road transport	tCO ₂ eq	11	0
Total emissions Scope 3	tCO₂eq	6,053	6,920

DISCLOSURE 305-4: Intensity of GHG emissions - Laundry plants of Servizi Italia S.p.A.⁴³

As this is the first year in which it is being reported, this indicator refers only to laundries of Servizi Italia S.p.A. in which utilities are directly headed

TYPE OF CONSUMPTION	Unit of measurement	2022	2021
Total emissions Scope 1	tCO ₂ eq	20,965	22,679
Total emissions Scope 2 - Location Based	tCO ₂ eq	5,692	5,870
Total Scope 2 - Market-based	tCO ₂ eq	2,493	2,536
Total emissions Scope 1 + Scope 2 - Location Based	tCO ₂ eq	26,656	28,549
Tons of textiles processed	tCO ₂ eq	67,884	67,953
GHG EMISSION INTENSITY	tCO₂eq	0.39	0.42

43. The figure refers to the laundry plants of Servizi Italia S.p.A., excluding Treviso and Trieste

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

Type	Unit of measurement	2022	2021
NOx emissions	t	80	69

GJ conversion factors table

	Natural Gas (GJ/Smc)	LPG (GJ/ton)	Diesel fuel automotive (GJ/ton)	Gasoline (GJ/ton)	CNG (GJ/ton)	Electricity (GJ/kWh)	Steam purchased (GJ/MWh)	Wood (GJ/Ton)	Coking coal (GJ/ton)
2022	0.0359	49.333	45.278	45.998	45.195	0.0036	3.600	16.256	31.832
Source	DEFRA 2022	DEFRA 2022	DEFRA 2022	DEFRA 2022	DEFRA 2022	Constant	Constant	DEFRA 2022	DEFRA 2022
2021	0.0356	49.330	45.127	46.176	45.025	0.0036	3.600	16.256	31.832
Source	DEFRA 2021	DEFRA 2021	DEFRA 2021	DEFRA 2021	DEFRA 2021	Constant	Constant	DEFRA 2021	DEFRA 2021

44. The NOx emissions figure has been restated following an improved data collection process. Please refer to the 2021 Sustainability Report for the previously published data. Some of the data on boiler operating hours are estimated.

Table of conversion factors to CO₂eq⁴⁵

	Natural gas (tCO ₂ eq/Scm)	LPG (tCO ₂ eq/ton)	Diesel (tCO ₂ eq/ton)	Gasoline (tCO ₂ eq/ton)	CNG (tCO ₂ eq/ton)	Wood (tCO ₂ eq/ton)	Coking coal (tCO ₂ eq/ton)
2022	0.002	2.939	0.003	0.002	2.539	0.043	3.165
Source	DEFRA 2022	DEFRA 2022	DEFRA 2022	DEFRA 2022	DEFRA 2022	DEFRA 2022	DEFRA 2022
2021	0.002	2.939	0.003	0.002	2.538	0.062	3.165
Source	DEFRA 2021	DEFRA 2021	DEFRA 2021	DEFRA 2021	DEFRA 2021	DEFRA 2021	DEFRA 2021

2022	Electricity Location based (gCO ₂ /kWh)	Electricity Market based (gCO ₂ /kWh)	Steam Location based (gCO ₂ /kWh)
Italy	315	456.57	0.17073
Brazil	139	139	-
Turkey	415	415	-
Source	Terna 2019	AIB - European Residual Mix 2021 for Italy; Terna 2020 for Brazil and Turkey	DEFRA 2022 - Heat and steam - Advanced data set

2021	Electricity Location based (gCO ₂ /kWh)	Electricity Market based (gCO ₂ /kWh)	Steam Location based (gCO ₂ /kWh)
Italy	315	459	0.17073
Brazil	139	139	-
Turkey	415	415	-
Source	Terna 2019	AIB - European Residual Mix 2020 for Italy; Terna 2019 for Brazil and Turkey	DEFRA 2021

45. The emission factor used to calculate Scope 1 emissions from wood combustion, expressed as tCO₂ equivalent (source: DEFRA 2022), includes CH₄ and N₂O emissions, while the CO₂ emissions have been set to "zero" because the fuel itself (wood) absorbs as much CO₂ during the growth phase as is released during combustion. In accordance with the GHG Protocol, the contribution of CO₂ released during wood combustion was also calculated "outside the scopes" to ensure full accounting of the emissions created. CO₂ emissions from wood combustion are 35,926 tCO₂ in 2020 and 34,577 tCO₂ in 2022 (Emission factor: Source: DEFRA 2022; DEFRA 2021).

DISCLOSURE 306-3: Waste generated

Waste generated (in tons)	2022			2021		
	Hazardous	Non-hazardous	Total	Hazardous	Non-hazardous	Total
of which sent for recovery	54.9	1,113.2	1,168	25.5	1,194.5	1,220
of which sent for disposal	433.7	1,323.4	1,757	416.6	1,402.5	1,819
TOTAL	489	2,437	2,925	442	2,597	3,039
Percentage	17%	83%		15%	85%	

GRI CONTENT INDEX



GRI content index

Declaration of Use: Servizi Italia S.p.A. Has submitted reporting in accordance with the GRI Standards for the period from 01/01/2022 to 12/31/2022

GRI 1 used: GRI 1: Foundation (2021)

Applicable GRI Sectoral Standards: N/A

GRI Standards	Information	Location	Omission		
			Requirements Omitted	Reason	Explanation
GRI 2: GENERAL DISCLOSURES (2021)					
GRI 2 (2021)	2-1 Organizational details	28-31; 34-35			
GRI 2 (2021)	2-2 Entities included in the organization's sustainability reporting	5-6			
GRI 2 (2021)	2- 3 Reporting period, frequency and contact point	5-6			
GRI 2 (2021)	2- 4 Restatements of information	5			
GRI 2 (2021)	2-5 External assurance	144-145			
GRI 2 (2021)	2- 6 Activities, value chain and other business relationships	5; 28-32			
GRI 2 (2021)	2-7 Employees	67; 103-105			
GRI 2 (2021)	2-8 Workers who are not employees	67; 106			
GRI 2 (2021)	2-9 Governance structure and composition	34-35			
GRI 2 (2021)	2-10 Nomination and selection of the highest governance body	34-35			
GRI 2 (2021)	2-11 Chair of the highest governance body	34-35			

GRI Standards	Information	Location	Omission		
			Requirements Omitted	Reason	Explanation
GRI 2 (2021)	2-12 Role of the highest governance body in overseeing the management of impacts	11			
GRI 2 (2021)	2-13 Delegation of responsibility for managing impacts	11			
GRI 2 (2021)	2-14 Role of the highest governance body in sustainability reporting	11			
GRI 2 (2021)	2-15 Conflicts of interest	Regulations for Related Party Transactions			
GRI 2 (2021)	2-16 Communication of critical concerns	38			
GRI 2 (2021)	2-17 Collective knowledge of the highest governance body	70			
GRI 2 (2021)	2-18 Evaluation of the performance of the highest governance body	Report on Corporate Governance and Ownership Structure			
GRI 2 (2021)	2-19 Remuneration policies	69			
GRI 2 (2021)	2-20 Process to determine remuneration	69			
GRI 2 (2021)	2-21 Annual total compensation ratio	69			
GRI 2 (2021)	2-22 Statement on sustainable development strategy	2			
GRI 2 (2021)	2-23 Policy commitments	94-102			
GRI 2 (2021)	2-24 Embedding policy commitments	94-102			
GRI 2 (2021)	2-25 Processes to remediate negative impacts	37; 81			
GRI 2 (2021)	2-26 Mechanisms for seeking advice and raising concerns	37-38			
GRI 2 (2021)	2-27 Compliance with laws and regulations	38			

GRI Standards	Information	Location	Omission		
			Requirements Omitted	Reason	Explanation
GRI 2 (2021)	2-28 Membership associations	85			
GRI 2 (2021)	2-29 Approach to stakeholder engagement	7-8			
GRI 2 (2021)	2-30 Collective bargaining agreements	75; 107			
MATERIAL TOPICS					
GRI 3- Material Topics (2021)	3-1 Process to determine material topics	9			
	3-2 List of material topics	10; 94-102			
MATERIAL TOPIC: Materials and packaging					
GRI 3- Material Topics (2021)	3-3 Management of material topics	63; 94-102			
GRI 301-Materials (2016)	301- 1 Materials used by weight or volume	63;123			
GRI 301-Materials (2016)	301-2 Recycled input materials used	63; 123			
MATERIAL TOPIC: Energy consumption, emissions, and climate change					
GRI 3- Material Topics (2021)	3-3 Management of material topics	59-60; 94-102			
GRI 302-Energy (2016)	302- 1 Energy consumption within the organization	56-58; 124-125; 131			
GRI 302-Energy (2016)	302-2 Energy consumption outside of the organization	56-58; 125; 131			
GRI 302-Energy (2016)	302-3 Energy intensity	56-58; 126; 131			
GRI 305-Emissions (2016)	305-1 Direct (Scope 1) GHG emissions	59-60; 129; 132			

GRI Standards	Information	Location	Omission		
			Requirements Omitted	Reason	Explanation
GRI 305-Emissions (2016)	305-2 Energy indirect (Scope 2) GHG emissions	59-60; 129; 132			
GRI 305-Emissions (2016)	305-3 Other indirect (Scope 3) GHG emissions	59-60; 130; 132			
GRI 305-Emissions (2016)	305-4 GHG emissions intensity	59-60; 130; 132			
GRI 305-Emissions (2016)	305-7 Nitrogen oxides (NOx), sulfur oxides (SOX) and other significant air emissions	59-60; 131; 132			
MATERIAL TOPIC: Water use and management					
GRI 3-Material Topics (2021)	3-3 Management of material topics	61-62; 94-102			
GRI 303 - Water and effluents (2018)	303-1 Interactions with water as a shared resource	61-62			
GRI 303 - Water and effluents (2018)	303-2 Management of water discharge-related impacts	61-62			
GRI 303 - Water and effluents (2018)	303-3 Water withdrawal	61-62; 127			
GRI 303 - Water and effluents (2018)	303-4 Water discharge	61-62;128			

GRI Standards	Information	Location	Omission		
			Requirements Omitted	Reason	Explanation
MATERIAL TOPIC: Responsible waste management					
GRI 3- Material Topics (2021)	3-3 Management of material topics	64; 94-102			
GRI 306-Waste (2020)	306-1 Waste generation and significant waste-related impacts	64			
GRI 306-Waste (2020)	306-2 Management of significant waste-related impacts	64			
GRI 306-Waste (2020)	306-3 Waste generated	64; 133			
MATERIAL TOPIC: Circular economy initiatives					
GRI 3- Material Topics (2021)	3-3 Management of material topics	55; 64; 94-102			
GRI 306-Waste (2020)	306-1 Waste generation and significant waste-related impacts	64			
MATERIAL TOPIC: Workers' health and safety					
GRI 3- Material Topics (2021)	3-3 Management of material topics	72-74; 94-102			
GRI 403- Occupational health and safety (2018)	403-1 Occupational health and safety management system	72-74			
GRI 403- Occupational health and safety (2018)	403-2 Hazard identification, risk assessment and incident investigation	72-74			
GRI 403- Occupational health and safety (2018)	403-3 Occupational health services	72-74			
GRI 403- Occupational health and safety (2018)	403-4 Worker participation, consultation, and communication on occupational health and safety	72-74			
GRI 403- Occupational health and safety (2018)	403-5 Worker training on occupational health and safety	70; 72-74			

GRI Standards	Information	Location	Omission		
			Requirements Omitted	Reason	Explanation
GRI 403- Occupational health and safety (2018)	403-6 Promotion of worker health	72-74			
GRI 403- Occupational health and safety (2018)	403-7 Prevention and mitigation of occupational health and safety impacts directly linked by business relationships	72-74			
GRI 403- Occupational health and safety (2018)	403-9 Work-related injuries	72-74; 117-121			
MATERIAL TOPIC: New ways of working and work-life balance					
GRI 3- Material Topics (2021)	3-3 Management of material topics	66; 94-102			
MATERIAL TOPIC: Human capital management and employee development					
GRI 3- Material Topics (2021)	3-3 Management of material topics	67; 94-102			
GRI 202-Market presence (2016)	202-1 Ratios of standard entry level wage by gender compared to local minimum wage	107			
GRI 401 - Employment (2016)	401-1 New employee hires and employee turnover	67; 108-111			
GRI 401 - Employment (2016)	401-3 Parental leave	67; 112			
GRI 404 - Training and education (2016)	404-1 Average hours of training per year per employee	70; 116			
MATERIAL TOPIC: Privacy and data protection					
GRI 3- Material Topics (2021)	3-3 Management of material topics	36-38; 94-102			
GRI 418 - Customer privacy (2018)	418-1 Substantiated complaints concerning breaches of customer privacy and losses of customer data	38			

GRI Standards	Information	Location	Omission		
			Requirements Omitted	Reason	Explanation
MATERIAL TOPIC: Respect for human rights and workers' rights					
GRI 3- Material Topics (2021)	3-3 Management of material topics	37-39; 94-102			
GRI 406 - Non discrimination (2016)	406-1 Incidents of discrimination and corrective actions taken	38			
MATERIAL TOPIC: Diversity, inclusion, and equal opportunity					
GRI 3- Material Topics (2021)	3-3 Management of material topics	71; 94-102			
GRI 405 - Diversity and equal opportunities (2016)	405-1 Diversity of governance bodies and employees	34; 113-115			
MATERIAL TOPIC: Ethical and sustainable procurement					
GRI 3- Material Topics (2021)	3-3 Management of material topics	77-78; 94-102			
MATERIAL TOPIC: Short supply chain					
GRI 3- Material Topics (2021)	3-3 Management of material topics	77-78; 94-102			
GRI 204 - Procurement practice (2016)	204-1 Proportion of spending on local suppliers	77-78; 122			
MATERIAL TOPIC: Quality and safety of products and services and customer satisfaction					
GRI 3- Material Topics (2021)	3-3 Management of material topics	79-81; 94-102			

GRI Standards	Information	Location	Omission		
			Requirements Omitted	Reason	Explanation
GRI 417 - Marketing and labelling (2016)	417-2 Incidents of non-compliance concerning product and service information and labeling	38			
MATERIAL TOPIC: Business continuity					
GRI 3- Material Topics (2021)	3-3 Management of material topics	79-81;94-102			
MATERIAL TOPIC: Patients' health and safety					
GRI 3- Material Topics (2021)	3-3 Management of material topics	79-81; 94-102			
MATERIAL TOPIC: Service innovation and process digitization					
GRI 3- Material Topics (2021)	3-3 Management of material topics	79-81; 94-102			
MATERIAL TOPIC: Engagement and support of local communities					
GRI 3- Material Topics (2021)	3-3 Management of material topics	82-85; 94-102			
GRI 413 - Local communities (2016)	413-1 Operations with local community engagement, impact assessments, and development programs	82			
MATERIAL TOPIC: Integrity and business ethics					
GRI 3- Material Topics (2021)	3-3 Management of material topics	28; 50-53; 94-102			
GRI 207 - Tax (2019)	207-1 Approach to tax	50-53			
GRI 207 - Tax (2019)	207-2 Tax governance, control and risk management	50-53			

GRI Standards	Information	Location	Omission		
			Requirements Omitted	Reason	Explanation
GRI 207 - Tax (2019)	207-3 Stakeholder engagement and management of concerns related to tax	50-53			
GRI 207 - Tax (2019)	207-4 Country-by-country reporting	53			
MATERIAL TOPIC: Combating corruption and anti-competitive behavior					
GRI 3- Material Topics (2021)	3-3 Management of material topics	36-38; 94-102			
GRI 205 - Anticorruption (2016)	205-3 Confirmed incidents of corruption and actions taken	38		40	
GRI 206 - Anticompetitive behavior (2016)	206-1 Legal actions for anti-competitive behavior, anti-trust, and monopoly practices	38			
MATERIAL TOPIC: Direct economic value generated and distributed					
GRI 3- Material Topics (2021)	3-3 Management of material topics	47-49; 94-102			
GRI 201 - Economic performance (2016)	201-1 Direct economic value generated and distributed	48			

INDEPENDENT AUDITORS' REPORT



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

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

Pursuant to article 3, paragraph 10, of the Legislative Decree no. 254 of December 30, 2016 (hereinafter "Decree") and to article 5 of the CONSOB Regulation n. 20267/2018, we have carried out a limited assurance engagement on the Consolidated Non-Financial Statement of Servizi Italia S.p.A. and its subsidiaries (hereinafter "Servizi Italia Group" or "Group") as of December 31, 2022 prepared on the basis of art. 4 of the Decree, and approved by the Board of Directors on March 14, 2023 (hereinafter "NFS").

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

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

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

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

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

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

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

Auditor's Independence and quality control

We have complied with the independence and other ethical requirements of the Code of Ethics for Professional Accountants issued by the International Ethics Standards Board for Accountants, which is founded on fundamental principles of integrity, objectivity, professional competence and due care, confidentiality and professional behaviour. Our auditing firm applies *International Standard on Quality Control 1* (ISQC Italia 1) and, accordingly, maintains a comprehensive system of quality control including documented policies and procedures regarding compliance with ethical requirements, professional standards and applicable legal and regulatory requirements.

Auditor's responsibility

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

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

Specifically we carried out the following procedures:

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

4. understanding of the following matters:

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

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

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

In particular, we carried out interviews and discussions with the management of Servizi Italia S.p.A. and with the employees of Lavsim Higienização Têxtil S.A., Maxlav Lavanderia Especializada S.A. and Aqualav Serviços De Higienização Ltda and we carried out limited documentary verifications, in order to gather information about the processes and procedures which support the collection, aggregation, elaboration and transmittal of non-financial data and information to the department responsible for the preparation of the NFS.

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

- at the parent company's and subsidiaries' level:
 - a) with regards to qualitative information included in the NFS, and specifically with reference to the business management model, policies applied and main risks, we carried out interviews and gathered supporting documentation in order to verify its consistency with the available evidence;
 - b) with regards to quantitative information, we carried out both analytical procedures and limited verifications in order to ensure, on a sample basis, the correct aggregation of data;
- for the following companies and sites, Castellina di Soragna (PR) headquarters and Genova Bolzaneto (GE) production plant for Servizi Italia S.p.A., São Roque (Brazil) production plant for Lavsim Higienização Têxtil S.A. and Jaguariúna (Brazil) production plant for Maxlav Lavanderia Especializada S.A., which we selected based on their activities, their contribution to the performance indicators at the consolidated level and their location, we carried out site visits, during which we have met their management and have gathered supporting documentation with reference to the correct application of procedures and calculation methods used for the indicators.

Conclusion

Based on the work performed, nothing has come to our attention that causes us to believe that the NFS of the Servizi Italia Group as of December 31, 2022 is not prepared, in all material aspects, in accordance with articles 3 and 4 of the Decree and the GRI Standards.

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

DELOITTE & TOUCHE S.p.A.

Signed by
Luca Pasquini
Partner

Parma, Italy
March 28, 2023

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



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