



integrated report
2024



DOCUMENT GUIDE

This document comprises:

- **Report on Operations:** contains (a) the information required by the Civil Code and the applicable legislation on the results and progress of management and (b) the report on sustainability topics, presented on a voluntary basis
- **Financial statements:** including the accounting statements (balance sheet, income statement, cash flow statement) and the notes to the accounts.

The financial statements have been drawn up in accordance with the rules contained in Articles 2423 et seq. of the Civil Code, interpreted and supplemented by the accounting principles issued by the Italian Accounting Body (the OIC accounting principles).

The Sustainability Report has been prepared in accordance with the methodologies and principles set out in the GRI Sustainability Reporting Standards, as defined by the Global Reporting Initiative (GRI Standards). According to the reporting option in accordance with the GRI Standards.

The drafting of a Report on Operations that integrates reporting on sustainability topics, recognises the strategic relevance of ESG (Environmental - Social - Governance) topics and enables the improvement of the overall quality of published information, for the benefit of all stakeholders. This approach was also followed by the EU 2022/2464 Corporate Sustainability Reporting Directive (CSRD), transposed into Italian law by Legislative Decree 125/2024, which requires the preparation of the Sustainability Report as a specific section of the Report on Operations.

Based on the legal framework in force on the date of drafting this document, Lariotex, as a large company not listed on regulated markets in the European Union, should be subject to the application of the CSRD from 2027 corporate reporting. The European Parliament's approval of the EU 2025/794 Directive provides for a 2-year deferral of the time-limits for the entry into force of the CSRD, compared to the original deadline of 2025. The obligation to publish sustainability reporting requires the adoption of European Sustainability Reporting Standards (ESRS) as drafting criteria.

The scope of the CSRD, particularly with regard to the size thresholds of companies, as well as the contents of the ESRS, are also being reviewed by the European Commission.

Table of contents

Integrated report on operations	7
Lariotex at a glance	9
Letter to stakeholders	10
Lariotex	12
Profile and identity	12
Sustainability report	12
Economic and financial performance	13
Performance over the period	13
Assets and financial position	13
Main economic data	17
Value generated and distributed	18
Green financing - Lariotex's sustainable debt	20
Sustainability report	21
Criteria for the preparation of the consolidated financial statements	21
Business model	23
Lariotex	23
The market, customers	24
Research and Development	25
Stakeholders	26
Associations	28
Strategy and sustainability	28
Reference scenario	28
Lariotex: sustainability by choice	30
Governance and responsible conduct of the business	33
Governance of Lariotex	33
Following the rules - Compliance	35
Impacts and material topics	35
Impacts and material topics according to GRI standards	35
The process of identifying - assessing and prioritising topics	36
Material topics	38
Risk management	40
The integration of double materiality analysis (CSRD/ESRS)	43
Material topics - Goals and actions	45
Policies	50
Policies adopted to manage sustainability topics	50
Organisation, Management and Control Model Legislative Decree No. 231/2001	50
Code of Ethics and Conduct	52
Sustainability policy	53
The Charter of Values	54

Sustainability performance	56
The environment	56
Human resources	68
Quality, product safety and the role of the supply chain	75
Ethics and integrity	78
GRI Content Index	79
Audit Firm Reports	145
Statutory Auditors' Report	139
Audit Firm Reports	139
Sustainability report	139
Financial statements	139
Other information	94
Business outlook	94
Financial statements	95
Balance Sheet	98
Income Statement	101

Integrated report on operations



Lariotex at a glance

		2024	2023	2022
Economic and financial performance				
Net revenue	€ MILLIONS	65.8	60.9	90.7
Difference between production revenue and costs (A-B)	€ MILLIONS	2.8	4.7	5.9
Profit for the year	€ MILLIONS	1.0	2.5	2.8
Shareholders' equity	€ MILLIONS	17.5	17.3	15.8
Net Financial Position	€ MILLIONS	25.0	18.6	28.2
Operational cash flow	€ MILLIONS	-3.5	11.6	-14.6
Issuance of a Basket Bond ESG underwritten by Unicredit and Cassa Depositi e Prestiti with Cerved's sustainability rating assessment in 2022				
Quality, sustainability & supply chain				
	Organisation, Management and Control Model pursuant to Legislative Decree No. 231/01 with the Code of Ethics			
Policies and Management systems	4s TRACE - 4sustainability (signed up to 4Sustainability®'s Charter of Values)			
	4s MATERIALS - 4sustainability®			
Eco-friendly textile collections	% OF TOTAL SALES	82.1%	69.0%	59.9%
Standards and certifications products/collections	• GRS Global Recycle Standard • RCS Recycled Claim Standard • FSC Forest Stewardship Council • ECOVEROTM by Lenzing • BCI Better Cotton Initiative • GOTS Global Organic Textile Standard • EUROPEAN FLAX • TENCEL™ Lyocell by Lenzing • RWS Responsible Wool Standard • STANDARD 100 by OEKO-TEX®			
Human resources				
Equal opportunities - Female department managers	%	75%	75%	66%
Total turnover	%	18.2%	15.8%	11.8%
Average training hours delivered	HOURS	33.8	21.3	11.7
Health and safety - work-related injuries	NUMBER	-	-	-
Environment				
Energy consumption (internal)	GJOULE	1,167.3	1,022.2	1,275.7
Energy consumption intensity (energy per metres sold)	GJ/M*1,000	3.44	3.44	2.92
Direct/indirect emissions (GHG Scope 1 -2 location-based)	TCO ₂ E	81.9	71.6	95.2
Emissions intensity (emissions per metres sold)	TCO ₂ E/M*1,000,000	2.41	2.41	2.18
Indirect emissions (GHG Scope 3) – Trasport/WtW - Well-to-Wheel	TCO ₂ E	1,799.7	1,127.2	1,228.8

* ASSESSMENT AFTER APPROVAL OF THIS DOCUMENT

Letter to stakeholders

GRI Standards 2-22

"In a downturn, you have to lean on creativity: make the crisis a chance to reinvent yourself."

Jacques Attali

This sentence by the well-known French economist, essayist and former official sums up the spirit in which we approached last year. Geopolitical dynamics have continued to govern economic performance, helping to prolong the recession and the uncertainty of the immediate future. Confidence is the first casualty, and without it, the economy can only stall, if not regress. A difficult and tormented year, in which the textile sector has once again clearly suffered the effects of a low consumer appetite for low average incomes combined with a perceived reduction in purchasing power for average incomes. In addition, difficulties arose in the luxury sector, affecting both demand (primarily due to the sharp fall in Chinese demand) and, crucially, the upstream supply chain. Rather than eroding the profitability of the final brands, the recessive dynamic was evident in the reduction of ordered and consequently manufactured quantities.

Our company was forced to concentrate on its business model, keenly aware that it needed to adapt and transform itself, making space for creativity to grasp every available opportunity. Once again, we thank our staff first and foremost for the daily commitment they put into their work. The challenges we tackled in 2024 were major: transport issues, the stalling of the print sector and the overall atmosphere of doubt. Yet, we continued to invest and run the business according to our vision: serving the client, with maximum transparency for the benefit of all stakeholders, and maintaining our usual service mindset. We have reflected on our approach to business, which is slowly changing to capture new opportunities that we must be able to intercept in a troubled market. This does not mean fundamentally altering who we are, but elevating it, turning difficulties into a precious resource for future progress.

Some important steps have been taken, in particular with the achievement of AEO Full status, a customs authorisation which is very important for an importer such as Lariotex. And also a guarantee for those who collaborate with our company, serving as an ideal pillar for future business developments. The renovation work on the new proprietary warehouse has been completed and it is now operating at full capacity. Furthermore, the entire corporate structure has been enhanced, both in terms of resources and infrastructure. Undoubtedly, these steps were taken with a vision that extends beyond the current economic climate: we must be able to

compete even in sectors that are not strictly our own, because the dimensions of our usual reference markets have shrunk and are unlikely to return to their former state. Regarding the causes and reiterating what we said in the introduction, much could be written: instead, we prefer to concentrate on the evidence and move forward from there. The focus remains, and rightly so, on sustainability topics, despite recent European legislative updates, though still to be transposed into Italian law, which are altering certain obligations and deadlines. This does not change Lariotex's commitment to these topics, which we consider strategic regardless of past, present or future regulatory provisions. This confirms the authenticity of our actions, which have characterised our commercial and development policies since 2018, with the intention of creating and distributing value in a sustainable manner. In this regard, we reaffirm our commitment to the local area by continuing our collaboration with LIUC University in Castellanza and our support for the social cooperative Il Mosaico in Bulgarograsso (Co).

2024 demonstrated our company's potential weaknesses and showed how crucial it is to know how to respond: the figures show an increase in turnover but a drop in profit margins. The lesson we've learned for the years ahead requires us to react on several fronts: organisational, commercial and strategic. We are confident that the responses we have implemented, together with our future plans, will allow us to defend the positions we've achieved and occupy new ones. In fact, several initiatives will be launched during 2025 that will bring benefits in terms of business development and the capture of new market segments. We will detail these in the annual review of the Industrial Plan and, most importantly, in the related Business Plan.

Our motto remains "weaving the future": at its foundation is our vision, which is to provide lasting value to our clients through concrete and responsible actions. The mission is substantiated by offering a broad assortment of fabrics, with fast and efficient deliveries. The values we believe in are reliability, trust, initiative and proactivity, accompanied by open-mindedness coupled with solidity and efficiency. We are convinced that we can create value by following these principles, which are shared with our stakeholders.

Finally, let's summarise the figures for 2024: the year closed with a net profit of €1,091,305, with a total tax amount of €590,142. As is customary, the Notes to the Financial Statements include the information pertaining to the 2024 Financial Statements, among which are those concerning the financial position and the relative resources that Lariotex required to achieve its objectives. The Integrated Report on Operations, together with the Sustainability Report, contains all the information on operational performance.

Pierluigi Biondi, *Sole Director*



Lariotex

Profile and identity

Sustainability report

GRI Standards 2-1; 2-6

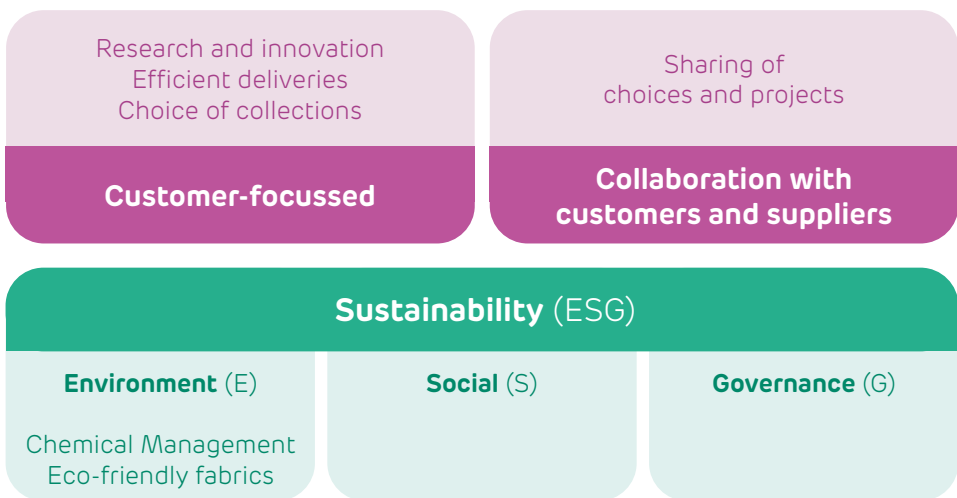
Founded in 2013, Lariotex is based in Vertemate con Minoprio (CO), in a region, that of the textile district of Como, historically devoted to the processing and trade of silk. Lariotex S.p.A. (Lariotex) operates in the wholesale trade of textile products sector and is a leading partner of Italian and foreign business customers for ready to print and/or ready to dye textiles.

At 31 December 2024, the share capital of Lariotex amounts to €10,000,000, corresponding to 10,000,000 million shares with voting rights. The controlling shareholder is Lariotrade S.r.l.. In the financial year 2024, Lariotex's revenue was €65.8 million. At 31 December 2024, the company had 26 employees.

Lariotex works daily to provide its customers with high standards: constant research, an extensive collection and fast and on-time deliveries. The company has one of the most comprehensive fabric offers, focused on fibres such as polyester, viscose, silk and cotton. Cashmere, wool, linen and flax items are also sold.

The search for innovative solutions to guarantee the quality and sustainability of the offer characterise the Lariotex business model and the relationships with stakeholders in the entire value chain (from the supply chain for the choice of fabrics and sharing of standards, to logistics management, to relationships with employees, relationships with business customers and observing market and consumer dynamics).

Lariotex believes that doing business is **communicating and collaborating to share choices, projects, innovative paths and development strategies throughout the entire value chain. Sustainability is an integral part** of every strategic company decision.



Economic and financial performance

Performance over the period

2024 was a year in which the persistence of international geopolitical tensions and the well-known military conflicts severely impacted economic growth and, particularly, the overall climate of confidence. We cannot overlook the effects on the costs and, crucially, the transit times of transport, which for an importer such as Lariotex, are essential to guarantee the correct supply across the textile supply chain. This sector, in turn, experienced the crisis in printing and the downturn in the fast fashion market. Despite this, we managed to increase our turnover and maintain profit margins at a satisfactory level, even in a particularly adverse economic climate.

With reference to the information provided by Art. 2428 of the Civil Code, the data and information concerning the Company's financial, asset and economic position are given below.

Assets and financial position

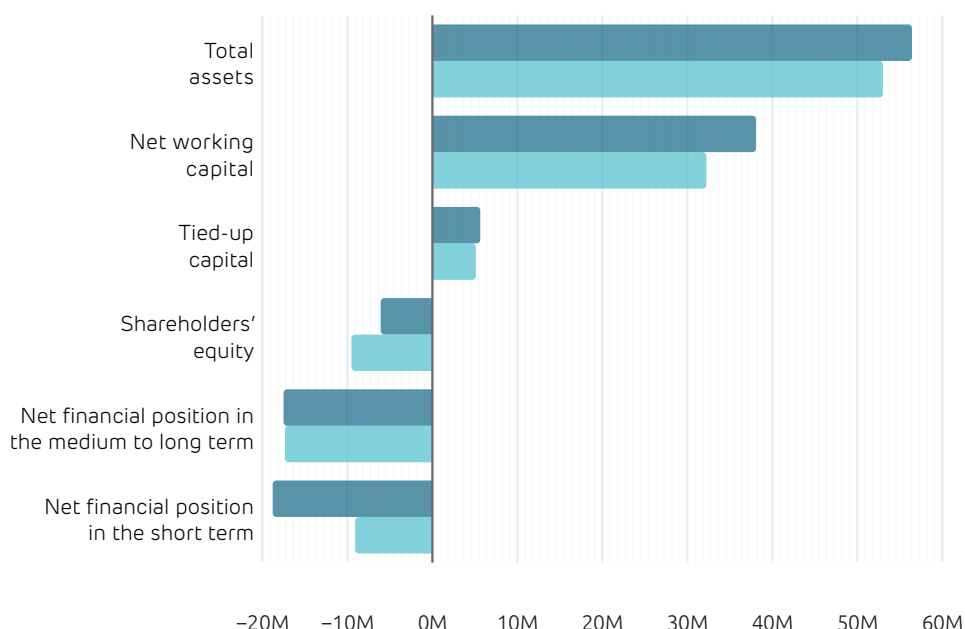
As regards the company's financial and balance sheet position, the reclassified balance sheet is shown below, with details of deviations in absolute and percentage terms from the previous year.

↓ RECLASSIFIED BALANCE SHEET				
	31/12/2024	31/12/2023	Change	% Change
Net intangible fixed assets	5,295,449	4,789,518	505,931	10.56%
Net tangible fixed assets	337,858	227,788	101,070	48.32%
Investments and other financial assets	-	101,389	-101,389	-100.00%
Tied-up capital	5,633,307	5,118,695	514,612	10.05%
Warehouse stock	26,198,364	23,077,441	3,120,923	13.52%
Trade Receivables	18,701,947	19,951,913	-1,249,966	-6.26%
Other receivables	3,145,082	916,463	2,228,619	243.18%
Pre-paid expenses and accrued income	204,672	225,192	-20,520	-9.11%
Short-term operating assets	48,250,065	44,171,009	4,079,056	9.23%
Trade payables	9,682,239	11,422,797	-1,740,558	-15.24%
Payments on account	6,830	57,822	-50,992	-88.19%
Taxes and social security contributions payable	163,459	179,198	-15,739	-8.78%
Other payables	153,012	134,331	18,681	13.91%
Accrued liabilities and deferred income	155,119	136,150	18,969	13.93%
Short-term operating liabilities	10,160,659	11,930,298	-1,769,639	-14.83%
Net working capital	38,089,406	32,240,711	5,848,695	18.14%
Net invested capital	43,722,713	37,359,406	6,363,307	17.03%

	31/12/2024	31/12/2023	Change	% Change
Employee severance pay	141,478	113,748	27,730	24.38%
Tax and social security liabilities (due after the next financial year)	-	-	-	-
Other medium and long-term liabilities	1,177,903	1,281,014	-103,111	-8.05%
Medium to long-term liabilities	1,319,381	1,394,762	-75,381	-5.40%
Shareholders' equity	-17,516,692	-17,351,302	-165,390	0.95%
Net medium/long-term financial position	-6,087,937	-9,531,209	3,443,272	-36.13%
Net short-term financial position	-18,798,703	-9,082,133	-9,716,570	106.99%
Equity and net financial debt	-42,403,332	-35,964,644	-6,438,688	17.90%
Total sources	-43,722,712	-37,359,406	-6,363,307	17.03%
Total assets	56,429,473	53,016,597	3,412,876	6.44%

↓ MAIN ASSETS AND LIABILITIES IN THE BALANCE SHEET

● 31/12/2024 ● 31/12/2023



A better description of the company's financial situation is provided in the table below in which some indices of the financial statements are shown in the financing methods of medium/long term loans and the composition of funding sources, compared to the same indices relating to the financial statements of previous years.

	31/12/2024	31/12/2023	31/12/2022
Equity less non-current assets = [A. EQUITY] - [B. FIXED ASSETS]	11,883,385	12,232,606	11,659,780
Equity divided by non-current assets = [A. EQUITY]/[B. FIXED ASSETS]	3.11	3.39	3.82
Equity plus non-current liabilities minus non-current assets = [A. EQUITY + B. PROVISIONS FOR RISKS AND CHARGES + C. EMPL. SEV. PAY + D.I.2. PAYABLES FOR LIABILITIES DUE AFTER THE FINANCIAL YEAR + D.IV.2. PAYABLES TO BANKS DUE AFTER THE NEXT FINANCIAL YEAR] - [B. FIXED ASSETS]	19,290,702	23,158,578	27,625,152
Equity plus non-current liabilities to equity ratio = [A. EQUITY + B. PROVISIONS FOR RISKS AND CHARGES + C. EMPL. SEV. PAY + D.I.2. PAYABLES FOR LIABILITIES DUE AFTER THE FINANCIAL YEAR + D.IV.2. PAYABLES TO BANKS DUE AFTER THE NEXT FINANCIAL YEAR]/[B. FIXED ASSETS]	4.42	5.52	7.68

The following balance sheet ratios (turnover ratios) complete the information regarding asset efficiency.

		31/12/2024	31/12/2023	31/12/2022
Inventory rotation = [C.I. INVENTORIES/(B.6. FOR RAW MATERIALS, SUPPLIES AND CONSUMABLES + B.11. CHANGE IN INVENTORIES)] X365	DAYS	181	174	130
Inventory rotation on turnover = [C.I. INVENTORIES/A. PRODUCTION REVENUE] X365	DAYS	145	138	104
Rotation of receivables = [C.II.1 TRADE RECEIVABLES/A.1. REVENUE FROM SALES AND SERVICES] X365	DAYS	104	120	91
Rotation of payables = [D.7. TRADE PAYABLES/(B.6. FOR RAW MATERIALS, SUPPLIES AND CONSUMABLES + B.7. FOR SERVICES + B.8. FOR USE OF THIRD-PARTY GOODS)] X365	DAYS	56	81	37

The accounting net financial position as of 31/12/2024, compared with the previous year, is as follows:

↓ NET FINANCIAL POSITION

	31/12/2024	31/12/2023	Change	% Change
Portion of receivables sold without recourse	86,815	420,215	-333,40	-79.34%
Bank deposits	1,345,461	2,287,871	-942,410	-41.19%
Cash and other securities in hand	1,366	213	1,153	541.34%
Cash and cash equivalents	1,346,827	2,288,084	-941,257	-41.14%
Financial assets that do not constitute fixed assets	1,112,460	1,018,593	93,867	9.22%
Bonds and convertible bonds (within the next financial year)	1,454,544	1,454,544	0	0.00%
Payables to shareholders for financing (within the next financial year)	0	0	0	0.00%
Payables to banks (within the next financial year)	9,739,373	6,474,672	3,264,701	50.42%
Payables to other lenders (within the next financial year)	651,287	280,017	371,270	132.59%
Advances for foreign payments	3,143,402	0	3,143,402	100.00%
Amount of short-term funding	6,356,199	4,599,792	1,756,407	38.18%
Short-term financial payables	21,344,805	12,809,025	8,535,780	66.64%
Net short-term financial position	-18,798,703	9,082,133	9,716,569	106.99%
Bonds and convertible bonds (after the next financial year)	4,727,276	6,181,820	-1,454,544	-23.53%
Amount of long-term funding	1,360,661	3,349,389	-1,988,728	-59.38%
Net medium and long-term financial position	-6,087,937	-9,531,209	3,443,272	-36.13%
Net financial position	-24,886,639	-19,033,557	-6,273,297	33.70%

A better description of the company's financial situation is shown in the table below with some balance sheet ratios, compared to the same ratios relating to the financial statements of previous years.

	31/12/2024	31/12/2023	31/12/2022
Primary liquidity = [C.II. RECEIVABLES (WITHIN THE NEXT YEAR) + C.III. FINANCIAL ASSETS THAT ARE NOT FIXED ASSETS + C.IV. CASH AND CASH EQUIVALENTS + D ACCRUALS AND DEFERRALS (WITHIN THE NEXT FINANCIAL YEAR)] / [D. PAYABLES (WITHIN THE NEXT FINANCIAL YEAR) + E. ACCRUALS AND DEFERRALS (WITHIN THE NEXT FINANCIAL YEAR)]	0.781	1.003	1.056
Secondary liquidity = [C.I. INVENTORIES + C.II. RECEIVABLES (WITHIN THE NEXT YEAR) + C.III. FINANCIAL ASSETS THAT ARE NOT FIXED ASSETS + C.IV. CASH AND CASH EQUIVALENTS + D ACCRUALS AND DEFERRALS (WITHIN THE NEXT FINANCIAL YEAR)] / [D. PAYABLES (WITHIN THE NEXT FINANCIAL YEAR) + E. ACCRUALS AND DEFERRALS (WITHIN THE NEXT FINANCIAL YEAR)]	1.612	1.944	1.915
Indebtedness = [C. EMPL. SEV. PAY + D. PAYABLES] / [A. EQUITY]	2.145	1.974	2.831
Coverage rate of fixed assets = [A. EQUITY + C. EMPL. SEV. PAY + D. PAYABLES (AFTER THE NEXT FINANCIAL YEAR)] / [B. FIXED ASSETS]	4.215	5.274	7.363

Main economic data

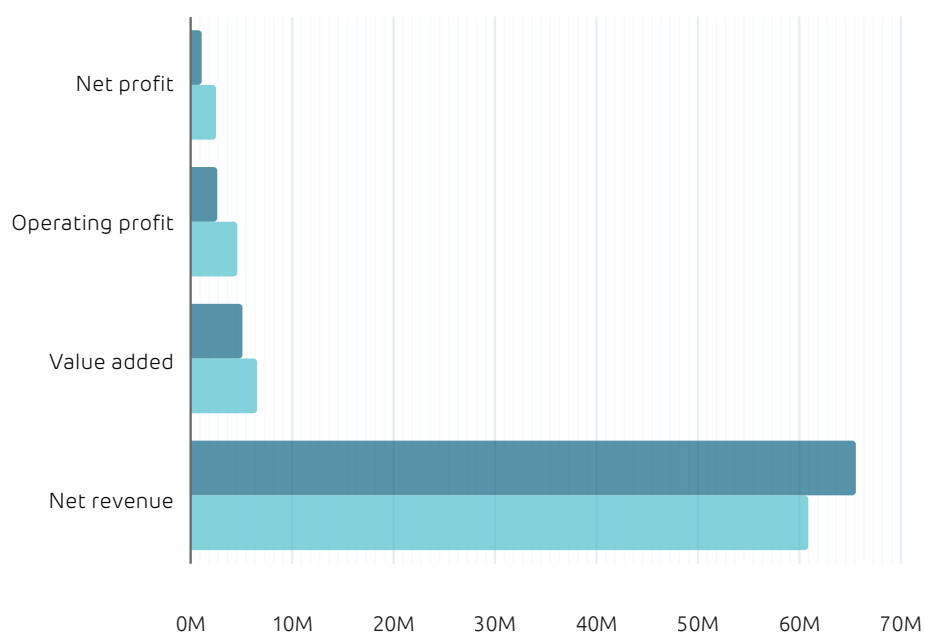
Regarding the income situation, we present the reclassified income statement compared with the previous financial year, highlighting deviations in both absolute and percentage terms.

↓ RECLASSIFIED INCOME STATEMENT FOR MARGINS

	31/12/2024		31/12/2023		Change	% Change
Net revenue	65,562,489	99.69%	60,873,220	99.88%	4,689,269	7.70%
External costs	60,454,432	91.92%	54,320,154	89.13%	6,134,278	11.29%
Value added	5,108,058	7.77%	6,553,066	10.75%	-1,445,008	-22.05%
Work cost	1,364,916	2.08%	1,162,522	1.91%	202,394	17.41%
Gross operating margin	3,743,141	5.69%	5,390,544	8.84%	-1,647,403	-30.56%
Amortisation, write-downs and other provisions	1,117,290	1.70%	792,836	1.30%	324,454	40.92%
Operating Profit	2,625,852	3.99%	4,597,708	7.54%	-1,971,856	-42.89%
Uncharacteristic revenue	206,134	0.31%	72,308	0.12%	133,826	185.08%
Financial income and charges	-1,814,021	-2.76%	-1,055,006	-1.73%	-759,015	71.94%
Ordinary Profit	1,017,964	1.55%	3,615,010	5.93%	-2,597,046	-71.84%
Revaluations/write-downs	663,483	1.01%	-77,564	-0.13%	741,047	-955.40%
Pre-tax profit	1,681,447	2.56%	3,537,446	5.80%	-1,855,999	-52.47%
Income tax	590,142	0.90%	1,032,255	1.69%	-442,113	-42.83%
Net profit	1,091,305	1.66%	2,505,191	4.11%	-1,413,886	-56.44%

↓ MAIN INCOME STATEMENT ITEMS

● 31/12/2024 ● 31/12/2023



A better description of the company's income situation is shown in the table below with some profitability ratios compared with the same ratios relating to the financial statements of previous years.

	31/12/2024	31/12/2023	31/12/2022
ROE = [A.IX PROFIT FOR THE YEAR] / [A. EQUITY]	6.23%	14.44%	17.95%
Gross ROE (including financial components + equity net of profit) = (A. PRODUCTION REVENUE – B. PRODUCTION COSTS + C. FINANCIAL INCOME AND CHARGES + D. VALUE ADJUSTMENTS OF FINANCIAL ASSETS AND LIABILITIES)/[A. EQUITY]	9.60%	20.39%	25.15%
ROI = (A. PRODUCTION REVENUE – B. PRODUCTION COSTS)/[BALANCE SHEET ASSETS]	5.02%	8.81%	9.47%
ROS = (A. PRODUCTION REVENUE – B. PRODUCTION COSTS)/[A.1. REVENUE FROM SALES AND SERVICES]	4.32%	7.67%	6.46%
ROA = (A. PRODUCTION REVENUE – B. PRODUCTION COSTS)/[(BALANCE SHEET ASSETS N + BALANCE SHEET ASSETS N-1)/2]	5.18%	8.12%	9.56%
GOM on Revenue	5.71%	8.86%	7.41%

Lariotex's target markets are mainly Italy-based customers, from whom 79.7% of revenue came from in 2024. The share of sales revenue in the European Union is 18.4% (Revenue from A1, income statement).

↓ REVENUE BY GEOGRAPHICAL AREA

		2022		2023		2024	
Italy	€ THOUSANDS	69,135	76.2%	45,553	74.8%	52,222	79.7%
European Union	€ THOUSANDS	18,441	20.4%	14,120	23.2%	12,062	18.4%
Other countries	€ THOUSANDS	3,133	3.4%	1,200	2.0%	1,278	1.9%
Total	€ THOUSANDS	90,709	100.0%	60,873	100.0%	65,562	100.0%

Value generated and distributed

GRI Standards 3-3; 201-1

The direct economic value generated and distributed highlights the allocation of value distributed to the various internal and external stakeholders and is calculated by reclassifying the income statement from the annual financial statements. In particular, the value generated refers to Lariotex's revenue (Revenue, Other operating income, Financial income), while the distributed Economic Value includes costs reclassified by stakeholder category, combined, where present, with dividends distributed to shareholders.

The economic value retained relates to the difference between the economic value generated and distributed, and includes depreciation of tangible and intangible assets, provisions, prepaid and deferred taxes. To assess Lariotex's business model, the overwhelming majority of the value distributed is to suppliers. In 2024, dividends totalling €870,000 were distributed.

↓ ECONOMIC VALUE GENERATED AND DISTRIBUTED

	2022	2023	2024
Economic value generated	90,636,783*	60,977,228	65,734,411
Suppliers - Operating expenses	(84,090,924)	(54,126,127)	(60,976,052)
Human resources - Staff costs	(1,221,357)	(1,162,521)	(1,364,916)
Banks and other lenders - Financial charges	(558,014)	(1,471,570)	(1,462,778)
Public administration - Taxes	(1,252,020)	(1,114,637)	(666,062)
Shareholders - Dividends distributed	(1,800,000)	(1,050,000)	(870,000)
Economic value distributed	(88,922,315)	(58,924,855)	(65,339,808)
Economic value retained	1,714,468	2,052,373	394,603

* THE DATA RELATING TO THE ECONOMIC VALUE GENERATED AND RETAINED PUBLISHED FOR THE YEAR 2022 DIFFER INSIGNIFICANTLY FROM WHAT WAS REPORTED IN THE PREVIOUS INTEGRATED REPORT, FOLLOWING A RECLASSIFICATION THAT AFFECTED SOME ITEMS.

↓ DISTRIBUTED VALUE 2023 - INCIDENCE



The percentage composition of the distributed value is determined by Lariotex's business model, particularly with regard to human resources versus the share distributed to suppliers.

Green financing - Lariotex's sustainable debt

Green bonds are well-established instruments for financing environmental activities and investments. The first such financial instrument was issued by the World Bank in 2008. Interest on green bonds has grown over time, but after years of increase, 2022 saw a decline in new bond issues, as well as green bonds, owing to rising interest rates, inflation, and geopolitical tensions.

In December 2022, Lariotex issued an **ESG Basket Bond (the first on the Italian market)**, worth EUR 8,000,000 million, which was underwritten by Unicredit and Cassa Depositi e Prestiti using the guarantee instruments of the European Investment Bank (EIB). The subscription took place through a Special purpose vehicle (SPV), which in turn issued securities subscribed, in equal shares, by UniCredit and CDP as institutional investors. The ESG Basket Bond is also guaranteed by the European Guarantee Fund (EGF) managed by the European Investment Bank Group (EIB), covering 90% of the losses recorded on individual bonds and up to a maximum capacity of 35% of the total portfolio.

The security issued has a maturity of 6 years, with 9 months of pre-amortisation, maturity in December 2028, ordinary amortisation, covered to 75% via derivative financial instruments and a quarterly instalment. For the issue of the security, a **sustainability rating** assessment was carried out by Cerved Rating Agency, with the definition of improvement objectives. The amount collected was intended to **finance development measures linked to the completion of the warehouse acquired in 2022, the launch of a Luxury collection and the formation of a "Foreign State" warehouse**, (goods physically present on Italian soil but not yet cleared through customs).

By 2024, the company had completed all the investments for which the bond was issued; by 31/12/2024 the remaining debt of the financing was €6,181,820.00.

Sustainability report

Criteria for the preparation of the consolidated financial statements

GRI Standards 2-1; 2-2; 2-3; 2-4; 2-5; 2-14; 3-1

The **Sustainability Disclosure** section of the Lariotex Report on Operations shall be published annually and shall contain information on environmental, social and governance issues to ensure an understanding of Lariotex's activities, its performance, results and impact. This enables those with access to this data to make informed assessments and decisions about the impacts of society and its contribution to sustainable development.

Lariotex is not subject to the obligations laid down by Legislative Decree No. 125/2024, which transposed EU Directive 2022/2464 Corporate Sustainability Reporting Directive (CSRD) into Italian law. Sustainability performance reporting is therefore on a voluntary basis and does not constitute the Sustainability Report pursuant to Legislative Decree No. 125/2024.

The Sustainability Report has been prepared according to the methodologies and principles provided by the GRI Sustainability Reporting Standards, defined by the Global Reporting Initiative (GRI Standards), under the reporting option in accordance with the GRI Standards. It reports fully on the GRI Standards indicated in the various paragraphs of the document and summarised in the GRI Content Index, which forms an integral part of the Integrated Report on Operations. The GRI Content Index allows for the traceability of the indicators and other quantitative and qualitative information presented.

The general standards published in 2021 have been adopted, which updated the drafting process, the general information and the process for identifying and assessing material topics: GRI 1 Fundamental principles; GRI 2 General report and GRI 3 Material topics.

The quantitative data and information that constitute Lariotex's Sustainability Disclosure, in accordance with the GRI Standards, are contained, unless otherwise indicated, in this [Sustainability report](#) section of the Report on Operations and are identified by reference to the GRI Standards covered in the various paragraphs, through the notation and marking GRI [number].

The Sustainability Report is prepared according to the general principles established by the GRI Standards (GRI 1 Foundation 2021 – Reporting principles): accuracy, balance, clarity, comparability, completeness, sustainability context, timeliness and verifiability.

The GRI Standards and their selected and reported performance indicators are those representative of the relevant sustainability topics (material topics) analysed, consistent with Lariotex's activity and its impacts. The process of analysing, identifying, assessing and prioritising material topics, as described in [3.4 Impacts and material topics](#), was conducted in accordance with the requirements of

the GRI Standards. This process is updated and progressively developed over the course of financial years, as part of Lariotex's sustainability reporting (accountability) journey.

The reporting scope for data and qualitative and quantitative information refers to Lariotex's performance for the entire reporting period (for the period from 01 January 2024 - 31 December 2024).

In order to allow a comparison of data over time and the assessment of the performance of the Company's activities, comparative data from the two previous financial years have been provided. Quantitative information for which estimates have been used is directly referenced in the various chapters and paragraphs of the Sustainability Report. Any restatements of data provided in previous reports are indicated and justified alongside the presentation of the updated reporting.

Managers of the various company departments have been involved in the drafting process of the Sustainability Report.

Lariotex's draft financial statements will be approved by the shareholders' meeting on 26 June 2025. The Sustainability Report contained in the document has been subject to a limited audit by Audirevi S.p.A. on the basis of the principles and indications contained in ISAE3000 (International Standard on Assurance Engagement 3000 – Revised) of the International Auditing and Assurance Standard Board (IAASB). Audirevi S.p.A. is also the company responsible for auditing Lariotex's annual financial statements.

This document is published on the Lariotex institutional website at [Sustainability - LARIOTEX](#). To request more information on this subject, go to the following address: sustainability@lariotex.com.

Lariotex notifies GRI (Global Reporting Initiative) of the use of GRI Standards and its Statement of use.

EU Directive 2022/2464 CSRD Corporate Sustainability Reporting Standards and ESRS criteria

Based on the legal framework in force on the date of drafting this document, Lariotex, as a large company not listed on regulated markets in the European Union, should be subject to the application of the CSRD from 2027 corporate reporting. The European Parliament's approval of the EU 2025/794 Directive provides for a 2-year deferral of the time-limits for the entry into force of the CSRD, compared to the original deadline of 2025.

The scope of the CSRD, particularly with regard to the size thresholds of companies, as well as the contents of the ESRS, are also being reviewed by the European Commission. This review process could lead to Lariotex being excluded from reporting obligations, as well as to their simplification.

The obligation to publish sustainability reporting requires the adoption of European Sustainability Reporting Standards (ESRS) as drafting criteria. The first set of ESRS European Sustainability Reporting Standards was adopted by the European Commission on 31 July 2023, with the publication of the related delegated EU Regulation 2023/2772 in the Official Journal of the European Union on 22 December 2023. The Commission's Delegated Regulation of 31 July 2023 complements EU

Directive 2013/34 of the European Parliament and of the Council with regard to European Sustainability Reporting Standards (ESRS).

In order to strengthen its sustainability profile, regardless of reporting obligations, Lariotex carried out a gap analysis during 2024 of the reporting requirements set out by the CSRD and the ESRS, defining an action plan aimed at ensuring regulatory compliance. Some of the actions envisaged in this plan have been implemented in advance, enabling Lariotex to include in its sustainability reporting certain disclosures required by the ESRS, which are presented in the appendix to this document [Additional ESRS Indicators](#). It should be noted that the audit firm's verifications did not extend to these indicators.

Business model

Lariotex

GRI Standards 2-6

Lariotex is an entity that, founded in the heart of the textile district of Como, is able to provide fabrics, ready for printing or dyeing, composed of different types of textile fibres. The fabrics are mainly sourced from China, although to a lesser extent imports are made from other countries such as South Korea, India and Pakistan. Lariotex's intention, right from its inception, has been to develop items that can satisfy the many requests in the district, not only as regards silk fabrics (a fibre that has historically been associated with the Como textile industry), but also and especially for items made from other, less valuable but mass-consumption fibres, such as polyester, cotton and viscose.

As an exclusively **commercial** company, Lariotex does not perform any type of production or working on the fabric, unless requested by the customer and, in this case, it is outsourced to third parties (quality control rather than a process of washing the fabric).



The market, customers

GRI Standards 2-6

The market is characterised by the presence of a small number of specialist importers located in Europe. These are generally medium/large-sized entities which, in addition to fabric, also sell yarn. The reference segment is the "Yarn and Fabrics" micro-sector, which forms part of the "Textiles, Clothing and Luxury" macro-sector. Barriers to entry are limited from a technological perspective, whilst appearing more significant in terms of brand image and design expertise; they are lower for pure converters, who merely purchase a grey product and carry out finishing processes through subcontractors, reselling the finished product, in this case, aspects of commercial organisation and image take on greater importance.

Exports play a significant role for the micro-sector and represent more than half of production. The main trading partners are France, Germany, Romania and Spain,

followed by China and Turkey as the leading non-European markets. For imports, China remains the primary sourcing market, followed at a distance by Turkey, the Czech Republic, Romania, Germany and India.

From a financial performance perspective, the sector is characterised by measured profitability levels. The main cost item is related to the purchasing component (cost of raw materials and energy components), with the need to adopt procurement policies that minimise risks associated with fluctuations in raw material prices.

Depending on the market/channel concerned, there are basically 4 types of end customers:

- **Fast Fashion** - Market with low-medium level products. Characterised by very high turnover of garments present in store that is reflected in a purchasing policy in which the times between choosing the garment and marketing it are very short.
- **Luxury Fashion** - In the world of high fashion it takes longer to produce the various Articles (clothing and accessories).
- **Ready-to-wear 'planned' fashion** - this is a medium-high range market, with operators whose outputs are not as frequent as in fast fashion and which differ by the greater care and stylistic research that goes into the garments.
- **Classic ready-to-wear fashion** - in this case, the market is particularly recognised by firms from the Prato district, with almost completely Chinese, low-cost and low-level production.

The majority of production, from an end-consumer perspective, relates to women's clothing, which occupies significant slices of all four identified sectors. The exceptions are in the Luxury sectors, where accessories represent a substantial component, whilst Fast Fashion is represented almost exclusively by women's ready-to-wear.

Research and Development

GRI Standards 2-6; 3-3

Research and development, also understood as an ability to innovate, has always been one of the drivers driving the development of the business. Lariotex's know-how in this area includes cultural heritage and sensitivity developed over time, which continues to be supported and valued internally. The ability to research the product to produce a wide range of items is a hallmark of the Firm's market approach and an extremely important competitive factor.

The choice of materials is based on the ability to meet customer needs, including sustainability and safety, which are other key issues in Lariotex's commercial policy.

Stakeholders

GRI Standards 2-29

The role of stakeholders

Stakeholders represent individuals or groups who have interests, expectations of a firm or who could be positively or negatively affected by the firm's activities. An interest (which can also be understood as participation) is something of value to an individual or group. Not all interests are equally relevant. The most serious impacts a company can have on people are those that negatively affect human rights.

Stakeholder identification and management is important to the business because it helps to better understand the needs, expectations and concerns of stakeholders and to develop relationships based on trust and mutual understanding. This can help the company improve its reputation, reduce reputational risk and create shared value for all stakeholders involved.

Companies build, develop and maintain relationships with their stakeholders over time, with tools and systems that aim to strengthen relationships and, as a result, improve their competitive position and the ability to generate and distribute value over time. Stakeholder engagement is a structural activity aimed at understanding their interests, expectations and needs, thereby facilitating more effective and informed decision-making, which can enable appropriate strategic planning and the achievement of business objectives.

The stakeholders were identified taking into account Lariotex's industry, business model and existing relationship system. In the process of identifying the material topics, the interests of stakeholders who are or may be adversely affected by the organisation's activities have been taken into account.

Stakeholder engagement and relations

The system of tools through which Lariotex manages its relations with its stakeholders is represented below. The tools are differentiated according to different stakeholder categories. Stakeholder engagement is intended to take into account their expectations, perceptions and priorities in order to meet their needs better.

Stakeholders	Engagement activities: Projects – Initiatives – Reports	Topics/expectations expressed by stakeholders
Shareholder	Shareholders' Meeting	- Operating profitability - Revenue consolidation - Sustainable growth
Banks/Lenders	- Meetings - Exchange of information, in particular on sustainability commitments - Regular reports on request	- Transparency - Constructive and regular dialogue - Working support - Timely reporting with focus on sustainability indicators, including through dedicated questionnaires
Employees	- Dialogue with Management and on-going training activities - Corporate welfare initiatives (open pension fund, meal vouchers, supplementary accident insurance, fuel cards, shopping vouchers) - Company intranet - Informal meetings and periodic company events	- Clarity of objectives - Sharing of economic and financial results - Training and professional development - Employee health and safety - Equal opportunities
Suppliers (goods and services)	- Reporting of environmental impacts in the supply chain - Sharing of chemical management practices - Commercial meetings and visits to the company and at suppliers' premises - National and international sector events and trade fairs - Partnerships with suppliers for the development of new items and for optimal management of analyses of fabrics sourced from China	- Continuity of supply - Compliance with contractual conditions - Business development (new partnerships)
Customers	- Commercial meetings and visits to the company - Self-assessment questionnaires - End customer/supply chain audits - Product research partnerships - Sharing of information on sustainability and presence of chemicals in fabrics	- Product quality - Punctuality and speed of delivery - Development of new products
Public authorities	- National and local public bodies/National/local authorities - Supervisory and regulatory bodies: meetings/sending and exchanging communications to meet requirements or specific requests	- Reporting in line with the provisions of the Bond Loan Regulation - Maintenance of internal and external compliance (Supervisory Body - mod. 231)
Media	- Institutional website - Publication of financial statements and sustainability commitment report on website - Social Media - Newsletter	Transparent communication
Community and local area	- Meetings with local community representatives - Company visits	- Synergies on sustainability topics - Voluntary initiatives

Associations

GRI Standards 2-28

Codes of conduct/standards adhered to - Please refer to Chapter [3.6 Quality, sustainability and the role of the supply chain](#) with regard to the information on the organisations and initiatives Lariotex adheres to, with specific reference to fabric production according to standards that are consistent with environmental and social sustainability.

Associations

Associations - Since 2023 Lariotex has joined the Friends of the MA*GA Museum Association, a network of citizens, institutions and businesses supporting the artistic and cultural activities carried out by the Museum based in Gallarate (VA).

During the year, the Company also decided to support the Social Cooperative "il Mosaico ONLUS", based in Bulgarograsso (CO), with a charitable donation in support of the cooperative's activities.

Lariotex has been a member of Confindustria since 2021.

Strategy and sustainability

Reference scenario

GRI Standards 2-6

The drivers that mark the development trajectories of every industry sector have sustainability and the fight against climate change among their pillars. International (such as achieving the Paris Agreement targets), continental (the European "Fit for 55" strategy and the commitment to be carbon neutral by 2050) and national (PNRR) objectives and strategies involve the textile world, the size and specificity of the impacts makes it one of the things most likely to make a significant contribution to reducing environmental impacts.

In particular, the choice to use preferred materials (that is, materials with a reduced environmental impact and with protection of social rights) is a consolidated and growing trend. Certifications ensuring the management of aspects such as using materials that have been recycled and recovered, the limitation on dispersing pollutants throughout the supply chain, reducing emissions and water withdrawals, in addition to the guarantee of fair working conditions and respect for rights characterises the sector, especially because a significant proportion of consumers are willing to make their purchasing choices according to sustainability criteria.

Regulatory instruments, in turn, push in this direction. The specificities of textiles led the European Commission to define the **EU strategy for sustainable and circular textiles**. In fact, in the European Union, the consumption of mostly imported textiles represents the fourth largest negative impact on the environment and climate change and the third largest negative impact on water and land use from a global life-cycle perspective. 5.8 million tons of textile waste are generated annually in the EU, or around 11 kg per person ("[EU Strategy for Sustainable and Circular Textiles](#)", European Commission, 2022).

The strategy aims, by 2030, to ensure that textile products placed on the EU market meet the requirements of the circular economy: durability, recyclability, saving of raw materials, recovering waste and scraps, no hazardous substances and respect for social rights.

In **2024**, the European Parliament published Directive 2024/825 on **Green Claims** in the Official Journal of the European Union,, aimed at establishing criteria to ensure that the information disclosed by companies is reliable and verifiable, thus countering misleading claims about the environmental merits of products and services. On 18 July 2024, Regulation (EU) 2024/1781 on **Ecodesign for Sustainable Products (ESPR)** came into force, repealing the previous Directive 2009/125/EC. This regulation forms part of the Circular Economy Action Plan adopted by the European Commission in 2020, which aims to improve the environmental sustainability of products placed on the European Union market, contributing to the achievement of the EU's climate and energy targets by 2030. Many provisions of the Regulation will be applied progressively through delegated acts and specific work plans. The first delegated act will enter into force in July 2025 and will establish specific requirements for certain priority product groups, including textile products. From July 2026, large enterprises will be obliged not to destroy unsold products and to disclose information relating to these products; this obligation will also be extended to medium-sized enterprises from July 2030. Among the main points addressed by the ESPR is the adoption of a **digital passport** for each product, aimed at tracking components and the supply chain, which will be available to end consumers. In this context, producers will have responsibility for their products along the value chain, even when these products become waste (EPD - Extended Producer Responsibility).

The foundations for a sustainable global transition of the sector can be summarised as follows ("[Just Fashion Transition](#)", The European House Ambrosetti, 2024):

Delay in achieving the climate targets set.	In recent years, the European fashion industry has managed to reduce the rate of CO ₂ emissions without sacrificing economic growth. However, it is expected to achieve the binding climate targets relating to the decarbonisation pathway envisaged by Fit for 55 by 2038 rather than 2030.
Legislative framework	Ten years on from the Paris Agreement, the European Union continues to promote sustainable transition; however, the absence of clear guidelines undermines the competitiveness of businesses. While increasing the focus on end-of-life management of fashion products, the available infrastructure remains inadequate. Closing regulatory gaps would enable companies to align themselves with medium and long-term targets for sustainable transition.
Simplify access to financial instruments for SMEs	Simplifying bureaucratic processes and facilitating access to credit and favourable financial conditions for SMEs would be a useful driver to encourage them to undertake sustainable investments.
Strengthen skills and research and development	Support for capacity-building initiatives among SMEs, through the creation of national centres of expertise and the involvement of universities and research centres, would lead to skills development and acceleration in research and development areas.
Promote National Industrial Plans for the fashion sector	The development of a strategic sector plan aimed at integrating the costs of sustainable transition into the pricing structure, together with effective monitoring of the value chain to combat labour exploitation, represents a valid approach to foster cooperation and close the gap accumulated in the sector's transition.
Concentrate the market to increase competitiveness	Support consolidation, especially of SMEs, to improve the productivity and investment capacity necessary to achieve a just transition. This can take place through a process of tax reliefs, credit facilitation and public funding.
Make sustainability business choices more profitable	Unlocking and fully exploiting the potential for change of EU companies by promoting the development, dissemination and large-scale adoption of green technologies throughout the fashion value chain

In order to achieve these results, the choice of production materials is essential. This is the point in the supply chain where Lariotex operates and where its contribution is significant: ensuring the selection of the best materials in terms of sustainable processes and the absence of substances harmful to humans and the environment.

Lariotex: sustainability by choice

GRI Standards 2-6

Lariotex pursues its market objectives by adopting policies and lines of action which place a considerable focus on the gradual reduction of hazardous chemical substances used in the production of textile materials and on the marketing of Eco-friendly fabric ranges, which complement sustainability and represent key points of reference of its business model:



Chemical
management



Eco-friendly
fabrics



Traceability

Policies implemented for the management of chemical components show a choice for the health of end-users and users of textile products, but also a willingness and commitment to minimise the environmental impacts associated with the processes of spinning, weaving and dyeing of raw materials and textile fibres. The commitment to the traceability of all impacts along the supply chain is an element of responsibility in managing the significant aspects related to Lariotex's business.

Lariotex does not believe ethics and profit conflict, since there can be no economic development that is separate from social and environmental matters. Since 2018, the company has adopted a Sustainability policy, which envisages objectives related to environmental and social aspects. The aim is to contribute to generating positive change at global level, assuming a clear environmental and social responsibility. For more information on the company's sustainability policy, please refer to Chapter [3.5 Sustainability policies/Policy](#).

Lariotex's contribution to sustainable development

Lariotex considers sustainability a cornerstone of its business model, essential for generating lasting value for its stakeholders. Through its activities, Lariotex aims to mitigate negative environmental and social impacts along the value chain, contributing to sustainable development.

The SDGs - Sustainable Development Goals, 17 Goals for sustainable development - form an integral part of the United Nations' 2030 Agenda, within an action programme with objectives to be achieved in the environmental, economic, social and institutional spheres by 2030. Taking into account its business model, activities and material sustainability topics, Lariotex has identified certain SDGs as priorities in terms of commitment and contribution to their achievement:

	SDG 3 Ensure healthy lives and promote well-being for all at all ages	3.9 By 2030, substantially reduce the number of deaths and illnesses from hazardous chemicals and air, water and soil pollution and contamination
	SDG 4 Ensure inclusive and equitable quality education and promote lifelong learning opportunities for all	4.4 By 2030, substantially increase the number of young people and adults who have relevant skills, including technical and vocational skills, for employment, decent work and entrepreneurship
	SDG 5 Achieve gender equality and empower all women and girls	5.5 Ensure women's full and effective participation and equal opportunities for leadership at all levels of decision-making in political, economic and public life
	SDG 6 Ensure availability and sustainable management of water and sanitation for all	6.3 By 2030, improve water quality by reducing pollution, eliminating dumping and minimising release of hazardous chemicals and materials, halve the proportion of untreated wastewater and substantially increase recycling and safe reuse globally
	SDG 7 Ensure access to affordable, reliable, sustainable and modern energy for all	7.2 By 2030, significantly increase the share of renewable energy in the global energy mix
	SDG 8 Promote sustained, inclusive and sustainable economic growth, full and productive employment and decent work for all	8.2 Achieve higher levels of economic productivity through diversification, technological upgrading and innovation, including through a focus on high-value added and labour-intensive sectors 8.8 Protect labour rights and promote safe and secure working environments for all workers, including migrant workers, in particular women migrants, and those in precarious employment
	SDG 10 Reduce inequality within and among countries	10.2 By 2030, enhance and promote the social, economic and political inclusion of all, regardless of age, sex, disability, race, ethnicity, origin, religion, economic status or otherwise
	SDG 12 Ensure sustainable consumption and production patterns	12.2 By 2030, achieve sustainable management and efficient use of natural resources 12.4 By 2030, achieve the environmentally sound management of chemicals and all wastes throughout their life cycle, in accordance with agreed international frameworks, and significantly reduce their release to air, water and soil in order to minimise their adverse impacts on human health and the environment 12.5 By 2030, substantially reduce waste generation through prevention, reduction, recycling and reuse
	SDG 13 Take urgent action to combat climate change and its impacts	13.2 Integrate climate change measures into national policies, strategies and planning
	SDG 16 Promote peaceful and inclusive societies for sustainable development, provide access to justice for all and build effective, accountable and inclusive institutions at all levels	16.5 Substantially reduce corruption and bribery in all their forms 16.7 Ensure responsive, inclusive, participatory and representative decision-making at all levels

Governance and responsible conduct of the business

Governance of Lariotex

GRI Standards 2-9; 2-10; 2-11; 2-12; 2-14; 2-15; 2-17; 2-18; 2-19; 2-20

The Company adopts a system of administration and control which is structured around the following bodies:

- **Shareholders' Meeting** - responsible for matters provided for by current legislation and the Articles of Association;
- **Sole Director** - responsible for the management of the Company. Appointed by the Shareholders' Meeting, the Sole Director is vested with the broadest powers for ordinary and extraordinary administration, with the authority to undertake all acts deemed necessary for the achievement of the corporate purpose, with the exception of those reserved by law to the Shareholders' Meeting;
- **Board of Statutory Auditors** - body responsible for the supervisory function.

The statutory audit is entrusted to Audirevi S.p.A..

Currently, the Company has not defined specific criteria or policies regarding the remuneration of the Director, nor has it formalised a performance evaluation process in this regard.

As a result of the adoption of the Organisation, Management and Control Model under the terms of Legislative Decree No. 231/2001 ("Model 231") a Supervisory Body was also appointed in 2021, which ensures correct operation of "Model 231" and ensures it is updated. Lariotex's Governance Model, reinforced by the adoption of Model 231, includes the verification of potential conflicts of interest of management, appropriate conduct principles for dealing with any related parties and the pursuit of shared values set out in the Code of Ethics.

Sole Director	
Pierluigi Biondi	Sole Director
Board of Statutory Auditors	
Francesco Gianluca Pecere	Chairman
Gianmario Ferrari	Auditor
Giuseppe Erba	Auditor

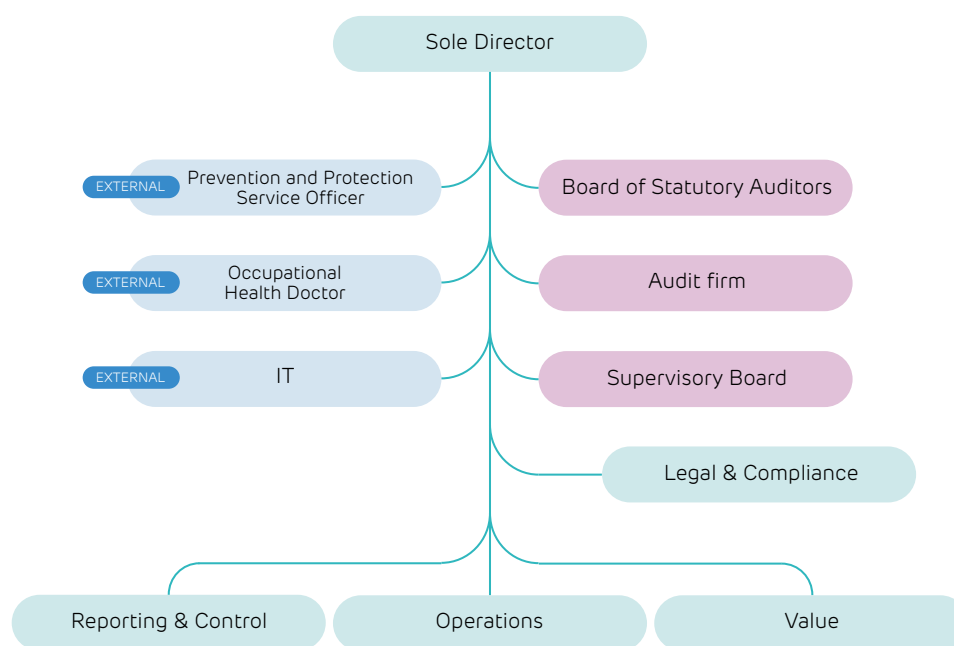
Sustainability governance

The Sole Director plays a central role in the governance structure of Lariotex, with leadership powers regarding defining and implementing the strategy and in relation to the Company's organisational issues. As part of the sustainability governance processes, the Director oversees the preparation of the Sustainability Report, including the identification of the material topics.

The Sole Director has the support of the Value department for the coordination of the operational phases of the process, such as stakeholder involvement, the integration of assessments and the identification of relevant impacts and topics, over which he has direct supervisory authority.

Delegation processes and organisational structure

GRI Standards 2-9; 2-13; 2-16



Three of the four department heads who report directly to the Sole Director (Management) are female.

The areas covered by the department heads are:

- **Reporting & Control:** the administrative-accounting department is responsible for the accounting records of management events, the determination of economic and financial results, and the preparation of final and forecast reports for various stakeholders. This department manages the entire billing cycle, from customer records to collection and payment management, as well as periodic processing in compliance with tax regulations and the preparation of the financial statements.
- **Operations:** the Company's operational department, within which the processes for the purchase and sale of marketed items are managed. Specifically, it oversees training and development on goods, handles their receipt and dispatch, as well as their storage. It manages goods in transit, i.e., those owned by Lariotex but not yet physically present in the available warehouses as they are en route to them. Finally, it manages relationships with Customs authorities involved in import procedures.

- **Value:** the department that manages product and process certifications, handles the control of supply chains for purchased products, supports external audits and provides the registration of marketed items after approving their respective technical data sheets. The Value department also prepares the Sustainability Report, collecting the necessary data and overseeing its processing and communication to Stakeholders. Furthermore, it collaborates with the Sample Department to verify product compliance and manages supplier disputes. It manages the company image and social media communication. With the exception of credit risk, it manages corporate risks and monitors their coverage.
- **Legal & Compliance:** this department is tasked with aligning the business with various current regulations, including privacy, anti-money laundering, administrative liability for corporate offences, and safety. The area is also responsible for Staff management and Receivables Monitoring and related risks.

Communication processes

Within the scope of their responsibilities, department heads report to the Sole Director on any issues and concerns that have arisen in the performance of their activities or that have come to their attention, so that the Sole Director can take appropriate action. No complaints were received during 2024.

Following the rules - Compliance

GRI Standards 2-27

Following the environmental rules

During the year, and in the previous one, no events have occurred that have given rise to sanctions and/or disputes for non-compliance with laws, rules or regulations on environmental matters. Similarly, on the date of publication of this document, there are no ongoing environmental disputes.

Non-compliance with laws and regulations in the social, economic and tax area

On the date of this document, there are no existing cases of breaches of the laws and/or regulations relating to provisions of a social, economic and tax nature. No sanctions of this type were received in 2024 and no important proceedings in this respect are indicated.

Impacts and material topics

Impacts and material topics according to GRI standards

GRI Standards 3-1

According to GRI standards, impacts refer to the economic, environmental and social effect, including human rights impacts, that a company has or might have as a result of its activities or business and commercial relationships. Impacts may be actual or potential, negative or positive, short- or long-term, intentional or unin-

tentional, reversible or irreversible, and represent an organisation's positive or negative contribution to sustainable development. Impacts, depending on their different nature (economic, environmental and social) are interrelated and indicate the company's contribution, negative or positive, to sustainable development. The most significant impacts, as identified by the company using the approach described in the following paragraphs, are material topics.

The materiality analysis process always takes into account a dynamic reference context, typical of business management, which is called upon to address topics and associated impacts that change over time, both in nature and in relevance of impact, influencing strategy, business model, relationship system and decisions.

The impacts of a company's business activities and relationships on the economy, the environment and people can also have positive and negative consequences on the company's operations or reputation and therefore, in many cases, those consequences are also financial or could become so in the medium and long term. Understanding these impacts is therefore necessary for a company to identify any significant risks and opportunities connected to them that may influence the company's value.

The process of identifying - assessing and prioritising topics

GRI Standards 3-1

The process of identification analysis, assessment and subsequent prioritising of material topics for the purposes of this Integrated Report has been carried out in accordance with the requirements of the GRI standards.

Understanding the context of the organisation

Lariotex's scenario and framework, the business model, business activities and commercial relationships, as well as the sustainability context and stakeholder analysis, are set out in the previous chapters of this document.

Identifying actual and potential impacts

The process of identifying Lariotex's actual and potential impacts on the economy, the environment and people, including those on human rights, was conducted through the analysis of external sources, internal sources, taking into account stakeholder consultation and engagement, who, through the engagement methods adopted by the Company, assist it in identifying a strategic direction that also focuses on material aspects highlighted by the stakeholders themselves.

External sources

Regulatory framework - EU Strategy for Sustainable and Circular Textiles

World Economic Forum - Strategic Intelligence/Global Risk Report

OECD Organisation for Economic Co-operation and Development - Due Diligence Guidance for Responsible Business Conduct/OECD sectoral guidance on due diligence

SASB – Sustainability Accounting Standards - Materiality Finder

ESRS – European Sustainability Reporting Standards

IFRS-S

Industry studies and research - megatrend

Reports from local - national - international government agencies

Reports/insights from industry associations and organisations

Lariotex's main peer benchmarking and strategic partners: a) Material topics; b) Policies; c) Risk management

Internal sources

Organisational and Management Model Mod.231

Lariotex Code of Ethics

Certification Audits (GOTS, European Flax, GRS, RCS, FSC)

Assessment of relevance and prioritising impacts

The phase of assessing the materiality of the identified impacts aims to establish their priority. Prioritisation allows the company to determine the material topics to be reported but, above all, to more effectively and materially define the commitments and actions needed to address impacts. The significance of an impact depends on a company's specific conditions, the sector in which it operates and its business model.

The relevance of an actual negative impact depends on the severity of the impact itself, while that of a potential negative impact depends on the severity and likelihood of the impact. Severity is defined by the GRI Standards on the basis of three dimensions: a) scale: how severe the impact is; b) scope: how widespread the impact is; c) irreparability characteristics.

The magnitude of an actual positive impact depends on the scale and scope of the impact itself, while the magnitude of a potential positive impact depends on both scale and scope and on the likelihood of the impact itself. In the case of positive impacts, the scale of an impact refers to the actual and/or potential benefits of the impact, while the scope refers to its actual or possible magnitude.

The conclusion of the process concerned the prioritisation of the impacts identified and assessed, in relation to their importance and based on a defined threshold. Impacts that have been identified as most relevant are reported within this document.

Material topics

GRI Standards 3-2

The results of the activities carried out are summarised in the following table, which highlights the material topics, the underlying impact areas (descriptions and reasons for the relevance of the selected topics), the characteristics of the material topic and the specific indicators (GRI Standards) used for reporting, which are detailed in the GRI Content Index, which is an integral part of this document.

The material topics are grouped according to the ESG (environmental, Social, Governance) classification, which is also consistent with EU Directive 2022/2464 (CSRD).

Material topic		Impacts	GRI Contents Index	
		SUMMARY	CHARACTERISTICS	TOPIC STANDARDS
E	Environmental			
1	Energy consumption, emissions and climate change	Use and efficiency of energy sources and reduction of negative impacts linked to emissions caused by logistics to mitigate the effects of climate change [NEGATIVE]	Actual: Lariotex energy consumption and supply chain emissions	302 Energy
			Direct and through business relationships	
			Short- to medium- to long-term (structural to the business model)	305 Emissions
			Expected as connected to current processes	
2	Raw materials (use of resources)	Selection of raw materials produced through sustainable processes, in particular renewable and recyclable materials [NEGATIVE]	Effective: training plans aimed at competency development Effective: Training plans aimed at competency development	301 Tangible
			Direct: related to direct activities only	
			Short- to medium- to long-term (structural to the business model)	
			Expected as connected to the business	
S	Social			
3	Human resources: Management, training and development	Attract talent, career support and development [POSITIVE]	Actual: training plans aimed at developing skills	401 Employment
			Direct: related to direct activities only	
			Short- to medium- to long-term (structural to the business model)	404 Training and education
			Expected as connected to the business	
4	Occupational health and safety	Provide working conditions that protect and monitor the health and safety of all employees [NEGATIVE]	Potential: monitoring of accidents and workplace health and safety policies	403 Occupational health and safety
			Direct: related to direct activities only	
			Short- to medium- to long-term (structural to the business model)	
			Expected as connected to the business	
5	Human resources: Diversity Equality Inclusion	Creating a work environment that respects and values diversity, without discrimination, is inclusive and that ensures equal opportunities and fair treatment [POSITIVE]	Actual: protection through the company's Code of Ethics	405 Diversity and equal opportunities
			Direct: related to direct activities only	
			Short- to medium- to long-term (structural to the business model)	406 Non-discrimination
			Expected as connected to the business	

6	Sustainable management of the supply chain	Selection, qualification, management and monitoring of the supply chain according to sustainability criteria and parameters (governance, social and environmental indicators) [NEGATIVE]	Actual: ESG supply chain management and monitoring	308 Supplier environmental assessment
			Through business relationships (structural to the business model)	
			Short- to medium- to long-term (structural to the business model)	414 Supplier social assessment
			Expected as connected to current processes	
7	Product quality and responsible customer relationships	Ability to supply a quality product, and build customer relationships based on the transparency of product characteristics and marketing [POSITIVE]	Actual: monitoring product quality through certifications	417 Marketing and labelling
			Direct and through business relationships	
			Short- to medium- to long-term (structural to the business model)	
			Expected as connected to current production processes	
8	Product safety and chemical management	Ability to implement and offer innovative services and solutions, consistent with the expectations and needs of consumers/communities and the protection of their health, in compliance with the relevant legislation [NEGATIVE]	Actual: following PRSL 4sustainability and MRSL ZDHC protocols	416 Customer health and safety
			Direct and through business relationships	
			Short- to medium- to long-term (structural to the business model)	
			Expected as connected to current production processes	
G Governance				
9	Integrity and ethical conduct of the business	Ethical business management through policies and procedures that ensure regulatory compliance and tax transparency [POSITIVE]	Actual: MOG Legislative Decree No. 231/2001 and the Code of Ethics	205 Policy
			Direct and through business relationships (structural to the business model)	206 Anti-competitive behaviour
			Short- to medium- to long-term (structural to the business model)	418 Customer privacy
			Expected as connected to the business	
10	Generation and distribution of value	Ability to generate economic and financial value to ensure business continuity over time and distribution of value to stakeholders [POSITIVE]	Actual: creation of economic value generated and distributed	201 Economic performance
			Direct and through business relationships (structural to the business model)	
			Short- to medium- to long-term (structural to the business model)	
			Expected as connected to the business	
11	Innovation, research and development	Investment in research, development and innovation with the aim of reducing the environmental impacts of the entire supply chain and thus generating positive environmental and social impacts [POSITIVE]	Actual: development of eco-friendly collections	Reporting topic with general information (GRI 2)
			Direct and through business relationships (structural to the business model)	
			Short- to medium- to long-term (structural to the business model)	
			Expected as connected to current production processes	

The priority impacts of Lariotex, as assessed in the prioritisation process, are mentioned below. In line with Lariotex's business model, great importance is attached to issues relating to the social sphere and the search for sustainable raw materials.

Material topics - LARIOTEX

- Raw materials (resources)
- Product safety and chemical management
- Sustainable management of the supply chain
- Product quality and responsible customer relationships
- Energy consumption, emissions and climate change
- Generation and distribution of value
- Human resources: Management, training and development
- Human resources: Diversity Equality Inclusion
- Integrity and ethical conduct of the business
- Human resources: Occupational health and safety
- Innovation, research and development

Changes since the previous reporting period

No changes are reported in the material topics identified during the previous reporting period.

Risk management

GRI Standards 3-3

Risks and uncertainties the company is exposed to

In previous years, Lariotex carried out a preliminary analysis to identify the risk areas of concern to the Company and to define the relevant mitigation measures. The risk assessment is divided into three steps: a) Assessment of the inherent risk; b) Assessment of the effectiveness of controls; c) Assessment of the residual risk.

The risk model, which is the set of risk categories to which Lariotex could be exposed, is summarised in the following table: together with **some specific risks identified**. It also includes an indication of the **material topics related to the risk areas**.

Lariotex is currently engaged in the evolution of its risk management system, with the objective of developing an integrated and cross-functional approach. In particular, a process of identifying risks and opportunities is underway, aimed at defining and implementing a structured framework for the management of compliance risks, applied to individual business processes, in order to ensure systematic and consistent oversight of the main risk areas. Lariotex thus aims to strengthen risk culture and promote an integrated and coordinated view of the most signifi-

cant risk profiles. The ongoing activities will be progressively developed and formalised in future financial years, contributing to stronger governance aligned with ESG principles and the increasing regulatory and transparency requirements.

The current procedures for managing risk areas are outlined in the various sections of this document, in the analysis and reporting of material topics, as well as in the objectives defined for the various material topics, which reference certain aspects concerning policies and procedures aimed at more effective management of risks related to sustainability topics.

Risk category	Risk area	Specific risks identified	Related material topics
Strategic risks	Strategies definition and implementation		• 2 Raw materials (use of resources) • 10 Generation and distribution of value
	Reputation		• 2 Raw materials (use of resources) • 6 Supply chain management • 7 Product quality and responsible customer relationships • 9 Integrity and ethical conduct of the business
	Governance		• 9 Integrity and ethical conduct of the business
Operational risks	Health and safety		• 4 Human resources: Occupational health and safety
	Environment		• 1 Energy consumption, emissions and climate change • 2 Raw materials (use of resources)
	Suppliers	• Partial/temporary blocking or suspension of critical supplies due to supplier-related dynamics.	• 2 Raw materials (use of resources) • 6 Supply chain management • 9 Integrity and ethical conduct of the business
	IT systems	• Compromise of confidentiality/integrity/availability of personal data (employees, suppliers, customers) related to information systems. • IT systems/data networks unavailable/malfunctioning due to a logic attack.	
	Business Continuity		• 2 Raw materials (use of resources) • 6 Supply chain management • 7 Product quality and responsible customer relationships • 9 Integrity and ethical conduct of the business
	Product	• Non-compliance of the finished product (e.g. concealed defects on the fabric, non-compliance with sustainability principles).	• 2 Raw materials (use of resources) • 7 Product quality and responsible customer relationships
	Human resources	• Loss of key skills/knowledge (e.g. Sales area, Sustainability and Control area). • Qualitative sizing of staff not consistent with the organisation's needs in terms of outdated skills.	• 3 Management, training and human resources development • 5 Human resources: Diversity Equality Inclusion
	Processes and procedures		• 3 Human resources: Management, training and development • 6 Supply chain management • 7 Product quality and responsible customer relationships • 9 Integrity and ethical conduct of the business

External risks	Natural events/climate change		• 1 Energy consumption, emissions and climate change
	Macroeconomic and geopolitical context	• Geopolitical instability and increased transport costs • Fluctuation of raw material prices	• 6 Supply chain management
	Customers		• 2 Raw materials (use of resources)
	Changes to the regulatory framework		• 2 Raw materials (use of resources)
	External illegal acts	• Misappropriation of funds by external parties.	• 9 Integrity and ethical conduct of the business
Compliance risks	Compliance with external regulations	• Compromise of confidentiality/integrity/availability of personal data resulting from inadequacy of the privacy model	
	Compliance with internal regulations		
	Legal		• 6 Supply chain management • 9 Integrity and ethical conduct of the business
Financial risks	Liquidity Credit Capital structure Market	• Generating insufficient cash flows to ensure payment deadlines and/or targets are met. • Interest rate fluctuations. • Reduction in margin caused by unfavourable exchange rate changes. • Reduction in margin caused by unfavourable fluctuations in sea and air freight prices.	• 10 Generation and distribution of value

The integration of double materiality analysis (CSRD/ESRS)

The analysis of material topics carried out for the purposes of the 2024 Sustainability Report was performed taking into account and also integrating the requirements of the CSRD and the ESRS. The ESRS require that material topics be identified and assessed according to an approach defined as "double materiality analysis" (Double Materiality Assessment), which assesses the impact materiality and financial materiality of the risks and opportunities (IRO Impact Risk Opportunities) of the various environmental, social and governance topics.

- Impact Materiality – Significant actual or potential impacts on people and the environment, directly connected to an organisation's activities, products and services.
- Financial Materiality – sustainability risks and opportunities that may influence enterprise value (in terms of financial effects).

The impacts, risks and opportunities also include those that arise or may arise within direct and indirect business relationships in the value chain (activities, sectors, geographical areas, operations, suppliers, customers, other relationships, where there is a probability that material IROs are generated/exist). For the purposes of the double materiality analysis, Lariotex has considered where the analysed impacts, risks and opportunities are concentrated. In particular, for its upstream value chain, direct suppliers were considered, whilst for the downstream value chain, customers were taken into account.

To determine risks and opportunities, Lariotex developed its analysis as follows: a) analysis of the main types of risk identified and referred to in paragraph [3.4 Impacts and material topics/Risk management](#); b) other risks/opportunities, both arising from own operations and along the value chain, were identified and defined following an internal consultation involving department heads.

In the reporting paragraphs on material topics (material topics according to GRI Standards terminology), analytical information on the impacts, risks and opportunities identified and relating to individual topics is provided.

The following table provides evidence of the reconciliation between the material topics reported in this document, identified and assessed according to the process referred to above, and the corresponding sustainability topics required by the ESRS (ESRS 1 General requirements, AR 16).

GRI topic standards		ESRS standards	
TOPIC NAME	GRI STANDARD	MATERIAL TOPIC	MATERIAL SUB-TOPIC
Environmental topics			
Energy consumption, emissions and climate change	GRI 302 Electricity	E1 Climate change	Energy
	GRI 305 Emissions		Climate change mitigation
Raw materials (use of resources)	GRI 301 Materials	E1 Climate change	Resource inflows, including resource use
Social issues			
Human resources: Management, training and development	GRI 401 Employment	S1 Own workforce	Operating conditions
	GRI 404 Training and education		
Human resources: Occupational health and safety	GRI 403 Occupational health and safety		Equal treatment and opportunities for all
Human resources: Diversity Equality Inclusion	GRI 405 Diversity and equal opportunities		Other work-related rights
	GRI 406 Non-discrimination		
Supply chain management	GRI 308 Supplier environmental assessment	S2 Workers in the value chain	Operating conditions
	GRI 414 Supplier social assessment		Equal treatment and opportunities for all
			Other work-related rights

Integrity and ethical conduct of the business	GRI 418 Customer privacy	S4 Consumers and end users	Impacts related to information for consumers and/or end-users
Product safety and chemical management	GRI 416 Customer health and safety		Personal safety of consumers and/or end-users
Product quality and responsible customer relationships	GRI 417 Marketing and labelling		
Governance topics			
Supply chain management	GRI 308 Supplier environmental assessment	G1 Business conduct	Supplier relationship management, including payment practices
	GRI 414 Supplier social assessment		
Integrity and ethical conduct of the business	GRI 205 Anti-corruption		Active and passive corruption
	GRI 206 Anti-competitive behaviour		Protection of whistle-blowers
-	-		Company culture
Generation and distribution of value	GRI 201 Economic performance	-	-
Innovation, research and development	Reporting topic with general information (GRI 2)	-	-

Material topics - Goals and actions

GRI Standards 3-3

During 2024, Lariotex continued its activities following the guidelines of the Sustainability Plan, a reference point for organising company initiatives. In particular, during the year, important milestones were achieved, including the commissioning of the photovoltaic system, the mapping of indirect emissions along the value chain (GHG Scope 3), obtaining AEO (Authorised Economic Operator) authorisation, and the launch of a process for greater internal sharing of economic and ESG results through an initial dedicated event with the Company's employees.

Some projects also remain under development: these include the updating of the Code of Ethics and the Model 231/2001, the preparation of a code of conduct for suppliers, and the creation of a platform for monitoring environmental and social risks in the supply chain. The ISO 9001:2015 management system is also in the process of being adopted.

Some initiatives originally planned have been subject to strategic reassessment, in light of the evolution of business priorities and the operating context. In particular, some actions linked to the use of certified or recycled materials have been reconsidered. Other initiatives, on the other hand, being an integral part of established business practices, have been repositioned within current activities.

Material topic	Sustainability plan objectives						
	DESCRIPTION	ACTIONS	INDICATORS	BASE YEAR 2023	STATUS 2024	TARGET YEAR	
						2025	2026
Environmental							
Energy consumption, emissions and climate change	Reduce greenhouse gas (GHG) emissions from activities in Lariotex plants and in its value chain (7.2 - 13.2)  	Use of 100% of electricity from renewable sources in Lariotex plants (internal photovoltaic system + GO contracts)	RENEWABLE ENERGY USED FOR INTERNAL	-	Commissioning of the photo-voltaic system	20%	40%
		Replacement of the consumption of LPG for heating in favour of electricity from renewable sources	LPG CONSUMPTION	3150 L	4400 L	-	No LPG consumption
		Mapping of indirect emissions along the value chain - GHG Scope 3 - and calculation of societal significant categories	-	-	Mapping of significant categories	-	Calculation of emissions for all significant categories
		Selection of reliable and environmentally conscious transport companies - policies, processes and monitoring	% CONVEYORS SELECTED THROUGH ENVIRONMENTAL CRITERIA	-	Mapping of transport providers	Monitoring of transport providers	Phase-out of transport providers that do not meet the selected environmental criteria
Raw materials (use of resources)	Favour raw materials with a lower environmental and social impact, such as raw materials that are recycled or reconditioned, traced and traceable, organic and/or related to sustainable initiatives (12.2) 	Keep at least 50% of the fabrics sold the ECO line	FABRICS SOLD BELONGING TO THE ECO LINE/ TOTAL FABRICS SOLD	69.0%	82.0%	at least 50%	at least 50%
		Keep at least 50% of the fabrics purchased the ECO line	FABRICS PURCHASED BELONGING TO THE ECO LINE/ TOTAL FABRICS PURCHASED	73.2%	87.7%	at least 50%	at least 50%

Social							
Human resources: Management, training and development	Educate and train employees to foster internal growth and stimulate research and innovation	Define employee development plans		-	-	Preparation of the 2025 training plan for senior management	Extension of the plan to some key figures
	(4.4) 	Prepare an annual climate analysis to understand the needs and difficulties of employees		-	-	Preparation, distribution and analysis of the climate survey	In continuity with the business
		Share economic results and ESG with employees for greater involvement in business development		-	Organisation of an initial sharing event	In continuity with the business	In continuity with the business
Human resources: Occupational health and safety	Ensure health and promote a safe and protected working environment for all workers	Provide ongoing training for all employees on health and safety issues	% OF EMPLOYEES WITH UP-TO-DATE HEALTH AND SAFETY TRAINING PURSUANT TO LEGISLATION	100%	100%	100%	100%
	(8.8) 	Keep employee injury rates at zero	NO. ACCIDENTS	-	-	-	-
Human resources: Diversity Equality Inclusion	Protect human rights by adopting policies and creating programmes aimed at spreading an inclusive culture of respect and equal treatment in the protection of all differences, not just gender differences (5.5 - 10.2)  	Update of the Code of Ethics and Mod. 231/2001, assessing the integration of additional policies not covered to date		-	Being updated	Update finished	

Supply chain management	Ensure monitoring of the environmental and social impacts of the production process, and limit the impact on ecosystems caused by the supply of raw materials (6.3 - 12.5)	Draft a supplier code of conduct and cover 75% of purchased volumes	% OF PURCHASE VOLUME FROM SUPPLIERS ADHERING TO THE CODE OF CONDUCT	-	Updated supplier Code of Conduct	Send and sign	Maintenance of 75%
		Implement a platform to monitor and map suppliers' environmental and social risks		-	Work in progress	Use by strategic suppliers of Ympact 4sTrace	
	 	Arrange periodic supplier audits to verify compliance with required quality, environmental and social standards		-	-	Third-party assessment of conducting audits	
		Define an internal supply policy for selecting suppliers using environmental and social criteria		-	Define internal supply policy	Send and sign	
Product quality and responsible customer relationships	Provide a quality product that will last and meet customer expectations (8.2)	Improve the traceability of products sold to ensure their quality and safety, such as the evaluation of the implementation of the digital passport for textiles	TRACKED ORDER VOLUME %	-	Management system set up	Tracked order volume monitoring	50%
		Implementation of the ISO 9001:2015 management system		-	Work in progress	Get certified	
Product safety and chemical management	Implement a chemical risk management system to reduce the environmental impact of using chemicals that are harmful to humans and the environment in production processes throughout the production chain (3.9 - 12.4)	Continued adherence to the PRSL 4sustainability and MRSL ZDHC protocols to control and eliminate toxic and harmful substances in the textile sector		In continuity with the business	In continuity with the business	In continuity with the business	In continuity with the business
	 						

Governance							
Integrity and ethical conduct of the business	Ethical business management through policies and procedures that ensure regulatory compliance and tax transparency	Define sustainability performance KPIs applicable to the remuneration of Lariotex top management figures		-	-	Define KPIs	
	(16.5 - 16.7) 						

Policies

Policies adopted to manage sustainability topics

GRI Standards 2-23; 2-24

The following is a summary of the policies adopted by Lariotex to manage sustainability topics.

Policies	
Code of Ethics and Conduct	An essential part of Lariotex's organisational model, it represents the values that the Company recognises and adopts as guiding principles for its activities, as well as the responsibilities it assumes towards both the internal environment and external stakeholders.
Organisational, Management and Control Model pursuant to Legislative Decree 231/2001	A set of principles and procedures that the company adopts to prevent the commission of offences, including corruption, in the course of its activities.
Whistleblowing channel	A secure, confidential and protected channel for reporting any unlawful behaviour, breaches of company or ethical regulations, or situations of misconduct.
Sustainability policy	Lariotex integrates sustainability into its growth model, balancing ethics and profit for responsible development. Aligning itself with the Sustainable Development Goals (SDGs), it is committed to reducing environmental impact through targeted monitoring, innovation and partnership strategies. Lariotex adopts structured protocols for chemical risk management, the selection of sustainable raw materials and supply chain traceability. On the social front, it ensures respect for human rights and working conditions in accordance with international regulations. Finally, it promotes the dissemination of its sustainability principles among stakeholders, suppliers and communities.
Charter of values	Lariotex positions sustainability as an integral part of its business model and conduct, ensuring ethics, transparency and accountability throughout the entire supply chain. Through the Charter of Values, it promotes process traceability, worker protection and reduction of environmental impact, prioritising sustainable materials and adopting circular economy principles. The company constantly monitors suppliers to ensure compliance with social and environmental standards, building an innovative and responsible production model, in line with market challenges and global sustainability goals.

Organisation, Management and Control Model Legislative Decree No. 231/2001

GRI Standards 2-23; 2-24; 2-25; 2-26

The Organisation, Management and Control Model under the terms of Legislative Decree No. 231/2001 ("Model 231") was adopted by a resolution of the Shareholders' Meeting on **28 June 2021**.

Legislative Decree 231/2001 concerning the "Administrative liability of legal persons, companies and associations, also without a legal personality" introduced the administrative liability of companies into our legislation. The afore-mentioned liability arises when a certain offence is committed, expressly set out in the Decree, in the interest or to the advantage of the company, by persons (and their subordinates) who exercise (*de jure* or *de facto*) representation, administration and management tasks. Administrative liability also applies to the offender's staff and involves the application of sanctions (fines and disqualifications) to the company as an autonomous legal entity.

The purpose Model 231 is as a measure to **prevent** the risk of committing the offences expressly set out in Legislative Decree No. 231/2001. Model 231 also has an exemption effect, as it allows the company to be waived of any liability. For this purpose, pursuant to the provisions referred to in Article 6 paragraph 2 of the Decree, Model 231 must meet the following requirements:

1. Identify sensitive activities where liable offences could be committed.
2. Produce specific protocols to define the making and implementation of company decisions in relation to preventing offences.
3. Identify the methods for managing the adequate financial resources to prevent the commission of these offences.
4. Provide information obligations in respect of the body tasked with monitoring operation and compliance with Model 231.
5. Introduce a suitable system to internally govern failure to comply with the measures indicated in Model 231.

Model 231 adopted by Lariotex consists of:

1. a **General Part**, with the related appendices, which contains an analysis of Legislative Decree No. 231/2001, a description of the business conducted by the company and a definition of the structure necessary for effective and efficient implementation of Model 231.
2. **Code of Ethics and Conduct**, which contains all the rights, duties and responsibilities of the company in respect of "stakeholders" (employees, suppliers, customers, Public Authorities, shareholders, financial markets, etc.). This code has the function of "recommending, promoting or banning certain behaviours, regardless of that expected at regulatory level, providing sanctions proportionate to the severity of the infringements committed".
3. a **Special Part**, with the related appendices, whose purpose is to:
 - A. identify the sensitive activities of committing offences and the related preventive measures.
 - B. specify the rules that the exponents and company departments are required to observe for correct application of Model 231.
 - C. equip the Supervisory Board and the other control functions with the tools to carry out monitoring, control and audit tasks.

The Special Part comprises several sections that relate to the various corporate functions.

The adoption of Model 231 involved the setting up of the Supervisory Board (SB), which is entrusted with the task of supervising the operation and observance of Model 231 and ensuring it is updated. The SB is required to and carries out audit work aimed at checking the correct application of the rules defined and that Model 231 as a whole can respond to the risk profiles highlighted.

On 10 March 2023, the Council of Ministers definitively approved the legislative

decree that implements Directive (EU) 2019/1937 of the European Parliament and of the Council, known as the Whistleblowing Directive. The decree came into force on 15 July 2023, and Lariotex complied with the new whistleblowing obligations according to the timelines specified by the legislation.

Lariotex has established a channel to allow whistleblowers to report relevant unlawful conduct under Legislative Decree 231/2001, as well as offences that fall within the scope of application of European Union or national acts relating to Legislative Decree 24/2023 or violations of company procedures. The Company has therefore set up a dedicated platform, available to internal and external stakeholders, for sending such reports (whistleblowersoftware.com), which is suitable for ensuring the whistleblower's confidentiality.

Reports are managed by the Supervisory Body, in compliance with current regulations.

Lariotex is committed to promoting and developing appropriate training and awareness programmes related to the procedure for reporting breaches, with the aim of strengthening its compliance culture and increasing understanding and awareness of the importance of Whistleblowing systems.

All Lariotex employees are required to comply with anti-corruption regulations. To ensure transparency, all relevant documents are made easily accessible via the company website. Company personnel, as well as anyone acting on behalf of the Company and/or in its interest, are prohibited from offering, paying or accepting, either directly or indirectly, money or other benefits in order to obtain or secure an unlawful advantage in business activities.

No significant reports were received by the Supervisory Body in 2024.

Code of Ethics and Conduct

GRI Standards 2-23; 2-24; 2-25; 2-26

The Code of Ethics and Conduct ("Code") is an integral part of Model 231 adopted by the Company and contains a series of business ethics standards, i.e. a set of rights and obligations of the Company in relation to stakeholders. The values and standards contained in the Code reflect the ethical standards on which the Company's work is based, hereinafter called:

Legality	Respect for the person, impartiality fight against discrimination
Transparency	Data protection
Combating conflicts of interest	Fair competition
Standard of the priority of protecting the health and safety of workers	Environmental protection

The "Code" and Model 231 are available using this link [Institutional communication - LARIOTEX](#).

Sustainability policy

GRI Standards 2-22; 2-23; 2-24

Environment

Lariotex tackles the aim of reducing the environmental impact its business, by adopting an approach to monitoring and improvement of performance, starting from compliance with the regulations in force with a focus on innovation, research and development. See in this respect what has already been reported in the paragraph [3.6 Sustainability performance / Quality, sustainability and the role of the supply chain / Product safety and Chemical management](#) of this Report.

The general objectives concern: a) Reduction of pollutant emissions in the production processes of its supply chain, with particular attention to compliance with limits relating to the use of chemical substances hazardous to human health and the environment; b) Research and development of partnerships with entities that share the same values regarding environmental protection, safeguarding of people and orientation towards innovation.

Reduced environmental impact

- Implement a chemical risk management system, aimed at reducing the environmental impact caused by using harmful chemical substances for humans and for the environment in the production processes along the production chain, according to the state of progress of technical knowledge in the field, by means of implementing the MRSL, ZDHC (Manufacturing Restricted Substances List).
- Ensure the monitoring and improvement of the quality of the wastewater directly and indirectly connected to Lariotex production.
- Inform and train employees on the company's activities in the context of sustainability to stimulate research and innovation.
- Seek legislative compliance by constantly seeking partners and suppliers who share the same values and strategic objectives.
- Use cutting-edge technical and managerial tools to improve performance in the context of sustainability.
- Periodically share the results achieved and the new improvement objectives defined with stakeholders.
- Correctly and responsibly manage waste resulting from the production process.
- Favour, where possible, raw materials with a lower environmental and social impact, such as raw materials that are recycled or reconditioned, traced and traceable, organic and/or related to sustainable initiatives.
- Seek and favour solutions aimed at reducing waste production and/or increase reuse and recycling practices.
- Limit the impact on forests caused by using components derived from plant raw material, originating from them and linked to situations of: i) illegal logging or trade in wood or illegal cellulose; ii) breach of human rights in forestry activ-

ities; iii) destruction of areas of particular botanical interest; iv) significant conversion of forests into plantations; v) the introduction of GMOs into forestry activities; vi) breach of the ILO Convention on the rights of workers involved in the related supply chain.

security institutions

In a social context, Lariotex undertakes to respect workers' rights according to the Universal Declaration of Human Rights and respect the main conventions of the International Labour Organisation (ILO), national legislation and the conditions laid down by national collective bargaining on the matter of:

- Freedom of unions and the right to collective bargaining.
- Child and minor labour.
- Forced labour.
- Health and safety.
- Prevention of every case of discrimination and abuse.
- Regularity and transparency in employment contracts, logging of work time, payment of the salary due.

Lariotex also undertakes to favour collaborative relationships with partners that pursue the same social objectives, in accordance with the applicable regulations and to ensure directly and periodically, where possible, their correct application in partner companies.

The dissemination of policies

Lariotex disseminates the contents of its Sustainability Policy internally, so that they are known, understood and implemented at all levels of the company. At the same time, it has prepared appropriate tools to communicate these principles externally as well, with the goal of raising awareness among key stakeholders. In particular, the action targets customers and suppliers, directly involved in the manufacturing cycle, but also at relevant associations, local communities and public institutions, in order to promote greater attention to sustainability issues.

The Charter of Values

GRI Standards 2-23; 2-24

In 2022, Lariotex drafted its **Charter of Values**, a document that defines the fundamental principles for ethical business conduct, to which the Company adheres and which it requires its suppliers to share and endorse.

In particular, Lariotex shares its commitment to prioritising the values of ethics, legality, transparency, anti-corruption and respect for the environment, people and human rights; involving its supply chain in the application of present and future initiatives; communicating and reporting its initiatives in a correct, complete and transparent manner; promoting awareness and training on the subject of sustainability to its employees and as far as possible to its suppliers and the local communities in which they operate.

The Charter of Values also calls for the commitment to guarantee rights at work, active action to avoid discrimination, compliance with regulations for responsible business conduct, respect for the environment, care over the choice of materials and chemical management. This initiative represents a further step for Lariotex, to be followed by new implementations, in the direction of controlling its supply chain, oriented towards an increasingly sustainable approach.

Sustainability performance

The environment

Energy consumption, emissions and climate change
Raw materials (use of resources)



Environmental policy and commitment

The contents of the environmental policy are included in the Sustainability policy described in more detail in Chapter [3.5 Policies](#), which should be referred to. The most relevant aspects affect management of the supply chain and chemical management.

Energy consumption

GRI Standards 3-3; 302-1; 302-3

Energy consumption

Lariotex's energy consumption relates to:

- Purchased and self-produced electricity, used primarily for the operation of machinery and for lighting;
- Natural gas and LPG, used for space heating;
- Diesel, used exclusively as fuel for vehicles.

Set out below are the Company's main energy consumption figures for the three-year period 2022-2024, expressed in GJoules in accordance with GRI standards. The Company has not entered into contracts for the supply of energy from nuclear sources.

In 2024, there was an increase in energy consumption compared to the previous year, mainly attributable to the opening of the new industrial warehouse in the area adjacent to Lariotex's head office building. The increase affected both electricity used for lighting and LPG consumption for space heating. Conversely, fuel consumption for vehicles showed a slight decrease due to changes in the type of fibres sold; in fact, despite an increase in turnover, the metres sold and delivered directly decreased, given the increase in the silk component in sales. This fibre has a higher value per metre than all others, which is why we delivered fewer metres despite an increase in volumes in euro terms. Furthermore, in November 2024, the Company commenced use of the new photovoltaic system, which became fully operational in 2025.

↓ ENERGY CONSUMED

		2022	2023*	2024
Electricity				
Electricity purchased	GJ.	350.2	347.6	510.2
Electricity produced by photovoltaic plant	GJ.	-	-	4.2
Energy supplied to the grid by photovoltaic plant	GJ.	-	-	-
	GJ.	350.2	347.6	514.4
Of which from renewable sources	GJ.	-	-	4.2
Vehicle fuel				
Diesel for motor vehicles	GJ.	820.8	568.8	540.6
Fuels and methane for heating				
LPG for heating	GJ.	56.0	76.9	107.1
Natural gas (methane) for heating	GJ.	48.7	28.9	5.3
	GJ.	104.7	105.8	112.4
Total energy consumption	GJ.	1,275.7	1,022.2	1,167.3
Renewable energy share	GJ.	-	-	0.4%

*ELECTRICITY AND NATURAL GAS CONSUMPTION FOR 2023 HAS BEEN RESTATED FOLLOWING FURTHER VERIFICATION OF THE ACTUAL CONSUMPTION OF THE TWO WAREHOUSES (PREVIOUSLY STATED AS 336GJ OF ELECTRICITY AND NO LPG CONSUMPTION)

CONVERSION SOURCES GJOULE

- ELECTRICITY – ENEA NATIONAL AGENCY FOR NEW TECHNOLOGIES, ENERGY AND SUSTAINABLE ECONOMIC DEVELOPMENT
- FUELS – DEFRA UK - GREENHOUSE GAS REPORTING: CONVERSION FACTORS 2024 - GOV.UK (WWW.GOV.UK)
- NATURAL GAS MINISTRY OF ENVIRONMENT ITALY – EU ETS NATIONAL PARAMETERS - ITALY: NEWS (MINAMBIENTE.IT)

Lariotex has embarked on a path towards using electricity from renewable sources at its facilities. As already mentioned, from 2025 the photovoltaic system will become fully operational, helping to reduce the amount of electricity drawn from the grid. In addition, the Company is committed, in future financial years, to evaluating the signing of contracts dedicated to the supply of renewable energy certified through Guarantees of Origin.

Lariotex is also committed, in future financial years, to progressively reducing LPG consumption used for space heating, replacing it with electricity from renewable sources.

Energy intensity

The Company's energy intensity ratio, defined as the ratio between total energy consumption and net revenue, shows a slightly worsening trend over the three-year period, as the starting figure for 2022 is influenced by the record volumes achieved, whilst 2024 also includes the energy consumption of the businesses that contributed to the refurbishment of the new warehouse.

↓ ENERGY INTENSITY

		2022	2023	2024
Total energy consumption	GJ.	1,275.7	1,022.2	1,167.3
Net revenue	€	90,709,186	60,873,220	65,562,489
Intensity Index	GJ/EURO*1,000	1.41	1.68	1.78

For the calculation of the energy intensity ratio, the figure relating to metres of fabric sold was also taken as a reference, considered significant in relation to the Company's activities. In this case, the value remains stable compared to 2023, with a proportional increase in energy consumption and metres sold.

↓ ENERGY INTENSITY

		2022	2023	2024
Total energy consumption	GJ.	1,275.7	1,022.2	1,167.3
Metres sold	METRES	43,618,750	29,715,951	33,908,204
Intensity Index	GJ/M*1,000	2.92	3.44	3.44

*GHG emissions***GRI Standards 3-3; 305-1; 305-2; 305-3; 305-4**

Set out below are Lariotex's greenhouse gas emissions. Emissions data are reported in tonnes of carbon dioxide equivalent (tCO₂e) and refer to direct emissions (GHG Scope 1 – Greenhouse Gas), together with indirect emissions associated with electricity consumption (GHG Scope 2) and indirect emissions relating to the transport of purchased goods (GHG Scope 3).

Direct emissions (GHG Scope 1) derive from the use of the company fleet and from the use of fuels for space heating. The quantitative data presented, determined based on the estimates are derived from converting the amount of the different energy sources consumed.

Indirect emissions (GHG Scope 2) derive from the energy consumption of the facilities from external supply (electricity), net of production from renewable energy sources (photovoltaic systems).

The calculation of indirect emissions from electricity consumption (GHG - Scope 2) was carried out both according to the "location-based" approach and according to the "market-based" approach:

- The location-based method involves accounting for emissions deriving from electricity consumption by applying national average emission factors for electricity generation.
- The market-based method, which requires GHG – Scope 2 emissions deriving from electricity purchases to be determined by considering the specific emission factors communicated by suppliers. For purchases of electricity from renewable sources, a zero tCO₂e emission factor is attributed. Where specific contractual agreements have not been defined, the approach in question requires the use of national "residual mix" emission factors, where technically applicable.

Finally, indirect emissions linked to the transport of purchased goods are calculated based on data provided by logistics operators.

↓ TOTAL EMISSIONS - SCOPE 2	LOCATION-BASED tCO ₂ e		
	2022	2023	2024
Total GHG Scope 1 emissions (direct)	64.8	46.7	45.3
Total GHG Scope 2 emissions (indirect) – Location-based	30.4	24.9	36.6
Total GHG Scope 1/Scope 2 emissions Location-based	95.2	71.6	81.9

Total GHG Scope 3 emissions – transport of purchased goods (WTW)	1,228.8	1,127.2	1799.7
---	---------	---------	--------

↓ TOTAL EMISSIONS - SCOPE 2	MARKET-BASED tCO ₂ e		
	2022	2023	2024
Total GHG Scope 1 emissions (direct)	64.8	46.7	45.3
Total GHG Scope 2 emissions (indirect) – Market-based	44.5	48.3	70.9
Total GHG Scope 1/Scope 2 emissions Market-based	109.3	95.0	116.2

Total GHG Scope 3 emissions – transport of purchased goods (WTW)	1,228.8	1,127.2	1799.7
---	---------	---------	--------

[Direct emissions - GHG Scope 1](#)

Total Scope 1 emissions decreased during the three-year period, mainly due to lower fuel use for vehicles.

It should be noted that the Company's direct Scope 1 emissions are not covered by regulated emissions trading schemes. It is also specified that Lariotex's activities do not generate biogenic emissions.

↓ GHG SCOPE 1 EMISSIONS	tCO ₂ e		
	2022	2023*	2024
Vehicle fuel			
Diesel for motor vehicles	58.4	40.2	38.1
	-	-	-
Fuels for heating	-	-	-
LPG for heating	3.6	4.9	6.9
Natural gas for heating	2.7	1.6	0.3
	6.3	6.5	7.2
Total GHG Scope 1 emissions	64.8	46.7	45.3

* THE VALUE RELATING TO SCOPE 1 EMISSIONS FOR 2023 HAS BEEN RESTATED FOLLOWING FURTHER VERIFICATION OF LPG CONSUMPTION.

SOURCES

- FUELS – DEFRA UK - GREENHOUSE GAS REPORTING: CONVERSION FACTORS 2024 - GOV.UK (WWW.GOV.UK)
- NATURAL GAS MINISTRY OF ENVIRONMENT ITALY – EU ETS NATIONAL PARAMETERS - ITALY: NEWS (MINAMBIENTE.IT)

Indirect emissions - GHG Scope 2

The increase in Scope 2 emissions in 2024 compared to the previous year is mainly attributable to the opening of the new industrial warehouse.

↓ GHG SCOPE 2 EMISSIONS	tCO ₂ e		
	2022	2023*	2024
Total GHG Scope 2 emissions – Location-based method	30.4	24.9	36.6
Total GHG Scope 2 emissions – Market-based method	44.5	48.3	70.9

* THE VALUE RELATING TO SCOPE 2 EMISSIONS FOR 2023 HAS BEEN RESTATED FOLLOWING FURTHER VERIFICATION OF THE ACTUAL CONSUMPTION OF THE TWO WAREHOUSES

SOURCES

- LOCATION-BASED METHOD: **MINISTRY OF ENVIRONMENT - REPORT 404/2024** - TAB 2.7 GHG EMISSION FACTORS FOR TOTAL ELECTRICITY PRODUCTION (G CO₂EQ/KWH)
- MARKET-BASED METHOD: EUROPEAN RESIDUAL MIX - AIB (AIB-NET.ORG) [DATA 2023] - TABLE 2: RESIDUAL MIXES TON/CO₂/KWH

Emission intensity

Lariotex's emissions intensity ratios are calculated both as the ratio of total Scope 1 and Scope 2 emissions to net revenues, and in relation to metres of fabric sold. The trend mirrors that of energy consumption: a slight increase is observed in the first indicator, while the second remains stable between 2023 and 2024.

↓ EMISSION INTENSITY		2022	2023	2024
Total GHG Scope 1/Scope 2 emissions Location-based	tCO ₂ e	95.2	71.6	81.9
Net revenue	€	90,709,186	60,873,220	65,562,489
Emission intensity index	TCO₂E/EURO*1,000,000	1.05	1.18	1.25

↓ EMISSION INTENSITY		2022	2023	2024
Total GHG Scope 1/Scope 2 emissions Location-based	tCO ₂ e	95.2	71.6	81.9
Metres sold	METRES	43,618,750	29,715,951	33,908,204
Emission intensity index	tCO₂e/M*1,000,000	2.18	2.41	2.41

Indirect emissions along the value chain: GHG Scope 3

Lariotex has identified the boundary of the main categories of emissions deriving from activities not directly controlled by the organisation, but which occur upstream and downstream of its value chain (GHG Scope 3).

The analysis was carried out in accordance with the Greenhouse Gas (GHG) Protocol, which defines the criteria and methodologies to be applied for determining an organisation's direct and indirect emissions. In particular, for GHG Scope 3 emissions, the GHG Protocol takes 15 categories as its reference. The identification of Lariotex's relevant categories was carried out through a process that involved various figures and company functions, through interviews and in-depth discussions, in order to define a materiality matrix, in line with the GHG Protocol.

Set out below are the results of the analysis and the categories that were found to be material, based on the criteria of scale, influence, risks and stakeholders involved, represented as follows:

Scope 3 Category* (GHG Protocol)	Description and impact
1 Purchased goods and services (upstream)	Emissions linked to the production of purchased goods and services
3 Energy consumption not included in Scope 1 and Scope 2 emissions (upstream)	Emissions linked to the production of fuels and energy purchased and consumed by the company not included in Scope 1 or Scope 2
4 Transport and distribution of purchased products (upstream)	Impact linked to the transport and distribution of purchased products in vehicles and facilities not owned or operated by the Company
7 Employee commuting (upstream)	Impact linked to the travel of Lariotex employees between their homes and workplaces
9 Transport and distribution of finished products (downstream)	Emissions linked to the transport and distribution of products sold to end consumers in vehicles not owned or controlled by Lariotex
12 End-of-life treatment	Emissions arising from the disposal and treatment of products sold by the Company at the end of their life cycle

* THE CATEGORIES "2 CAPITAL GOODS", "5 WASTE GENERATED IN OPERATIONS", "6 BUSINESS TRAVEL" AND "10 PROCESSING OF SOLD PRODUCTS" REPORTED A NON-MATERIAL LEVEL OF SIGNIFICANCE DURING THE ANALYSIS, WHILST THE CATEGORIES "3D EMISSIONS LINKED TO THE PRODUCTION OF ENERGY PURCHASED AND RESOLD BY THE COMPANY", "8 UPSTREAM LEASED ASSETS", "11 USE OF SOLD PRODUCTS", "13 DOWNSTREAM LEASED ASSETS", "14 FRANCHISES" AND "15 INVESTMENTS" WERE NOT DEEMED APPLICABLE TO THE COMPANY'S ACTIVITIES.

The Company is committed, in future financial years, to reporting GHG Scope 3 emissions relating to the categories identified as significant.

With regard to 2024, Lariotex continued its monitoring activity of emissions connected to logistics services related to fabric procurement, one of the categories with the greatest environmental impact for the company, given the long distance travelled by materials to the operating headquarters.

In particular, data relating to the logistics companies used by Lariotex are presented. The information reported covers, for 2024, 64.6% of fabrics purchased. In the absence of data provided directly by logistics operators, emissions were estimated by comparing the weight of goods transported with the specific data available for other suppliers.

Emission data are expressed in terms of:

- TtW / Tank-to-Wheel (processi del veicolo): tutte le emissioni dirette derivanti dal funzionamento del veicolo.
- WtW / Well-to-Wheel (processi di veicolo ed energia): somma delle emissioni da pozzo a serbatoio e da serbatoio a ruota, cioè emissioni dirette e indirette.

In 2024, indirect greenhouse gas (GHG) Scope 3 emissions registered an increase compared to previous financial years. This increase is attributable both to a greater quantity of fabric purchased by the Company and to greater accuracy on the part of logistics operators in calculating emissions associated with transport.

↓ OTHER INDIRECT EMISSIONS (GHG SCOPE 3) - TRANSPORT ACTIVITY

		2022		2023		2024	
		TtW Tank-to-Wheel	WtW Well-to-Wheel	TtW Tank-to-Wheel	WtW Well-to-Wheel	TtW Tank-to-Wheel	WtW Well-to-Wheel
Total emissions	tCO ₂ e	1,082.8	1,228.8	971.0	1,127.2	1,304.4	1,799.7

The efficiency of the logistics is decisive in ensuring the punctuality of the deliveries. Due to the peculiarities of the sector, it is also one of the elements of the Lariotex value chain that has the most environmental impact. The logistics sector (transport/mobility) is, in fact, one of the sectors most responsible for releasing CO₂ into the atmosphere.

Also in 2024, Lariotex entrusted DHL Global Forwarding S.p.A. with the highest number of transports, corresponding to 24.7% of metres of fabric purchased.

Lariotex has also limited collaboration with logistics service companies that have not demonstrated adequate control over their environmental impacts.

Lariotex confirms its commitment to the progressive containment of the environmental impact of freight transport operations. In particular, within the GLS Network, through the maintenance of the Climate Protect Programme, which is committed to reducing CO₂ emissions and offsetting them.

Sustainability of raw materials

GRI Standards 3-3; 301-1; 301-2

Fabrics: collection volumes – Eco-friendly collection

The fabrics marketed come mainly from China (80.3% of the total metres purchased). The other countries from which fabrics are predominantly purchased are South Korea (2.6%) and Pakistan (2.3%). In addition, Lariotex purchases, as required, from Italian (4.7%) and European (9.5%) suppliers.

The materials most used in quantitative terms by the Company are semi-finished fibre products (polyester, viscose and cotton) and ECO semi-finished fibre products (polyester, viscose and cotton).

The data presented below show the proportion of different fabrics within Lariotex's sales for the three-year period 2022-2024.

↓ QUANTITIES SOLD BY TYPE OF FIBRE

		2022		2023		2024	
		Non-renewables	Renewables	Non-renewables	Renewables	Non-renewables	Renewables
Polyester	METRES	25,968,824	-	16,645,794	-	16,412,598	-
Viscose	METRES	-	11,170,802	-	7,131,845	-	9,588,617
Silk	METRES	-	2,231,233	-	1,463,614	-	1,672,999
Cotton	METRES	-	3,876,555	-	3,691,860	-	5,489,285
Other fibres	METRES	-	371,336	71,019	711,819	82,501	662,204
Total	METRES	25,968,824	17,649,926	16,716,813	12,999,138	16,495,099	17,413,105
	METRES		43,618,750		29,715,951		33,908,204

A breakdown of fibres other than polyester, viscose, silk and cotton is provided for 2023-2024.

↓ QUANTITIES SOLD BY TYPE OF FIBRE					
		2023		2024	
		Non-renewables	Renewables	Non-renewables	Renewables
Flax	METRES	-	332,191	-	332,107
Lyocell	METRES	-	1,171	-	171,735
Wool	METRES	-	36,281	-	39,987
Modal	METRES	-	12,968	-	7,293
Cashmere	METRES	-	3,932	-	2,582
Ramie	METRES	-	325,276	-	108,500
Nylon	METRES	71,019	-	82,501	-
Total other fibres	METRES	71,019	12,999,138	82,501	662,204

In the reporting period, the data show an increase in the sale of fibres derived from renewable sources such as viscose, silk and cotton. Furthermore, the breakdown of other fibres shows a significant increase in Lyocell sales and stable demand for fibres such as linen and wool.

The Lariotex Eco collection

The catalogue of Lariotex's offer includes a sustainable product line, which meets the needs of customers and the needs of the market. The **LARIOTEX ECO** brand identifies **certified products or products composed of innovative fibres with low environmental impact**.

In 2023, eco-friendly fabrics represented 69% of sales, +21.4% compared to 2021. During 2024, the marketing of products from the ECO collection took on an increasingly greater weight, rising to 82.1% of total sales. Lariotex is also committed in future financial years to ensuring that at least 50% of the fabrics sold and purchased belong to the ECO line.

In 2022, Lariotex introduced the "Luxury by Lariotex" collection in its catalogue, intended for high-end silk products. It represents an evolution of the Fashion collection, with respect to which it offers even more refined and precious fabrics.

↓ QUANTITIES SOLD BY COLLECTION

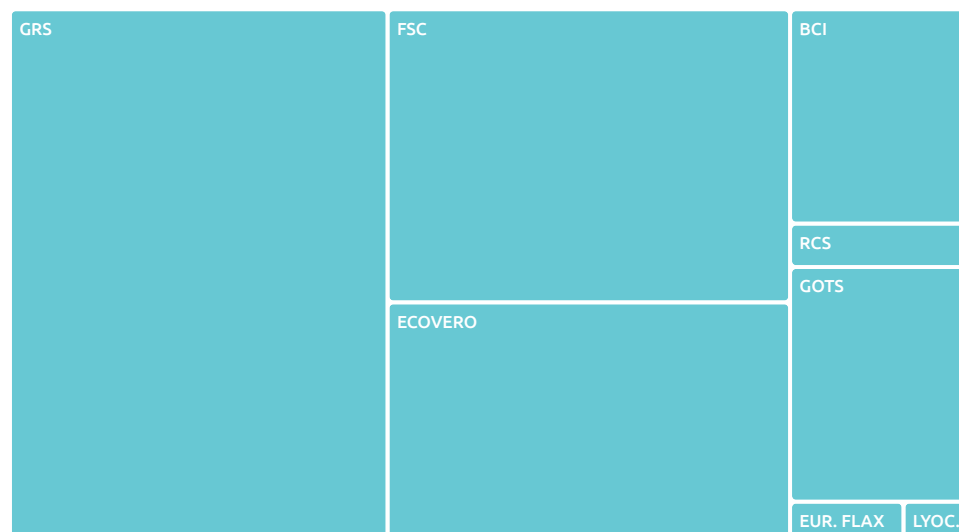
	2022		2023		2024	
	METRES	%	METRES	%	METRES	%
Echo	26,145,166	59.9%	20,509,287	69.0%	27,830,325	82.1%
Luxury	2,042,321	4.7%	1,454,308	4.9%	1,555,724	4.6%
Total Eco and Luxury collections	28,187,487	64.6%	21,963,595	73.9%	29,386,049	86.7%
Basic	12,423,888	28.5%	6,253,735	21.0%	3,373,088	9.9%
Fashion	2,955,422	6.8%	1,426,317	4.8%	1,092,889	3.2%
Home	51,953	0.1%	72,305	0.2%	56,178	0.2%
Total	43,618,750	100%	29,715,951	100%	33,908,204	100%

The fabrics in the ECO collection may originate from **recycling or regeneration**, **be certified according to the most relevant sector standards** or meet both the characteristics/conditions. In detail:

↓ ECO-FRIENDLY COLLECTION - MAIN FIBRE

	2022		2023		2024		Material origin/certifications
	METRES	%	METRES	%	METRES	%	
Polyester	13,278,676	50.8%	10,661,773	52.0%	13,283,758	47.7%	• Recycled – GRS
Viscose	9,463,565	36.2%	6,247,838	30.5%	8,822,785	31.7%	• RCS • FSC • ECOVERO by Lenzing
Silk	297,377	1.1%	199,553	1.0%	194,572	0.7%	• GOTS
Basic	2,897,748	11.1%	3,097,628	15.1%	5,009,929	18%	• GOTS • BCI
Flax	207,800	0.8%	260,006	1.3%	314,255	1.1%	• European Flax
Lyocell	-	-	1,171	0.0%	171,735	0.6%	• TENCEL Lyocell by Lenzing
Nylon	-	-	41,318	0.2%	26,184	0.1%	• Recycled – GRS
Wool	-	-	-	-	7,106	0.0%	• RWS
Total	26,145,166	100%	20,509,287	100%	27,830,325	100%	

↓ SHARE OF CERTIFICATIONS ON METRES SOLD



↓ QUANTITY (%) METRES SOLD

Certification	2022	2023	2024
GRS	43.0%	44.2%	39.4%
FSC	22.8%	21.9%	23.1%
ECOVERO	14.7%	15.9%	18.9%
BCI	9.3%	11.9%	7.4%
RCS	8.5%	3.1%	1.5%
GOTS	1.0%	1.9%	8.1%
EUROPEAN FLAX	0.7%	1.1% ¹	0.9%
LYOCELL	-	-	0.5%

¹ THE FIGURE RELATING TO THE PERCENTAGE OF METRES SOLD IN 2023 FOR EUROPEAN FLAX CERTIFICATION DIFFERS IN AN INSIGNIFICANT WAY FROM THAT REPORTED IN THE 2023 INTEGRATED REPORT FOLLOWING AN IMPROVEMENT IN DATA TRACKING AND MANAGEMENT.

Fabrics	Characteristics and certifications
Polyester	GRS Global Recycle Standard - A mark that certifies a high minimum percentage of recycled material in textile products and guarantees compliance with social and environmental requirements relating to processing and the use of chemical substances. It also promotes a sustainable production and consumption model, encouraging a reduction in the use of virgin raw materials, water and energy. Recycled Claim Standard (RCS) + Global Recycled Standard (GRS) Textile Exchange
Viscose	RCS Recycled Claim Standard – This is one of the most important international standards promoting the use of recycled materials in products. In textiles it ensures that they include at least 5% pre- and post-consumption recycled material. It also certifies that manufacturing activities and processes comply with strict applicable requirements, Recycled Claim Standard (RCS) + Global Recycled Standard (GRS) Textile Exchange FSC Forest Stewardship Council - International organisation that oversees the certification of responsible forest management and traceability of sustainable products. The label provides the guarantee that the wood used in viscose production only comes from forests managed in compliance with strict environmental, social and economic standards. It also ensures that strict limits are applied to the conversion of natural forest land. Home Page Forest Stewardship Council (fsc.org) ECOVERO™ by Lenzing - Registered trademark of the Lenzing group to identify revolutionary, innovative fibres with a low environmental impact. It guarantees that fibres are made from sustainable FSC and PEFC-certified wood pulp, and that they are processed in closed-loop certified production facilities, with a transparent supply chain. Compared to generic viscose, it ensures up to 50% less emissions and use of chemical resources. LENZING™ ECOVERO™: Sustainable Viscose Fibers
Cotton	BCI Better Cotton Initiative - A global not-for-profit organisation that leads the largest cotton sustainability programme in the world. Its network helps combat the negative impacts of farming and processing this natural fibre. BCI also strives to constantly improve the planet, farming communities, and the economies of cotton-producing areas. GOTS Global Organic Textile Standard – A standard devised by leading international organisations in organic farming, this standard certifies that products are made to strict environmental and social criteria applied throughout the production chain: from fibre harvesting up to the manufacturing stages and labelling. It guarantees that every textile contains at least 70% organically farmed natural fibres, that environmentally sustainable manufacturing processes are used, and that there are no harmful chemical products. GOTS the leading organic textile standard - GOTS (global-standard.org)
Flax	A certification that guarantees the traceability of flax fibre grown in Europe, without artificial irrigation and with zero GMOs. European flax is considered to be the best in the world. Its high quality is due to a unique combination of factors: the natural damp oceanic climate, the low thermal density of flax, the fertile soil, and the wealth of experience of the growers. The label guarantees that the linen is made in Europe, from plant to processing, yarn and fabric. European Flax
Silk	GOTS Global Organic Textile Standard GOTS the leading organic textile standard - GOTS (global-standard.org)
Lyocell	TENCEL™ Lyocell by Lenzing - A registered trademark with which the Lenzing group marks fibres obtained from eucalyptus pulp, processing cellulose from trees from sustainable plantations and through low environmental impact processes. TENCEL™ by Lenzing
Wool	RWS Responsible Wool Standard - Voluntary certification that guarantees the welfare of sheep, prohibits painful practices such as mulesing and promotes sustainable land management. It ensures traceability along the supply chain, from farm to finished product, respecting environmental and social sustainability standards. It is designed to certify wool from responsible and transparent practices.
Nylon	GRS Global Recycle Standard RCS Recycled Claim Standard

In addition, the STANDARD 100 certification by Oeko-Tex® identifies textile products that are free of any health risks to the consumer. The globally-recognised independent testing system certifies that no harmful substances are present and guarantees that manufacturing processes and facilities are environmentally friendly. The certification is awarded by the International Association for Research and Testing in the Field of Textile and Leather Ecology.

4s Materials

Also in 2024, Lariotex continued with the 4s Materials initiative, to enable improvement of the sustainability profile of its products, favouring the use of eco-sustainable materials. A commitment that Lariotex implements through the development of its ECO line and which membership of this pillar allows it to strengthen, with actions such as improvement of the management system and the identification of specific KPIs. The level of implementation, assigned annually, is defined following a precise process of data verification and measurement of objectives achieved.

Packaging

In 2024, Lariotex used, for 95% of the total purchased, reused pallets, continuing and realising the set objective of predominantly using pallets from reclamation activities (the remaining quota of purchases is characterised as reusable).

Lariotex favours the use of packaging that complies with current regulations regarding the absence of chlorinated plastics (PVC) and asks its suppliers to indicate the recycled material nature of such packaging, where applicable.

The path continues towards complete conversion to the use of FSC-certified paper, also through the implementation of a sample dispatch system that involves the use of envelopes made with certified materials.

Water and waste

The water resource is sampled by the local aqueduct network and exclusively for sanitary uses. In relation to waste, it is highlighted how Lariotex management does not generate significant amounts of waste. Any scraps or unused fabrics from manufacturing, which are very small quantities due to the nature of the business, are sold and therefore do not contribute to waste generation.

Human resources

Human resources: Management, training and development

Human resources: Diversity Equality Inclusion

Human resources: Occupational health and safety



People management

GRI Standards 3-3; 406-1

Human resources management is guided by the Sustainability policy referred to in the previous [Chapter 3.5 Policies](#). The values to which Lariotex's staff policy is based are also mentioned in the Code of Ethics.

Lariotex undertakes to respect workers' rights according to the Universal Declaration of Human Rights and respect the main conventions of the International Labour Organisation (ILO), national legislation and the conditions laid down by national collective bargaining regarding: Freedom of association and the right to collective bargaining - Child labour and underage work - Forced labour - Health and safety - Prevention of all forms of discrimination and abuse - Regularity and transparency in employment contracts, recording of working hours, payment of due wages. For 2024, there were no critical incidents in respect of these aspects.

In 2024, carrying on with that already provided in previous years, in addition to confirming the meal vouchers distributed to all employees of the Company, including temporary workers, fuel cards and shopping vouchers were also issued.

Since 2022, Lariotex has provided supplementary pension solutions for its employees and has more recently activated, during the reporting year, life insurance for employees.

From 2025 onwards, Lariotex is also committed to preparing an annual organisational climate analysis, aimed at understanding the needs and any critical issues perceived by employees, through the administration and processing of specific surveys.

It should be noted that, regarding that set in policy GRI 2-7, Lariotex has not yet formalised an internal communication procedure for employees who do not identify as male or female. To date, no communications have been received from employees stating that they do not identify with these genders or expressing a desire not to disclose the gender with which they identify, regardless of their personal information and biological sex.

Employees, employment and turnover

GRI Standards 2-7; 2-8; 2-30; 3-3; 401-1; 401-2; 401-3

At 31 December 2024, Lariotex had 26 employees. An increase of 37% in employees is noted over the three-year period. The following data representing the workforce are calculated with reference to employees at the end of each reference period (HC/Head Count). 100% of employees are employed on permanent contracts and female employees as at 31 December 2024 account for 42% of the total.

There is only one employee on a part-time contract. Lariotex applies the national collective labour agreement for the trade sector (CCNL). All Lariotex employees reside in Italy.

↓ EMPLOYEES AT THE END OF THE PERIOD/BY GENDER

	2022			2023			2024		
	women	men	total	women	men	total	women	men	total
Employees at the end of the period	9	10	19	9	13	22	11	15	26

↓ EMPLOYEES BY TYPE OF CONTRACT/BY GENDER

	2022			2023			2024		
	women	men	total	women	men	total	women	men	total
Permanent	9	10	19	9	11	20	11	15	26
Temporary	-	2	2	-	2	2	-	-	-
Total	9	12	19	9	13	22	11	15	26

Lariotex may also use non-employees to perform its business. The Company used the services of four temporary workers and one intern in 2024.

Turnover

Lariotex's staff turnover during 2024 saw a total of 6 new hires and 2 people left.

↓ EMPLOYEE TURNOVER RATES BY GENDER

	2022			2023			2024		
	women	men	total	women	men	total	women	men	total
New hires	25.0%	33.3%	29.4%	11.1%	40.0%	26.3%	22.2%	30.8%	27.3%
Leavers	12.5%	22.2%	17.6%	11.1%	10.0%	10.5%	0.0%	15.4%	9.1%
Total	12.5%	11.1%	11.8%	0.0%	30.0%	15.8%	22.2%	15.4%	18.2%

Diversity

GRI Standards 3-3; 405-1; 405-2

Also in 2024, Lariotex's workforce is composed predominantly of employees with full-time contracts. Three people hold the role of Manager: 2 women and 1 man. As regards age range, employees over 50 predominate (50%), followed by those between 30 and 50 years (34.6%) and a smaller proportion under 29 years (15.4%).

↓ EMPLOYEES PER TYPE OF JOB/BY GENDER

	2022			2023			2024		
	women	men	total	women	men	total	women	men	total
Full-time	7	10	17	8	13	21	10	15	25
Part-time	2	-	2	1	-	1	1	-	1
Total	9	10	19	9	13	22	11	15	26

↓ DIVERSITY OF EMPLOYEES - CATEGORY/GENDER

		2022			2023			2024		
		women	men	total	women	men	total	women	men	total
Managers	UNITS	1	1	2	1	1	2	2	1	3
	%	5.3%	5.3%	10.5%	4.5%	4.5%	9.1%	7.7%	3.8%	11.5%
Clerical staff	UNITS	7	3	10	7	3	10	7	5	12
	%	36.8%	15.8%	52.6%	31.8%	13.6%	45.5%	26.9%	19.2%	46.2%
Manual workers	UNITS	1	6	7	1	9	10	2	9	11
	%	5.3%	31.6%	36.8%	4.5%	40.9%	45.5%	7.7%	34.6%	42.3%
Total	UNITS	9	10	19	9	13	22	11	15	26
	%	47.4%	52.6%	100 %	40.9%	59.1%	100%	42.3%	57.5%	100%

↓ DIVERSITY OF EMPLOYEES – AGE/GENDER

		2022			2023			2024		
		women	men	total	women	men	total	women	men	total
<29 years old	UNITS	1	1	2	1	4	5	1	3	4
	%	5.3%	5.3%	10.5%	4.5%	18.2%	22.7%	3.8%	11.5%	15.4%
30 to 50 years old	UNITS	4	4	8	4	4	8	4	5	9
	%	21.1%	21.1%	42.1%	18.2%	18.2%	36.4%	15.4%	19.2%	34.6%
>50 years old	UNITS	4	5	9	4	5	9	6	7	13
	%	21.1%	26.3%	47.4%	18.2%	22.7%	40.9%	23.1%	26.9%	50.0%
Total	UNITS	9	10	19	9	13	22	11	15	26
	%	47.4%	52.6%	100%	40.9%	59.1%	100%	42.3%	57.7%	100%

↓ DIVERSITY OF EMPLOYEES - CATEGORY/AGE GROUP

		2022				2023				2024			
		<29	30÷50	>50	total	<29	30÷50	>50	total	<29	30÷50	>50	total
Managers	UNITS	-	1	1	2	-	-	2	2	-	1	2	3
	%	-	5.3%	5.3%	10.5%	-	-	9.1%	9.1%	0.0%	3.8%	7.7%	11.5%
Clerical staff	UNITS	1	5	4	10	1	6	3	10	2	6	4	12
	%	5.3%	26.3%	21.1%	52.6%	4.5%	27.3%	13.6%	45.5%	7.7%	23.1%	15.4%	46.2%
Manual workers	UNITS	1	2	4	7	4	2	4	10	2	2	7	11
	%	5.3%	10.5%	21.1%	36.8%	18.2%	9.1%	18.2%	45.5%	7.7%	7.7%	26.9%	42.3%
Total	UNITS	2	8	9	19	5	8	9	22	4	9	13	26
	%	10.5%	42.1%	47.4%	100%	22.7%	36.4%	40.9%	100%	15.4%	34.6%	50.0%	100%

In the reporting period, the comparison of basic salaries by gender shows pay homogeneity across all the job categories considered. A significant increase is noted for the clerical staff category, particularly for men.

↓ BASIC SALARY

		2022	2023	2024
Managers	€	104.7%	104.7%	96.6%
Clerical staff	€	108.1%	116.3%	112.6%
Manual workers	€	83.2%	90.6%	81.3%

↓ AVERAGE SALARY

		2022	2023	2024
Managers	€	128.6%	125.6%	105.7%
Clerical staff	€	65.4%	77.5%	85.7%
Manual workers	€	77.4%	90.9%	72.2%

Maternity leave

All Lariotex employees are entitled to maternity and paternity leave linked to the birth/adoption of a child. During the period considered, there were no cases of maternity leave, meaning compulsory and optional maternity related to the birth of a child.

Training

GRI Standards 3-3; 404-1; 404-3

Lariotex encourages the improvement of the professionalism of its employees through training initiatives. In the three-year reporting period, the average training hours per employee increased significantly from 11.7 hours per employee to 33.8 hours per employee.

↓ AVERAGE TRAINING PER CAPITA

		2022			2023			2024		
		women	men	total	women	men	total	women	men	total
Directors	HOURS	-	-	-	-	-	-	-	-	-
Managers	HOURS	10.0	10.5	10.3	34.0	41.0	37.5	39.0	42.5	40.2
Clerical staff	HOURS	13.5	5.8	11.2	29.3	30.3	29.6	55.3	32.9	46.0
Manual workers	HOURS	2.5	14.6	12.9	6.0	10.2	9.8	18.5	18.7	18.7
Media	HOURS	11.9	11.6	11.7	27.2	17.2	21.3	45.6	25.0	33.8

Lariotex pursued the development of its employees by extending the training courses aimed at meeting their professional needs and skills. In particular, during the reporting period, a number of courses were provided to all employees of the company, aimed at strengthening digital, linguistic and technical and textile skills.

Due to the size of Lariotex's workforce, no structured and formalised programmes for assessing the performance of employees have been established yet. In future financial years, the Company is committed to defining development plans for employees, starting with the preparation of a training plan dedicated to senior management figures, with subsequent extension to other roles.

Occupational health and safety

GRI Standards 3-3; 403-1; 403-2; 403-3; 403-4; 403-5; 403-6; 403-7; 403-8; 403-9; 403-10

Occupational health and safety policy

Lariotex considers the promotion of health, safety and personal well-being a value and a priority standard of its way of working. The protection of employees, customers and suppliers and, in general, of anyone who enters the Company's sphere of influence, in fact, guides both the approach to everyday activities and the strategic approach to business.

Lariotex is committed to spreading a culture of safety, promoting responsible behaviour and aware of the risks and making organisational and financial resources available with the aim of not only preventing accidents and work-related illnesses, but also continually improving the conditions involving occupational health and safety, in particular, to:

- Minimise the risks to the health and safety of all the staff that access the workplaces.
- Continuously improve our performance in relation to occupational health and safety and the related management methods.
- Promote a "culture of safety" throughout, the company, i.e. adopt behaviour based on protecting our own and others' health and safety, through continuous training and information programmes.

Lariotex Spa's health and safety management system

Lariotex is committed to implementing a health and safety management system in line with the requirements of international standard ISO 45001. In line with this approach, the periodic safety meeting (Art. 35 of Legislative Decree 81/2008) is regularly held, with the participation of the RLS (Workers' Safety Representative), RSSP (Service Manager for Prevention and Protection against Risks), and the Competent Doctor.

- **Compliance with applicable regulations.** Lariotex acts, as a minimum requirement, in full compliance with the applicable regulations on the subject of health and safety, with a view to continuous improvement.
- **Health and safety first.** Lariotex does not compromise in its effort to ensure safe workplaces and conditions. Compliance with the rigorous health and safety standards is indeed a pre-requisite for implementing any decision of a strategic and operational nature.
- **Shared responsibility and involvement of people.** In accordance with their respective tasks and responsibilities, everyone is called on to make their own active contribution to promoting a safe working environment. The contribution of each and every single person is, in fact, decisive: every individual must be an example and a promoter of culture of prevention. Everyone is required to adopt all the necessary preventive measures to not put their safety or that of others at risk and to be proactive, indicating any dangerous behaviour or working conditions. In addition, every employee is aware of the importance of leaving the workplace in the event of a risk situation. Lariotex undertakes to consult and inform its own people, also via their representatives, who ensure their participation. The latter shall be assigned the task of reporting the presence of any situations that are critical to the safety of workers. Their role makes it unnecessary to set up a joint management-workers committee.
- **Preventive approach.** In any work activities, Lariotex endeavours to avoid the occurrence of work-related accidents and illnesses, by adopting a proactive approach that provides suitable protective devices with regard to indications for ergonomic workstations, work procedures, regular health monitoring and a scrupulous audit and risk assessment activity with the consequent implementation of improvement plans. With this in mind, the regular maintenance of workplaces, equipment, systems and safety and protective devices play an important role for protection and prevention. In addition, Lariotex works to prepare all fire protection activities in accordance with current legislation.
- **Continuous improvement.** Lariotex's health and safety management system is subject to continuous review and is constantly changing in line with the dynamics of business development and with the identification of areas of improvement.
- **Health beyond safety.** Lariotex is mindful of health in all its meanings, and it undertakes to assess and prevent work-related stress and to promote training initiatives on issues of well-being, diet and cancer prevention. By means of regular

health monitoring, Lariotex promotes maintaining the highest degree of physical, mental and social well-being of workers in all occupations, preventing any damage caused to health by conditions linked to work. The employment and retention of workers in occupations well suited to their physiological and psychological aptitudes falls under the Occupational Medicine goals.

Lariotex prohibits the use, possession, sale and the distribution of illegal substances in work environments and requires each activity to be carried out by workers in full possession of their faculties. Therefore, it prohibits the abuse of alcoholic beverages and/or the use of drugs or any other substance that can prevent work being performed safely and effectively.

- **Respect for people.** Lariotex promotes a work environment that respects people and most categorically does not tolerate any form of aggression, be it physical or verbal.
- **Communication and training.** Training is a fundamental tool for spreading the culture of health and safety, to create an awareness of the risks and promote safe conduct. Lariotex prepares educational programmes every year on matters involving the health and safety of workplaces. Lariotex supports the development of the skills necessary for the purpose of carrying out work activities, delivering training programmes and training useful to correctly identify and manage risks.
- **Product safety.** Lariotex undertakes to develop and create products that meet the strictest standards applicable in matters involving health and safety.
- **Health and safety along the supply chain.** Lariotex requires its suppliers to define and adopt behaviours and health and safety standards aligned with its policy, with a view to minimising the risks to all workers involved in its operations and business relations.

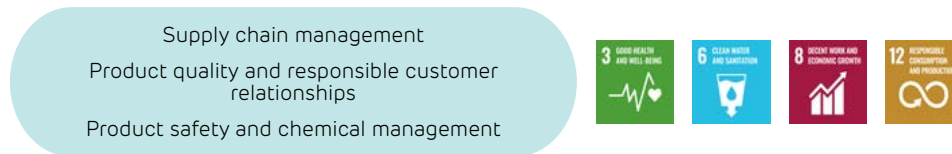
This policy is regularly updated to stay in line with international best practices and extends to include administered workers.

Accidents

Lariotex monitors occupational health and safety risk situations annually at the regular safety meeting. In the three-year period 2022-2024, there were no accidents at work.

In the reporting period, and in previous years, there were no cases of diseases classified as work-related illnesses for Lariotex.

Quality, product safety and the role of the supply chain



The Lariotex service

The service offered by Lariotex enables customers not only to purchase a diversified choice of fabrics, in terms of type and characteristics; but also and above all to purchase certified products, coming from suppliers who share our commitment to sustainability. It is the quality of its offer that makes Lariotex stand out in the market, placing a strong focus on the issues of environmental impacts and the safety of the materials that it acquires and sells. The Company regularly maps its suppliers, adopts traceability procedures and implements sampling plans to verify product safety.

It periodically undergoes reviews by external partners for improvement. During 2024, Lariotex successfully underwent 12 audit inspections, which encouraged and incentivised the commitment to meet the requirements of some of the leading brands in the sector.

Product safety and chemical management

GRI Standards 3-3; 416-1; 416-2; 417-1; 417-2

Regulatory compliance and responsibility: they are the guidelines that Lariotex has decided to follow in order to reduce the risks to the environment and human health arising from the use of chemicals. The topic is one of the main aspects of Lariotex's Sustainability Policy.

4sustainability® protocol and ZDHC accreditation

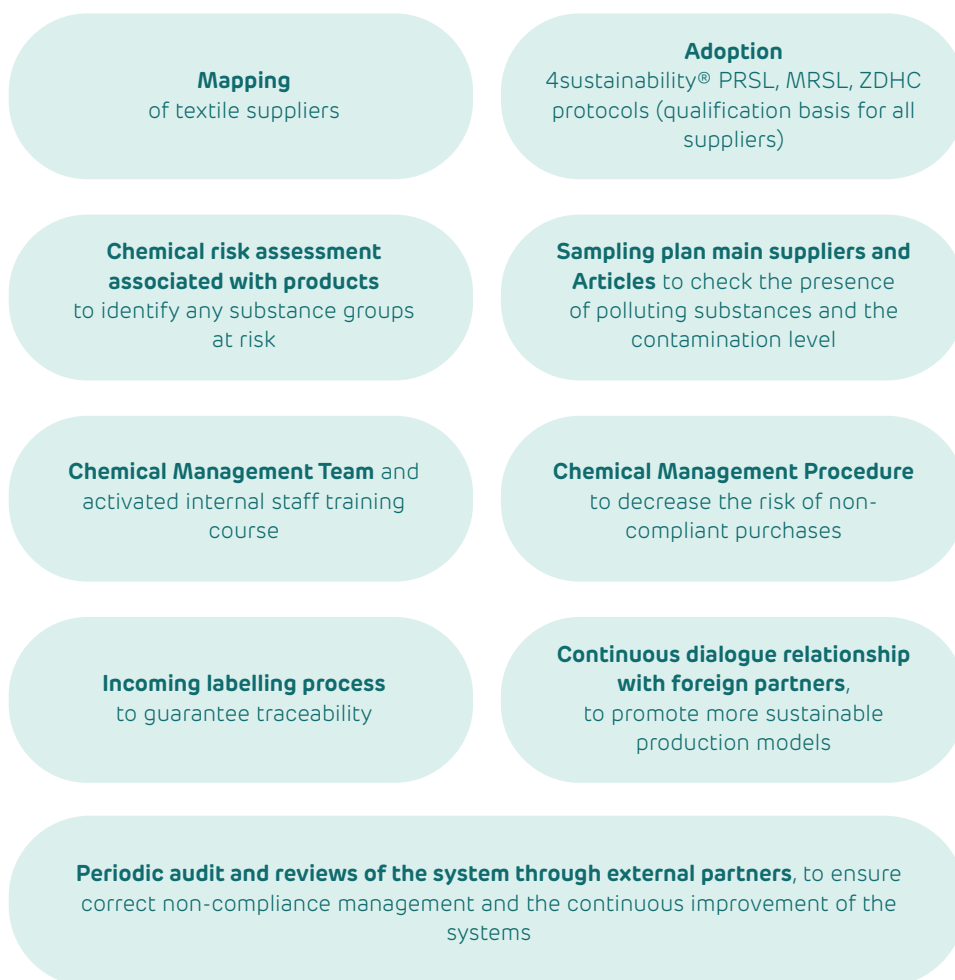
The chemical management system implemented by Lariotex comprises a series of controls and operational practices. Lariotex has in particular adopted the 4sustainability® protocol, a registered trademark, which monitors and guarantees the sustainability performance of the fashion supply chain.

Lariotex has adopted initiatives to comply with the requirements set out by the 4s CHEM framework, in conformity with the main standards and in compliance with international guidelines. The procedure implemented involves the preparation of a sampling plan in order to reduce the risk of non-compliant purchases, verification regarding the presence of polluting substances and their level of contamination, assessment of chemical risk associated with products and suppliers, identification of any groups of substances at risk, traceability of processes aimed at supply chain monitoring, conversion to the use of lower-impact materials and development of reuse and recycling practices, for more sustainable production.

The adoption of the **PRSL 4sustainability®** (Product Restricted Substances List) has supported Lariotex in implementing the **ZDHC methodology** (Zero Discharge of Hazardous Chemicals)/[Roadmap to Zero](#), which, with the launch of its Supplier to Zero Programme, oriented towards excellence, aims to create a sustainable chemical management system.

The Lariotex policy

Lariotex's approach to strict compliance with the highest international standards underpins Lariotex's relations with all its stakeholders. An internal Chemical Management Team has been set up to train staff on chemical management issues as well.



The policy for managing chemical substances is disseminated within the company, to be known and pursued at all levels. At the same time, tools have been developed for dissemination to customers and suppliers - because it is directly linked to the manufacturing cycle. The involvement of stakeholders has also involved reference associations, communities and public institutions, to strengthen the attention paid to sustainability issues.

The level of implementation of the 4sustainability® framework is finalised annually following a thorough assessment of the activities carried out, verified according to

a structured protocol and certified with the issue of an e-report containing, in detail, performance measurements.

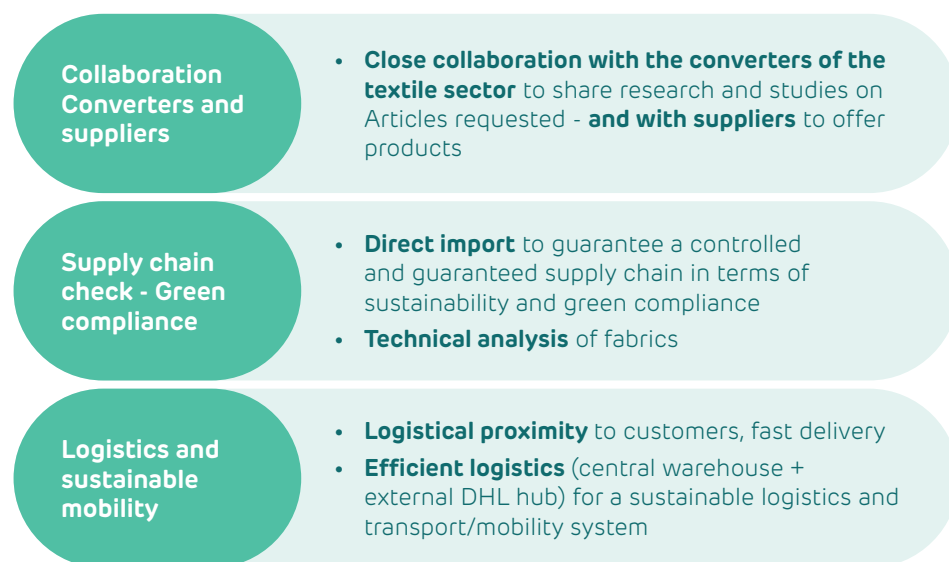
Health and safety of customers - Compliance and labelling of products

In 2024, as in the previous reporting period (2022-2024) there were no episodes and/or opening of proceedings or legal actions in respect of Lariotex relating to the consequences on the health and safety of customers resulting from the use of Lariotex products or product and/or labelling non-compliance. There are not proceedings in progress in this regard.

Supply chain management

GRI Standards 3-3; 308-1; 414-1

Consistent with the operating model adopted by Lariotex, a key role is the selection and management of the supply chain.



Qualification and monitoring of the supply chain

The supply chain plays a key role in the chemical management system. Its monitoring involves the mapping of suppliers within software provided by Process Factory, dedicated to Chemical Management, the management of related activities and data collection, subsequently processed to enable the attribution of a rating. See in this respect the paragraph of this section **Product safety and Chemical management**.

4s Trace

Since 2021, Lariotex has continued with the 4s Trace initiative, also developed within dedicated software. The purpose is to define a better traceability system for materials and the conditions (environmental and social) under which they were produced, throughout the entire supply chain.

In support of this, Lariotex drafted, in 2022, its **Charter of Values**, a document in which the principles for ethical business conduct are set out, which the Compa-

ny respects and asks its suppliers to endorse. For more information, please refer to chapter [3.5 Policies](#)/The Charter of Values.

Social aspects

Lariotex is engaged in defining a path to gradually improve its “procurement policy” (processes involving the qualification, selection and evaluation of suppliers) which also includes social criteria, in a structured and explicit way, in addition to the environmental criteria, now adopted systematically for the chemical management part. In particular, the issue of human rights can potentially affect processes related to the supply chain. The objective is to define, through a Due Diligence document that illustrates the activities carried out by Lariotex, the scope of analysis of its risk assessments of harm related to human rights, the environment, chemical risk and governance both in its own operations and in its supply chain.

The Company is currently engaged in updating its Charter of Values and has set itself the objective of obtaining endorsement from suppliers representing at least 75% of fabric purchase volumes. In addition, Lariotex is considering the introduction of periodic audits at its suppliers' premises, in order to verify compliance with the standards required in relation to quality, environment and social responsibility.

Ethics and integrity

Integrity and ethical conduct of the business



GRI Standards 3-3; 205-1; 205-2; 205-3; 206-1; 418-1

Anti-corruption

All members of the governance body and Company employees are informed of the Model 231 adopted by the organisation and at the end of the reporting period have been trained on the subject. Please refer to Section 3.3 Governance and responsible business conduct regarding the policies adopted.

During the financial year 2024, as well as in previous financial years subject to reporting, no episodes of asset or liability corruption were established involving directors or employees of Lariotex.

Procedures for respecting competition

In 2024, as in previous reporting periods, there have been no episodes and/or the opening of proceedings or legal action in respect of Lariotex relating to a breach of free competition, monopolistic practices or antitrust.

Security of data and information and Privacy Notice

Any dispute, complaint by an external party or by regulators has been received to date by the company with respect to breaches of legislation, data subject rights and the personal information of which the company is the data controller.

GRI Content Index

Statement of use	The Sustainability Report for the financial year 2024 [01 January – 31 December 2024] was prepared under the reporting option <i>in accordance with the GRI standards</i> .
GRI 1 adopted	GRI 1 Foundation 2021
GRI Sector Standards applicable	Not available

GRI Standards – General information

↓ GRI STANDARDS – GENERAL INFORMATION

Privacy statement		Location	Omission		Explanation	Correspondence with ESRS indicators
No.	Description		Req. omitted	Reason		

GRI 2 - General Information - version 2021

The organisation and its reporting practices						
2-1	Details on the organisation	01 Lariotex/Profile and Identity 03 Sustainability Report/Methodological Note				
2-2	Entities included in the organisation's sustainability reporting	03 Sustainability Report/Methodological Note				ESRS 2 BP-1 DR3, DR5a
2-3	Reporting period, frequency and point of contact	03 Sustainability Report/Methodological Note				
2-4	Restatements of information	03 Sustainability Report/Methodological Note				ESRS 2 BP-2 DR13, DR14
2-5	External assurance	03 Sustainability Report/Methodological Note - Audit firm reports/Audit firm Report Sustainability Report				
Activities and workers						
2-6	Activity, value chain, and other business relationships	01 Lariotex/Profile and Identity 03 Sustainability Report/Business model/Lariotex 03 Sustainability Report/Business model/The market, customers 03 Sustainability Report/Business model/Research and development 03 Sustainability Report/Strategy and sustainability/Reference scenario 03 Sustainability Report/Strategy and sustainability/Lariotex: Sustainability by choice				ESRS 2 SMB-1 DR40a, DR42c

2-7	Employees	03 Sustainability Report/Sustainability performance/Human resources/ Employees, employment and turnover				ESRS 2 SMB-1 DR40a ESRS S1-6 DR 50a,b,d,e, DR51, DR52
2-8	Non-employees	03 Sustainability Report/Sustainability performance/Human resources/ Employees, employment and turnover				ESRS S1-7 DR55a,c, DR56
	Governance					
2-9	Structure and composition of governance	03 Sustainability Report/Governance and responsible business conduct/ Lariotex governance 03 Sustainability Report/Governance and responsible business conduct/ Lariotex governance/Delegation processes and organisational structure				ESRS 2 GOV-1 DR22a
2-10	Appointment and selection of the highest governing body	03 Sustainability Report/Governance and responsible business conduct/ Lariotex governance				
2-11	Chairman of the highest governing body	03 Sustainability Report/Governance and responsible business conduct/ Lariotex governance				
2-12	Role of the highest governing body in overseeing impact management	03 Sustainability Report/Governance and responsible business conduct/ Lariotex governance				ESRS G1 DR5a
2-13	Delegation of responsibility for impact management	03 Sustainability Report/Governance and responsible business conduct/ Lariotex governance/Delegation processes and organisational structure				
2-14	Role of the highest governing body in sustainability reporting	03 Sustainability Report/Drafting criteria 03 Sustainability Report/Governance and responsible business conduct/ Lariotex governance				
2-15	Conflicts of interest	03 Sustainability Report/Governance and responsible business conduct/ Lariotex governance				
2-16	Communication of critical issues	03 Sustainability Report/Governance and responsible business conduct/ Lariotex governance/Delegation processes and organisational structure				
2-17	Collective knowledge of the highest governing body	03 Sustainability Report/Governance and responsible business conduct/ Lariotex governance				
2-18	Assessment of the performance of the highest governing body	03 Sustainability Report/Governance and responsible business conduct/ Lariotex governance				

2-19	Remuneration policies	03 Sustainability Report/Governance and responsible business conduct/ Lariotex governance				
2-20	Salary setting procedure	03 Sustainability Report/Governance and responsible business conduct/ Lariotex governance				
2-21	Annual total pay ratio		2-21	Confidentiality constraints	Including information for Integrated Report 2024 not considered	
Strategy, policies and practices						
2-22	Sustainable development strategy statement	- Letter to stakeholders 03 Sustainability Report/Policies/ Sustainability policy				ESRS 2 SBM-1 DR40g
2-23	Policy commitment	03 Sustainability Report/Policies/ Policies adopted to manage sustainability topics 03 Sustainability Report/Policies/ Organisation, Management and Control Model Legislative Decree No. 231/2001 03 Sustainability Report/Policies/Code of Ethics and Conduct 03 Sustainability Report/Policies/ Sustainability policy 03 Sustainability Report/Policies/The Charter of Values				ESRS E1-2 DR25 ESRS S1-1 DR20, DR21, DR24c ESRS G1-1 DR7
2-24	Integration of policy commitments	03 Sustainability Report/Policies/ Policies adopted to manage sustainability topics 03 Sustainability Report/Policies/ Organisation, Management and Control Model Legislative Decree No. 231/2001 03 Sustainability Report/Policies/Code of Ethics and Conduct 03 Sustainability Report/Policies/ Sustainability policy 03 Sustainability Report/Policies/The Charter of Values				ESRS E1-2 DR25 ESRS S1-1 DR20 ESRS G1-1 DR9, DR10g
2-25	Processes for remedying negative impacts	03 Sustainability Report/Policies/ Organisation, Management and Control Model Legislative Decree No. 231/2001 03 Sustainability Report/Policies/Code of Ethics and Conduct				
2-26	Mechanisms to request clarification and raise concerns	03 Sustainability Report/Policies/ Organisation, Management and Control Model Legislative Decree No. 231/2001 03 Sustainability Report/Policies/Code of Ethics and Conduct				ESRS G1-1 DR10a

2-27	Compliance with laws and regulations	03 Sustainability Report/Governance and responsible business conduct/ Following regulations - compliance				ESRS S1-17 DR103c,d, DR104b ESRS G1-4 DR24a
2-28	Membership of associations	03 Sustainability Report/Business model/Associations				
Stakeholder engagement						
2-29	Stakeholder engagement approach	03 Sustainability Report/Business model/Stakeholders				ESRS 2 SMB-2 DR45a ESRS S1-1 DR20b
2-30	Collective bargaining agreements	03 Sustainability Report/Sustainability performance/Human resources/ Employees, employment and turnover				ESRS S1-8 DR60a

GRI Standards – Information on Material topics/Specific indicators

The table shows the reference to the GRI Topic Standards used for material topic reporting. To better understand the content, the following is highlighted:

- The standards in the table are those for reporting identified material topics.
- Where not otherwise specified, the GRI Standards published in 2016 have been used. For the occupational health and safety disclosure, standard GRI 403, Occupational health and safety, published in 2018, has been used.
- Industry standards not available.

Privacy statement		Location	Omission			Correspondence with ESRS indicators
No.	Description		Requirements omitted	Reason	Explanation	

GRI 3 - Material topics - version 2021

3-1	Material topic determination process	03 Sustainability Report/Drafting criteria 03 Sustainability Report/Impacts and material topics/impacts and material topics according to GRI standards 03 Sustainability Report/Impacts and material topics/The identification process - assessing and prioritising topics				
3-2	List of material topics	03 Sustainability Report/Impacts and material topics/Material topics				

Material topic - Energy consumption, emissions and climate change

3-3	Material topics management	• 03 Sustainability Report/Impacts and material topics/Risk management • 03 Sustainability Report/Impacts and material topics/Material topics – Objectives and actions • 03 Sustainability Report/Sustainability performance/Environment/Energy consumption • 03 Sustainability Report/Sustainability performance/Environment/GHG emissions				
Specific GRI Standards						
302-1	Energy consumption within the organisation	• 03 Sustainability Report/Sustainability performance/Environment/Energy consumption				
302-2	Energy consumption outside of the organisation		302-2	Information not available/incomplete	Data not currently available - See GRI 305-3 for other emissions reporting/Scope 3	
302-3	Energy intensity	• 03 Sustainability Report/Sustainability performance/Environment/Energy consumption				ESRS E1-5 DR40
302-4	Reduce energy consumption		302-4	Not relevant	Indicator not relevant to business model and business impacts	
302-5	Reduce product and service energy needs		302-5	Not relevant	Indicator not relevant to business model and business impacts	
305-1	Direct (Scope 1) GHG emissions	• 03 Sustainability Report/Sustainability performance/Environment/GHG emissions				ESRS E1-6 DR44a, DR48a, AR43c,d, AR39
305-2	Energy indirect (Scope 2) GHG emissions	• 03 Sustainability Report/Sustainability performance/Environment/GHG emissions				ESRS E1-6 AR39, DR44b, DR49, AR45a,cd,f
305-3	Other indirect (Scope 3) GHG emissions	• 03 Sustainability Report/Sustainability performance/Environment/GHG emissions	305-3	Information not available/incomplete	Reporting limited to suppliers/logistics activities	ESRS E1-6 AR39, DR44c

305-4	Intensity of GHG emissions	03 Sustainability Report/Sustainability performance/Environment/GHG emissions				ESRS E1-6 AR39, DR53
305-5	Reduction of GHG emissions		305-5	Information not available/incomplete	Data not quantifiable on improvement objectives/actions taken	
305-6	Emissions of ozone-depleting substances (ODS)		305-6	Not relevant	Indicator not relevant to business model and business impacts	
305-7	Nitrogen oxides (NOX), sulphur oxides (SOX) and other significant emissions		305-7	Not relevant	Indicator not relevant to business model and business impacts	

Material topic - Raw materials (use of resources)

3-3	Material topics management	03 Sustainability Report/Impacts and material topics/Risk management 03 Sustainability Report/Impacts and material topics/Material topics – Objectives and actions 03 Sustainability Report/Sustainability performance/Environment/Sustainability of raw materials				
Specific GRI Standards						
301-1	Materials used by weight or volume	03 Sustainability Report/Sustainability performance/Environment/Sustainability of raw materials				
301-2	Recycled material inputs used	03 Sustainability Report/Sustainability performance/Environment/Sustainability of raw materials				
301-3	Recovered or reclaimed products and related packaging materials		301-3	Not relevant	Indicator not relevant to business model and business impacts	

Material topic - Human resources: Management, training and development

3-3	Material topics management	03 Sustainability Report/Impacts and material topics/Risk management 03 Sustainability Report/Impacts and material topics/Material topics – Objectives and actions 03 Sustainability Report/Sustainability performance/Human resources/Employees, employment and turnover 03 Sustainability Report/Sustainability performance/Human resources/Training				
-----	----------------------------	---	--	--	--	--

Specific GRI Standards						
401-1	New employee hires and employee turnover	03 Sustainability Report/Sustainability performance/Human resources/ Employees, employment and turnover				
401-2	Benefits provided for full-time employees, but not for part-time or fixed-term employees	03 Sustainability Report/Sustainability performance/Human resources/ Employees, employment and turnover				
401-3	Parental leave	03 Sustainability Report/Sustainability performance/Human resources/ Employees, employment and turnover				
404-1	Average hours of annual training per employee	03 Sustainability Report/Sustainability performance/Human resources/Training				
404-2	Employee skills upgrade programmes and transition support programmes		404-2	Not relevant	Indicator not relevant to business model	
404-3	Percentage of employees who regularly receive performance and career development reviews	03 Sustainability Report/Sustainability performance/Human resources/Training				ESRS S1-13 DR83b
Material topic - Human resources: Occupational health and safety						
3-3	Material topics management	03 Sustainability Report/Impacts and material topics/Risk management 03 Sustainability Report/Impacts and material topics/Material topics – Objectives and actions 03 Sustainability Report/Sustainability performance/Human resources/ Occupational health and safety				
Specific GRI Standards						
403-1	Occupational health and safety management system	03 Sustainability Report/Sustainability performance/Human resources/ Occupational health and safety				ESRS S1-1 DR23
403-2	Hazard identification, risk assessment, and accident investigations	03 Sustainability Report/Sustainability performance/Human resources/ Occupational health and safety				
403-3	Occupational health services	03 Sustainability Report/Sustainability performance/Human resources/ Occupational health and safety				
403-4	Worker participation, consultation, and communication on occupational health and safety	03 Sustainability Report/Sustainability performance/Human resources/ Occupational health and safety				

403-5	Worker training on occupational health and safety	03 Sustainability Report/Sustainability performance/Human resources/ Occupational health and safety				
403-6	Promotion of worker health	03 Sustainability Report/Sustainability performance/Human resources/ Occupational health and safety				
403-7	Prevention and mitigation of occupational health and safety impacts directly linked by business relationships	03 Sustainability Report/Sustainability performance/Human resources/ Occupational health and safety				
403-8	Workers covered by an occupational health and safety management system	03 Sustainability Report/Sustainability performance/Human resources/ Occupational health and safety				ESRS S1-14 DR88a
403-9	Work-related injuries	03 Sustainability Report/Sustainability performance/Human resources/ Occupational health and safety				ESRS S1-14 DR88b,c,d
403-10	Occupational diseases	03 Sustainability Report/Sustainability performance/Human resources/ Occupational health and safety				ESRS S1-14 DR88b,c,d

Material topic - Human resources: Diversity Equality Inclusion

3-3	Material topics management	03 Sustainability Report/Impacts and material topics/Risk management 03 Sustainability Report/Impacts and material topics/Material topics – Objectives and actions 03 Sustainability Report/Sustainability performance/Human resources/People management 03 Sustainability Report/Sustainability performance/Human resources/ Diversity				
Specific GRI Standards						
405-1	Diversity of governance bodies and employees	03 Sustainability Report/Sustainability performance/Human resources/ Diversity				ESRS S1-6 DR50a
405-2	Ratio of the basic salary and pay of women to men	03 Sustainability Report/Sustainability performance/Human resources/ Diversity				
406-1	Incidents of discrimination and corrective measures taken	03 Sustainability Report/Sustainability performance/Human resources/People management				ESRS S1-17 DR103a

Material topic - Supply chain management

3-3	Material topics management	03 Sustainability Report/Impacts and material topics/Risk management 03 Sustainability Report/Impacts and material topics/Material topics – Objectives and actions 03 Sustainability Report/Sustainability performance/Quality, product safety and the role of the supply chain/Supply chain management				
Specific GRI Standards						
308-1	New suppliers that were screened using environmental criteria	03 Sustainability Report/Sustainability performance/Quality, product safety and the role of the supply chain/Supply chain management				ESRS G1-2 DR15b
308-2	Negative environmental impacts in the supply chain and actions taken		308-2	Information not available/incomplete	Information is not available for Lariotex	
414-1	New suppliers that were screened using social criteria	03 Sustainability Report/Sustainability performance/Quality, product safety and the role of the supply chain/Supply chain management				ESRS G1-2 DR15b
414-2	Negative social impacts in the supply chain and actions taken		414-2	Information not available/incomplete	Information is not available for Lariotex	
Material topic - Product quality and responsible customer relationships						
3-3	Material topics management	03 Sustainability Report/Impacts and material topics/Risk management 03 Sustainability Report/Impacts and material topics/Material topics – Objectives and actions 03 Sustainability Report/Sustainability performance/Quality, product safety and the role of the supply chain/Product safety and Chemical management				
Specific GRI Standards						
417-1	Information and labelling requirements for products and services	03 Sustainability Report/Sustainability performance/Quality, product safety and the role of the supply chain/Product safety and Chemical management				
417-2	Incidents of non-compliance concerning product and service information and labelling	03 Sustainability Report/Sustainability performance/Quality, product safety and the role of the supply chain/Product safety and Chemical management				

417-3	Cases of non-compliance involving marketing communications		417-3	Not relevant	Indicator not relevant to business model and business impacts	
Material topic- Product safety and chemical management						
3-3	Material topics management	03 Sustainability Report/Impacts and material topics/Risk management 03 Sustainability Report/Impacts and material topics/Material topics – Objectives and actions 03 Sustainability Report/Sustainability performance/Quality, product safety and the role of the supply chain/Product safety and Chemical management				
	Specific GRI Standards					
416-1	Assessment of health and safety impacts by product categories and services.	03 Sustainability Report/Sustainability performance/Quality, product safety and the role of the supply chain/Product safety and Chemical management				
416-2	Incidents of non-compliance concerning the health and safety impacts of products and services	03 Sustainability Report/Sustainability performance/Quality, product safety and the role of the supply chain/Product safety and Chemical management				
Material topic - Integrity and ethical conduct of the business						
3-3	Material topics management	03 Sustainability Report/Impacts and material topics/Risk management 03 Sustainability Report/Impacts and material topics/Material topics – Objectives and actions 03 Sustainability Report/Sustainability performance/Ethics and integrity/ Anti-corruption				
	Specific GRI Standards					
205-1	Operations assessed for risks linked to corruption	03 Sustainability Report/Sustainability performance/Ethics and integrity/ Anti-corruption				
205-2	Communication and training on anti-corruption policies and procedures	03 Sustainability Report/Sustainability performance/Ethics and integrity/ Anti-corruption				
205-3	Confirmed incidents of corruption and actions taken	03 Sustainability Report/Sustainability performance/Ethics and integrity/ Anti-corruption				ESRS G1-4 DR25a
206-1	Legal actions for anti-competitive behaviour, anti-trust and monopoly practices	03 Sustainability Report/Sustainability performance/Ethics and integrity/ Anti-corruption				

418-1	Substantiated complaints concerning breaches of customer privacy and losses of customer data	03 Sustainability Report/Sustainability performance/Ethics and integrity/ Anti-corruption				
Material topic - Value generation and distribution						
3-3	Material topics management	03 Sustainability Report/Impacts and material topics/Risk management 03 Sustainability Report/Impacts and material topics/Material topics – Objectives and actions 02 Economic and financial performance/Value generated and distributed				
Specific GRI Standards						
201-1	Direct economic value generated and distributed	02 Economic and financial performance/Value generated and distributed				
201-2	Financial implications and other risks and opportunities due to climate change		201-2	Information not available/ incomplete	Lariotex has not developed an analysis model for determining the financial impact of climate change	
201-3	Defined benefit pension plans and other retirement plans		201-3	Not relevant	Pension benefits provided as required by the relevant legislation	
201-4	Financial assistance received from the government		201-4	Not relevant	Indicator not relevant to business model and business impacts	
Material topic - Innovation, research and development						
3-3	Material topics management	03 Sustainability Report/Impacts and material topics/Risk management 03 Sustainability Report/Impacts and material topics/Material topics – Objectives and actions 03 Sustainability Report/Business model/Research and development				

Additional ESRS indicators

The table below is presented for information purposes and as evidence of Lariotex's transition process towards adopting the ESRS Standards. It should be noted that this information has not been subject to verification by the auditors.

ESRS standards		Location
General information		
ESRS 2	GOV-1 Role of the Board of Directors, management and supervisory bodies/DR 19	03 Sustainability Report/Governance and responsible business conduct/Lariotex governance
ESRS 2	GOV-1 Role of the Board of Directors, management and supervisory bodies/DR 22d	03 Sustainability Report/Governance and responsible business conduct/Lariotex governance
ESRS 2	GOV-1 Role of the Board of Directors, management and supervisory bodies/AR 4	03 Sustainability Report/Governance and responsible business conduct/Lariotex governance/Delegation processes and organisational structure
ESRS 2	Information provided to the Board of Directors, management and supervisory bodies of the company and sustainability matters addressed by them/DR 24	03 Sustainability Report/Governance and responsible business conduct/Lariotex governance
ESRS 2	Information provided to the Board of Directors, management and supervisory bodies of the company and sustainability matters addressed by them/DR 25	03 Sustainability Report/Governance and responsible business conduct/Lariotex governance
ESRS 2	SBM-1 Strategy, business model and value chain/DR 38	03 Sustainability Report/Business model/Lariotex
ESRS 2	SBM-2 Interests and views of stakeholders/DR 43	03 Sustainability Report/Business model/Stakeholders
ESRS 2	IRO-1 Description of the process to identify and assess material impacts, risks and opportunities/DR 51	03 Sustainability Report/Impacts and material topics/The identification process - assessing and prioritising topics
ESRS 2	IRO-2 Disclosure requirements of ESRS covered by the company's sustainability statement/DR 56	03 Sustainability Report/Additional ESRS indicators
Environmental information		
ESRS E1 - Climate Change		
ESRS E1	E1-2 Policies related to climate change mitigation and adaptation/DR 22	03 Sustainability Report/Policies/Policies adopted to manage sustainability topics
ESRS E1	E1-4 Targets related to climate change mitigation and adaptation/DR 30	03 Sustainability Report/Impacts and material topics/Material topics – Objectives and actions
ESRS E1	E1-5 Energy consumption and energy mix/DR 35	03 Sustainability Report/Sustainability performance/Environment/Energy consumption
ESRS E1	E1-6 Gross Scope 1, 2, 3 GHG emissions and total GHG emissions/DR 44d	03 Sustainability Report/Sustainability performance/Environment/GHG emissions
ESRS E1	E1-6 Gross Scope 1, 2, 3 GHG emissions and total GHG emissions/DR 47	03 Sustainability Report/Sustainability performance/Environment/GHG emissions
ESRS E1	E1-6 Gross Scope 1, 2, 3 GHG emissions and total GHG emissions/DR 52	03 Sustainability Report/Sustainability performance/Environment/GHG emissions
ESRS E1	E1-6 Gross Scope 1, 2, 3 GHG emissions and total GHG emissions/AR 43a, b, e	03 Sustainability Report/Sustainability performance/Environment/GHG emissions
ESRS E1	E1-6 Gross Scope 1, 2, 3 GHG emissions and total GHG emissions/AR 44	03 Sustainability Report/Sustainability performance/Environment/GHG emissions
ESRS E1	E1-6 Gross Scope 1, 2, 3 GHG emissions and total GHG emissions/AR 45b, e	03 Sustainability Report/Sustainability performance/Environment/GHG emissions
ESRS E1	E1-6 Gross Scope 1, 2, 3 GHG emissions and total GHG emissions/AR 47	03 Sustainability Report/Sustainability performance/Environment/GHG emissions
ESRS E1	E1-6 Gross Scope 1, 2, 3 GHG emissions and total GHG emissions/DR 54	03 Sustainability Report/Sustainability performance/Environment/GHG emissions

ESRS E1	E1-6 Gross Scope 1, 2, 3 GHG emissions and total GHG emissions/AR 53	03 Sustainability Report/Sustainability performance/ Environment/GHG emissions
ESRS E5 - Resource use and circular economy		
ESRS E5	E5-1 Policies related to resource use and circular economy/DR 12	03 Sustainability Report/Policies/Policies adopted to manage sustainability topics
ESRS E5	E5-1 Policies related to resource use and circular economy/DR 15	03 Sustainability Report/Policies/Policies adopted to manage sustainability topics
ESRS E5	E5-3 Targets related to resource use and circular economy/DR 21	03 Sustainability Report/Impacts and material topics/Material topics – Objectives and actions
ESRS E5	E5-4 Resource inflows/DR 28	03 Sustainability Report/Sustainability performance/ Environment/Sustainability of raw materials
ESRS E5	E5-4 Resource inflows/DR 30	03 Sustainability Report/Sustainability performance/ Environment/Sustainability of raw materials
ESRS E5	E5-5 Resource outflows/DR 36	03 Sustainability Report/Sustainability performance/ Environment/Sustainability of raw materials
Social information		
ESRS S1 - Own Workforce		
ESRS S1	S1-1 Policies related to own workforce/DR 17	03 Sustainability Report/Policies/Policies adopted to manage sustainability topics
ESRS S1	S1-1 Policies related to own workforce/DR 22	03 Sustainability Report/Policies/Policies adopted to manage sustainability topics
ESRS S1	S1-1 Policies related to own workforce/DR 24a, b, d	03 Sustainability Report/Policies/Policies adopted to manage sustainability topics
ESRS S1	S1-3 Processes to remediate negative impacts and channels for own workforce to raise concerns/DR 30	03 Sustainability Report/Policies/Policies adopted to manage sustainability topics
ESRS S1	S1-5 Targets related to managing material negative impacts, advancing positive impacts and managing material risks and opportunities/DR 44	03 Sustainability Report/Impacts and material topics/Material topics – Objectives and actions
ESRS S1	S1-5 Targets related to managing material negative impacts, advancing positive impacts and managing material risks and opportunities/AR 49	03 Sustainability Report/Impacts and material topics/Material topics – Objectives and actions
ESRS S1	S1-5 Targets related to managing material negative impacts, advancing positive impacts and managing material risks and opportunities/AR 51	03 Sustainability Report/Impacts and material topics/Material topics – Objectives and actions
ESRS S1	S1-6 Characteristics of the company's employees/DR 48	03 Sustainability Report/Sustainability performance/Human resources/Employees, employment and turnover
ESRS S1	S1-6 Characteristics of the company's employees/DR 50c	03 Sustainability Report/Sustainability performance/Human resources/Employees, employment and turnover
ESRS S1	S1-6 Characteristics of the company's employees/AR 55	03 Sustainability Report/Sustainability performance/Human resources/Employees, employment and turnover
ESRS S1	S1-6 Characteristics of the company's employees/AR 59	03 Sustainability Report/Sustainability performance/Human resources/Employees, employment and turnover
ESRS S1	S1-7 Characteristics of non-employee workers in the company's own workforce/DR 53	03 Sustainability Report/Sustainability performance/Human resources/Employees, employment and turnover
ESRS S1	S1-8 Collective bargaining coverage and social dialogue/DR 58	03 Sustainability Report/Sustainability performance/Human resources/Employees, employment and turnover
ESRS S1	S1-8 Collective bargaining coverage and social dialogue/DR 60b, c	03 Sustainability Report/Sustainability performance/Human resources/Employees, employment and turnover
ESRS S1	S1-8 Collective bargaining coverage and social dialogue/AR 66	03 Sustainability Report/Sustainability performance/Human resources/Employees, employment and turnover

ESRS S1	S1-9 Diversity metrics/DR 64	03 Sustainability Report/Governance and responsible business conduct/Lariotex governance
ESRS S1	S1-9 Diversity metrics/DR 66b	03 Sustainability Report/Sustainability performance/Human resources/Diversity
ESRS S1	S1-13 Training and skills development metrics/DR 81	03 Sustainability Report/Sustainability performance/Human resources/Training
ESRS S1	S1-14 Health and safety metrics/DR 86	03 Sustainability Report/Sustainability performance/Human resources/Occupational health and safety
ESRS S1	S1-14 Health and safety metrics/DR 88e	03 Sustainability Report/Sustainability performance/Human resources/Occupational health and safety
ESRS S1	S1-14 Health and safety metrics/AR 91	03 Sustainability Report/Sustainability performance/Human resources/Occupational health and safety
ESRS S1	S1-15 Work-life balance metrics/DR 91	03 Sustainability Report/Sustainability performance/Human resources/Diversity
ESRS S1	S1-15 Work-life balance metrics/DR 94	03 Sustainability Report/Sustainability performance/Human resources/Diversity
ESRS S1	S1-16 Remuneration metrics (pay gap and total remuneration)/DR 95	03 Sustainability Report/Sustainability performance/Human resources/Diversity
ESRS S1	S1-17 Incidents, complaints and serious impacts relating to human rights/DR 100	03 Sustainability Report/Sustainability performance/Human resources/People management
ESRS S1	S1-17 Incidents, complaints and serious impacts relating to human rights/DR 103b	03 Sustainability Report/Sustainability performance/Human resources/People management
ESRS S1	S1-17 Incidents, complaints and serious impacts relating to human rights/DR 104a	03 Sustainability Report/Sustainability performance/Human resources/People management
ESRS S2 - Workers in the value chain		
ESRS S2	S2-3 Processes for remedying negative impacts and channels enabling workers in the value chain to raise concerns/DR 25	03 Sustainability Report/Policies/Policies adopted to manage sustainability topics
ESRS S4 - Consumers and end users		
ESRS S4	S4-1 Policies relating to consumers and end users/DR 13	03 Sustainability Report/Sustainability performance/Quality, product safety and the role of the supply chain/Product safety and Chemical management
ESRS S4	S4-3 Processes for remedying negative impacts and channels enabling consumers and end users to raise concerns/DR 23	03 Sustainability Report/Policies/Policies adopted to manage sustainability topics
ESRS S4	S4-5 Targets related to managing material negative impacts, advancing positive impacts and managing material risks and opportunities/DR 38	03 Sustainability Report/Impacts and material topics/Material topics – Objectives and actions
ESRS S4	S4-5 Targets related to managing material negative impacts, advancing positive impacts and managing material risks and opportunities/AR 42	03 Sustainability Report/Impacts and material topics/Material topics – Objectives and actions
ESRS S4	S4-5 Targets related to managing material negative impacts, advancing positive impacts and managing material risks and opportunities/AR 44	03 Sustainability Report/Impacts and material topics/Material topics – Objectives and actions
Governance information		
ESRS G1 - Business conduct		
ESRS G1	G1-1 Policies on corporate culture and business conduct/DR 10b, c, d, e, f, h	03 Sustainability Report/Policies/Policies adopted to manage sustainability topics
ESRS G1	G1-2 Management of supplier relationships/DR 12	03 Sustainability Report/Sustainability performance/Quality, product safety and the role of the supply chain/Supply chain management

ESRS G1	G1-2 Management of supplier relationships/DR 15a	03 Sustainability Report/Sustainability performance/Quality, product safety and the role of the supply chain/Supply chain management
ESRS G1	G1-3 Prevention and detection of giving and receiving bribes/DR 16	03 Sustainability Report/Policies/Policies adopted to manage sustainability topics
ESRS G1	G1-4 Cases of giving and receiving bribes/DR 22	03 Sustainability Report/Sustainability performance/Ethics and integrity/Anti-corruption

Other information

In accordance with the provisions of Art. 2428 of the Civil Code, in addition to the above, the following is highlighted:

1. In relation to relations with subsidiaries and associates, reference is made to the Notes to the Accounts in relation to relations with the parent company Lariotrade Srl and the company C.T.C., Srl;
2. no own shares are held;
3. no own shares were acquired or sold during the financial year.

Business outlook

The provisional data as at 31/03/2025 are in line with budget expectations and show a slight increase on the corresponding period in 2024. Sales volumes have decreased due to the product mix, which has favoured the luxury sector in this early part of the year and therefore the most expensive fibre, silk.

The multi-year Business Plan is currently being revised and updated in light of emerging trends and the adaptation of the business model to the changing market context.

Vertemate con Minoprio, 25 June 2025

Financial statements



Lariotex SpA - Financial statements as at 31/12/2024

↓ ORGANISATION DATA	
Name	LARIOTEX SPA
Headquarters	STRADA PROVINCIALE PER BULGORELLO 5 22070 VERTEMATE CON MINOPRIO (CO)
Share capital	10,000,000
Share capital fully paid in	yes
CCIAA code	CO
VAT No.	03476340132
Tax code	03476340132
REA [Economic and Administrative Index] no.	316934
Legal form	Public Limited Company
Main sector of activity (ATECO)	Wholesale of unwrought and semi-wrought textile fibres (46.76.10)
Company in liquidation	no
Company with a sole shareholder	yes
Company subject to management and coordination	no
Part of a group	yes
Name of the parent company	LARIOTRADE SRL
Country of the parent company	ITALY

Balance Sheet

↓ BALANCE SHEET

	31/12/2024	31/12/2023
Balance sheet		
Assets		
B) Fixed assets		
I - Intangible fixed assets		
3) industrial patents and intellectual property rights	163,673	131,836
4) concessions, licences, trademarks and similar rights	1,811,033	2,112,871
6) assets under construction and payments on account	20,000	1,675,067
7) other	3,300,743	869,744
Total intangible fixed assets	5,295,449	4,789,518
II - Tangible fixed assets		
2) plant and machinery	130,036	100,381
3) industrial and commercial equipment	13,828	11,503
4) other assets	193,994	90,904
5) assets under construction and payments on account	-	25,000
Total tangible fixed assets	337,858	227,788
III - Financial fixed assets		
3) other securities	-	101,389
Total financial fixed assets	-	101,389
Total fixed assets (B)	5,633,307	5,118,695
C) Current assets		
I - Inventory		
4) finished products and goods	26,198,364	23,077,441
Total inventories	26,198,364	23,077,441
II - Receivables		
1) trade receivables		
payable within next financial year	18,701,947	19,951,913
Total trade receivables	18,701,947	19,951,913
5-bis) tax receivables		
payable within next financial year	2,476,428	338,239
Total tax receivables	2,476,428	338,239
5-ter) deferred taxes	652,382	576,462
5-quater) from others		
payable within next financial year	103,087	421,977
Total receivables from others	103,087	421,977
Total receivables	21,933,844	21,288,591
III - Financial assets that do not constitute fixed assets		
5) financial derivative instrument assets	219,883	83,682
6) other securities	892,577	934,911

Total financial assets that do not constitute assets	1,112,460	1,018,593
IV - Cash and cash equivalents		
1) bank and postal deposits	1,345,461	2,287,871
3) cash and securities in hand	1,366	213
Total cash and cash equivalents	1,346,827	2,288,084
Total current assets (C)	50,591,495	47,672,709
D) Accruals and deferrals	204,672	225,192
Total assets	56,429,474	53,016,596
Liabilities		
A) Equity		
I - Share capital	10,000,000	6,000,000
IV - Legal reserve	2,000,000	1,200,000
VI - Other reserves, separately indicated		
Extraordinary reserve	4,221,545	7,347,528
Profits on unrealised exchange rates reserve	192,096	230,921
Various other reserves	(1)	1
Total other reserves	4,413,640	7,578,450
VII - Reserve for expected cash flow hedges	11,747	67,661
IX - Profit (loss) for the year	1,091,305	2,505,191
Total equity	17,516,692	17,351,302
B) Provisions for risks and charges		
1) Provision for pensions and similar obligations	162,820	133,750
3) financial derivative instrument liabilities	15,083	147,264
4) other	1,000,000	1,000,000
Total provisions for risks and charges	1,177,903	1,281,014
C) Employee severance indemnity	141,478	113,748
D) Payables		
1) bonds		
payable within next financial year	1,454,544	1,454,544
payable after next financial year	4,727,276	6,181,820
Total bonds	6,181,820	7,636,364
4) payables to banks		
payable within next financial year	19,238,974	11,074,464
payable after next financial year	1,360,661	3,349,389
Total payables to banks	20,599,635	14,423,853
5) payables to other lenders		
payable within next financial year	651,287	280,017
Total payables to other lenders	651,287	280,017
6) advance payments		
payable within next financial year	6,830	57,822
Total advances	6,830	57,822

7) trade payables		
payable within next financial year	9,682,239	11,422,797
Total trade payables	9,682,239	11,422,797
12) tax payables		
payable within next financial year	85,096	120,000
Total tax payables	85,096	120,000
13) payables to employee benefit and social security institutions		
payable within next financial year	78,363	59,198
Total payables to employee benefit and social security institutions	78,363	59,198
14) other payables		
payable within next financial year	153,012	134,331
Total other payables	153,012	134,331
Total payables	37,438,282	34,134,382
E) Accruals and deferrals	155,119	136,150
Total liabilities	56,429,474	53,016,596

Income Statement

↓ INCOME STATEMENT

	31/12/2024	31/12/2023
Income Statement		
A) Production value		
1) revenue from sales and services	65,562,489	60,873,220
5) other revenue and income		
operating grants	2,758	1,268
other	203,377	71,040
Total other revenue and income	206,135	72,308
Total value of production	65,768,624	60,945,528
B) Cost of production		
6) raw and subsidiary materials, consumables and goods	56,060,127	45,641,080
7) for services	7,242,010	5,692,346
8) leased assets	177,215	177,874
9) for staff		
a) salaries and wages	1,004,531	883,445
b) social security charges	295,052	225,948
c) severance pay	65,333	53,129
Total staff costs	1,364,916	1,162,522
10) depreciation and write-downs		
a) depreciation of intangible fixed assets	718,204	443,236
b) depreciation of tangible fixed assets	62,497	48,611
d) write-downs of receivables included in current assets and cash available	204,589	190,836
Total amortisation and write-downs	985,290	682,683
11) changes to stocks of raw materials, consumables, supplies and goods	(3,120,923)	2,731,891
12) provisions for risks	132,000	110,153
14) various operating costs	96,003	76,963
Total cost of production	62,936,638	56,275,512
Difference between production revenue and costs (A-B)	2,831,986	4,670,016
C) Financial income and charges		
15) income from shareholdings		
other	1,120	560
Total income from holdings	1,120	560
16) other financial income		
c) from securities entered in current assets that do not constitute holdings	48,537	34,999
d) income other than the previous income		
other	120,719	186,978
Total income other than the previous income	120,719	186,978
Total other financial income	169,256	221,977
17) interest and other financial charges		
other	1,462,778	1,471,570

Total interest and other financial charges	1,462,778	1,471,570
17-bis) profit and loss on exchange rates	(521,620)	194,027
Total financial income and charges (15 + 16 - 17 + - 17-bis)	(1,814,022)	(1,055,006)
D) Adjustments of value of financial assets and liabilities		
18) revaluations		
d) from derivative financial instruments	739,006	266,200
Total revaluations	739,006	266,200
19) write-downs		
c) of securities entered in current assets that do not constitute holdings	-	833
d) from derivative financial instruments	75,523	342,931
Total write-downs	75,523	343,764
Total adjustments of value of financial assets and liabilities (18 - 19)	663,483	(77,564)
Pre-tax profit (A - B + - C + - D)	1,681,447	3,537,446
20) Income tax for the year, current, deferred and prepaid		
current taxes	666,062	1,114,637
advance and deferred taxes	(75,920)	(82,382)
Total income tax for the year, current, deferred and pre-paid	590,142	1,032,255
21) Profit (loss) for the year	1,091,305	2,505,191

Indirect Cash Flow Statement

↓ INDIRECT CASH FLOW STATEMENT

	31/12/2024	31/12/2023
Indirect Cash Flow Statement		
A) Cash flows from operating activities (indirect method)		
Profit (loss) for the year	1,091,305	2,505,191
Income tax	590,142	1,032,255
Interest expense/(income)	1,293,522	1,249,593
(Dividends)	(1,120)	(560)
(Capital gains)/Losses on the sale of assets	3,356	(4,783)
1) Profit for the year before income tax, interest, dividends and gains/losses on the sale of assets	2,977,205	4,781,696
Adjustments for non-monetary items with offsetting entries under net current assets		
Allocations to provisions	229,069	139,243
Fixed asset depreciation	780,701	491,847
Write-downs for impairment losses	-	833
Value adjustments to financial assets and financial liabilities of derivative financial instruments that do not involve monetary movements	(324,296)	131,245
Other increases/(decreases) for non-monetary items	(179,910)	22,358
Total adjustments for non-monetary items that have not had a counterpart in net working capital	505,564	785,526
2) Cash flow before net working capital changes	3,482,769	5,567,222
Changes in net working capital		
Decrease/(increase) in inventories	(3,120,923)	2,731,890
Decrease/(increase) in trade receivables	1,249,966	2,643,452
Increase/(decrease) in trade payables	(1,492,957)	2,590,666
Decrease/(increase) in prepayments and accrued income	18,033	(36,377)
Increase/(decrease) in accrued liabilities and deferred income	22,470	(114,555)
Other decreases/(Other increases) in net working capital	(1,890,993)	244,684
Total changes to net working capital	(5,214,404)	8,059,760
3) Cash flow after net working capital changes	(1,731,635)	13,626,982
Other adjustments		
Interest received/(paid)	(1,212,853)	(825,264)
(Income tax paid)	(642,418)	(1,317,313)
Dividends received	1,120	560
(Use of funds)	(200,000)	(60,153)
Other receipts/(payments)	(3,928)	(20,721)
Total other adjustments	(2,058,079)	(2,222,891)
Cash flow from operating activity (A)	(3,789,714)	11,404,091
B) Cash flows arising from investing activities		

Tangible fixed assets		
(Investments)	(154,150)	(80,881)
Divestments	6,196	5,095
Intangible fixed assets		
(Investments)	(1,355,074)	(1,188,377)
Financial fixed assets		
Divestments	101,389	-
Short-term financial assets		
(Investments)	(200,000)	(200,266)
Divestments	242,334	-
Cash flow of investment activities (B)	(1,359,305)	(1,464,429)
C) Cash flows from financing activities		
Third-party financing		
Increase/(decrease) in short-term payables to banks	2,683,479	(10,338,677)
Loans taken out	12,281,150	2,500,000
(Loans repaid)	(9,886,867)	(5,234,165)
Own funds		
(Dividends and advances on dividends paid)	(870,000)	(1,050,000)
Cash flow from financing activities (C)	4,207,762	(14,122,842)
Increase/(decrease) in cash and cash equivalents (A ± B ± C)	(941,257)	(4,183,180)
Opening cash and cash equivalents		
Bank and postal deposits	2,287,871	6,470,907
Cash and securities in hand	213	357
Total cash and cash equivalents at the start of the year	2,288,084	6,471,264
Cash and cash equivalents at the year-end		
Bank and postal deposits	1,345,461	2,287,871
Cash and securities in hand	1,366	213
Total cash and cash equivalents at the end of the year	1,346,827	2,288,084

Notes to the accounts for the financial year ended 31/12/2024

Notes to the accounts, initial section

Dear Shareholders,

These financial statements, submitted for your consideration and approval, show an operating profit for the year of €1,091,305.

Presentation criteria

The criteria used in the formation and assessment of the financial statements as at 31/12/2024 shall take account of the changes made to national law by Legislative Decree No. 139/2015, enacted in implementation of Directive 2013/34/EU.

Furthermore, in preparing the financial statements, account has been taken, where required, of the amendments to accounting standards introduced by the revisions approved in March 2024 to OIC 16/31 (decommissioning and restoration obligations), 25 (OECD Pillar Two), 12/15/19 (treatment of discounts on revenue), as well as Interpretative Document 11 on "Accounting aspects relating to the valuation of non-fixed asset securities".

For financial statements relating to financial years beginning on 01/01/2024, the new accounting standard OIC 34 becomes applicable, concerning the recognition and measurement of revenue and the disclosure of information to be provided in the notes to the financial statements.

The financial statements under discussion comply with the provisions of Articles 2423 and subsequent Articles of the Civil Code: they clearly and truthfully represent the company's assets, financial position and economic result for the financial year, and are composed as follows:

- the balance sheet in accordance with Articles 2424 and 2424-bis of the Civil Code;
- the income statement drawn up in accordance with Articles 2425 and 2425-bis of the Civil Code;
- the cash flow statement, drawn up in accordance with Art. 2425-ter of the Civil Code and presented in accordance with the provisions of OIC 10.
- these notes to the accounts, drawn up in accordance with Article 2427 of the Civil Code, constitute, for the purposes of Article 2423 of the Civil Code, an integral part of the financial statements for the year.

If the information required by specific legal provisions is not sufficient to give a truthful and correct representation of the company situation, pursuant to Art. 2423, paragraph 3 of the Civil Code, the additional information deemed necessary for this purpose is provided.

The financial statement values are represented in euro units by rounding off the amounts involved. Any differences in rounding have been indicated under the item "Euro rounding reserve" within the items of equity according to the sixth paragraph of Article 2423 of the Civil Code, the notes to the accounts have been drawn up in thousands of euros/(in euro units).

The notes to the accounts present the information of the items of the balance sheet and income statement according to the order in which items are indicated in the respective financial statements.

In cases where offsetting is permitted by law (offset tax credits and debits, public grants recorded as a reduction in the value of fixed assets, foreign exchange gains and losses reported under item 17-bis of the Income Statement, deferred and pre-paid taxes included in item 20 of the Income Statement), the gross amounts subject to offsetting are disclosed in the notes to the accounts, as required by Article 2423-ter, sixth paragraph of the Civil Code.

Basis of preparation

The valuation of the items in the financial statements has been carried out in accordance with the general principles of prudence and accrual accounting, on a going concern basis, as set out in Articles 2423 and 2423-bis of the Civil Code.

The application of the prudence principle has resulted in the individual valuation of the elements comprising each item or entry of assets and liabilities, to avoid offsetting losses that should be recognised against profits that should not be recognised as they have not been realised.

Pursuant to the accrual principle, the effect of the transactions and other events was recorded in the accounts and attributed to the year these transactions and events refer to, not to the year where cash flows are realised (collections and payments).

The recognition and presentation of items in the financial statements have been made taking into account the substance of the transaction or contract.

In application of the materiality principle, obligations regarding recognition, measurement, presentation and disclosure have been waived when their observance would have had immaterial effects in giving a true and fair view.

The continuous application of valuation criteria over time is the basic element for the purposes of comparison of companies' financial statements over the various years.

Exceptional cases pursuant to Art. 2423, paragraph 5 of the Civil Code

There were no exceptional cases that made it necessary to resort to the exceptions in Article 2423, paragraph 5, of the Civil Code.

Valuation criteria used

The valuation criteria applied to financial statement items and value adjustments comply with the Civil Code and the standards promulgated by the Italian Accounting Standard Setter (OIC).

Pursuant to Art. 2427, paragraph 1, No. 1 of the Civil Code illustrates the most significant evaluation criteria adopted in compliance with the provisions contained in Art. 2426 of the Civil Code are described below, focusing, in particular, on those captions to which different valuation and adjustment criteria may be applied or for which no specific criteria exist.

Fixed assets

Intangible

Intangible fixed assets, where the conditions set out in accounting standards are met, are recorded in the assets section of the balance sheet at their historical acquisition and/or production cost and are amortised on a straight-line basis according to their future usefulness.

The value of fixed assets is stated net of amortisations and write-downs.

Amortisation is charged based on a pre-established plan which is deemed to ensure an adequate allocation of cost incurred over the assets' useful life:

Intangible fixed asset items	Period
Software	5 years on a straight-line basis
Trademarks	10 years on a straight-line basis
Other multi-year expenses	5 years on a straight-line basis
Other intangible assets	12 years on a straight-line basis

Intangible fixed assets are amortised systematically every year over the residual income generating potential of individual assets or costs.

The costs incurred to increase the value of trademarks and other intangible assets have been amortised over the remaining useful life of the underlying assets, periods of 8 and 10 years respectively on a straight-line basis.

The next table details, pursuant to and for the effects of Art. 10 of the law of 19 March 1983, No. 72, as well as also drawn from subsequent monetary revaluation laws, for such intangible assets a monetary revaluation was performed by highlighting the related amount.

Description	Amount
Concessions, licences, trademarks and similar rights	
Decree Law No.104/2020	2,997,439

In 2020, the company, pursuant to Art. 110 paragraph 1 Decree-Law 104/2020 converted into Law 126/2020, the company decided to revalue the trademark in accordance with the criteria set out in OIC No. 24 and in compliance with the legal requirements for derogation from Article 2426 of the Civil Code.

The revaluation value of the Trademark is €2,997,439, a value within the range identified in the valuation report of the company M.B.C.- Merchant Banking Con-

sulting, which is responsible for assessing the valuation of this intangible asset subject to the revaluation, which has adopted the method of royalty rates in this case.

The Company has jointly checked that:

- the value of the asset (Trademark) does not exceed the recoverable value;
- the income statement for subsequent years can permit higher depreciation;
- the accounting method used for the revaluation was the increase of the historic cost (as set out in Ministerial Decree 162/2001).

Intangible assets have not suffered write-downs for impairment losses, since their recoverable amount is not less than the value entered in the accounts, as defined by accounting standard OIC 9.

Other intangible assets

The item Other intangible assets includes the right of superficies (a so-called right in rem to own or acquire buildings, works or plants in, on or over another person's immovable property) acquired through a deed by Notary Dr. Marco Ferrari, ref. 6883 Vol. 3479 of 30/03/2022, relating to a real estate compendium located in Vertemate con Minoprio (CO).

They are recorded at purchase cost, including any incidental charges, and amortised within the contractual limit stipulated by them.

Fixed assets under construction and payments on account

Advances to suppliers for the purchase of intangible assets, recorded under item B.I.6., are initially recognised on the date when the obligation to pay such amounts arises; consequently, they are not subject to amortisation.

Tangible

Assets belonging to the category of tangible assets, recognised on the date on which the transfer of the risks and benefits related to the asset acquired, are entered in the financial statements at cost, plus any extra charges incurred up to the time when the assets are ready for use and in any case within the limit of their recoverable value.

These assets are recorded in the assets side of the balance sheet net of the accumulated amortisation and depreciation.

Following the amendment to OIC 16 in March 2024, the cost of decommissioning and removing the asset and/or restoring the site must also be included in the asset's initial recognition value if and when the obligation to decommission the asset and/or restore the site where the asset is located is incurred, with a corresponding provision for liabilities and charges.

The book value of the assets, grouped into uniform classes by nature and by year of acquisition, is split over the financial years in which the assets are likely to be utilised. This procedure is implemented by means of the systematic allocation of depreciation corresponding to pre-established schedules defined when the assets

become ready for use, with reference to their estimated useful lives. These schedules, subject to annual verification, are formed with reference to the gross value of the assets and an assumed net realisable value of zero at the end of the process.

Property, plant and equipment with limited useful lives have been depreciated in accordance the following pre-defined schedule:

Tangible fixed asset items	Depreciation %
Plant and machinery	7.50%
Specific plants	7.50%
Equipment	15.00%
Electronic office equipment	20.00%
Furniture and fixtures	12.00%
Vehicles	20.00%
Vehicles	25.00%

For new fixed assets acquired during the course of the financial year the above rates were reduced by half since the depreciation amount thus obtained does not significantly deviate from the rate calculated starting from when the asset is available and ready to use.

The depreciation criteria applied are unchanged from the previous year.

Pursuant to and for the effects of Art. 10 of Law No. 72 of 19 March 1983 and subsequent monetary revaluation laws, it is noted that no monetary revaluation was carried out on recognised tangible fixed assets.

Tangible fixed assets have not undergone write-downs for permanent impairment, as the recoverable value, as defined by accounting standard OIC 9, is not lower than the value recorded in the accounts.

Financial

Other securities

Financial assets consisting of other securities have been recognised in the financial statements at cost including any additional charges, as the application of the amortised cost criterion irrelevant.

No write-downs of securities were recognised pursuant to Article 2426, paragraph 1, No. 3 of the Civil Code. Indeed, in accordance with OIC 9, no potential impairment indicators were identified.

During the financial year, the other securities were fully redeemed.

Receivables

Receivables generated from revenue for the sale of goods or provision of services are recorded in current assets according to the accrual principle, when the conditions for recognising the related revenue are met.

They are stated at their estimated realisable value, as the company does not consider the effects of applying the amortised cost method and/or discounting to be significant in order to give a true and fair view of its financial and economic position.

The adjustment of the nominal value of receivables to their estimated realisable value is achieved through a specific provision for doubtful debts.

The receivables are removed from the financial statements when the contractual rights to the cash flows arising from the receivable are extinguished or when all risks relating to the receivable subject to disposal are transferred.

Payables

Payables arising from the acquisition of goods are recorded in the liabilities when significant risks, charges and benefits connected with ownership have been substantially transferred; payables related to services are recognised when the services have been rendered, or the performance has been completed. Financial payables, against financing operations or reasons other than the acquisition of goods and services, are recognised when the company's obligation towards the counterparty matures, as determined by legal and contractual regulations.

Payables are stated at their nominal value; the amortised cost method and/or discounting have not been applied as their effects are insignificant in providing a true and fair view of the company's financial and economic position.

Accruals and deferrals

Accruals and deferrals have been determined according to the principle of actual time-based accrual during the financial year and the economic correlation of costs and revenues.

For accruals and deferrals with a multi-year duration the conditions under which the original entry had been determined and, where necessary, the appropriate changes have been verified.

Warehouse stock

Inventories of assets are valued according to the weighted average cost method.

The purchase cost includes any additional direct charge costs.

Financial assets that do not constitute fixed assets

Financial derivatives

Financial derivative instrument assets relate to hedging instruments of cash flows or the fair value of a short-term asset. They were initially recognised when the

[Financial statements](#)

Company acquired the related rights and obligations, and their valuation, pursuant to Article 2426, paragraph 1, No. 11-bis of the Civil Code, was made at fair value, both at the date of initial recognition and at each balance sheet date. Changes in fair value compared to the previous financial year are recognised respectively in the appropriate income statement items "D.18.d. - Revaluations of derivative financial instruments" and "D.19.d. - Write-downs of derivative financial instruments", with the exception of changes in cash flow hedging derivatives, for which recognition is provided in the equity item "VII - Reserve for expected cash flow hedge operations.

With regard to the procedures for determining the fair value, it was determined according to the market value because it was possible to easily identify an active market.

[Other securities](#)

Short-term securities that are fungible in nature were valued based on the lesser value between the initial recognition cost and the realisable value based on market trends. For the valuation of the initial recognition cost, the weighted average cost method was adopted as an alternative to the specific cost.

[Cash and cash equivalents](#)

Cash and cash equivalents have been valued using the following methods:

- money, at par value;
- bank deposits and cheques in hand, at the presumed realisable value. In the specific case, the realisable value matches the par value.

[Shareholders' equity](#)

Items are shown at their carrying amount in accordance with OIC 28.

[Provisions for risks and charges](#)

These are set aside to cover liabilities whose existence is certain or likely, however, the amount of which and/or date of occurrence cannot be determined at the year-end.

In evaluating such provisions, general criteria of prudence and accruals were adhered to, and no provisions for generic risks that lack economic justification was made, while complying with the requirements of OIC 31.

Contingent liabilities have been recognised in the financial statements according to the criterion of classifying costs by nature and entered in provisions as deemed likely and the amount of the related charge can be reasonably estimated.

[Severance pay fund](#)

It represents the actual payable due to employees in accordance with the law and the labour contracts in force, considering every form of remuneration has a continuous nature.

The fund is equal to the total of the individual allowances accrued for employees on the financial statements closure date, net of advances paid, and is equal to that which it would have been required to pay employees in the case of termination of employment on this date.

The fund does not include accrued severance pay allocated to supplementary pension schemes pursuant to Legislative Decree No. 252 of 5 December 2005.

Income tax

Taxes are set aside according to the accrual principle, therefore they represent:

- the provisions for taxes paid or to be paid during the year, calculated according to the current rates and legislation;
- the amount of deferred taxes or taxes paid in advance in relation to temporary differences that arose or were cancelled over the year.

Revenue recognition

Revenue from the sale of products and goods or the provision of services related to core business operations is recognised net of returns, discounts, allowances and bonuses, as well as taxes directly connected with the sale of products and the provision of services, as stipulated by Art. 2425-bis, paragraph 1 of the Civil Code.

Revenue from the sales of products is recognised at the time of the transfer of the risks and benefits, which is normally identified with the delivery or shipment of the goods.

Financial income and revenue derived from the provision of services are recognised on an accrual basis, as services are performed or as the corresponding fees are earned.

Revenue and income, costs and charges related to foreign currency transactions are calculated at the rate ruling on the date the related transaction took place.

Please note that, with effect from the 2024 financial year, the new OIC 34 and the amendments to accounting standards approved in March 2024 become applicable.

The Company has opted not to separate individual units of account, as each of the performance obligations provided for in the sales contract is fulfilled in the same financial year and therefore relates to the same period. Furthermore, the business is characterised by contracts which are not particularly complex and for which separation would produce immaterial effects pursuant to Article 2423, paragraph 4, of the Civil Code.

Accounting for costs and expenses

The purchase costs are entered on an accruals basis.

Costs for raw materials, ancillary materials, consumables and goods include incidental purchase costs if included by the supplier in their purchase price; otherwise, they are recorded separately under costs for services based on their nature.

Criteria for converting values expressed in foreign currency

Receivables and payables originally denominated in foreign currency, entered on the basis of the exchange rates in force on the date in which they arose, are aligned to the current exchange rates at the close of the financial statements, in compliance with the principles of OIC 26, based on those indicated by the Banca d'Italia.

In particular, assets and liabilities that constitute monetary balance sheet items in foreign currency {*receivables, payables, cash and cash equivalents, accrued income and expenses, debt securities*} are recorded at the spot exchange rate on the closing date of the financial year, and the related foreign exchange gains and losses are credited and debited respectively to the Income Statement under item 17 bis Foreign exchange gains and losses.

Any net profit resulting from the adjustment to exchange rate changes at the year-end contributes to the formation of operating profit and, for the purpose of approving the financial statements and the consequent allocation of profit to the legal reserve, the part not realised and the part absorbed by any operating loss is entered in a non-distributable reserve until its subsequent realisation.

As regards non-monetary assets and liabilities in foreign currency {*intangible and tangible fixed assets, equity investments and other securities that confer the right to participate in the issuer's risk capital, inventories, advances for the purchase and sale of goods and services, prepaid expenses and deferred income*} they are recorded at the exchange rate at the time of their acquisition.

Other information

Forward contracts

The company, pursuant to Art. 2427, No. 6-ter of the Civil Code, certifies that it did not enter into any forward contracts during the year.

Other information

The Company, as provided for by Legislative Decree No. 14/2019 (Company Crisis and Insolvency Code), adopts an organisational, administrative and accounting structure adapted to the nature of the company, including the timely recognition of the business crisis and the taking of appropriate initiatives.

Notes to the accounts - Assets

The movements of the individual financial statement items are analysed in detail below, according to that laid down in the current legislation.

Fixed assets

INTANGIBLE FIXED ASSETS

Changes in intangible fixed assets

After recording the amortisation charges for the year in the income statement, amounting to €718,204, the intangible fixed assets total €5,295,449.

The table shows the movements in the fixed assets in question, in accordance with the provisions of Art. 2427, paragraph 1, No. 2 of the Civil Code.

	Industrial patent and use of creative work rights	Concessions, licences, trademarks and similar rights	Intangible fixed assets under construction and payments on account	Other intangible fixed assets	Total intangible fixed assets
Value at the start of the year					
Cost	131,836	2,112,871	1,675,067	869,744	4,789,518
Carrying amount	131,836	2,112,871	1,675,067	869,744	4,789,518
Changes over the year					
Increases for acquisitions	82,906	-	1,035,711	105,516	1,224,133
Depreciation in the year	51,069	301,839	-	365,295	718,204
Other changes	-	1	(2,690,778)	2,690,778	1
Total changes	31,837	(301,838)	(1,655,067)	2,430,999	505,931
Value at the year end					
Cost	163,673	1,811,033	20,000	3,300,743	5,295,449
Carrying amount	163,673	1,811,033	20,000	3,300,743	5,295,449

During 2024, Assets in progress and advances were reclassified to Other intangible assets, as all refurbishment works on the building acquired under a surface right have been completed, with the exception of one remaining item still in progress.

TANGIBLE FIXED ASSETS

Tangible asset movements

The tangible fixed assets, before deducting the related accumulated depreciation, amount to €689,135; the accumulated depreciation totals €351,277.

The following table shows the movements in the fixed assets in question, in accordance with the provisions of Art. 2427, paragraph 1, No. 2 of the Civil Code.

	Plant and machinery	Industrial and commercial equipment	Other tangible fixed assets	Tangible fixed assets under construction and payments on account	Total Tangible fixed assets
Value at the start of the year					
Cost	199,203	70,478	236,641	25,000	531,322
Depreciation (Accumulated depreciation)	98,822	58,975	145,737	-	303,534
Carrying amount	100,381	11,503	90,904	25,000	227,788
Changes over the year					
Increases for acquisitions	49,771	5,312	147,558	36,000	238,641
Decreases for sales and disposals (of the book value)	4,159	-	915	-	5,074
Depreciation in the year	15,957	2,987	43,553	-	62,497
Other changes	-	-	-	(61,000)	(61,000)
Total changes	29,655	2,325	103,090	(25,000)	110,070
Value at the year end					
Cost	240,200	75,592	373,343	-	689,135
Depreciation (Accumulated depreciation)	110,164	61,764	179,349	-	351,277
Carrying amount	130,036	13,828	193,994	-	337,858

Financial leasing transactions

The company has no ongoing financial leases at the end of the financial year.

FINANCIAL FIXED ASSETS

Movements of equity, other securities and financial derivatives fixed assets

Changes in financial fixed assets are shown below.

	Other securities
Value at the start of the year	
Cost	101,389
Carrying amount	101,389
Changes over the year	
Decreases for sales (of the carrying amount)	101,389
Total changes	(101,389)

Carrying amount of financial fixed assets

The financial fixed assets represent a long-term investment by the Company; they are recorded at purchase cost including directly attributable incidental charges and have not been written down for permanent impairment; they were not recorded at a value higher than their "fair value".

No fixed asset security has undergone a change in designation during the years and full redemption was requested during the 2024 financial year.

CURRENT ASSETS

Inventories

The following table provides the information related to changes to inventories.

The valuation criteria adopted are unchanged compared to the previous year and explained in the first part of these notes to the accounts.

	Value at the start of the year	Change in the year	Value at the year end
Finished products and goods	23,077,441	3,120,923	26,198,364
Total inventories	23,077,441	3,120,923	26,198,364

It should be noted that the obsolescence fund in stock at 31/12/2024 amounting to €700,000, did not change during the year.

Receivables entered in current assets

In the financial statements as at 31/12/2024, the current assets receivables item includes the following entries:

- 1) trade receivables
- 5-bis) tax receivables
- 5-ter) deferred tax assets 5-quater) due from others

Changes to maturities of receivables entered in current assets

The following table shows changes in receivables entered in current assets and, where significant, information about their due date.

	Value at the start of the year	Change in the year	Value at the year end	Portion due within the year
Trade receivables entered in current assets	19,951,913	(1,249,966)	18,701,947	18,701,947
Tax receivables entered in current assets	338,239	2,138,189	2,476,428	2,476,428
Prepaid tax assets entered in current assets	576,462	75,920	652,382	-
Receivables from others entered in current assets	421,977	(318,890)	103,087	103,087
Total receivables entered in current assets	21,288,591	645,253	21,933,844	21,281,462

The company has opted not to use the amortised cost criterion and/or not to discount current asset receivables, as estimates of transaction costs, commissions and any other difference between initial value and maturity value were judged to be insignificant.

Receivables are valued at their estimated realisable value.

Receivables from customers are stated by adjusting the nominal value with a specific provision for doubtful debts amounting to €1,200,000; part of which is taxed for fiscal purposes as it results from provisions exceeding the quota prescribed by Art. 106 of the TUIR (Italian Income Tax Code).

The allocation to the provision for doubtful debts was made taking into account insurance coverage, situations of uncollectibility that have already manifested, but also possible future uncollectibility identified through specific analyses of the age of receivables, customers' credit scores, and assessment of the specific conditions of the customers' business sectors.

In compliance with the provisions of Article 2423-ter, paragraph 6 of the Civil Code, the gross amounts of tax receivables and payables that were offset against each other during the financial year, in application of current tax regulations, are shown below:

Description	Amount
VAT Credit 2024	160,690
Tax payables	66,685
Payables to social security institutions	94,005

As at 31/12/2024, the amount of €103,087 is broken down as follows:

Description	Amount
Loans to employees	1,200
Surety receivables	1,266
Suppliers - prepaid expenses	13,806
Receivables from factoring companies - non-recourse assignment	86,815
Total	103,087

Deferred tax assets amounting to €652.382 relate to deductible temporary differences, a description of which can be found in the relevant paragraph in the final part of these notes to the accounts.

Breakdown of receivables entered in current assets by geographical area

The allocation of receivables as at 31/12/2024 according to geographical area is shown in the following table (Article 2427, paragraph 1, No. 6 of the Civil Code).

Geographical area	Trade receivables entered in current assets
Italy	12,276,489
EU	5,978,637
Non-EU	446,821
Total	18,701,947

Geographical area	Tax receivables entered in current assets	Prepaid tax assets entered in current assets	Receivables from others entered in current assets	Total receivables entered in current assets
Italy	2,476,428	652,382	101,937	15,507,236
EU	-	-	1,150	5,979,787
Non-EU	-	-	-	446,821
Total	2,476,428	652,382	103,087	21,933,844

FINANCIAL ASSETS THAT DO NOT CONSTITUTE FIXED ASSETS

Variations of financial assets that are not fixed assets

The following table provides the information related to changes to financial assets that are not fixed assets.

	Value at the start of the year	Changes over the year	Value at the year end
Short-term financial derivative instrument assets	83,682	136,201	219,883
Other securities that are not short-term	934,911	(42,334)	892,577
Total financial assets that do not constitute assets	1,018,593	93,867	1,112,460

Securities are recorded at the lower of their initial recognition cost and the realisable value inferred from market trends; derivative financial instruments are recorded at Mark to Market as calculated by the issuing institution.

Cash and cash equivalents

The following table provides the information related to changes to cash and cash equivalents.

	Value at the start of the year	Change in the year	Value at the year end
Bank and postal deposits	2,287,871	(942,410)	1,345,461
Cash and other securities in hand	213	1,153	1,366
Total cash and cash equivalents	2,288,084	(941,257)	1,346,827

The balance represents cash and cash equivalents and the existence of cash and securities on the year-end date.

Pre-paid expenses and accrued income

Accruals and deferrals measure income and expenses whose accrual is earlier or later than the cash and/or documentary occurrence; they are independent of the date of payment or receipt of the related income and expenses, common to two or more financial years and can be allocated over time.

Also for such items, the criteria used for valuation and conversion of the values expressed in foreign currency are indicated in the first part of these notes to the accounts.

The following table provides the information related to changes to accruals and deferrals.

	Accrued income	Pre-paid expenses	Total pre-paid expenses and accrued income
Value at the start of the year	25,798	199,394	225,192
Change in the year	(4,370)	(16,150)	(20,520)
Value at the year end	21,428	183,244	204,672

The composition of the item is detailed as follows (Article 2427, paragraph 1, No. 7 of the Civil Code).

Description	Amount
Financial costs of issuance Basket Bond	74,112
Other financial expenses	13,920
Insurance	15,262
Bank charges	2,432
Rentals	1,888
Software licenses	13,231
Utilities and subscriptions	6,351
Support and maintenance	5,241
Sustainability costs	10,959
Air freight charges	1,040
Commercial information	26,812
Other staff costs	11,833
Interest income and investment income	18,823
Asset value of interest rate hedging instruments	941
Discounts on purchases	1,600
Others of insignificant amount	227
Total	204,672

The following table shows the portions due beyond the next financial year.

Description	Amount after the financial year	Amount over 5 years
Financial costs of issuance Basket Bond	55,456	
Other financial expenses	5,438	118
Insurance	198	
Sustainability costs	3,494	
Commercial information	3,592	
Other costs for services	49	
Total	68,227	118

Capitalised financial charges

All interest and other financial charges have been fully expensed during the year. For the purposes of Article 2427, paragraph 1, No. 8 of the Civil Code, it is confirmed that there are no capitalised financial costs.

Notes to the accounts - Liabilities and equity

Shareholders' equity

Changes in equity items

The following tables show the changes in the individual equity items and provide a breakdown of other reserves, where present.

	Value at the start of the year	Allocation of profit from the previous year	Other changes		Operating profit	Value at the year end
		Other allocations	Increases	Decreases		
Capital	6,000,000	-	4,000,000	-		10,000,000
Legal reserve	1,200,000	-	800,000	-		2,000,000
Other reserves						
Extraordinary reserve	7,347,528	2,505,191	38,826	5,670,000		4,221,545
Profits on unrealised exchange rates reserve	230,921	-	-	38,825		192,096
Various other reserves	1	(2)	-	-		(1)
Total other reserves	7,578,450	2,505,189	38,826	5,708,825		4,413,640
Reserve for expected cash flow hedges	67,661	-	26,830	82,744		11,747
Profit (loss) for the year	2,505,191	(2,505,191)	-	-	1,091,305	1,091,305
Total equity	17,351,302	(2)	4,865,656	5,791,569	1,091,305	17,516,692

In accordance with that set out in Article 2430 of the Civil Code, the company has promptly restored the legal reserve to an amount corresponding to one-fifth of the share capital, which was increased without charge in 2024 by deed dated 19 November executed by Notary Andrea Pegolo.

Pursuant to Art. 2426, paragraph 1, No. 8-bis of the Civil Code, the net unrealised foreign exchange gain for the 2023 financial year has been allocated to a specific reserve, as shown above.

Availability and use of equity

The equity items are distinguished according to the origin, residual life, the ability to allocate them and the use made of them in the past three years (Article 2427, first paragraph, No. 7-bis of the Civil Code)

	Amount	Origin/nature	Possibility of use	Amount available	Summary of uses during previous three financial years for other reasons
Capital	10,000,000	Capital		-	-
Legal reserve	2,000,000	Profit	B	-	-
Other reserves					
Extraordinary reserve	4,221,545	Profit	A, B, C	4,221,545	9,146,029
Profits on unrealised exchange rates reserve	192,096	Profit		192,096	-
Various other reserves	(1)			-	-
Total other reserves	4,413,640			4,413,641	9,146,029
Reserve for expected cash flow hedges	11,747			-	-
Total	16,425,387			4,413,641	9,146,029
Non-distributable reserve				192,096	
Residual distributable share				4,221,545	

KEY

A: FOR CAPITAL INCREASE, B: FOR COVERING LOSSES, C: FOR DISTRIBUTION TO SHAREHOLDERS, D: FOR OTHER STATUTORY OBLIGATIONS, E: OTHER

Changes to the reserve for hedging operations of expected cash flows

The movements in the reserve for expected cash flow hedge operations are shown below, in accordance with Article 2427-bis, paragraph 1, No. 1 b) quarter of the Civil Code.

Reserve for expected cash flow hedges	
Value at the start of the year	67,661
Changes over the year	
Increase due to fair value changes	26,830
Decrease due to fair value changes	73,475
Release to income statement	(9,269)
Value at the year end	11,747

Provisions for risks and charges

The following table shows the information relating to changes in provisions for risks and charges, as required by Article 2427, paragraph 1, No. 4 of the Civil Code.

The item "Other provisions", as of 31/12/2024, amounting to €1,000,000, is com-

	Fund for pensions and similar obligations	Financial derivative liabilities	Other provisions	Total provisions for risks and charges
Value at the start of the year	133,750	147,264	1,000,000	1,281,014
Changes over the year				
Provisions for the year	29,070	15,083	200,178	244,331
Profit over the year	-	147,264	200,178	347,442
Total changes	29,070	(132,181)	-	(103,111)
Value at the year end	162,820	15,083	1,000,000	1,177,903

posed as follows, pursuant to Article 2427, paragraph one, No. 7 of the Civil Code:

Description	Amount
Warehouse obsolescence risk provision	700,000
Other provisions for deferred risks and charges	168,000
Provision for ongoing legal disputes	82,000
Provision for legal costs	50,000
Total	1,000,000

Part of the provision for deferred charges set aside at 31/12/2023 has been released to the profit and loss account, as it was assessed to be more than adequate based on an analysis of usage in previous years. The Company has simultaneously made provision for ongoing legal disputes as per the confirmation from its legal adviser, and a provision for legal costs as detailed above.

Employee severance pay

In accordance with the provisions of Article 2427, paragraph 1, No. 4 of the Civil Code, information is provided concerning the changes in the employee severance pay.

	Employee severance pay
Value at the start of the year	113,748
Changes over the year	
Provisions for the year	31,658
Profit over the year	3,928
Total changes	27,730
Value at the year end	141,478

The provisions fund represents the company's debt at 31/12/2024 to staff employed on that date, net of advances paid.

Payables

Changes to payables and due dates thereof

In accordance with the provisions of Article 2427, paragraph 1, nos. 4 and 6 of the Civil Code, information is provided concerning the changes and the breakdown by maturity of payables.

	Value at the start of the year	Change in the year	Value at the year end	Portion due within the year	Portion due after the year
Bonds	7,636,364	(1,454,544)	6,181,820	1,454,544	4,727,276
Payables to banks	14,423,853	6,175,782	20,599,635	19,238,974	1,360,661
Payables to other lenders	280,017	371,270	651,287	651,287	-
Payments on account	57,822	(50,992)	6,830	6,830	-
Trade payables	11,422,797	(1,740,558)	9,682,239	9,682,239	-
Tax payables	120,000	(34,904)	85,096	85,096	-
Payables to employee benefit and social security institutions	59,198	19,165	78,363	78,363	-
Other payables	134,331	18,681	153,012	153,012	-
Total payables	34,134,382	3,303,900	37,438,282	31,350,345	6,087,937

The bond payable corresponds to the total amount of the residual debt in principal as at 31/12/2024, according to the repayment plan, of the ESG Basket Bond issued by the company in 2022, the first of its kind in Italy, in collaboration with the Unicredit group and Cassa Depositi e Prestiti.

The balance of the payable to banks as at 31/12/2024, amounting to €20.599.635, is broken down as follows:

Item	Payables for current account	Payables for short-term receivables	Payables for medium-term receivables	Payables for long-term receivables	Total
D.4	9,239,373	9,999,601	1,341,551	19,110	20,599,635

With reference to the terms of the financing of Intesa Banca No. 00/766885697 originally for €900,000.00, granted on 17/02/2022, the company considers that it has fulfilled the covenants provided for in the contract. As highlighted in the Integrated Report (Integrated Report on Operations):

- it has introduced and strengthened a procurement policy that incorporates environmental considerations and assessments for the purchase of fabrics and ancillary materials, transport services and energy supplies. This is particularly true for all (100%) raw fabric suppliers, who account for 90.57 % in value terms of total purchases.
- it involved 100% of its raw fabric suppliers (PRLS & Product Restricted Substances List chemical assessment processes) and more than 77.99 % of its customers (as purchasers of items from the ECO collections) in sustainability initiatives.

Payables to other lenders represent the portion of receivables transferred with recourse.

The item Advances includes advances received from customers concerning supplies of goods not yet delivered.

Payables to suppliers are recorded at nominal value; the company has opted not to use the amortised cost criterion and/or not to discount payables as transaction costs, commissions and any other difference between initial value and maturity value were judged to be insignificant.

The item Tax payables only includes certain and determined tax liabilities.

For the presentation of the gross amounts of payables and receivables offset under current legal provisions, please refer to the paragraph relating to tax receivables, where these have been analytically presented.

There are no significant changes in the consistency of the heading "Tax payables".

The following table shows the breakdown of the item Other payables:

Description	Amount
Payables to directors	20,382
Payables to employees	48,602
Employees account/outstanding holiday	52,705
Payables for FIRR (Employment Termination Compensation Fund)	8,950
Payables to Pension Funds	12,596
Payables stamp duty on electronic invoices	1,904
Various payables	7,601
Payables for assignment 1/5 salary	272
Total	153,012

Breakdown of payables by geographical area

The allocation of payables as at 31/12/2024 according to geographical area is shown in the following table (Article 2427, paragraph 1, No. 6 of the Civil Code).

Geographical area	Bonds	Payables to banks	Payables to other lenders	Payments on account	Trade payables
Italy	6,181,820	20,599,635	651,287	1,951	2,789,816
EU	-	-	-	2,595	614,410
Non-EU	-	-	-	2,284	6,278,013
Total	6,181,820	20,599,635	651,287	6,830	9,682,239

Geographical area	Tax payables	Payables to employee benefit and social security institutions	Other payables	Payables
Italy	85,096	78,363	153,012	30,540,980
EU	-	-	-	617,005
Non-EU	-	-	-	6,280,297
Total	85,096	78,363	153,012	37,438,282

Payables secured by collateral on company assets

Pursuant to and for the effects of Art. 2427, paragraph 1, No. 6 of the Civil Code, it is noted that there are no social security charges payable secured by collateral.

Shareholder loans

The company has not received loans from shareholders.

Accrued liabilities and deferred income

The following table provides the information related to changes to accrued liabilities and deferred income.

	Accrued liabilities	Deferred liabilities	Total accrued liabilities and deferred income
Value at the start of the year	136,150	-	136,150
Change in the year	18,969	-	18,969
Value at the year end	155,119	-	155,119

The composition of the item is detailed as follows (Article 2427, paragraph 1, No. 7 of the Civil Code).

Description	Amount
Non-compulsory insurance	68,698
Interest expense on mortgages	11,716
Interest expense bonds	841
Printer rental	18,586
Customs costs and freight charges	1,530
Credit insurance	34,206
Commission to brokers	17,657
Mobile phone costs	231
Sustainability costs	80
Enasarco contribution	1,034
Other deductible services	181
Others of insignificant amount	359
Total	155,119

For such items, the criteria used for valuing and converting the values expressed in foreign currency are indicated in the first part of these Explanatory Notes.

At 31/12/2024 there are no accruals and deferrals lasting more than five years.

Notes to the accounts - Income Statement

The income statement highlights the economic performance for the year.

It provides a representation of management operations by means of a summary of the positive and negative components of income that contributed to economic performance.

The positive and negative components of income, entered in the balance sheet as provided for in Art. 2425-bis of the Civil Code, are distinguished according to the membership of the various management: characteristic, accessory and financial.

The characteristic activity includes the income components generated from operations that occur on a permanent basis and in the relevant sector for management performance, that identify and qualify the distinctive and particular part of the economic activity carried out by the company, that it is supposed to perform.

The financial activity consists of operations that generate income and expenses of a financial nature.

Residually, additional business comprises operations that generate income components that are part of ordinary activities but do not come under characteristic and financial activity.

Production value

Revenue is recognised on an accruals basis, net of returns, rebates, commercial discounts and bonuses as well as taxes directly related thereto.

Revenue from the sale of goods is recorded when the substantial and not merely formal transfer of ownership has occurred, using the transfer of risks and benefits as the reference parameter for substantial transfer.

Revenue from the provision of services are recorded when the service is rendered, that is, when the performance has been completed or, in the case of ongoing services, when the portion pertaining to the financial year has accrued.

Description	31/12/2024	31/12/2023	Changes
Revenue from sales and services	65,562,489	60,873,220	4,689,269
Other revenues and income	206,135	72,308	133,827
Total	65,768,624	60,945,528	4,823,096

The change is closely related to what is stated in Directors' report.

Other revenue and income are detailed below.

Description	Amount
Operating grant	2,758
Co-working	2,800
Capital gains and contingent assets	36,417
Insurance and legal compensation	3,221
Transport bonus income	33,694
Discounts and rebates	125
Release of provision for risks	127,120
Total	206,135

The operating grant corresponds to a tax credit accrued for the charitable donation made to the Silvio Zanella Foundation of Modern and Contemporary Art Gallery, to support the activities of the MA*GA Museum in Gallarate (VA), amounting to £1,268; the amount of £1,490 relates to the contribution from Fondi Impresa for funded training.

Breakdown of revenue from sales and services by category of activity

In relation to the requirements of Article 2427, first paragraph, No. 10, of the Civil Code, it should be noted that the company is primarily engaged in the trade of textile fibres as purchased, occasionally after outsourced processing by specialist companies.

Breakdown of revenue from sales and services by geographical area

The following table shows the breakdown of revenue by geographical area, as provided for by Art. 2427, first paragraph, No. 10 of the Civil Code.

Geographical area	Current year value
Italy	52,222,205
EU	12,062,049
Non-EU	1,278,235
Total	65,562,489

Production costs

Costs and charges are recognised on an accruals and matching basis under the relevant items in accordance with OIC 12.

As regards purchases of assets, the costs are entered when the substantial and non-formal transfer of ownership occurred taking as a point of reference for the substantial transfer, the transfer of risks and benefits. In the case of purchasing services, related costs are recognised when the service was received, i.e. when the provision was completed, while, for ongoing services, the related costs are entered for the amount accrued.

Description	31/12/2024	31/12/2023	Changes
Raw materials, supplies and goods	56,060,127	45,641,080	10,419,047
Services	7,242,010	5,692,346	1,549,664
Use of third-party goods	177,215	177,874	(659)
Salaries and wages	1,004,531	883,445	121,086
Social security charges	295,052	225,948	69,104
Employee severance pay	65,333	53,129	12,204
Depreciation of intangible fixed assets	718,204	443,236	274,968
Depreciation of tangible fixed assets	62,497	48,611	13,886
Write-downs of current asset receivables	204,589	190,836	13,753
Changes to inventories of raw materials	(3,120,923)	2,731,891	(5,852,814)
Provision for risks	132,000	110,153	21,847
Sundry operating costs	96,003	76,963	19,040
Total	62,936,638	56,275,512	6,661,126

Financial income and charges

They are recognised on an accruals basis based on the portion accrued during the year.

Breakdown of investment income

Dividends are recognised in the financial year in which the distribution was approved.

There are no income from equity investments other than dividends 2427, first paragraph, No. 11 of the Civil Code.

	Income other than dividends
From others	1,120
Total	1,120

Breakdown of interest and other financial charges by type of payables

The below table provides details of the interest and other financial charges pursuant to Art. 2425, No. 17 of the Civil Code, with a specific breakdown of those relating to debenture loans and bank and other payables in accordance with the provision of Art. 2427, first paragraph, No. 12 of the Civil Code.

	Interest and other financial charges
Bonds loans	496,017
Payables to banks	670,258
Other	296,503
Total	1,462,778

Financial statements

Information on exchange rate profit and loss is provided below. Realised profit and loss arising from the valuation of foreign currency assets and liabilities recorded in the financial statements at the year-end, are reported separately.

Description	Recorded amount	Unrealised	Realised
Profit and loss on exchange rates	-521,620		
Exchange rate gains		19,250	523,138
Exchange rate losses		164,340	899,668
Total		183,590	1,422,806

Value adjustments to financial assets and liabilities

Value adjustments of financial assets and liabilities show the changes in fair value of non-fixed securities and derivative financial instruments (forward purchases of currency in various forms and options).

They break down follows:

- revaluations of derivative financial instruments amounting to Euro 739,006;
- write-downs of derivative financial instruments amounting to Euro 75,523.

The amount and nature of the individual revenue/cost items of an exceptional magnitude or impact

In accordance with that set out in Article 2427, paragraph 1, number 13 of the Civil Code, it should be noted that no revenue or other income arising from events of an exceptional magnitude or impact was recorded during the current financial year.

Furthermore, during this year, no costs resulting from an event of an exceptional magnitude or impact were recorded.

Income tax for the year, current, deferred and advance

The Company recognised the taxes for the year on the basis of the applicable regulations. Current taxes refer to taxes pertaining to the financial year as shown in the tax returns; deferred taxes relate to positive or negative income components that are subject to taxation or deduction in fiscal years different from those of statutory accounting recognition.

Description	Balance at 31/12/2024	Balance at 31/12/2023	Changes
Current taxes:	666,062	1,114,637	(448,575)
IRES (corporation tax)	518,792	893,250	(374,458)
IRAP (regional income tax)	147,270	221,387	(74,117)
Taxes relating to previous years			
Deferred taxes (advance)	(75,920)	(82,382)	(6,462)
IRES (corporation tax)	70,720	77,182	(6,462)
IRAP (regional income tax)	5,200	5,200	0
Total	590,142	1,032,255	(442,113)

Deferred/pre-paid taxes

Pursuant to Article 2427, paragraph 1, No. 14 of the Civil Code the information requested on prepaid and deferred taxation is shown.

There are no deferred taxes.

Pre-paid taxes have been reported since there is a reasonable certainty of existence, in the periods in which the deductible temporary differences are reversed, in respect of which the pre-paid taxes of taxable income not less than the amount of the differences that are going to be cancelled have been entered.

The main temporary differences that have led to the recognition of pre-paid taxes are indicated in the table below along with their effects.

Description	Amount of IRES temporary differences as at 31/12/2023	IRES tax effect	Taxable amount for use in the financial year as at 31/12/2024	IRES tax effect	Amount of IRES temporary differences as at 31/12/2024	IRES tax effect	Total IRES tax effect
Provision for doubtful debts	936,925	224,862			161,335	38,720	263,582
Provision for deferred risks and charges	300,000	72,000	(200,178)	(48,043)	68,178	16,363	40,320
Provision for legal disputes	-	-	-	-	82,000	19,680	19,680
Provision for legal costs	-	-	-	-	50,000	12,000	12,000
Amortisation of revalued trade-mark	399,999	96,000	-	-	133,333	32,000	128,000
Provision for inventory obsolescence	700,000	168,000	-	-	-	-	168,000
Total	2,336,924	560,862	(200,178)	(48,043)	494,846	118,763	631,582

Description	Amount of IRAP temporary differences as at 31/12/2023	IRAP tax effect	Taxable amount for use in the financial year as at 31/12/2024	IRAP tax effect	Amount of IRAP temporary differences as at 31/12/2024	IRAP tax effect	Total IRAP tax effect
Amortisation of revalued trade-mark	399,999	15,600			133,333	5,200	20,800
Total	399,999	15,600			133,333	5,200	20,800

Notes - Other Information

The other information required the Art. 2427 of the Civil Code as well as other legal provisions, with reference to the financial year ended 31/12/2024 is provided below.

Workforce

We will explain below, with reference to Art. 2427 paragraph 1 No.15 of the Civil Code, the changes in the average company staff, broken down by category, compared to the previous year.

Workforce	31/12/2024	31/12/2023	Changes
Managers	3	2	1
Clerical staff	11	11	-
Manual workers	11	8	3
Total	25	21	4

Fees, advances and loans granted to directors and statutory auditors and commitments entered into on their behalf

The following table shows the information required by Art. 2427, first paragraph, No. 16 of the Civil Code, which states that there are no advances and loans and no commitments have been entered into on behalf of the Board of Directors due to any type of guarantees provided.

	Directors	Auditors
Fees	384,000	27,040

Fees to the statutory auditor or audit firm

The table below indicates, divided by type of services rendered, the fees payable to the audit firm, in compliance with the requirements of Art. 2427, first paragraph, No. 16-bis of the Civil Code.

	Value
External audit of the annual accounts	21,119
Other audit services	2,589
Total fees due to the statutory auditor or audit firm	23,708

Category of shares issued by the Company

The share capital is broken down as follows (Article 2427, first paragraph, nos. 17 and 18, of the Italian Civil Code).

Shares/Stocks	Initial number, par value	Shares subscribed In the year, par value	Nominal value in euros
Ordinary Shares	6,000,000	4,000,000	10,000,000
Total	6,000,000	4,000,000	10,000,000

Securities issued by the Company

The Company did not issue any securities or similar instruments covered by Article 2427, No. 18 of the Civil Code.

Details of the financial instruments issued by the company

The company has not issued any other financial instruments pursuant to Art. 2427, first paragraph, No.19 of the Civil Code.

Commitments, guarantees and contingent liabilities that do not appear in the balance sheet

Pursuant to Art. 2427, paragraph 1, no. 9 of the Civil Code, the Company declares that there are no commitments, guarantees or contingent liabilities not appearing in the balance sheet.

Information on assets and funding allocated to a specific transaction

Assets allocated to a specific transaction

At the year-end date, there are no assets allocated to a specific transaction, pursuant to No. 20 of Art. 2427, first paragraph of the Civil Code.

Funding for a specific transaction

At the year-end date, there are no funding allocated to a specific transaction, pursuant to No. 21 of Art. 2427, first paragraph of the Civil Code.

Information on transactions with related parties

For the purposes of that provided by the current regulations, transactions were carried out with related parties during the financial year.

The following table specifies the information set out in Art. 2427 No. 9 of the Civil Code as there are guarantees received from the parent company Lariotrade Srl.

BANK	AMOUNT as at 31/12/2024	GUARANTEE TYPE	GUARANTOR	PARTY GUARAN-TEED
Banco BPM Spa	3,200,000.00	Bank guarantee	Lariotrade Srl	Lariotex Spa
Banco di Desio e della Brianza Spa	750,000.00	Bank guarantee	Lariotrade Srl	Lariotex Spa
Bper Banca Spa	3,025,000.00	Binding Patronage	Lariotrade Srl	Lariotex Spa
Intesa SanPaolo Spa	2,000,000.00	Bank guarantee	Lariotrade Srl	Lariotex Spa
TOTAL	8,975,000.00			

On 19/12/2022, the parent company LARIOTRADE S.R.L. also issued a guarantee on first demand to *pro tempore* holders of the bonds representing the loan entitled "€8,000,000.00 - variable rate matures in 2028" (ISIN code: IT0005526097) issued by LARIOTEX S.P.A. with a sole shareholder.

In accordance with that set out in Article 2427, paragraph 1, number 22-bis of the Civil Code, we confirm that the Company has entered into commercial transactions with C.T.C. S.R.L. whose registered office is in Busto Arsizio (VA), Via Orru n.1 Tax Code and VAT No. 03525780122, but that these transactions were carried out at market values.

Information on agreements that do not appear in the balance sheet

In accordance with that set out in Article 2427, paragraph 1, number 22-ter of the Civil Code there were no off-balance sheet agreements that do not show in the balance sheet during the year.

Information on significant events occurring after the financial year-end

With reference to Art. 2427 paragraph 1 No. 22-quater of the Civil Code, no significant events occurred after the end of the financial year that have had a material impact on the nature and/or amount of the company's assets and liabilities, economic and financial situation.

It should be noted solely that, with regard to the Bond loan, the Director, noting that the Company would not have complied with the financial covenants specified in the terms and conditions, expressly requested a waiver from Unicredit BB SRL on 25 March 2025, specifically to waive the remedies provided for in the terms and conditions themselves in the event of non-compliance with the financial covenants. On 25 June, Unicredit BB S.r.l. approved the requested waiver. Consequently, any financial risk that could have compromised the Company's ordinary business operations has been eliminated.

Companies that prepare the consolidated financial statements of a larger/smaller body of companies that the company is part of as a subsidiary

The information referred to in Article 2427, first paragraph, No. 22 quinquies and sexies of the Civil Code, shows the name and registered office of the company that prepares the consolidated financial statements of a larger or smaller body of companies that the company is part of as a consolidated company.

It also indicates where a copy of the consolidated financial statements is available.

Larger body	
Name of the company	LARIOTRADE SRL
City, if in Italy, or foreign state	Busto Arsizio (VA)
Tax code (for Italian companies)	03576270122
Location where the consolidated financial statements are filed	Busto Arsizio (VA)

Information relating to financial derivatives pursuant to art. 2427-bis of the Italian Civil Code

Pursuant to Art. 2427-bis of the Civil Code, the table below provides appropriate information regarding derivative financial instrument contracts: type of contract, issuing institution, and fair value as at 31/12/2024 (as calculated by the issuing institution).

Nature	Issuer	MtM
Interest rate swap	Intesa SanPaolo EUR	+ 11,424.00
Interest rate swap	Intesa SanPaolo EUR	+ 15,406.00
Rate option	Intesa SanPaolo EUR	+ 0.00
Forward purchase	Intesa SanPaolo EUR	+ 33,058.00
Currency option	Intesa SanPaolo EUR	+ 63,858.00
Currency option	Intesa SanPaolo EUR	+ 17,576.00
Interest rate swap	Banco BPM EUR	- 1,917.07
Interest rate collar	Unicredit EUR	- 225.13
IRS Payer	Unicredit EUR	- 12,941.01
Flexible forward	Unicredit EUR	+46,351.09
TARF Knock In	Unicredit EUR	+ 0.00
Flexible forward	Unicredit EUR	+ 32,210.14
TOTAL		+ 204,800.02

Changes in the fair value of financial instruments have been charged to the income statement when the underlying contracts did not meet the requirements set out in OIC 32.

Summary financial statements of the company exercising management and coordination

Pursuant to article 2497-bis, paragraph 4 of the Civil Code, this is to certify that the company is not subject to management and coordination activities by others.

Information pursuant to Art. 1, paragraph 125 of Law No. 124 of 4 August 2017

As regards that referred to in Art. 1, paragraph 125-bis of Law 124/2017, concerning the obligation to give evidence in the notes to the accounts of sums of money possibly received in the financial year by way of grants, subsidies, benefits, contributions or aid, in cash or in kind, not general in nature and without a settlement, pay or compensatory nature of any kind from public

authorities and entities referred to in paragraph 125-bis of the same article, it is specified that any state aid elements from which the Company has benefited during the financial year, and for which notification has been provided by the granting body to the relevant authorities, may be consulted on the [website](#).

Proposal for the allocation of profit or loss

Dear Shareholders, given the above, the following allocation of net profit is proposed:

		Value
Net profit as at 31/12/2024	€	1,091,305
Extraordinary reserve	€	1,091,305

These Explanatory Notes have been drawn up in accordance with the provisions of the Civil Code and the accounting standards.

Notes to the accounts - final part

Dear Shareholders, we confirm that these financial statements, composed of the Balance Sheet, the Income Statement, the Cash Flow Statement and the notes to the accounts, give a true and fair view of the Company's financial position and results of operations for the financial year and are consistent with the accounting records. We therefore invite you to approve the financial statements at 31/12/2024 together with the Board of Director's proposal for the allocation of the profit for the year.

These financial statements are true and real and are consistent with the accounting records.

VERTEMATE CON MINOPRIO, 25/06/2025

Pierluigi Biondi, Sole Director

VERTEMATE CON MINOPRIO, 26/06/2025

Pierluigi Biondi, Sole Director

Statutory Auditors' Report



↓ ORGANISATION DATA

Name	LARIOTEX SPA
Headquarters	STRADA PROVINCIALE PER BULGORELLO 5 22070 VERTEMATE CON MINOPRIO (CO)
Share capital	10,000,000
CCIAA code	CO
VAT No.	03476340132
Tax code	03476340132

Statutory Auditors' Report of the Board to the Shareholders' Meeting pursuant to Art. 2429, para. 2, of the Civil Code for the Financial Statements as at 31 December 2024

To the Shareholders of the Company Lariotex S.p.A.,

The Board of Statutory Auditors, has performed the oversight task provided for by the current regulations, ensuring, for aspects of competence, the observance of the law and the Articles of Association, the respect of the principles of good administration, the adequacy of the organisational structure of the internal control system and the administrative and accounting system, as well as the reliability of the latter to correctly represent the management facts and the arrangements for implementing the corporate governance rules.

In particular, the Board of Statutory Auditors explains that it has performed its institutional activity in obedience and compliance with the standards and principles of behaviour recommended for this purpose by the Italian National Board of Chartered Accountants and Accounting Experts.

The Auditors recall that the check of the proper keeping of records of your Company and of its findings, as well as their correlation with the data in the Financial Statements is not the responsibility of the Board of Statutory Auditors, but the external audit firm Audirevi S.p.A., while the Board is responsible for the comments, as well as evaluations on compliance with the rules of law in relation to the Company's governance and its proper administration.

The audit firm was appointed by the Shareholders' Meeting on 12.05.2022 until the approval of the financial statements as at 31.12.2024.

The Board of Statutory Auditors in office on the date of this report was established as a result of its appointment during the Shareholders' Meeting on 12.05.2022. We remind you that their mandate will end with the approval of the Financial Statements as at 31.12.2024.

Oversight activity pursuant to Art. 2403 et seq. of the Civil Code.

We oversaw the observance of the law and the Articles of Association and on following the statutory, legislative and regulatory rules governing how company bodies operate and on compliance with the principles of proper administration.

During meetings held we acquired information on the general management performance from the Sole Director and its expected development, and on operations of greater significance due to their size or characteristics carried out by the

Company and according to the information acquired, we can reasonably ensure that actions put in place are in accordance with the law and the Articles of Association and are not manifestly reckless, hazardous, a potential conflict of interest or in conflict with the resolutions taken by the Shareholders' Meeting nor do they jeopardise the integrity of the Company's assets and, according to information acquired, we do not have specific comments to report. In particular, we understand that the management choices are based on the principle of correct information and reasonableness and the directors are aware of the risk and the effects of the operations carried out.

We acquired knowledge and oversaw, for that which we were responsible for, the adequacy and operation of the Company's organisational structure, also by collecting information from managers of posts and in this respect, we have no specific comments to report. The Sole Director sets the Company's strategic and organisational aims.

We acquired knowledge and oversaw, for that which we were responsible for, the adequacy and operation of the administrative and accounting system, as well as the reliability of the latter to correctly represent the management facts by obtaining information from managers of posts from the firm in charge of the statutory audit and the examination of corporate documents, and in this respect, we have no specific comments to report.

We met the firm in charge of the statutory audit Audirevi S.p.A. and we have engaged in a constant exchange of information with them: there were no data and relevant guidance that should be highlighted in this report.

The Board of Statutory Auditors has verified that the Company properly updated its security policies during the financial year.

As a result of the supervision and control activity, the Board of Statutory Auditors can certify and recognise that:

- during the activity carried out, no omissions, irregularities or wrongdoings or significant enough to require reporting to the control bodies or mention in this report emerged;
- the Board of Statutory Auditors did not receive complaints pursuant to Art. 2408 of the Civil Code or revealed by a third party;
- No operations were identified with third parties, or intra-group transactions and/or with related parties that were irregular or unusual in their content, nature, size and location.

We have not made any reports to the Board of Directors pursuant to and for the purposes of Article 15 of Legislative Decree No. 118/2021 or pursuant to and for the purposes of Article 25-octies of Legislative Decree No. 14/2019; we have not received any reports from the entity responsible for the statutory audit pursuant to and for the purposes of Article 25-octies of Legislative Decree of 12 January 2019, No. 14, nor from public creditors pursuant to and for the purposes of Article 25-novies of Legislative Decree No. 14/2019.

Comments on the annual financial statements

For that under our competence, we have examined the financial statements as at 31 December 2024.

As we were not asked to perform the statutory audit of the financial statements, we have monitored the general format of such and their general compliance with the law in terms of formation and structure, and we have no specific comments to report.

We found that the procedural rules relating to the formation of the financial statement for the year 2024 have been correctly applied, in particular we found that:

- a. the financial statements and valuation criteria adopted are consistent with the rules of law and are suitable for the activity carried out by the Company and its size;
- b. pursuant to art.16 paragraphs 7 and 8 of Legislative Decree 213/1998 and art. 2423, paragraph 5 of the Italian Civil Code, the financial statements were drawn up in euro units, without decimals;
- c. the valuation criteria of the assets and liabilities entries subject to this imperative requirement have been checked and were not substantially different from those adopted in previous years, in accordance with the provisions of art. 2426 of the Italian Civil Code;
- d. compliance with the rules of law concerning the preparation of the report on operations has been checked and in this respect, we have no comments that need to be highlighted in this report;
- e. in the drafting of the draft financial statements the Sole Director has followed the standards established in Articles 2423 and 2423 bis of the Civil Code taking account of the standards adopted by the Italian Accounting Standard Setter (OIC). The valuation criteria have not undergone substantial changes in respect of those adopted for preparing the financial statements as at 31.12.2023;
- f. the Management Body, in the drafting of the financial statements, has not derogated from the legislation pursuant to Art. 2423, paragraph 4 of the Civil Code;
- g. the compliance of the financial statements with the facts and information the Board of Statutory Auditors is aware of has been verified;
- h. the correctness of the information contained in the notes to the accounts was checked as regards the financial and monetary positions;
- i. the notes to the accounts provide the necessary information referred to in Art. 2427 of the Civil Code and supplementary provisions;
- j. the information required out in Art. 2427-bis Civil Code relating to financial derivative instruments has been provided in the notes to the accounts.

- k. In 2020, the company, pursuant to Art. 110 paragraph 1 DL 104/2020 converted into L. 126/20 has decided to revalue the trademark respecting the criteria indicated by OIC No. 24 and there are the legal requirements by way of derogation from Article 2426 of the Civil Code. The Trademark revaluation value is €3 million, a value that falls within the range identified in the valuation report by the company M.B.C. - Merchant Banking Consulting, responsible for assessing the estimate of this intangible asset being revalued, which in this specific case used the royalty rates method. The company amortises the trademark over 10 years. On today's date, the residual value amounts to €1.8 million.

With regard to the financial year 2024, the financial statements drawn up in accordance with the provisions of art. 2423 and following of the Italian Civil Code, closed with a net profit of €1,091,305, with typical revenues in item A1 of the Income Statement of €65,562,489.

The Report on Operations, prepared by the Board of Directors, shows the analysis of the Company's situation, performance and operating profit.

Therefore, it contains the mandatory information indicated by existing legislation and we have no specific comments to report.

Conclusions

Also, considering the findings of the activity carried out by the firm in charge of the statutory audit Audirevi S.p.A., contained in the audit report for the financial statements dated 25/06/2025, which is now available, the Board of Statutory Auditors proposes that the Shareholders' Meeting approves the financial statements for the year ended 31 December 2024, as drawn up by the Sole Director. Finally, we confirm the legality of the proposal for the allocation of the net profit for the year, presented by the Sole Director in the conclusions of the Notes to the Accounts to the accounts, while noting that the decision in this regard lies with the Shareholders' Meeting.

Milan, 25/06/2025

Dr Francesco Gianluca Pecere, *Chairman of the Board of Statutory Auditors*

Gianmario Ferrari, *Statutory Auditor*

Giuseppe Erba, *Statutory Auditor*

Audit Firm Reports





Audirevi S.p.A.
Via Paolo da Cannobio, 33
20122 Milano | Italy
T. +39.02.87070700

Relazione della società di revisione indipendente sull'Informativa di sostenibilità

All'Amministratore Unico di
Lariotex S.p.A.

Siamo stati incaricati di effettuare un esame limitato ("limited assurance engagement") dell'Informativa di sostenibilità compresa nella Relazione integrata sulla gestione (di seguito "Informativa di sostenibilità") al Bilancio di esercizio di Lariotex S.p.A. (di seguito "Lariotex, la "Società") chiuso al 31 dicembre 2024. L'esame limitato da noi svolto non si estende alle informazioni riepilogate nel paragrafo "Ulteriori indicatori ESRs".

Responsabilità degli Amministratori per l'Informativa di sostenibilità

L'Amministratore Unico è responsabile per la redazione dell'Informativa di sostenibilità in conformità ai "Global Reporting Initiative Sustainability Reporting Standards" definiti dal GRI - Global Reporting Initiative ("GRI Standards"), come descritto nei Criteri di Redazione della Relazione integrata sulla gestione al Bilancio di esercizio chiuso al 31 dicembre 2024.

L'Amministratore Unico è altresì responsabile per quella parte del controllo interno da esso ritenuta necessaria al fine di consentire la redazione di una Informativa di sostenibilità che non contenga errori significativi dovuti a frodi o a comportamenti o eventi non intenzionali.

L'Amministratore Unico è inoltre responsabile per la definizione degli obiettivi della Società in relazione alla performance di sostenibilità, nonché per l'identificazione degli stakeholder e degli aspetti significativi da rendicontare.

Indipendenza della società di revisione e controllo della qualità

Siamo indipendenti in conformità ai principi in materia di etica e di indipendenza del Code of Ethics for Professional Accountants emesso dall'International Ethics Standards Board for Accountants, basato su principi fondamentali di integrità, obiettività, competenza e diligenza professionale, riservatezza e comportamento professionale.

La nostra società di revisione applica l'International Standard on Quality Control 1 (ISQC Italia 1) e, di conseguenza, mantiene un sistema di controllo qualità che include direttive e procedure documentate sulla conformità ai principi etici, ai principi professionali e alle disposizioni di legge e dei regolamenti applicabili.

Responsabilità della società di revisione

È nostra la responsabilità di esprimere, sulla base delle procedure svolte, una conclusione circa la conformità dell'Informativa di sostenibilità rispetto a quanto richiesto dai GRI Standards. Il nostro lavoro è stato svolto secondo i criteri indicati nel "International Standard on Assurance Engagements ISAE 3000 (Revised) - Assurance Engagements Other than Audits or Reviews of Historical Financial Information" (di seguito anche "ISAE 3000 Revised"), emanato dall'International Auditing and Assurance Standards Board (IAASB) per gli incarichi di limited assurance. Tale principio richiede la pianificazione e lo svolgimento di procedure al fine di acquisire un livello di sicurezza limitato che l'Informativa di sostenibilità non contenga errori significativi.

AUDIREVI SpA – Società di Revisione e Organizzazione Contabile

Sede Legale: Via Paolo da Cannobio, 33 – 20122 Milano
C. F. 05953410585 - P. IVA 12034710157 - Capitale Sociale Euro 500.000,00 i.v.
REA Milano 1523066 – Registro Dei Revisori Contabili GU 60/2000

Albo Speciale Delle Società di Revisione con Delibera CONSOB n. 10819 Del 16/07/1997

mail: info@audirevi.it | PEC: audirevispa@legalmail.it | www.audirevi.it

Milano – Roma – Napoli – Brescia – Bolzano – Bologna – Cagliari – Ancona – Pescara – Varese – Verona – Cosenza – Firenze



Pertanto, il nostro esame ha comportato un'estensione di lavoro inferiore a quella necessaria per lo svolgimento di un esame completo secondo l'ISAE 3000 Revised ("reasonable assurance engagement") e, conseguentemente, non ci consente di avere la sicurezza di essere venuti a conoscenza di tutti i fatti e le circostanze significativi che potrebbero essere identificati con lo svolgimento di tale esame.

Le procedure svolte sull'Informativa di sostenibilità si sono basate sul nostro giudizio professionale e hanno compreso colloqui, prevalentemente con il personale della Società responsabile per la predisposizione delle informazioni presentate nell'Informativa di sostenibilità, nonché analisi di documenti, ricalcoli ed altre procedure volte all'acquisizione di evidenze ritenute utili.

In particolare, abbiamo svolto le seguenti procedure:

1. analisi del processo di definizione dei temi rilevanti rendicontati nell'Informativa di sostenibilità, con riferimento alle modalità di analisi e comprensione del contesto di riferimento, identificazione, valutazione e prioritizzazione degli impatti effettivi e potenziali e alla validazione interna delle risultanze del processo;
2. comparazione tra i dati e le informazioni di carattere economico-finanziario, riportati nel capitolo La performance economico-finanziaria della Relazione integrata sulla gestione e i dati e le informazioni inclusi nel Bilancio di esercizio;
3. comprensione dei processi che sottendono alla generazione, rilevazione e gestione delle informazioni qualitative e quantitative significative incluse nell'Informativa di sostenibilità. In particolare, abbiamo svolto interviste e discussioni con il personale della Direzione di Lariotex e abbiamo svolto limitate verifiche documentali, al fine di raccogliere informazioni circa i processi e le procedure che supportano la raccolta, l'aggregazione, l'elaborazione e la trasmissione dei dati e delle informazioni di carattere non finanziario alla funzione responsabile della predisposizione dell'Informativa di sostenibilità.

Inoltre, per le informazioni significative, tenuto conto delle attività e delle caratteristiche della Società:

- con riferimento alle informazioni qualitative contenute nell'Informativa di sostenibilità abbiamo effettuato interviste e acquisito documentazione di supporto per verificarne la coerenza con le evidenze disponibili;
- con riferimento alle informazioni quantitative, abbiamo svolto sia procedure analitiche che limitate verifiche per accertare su base campionaria la corretta aggregazione dei dati.
- per la sede di Vertemate con Minoprio (CO), che abbiamo selezionato sulla base delle sue attività e del contributo agli indicatori di prestazione ed ubicazione, abbiamo effettuato visite in loco e riunioni da remoto, nel corso delle quali ci siamo confrontati con i responsabili e abbiamo acquisito riscontri documentali su base campionaria circa la corretta applicazione delle procedure e dei metodi di calcolo utilizzati per gli indicatori.

Conclusioni

Sulla base del lavoro svolto, non sono pervenuti alla nostra attenzione elementi che ci facciano ritenere che l'Informativa di sostenibilità di Lariotex relativa all'esercizio chiuso al 31 dicembre 2024 non sia stata redatta, in tutti gli aspetti significativi, in conformità a quanto richiesto dai GRI Standards, come descritto nel paragrafo "Criteri di redazione" della Relazione integrata sulla gestione al Bilancio di esercizio della Società al 31 dicembre 2024. Le nostre conclusioni sull'Informativa di Sostenibilità di Lariotex non si estendono alle informazioni riepilogate nel paragrafo "Ulteriori indicatori ESRS".

Milano, 25 Giugno 2025


Audirevi S.p.A.
Ivano Nerbini
Socio

Independent auditor's report on the Sustainability report

To the Sole Shareholder of

Lariotex S.p.A.

We have been engaged to perform a limited assurance engagement on the Sustainability report included in the Integrated report on operations (hereinafter "Sustainability report") relating to the financial statements of Lariotex S.p.A. (hereinafter "Lariotex" or the "Company") for the year ended 31 December 2024.

Our limited assurance engagement does not extend to the information summarised in the paragraph "Additional ESRS indicators".

Sole Director's responsibilities for the Sustainability report

The Sole Director is responsible for the preparation of the Sustainability report in accordance with the Global Reporting Initiative Sustainability Reporting Standards defined by the GRI - Global Reporting Initiative ("GRI Standards"), as described in the Reporting Criteria of the Integrated report on operations relating to the financial statements for the year ended 31 December 2024.

The Sole Director is also responsible for such internal control as the Sole Director determines is necessary to enable the preparation of Sustainability report that is free from material misstatement, whether due to fraud or error.

The Sole Director is furthermore responsible for defining the Company's sustainability performance objectives, as well as for identifying stakeholders and the material matters to be reported.

Independence of the auditor and quality control

We are independent in accordance with the ethical and independence 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 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 responsibilities

Our responsibility is to express a conclusion on the compliance of the Sustainability report with the

requirements of the GRI Standards, based on the procedures we have performed. Our work has been conducted in accordance with the criteria indicated in International Standard on Assurance Engagements ISAE 3000

(Revised) - Assurance Engagements Other than Audits or Reviews of Historical Financial Information (hereinafter also "ISAE 3000 Revised"), issued by the Inter-

national Auditing and Assurance Standards Board (IAASB) for limited assurance engagements. This standard requires that we plan and perform procedures in order to obtain limited assurance that the Sustainability report is free from material misstatement.

Therefore, our engagement involved a lower extent of work than that required to conduct a full examination in accordance with ISAE 3000 Revised (a "reasonable assurance engagement") and, consequently, does not enable us to obtain assurance that we would become aware of all significant facts and circumstances that might be identified in performing such an engagement.

The procedures performed on the Sustainability report were based on our professional judgement and included interviews, primarily with the Company's staff responsible for the preparation of the information presented in the Sustainability report, as well as analysis of documents, recalculations and other procedures aimed at obtaining evidence deemed useful.

In particular, we performed the following procedures:

1. analysis of the process for determining the material topics reported in the Sustainability report, with reference to the methods of analysis and understanding of the reference context, identification, assessment and prioritisation of actual and potential impacts, and internal validation of the results of the process;
2. comparison of the economic and financial data and information presented in the Economic and Financial Performance chapter of the Integrated report on operations with the data and information included in the financial statements;
3. understanding of the processes underlying the generation, recording and management of significant qualitative and quantitative information included in the Sustainability report. In particular, we conducted interviews and discussions with Lariotex management staff and performed limited documentary verification in order to gather information about the processes and procedures supporting the collection, aggregation, processing and transmission of non-financial data and information to the function responsible for preparing the Sustainability report.

Furthermore, for significant information, taking into account the Company's activities and characteristics:

- with reference to qualitative information contained in the Sustainability report, we conducted interviews and obtained supporting documentation to verify its consistency with available evidence;
- with reference to quantitative information, we performed both analytical procedures and limited verification to ascertain on a sample basis the correct aggregation of data;
- for the site at Vertemate con Minoprio (CO), which we selected on the basis of its activities and contribution to performance indicators and location, we conducted site visits and remote meetings, during which we met with those responsible and obtained documentary evidence on a sample basis concerning the correct application of procedures and calculation methods used for the indicators.

Conclusions

Based on the work undertaken, nothing has come to our attention that causes us to believe that the Sustainability report of Lariotex for the year ended 31 December 2024 has not been

prepared, in all material respects, in accordance with the requirements of the GRI Standards, as described in the "Reporting Criteria" paragraph of the Integrated report on operations relating to the Company's financial statements

as at 31 December 2024. Our conclusion on Lariotex's Sustainability report does not extend to the information summarised in the paragraph "Additional ESRS indicators".



LARIOTEX S.P.A.

Bilancio d'esercizio al 31 dicembre 2024
Relazione della società di revisione indipendente
ai sensi dell'art. 14 del D.Lgs. 27 gennaio 2010, n. 39

Relazione della società di revisione indipendente

ai sensi dell'art. 14 del D.Lgs. 27 gennaio 2010, n. 39

All'Azionista di
Lariotex S.p.A.

Relazione sulla revisione contabile del bilancio d'esercizio

Giudizio

Abbiamo svolto la revisione contabile del bilancio d'esercizio della Lariotex S.p.A. (la Società), costituito dallo stato patrimoniale al 31 dicembre 2024, dal conto economico, dal rendiconto finanziario per l'esercizio chiuso a tale data e dalla nota integrativa.

A nostro giudizio, il bilancio d'esercizio fornisce una rappresentazione veritiera e corretta della situazione patrimoniale e finanziaria della Società al 31 dicembre 2024, del risultato economico e dei flussi di cassa per l'esercizio chiuso a tale data in conformità alle norme italiane che ne disciplinano i criteri di redazione.

Elementi alla base del giudizio

Abbiamo svolto la revisione contabile in conformità ai principi di revisione internazionali (ISA Italia). Le nostre responsabilità ai sensi di tali principi sono ulteriormente descritte nella sezione *Responsabilità della società di revisione per la revisione contabile del bilancio d'esercizio* della presente relazione. Siamo indipendenti rispetto alla Società in conformità alle norme e ai principi in materia di etica e di indipendenza applicabili nell'ordinamento italiano alla revisione contabile del bilancio. Riteniamo di aver acquisito elementi probativi sufficienti ed appropriati su cui basare il nostro giudizio.

Altri aspetti

L'Amministratore Unico ha predisposto il contenuto della relazione sulla gestione all'interno del Fascicolo di bilancio Integrato.

Con riferimento all'informativa di sostenibilità contenuta nel Fascicolo di bilancio integrato 2024, della Società Lariotex S.p.A. abbiamo emesso una specifica relazione in data odierna.

Responsabilità dell'Amministratore Unico e del Collegio Sindacale per il bilancio d'esercizio

L'Amministratore Unico è responsabile per la redazione del bilancio d'esercizio che fornisca una rappresentazione veritiera e corretta in conformità alle norme italiane che ne disciplinano i criteri di redazione e, nei termini previsti dalla legge, per quella parte del controllo interno dallo stesso ritenuta necessaria per consentire la redazione di un bilancio che non contenga errori significativi dovuti a frodi o a comportamenti o eventi non intenzionali.

L'Amministratore Unico è responsabile per la valutazione della capacità della Società di continuare ad operare come un'entità in funzionamento e, nella redazione del bilancio d'esercizio, per l'appropriatezza dell'utilizzo del presupposto della continuità aziendale, nonché per una adeguata informativa in materia. L'Amministratore Unico utilizza il presupposto della continuità aziendale nella redazione del bilancio d'esercizio a meno che abbia valutato che sussistono le condizioni per la liquidazione della Società o per l'interruzione dell'attività o non abbia alternative realistiche a tali scelte.

Il collegio sindacale ha la responsabilità della vigilanza, nei termini previsti dalla legge, sul processo di predisposizione dell'informativa finanziaria della Società.

AUDIREVI SpA – Società di Revisione e Organizzazione Contabile
 Sede Legale: Via Paolo da Cannobio, 33 – 20122 Milano
 Cod. Fiscale 05953410585 - P.I. 12034710157 – www.audirevi.it mail: info@audirevi.it
 Capitale Sociale Euro 500.000 - REA Milano 1523066 – Registro Dei Revisori Contabili GU 60/2000
 Albo Speciale Delle Società di Revisione con Delibera CONSOB n. 10819 Del 16/07/1997
 Milano – Roma – Napoli – Brescia – Bolzano – Bologna – Cagliari – Ancona – Pescara – Varese – Verona – Cosenza – Firenze



Responsabilità della società di revisione per la revisione contabile del bilancio d'esercizio

I nostri obiettivi sono l'acquisizione di una ragionevole sicurezza che il bilancio d'esercizio nel suo complesso non contenga errori significativi, dovuti a frodi o a comportamenti o eventi non intenzionali, e l'emissione di una relazione di revisione che includa il nostro giudizio. Per ragionevole sicurezza si intende un livello elevato di sicurezza che, tuttavia, non fornisce la garanzia che una revisione contabile svolta in conformità ai principi di revisione internazionali (ISA Italia) individui sempre un errore significativo, qualora esistente. Gli errori possono derivare da frodi o da comportamenti o eventi non intenzionali e sono considerati significativi qualora ci si possa ragionevolmente attendere che essi, singolarmente o nel loro insieme, siano in grado di influenzare le decisioni economiche degli utilizzatori prese sulla base del bilancio d'esercizio.

Nell'ambito della revisione contabile svolta in conformità ai principi di revisione internazionali (ISA Italia), abbiamo esercitato il giudizio professionale e abbiamo mantenuto lo scetticismo professionale per tutta la durata della revisione contabile. Inoltre:

- abbiamo identificato e valutato i rischi di errori significativi nel bilancio d'esercizio, dovuti a frodi o a comportamenti o eventi non intenzionali; abbiamo definito e svolto procedure di revisione in risposta a tali rischi; abbiamo acquisito elementi probativi sufficienti ed appropriati su cui basare il nostro giudizio. Il rischio di non individuare un errore significativo dovuto a frodi è più elevato rispetto al rischio di non individuare un errore significativo derivante da comportamenti o eventi non intenzionali, poiché la frode può implicare l'esistenza di collusioni, falsificazioni, omissioni intenzionali, rappresentazioni fuorvianti o forzature del controllo interno;
- abbiamo acquisito una comprensione del controllo interno rilevante ai fini della revisione contabile allo scopo di definire procedure di revisione appropriate nelle circostanze e non per esprimere un giudizio sull'efficacia del controllo interno della Società;
- abbiamo valutato l'appropriatezza dei principi contabili utilizzati nonché la ragionevolezza delle stime contabili effettuate dall'Amministratore Unico, inclusa la relativa informativa;
- siamo giunti ad una conclusione sull'appropriatezza dell'utilizzo da parte dell'Amministratore Unico del presupposto della continuità aziendale e, in base agli elementi probativi acquisiti, sull'eventuale esistenza di una incertezza significativa riguardo a eventi o circostanze che possono far sorgere dubbi significativi sulla capacità della Società di continuare ad operare come un'entità in funzionamento. In presenza di un'incertezza significativa, siamo tenuti a richiamare l'attenzione nella relazione di revisione sulla relativa informativa di bilancio ovvero, qualora tale informativa sia inadeguata, a riflettere tale circostanza nella formulazione del nostro giudizio. Le nostre conclusioni sono basate sugli elementi probativi acquisiti fino alla data della presente relazione. Tuttavia, eventi o circostanze successivi possono comportare che la Società cessi di operare come un'entità in funzionamento;
- abbiamo valutato la presentazione, la struttura e il contenuto del bilancio d'esercizio nel suo complesso, inclusa l'informativa, e se il bilancio d'esercizio rappresenti le operazioni e gli eventi sottostanti in modo da fornire una corretta rappresentazione.

Abbiamo comunicato ai responsabili delle attività di governance, identificati ad un livello appropriato come richiesto dagli ISA Italia, tra gli altri aspetti, la portata e la tempistica pianificate per la revisione contabile e i risultati significativi emersi, incluse le eventuali carenze significative nel controllo interno identificate nel corso della revisione contabile.

Relazione su altre disposizioni di legge e regolamentari

Giudizi e dichiarazione ai sensi dell'art. 14, comma 2, lettera e), e-bis) ed e-ter), del D.Lgs. 39/10

L'Amministratore Unico di Lariotex S.p.A. è responsabile per la predisposizione della relazione sulla gestione della società Lariotex S.p.A. al 31 dicembre 2024, contenuta nel Fascicolo di bilancio al capitolo 1 "Lariotex", al capitolo 2 "La performance economico-finanziaria", al capitolo 3 "Informativa di sostenibilità", al capitolo 4 "Altre informazioni" ed al capitolo 5 "Evoluzione prevedibile della gestione" (nel seguito Relazione sulla gestione) incluse la sua coerenza con il relativo bilancio d'esercizio e la sua conformità alle norme di legge.

Abbiamo svolto le procedure indicate nel principio di revisione (SA Italia) n. 720B al fine di:

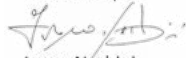
- esprimere un giudizio sulla coerenza della relazione sulla gestione con il bilancio d'esercizio
- esprimere un giudizio sulla conformità alle norme di legge della relazione sulla gestione
- rilasciare una dichiarazione su eventuali errori significativi nella relazione sulla gestione.

A nostro giudizio, la relazione sulla gestione è coerente con il bilancio d'esercizio di Lariotex S.p.A. al 31 dicembre 2024 ed è redatta in conformità alle norme di legge.

Con riferimento alla dichiarazione di cui all'art. 14, co. 2, lettera e), del D.Lgs. 39/10, rilasciata sulla base delle conoscenze e della comprensione dell'impresa e del relativo contesto acquisite nel corso dell'attività di revisione, non abbiamo nulla da riportare.

Milano, 25 giugno 2025

Audirevi S.p.A.



Ivano Nerbini
Socio

Independent Auditors' Report

pursuant to Art. 14 of Legislative Decree No. 39 of 27 January 2010

To the Shareholder of Lariotex S.p.A.

Report on the audit of the financial statements

Opinion

We have audited the financial statements of Lariotex S.p.A. (the company) comprising the Balance Sheet as at 31 December 2024, the Income Statement and the Cash Flow Statement for the year then ended and the notes to the financial statements.

In our opinion, the financial statements provide a true and accurate representation of the assets and liabilities and financial situation of the Company as at 31 December 2024, of the profit and cash flow for the year ending on that date, in accordance with the Italian rules governing the preparation criteria.

Grounds underlying the opinion

We carried out the audit in accordance with international standards on auditing (Italian ISA). Our responsibilities according to these principles are described below in the section Auditor's responsibilities for the statutory audit of the annual financial statement of this report. We are independent with respect to the company in accordance with the rules and principles on ethics and independence applicable in the Italian legal system for auditing of financial statements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Other matters

The Sole Director has prepared the content of the Report on operations within the Integrated report.

With reference to the Sustainability report contained in the 2024 Integrated report of Lariotex S.p.A., we have issued a separate report dated today.

Responsibilities of the Sole Director and the Board of Statutory Auditors for the financial statements

The Sole Director is responsible for the preparation of financial statements that give a true and fair view in accordance with Italian accounting standards regulating their preparation and, to the extent required by law, for such internal control as the Sole Director determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

The Sole Director is responsible for assessing the Company's ability to continue as a going concern and, in preparing the financial statements, for the appropriateness of the use of the going concern basis of accounting and for adequate disclosure of going concern matters. The Sole Director uses the going concern basis of accounting in preparing the financial statements unless the Sole Director has assessed that conditions exist for the liquidation of the Company or the cessation of operations, or has no realistic alternative but to do so.

The Board of Statutory Auditors is responsible for overseeing, within the terms specified by law, the process of preparing the Company's financial statements.

Auditor's responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable security means a high level of security, which, however, does not provide a guarantee that an audit carried out in compliance with the international standards on auditing (ISA Italy) will always identify a significant error, if existing. Errors can result from fraud or unintentional conduct or events and are considered to be significant if it can reasonably be expected that they can, individually or together, influence the financial decisions of users made based on the annual financial statements.

As part of an audit in accordance with International Standards on Auditing (ISA Italia), we exercise professional judgement and maintain professional scepticism throughout the audit. Furthermore:

- we identified and assessed the risks of significant errors in the annual financial statements due to fraud or unintentional conduct or events; we defined and performed auditing procedures in response to these risks; we acquired sufficient and appropriate evidence on which to base our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control;
- we have obtained an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control;
- we have evaluated the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the Sole Director and related disclosures;
- we have concluded on the appropriateness of the Sole Director's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the evidence acquired up to the date of this report. However,

future events or conditions may cause the Company to cease to continue as a going concern;

- we have evaluated the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We have communicated to those in charge of governance activities, identified at an appropriate level as required by the ISA Italy, among other aspects, the scope and scheduled times of the audit and significant results that emerged, including any significant weaknesses in the internal audit identified during the audit.

Report on other legal and regulatory provisions

Opinions and statement pursuant to article 14, paragraph 2, letters e), e-bis) and e-ter), of Legislative Decree No. 39/10

The Sole Director of Lariotex S.p.A. is responsible for the preparation of the Report on operations of Lariotex S.p.A. as at 31 December 2024, contained in the Report in Chapter 1 "Lariotex", Chapter 2 "Economic and financial performance", Chapter 3 "Sustainability report", Chapter 4 "Other information" and chapter 5 "Expected business developments" (hereinafter the Report on

Operations), including its consistency with the related financial statements and its compliance with applicable laws. We carried out the procedures indicated in the auditing standard (ISA Italy) No. 720B in order to

- express an opinion on the consistency of the report on operations with the financial statements
- express an opinion on the compliance of the report on operations with applicable laws
- issue a statement on any material misstatements in the report on operations.

In our opinion, the Report on operations is consistent with the financial statements of Lariotex S.p.A. as at 31 December 2024 and has been prepared in accordance with applicable laws.

With reference to the statement referred to in Article 14, paragraph 2, letter e), of Legislative Decree No. 39/10, issued on the basis of the knowledge and understanding of the entity and its environment obtained in the course of the audit, we have nothing to report.



Lariotex SpA a sole shareholder company

Strada Provinciale per Bulgorello, 5
22070 Vertemate con Minoprio (Co), Italy

Tel. +39 031 90 14 61 / Fax +39 031 88 75 76

Mail lariotex@lariotex.com

Certified email address lariotex@legalmail.it

Entry Companies Register Tax Code and VAT No.: 03476340132

Share Capital: 10.000.000,00 fully paid up

CCIAA CO REA 316934

www.lariotex.com