

# SUSTAINABILITY REPORT 2023

**SANLEGG**

PASSION FOR COMPRESSION

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# 1. LETTER TO THE STAKEHOLDERS.

Dear Stakeholders,

we are glad to share with you our first sustainability report, a document which reflects our commitment to corporate excellence and social responsibility. Besides proving our commitment towards sustainability, this report is also a way of engaging you in our conscious growth trajectory.

In the years we have been in business, we have recognised the importance of integrating sustainability in every aspect of our operations. Besides meeting the increasing expectations of our customers and stakeholders, this commitment also meets our yearn to create a positive impact in the world, promoting safe and sustainable work conditions, and contributing to the health and wellbeing of people. We want to be transparent with regard to benefits we are delivering to internal and external stakeholders.

Therefore, this document will offer a detailed overview of our progress and challenges faced with regard to sustainability. This will allow us to evaluate the results obtained, identify improvement areas and establish ambitious goals for the future. These principles guided us in preparing our first sustainability report, in which we laid

out our values and our projects, based on the UN Agenda 2030 sustainable development goals.

Over the years, we have strengthened our position in the international market, obtaining significant results both from a quality and quantity standpoint. We are proud to announce that for more than thirty years, our activity has helped us to obtain various environmental certificates, which clearly and tangibly show our commitment to attain and ensure increasingly higher safety and sustainability standards.

The progress made until now, same case applying to ambitious goals we set out to accomplish in future, are also the result of a priceless contribution of the women and men of our team. Their skills, responsibilities, devotion and commitment are key to the success and continuous evolution of Sanyleg.

This Sustainability report is a further significant step forward towards a greater transparency and alignment of the interests among all stakeholders. We believe that collaboration is the only way to create a positive and, above all, durable impact.

We are grateful to you, the stakeholders, for your continuous support and your trust in our commitment towards sustainability.



Alberto Ghelfi  
CEO & FOUNDER SANYLEG



## 2. ABOUT US

Our history as **Sanyleg** began from an entrepreneurship idea of Alberto Ghelfi who, along with the wife, solely using their own resources, incorporated **Mimosa Srl**, a company determined to stand out in the compression socks industry.

However, life dealt Alberto Ghelfi a major blow when his wife suddenly passed on in 2006. Nevertheless, under his steadfast guidance, the company continued undeterred in its mission, taking up the name **Sanyleg Srl** in 2014. Since then, the renewed business continued steadfast operating in the medical and sports compression socks market.

Over the years, the organisation has changed significantly, investing in skilled staff and groundbreaking machines which helped it rise to the realm of the **Private Label compression and sports socks manufacturing industry**. **Constant focus on quality and attention to details** have been the driving force behind Sanyleg's expansion of its production department and strengthening its sales presence on the market. Today, the company channels its investments towards advanced raw materials and new manufacturing technologies, without forfeiting its commitment to excellence and innovation.

Located in **Castel Goffredo**, the general headquarters is perched in the heart of the international hosiery hub, and this is where all manufacturing process steps take shape day in day out.

The Castel Goffredo district has a manufacturing history dating back to the 20s of the 20th century. Sanyleg is part and parcel of this district and, due to its advanced **Made in Italy know-how, technological innovation and deep knowledge of the industry**, it has become a global trendsetter that has enabled it to offer groundbreaking products capable of fully meeting the market demands.

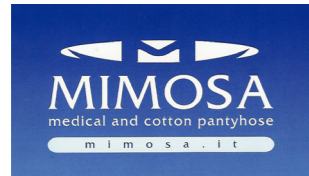


# COMPANY'S HISTORY

## The milestones of Sanyleg's history

1993

Alberto Ghelfi and his wife incorporated MIMOSA SRL.



2010

The new graduated compression socks for the sports industry production line was installed.

The turnover almost reached 5,000,000 Euros.



2008

The turnover reached 3,000,000 Euros.

2014

Moved to the new headquarters in Castel Goffredo with state of the art machines, a new washing, ironing and packaging department.

Expansion of the warehouse with increase of production capacity. The turnover exceeded 7,000,000 Euros.

Name change to SANYLEG SRL.



2021

The company kept growing, turnover exceeded 9,000,000 Euros.

2023

The company invests in technical skills: introduction of new skilled staff in the sales and marketing departments.

The turnover reached 11,000,000 Euros.

## Sanyleg today

more than

# 5,000+

sqm of production surface area

exportation in more than

# 45

countries worldwide

more than

# 170+

circular weaving machines

production capacity

# 20,000+

pairs compression socks per day



Today, Sanyleg is a Sole Proprietorship Limited Liability Company; it has a groundbreaking factory with about 200 circular machines running 24 hours per day to ensure a differentiated production and short-term deliveries in a factory covering a surface area of 5,000 sqm, and a 500 sqm administration department in its sole operational headquarters in Castel Goffredo.

## Company's mission and vision

### Mission

Our mission at Sanyleg is to supply high-quality compression and sports socks to our business partners, using groundbreaking technologies and premium materials sourced from Europe's best yarn manufacturers. We are committed to providing durable and comfortable products tailored to the specific needs of our customers and end consumers.

### Vision

Our vision instead aims at build a company that can be a trendsetter in innovation and sustainability, by developing groundbreaking solutions that are environmental-friendly, respect the people and health of consumers. Furthermore, the company aims at strengthening customer relations, offering swift and flexible response to their needs, as well as create added value through talent and creativity, offering utmost satisfaction for our business partners.

### Efficiency

At Sanyleg we have always focused on supplying our customers not only the items agreed upon but also exceeding their expectations through an efficient, dynamic and timely service, identifying their needs with skilfully and painstakingly.

## BUSINESS, INDUSTRY AND VALUE CHAIN

At Sanyleg we design and manufacture compression socks and garments for sports and medical use. All products are woven, while only dyed yarn products, part of packaging, are washed and ironed.

Each product is designed to effectively provide prevention from and treatment of venous diseases and obtain the right graduated pressure by using highly elastic yarns and specialised machines.

Thanks to the elastic compression technique, Sanyleg's socks exploit the capacity of materials used to exert an elastic pressure on the legs and other parts of the body. These products integrate various groundbreaking technologies to ensure maximum comfort, effectiveness and adaptability. Made from wear-resistant and breathable technical materials, these socks offer even and comfortable wearability. Furthermore, the use of circular weaving techniques and innovative fabrics is conceived to improve blood flow, promote circulation, reduce swelling, facilitate muscle recovery and decrease the risk of clots. The ergonomic design naturally fits the shape of the leg, offering an excellent support. Characteristics such as temperature control, regulated elasticity and the reinforcing areas contribute further to the duration and effectiveness of the socks.

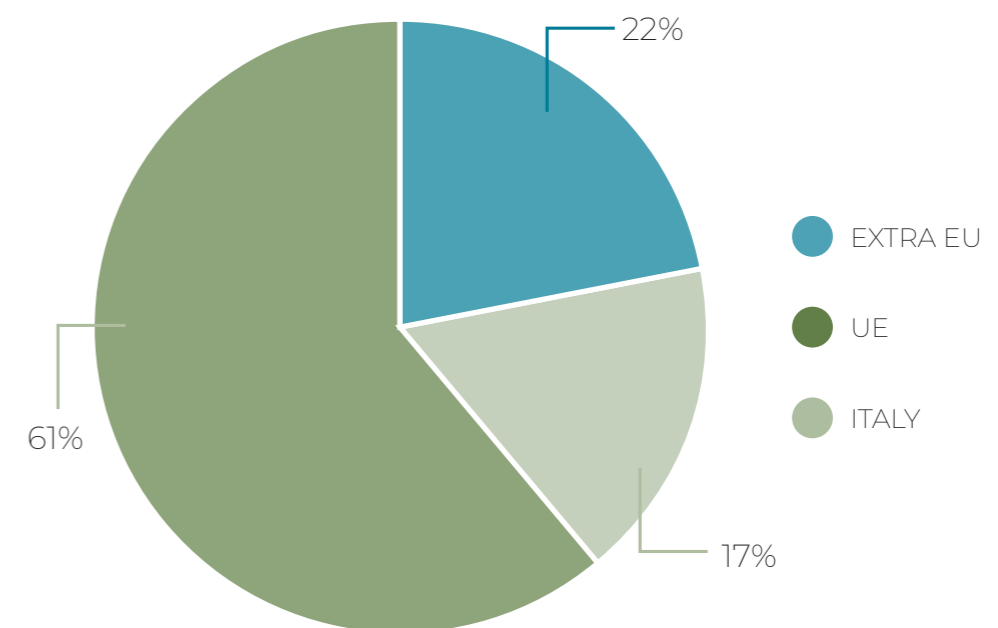


Sanyleg is considered among the most reliable suppliers of graduated compression socks under the brand Sanyleg, under Private Label and as an OEM (Original Equipment Manufacturer) Legal Manufacturer for wellbeing and sports with an export share currently amounting to 83%.

As Sanyleg, we are constantly expanding in the markets where we operate. In 2023 the company recorded:

- 61% towards European Union member-countries, including Germany, Scandinavia and Holland;
- 22% Extra UE countries strengthening relations with countries such as Japan and Russia;
- the Italian market still remains important and today it covers 17% of the market share.

### Markets served | 2023



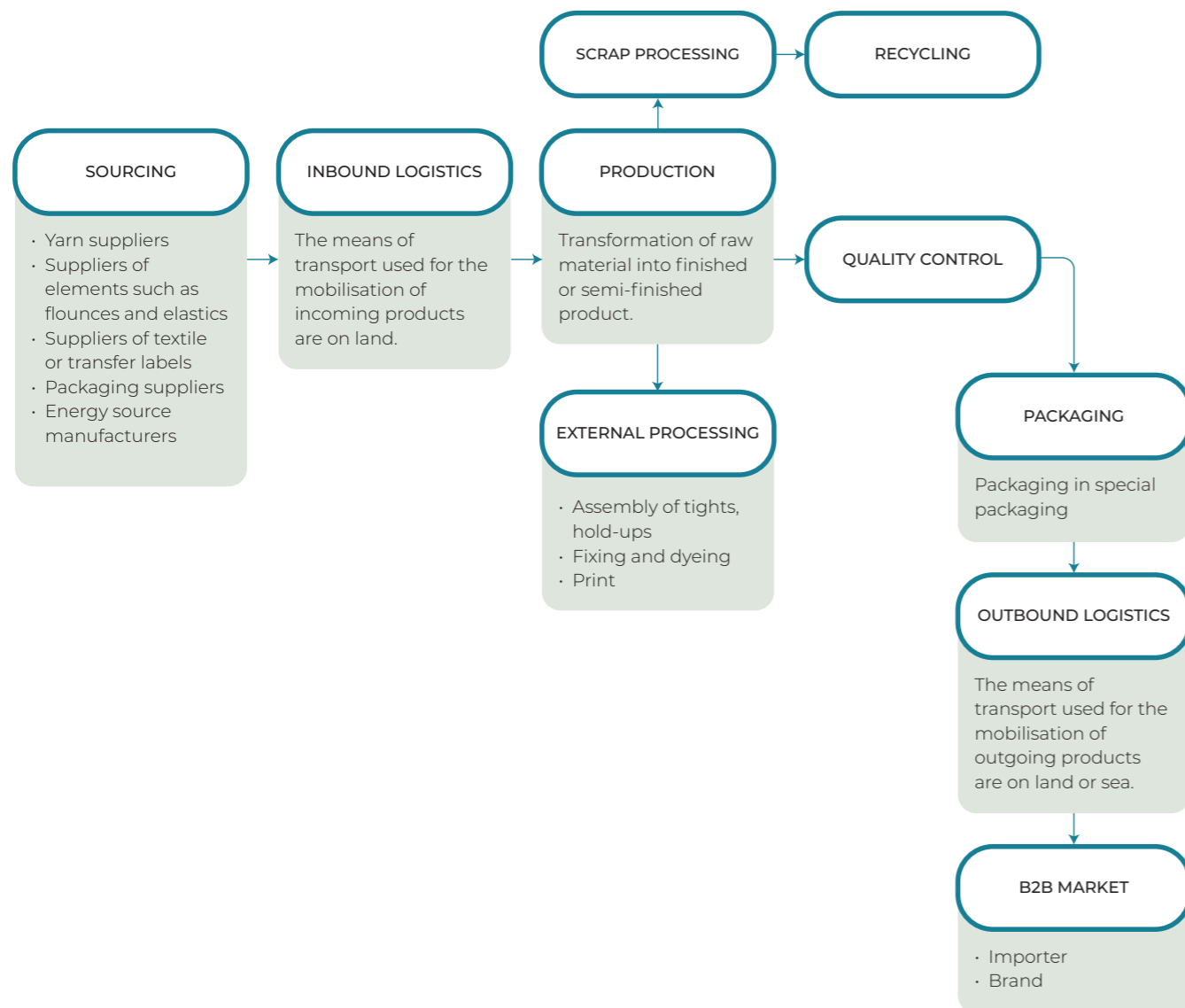
### Made in Italy production

Exclusively made in Italy, Sanyleg socks are proof of our commitment as a company towards Italian excellence. Each step, from processing to product inspection, is carried out painstakingly according to coded and refined management and control systems with the aim of maintaining high quality standards, ensuring that all Sanyleg products are synonymous with reliable performance and durable comfort.

## Sanyleg's value chain

By value chain we mean operational activities carried out by the company during the process for transforming raw materials into finished products. This theory takes into account how goods and services are supplied to customers and how the value accumulates along the series of events that reach that specific end customer: the added value is added in each stage. Several players who join efforts to meet market demands for specific products or services are involved in the value chain. Value flow is a sequence of activities required to design products and place goods or services on the market.

Sanyleg's value chain starts from the procurement system. In-house production, flanked by design, processing and controls, contributes to creating tailored products to meet specific customer demands. Painstaking control before shipment guarantees supreme quality. Furthermore, the logistics system, which allows the organisation to procure materials and ensure delivery at all times, plays a key role. On the other hand, internal logistics allows for the proper performance of the works.



Sanyleg's value chain and production processes essentially relate to storage and management of yarn raw materials, weaving on all products, quality control and product logistics from and to outsourced processing, sewing or assembly, fixing, laundry and part of the packaging.

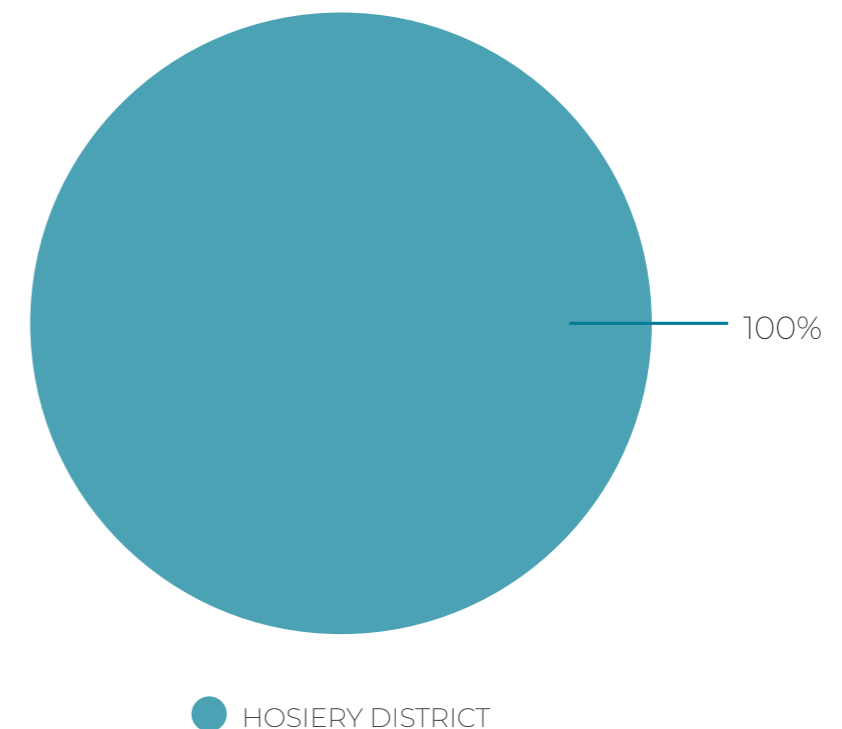
In particular, with regard to elastan socks, production solely envisages the weaving step, while sewing, dyeing - if any - ironing and packaging are carried out by designated third-party firms.

Besides the weaving step, manufacturing cotton socks requires washing and drying steps, and ends with the ironing and packaging steps.

The washing, drying and ironing steps are carried out in-house, while packaging step can be carried out outside the company, commissioned to third-party firms. Most contractors are local, this facilitates a continuous dialogue and a close collaboration. These relations have been strengthened over time thanks to the mutual trust, transparency and sharing corporate goals.

Preferential procurement is carried out in surrounding areas for raw materials, outsourced processing and complementary services, thus enabled by the wide offer range of the Castel Goffredo hosiery manufacturing district, a true asset for the area, rich with prestigious professionals. Considering all contractor firms of the district, which currently includes various municipalities of the hosiery district, as local suppliers, we can state that Sanyleg fully relies on the support of local processing. While with regard to the total demand, the supplies of raw materials coming from Italy reach a staggering 95% of the total.

### Outsourced processing | 2023



Given the massive reliance on the socks manufacturing district and the know-how network for outsourced processing, **quality control is essential to us at Sanyleg.** After the weaving step, strictly in-house, the products may follow two different channels to complete production:

- products intended for in-house washing and ironing department;
- products sent to **contractors** for the required outsourced processing steps.

In the first case, the washing and ironing staff fully checks the processed products, therefore ruling out the need for any other subsequent check until the time of sending to the end customer. In the second case, **sending to external laboratories requires further sample-based checks by the specific quality control department.** These checks vary depending on the processing step. Both in-house and external teams who contribute daily to achieving the goals and implementing the corporate mission and vision are the driving force behind Sanyleg's success.

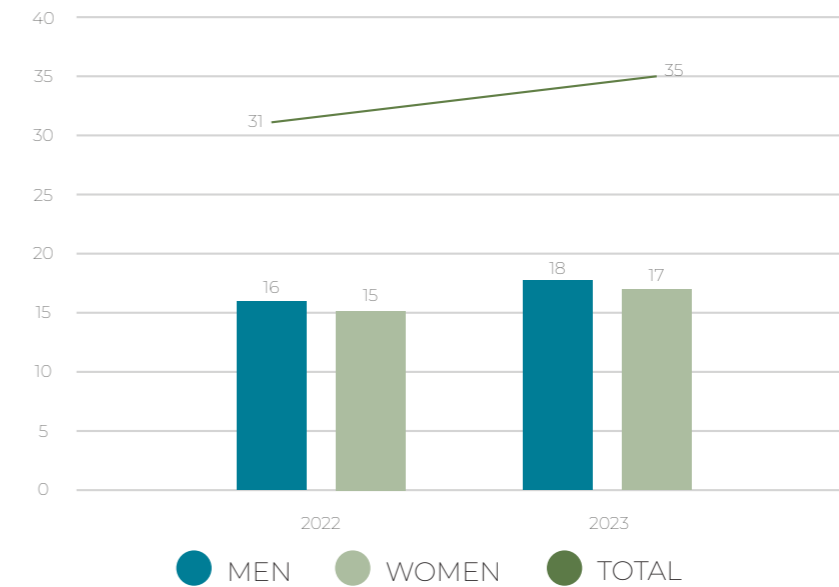
In recent years, the company has expanded its workforce in the production department by introducing new technicians among its staff members, and by investing in new machines and facilities. Furthermore, an internationalisation process regarding to some previously outsourced production processes was started. This solution has enabled Sanyleg to strengthen its production staff further.

The sales force was intensified with skilled staff which monitors and painstakingly and keeps track of the sales network internationally, collaborating to enable the trademark to rise to the level of the most prestigious white label producers in Italy and Europe.



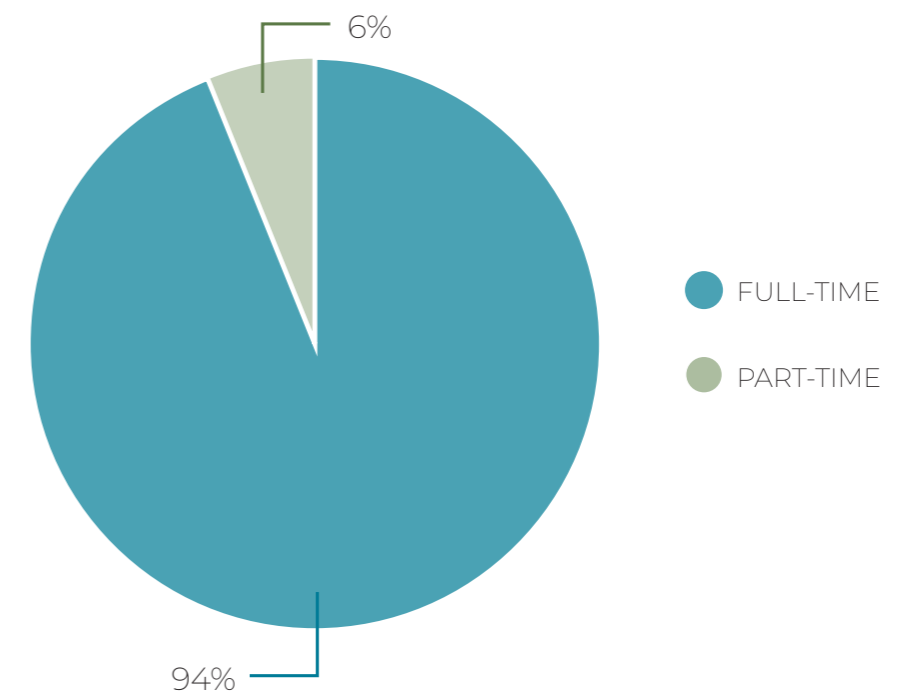
## Sanyleg's people

### Number of employees



As of 31-12-2023, Sanyleg had a total of 35 employees with open-ended contracts, equal to 100% of employees, therefore building a well-oiled team. During the year, the organisation's staff increased by 4 units. 94% of the employees work full-time, 6% of the collaborators are employed under a part time contract.

### Employees by type of contract | 2023



In compliance with the International Labour Organisation (ILO) Conventions on labour rights and on collective bargaining, and in compliance with the Laws of Italy, **Sanyleg ensures that all staff members are covered by the collective bargaining.** The workers relationship with the area and the socks manufacturing district know-how is crucial to Sanyleg, which considers outsourced processing a significant component of its business.

Sanyleg's textile production capacity requires minor initial labour; they are the finish, dyeing and control steps, the most carried out by hand, which require significant manual work. Contrary to others, **Sanyleg's choice to enhance the value of the district and its skills with a 100% Made in Italy production** within the area also allows to ensure compliance with human rights and labour throughout the supply chain.



## BRAND, PRIVATE LABEL AND TURNOVER

The company is one of the Europe's biggest Private Labels producers and under its own brand **Sanyleg**. Its products are widely used in hospitals, pharmacies as well as medical devices and sports stores worldwide.

Through the Private Label service, **Sanyleg** undertakes to give shape to the vision that customers have on the brands. The company offers a dedicated partnership and an all-around service, from design to production, with a strong financial base and a commitment to product and service quality, ensuring garments made respecting the people and the environment.

Sanyleg is essentially meant for large B2B customers.

To us at Sanyleg, there is much more to Private Label service than just production. As a matter of fact, it is a deep commitment to supporting brands, to shape one's identity and stand out in the market. By choosing Sanyleg, customers obtain a close collaboration with the company, which is committed to fully understand their vision, their values and the brand's goals. A team of experts guides the customer through each step, offering consultancy and support to ensure that each product authentically reflects the quality that has always been inherent in the brand. The experience consolidated in the industry and the specialized resources also allow to achieve tailored projects both in specific parts and throughout the process, depending on the detailed needs of the customers.

Sanyleg's medical products are registered as Class I Medical Devices at the Italian Ministry of Health and therefore they are CE-marked CE according to the procedures laid down in MDR 2017/745.

The new EU Regulation 2017/745 on Medical Devices introduced important changes to the regulation of the production and marketing of medical devices, introducing an EU device identification system based on a Unique Device Identifier (UDI), which facilitates product traceability. **Sanyleg is registered in the EUDAMED database**, in which, on a voluntary basis, it is already preparing to register its medical devices. All information on UDIs/devices placed on the EU market will be entered into the system.

## Socio-economic context

The year 2023 recorded a moderate growth for the Italian economy. GDP grew by 0.7%, slowing from 1.4% in 2022. Growth was mainly driven by domestic demand, while net foreign demand contributed negatively.

The **drop in growth** stemmed from a **number of factors**:

- **the significant rise in energy and raw material prices**, which eroded household purchasing power and dampened business investment;
- **the war in Ukraine**, which has created, and continues to create, uncertainty in financial markets and has triggered an increase in inflation (now fortunately falling);
- **the general slowdown in the world economy**, which has reduced demand for Italian goods and services.

However, the Italian economy has shown some resilience in the face of these challenges. As a matter of fact, the labour market has continued to improve, with the unemployment rate falling to 7.8%. The Italian production system has also shown a good ability to adapt to new challenges, such as digital transition and decarbonisation.

The **textile-clothing industry**, in particular, closed the year with a **positive result** (+3% compared to 2022), bringing the macro-sector's turnover to almost 65 billion Euros, a marked recovery from pre-Covid, when turnover stood at 56 billion Euros. However, the slowdown in the second half of the year fuels the generally pessimistic forecast for 2024, which may even result in a reversal of the trend.



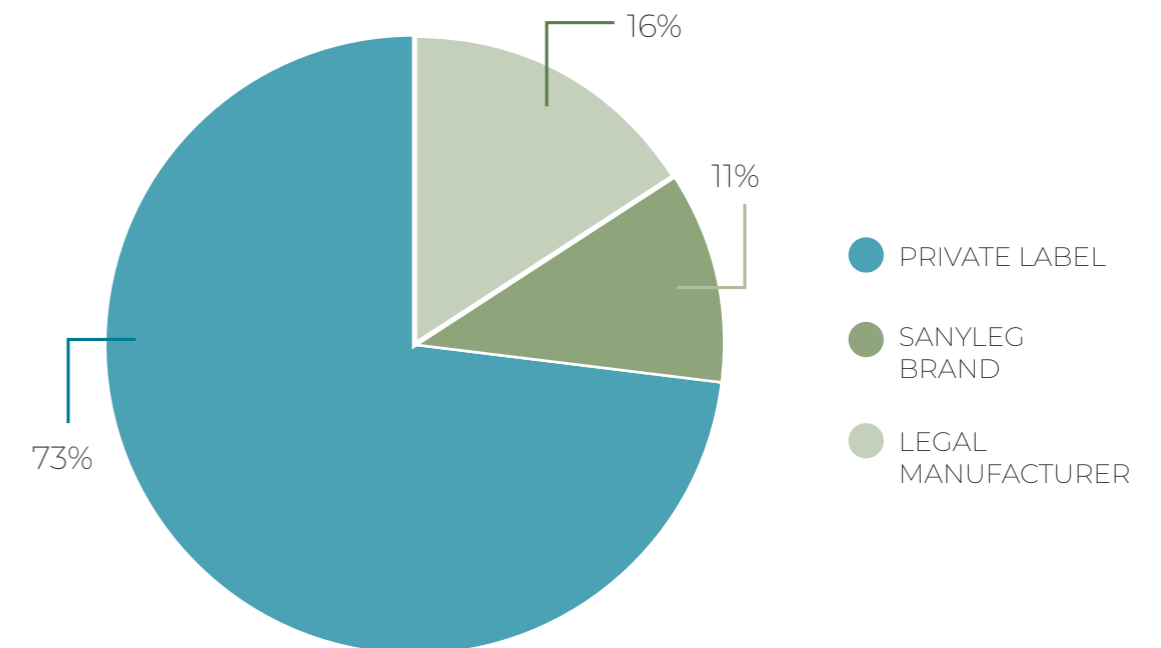
The data collected by the Confindustria Moda Study Centre show that international macroeconomic volatility, combined with rising inflation, high interest rates and rising prices (with a resulting decline in consumer purchasing power), suggest that the textile-clothing industry will also start 2024 with a further slowdown in demand, both in domestic and foreign markets, which, also in light of the comparison with a marked growth recorded in the first part of 2023, would likely lead to a marked trend reversal recorded in recent years.

Given its the medical field of operation, **Sanyleg has always given continuity to its operations**. So much so that not even the macroeconomic challenges and those generated by the Russian-Ukrainian war have ended up affecting the favourable climate that distinguishes the company.

2021-2023 TURNOVER	
YEAR	NET TURNOVER (€)
2021	9.344.796
2022	9.304.005
2023	10.891.206

**73% of turnover is for Private Label customers**, who commission Sanyleg with the production of products designed and packaged entirely in Italy. **These, together with Private Label OEM, achieve 89% of turnover**. The remainder is for the Sanyleg brand.

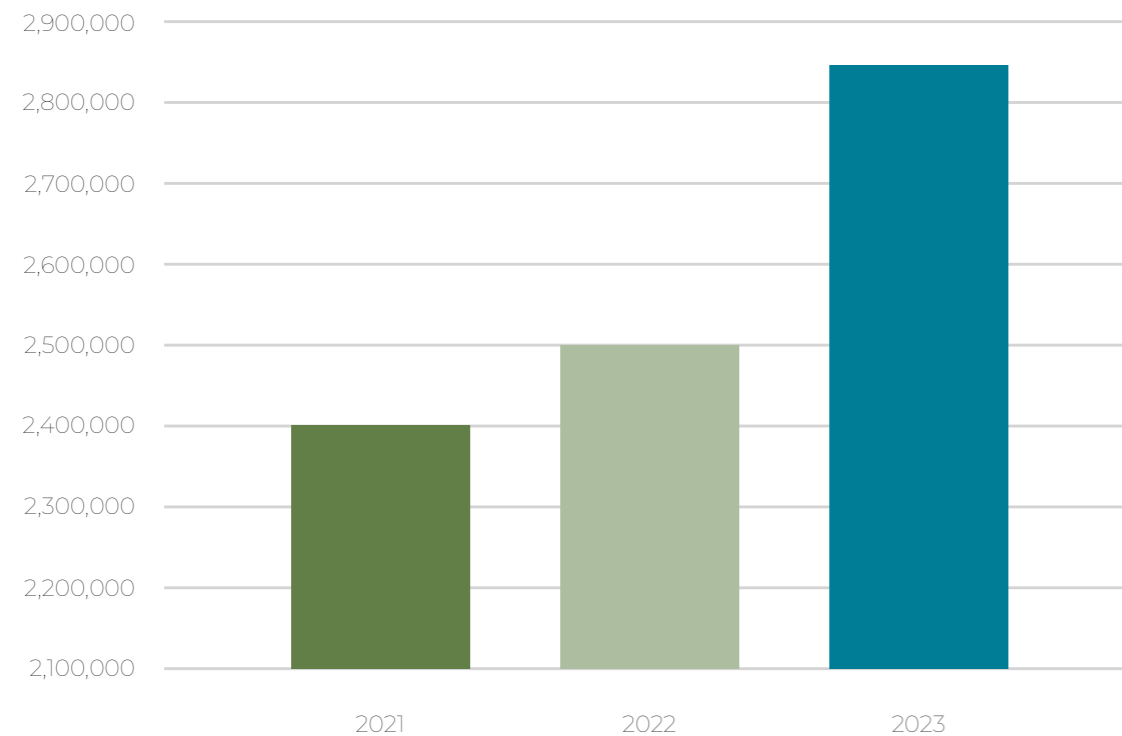
**% Turnover by destination | 2023**



## Production capacity

The quantities sold in 2023 grew by 14% compared to 2022 and 19% compared to 2021.

### N. pairs of socks produced

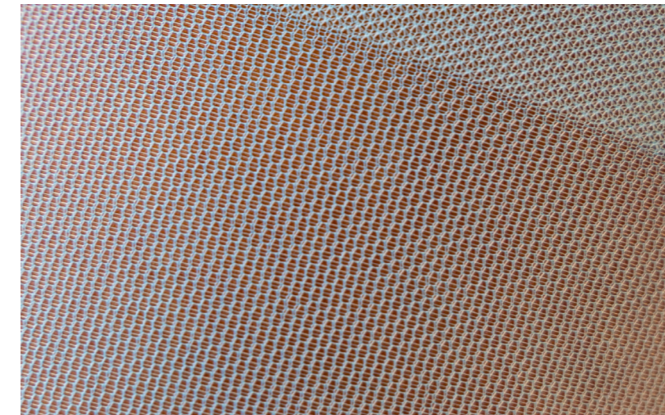


The company carries out its activity as part of a **continuous technological innovation** of the goods and production processes, **using its resources** to improve the technical characteristics of the products and the functionality of the production process.

In addition, a **constant and active collaboration** is maintained with the most important **producers of raw materials** (in particular yarns) to study together new items or improve performance.

The **graduated compression socks** produced by Sanyleg incorporate **several cutting-edge technologies** to ensure maximum comfort, effectiveness and adaptability: from **honeycomb structure** to **plain knit**, the company offers innovative solutions so as to appropriately meet a variety of needs. All this according to the most innovative **antiembolism and therapeutic technologies** recommended by medical professionals for the health of legs. For amateur, competitive, and professional sports instead, compression socks provide an ideal support to improve physical exercise performance and facilitate muscle recovery after exercise.

## Technologies: the intangible asset for Sanyleg



### Honeycomb

The **honeycomb structure** is a type of fabric processing used in graduated compression socks. It helps **improve blood circulation and increase comfort**, suitable for everyday use, both during work and leisure.



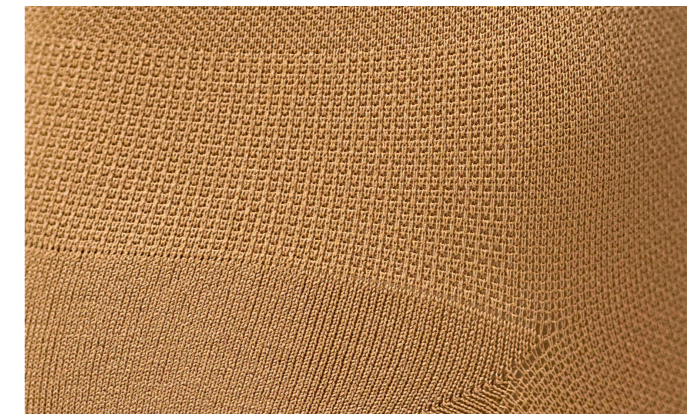
### Anti-embolism

Antiembolism stockings are designed to **reduce the risk of deep vein thrombosis (DVT) and pulmonary embolism** caused by blood clots in deep veins.



### Ribbed knit pattern

The **ribbed patterned line** is part of the **preventive line**, keeping the **comfort and breathability** traits that it stands out for and the possibility of complete customisation intact.



### Therapeutic weaving

The **therapeutic line** of stockings addresses a wide range of problems related to leg health, such as **venous insufficiency and varicose veins**.



### Plain knit

The **plain knit** is a common weaving structure in the hosiery industry. Made from different yarns such as **cotton, nylon and elastan**, this knit uses the jersey stitch as a basic unit, offering **elasticity and adaptability to the shape of the leg**.

### Sport

Sport compression socks are designed to **improve performance, reduce the risk of injury and facilitate muscle recovery** during physical exercise.

On behalf of its customers, Sanyleg is in a position to carry out of **all the production steps including design of the item, packaging, production of the finished product and its packaging**. The company's production capacity and the flexibility offer the customer a prompt and positive response to every demand and need.



# 3. GOVERNANCE

## ADMINISTRATION AND SUPERVISION MODEL

Sanyleg's administration and supervision model is of the conventional type with sole shareholder Arnaud holding S.r.l. a company managing and supervising the family assets of Alberto Ghelfi.

The **Board of Directors** consists of three members, starting with the **Chairman, Alberto Ghelfi**, an entrepreneur with a strong competitive spirit and a great determination, through which it dictates the policies to take Sanyleg across the world minimising negative impacts and enhancing a culture of respect, discipline and team-work.

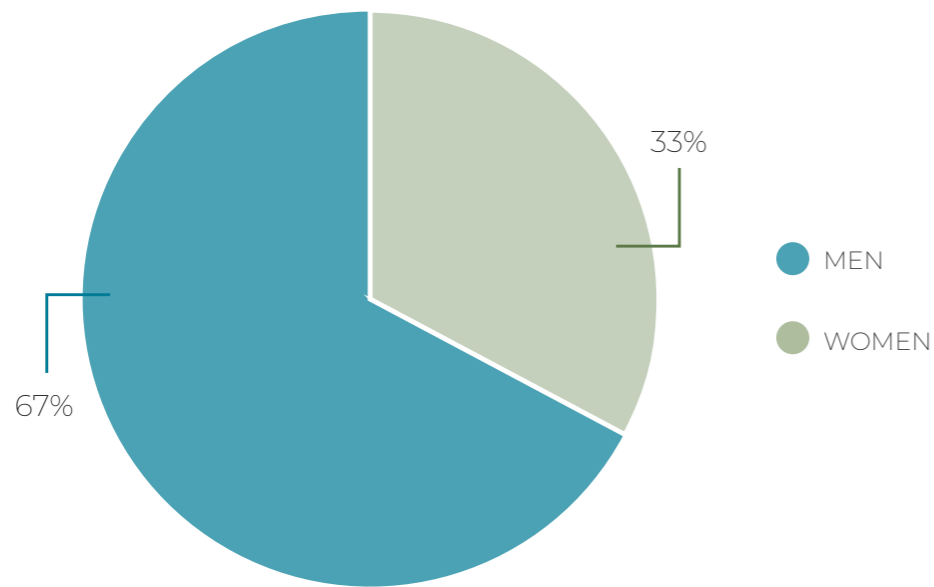
The Chairman's close cooperation and continuous dialogue with the other two members of the BOD, the **Chief Executive Officer, Cristina Marocco**, and the **Director, Fabio Aparo**, have created an entrepreneurial project in which business ethics has a strong value in all business choices, where critical concerns are collectively collected and discussed to provide the necessary elements for decision-making. There shall be no conflict of interests of the members of the BOD.

MEMBERS OF THE BOD	
APPOINTMENT	NAME
Chairman of the Board of Directors	GHELFI ALBERTI
Directors and Chief Executive Officer	MAROCCO CRISTINA
Director	APARO FABIO

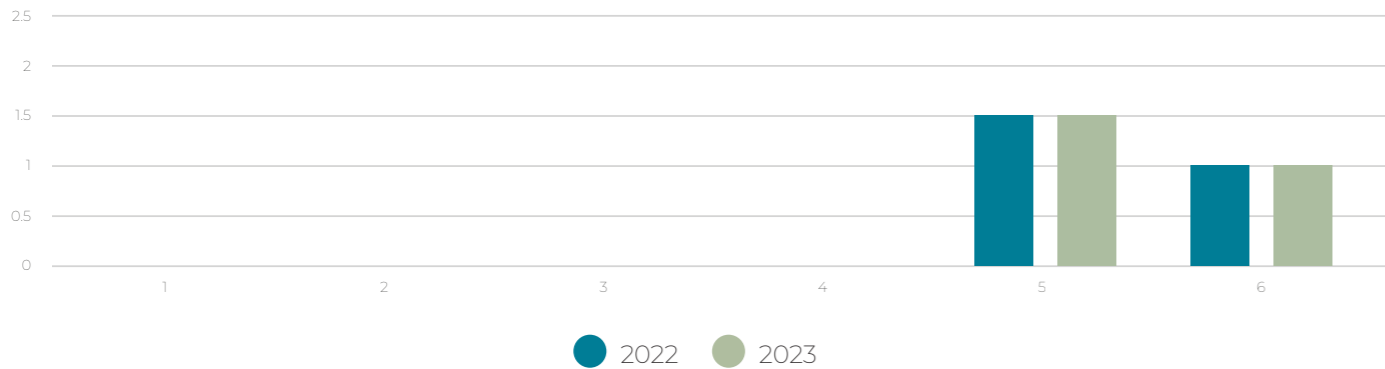
From 22-05-2020 until derogation, the Chief Executive Officer shall also hold the position of Proxy. The new statutory auditor, **Terbaldi Dino** was appointed in 2023, until the approval of the financial statements at 31-12-2025.

A lean **board of directors** consisting of highly qualified individuals and experts in the **field** in which Sanyleg operates, where equal opportunities and diversity are taken into account with a view to enrichment.

**BOD by gender | 2023**



**Diversity of the Governing Body | 2023**

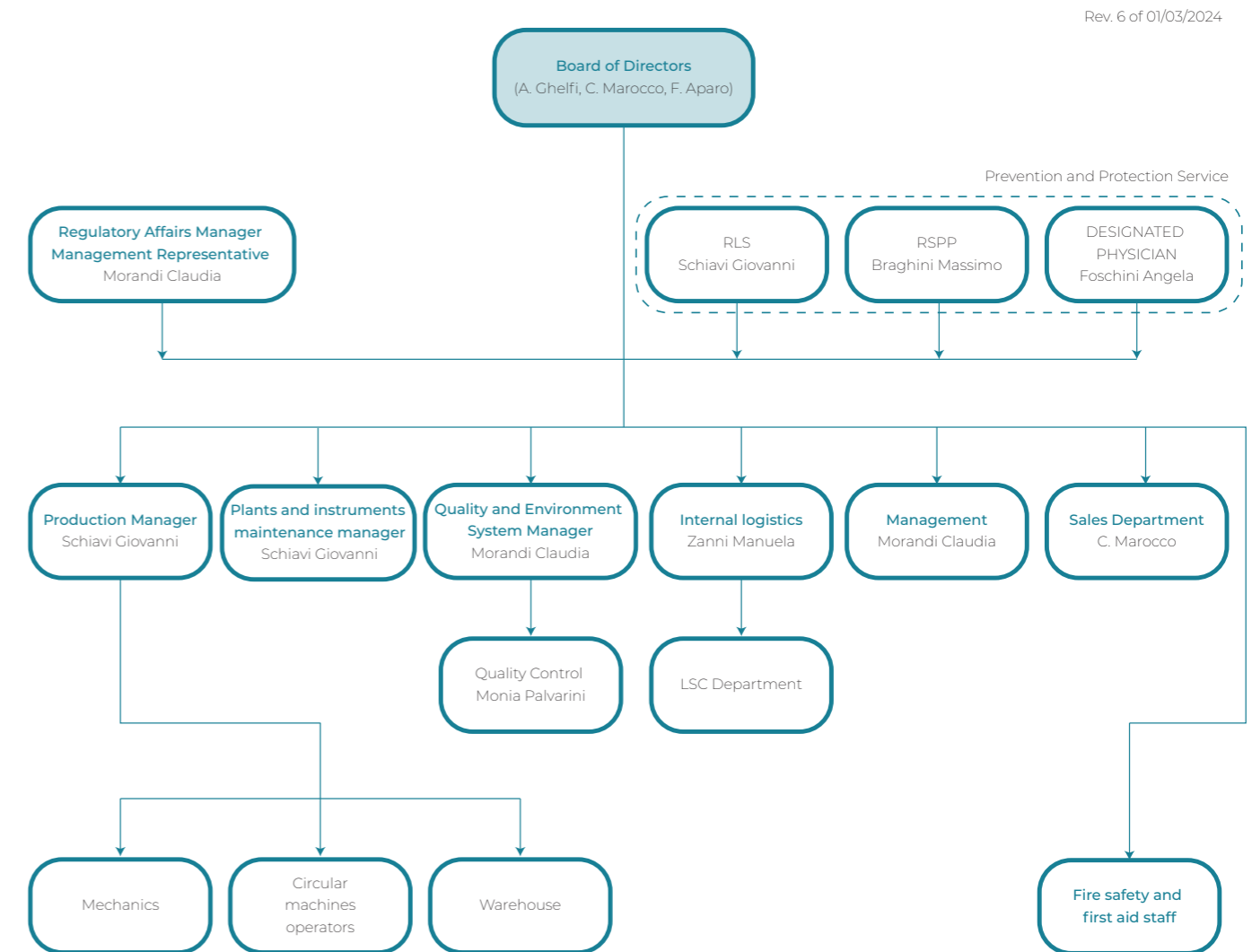


The Board of Directors plays a central role in the strategic and decision-making direction of the Group, with the ultimate aim of pursuing its sustainable success. With this goal in mind, the Board of Directors is committed taking all actions deemed necessary and appropriate. In particular, the Board of Directors examines and approves strategic, industrial and financial plans and defines the nature and level of risk compatible with the strategic goals. In addition, it assesses the adequacy of the internal audit and risk management system and passes resolutions on transactions considered to be significantly relevant.

The Board of Directors shall be informed of any criticality observed. In accordance with the provisions laid down, each year the Board of Directors shall identify qualitative and quantitative criteria for assessing the independence of directors. Furthermore, still in accordance with the provisions laid down in the code of ethics, it shall verify the independence requirements by making available to all administrators, documentation and information proving the existence of the aforementioned independence requirements. In 2023, there were no cases of conflict of interest.

**Company organisation chart**

The highest governing body did not delegate responsibility for managing Sanyleg's impacts on the economy, the environment and people beyond the legal minimum. Owner and founder Alberto Ghelfi, is the only one in charge of handling impacts and no employee was delegated to address these topics. The crew made up of Sanyleg's women and men forms an efficient and close-knit team. Impact management is developed and discussed with key individuals in each department driven by a relentless desire to excel also from the point of view of sustainability. The context and related risk analysis carried out in 2023 showed that the increasingly integrated management system and the activities needed to manage impacts have been fully operational and continuous improvement has been activated.



## The principles with which Sanyleg identifies:

### Legality

All employees, the board of directors and its members, the trade union body and collaborators are compelled to comply with the laws and regulations in force.

### Integrity

In relations with third parties, Sanyleg undertakes to acting in a fair and transparent manner by avoiding misleading information and behaviour that would unreasonably benefit from others' positions of weakness or unawareness. Sanyleg is committed to establishing good business relationships with third parties, long-term relationships with customers and suppliers, and recognising the contributions of its employees in its quest to maximize its financial and economic performance.

### Gifts or other benefits, corruption

It is not permitted to directly or indirectly give or offer gifts, payments, material benefits or other benefits of any entity to third parties, public officials or private individuals. Acts of commercial courtesy, such as gifts or forms of hospitality, are permitted where they are of modest value and in any event do not compromise the integrity or reputation of one of the parties and cannot be construed as being intended to improperly gain advantage.

### Loyalty

Relations with the external, relations with its collaborators and those among the latter must be based on the utmost loyalty, which consists in faithfulness to their word, promises and agreements, acting with a sense of responsibility, enhancing and safeguarding the assets of the company and applying a good faith attitude in every activity or decision.

### Transparency

All Sanyleg's actions and relations with its stakeholders must ensure fairness, completeness, consistency and timely information, in accordance with the law, best market practices and within the limits of protecting the company's know-how and assets.

## Work and human rights

Sanyleg respects people's fundamental rights by protecting their moral integrity and ensuring equal opportunities. Conduct which is discriminatory in terms of political and trade union opinions, religion, race, nationality, age, sex, sexual orientation, health condition and generally any intimate characteristic of the human person shall not be permitted in internal or external relations. The company is committed to ensuring that, as part of its activities, the rights provided for by the "Universal declaration of human rights" are guaranteed in the various countries in which it operates.



Sanyleg is committed to complying with all the above principles, to complying with all laws and regulations enacted at local, regional, national and European Union level, pursuing a progressive lowering of the threshold of acceptable risks. As a testament to the strong sense of legality and commitment to compliance with the rules and laws in force in the countries in which it operates, there have been no established cases of corruption (GRI 205-3) or legal actions for unfair competition conduct, competition authority and monopoly practices (GRI 206-1).

## Data protection and information security

Compliance with the processing of personal data, pursuant to the GDPR Regulation of the European Community in force since 25-5-2018, as laid down by article 13 of the Italian Legislative Decree N° 196/2003, is guaranteed by communicating an appropriate policy stating that data is collected and processed in full compliance with the provisions laid down in the Privacy Code.

In line with GDPR requirements, the company applies procedures for collecting consent to the processing of data and for the proper management of data. In addition, Sanyleg is committed to ensuring that all internal computer systems are adopted to prevent any data leakage and enable to prevent any form of privacy breach. There are no cases of non-compliance and breaches with respect to privacy (GRI 418-1).

## Relations with supervisory bodies

In their relations with the supervisory bodies, the parties involved are required to act with utmost transparency, clarity, diligence, professionalism and fairness in order to establish a working relationship, to promptly and readily implement the requirements and any fulfilments requested and to clearly, exhaustively and objectively provide all the information necessary to meet the request received.

Sanyleg is forbidden from offering or paying, directly or through intermediaries, money or other benefits to entities falling under the definition of Public Administration and Supervisory bodies in order to influence them in the performance of their duties and/or to take undue advantage. Gifts and acts of courtesy and hospitality towards subjects falling under the definition of Public Administration and Supervisory bodies, or to consultants/intermediaries designated to interact with these entities are not allowed, unless explicitly authorised by the Directors.

## Risk management

In its business model, Sanyleg has always identified risk analysis as a key prevention element. The company clearly knows how to act to pursue the precautionary principle, an essential element for the growth of the organisation.

In pursuing its sustainability mission, Sanyleg takes a methodical and comprehensive approach to the process of analysing the internal and external context in which it operates. The process through which the company assesses and understands the various scenarios in which it carries out its activities is contained in the analysis that is carried out.

Using management systems, which are updated periodically, the company assesses the risks and opportunities related to sustainability, as well as the social, economic and environmental dynamics that affect business operations.

Analysis of the internal and external context is crucial for guiding Sanyleg's actions and strategies. Through a rigorous and continuous assessment, the company is able to identify and address the most relevant issues, thus contributing to a gradual improvement and an increase in its positive impact.

The company has identified and continuously monitors the risks it may be face with, both financial and non-financial, as reported below:

## Financial risks

There are no significant financial risks, given the high degree of capitalisation of the company and the absence of use of external sources of financing.

The company does not use financial instruments that may generate particular risks and that require risk hedging policies.

The exposure of the company to price, credit, liquidity and cash flow risk is not relevant for the capital and financial valuation of the company, as Sanyleg works exclusively on the basis of orders already defined with the customer, without particular risks of inventory obsolescence and price changes of the raw materials used in production.

## Non-financial risks

Below are the main non-financial risks to which the company is exposed:

- Risks from internal sources

They are not significant given that the company's production is diversified in many products and in different product markets; furthermore, the corporate strategy is always aimed at seeking new outlets.

- Risks from an external source

- **Market:** the company is subject to market performance, so far there has been a good rebound of the markets, which has allowed the company to maintain market shares and its order book, allowing it to have a production visibility such that a good performance in line with the pre-set goals for the 2024 financial year is also expected.

- **Product and competition:** the reference markets force the company to compare with its competitors. In this respect, while maintaining a great focus on efficiency and savings, Sanyleg pursues technological differentiation goals. In addition, the company's capital and financial soundness will allow it to exploit any new market areas.

- **Customers:** at a time of financial crisis as sensitive as the current one, where the risk of insolvency is generally increasing, the company has not had in this financial year significant receivables in dispute and difficult to collect.

## Governance for sustainability

Sanyleg adopts **transparency and disclosure practices to communicate its initiatives effectively**. Information on sustainability is made available through reports such as this **Sustainability Report**, the **company website**, and other media, including **social media**.

- **Sanyleg promotes ethical and responsible behaviour in all its activities and operations.** Regulatory compliance is ensured through continuous monitoring of sustainability laws, regulations and standards
- **Sanyleg integrates sustainability risk management into its decision-making processes and day-to-day activities.** A regular analysis of environmental and governance risks shall be carried out in order to identify and promptly manage any criticalities.
- **Sanyleg maintains relationships with its stakeholders**, including employees, customers, suppliers and local communities in order to **relate to the impacts** for determining the relevant topics for which the organization declines its ESG goals.

## DIALOGUE WITH STAKEHOLDERS

Also based on this first Sustainability Report, in 2023, Sanyleg decided to increase **transparent communication** and spread the commitment and awareness with which it addresses the present and looks to the future, **in the name of respect for people and communities**, with sustainability as a key driving asset.

In this sense, the company aims to maintain an open dialogue with all its stakeholders, with institutions and with companies operating within the market, with a **view to continuous improvement in its operations**.

Stakeholder engagement, that is constructive dialogue with the various stakeholders, is crucial to the growth of an organisation like Sanyleg that is committed to continuous improvement. The company has deep roots in this practice, which it mainly carries out informally but consistently.

For the identification of stakeholders, Sanyleg asked itself the following questions:

- To whom does is the organisation bound legally?
- Who could be influenced positively or negatively by the decisions or activities of the organisation?
- Who could express concerns about the organization's decisions or activities?
- Who was involved in the past when similar concerns had to be addressed?
- Who can help the organisation address specific impacts?
- Who can influence the organisation's ability to meet its responsibilities?
- Who would be disadvantaged if excluded from engagement?
- Who is affected in the value chain?

Analysing the points mentioned above enabled to report all stakeholders in the stakeholder map.



## Sanyleg's stakeholders

Sanyleg's stakeholders are all individuals and entities that are influenced by the Group's activities and who come into contact with the company through partnerships, to create lasting value. In particular, the relationships with stakeholders shall consist of:

- sharing goals to foster sustainable social, economic and environmental growth;
- transparency in relationships and focus on the role of all stakeholders in the context in which they operate;
- willingness to interact through a close partnership pursuing mutual benefit by sharing economic and experience ideas.



The frequency of involvement for the different categories of entities depends on the instruments adopted, on the business strategies as well as, obviously, on the need to comply with any legislative requirements. In general, Sanyleg has implemented tools that enable continuous dialogue with stakeholders (for example, company intranet, email inboxes, social network, and customer service), along with ways to engage on a regular basis or on a case-by-case basis.

## The transparency that underpins relations with stakeholders

Sanyleg's communication strategies are designed to ensure transparency, accuracy and an ethical commitment towards all stakeholders. A variety of channels are used, including the company website, social media (LinkedIn and YouTube), and the newsletter, to inform the public about products and innovations.

In addition, every year Sanyleg attends trade fairs, including MEDICA Trade Fair in Düsseldorf, to exhibit and showcase its products technologies and services, directly interacting with customers and potential partners.



Sanyleg's tools for engaging with stakeholders are primarily informative and pass through key messages of transparency about the company's activities and values, leadership in the field of graduated compression medical and sports socks, and the promotion of sustainability and social responsibility as a commitment to be pursued.

The company website, which was being revised in 2023, triggered a **strategic study and design phase** resulting from an informal dialogue between management, marketing department and various stakeholders.

This design path has highlighted the company's orientation toward a professional public in the health and compression socks industry, in order to make **the B2B service offered by the organisation even more prominent**. This approach is further strengthened by Sanyleg's continued and consistent interactions with its key stakeholders. In this sense, interpersonal relationships are fundamental, which are for obvious reasons difficult to code and measure, but which have always been intrinsically linked to its business model. From this background, it is clear that dialogue with strategic stakeholders, customers, contractors, and suppliers at Sanyleg is constant and will be increasingly so, in order to enhance the element of collaboration and sharing of intent, with a view to integrated sustainable development throughout the company's supply chain.

The shared code of conduct, which is shared across departments, the internal notice board, and other sharing moments around environmental performance, procedures, and work instructions are essential to Sanyleg's continuous improvement. This first Sustainability Report is intended to provide an opportunity to further strengthen the internal team and create the synergies necessary to share the current state and potential of the organisation, so that the strategy outlined by the leadership is clear to all, allowing Sanyleg to continue to expand its products and services worldwide.

## Communication

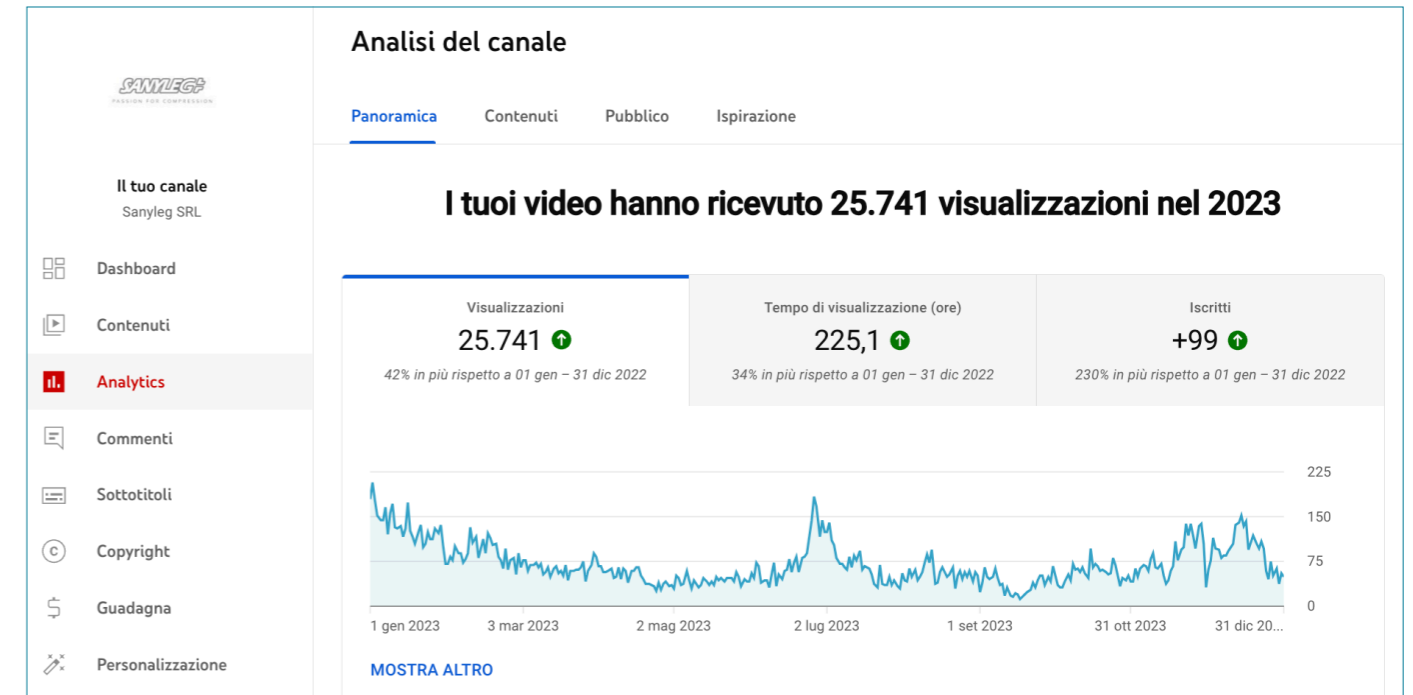
Sanyleg chose to focus its presence on social media by moving mainly using **LinkedIn and YouTube**. This decision reflects the company's approach towards a professional audience in the health and compression socks industry.

Being a professional platform, **LinkedIn** offers Sanyleg an ideal environment to link up with other professionals of the industry, establish business relations and build its reputation in the industry. The professional nature of LinkedIn is particularly suitable for sharing information content, company updates and other resources relating to Sanyleg's audience.

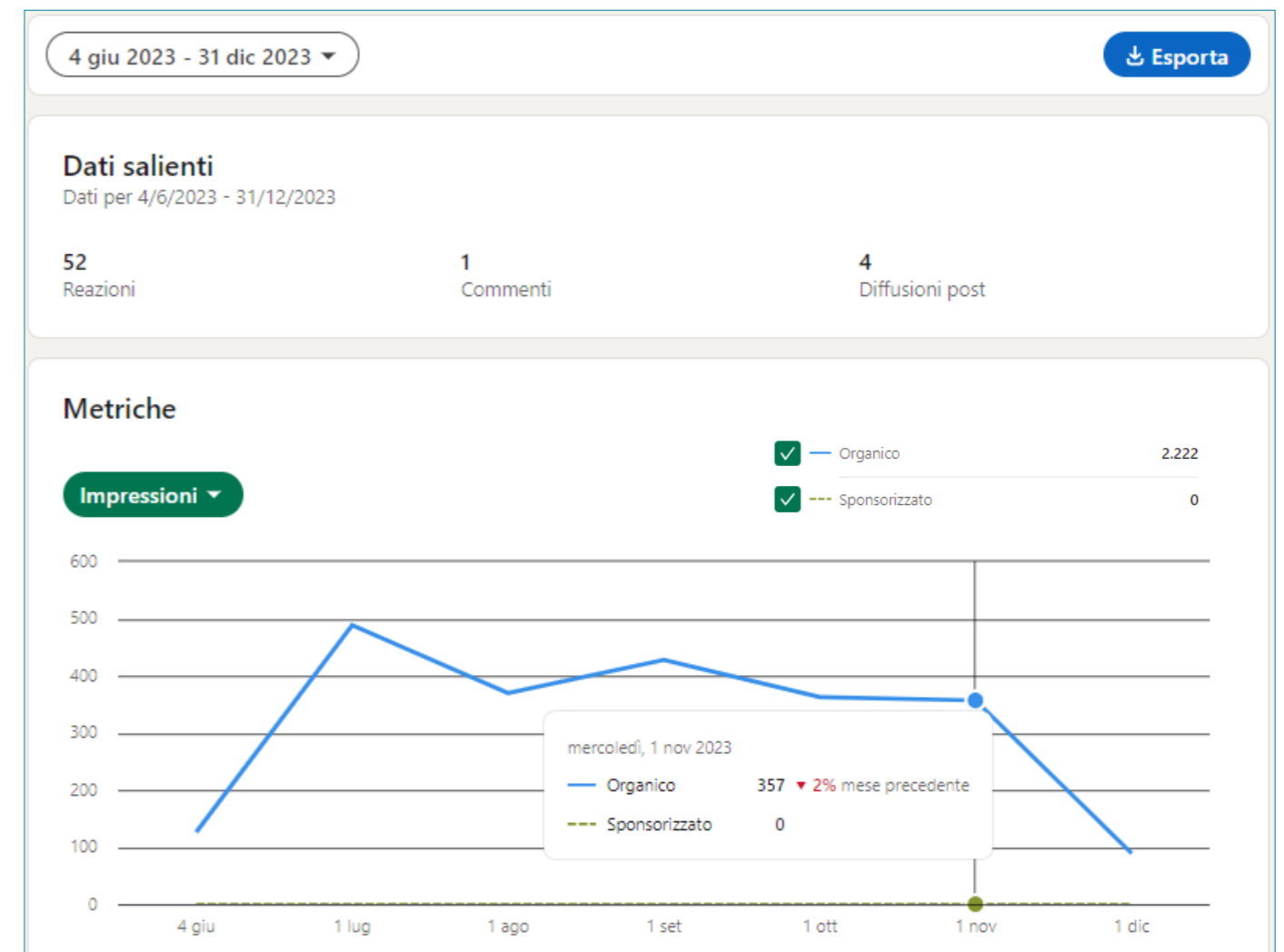
On the other hand, **YouTube** is an important channel due to its ability to host **information and engaging video content**. Sanyleg is able to reach out to its audience addressing issues relating to leg health and services offered by the company by broadcasting these messages in a visual and engaging manner through corporate videos, product presentation and much more.

Our goal for the future is to continue to actively publish activities related to the company, its service and the products that it offers as well as the company's commitment to sustainability.

## YouTube



## LinkedIn



# 4. APPROACH TO SUSTAINABILITY

Sanyleg is aware of the positive and negative impacts on the company's operations, a key element to implement continuous improvement. Economic, social, environmental and governance sustainability topics of the business therefore become a strongly pursued strategic choice implemented with awareness and consciousness.

The Board of Directors, the top governing body directly responsible for managing impacts, reviews and approves information referred to in the sustainability report, including material topics in a process of adhering with the GRI standards.

A strategic choice based on basic principles of the organisation expressed in the rules of conduct contained in the Code of Ethics.



## The main ethical goals target

### Towards Sanyleg

For a financial soundness driven by a good profitability, that enables the company, with its own means, to create innovation and development, supporting the creation and growth of new projects, and which enables it to address changes and new market demands.

### Towards the Customer

In order to meet the demands of the customer, who can always count on a supreme-quality service, with the option to customise the product. But also to elevate all business aspects to maximum levels, consistently improving quality, productivity and support services and in order to guarantee supplies that meet the agreed quality standards.

### Towards Employees

In order to always maintain occupational safety and health standards and encourage experience, excellence, ability and ingenuity of all employees, with the aim of improving the company's operating and sales income, besides guaranteeing a salary level that is fair and aligned with the reference national or local context.

### Towards Technological Development

To constantly promote research and development projects with the aim of supporting innovation and improving the company's competitiveness in a dynamic industry.

### Towards the Environment

In order to prevent and minimise negative impact on the environment and of the manufactured products, by implementing all the actions required for the protection thereof. Committing to reduce waste, in a more conscious use of energy and non-renewable raw materials. Adapting to and complying with the standards required by the regulations, promoting all activities aimed at achieving compatibility between environmental protection and production process.

## Sanyleg's management model

The company acquired an Integrated Management System (IMS) with the aim of regulating the processes which allow to design, manufacture and sell its garments. Furthermore, in recent years Sanyleg activated a management system certified according to the ISO 9001 and ISO 13485 standards which guarantees safety and quality in all development phases and use of medical devices, as well as according to the ISO 14001 standard with regard to environmental aspects, with the aim of improving internal awareness in terms of compliant with the regulatory compliances. In 2023 there were no environmental regulatory changes concerning Sanyleg.

The company manufactures products with standardised technical characteristics (it does not manufacture custom-made products for specific customers). Therefore, the end customers (private individuals) will have to identify the product that is most appropriate to meet their needs with the aid of medical consultation from an expert if need be. Sanyleg's Management System field of application includes all design activities aimed at developing new product lines as well as meeting the demands and requirements of professional customers (distributors and companies with independent sales networks).

Sanyleg carries out internal audits to verify its processes and ensure that they comply with the provisions laid down by the IMS and by the international standards recognised by the organisation.

Sanyleg's top management provides evidence of its commitment by implementing the following actions:

- notifying the staff members of the importance of meeting the customer's requirements and applicable regulatory requirements;
- drafting a quality policy document to be communicated within and outside the organisation. This document is verified and updated on at least an annual basis;
- carrying out management review on at least an annual basis;
- establishing quality-related goals and stating them in the management review document;
- regularly verifying the availability of resources and adapting them to the process needs, as well as allocating them depending on the development projects established by the management;



Lastly, the traceability obligation is met through a system for identifying homogeneous product batches. Therefore, each batch on sale is associated with a unique product code which allows to identify corresponding production batches swiftly. In the event of a complaint or report relating to a batch on sale, Sanyleg's organisation can identify all production batches involved.

Sanyleg has always paid special attention to the business customer and to the end user of its items. Using the Quality Management System, we are preparing to address an even greater challenge and ethical responsibility: governing concepts at the heart of sustainability reporting according to the Global Reporting Initiative (GRI).

The GRI draws its guidelines from the main international institutions, from the Organisation for Economic Co-operation and Development (OECD), from the International Labour Organisation (ILO) and from the United Nations, Framework Convention on Climate Change (FCCC), Paris Agreement, Guiding Principles on Business and Human Rights and the Universal Declaration of Human Rights, to establish and share their essential reference points, the guiding stars useful to set the path towards an actually and fully sustainable development.

The key concepts of the GRI Standard for establishing a sustainable development strategy are summarised as follows:

## Impacts

The organisation shall highlight the effects, whether actual or potential, positive or negative, that it has or might have on economic, environmental and social levels, including human rights, as a result of its activities and business relationships.

## Material topics

The organisation will have to focus on those topics that have positive and negative consequences, including financial ones, currently or in the future.

## Due diligence processes

The organisation will highlight the process by which it identifies, prevents, mitigates and accounts for how it addresses its actual or potential impacts and how it remedies.

## Stakeholder

The organisation will consider persons or groups whose interests are or may be influenced by its activities.

The path to sustainability has been set and some actions have already been taken in recent years. The Sustainability Report enables Sanyleg to measure and communicate to its stakeholders the impact and continuous improvement measures taken.

# MATERIALITY ANALYSIS

Beside setting a course for sustainability, Sanyleg implemented, in accordance with the core concepts of the GRI standards, the process of determining and measuring material topics, i.e. the most significant ones, on which to report in depth for consistent continuous improvement.

Through a fruitful background work undertaken in 2023 in collaboration with the active ISO certification managers and advice on sustainability topics, the Board of Directors identified the potential and actual impacts of the company, while assessing their importance in order to give them an action priority and planning.

## Macro-topics

To identify the key topics of its action, Sanyleg relied on the work carried out during 2023, which also included an industry analysis, website, governance documents, policies and the Code of Ethics, as well as an integrated assessment and international standards for customers, suppliers, competitors, trade associations and banks. This was integrated by press release analysis, therefore enabling to obtain an assessment aimed at the main relevant topics in the reference industry.



## Dialogue with the management

The 2023 analysis was shared through a continuous and transparent dialogue with the management and in-house staff directly involved in the project, in order to be able to determine the topics relevant to the company and then proceed with a more in-depth analysis.

The analysis led to the identification of priority and more “materiality” areas for the reference industry, giving the organization the opportunity to adapt the most relevant topics to the current context, which are set out in this document.

The analysis was carried out taking into account the main impacts, risks and opportunities, with the aim of successfully mitigating the company’s footprint, working with commitment to improve sustainable performance.

## Significant topics and materials identified

### Environment

- Efficiency enhancement and energy saving.
- Mitigation of emissions into the atmosphere.
- Gestione degli impatti ambientali dei processi produttivi.

### Responsibility

- Occupational well-being and safety.
- Training and empowering people.
- Social initiatives for the community.

### Economic

- Responsible and economic growth.
- Product quality and safety.

## OUR GUIDE STAR

### Our Agenda 2030 SDGs



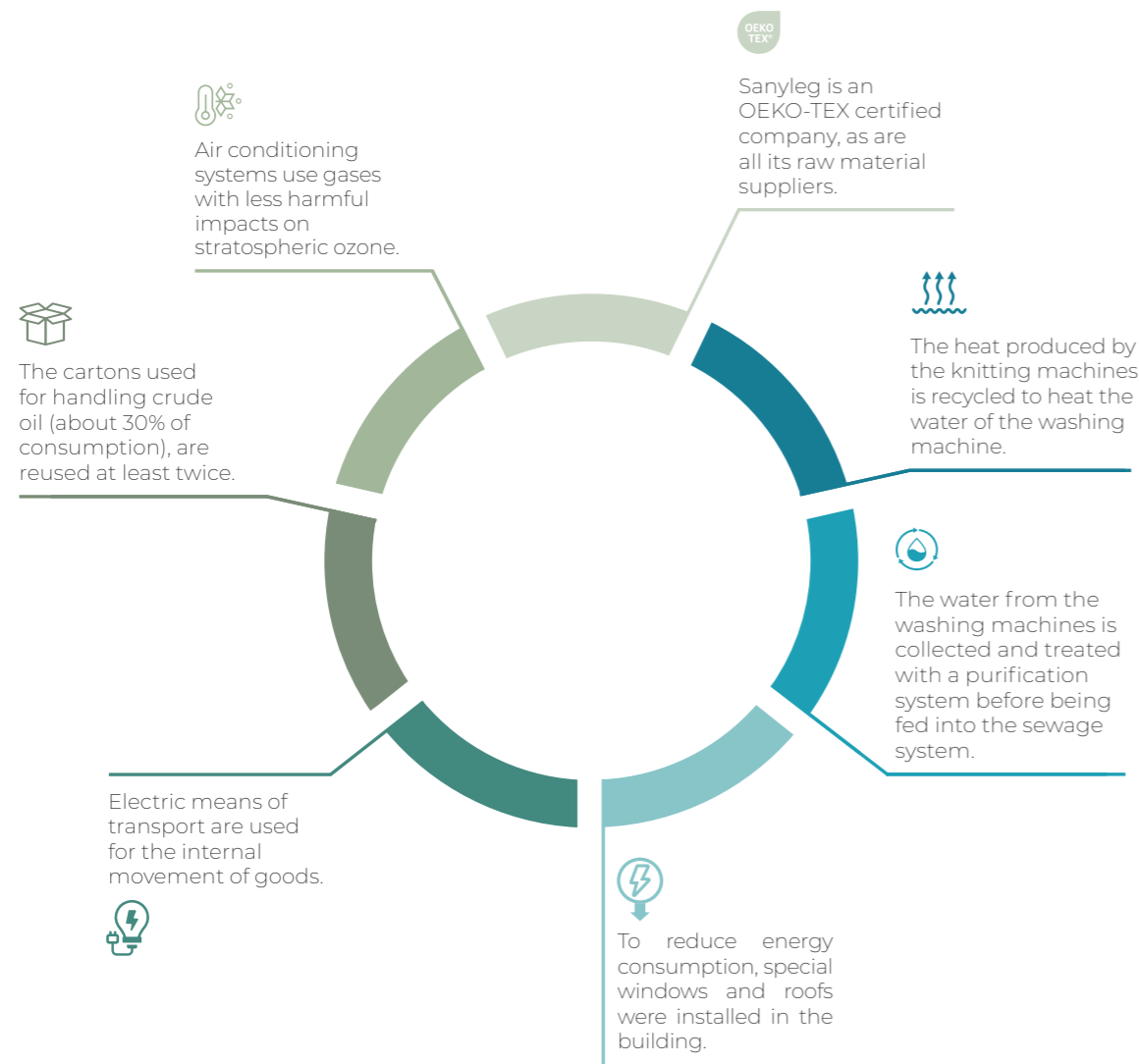
Sustainability is a very broad and continuously evolving concept. It addresses social, environmental and corporate governance impacts, including economic impacts, which are crucial to ensuring business continuity. Going beyond the minimum required by the laws and regulations to which Sanyleg is implicitly subject is critical to emerging as a proactive player for sustainable development.

To do this, there is need for a clear framework that can guide the path toward sustainability. The United Nations 2030 Agenda for sustainable Development is this reference that allows Sanyleg to measure its contribution to sustainable development.

The 2015-2030 Program Agenda is an action plan for people, the planet, prosperity, partnership and global peace. For the first time in history, the United Nations has provided a document, an agenda for governments, businesses, and citizens, calling on everyone to make a strong commitment and a conscious contribution to **achieving the 17 Sustainable Development Goals (SDGs)**. Now more than ever, businesses, whether large or small, are called upon to contribute, depending on their ability, toward one single direction: social, environmental and economic sustainability.

Sanyleg took up the challenge by selecting and identifying the SDGs that are relevant to its business and to which it can contribute positively.

## Sanyleg's consistent commitment to responsible growth



The continuous improvement of the lives of employees, customers and their surroundings is a key objective, deeply rooted in Sanyleg's culture and sustainable growth path.

## Future goals for sustainable growth

The following are the company's priority goals for sustainable growth, highlighting a constant commitment to the identified "goals".

The choice of the next business goals was guided by the desire to promote a balance between social, economic and environmental goals. These goals were chosen to be integrated into the business and applicable to all aspects of the company's value chain:

- reduction of energy consumption;
- systematic and structured verification of the actual use of resources to prevent any form of waste;
- implementation of finished product traceability systems;
- active support for the short supply chain;
- workers' wellbeing and safety.



# 5. PLANET MANAGEMENT METHOD AND KPIS.

## APPROACH TO ENVIRONMENTAL SUSTAINABILITY

Sanyleg's Quality and Environment Policy dates back to 2022. A reference framework on which the company bases its work and through which it sets its goals: customer satisfaction with the highest environmental management standards.

The management is personally committed to and fosters within the organisation operational management that ensures continuous prevention of pollution and careful management of the quality system through the appropriate training of all staff.

Sanyleg's Code of Ethics is designed and formulated to disseminate the company's priority values and the principles underlying its organisation:

- prevent and minimise negative impact on the environment and of the manufactured products, by implementing all the actions required for the protection thereof;
- reduce waste, in a more conscious use of energy and non-renewable raw materials;
- comply with the standards required by the regulations promoting all activities aimed at achieving compatibility between environmental protection and production process.

In order to protect the environment, in its implementation and update phase of the ISO14001 certification completed in early 2023, Sanyleg contributed to increasing internal awareness among its employees by initiating a process of continuous improvement on the topic.

The Management review presented in early 2023 highlights a situation with an increasingly high-performing integrated management system, characterised by the absence of significant non-compliances and by a good responsiveness to critical situations. This approach has enabled to achieve scheduled improvement goals as planned.

Furthermore, in recent years, the production process system has enhanced possible synergies from a circular economy perspective. For example, the heat produced by knitwear production machines is recycled to heat the water used for washing machines, thereby significantly reducing waste and the company's environmental impact.

The shared management approach also reflects eco-sustainable behaviour. In this respect, it is a well-established practice to use raw material handling cartons at least twice; while packaging is designed to ensure the least environmental impact and produced using fully recyclable materials.

The culture of environmental sustainability across all departments is established with the 4 Rs principle: Reduce, Reuse, Recycle and Recover.

In the financial year, there was no damage to the environment for which the company was definitely found guilty, just like the company was not subjected to any sanctions or penalties stemming from environmental crime or damage.

## 13 CLIMATE ACTION

### ENERGY CONSUMPTION

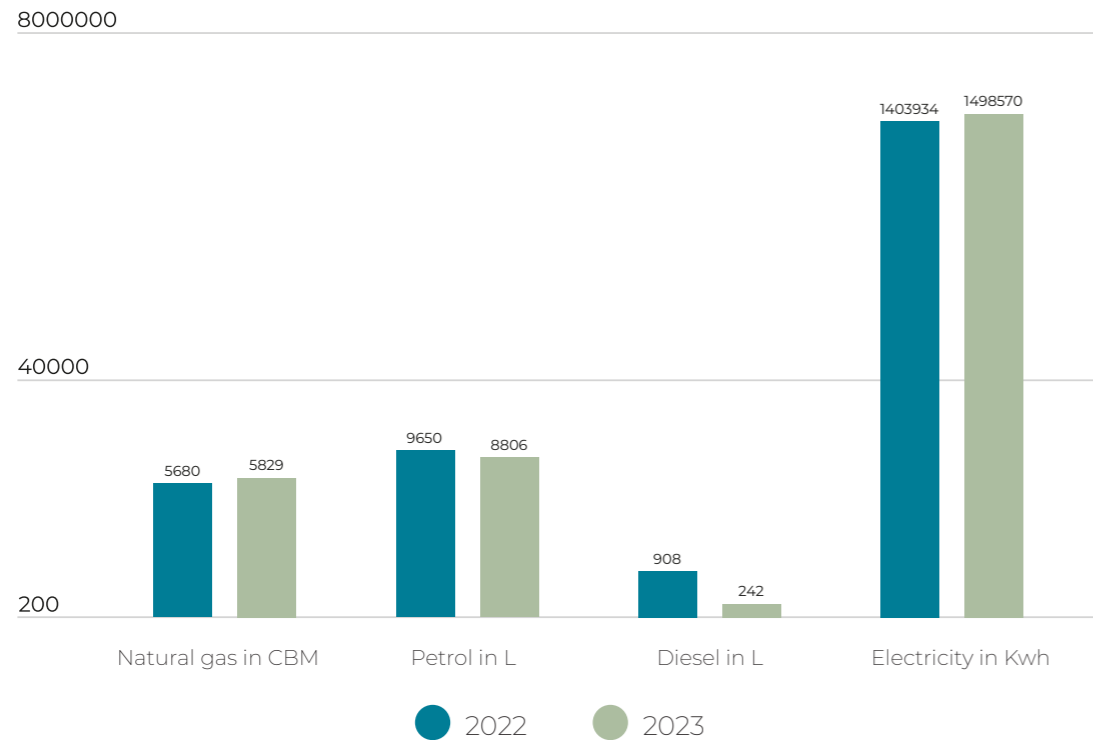
Sanyleg uses energy from a variety of sources. The electricity is used for the lighting of work spaces, for the operation of electrical and electronic equipment used in the office and for the operation of work equipment, machinery, installations and internal mobility used in the departments.

Natural gas is used exclusively for heating. The Sanyleg headquarters, which opened in 2014, was built with particular attention to reducing energy consumption, opting for the installation of state-of-the-art insulating windows and roofs, which allow the company to optimise its consumptions.

Energy consumed within the organization in 2023 in GJ amounted to 5,867 GJ, an overall 5% decrease compared to the previous year.

The following are data on energy consumption for the 2022-2023 two-year period:

**Energy sources used**



ENERGY CONSUMED WITHIN THE ORGANISATION				
Energy consumption, purchase and production		Unit of measurement	2022	2023
Consumption of fuel from non-renewable sources				
Natural gas		m <sup>3</sup>	5680	5829
Consumption of fuel for fleet				
Consumption of fuel for traditional fleet	Petrol		9650	8806
	Diesel		908	242
Consumption of purchased indirect energy				
Consumption of electricity	Including purchased from grid	Kwh	1403934	1498570
Consumption of energy from renewable sources				
Photovoltaic solar	Self-produced	Kwh	0	0
	Consumed	Kwh	0	0

Overall, the energy consumed per unit of product in pairs indicates an energy intensity of 0.0021 GJ, showing an 8% decrease, despite a 12% increase in production.

There is also a 10% decrease in the use of mobility fuels for petrol and 275% decrease in diesel fuel. The change is mainly due to the optimisation of travel.

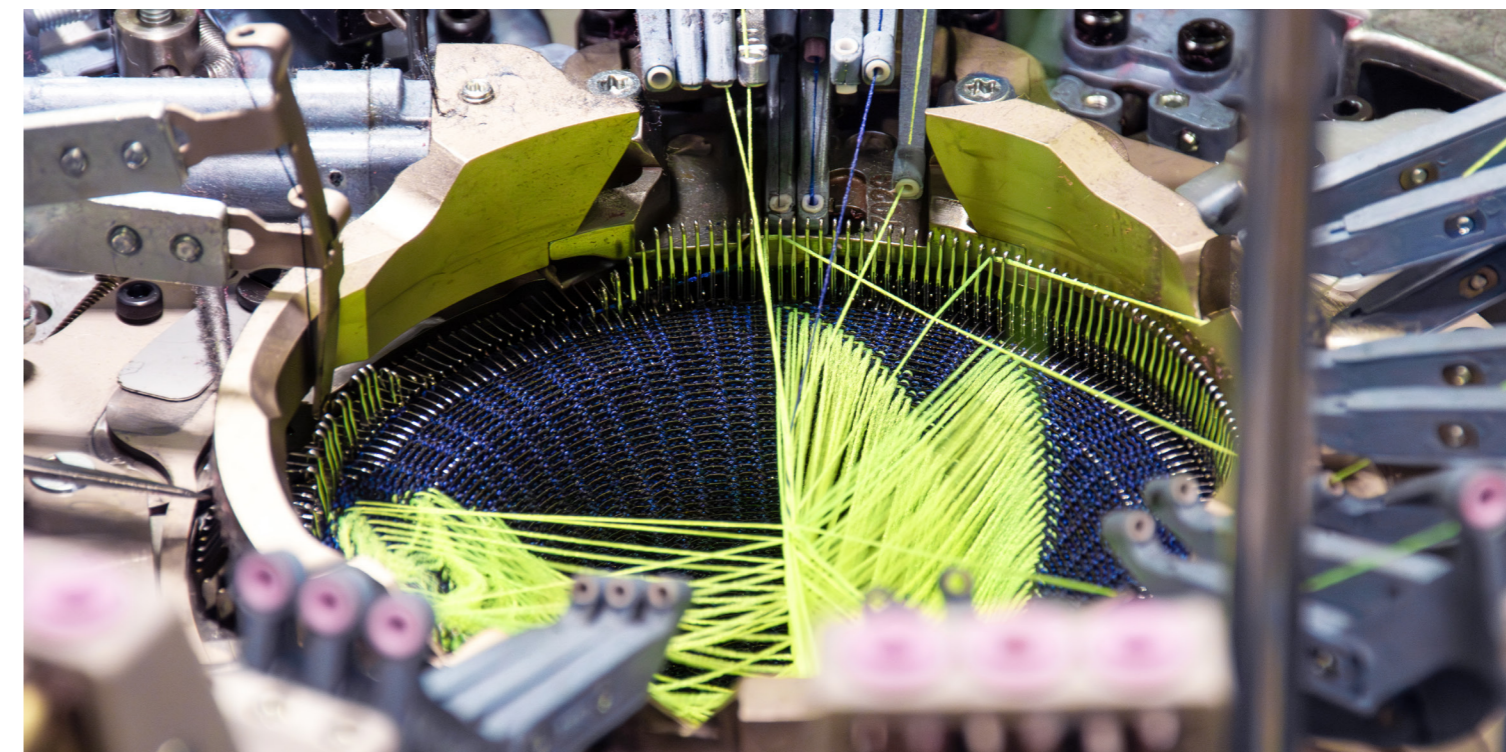
On the other hand, there is a slight increase in the use of electricity and natural gas due to increased production.

Sanyleg had set itself the goal of monitoring electricity consumption and reducing consumption by 0.06 % as a ratio between kwh and minute worked, which was achieved and proposed again for 2024.

**Continuous improvement**

In order to contribute to the fight against climate change, Sanyleg intends to continue on the path of energy saving and strategic choices to reduce fossil fuel consumption. A vision that not only saves money, but also contributes to the reduction of greenhouse gases (GHG).

By monitoring and with an awareness campaign among all workers, Sanyleg aims to promote and implement virtuous energy-saving behaviours, as well as behavioural styles in and out of the company that are compatible with energy challenges and achieving goal 13 of the United Nations 2030 Agenda.



# 13 CLIMATE ACTION

## EMISSIONS

Mitigation of emissions by reducing and controlling emissions to atmosphere through processes to reduce the amount of greenhouse gas (GHG).

In order to combat climate change, the European Parliament approved the European Climate Law. An amendment that raises the target of reducing net greenhouse gas emissions by at least 55% by 2030 (from the current 40%) and makes climate neutrality legally binding by 2050. Under Sustainable Development Goal 13, businesses are also called upon to contribute to emission mitigation. According to established protocols, the various types of emissions are greenhouse gases (GHG), ozone-depleting substances (ODS), nitrogen oxides (NO) and sulfur oxides (SO), as well as other significant emissions to air.

In the identification and measurement, the different greenhouse gases are divided into three categories:

- **Scope 1**, emissions directly controlled by the organisation, resulting from the use of fossil fuel directly from the company; e.g. natural gas, petrol, etc.
- **Scope 2**, indirect emissions related to the production of electricity, steam or heat used in the company.
- **Scope 3**, indirect emissions from the company's value chain.

In this report and reporting year 2023, Sanyleg wanted to address the measurement of Scope 1 and 2 emissions, and only in the future will it aim to delve into Scope 3.

Below is the first estimate calculation of Sanyleg's atmospheric emissions related to consumption in the two-year period 2022-2023:

DIRECT AND INDIRECT GREENHOUSE GAS EMISSIONS CAUSED BY THE ORGANISATION'S ACTIVITY			
Type of consumption	Unit of measurement	From 1st January to 31st December 2022	From 1 January to 31 December 2023
Scope 1	TON CO <sub>2</sub> eq	51,99	46,66
Scope 2	TON CO <sub>2</sub> eq	555,47	592,92

Characterised by a 100% made in Italy, Sanyleg's business model promotes low levels of greenhouse gas emissions attributable to a zero-km supply, where possible, that allows reduce the use of fossil fuel for mobility. Internal logistics, on the other hand, use electric means of transport, in order to ensure reduced carbon dioxide emissions.

Direct GHG emissions (Scope 1) refer to energy sources owned or controlled by the organisation, which for Sanyleg correspond to fuels for the company's fleet and for the use of gas. The direct GHG emissions for Sanyleg's Scope 1 are 46.66 tons of CO<sub>2</sub> equivalent.

Indirect GHG emissions (Scope 2), which represent the main corporate impact, relate to energy consumption and CO<sub>2</sub> emissions from the generation of electricity, heating, cooling and steam purchased or acquired and consumed by Sanyleg.

The GHG protocol provides that the measurement of gross indirect GHG emissions from energy consumption (Scope 2) is to be expressed in location-based tons of CO<sub>2</sub> equivalent and, where relevant, market-based tons of CO<sub>2</sub> equivalent. The former, location-based, reflects the average GHG emission intensity of the electricity grids where energy is consumed, using mainly data on the average emission factor in relation to the electricity grid, while the market-based approach reflects emissions resulting from the generation of electricity that an organisation has deliberately chosen depending on the choice of energy mix that it has voluntarily purchased.

SANYLEG	UOM	NATURAL GAS	GAS OIL	PETROL	ELECTRICITY	TOTAL
2022	TON CO <sub>2</sub> eq	11,73	3,28	36,98	555,74	607,64
2023	TON CO <sub>2</sub> eq	12,04	0,87	33,74	592,92	639,58

To date, Sanyleg has not chosen an electricity provider with special characteristics and the measurement focuses only on location-based.

The mix of primary energy sources is available on the energy provider's bill.

## Continuous improvement

Sanyleg aims to reduce CO<sub>2</sub> equivalent emissions, thereby contributing to mitigation of climate change. In addition to monitoring consumption, the company invests in new technologies and promotes sustainable behaviour. For example, the new generation air conditioning system inaugurated in recent years not only reduces energy consumption and related emissions, but also uses R32 refrigerant gas, which has a significantly lower global warming potential (GWP).

# MANAGEMENT OF ENVIRONMENTAL IMPACTS OF THE PRODUCTION PROCESSES

## 6 CLEAN WATER AND SANITATION

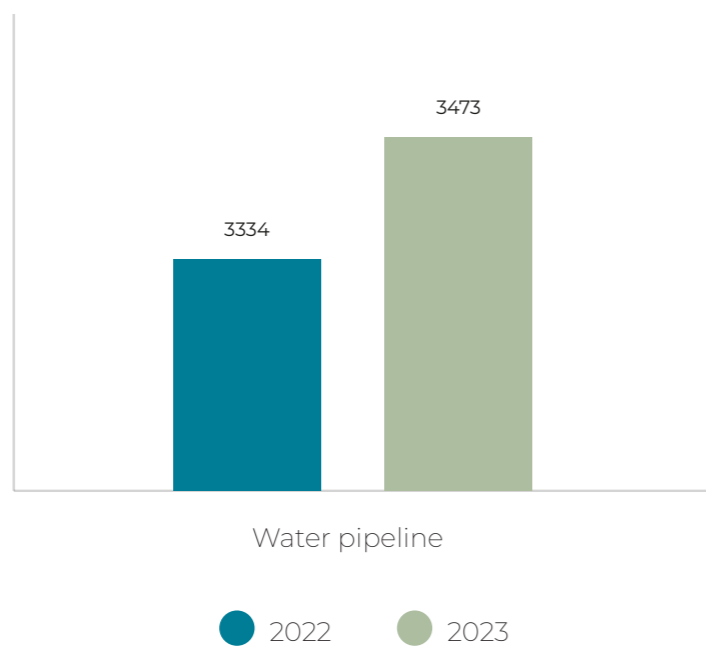
### Water consumption and drains

Encourage the development of practices for optimising the use of water resources during the production cycle.

Water is a valuable commodity and it is important for sustainable development to reduce consumption and safeguard its re-emission into the national water system.

For Sanyleg, water consumption in 2023 remained substantially the same as in 2022 despite the higher production.

#### Water consumption



#### GRI standards report 303-3

WATER COLLECTION BY SOURCE (LITRES)		
Sampling site	From 1st January to 31st December 2022	From 1st January to 31st December 2023
Source	Fresh water	Fresh water
Groundwater (all areas)	0	0
Groundwater (areas with water stress)	0	0
Well	0	0
Water pipeline	3334	3473
<b>Total</b>	<b>3334</b>	<b>3473</b>

On 03-04-2023 the Local Water Board Authority (Autorità dell’Ambito Territoriale Ottimale - AATO) responsible for the organisation and management of the integrated water service in the province of Mantua found that the concentration limits of surfactants and iron had been exceeded, resulting in an administrative penalty. This event led Sanyleg to speed up the development of a new treatment plant and, therefore, to bring these parameters under control. In addition to this penalty, there were no significant cases of non-compliance with laws and regulations in 2023.

With the commissioning of the new treatment plant in 2023, Sanyleg achieved full compliance and implemented continuous improvement for quality management.

### Continuous improvement

Sanyleg’s commitment will be to promote a culture of responsibility in the use of water resources to all workers.



# 15 LIFE ON LAND

## Certification for the protection of the natural environment

Preserving environmental quality, with particular attention to the area and resources.

The Sanyleg plant is located in an area where there is no risk to the landscape and biodiversity, or to reserves and Natural Parks, Regional and National Parks, or natural monuments.

During the financial year, **there was no damage to the environment**, so the company was found definitively guilty and no fines or final penalties were imposed for offenses or environmental damage in addition to the administrative penalty for exceeding the limits of surfactants and iron concentration mentioned in the previous paragraph.

Aware of the negative impact that the textile industry can have on the environment and people, **Sanyleg applied for and was granted ISO 14001 certificate**, an international standard with voluntary participation applicable to any type of public or private organisation, specifying the requirements of an environmental management system. In addition, **Sanyleg requires that all of its raw material suppliers be Oeko-Tex certified**. In particular, **Oeko-Tex Standard 100** is a control and certification system for textile products, certifying that specific tests have been passed to verify the presence of harmful substances and that certain ecological requirements have been met.

To date Sanyleg holds an **Oeko-Tex Class II certificate** for all its items. In addition, dyed yarn products are **Oeko-Tex Class I**, suitable for infants and children up to 3 years of age, ensuring that no harmful substances are present. These are certifications through which Sanyleg intends to mitigate the negative environmental impacts of the traditional textile industry as much as possible.

## Continuous improvement

Sanyleg is committed to the ongoing maintenance of its certifications and the identification of specific objectives that can be pursued and attained.

# 15 LIFE ON LAND

## Waste management

Reduction of the environmental impacts generated by the company through the correct management of production processes with focus on waste management.

With a view to continuous improvement, every single design practice aims at the elimination of hazardous chemicals. **Sanyleg is constantly looking for new products to eliminate those classified as hazardous waste**. For this reason, Sanyleg operates consciously with regard to the difficulties in its disposal and elimination. In general, the **waste management system** aims to ensure **efficient waste management at all levels of the business**.

The **amount of waste produced in 2023 was 21 tons**, an increase of 1 ton due to the increase in production. All waste generated shall be recovered.

In the weaving process, Sanyleg implements a management system according to the following hierarchies: **prevention, preparation for re-use, recycling, recovery to other energy types and, finally, disposal**.



WASTE GENERATED DURING THE YEAR (TONS)		
Type of waste	From 1st January to 31st December 2022	From 1st January to 31st December 2023
<b>Type of waste generated</b>	20	21
including hazardous	0,02	0
% hazardous	0,10%	0%
including non-hazardous	19,98	21
% non-hazardous	99,90%	100%
<b>Total waste intended for recovery</b>	19,73	100
% intended for recovery	98,65%	100%
<b>Total waste intended for disposal</b>	0,27	0
% intended for disposal	1,35%	0
<b>Total non-hazardous waste</b>	20	21
% intended for recovery	98,65%	100%
% intended for disposal	1,35%	0%
<b>Total hazardous waste</b>	0,02	0
% intended for recovery	100%	0%
% intended for disposal	0%	0%

In order to reduce its environmental impact, Sanyleg increased its waste recovery operations, reaching 100% in 2023, with a particular focus on the reduction of hazardous waste, completely eliminated. The company aims to maximise recovery and minimise landfill disposal, while continuing to improve waste management, even though the overall waste total has slightly increased compared to the previous year.

The proper operation, maintenance and periodic monitoring of plant and equipment, as well as the verification of possible disposal of hazardous and non-hazardous chemical substances and preparations, also carried out through qualified third party suppliers, support Sanyleg in implementing health and safety and environmental protection policies.

## Continuous improvement

Sanyleg has set itself the goal of reducing the waste produced with a more than 0.007% KPI as the ratio between the kilograms of waste produced and the number of pairs of socks produced. This goal was achieved in 2023 and was re-proposed it for 2024.

# 12 RESPONSIBLE CONSUMPTION AND PRODUCTION

## Renewable and non-renewable materials

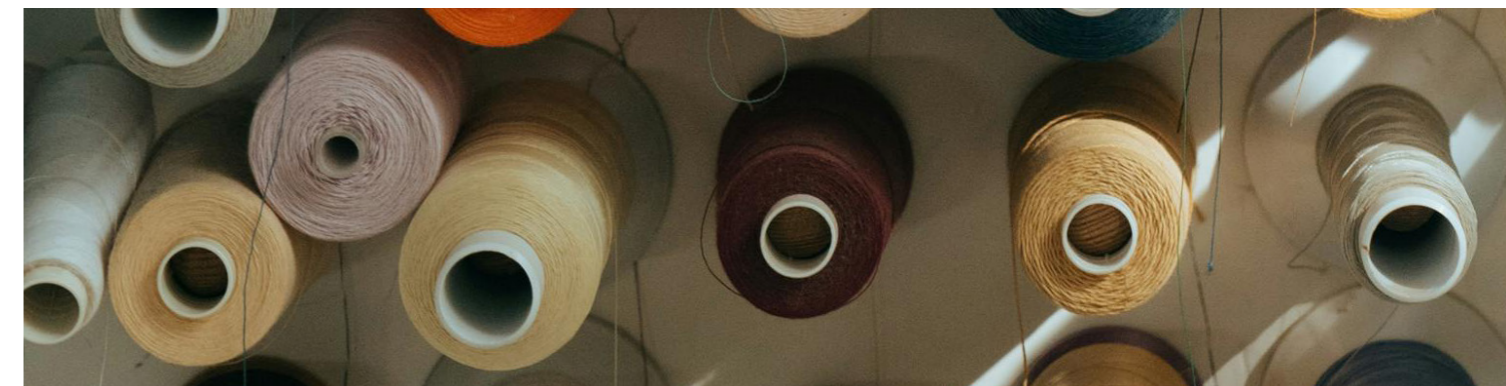
As mentioned above, Sanyleg occupies a leading position in the production of elastic graduated compression socks where the spun component and weaving techniques are key components of a quality product.

The raw materials used by Sanyleg are yarns made of cotton, polyamide, elastan, polypropylene, wool, silk, woven to obtain stockings and stockings depending on the item being produced and the necessary characteristics of its use.

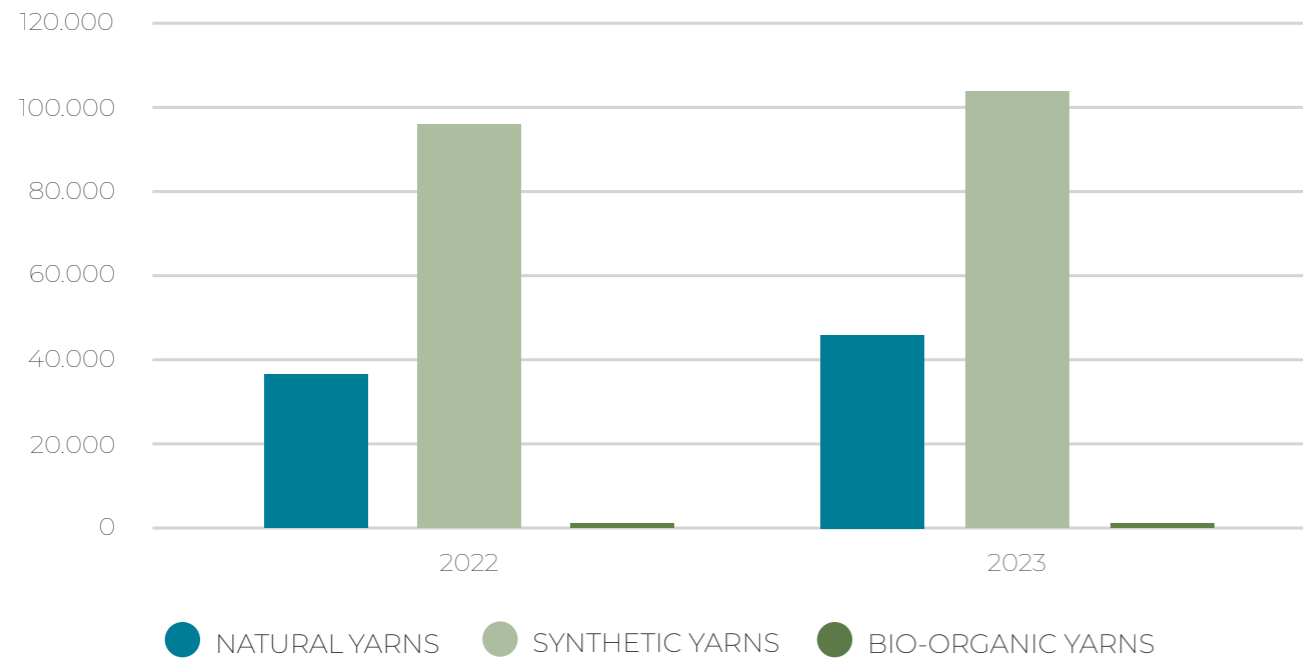
As part of a continuous technological innovation of the goods and production processes, the company uses its resources to improve the technical characteristics of the products and the functionality of the production process.

In 2023, Sanyleg used 152 tons of yarn raw materials, recording a 12% increase.

The synthetic component remains the prevailing for its technical characteristics, but the bi-organic and animal welfare component protection component are continuously increasing.



**Materials used, yarn in Kg**



MATERIALS USED FOR YARN UNIT OF MEASUREMENT (GRI 301-1)			
Materials used	Unit of measurement	From 1st January to 31st December 2022	From 1st January to 31st December 2023
Natural yarns	Kg	36489	45957
Artificial yarns	Kg	0	0
Synthetic yarns	Kg	96864	105387
Bio-organic yarns	Kg	185	229

Sanyleg continues to **engage**, where possible, with suppliers and customers on **green product policies** by proposing items made of renewable raw materials and packaging.

MATERIALS USED IN PACKAGING FOR UNIT OF MEASUREMENT (GRI 301-1)			
Materials used	Unit of measurement	From 1st January to 31st December 2022	From 1st January to 31st December 2023
Plastic (bags)	Kg	13331	17634
FSC paper	Kg	1449	2853
Non-FSC paper and cardboard	Kg	68057	106658
Paper labels	Kg	635	107

In order to offer a service as complete as possible, as a designer of its products, Sanyleg offered to its customers services of design and production of garments on request. Furthermore, playing the role of innovator from the product and processing technological point of view, it offers the state of the art yarns and packaging in step with the latest developments in innovation.

The exploration of state of the art yarns led the company to start an interesting collaboration with ECONYL, which uses yarn with the same quality characteristics as non-recycled yarn, but from the recovery of nylon from waste (carpets, fishing nets, plastic waste). A proposal that the company offers to its customers and that it is considering in the production under the Sanyleg brand.

In 2023, the involvement of suppliers in the dissemination of behaviour attentive to the protection of the environment, its sustainability and compliance with regulatory compliances allowed Sanyleg to introduce a new packaging project to its main customer: a paper solution instead of plastic, which was enthusiastically accepted. In doing so, Sanyleg has achieved its goal of involving at least one customer and/or supplier per year in the journey towards sustainability.

Sanyleg is also proud to be able to offer its customers Repetita recycled yarn, used for particular product lines. On the other hand, for all its wool products, the company requires and proposes “Mulesing Free” wool in support of the culture of animal welfare.

For the time being, these choices are still marginal, but Sanyleg is ready to make further effort to be ahead of the curve and ready to meet a growing trend.

## Continuous improvement

Sanyleg promotes and encourages its customers to use organic cotton for their sustainable and ecological textile needs. This choice is part of Sanyleg’s wider commitment to value enhancement of products made from materials of controlled origin, in compliance with environmental and social criteria, extended to all steps of the production chain.

# 6. PEOPLE MANAGEMENT METHOD AND KPIS.

## APPROACH TO SOCIAL SUSTAINABILITY

In the case of social sustainability too, Sanyleg's quality and environment policy provides an excellent reference framework. **The management** is personally committed to and promotes within the organisation **operational management that ensures continuous compliance with the highest standards in terms of personnel safety and training.** Supporting the development of the abilities and skills of its staff through **innovation, training and involvement** of individuals, in a spirit of mutual growth and interest, is a **real commitment** of Sanyleg's.

The skills of the human resources enables the company to elevate to the highest heights, operating in the industry through advanced technology, a painstaking and constant search for new raw materials and constantly **developing know-how.**

Sanyleg's Code of Ethics intends disseminate the company's priority values and the underlying principles for sustainability that is also strongly oriented toward social:

- fully understand customer needs;
- ensure consistently high levels of occupational health and safety;
- promote and enhance the experience, skills and creativity of all employees;
- ensure fair pay, aligned with the relevant national or local reference context;
- support the growth of new projects within the community;

- to base the relationship with suppliers on principles of transparency, fairness and quality, working exclusively with partners who share the values of environmental sustainability, social responsibility and innovation of the company;
- demand respect for human rights and ethical management in suppliers' operations, promoting a safe and dignified working environment;
- foster open and collaborative communication, with regular performance reviews to ensure that agreed standards are met;
- build long-term relationships based on mutual trust and shared success.



# 8 DECENT WORK AND ECONOMIC GROWTH

## WELLBEING AND SAFETY OF WORKERS

In Sanyleg, every person is at the centre of the attention of Governance and is fundamental to productive activity. Maintaining a stable, intense and long-lasting relationship with its customers can be achieved only through mutual trust.

The company is committed to ensuring sustainable wellbeing, creating job stability and fostering open-ended employment contracts. In addition, it promotes professional growth through training, specialisation and empowerment of employees.

Sanyleg recognizes the importance of having a qualified workforce to successfully address market challenges, basing collaboration on principles of transparency, loyalty and trust. The success of the strategic goals stems from teamwork and human resources management geared toward respect for and enhancement of workers' rights.

In recent years, Sanyleg has progressively strengthened its staff with the introduction of new technicians and specialised personnel. This increase will continue with a view to continued business development in terms of innovation, production capacity and business growth. The excellent organisational climate facilitates the achievement of production goals and the involvement and motivation of the people working in the company.



Below are the data on the job classification of employees for the 2022-2023 two-year period:

EMPLOYEE JOB CLASSIFICATION							
Professional categories	From 1st January to 31st December 2022						Total
	<30 years		30-50 years		>50 years		
	Men	Women	Men	Women	Men	Women	
Direct							
including administrative staff	0	0	0	2	1	1	4
including Labourers	0	1	6	4	9	7	27
including trainees/curricular internships	0	0	0	0	0	0	0
<b>Total direct and indirect employees</b>							<b>31</b>
Professional categories	From 1st January to 31st December 2023						Total
	<30 anni		30-50 anni		>50 anni		
	Men	Women	Men	Women	Men	Women	
Direct							
including administrative staff	0	2	0	3	1	0	6
including Labourers	1	1	8	3	8	8	29
including trainees/curricular internships	0	0	0	0	0	0	0
<b>Total direct and indirect employees</b>							<b>35</b>

INFORMATION ON EMPLOYEES BY CONTRACT TYPE (GRI 2-7)						
Employees by contract type	From 1st January to 31st December 2022			From 1st January to 31st December 2023		
	Uomini	Donne	Totale	Donne	Uomini	Totale
Full-time	16	13	29	18	15	33
Part-time	0	2	2	0	2	2
<b>Total</b>	<b>16</b>	<b>15</b>	<b>31</b>	<b>18</b>	<b>17</b>	<b>35</b>

### INFORMATION ON EMPLOYEES BY CONTRACT TYPE (GRI 2-7)

Employees by contract type	From 1st January to 31st December 2022			From 1st January to 31st December 2023		
	Men	Women	Total	Men	Women	Total
N° of hours of open-ended job contracts	22581	24013	46594	28696	29767	58463
N° of hours of fixed-term job contracts	1021	0	1021	0	0	0
N° of hours of non-guaranteed hours employees/ Intermittent contracts	0	0	0	0	0	0
People under open-ended contracts	15	15	30	18	17	35
People under fixed-term contracts	1	0	1	0	0	0
People under non-guaranteed hours employees/ Intermittent contracts	0	0	0	0	2	0
<b>Total</b>	<b>16</b>	<b>15</b>	<b>31</b>	<b>18</b>	<b>17</b>	<b>35</b>

All staff are aware of the organisation's goals, communication between the different levels is facilitated, and the level of skills and awareness is maintained at a high level, especially during this production expansion phase.

The company employs qualified personnel including circular machine operators, who monitor circular machines, mechanics for their maintenance, up to the quality control of the final product. Staff are continuously trained on issues of interest to the business and its professionalization.



# 3 GOOD HEALTH AND WELL-BEING

## Health and safety

The worker's wellbeing and safety is a key topic for Sanyleg, to avoid spillovers that can affect the company's success and growth. The current Italian regulatory framework implements the right balance between the protection of workers and the need to simplify bureaucracy for companies.

The Italian Legislative Decree No. 81 and its additions of 9 April 2008 transposed the European Union Directives on occupational health and safety, providing a legislative act that provides for a participatory model of risk assessment aimed at planning prevention against accidents and other damage to the health of the worker.

In addition to the basic European and Italian regulations on occupational health and safety, which involve the Prevention and Protection Service Manager (RSPP), the Safety Workers Representative (RLS) mandatory figures assisted by the occupational doctor, Sanyleg established a continuous dialogue between the parties to strengthen the active tools and implement continuous improvement. Essential preconditions for growth in a safe workplace that can enhance the know-how recognised and shared by all employees of the hosiery manufacturing district. A workplace where well-being can be conducive to a knowledge-based dialogue and open to innovation, Industry 5.0 (for which Sanyleg is also gearing up), the circular economy for which companies are called upon to contribute, and the ESG elements that characterize the current situation and affect, in particular, the hosiery industry.

This approach had a positive impact on Sanyleg.

In 2023, only one minor accident was recorded, maintaining a zero accident rate.

OCCUPATIONAL ACCIDENTS (GRI 403-9)		
Number of deaths and accident rate	From 1st January to 31st December 2022	From 1st January to 31st December 2023
Total worked hours	47615	58463
Serious accidents	0	0
Accidents	0	1
Death rate* due to occupational accidents	0	0
Serious occupational accidents rate* (excluding deaths)	0	0
Recordable occupational accidents rate*	0	2,22 PPM

\* the expression rate is used to indicate the number of events per million worked hours

In the financial year, there were no occupational deaths regarding personnel entered in the register, and no serious occupational accidents resulting in serious or very serious injuries to personnel entered in the register.

During the year, there were no charges for occupational diseases on employees or former employees and mobbing causes for which the company has been declared definitively responsible.

## Continuous improvement

Sanyleg is currently engaged in the structuring of corporate welfare activities for its employees, in collaboration with Banca Intesa. These initiatives aim to improve the well-being and quality of working life of employees, offering them concrete support in various areas, including financial and social (medical care/prevention).

# 4 QUALITY EDUCATION

## TRAINING

A winning team is a team that is trained and drilled to perform well with every new technology upgrade and business strategy. This approach makes it possible to enhance the experience, excellence, ability and creativity of all team members in their specific role.

Based on these principles, Sanyleg trains all employees with programs on occupational health and safety, as required by law, and also offers in-depth courses to support professional development. The new staff who are introduced to the company are also accompanied by training and coaching that leads to a solid acquisition of skills.

The average training hours allocated in 2023 were 8 hours for male employees and 8.9 hours for female employees. For workers, the average training hours were 9.13 hours for men and 0.83 hours for women. This stabilised training needs after an intensive training period in 2022, during which administrative staff received 55 hours of training (men) and 17.3 hours (women), while labourers received 7.1 hours (men) and 6 hours (women).

## Continuous improvement

Sanyleg is committed to ensuring the continuous technical learning of workers in addition to always ensuring compliance with compulsory training.



# 4 QUALITY EDUCATION

## COMMUNITY

Similarly, Sanyleg is strongly committed to supporting the local community through several targeted initiatives. The company actively participates in school collaborations, contributing to empowering the youth through internship and training programs. Every year, fifth-year high school classes are hosted in the company, offering them the opportunity to get a close look at Sanyleg’s activity and innovative approach. In addition, the company provides young undergraduates with the opportunity to complete internships, facilitating entry into the job market and promoting the development of their professional skills.



## Continuous improvement

Sanyleg’s goals include a commitment to actively participate in local initiatives beneficial to the community.

# 7. PROFIT MANAGEMENT METHOD AND KPI.

## APPROACH TO ECONOMIC SUSTAINABILITY

Sanyleg’s quality and environment policy places financial soundness, backed by good profitability, at the forefront. This allows the company to use its means to create innovation and development, as underlined by the Code of Ethics, supporting the growth of new projects and providing the ability to adapt to changes and new market needs. Dynamic management enables the company to cope with changes and new market needs.



# 8 DECENT WORK AND ECONOMIC GROWTH

## ECONOMIC GROWTH

Stimulating lasting, inclusive and sustainable economic growth, ensuring full and productive employment as well as decent work for all.

Sanyleg's 2023 financial year can be considered **broadly positive**. The company maintained and strengthened its market share, despite a generally unfavourable climate, with margins growing significantly. Investment in marketing, with the introduction of additional professionals, will enable the company to further develop the markets in which it operates.

Turnover in 2023 increased by 17% compared with 2022. Sales figures in 2023 increased by 14% compared with 2022.

The business model and the reclassification of the financial statements according to the value directly generated and distributed show Sanyleg's significant contribution to the local economy. In Sanyleg wealth is created by distributing the economic value generated, as shown in the tables below, relating to the last two years.



ECONOMIC VALUE CREATED		
ECONOMIC VALUE CREATED (EURO)	2022	2023
Net Sales Revenue - turnover	9,304,050	10,891,259
Various revenue and income	214,170	246,131
Change in inventories	243,731	-252,069
<b>Total economic value generated</b>	<b>9,763,973</b>	<b>10,887,317</b>
<b>ECONOMIC VALUE DISTRIBUTED</b>		
Supplier compensation	5,936,661	6,088,473
Employee remuneration (including benefits)	1,402,941	1,715,184
Miscellaneous	51,612	46,954
Corporate donations	0	0
Levies and taxes	203,563	417,987
<b>Total economic value distributed</b>	<b>7,594,777</b>	<b>8,268,562</b>
<b>ECONOMIC VALUE WITHHELD</b>		
CONSOLIDATED PROFIT (LOSS) FOR THE FINANCIAL YEAR	2,169,196	2,618,755
Consolidated profit (loss) for the financial year	660,131	1,169,457

The following are also the main indicators that show the economic strength of the company:

SANYLEG'S STRENGTH		
	2022	2023
Net profit (operating profit or loss net of income taxes)	660,131	1,169,457
Cash flow from operational activities (financial flows derived from operational activities)	1,074,274	3,204,827
<b>Total assets</b>	<b>11,674,292</b>	<b>9,409,076</b>
<b>EBITDA</b>		
Capitalised investments	2,370,737	3,034,716
	3,579,409	2,222,54

## Tax transparency

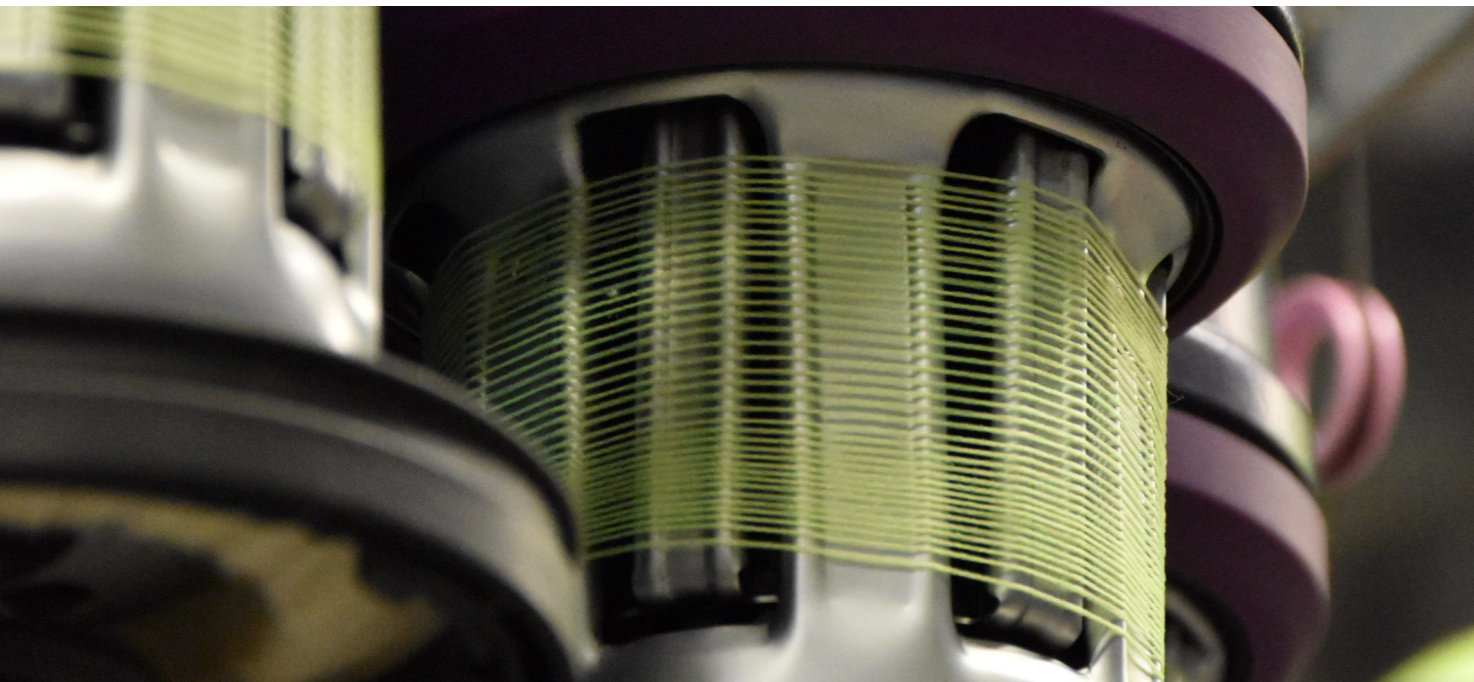
Transparency is one of Sanyleg's core principles, which guides all its activities on the basis of the highest standards of clarity and reliability. Transparency means the need to maintain uniform, comprehensive and timely reports, ensuring that all stakeholders have the opportunity to make informed decisions by carefully assessing the alternatives and relevant consequences.

Following the principle of transparency of information, the company states that "every action and transaction must be properly carried out, recorded, approved, verifiable, legitimate, consistent, and appropriate". This implies that each operation of the company must be properly recorded in the accounting system, following the statutory criteria and the applicable accounting principles. In addition, supporting appropriate documentation is essential to ensuring the veracity, exhaustiveness and transparency of the data.

Sanyleg operates in accordance with the values and principles that form the basis for the responsible management of tax activities. The contribution from the taxes paid represents, for the company, an important channel through which to contribute to the social and economic development of the country.

## Continuous improvement

Commitment to the consolidation of the company's capital strength (i.e. its ability to maintain financial equilibrium in the medium to long term).



# 9 INDUSTRY, INNOVATION AND INFRASTRUCTURE

## PRODUCT QUALITY AND SAFETY

The monitor of the Lombardy districts managed by the Intesa Sanpaolo Survey and Research Department shows a decrease compared to 2022, but the Gallarate clothing-textile industry (+3%) and the Castel Goffredo (+4%) hosiery industry stand out. Two districts typically characterized by their ability to capture and bring innovation to the market. In the fashion industry, new trends are the result of a dialogue between fashion designers and textile production, which with equally creative textile innovation is able to combine creativity and technology.

Sanyleg believes in the innovation and opportunities that Industry 5.0 has to offer. The Sanyleg brand has always combined fashion needs with technological innovations.

Therefore, research and development of new products are considered essential elements for continued growth and for maintaining a position in the hosiery market.



The Sanyleg product aims to be a reference point in both the medical and sports industries, where quality and prescriptions are essential, both for the Private Label customer, as well as for the end user and for the Sanyleg branded products sold in the various points of sale.

The quality control step plays a major role in Sanyleg's production, especially for medical products, which must meet precise parameters.



## Customer Focus

Sanyleg management is aware that customer focus and customer satisfaction are an integral and essential part of the management's responsibilities. Therefore, it has made clear commitments, providing clear provisions on the rules of behaviour toward customers, designed in particular for staff called to have continuous and direct relations with customers.

The management considers meeting the requirements requested and expected by the customer as a priority, whose loyalty is a decisive source for growth and development in the market.

In the event of disagreements or problems of various kinds, all customers find in the Management an available contact in order to find the best and most satisfactory solutions to the problem.

Management ensures that for each order the risks and opportunities that may affect the conformity of products are determined and assessed. In addition, the ability to increase customer satisfaction is taken into account, a factor on which the whole company is called upon to focus on.

During the reporting period, there were no non-compliances related to the health and safety impacts of products and services (GRI 416-2).

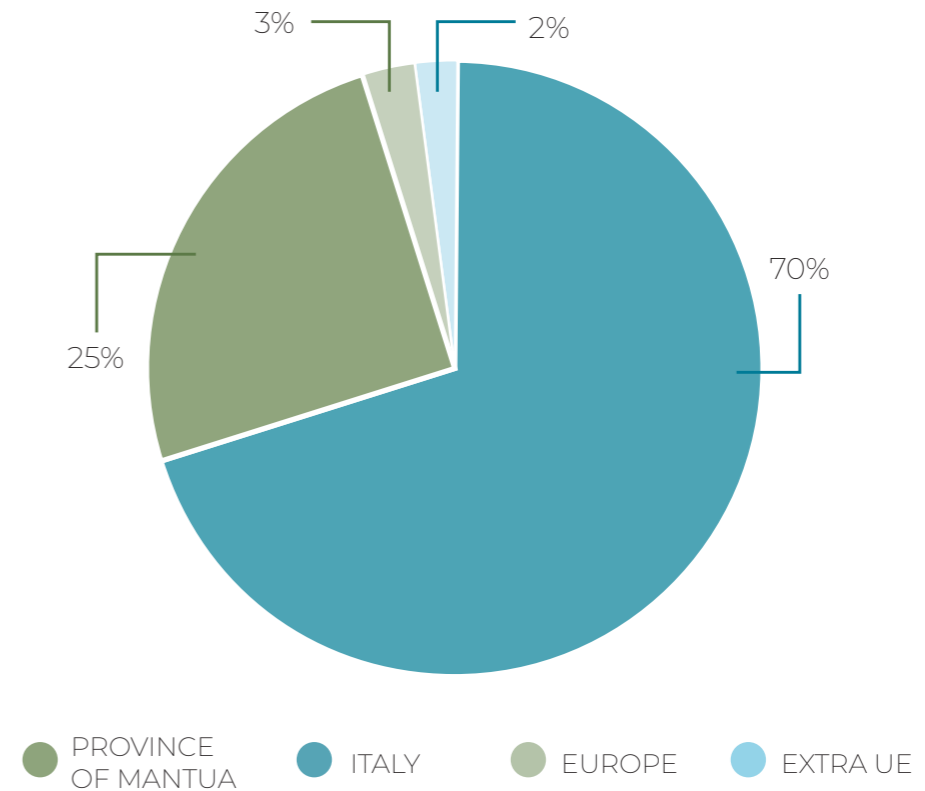
# 8 DECENT WORK AND ECONOMIC GROWTH

## Procurement practices

The choice of yarns is crucial to ensure product excellence. Sanyleg works closely with selected suppliers in Italy, Germany and Switzerland, ensuring a constant supply of high-quality raw materials. Added value that ensures consistent quality, consultancy and product innovation to meet market needs.

Customer services include research and development of new items, product customization, study and design of packaging, shipping and logistics.

### Yarn and packaging suppliers | 2023



### PROPORTION OF EXPENDITURE ON YARN AND PACKAGING TO LOCAL SUPPLIERS (GRI 204-1)

Geographical area	From 1st January to 31st December 2022	From 1st January to 31st December 2023
Province of Mantua	33%	25%
Italy	59%	70%
Europe	4%	3%
Extra UE	4%	2%
<b>Total</b>	<b>100%</b>	<b>100%</b>

The raw materials, consisting of cotton, polyamide, elastan, polypropylene, wool, silk, are woven to obtain women's socks, stockings and men's socks. In particular, there are **two types of finished products**:

- **cotton socks** (usually made of yarns such as cotton, polyamide and elastan, and occasionally polypropylene, silk, wool);
- **nylon socks** (made of polyamide and elastan).

Sanyleg believes that it must increasingly focus on **raw materials and new production technologies** in order to offer its customers items specially **designed for wellbeing and health**, without forgetting fashion trends, but above all that they are always **innovative and cutting-edge**, ensuring competitive prices, without compromise.

In this path of sustainable growth and development, **Sanyleg understands that in the short term it will need to work toward a more structured system for monitoring the ESG performance of its suppliers.**

## Continuous improvement

The company has set the specific assessment of ESG risk starting from strategic suppliers as one of its next goals.

# 8. METHODOLOGICAL NOTE

The first Sustainability Report, aimed at all stakeholders and sets out to provide a **balanced and reasonable representation of the company's approach to sustainability**, taking into account both the positive and negative impacts generated by the management of this company.

This sustainability report:

- is the result of the **internal data collection process** shared between various corporate functions;
- has been **prepared with the support of an internal team, in collaboration with an external consultancy group** specializing in sustainability;
- was overseen and **approved by the Board of Directors.**

The document will be disseminated both inside and outside the company, in order to communicate to employees and stakeholders initiatives to achieve the goals of greater efficiency and sustainability.

With regard to economic, social and environmental data and information, the reporting perimeter is specified below for each GRI indicator, distinguished with respect to the field of operation.

## Perimeter of the report

The **reporting perimeter** with evidence of the material issues and the reference GRIs identified is shown below.

## Reporting criteria, standards and targets

In order to ensure the reliability of the data, **the use of estimates was limited as far as possible.** Where available, estimates are appropriately reported and based on the best available methodologies.

This Report was drawn up based on the Sustainability Reporting standards published in 2016 by the Global Reporting Initiative (GRI), taking into account the new GRI 1, 2, 3, which entered into force on first January 2023. All reported GRI indicators refer to this version, except for indicators 303 and 403, which refer to the 2018 version and indicator 306, which refers to the 2020 version.

This first **financial statement**, drawn up in compliance with GRIs and taking into account the “With Reference” option, **is the instrument for reporting the company’s commitment to ESG** (Environmental, Social and Governance) criteria and it was approved by the Management Body. The data contained therein are updated to 31.12.2023 and are correlated and compared with 2022.

# 9. GRI INDEX

Sanyleg Srl has reported the information mentioned in the following GRI content index for the 1 January 2023 – 31 December 2023 period with reference to the GRI standards.

<b>Declaration of use</b>	Sanyleg Srl reports in accordance with GRI Standard for the 01.01.2023 – 31.12.2023 period.
<b>Used GRI 1</b>	GRI 1 – Fundamental Principles – Version 2021
<b>Relevant GRI industry standards</b>	For the current reporting period, GRI industry standards related to the company-specific product sector have not been published.

GRI Standards	Notice	Chapter
GRI 2: General Notice (2021)	2-1 Organizational details	2. About us – From page 6 to page 13
	2-2 Entities included in the company's sustainability reporting	8. Methodological note – Page 79 - 80
	2-3 Reporting period, frequency and point of contact	8. Methodological note – Page 79 - 80 9. Content Index – from page 81 to page 84
	2-4 Review of information	8. Methodological note – Page 79 - 80
	2-5 External assurance	It is stated that these financial statements have not been established by a third-party entity
	2-6 Business, value chain, and other business relationships	Sanyleg's value chain – from page 14 to page 16
	2-7 Employees	Sanyleg's people – from page 17 to page 18
	2-8 Non-employed workers	N/A
	2-9 Structure and composition of Governance	3. GOVERNANCE – from page 25 to page 27
	2-10 Appointment and selection of the highest governing body	3. GOVERNANCE – from page 25 to page 27
	2-11 Chairman of the highest governing body	3. GOVERNANCE – from page 25 to page 27
	2-12 The role of the highest governing body in overseeing impact management	3. GOVERNANCE – from page 25 to page 27
	2-13 Delegation of responsibility for impact management	3. GOVERNANCE – from page 25 to page 27
	2-14 Position of the highest governing body in reporting sustainability	3. GOVERNANCE – from page 25 to page 27
	2-15 Conflict of interest	3. GOVERNANCE – from page 25 to page 27

GRI 2: General Notice (2021)	2-16	Communication of criticalities	Sanyleg's management model – from page 40 to page 41
	2-17	Collective knowledge of the highest governing body	3. GOVERNANCE – from page 25 to page 27
	2-18	Assessment of the performance of the highest governing body	N/A
	2-19	Remuneration rules	Unaccounted for
	2-20	Salary setting procedure	Unaccounted for
	2-21	Annual total pay ratio	Unaccounted for
	2-22	Declaration on the sustainable development strategy	LETTER TO THE STAKEHOLDERS – PAGE 5 - 6
	2-23	Commitment to <i>policy</i>	The principles in which Sanyleg identifies itself – Page 28 - 29
	2-24	Supplementation of commitments to <i>policy</i>	The principles in which Sanyleg identifies itself – Page 28 - 29
	2-25	Processes to remedy negative impacts	Future goals for sustainable growth - Page 47
	2-26	Mechanisms to request clarification and raise concerns	Sanyleg's stakeholders – Page 34 - 35
	2-27	Compliance with laws and regulations	Sanyleg: there were no cases of non-compliance with laws and regulations during the reporting period
	2-28	Union membership	N/A
	2-29	Approach to stakeholder engagement	Sanyleg's stakeholders – Page 34 - 35
	2-30	Collective agreements	Sanyleg: all workers are covered by collective bargaining
<b>Material topics</b>			
GRI 3: Material topics (2021)	3-1	Process for determining material topics	Materiality Analysis - Page 43 - 44
	3-2	List of material topics	Significant topics and materials identified – Page 44
<b>Non-material topic: SUSTAINABLE PROCUREMENT</b>			
GRI 204: Procurement practices (2016)	204-1	Proportion of expenditure carried out in favour of suppliers	Procurement practices - Page 77-78
<b>Non-material topic: SUSTAINABLE PROCUREMENT</b>			
GRI 302: Energy (2016)	302-1	Energy consumption within the company	Energy consumption - Page 49 - 51

GRI 305: Emissions (2016)	305-1	Direct green house gas (GHG) emission (Scope 1)	Emissions - Page 52 - 53
	305-2	Indirect green house gas (GHG) emission (Scope 1)	Emissions - Page 52 - 53
<b>MANAGEMENT OF ENVIRONMENTAL IMPACTS OF THE PRODUCTION PROCESSES</b>			
GRI 306: Waste (2020)	306-3	Waste generated	Waste management - Page 57 - 58
	306-4	Waste not delivered to landfill	Waste management - Page 57 - 58
	306-5	Waste delivered to landfill	Waste management - Page 57 - 58
<b>WELLBEING AND HEALTH AND SAFETY</b>			
GRI 403: Occupational health and safety (2018)	403-9	Process for determining material topics	Materiality Analysis - Page 43 - 44
	403-10	List of material topics	Significant topics and materials identified – Page 44
<b>TRAINING AND EMPOWERING PEOPLE</b>			
GRI 404: Training and education (2016)	404-1	Average number of hours of training per year for employees	Training - Page 69
GRI 405: Diversity and equal opportunities (2016)	405-1	Diversity in governing bodies and among employees	Administration and supervision model - Page 25 - 26 Workers' wellbeing and safety - Page 64 - 65
GRI 406: Non-discrimination (2016)	406-1	Incidents of discrimination and corrective measures taken	Sanyleg: during the reporting period, no discrimination incidents were reported.
<b>PRODUCT QUALITY AND SAFETY</b>			
GRI 416: Customer health and safety (2016)	416-1	Assessment of health and safety impacts by product and service categories	Product quality and safety - Page 75 - 76
GRI 418: Customer <i>privacy</i> (2016)	418-1	Proven complaints regarding customer <i>privacy</i> breaches and loss of customer data	Data protection and information security - Page 30
<b>RESPONSIBLE AND ECONOMIC GROWTH</b>			
GRI 201: Economic <i>performance</i> (2016)	201-1	Economic value directly generated and distributed	Economic growth - Page 72-73
GRI 205: Anti-Corruption (2016)	205-3	Confirmed corruption incidents and measures taken	Sanyleg: during the reporting period, no corruption incidents were reported.

GRI 206: Anti-competitive behaviours (2016)	206-1	Legal actions related to unfair competition, trust activities and monopoly practices	Sanyleg; during the reporting period, no trust activities and monopoly practices incidents were reported.
<b>COMMUNITY SOCIAL INITIATIVES</b>			
Local value chain		KPI - Relations in place with the territory	Community - Page 7
<b>MANAGEMENT OF ENVIRONMENTAL IMPACTS OF THE PRODUCTION PROCESSES</b>			
GRI 303: Water and tributaries (2018)	303-3	Water collection	Water consumption and drains - Page 54 - 55
	303-5	Water consumption	Water consumption and drains - Page 54 - 55
<b>MANAGEMENT OF ENVIRONMENTAL IMPACTS OF THE PRODUCTION PROCESSES</b>			
GRI 301: Materials (2016)	301-1	Materials used by weight or volume	Renewable and non-renewable materials- Page 59 - 61

For more information and insights, see the [www.sanyleg.com](http://www.sanyleg.com) website.

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“My gratitude goes to the entire Organization and my collaborators who actively contributed to the creation of our first Sustainability Report”



Alberto Ghelfi  
CEO & FOUNDER SANYLEG

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