

RADICI



SUSTAINABILITY REPORT 2024

Data and information for the years 2023-2024



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Letter to Stakeholders

Sustainability Report of Radici Pietro Industries & Brands Spa- [2024]

Dear Stakeholders,
 The world around us is changing at an ever-increasing pace, posing new challenges but also extraordinary opportunities. In this context, sustainability is not only an ethical duty for Radici, but a fundamental strategic lever to create lasting value for people, the environment and the the communities where we operate.

This Sustainability Report tells the story of our journey, the results we have achieved and our future commitments. It is a tool for transparency, but also a concrete sign of our willingness to play our part in a constantly evolving economic and social system.

Over the past year, we have strengthened our environmental policies, invested in sustainable innovation and consolidated our commitment to protecting people and fundamental rights. At the same time, we have maintained a solid and responsible governance, oriented towards listening and dialogue with all our stakeholders.

We know that sustainability is not a goal, but a journey that requires consistency, vision and collaboration. This is why we will continue to work with determination, integrating ESG principles into our daily choices and actively contributing to the creation of a more equitable, resilient and environmentally friendly future.

On behalf of the entire Radici team, I would like to thank you for the trust, support and attention you continue to show us. Together, we can make a difference.

Regards,

Palmiro Radici

PALMIRO RADICI
 Chair of the Board of Directors | Radici Pietro Industries & Brands Spa

Italian excellence since 1950

PIETRO RADICI

Radici in brief

Since 1950, we have been celebrating the textile culture of Val Seriana, where we were founded. Over the years, we have grown into an international and diversified group.

Italian excellence lives in the daily commitment of people who work to propose effective solutions with a reduced environmental impact. Radici stands for craftsmanship, attention to detail and a passion for our craft.

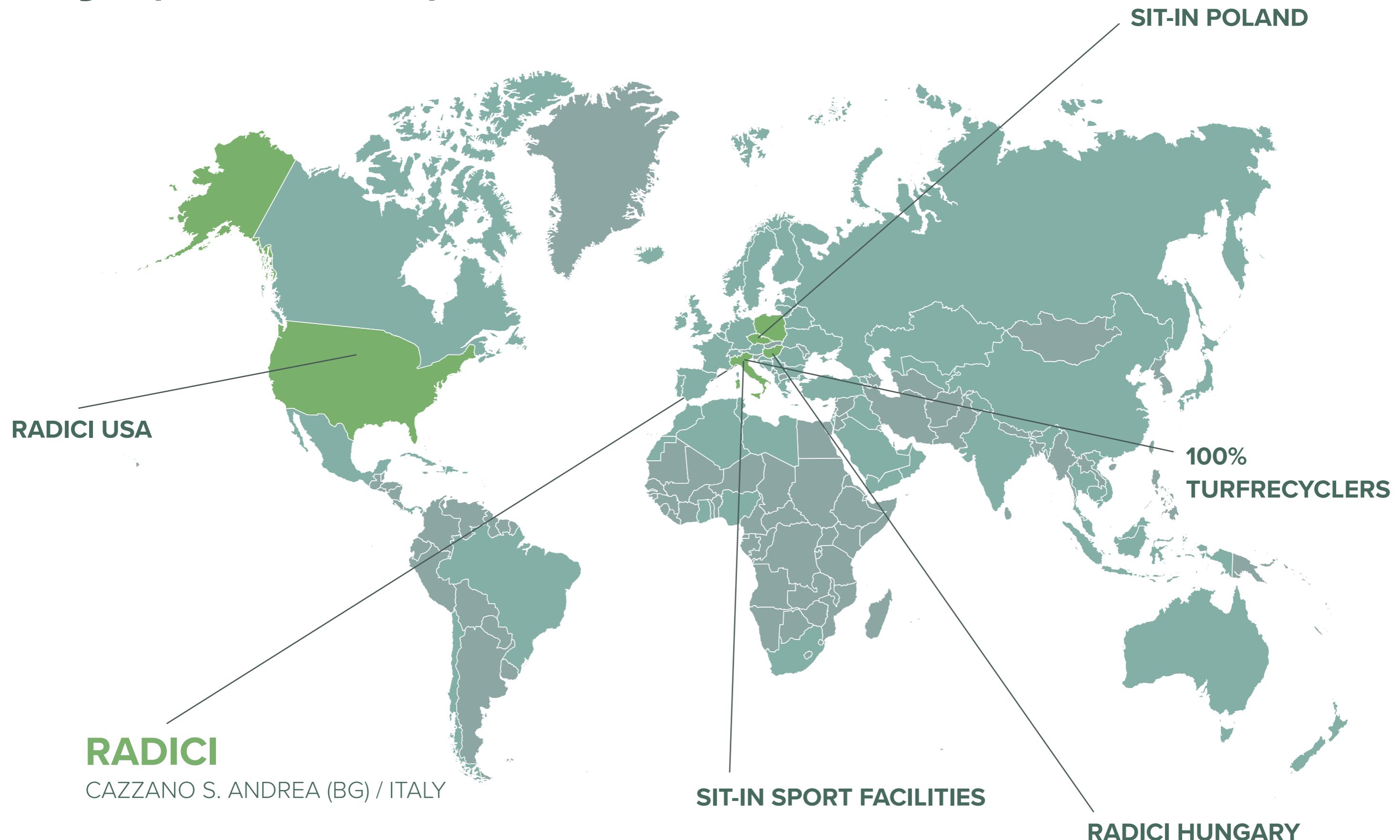
The plant is organised as an ecosystem in which each department communicates with the others, to ensure the excellence of the collections and the control of all processing phases. From the colour laboratories to the weaving and tufting departments, dyeing, finishing, the needle-punched division, right through to hand finishing. Over 40 thousand square metres dedicated to 100% Made in Italy production.

Our history

- 1950** Tappetificio Nazionale Pietro Radici started its business with two looms and a small spinning mill. A proposal for workers' employment for an area that was, at the time, devoid of resources.
- 1964** Foundation of the Automotive division, specialising in preformed carpets and textile accessories for cars, which in a few years became a leading Italian automotive supplier.
- 1972** Launch of the SIT-IN brand and creation of the carpet division, operating in the residential segment.
- 1998** With the acquisition of the Due Palme brand, a prestigious high-level textile flooring company, Tappetificio Nazionale launches itself into the ambitious contract segment.
- 2003** Radici Sport was founded, the division specialising in artificial turf for all types of sports and outdoor decoration.
- 2005** Tappetificio Nazionale becomes Radici Pietro Industries & Brands S.p.A.
- 2012** The company's core business is redefined with new product innovations and new commercial alliances.
- 2018** Thanks to the growing demand for textile flooring for the naval segment, Radici Marine was founded with the aim of offering customised solutions for Cruises, Ferries and Yachts.
- 2019** On 26 July 2019, Radici was listed on EGM Italia.
- 2024** Acquisition of "100% Turfrecycles S.R.L.", a company specialising in innovative machinery for the recycling of end-of-life synthetic grass sports surfaces, transforming them from waste into secondary raw material.
- TODAY** After more than 75 years in business, Radici celebrates its all-Italian history, in a perfect combination of tradition and innovation with a focus on design and environmental sustainability.



The group's international presence



Board of Directors (BoD)

Palmiro Radici | Chairman

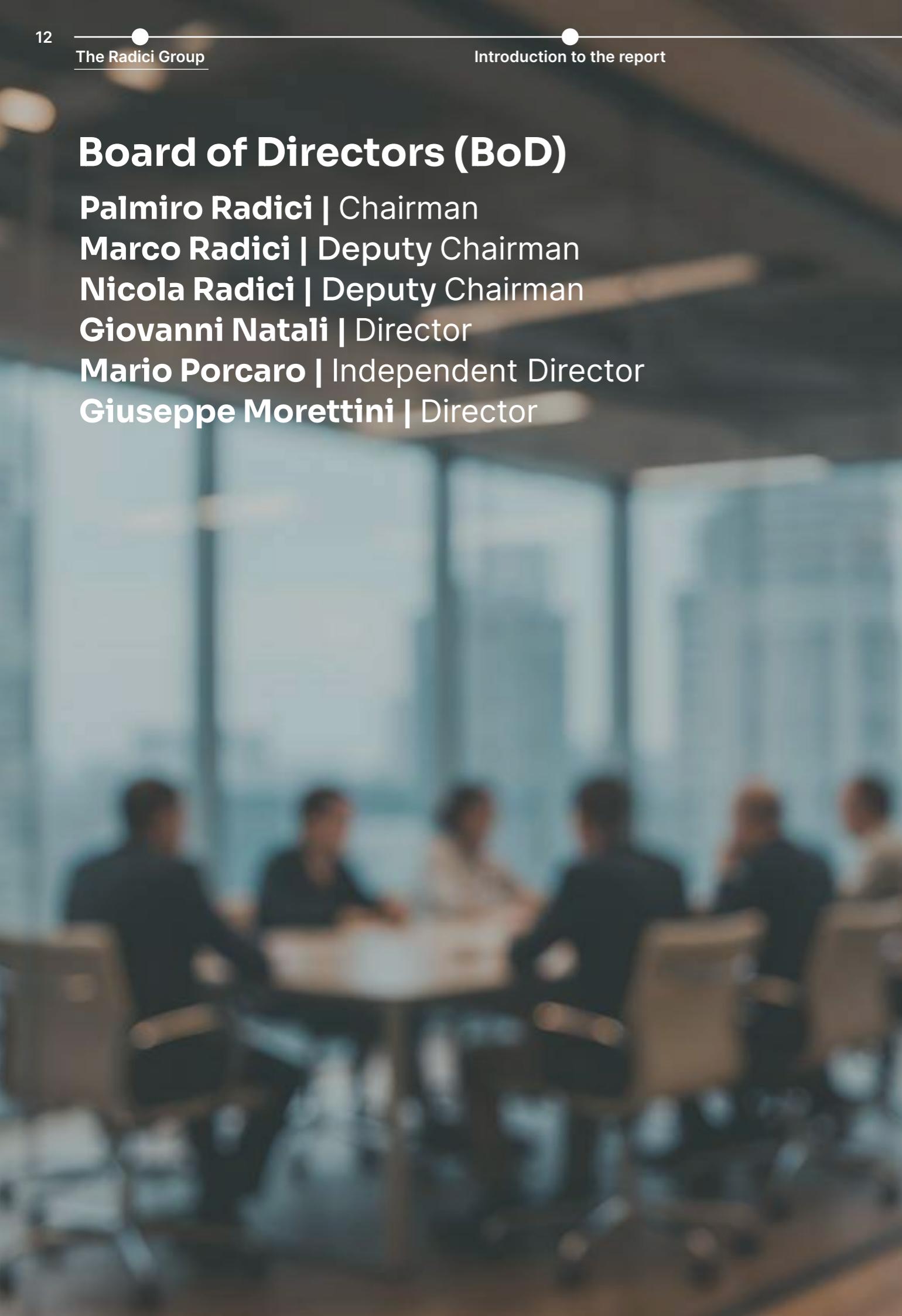
Marco Radici | Deputy Chairman

Nicola Radici | Deputy Chairman

Giovanni Natali | Director

Mario Porcaro | Independent Director

Giuseppe Morettini | Director



ESG Report Support Team

Ivan Palazzi | General Manager

Celentano Sabatino | SGA

Sergio Calvi | Management Control & Consolidated Report

Gianni Mario Arnoldi | Whistleblowing Management

Rosanna Locatelli | HR Manager

Maurizio Medica | Technical and Production Manager

Simona Franchina | R&D

Massimo Zazzera | Environmental Contact Person

Monica Rottigni | Administrative Office Manager



Vision

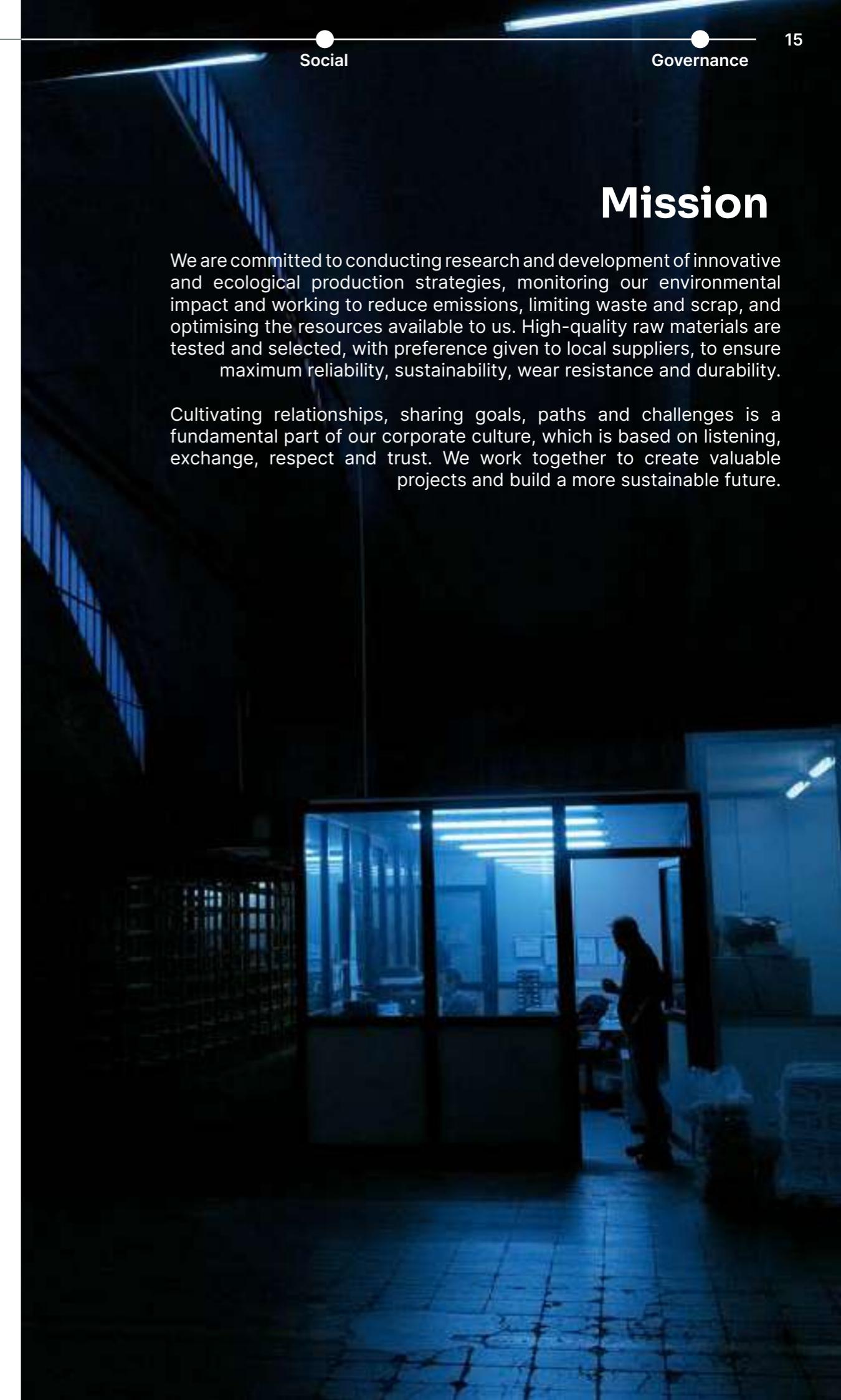
Our vision is to improve people's quality of life through innovative products that bring value and meet specific needs. We assist our customers at every stage of the work, developing unique solutions that can meet their needs, even the most complex ones, offering the best in terms of quality and reliability.



Mission

We are committed to conducting research and development of innovative and ecological production strategies, monitoring our environmental impact and working to reduce emissions, limiting waste and scrap, and optimising the resources available to us. High-quality raw materials are tested and selected, with preference given to local suppliers, to ensure maximum reliability, sustainability, wear resistance and durability.

Cultivating relationships, sharing goals, paths and challenges is a fundamental part of our corporate culture, which is based on listening, exchange, respect and trust. We work together to create valuable projects and build a more sustainable future.



Market structure

RADICI

Each of our divisions represents a fundamental pillar of our company, a tangible sign of our growth and our commitment to excellence.



RADICI

CARPET



Hall Palazzo Bovara, Milan



Le Jules Verne Restaurant, Paris

Radici Carpet

Residential & Contract

For over 75 years, Radici Carpet has been blending history, style, innovation and design in the production of textile flooring for the HORECA segment, offices, residential environments and commercial spaces. The division has grown from a small artisan company to an international reference group, thanks to the use of advanced technologies such as Wilton looms and printing, dyeing and finishing systems.

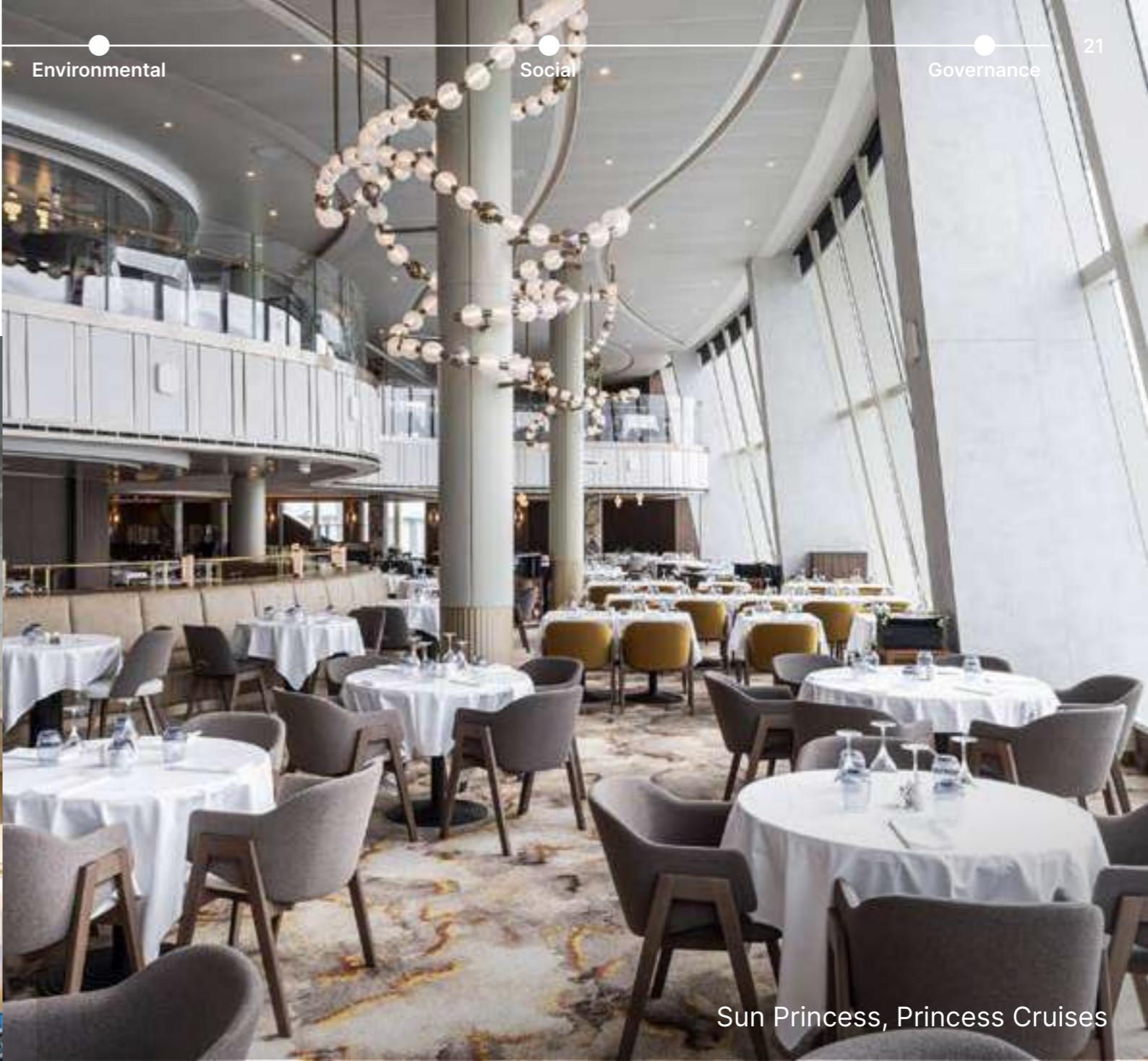
Radici produces a wide range of prestigious solutions, from Wilton, tufting, Axminster, cut & loop, velvet and curly systems, using wool fibres, polyamide and solution-dyed materials. The high quality of the products and the constant commitment to sustainability and innovation – evidenced, for example, by the AlleRAD treatment that reduces allergens by up to 97.8% – make Radici Carpet a trusted partner for prestigious hotel chains and international luxury fashion brands.



Vik Gallery, Milan



Queen Anne, Cunard Line



Sun Princess, Princess Cruises

Radici Marine

Marine segment

Radici Marine is the division of the Radici Pietro Industries & Brands group specialising in the production of textile flooring for the entire naval segment: cruise ships, yachts and ferries. Operative since 2018, it offers IMO-certified solutions, both standard and tailor-made, developed with advanced technologies such as tufting, Axminster and Wilton looms.

The quality of the materials, the flexibility of production and the attention to detail enable the company to manage complex projects, both for new builds and refits, guaranteeing complete assistance to shipowners, shipyards and general contractors.

Production is proudly Made in Italy, with an international presence thanks to the Miami headquarters. The focus on sustainability is reflected in products such as Bloom Back, made from regenerated ECONYL® yarn and fully recyclable.



Passo Sella Sports Centre Turin Club Gallarate by Marco Parolo
the world's first football pitch with
100% NO-INFILL FIFA BASIC certified technology.

Radici Sport

Sports segment

Radici Sport develops and produces innovative artificial grass surfaces for the world of professional and amateur sport, and for the landscape segment, guaranteeing high standards of reliability and performance over time. The company combines technical expertise and materials research to offer durable, high-performance and sustainable solutions.

All products are made entirely in Italy, with controlled supply chains and attention to the environment. In just a few years, the division has achieved excellence, as evidenced by the international certifications obtained in its product ranges: FIFA QUALITY and QUALITY PRO, FIGC - LND for professional and amateur football, IRB for rugby and ITF for tennis. The quality of Sit-in Sport surfaces is also confirmed by the numerous installations in Italy and abroad. Each project is carefully monitored in all its phases, from technical consultancy to installation.

"Guido Sattin" Sports Centre
Settimo Torinese, Turin



RADICI

AUTOMOTIVE



Mats and vehicle interiors
Maserati Levante



Interior boot and overhead storage compartment, Volkswagen Polo

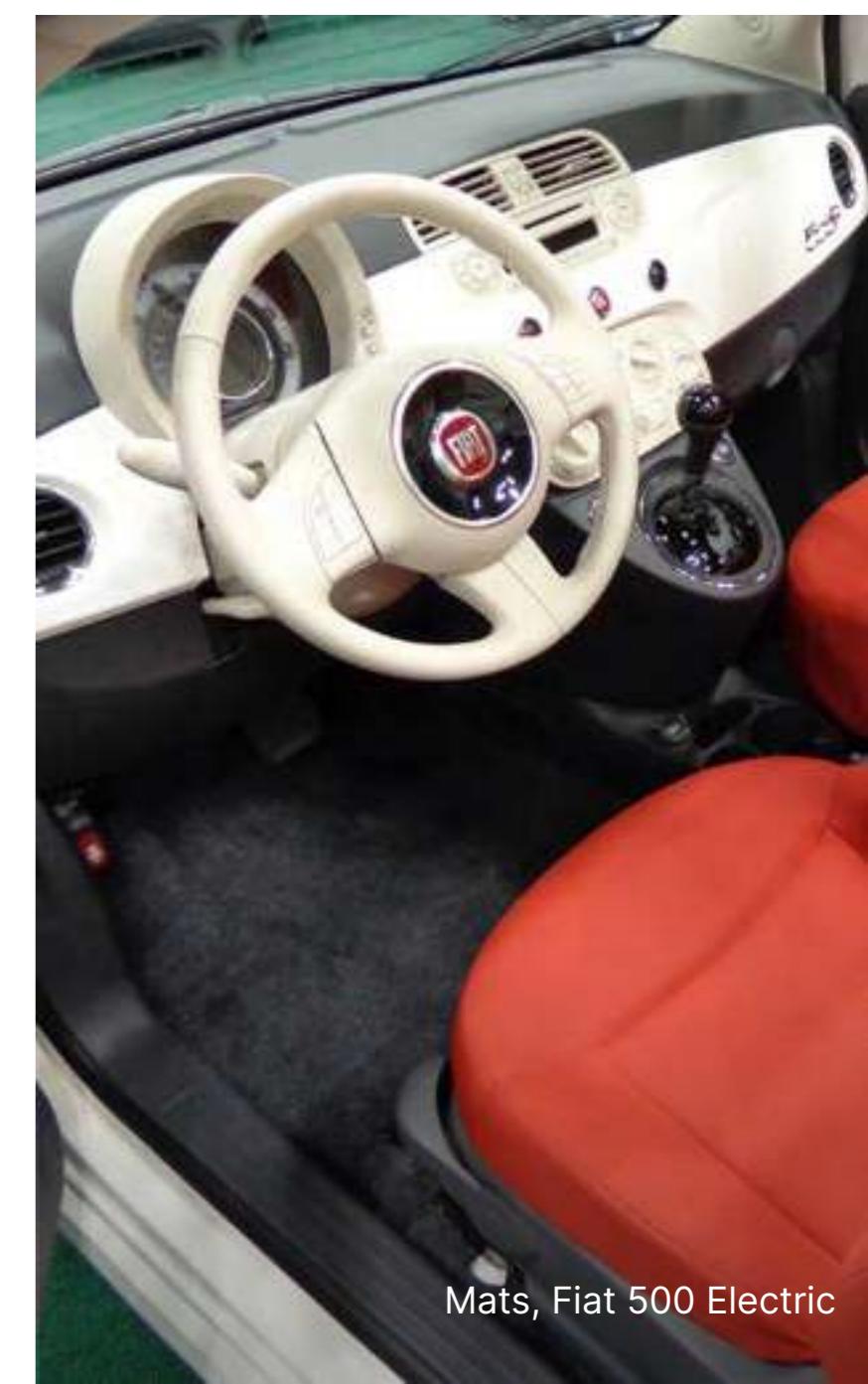
Radici Automotive

Automotive segment

The division specialises in the creation of customisable textile accessories for vehicles, offering tailor-made solutions that combine quality and sustainability.

Since 1964, the company has been producing tufting and non-woven fabrics for the automotive segment with a strong focus on sustainability and a range of latex-free and 100% recyclable products.

Equipped with modern and innovative systems, Radici Automotive is able to meet the increasingly stringent performance requirements of the segment. With a certified and fully integrated 100% Made in Italy supply chain, the company offers a turnkey service: from support to design and raw materials, to prototyping and after-sales assistance. The combination of historical textile expertise and environmentally friendly production processes makes Radici Automotive a reliable partner for leading OEM and Tier-1 manufacturers in the global automotive landscape.



Mats, Fiat 500 Electric



Our commitment to the environment

We are firm believers in the importance of developing sustainable production processes, based on an ethical and balanced use of resources, with the aim of preserving the surrounding environment and improving the quality of life. This path is essential to ensure a sustainable future for the next generations. Since 2013, we have dedicated our efforts to identifying responsible and sustainable production solutions, demonstrating the tangible results of a continuous reduction in production consumption over the years. Thanks to the adoption of renewable energy sources and the optimisation of our processes, we have achieved a significant decrease in energy and methane consumption, by **30%** and **39%** respectively. In addition, by drawing on natural sources through a dedicated storage system, we cover **55%** of the water resources needed for our production processes.

Solar energy for more responsible production

Innovation, sustainability and social responsibility are the principles that guide our growth. In 2023, we chose to make a significant investment in renewable energy, installing a photovoltaic system capable of covering about half of our energy needs. This system provides tangible evidence of our commitment to a more ecological and responsible future. In 2024, we collected the data for the first year of operation of the plant, which is shown below.



6,060

Solar panels



25,000

Square metres



54%

Of our energy requirements



-582

Tonnes of CO₂ per year



Certified standards of excellence

The certifications we have achieved over the years testify not only to the excellence of what we do, but also to our business approach. These include ISO 9001 for quality and ISO 14001 for environmental management, which provide tangible recognition of our commitment to efficiency, continuous improvement and sustainability. Our products are the result of research into cutting-edge solutions, meet high quality standards and are made using processes that protect the environment and safety.



Lighting up the future

We recently completed a relamping operation that led to the replacement of old lamps with new high-efficiency LED solutions. It is a simple but strategic intervention, which allows us to reduce energy consumption, improve the quality of light and reduce environmental impact.



**-480,000 kWh
-230 tonnes of CO₂**

of electricity saved annually

Sustainable development goals 2030 agenda

In 2015, the United Nations approved the 2030 Agenda for Sustainable Development, a global action programme that defines 17 Sustainable Development Goals (SDGs) and 169 concrete targets to be achieved by 2030.

The SDGs represent a universal roadmap for addressing the great challenges of our time: from the fight against climate change to the protection of biodiversity, from the reduction of inequalities to the promotion of decent work, from gender equality to the construction of peaceful and inclusive societies.

The 2030 Agenda is not just about governments: it also directly involves businesses, financial institutions, civil society organisations and citizens. For companies, in particular, integrating the SDGs into their strategies means creating shared value, contributing to sustainable development and at the same time strengthening competitiveness and reputation.

The Sustainable Development Goals are therefore an essential reference for guiding corporate decisions and policies towards more responsible models. Acting in line with the 2030 Agenda means investing in the future of people and the planet, promoting a fair, resilient and regenerative economy.



The 17 Goals should not be considered as isolated goals, but as an interconnected system, in which progress in one area fosters development in others. Achieving them requires collaboration, innovation and a concrete and measurable commitment from all stakeholders.

Adopting the 2030 Agenda therefore means looking to the future responsibly, taking on the task of transforming global challenges into opportunities for sustainable, equitable and inclusive growth.

The goals chosen by Radici

The United Nations 2030 Agenda represents both a challenge and an opportunity: to transform major global goals into concrete actions at the local and corporate level. For businesses, this means taking an active role in building a more equitable, resilient and sustainable future by integrating the principles of sustainable development into business strategies and everyday activities. In this process, our company has chosen to focus its commitments on five Sustainable Development Goals that are considered priorities for our segment and our stakeholders:



Ensure healthy lives and promote well-being for all at all ages

Improving the quality of life by reducing infant and maternal mortality, preventing and treating chronic and infectious diseases, ensuring universal access to health services and essential medicines, and promoting physical and mental well-being at every stage of life.

Ensure access to affordable, reliable, sustainable and modern energy for all

Ensuring global access to safe and affordable energy, promoting the spread of renewable sources, improving energy efficiency and developing modern infrastructure through international cooperation.

Promote sustained, inclusive and sustainable economic growth, full and productive employment and decent work for all

Fostering stable and sustainable economic growth, creating decent and productive employment for all, supporting innovation and productivity and reducing social and economic inequalities.

Ensure sustainable consumption and production patterns

Promoting the responsible and efficient use of natural resources, reduce waste and scrap throughout the entire life cycle of products, encourage companies, institutions and citizens to adopt sustainable practices and promote more conscious and environmentally friendly consumption patterns.

Take urgent action to combat climate change and its impacts

Acting urgently to combat climate change, including mitigation and adaptation measures in national policies, strengthening the resilience of territories and promoting cooperation and resources in support of concrete actions.

Path to the first sustainability report

In 2024, we undertook a strategic review of our main sustainability objectives and the areas of greatest impact, with the aim of strengthening our commitment to contribute positively to the well-being of people and the protection and development of the planet.

In this context, we relied on **Intertek**, an internationally recognised third-party company and leader in the field of Sustainability Assurance, to conduct our first **Double Materiality Assessment**.

We have chosen to align with the **Corporate Sustainability Reporting Directive (CSRD)** and to structure our reporting according to the **ESRS – European Sustainability Reporting Standards** framework.

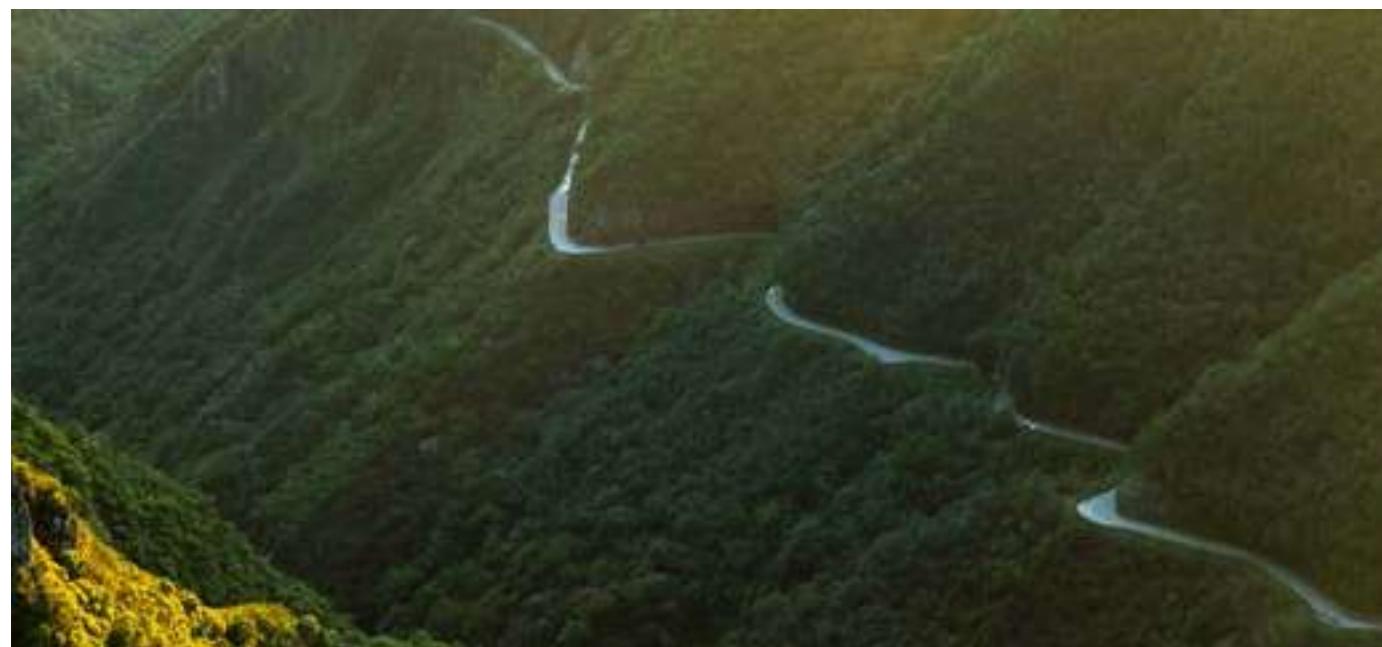
This is the first time we have prepared a report in accordance with a sustainability standard. This called for a concrete and constant commitment, as well as synergistic work with our partner Intertek Italia, to translate the quantitative and qualitative disclosure requirements into relevant descriptions and KPIs.

This report represents our **Sustainability Report** in accordance with the **European Corporate Sustainability Reporting Directive (CSRD)** and the **European Sustainability Reporting Standards (ESRS)** and the more simplified voluntary **VSME** (Value System for Small and Medium Enterprises) Standard written specifically for small and medium-sized enterprises (SMEs). It was developed to support these organisations in effectively managing, measuring and communicating our **environmental, social and governance (ESG) commitments**.

This is the first time we have reported in accordance with a sustainability standard and, for this reason, every effort has been made to translate the quantitative and qualitative disclosure requirements into relevant descriptions and KPIs.

For the preparation of our Sustainability Report, we have considered the implementation guidelines of the standard provided by the **European Financial Reporting Advisory Group (EFRAG)**, in particular "Implementation Guide 3": List of ESRS Datapoints (IG-3).

The quantitative ESRS data points in the report are marked with the ESRS ID number, as indicated in IG-3. Only the ESRS or sub-topics identified as **material** in the **double materiality assessment** and mandatory according to the reference standard have been reported. **Voluntary** data points according to the ESRS are not included in the report.



Organisational scope of the Sustainability Report

The organisational scope for the **Sustainability Report** includes all operations of the Cazzano Sant'Andrea (BG), Italy plant. It is not prepared in accordance with the group's consolidated report, as it is a voluntary document **with a scope limited to the Cazzano Sant'Andrea site only**.

The report refers to the two fiscal years 2023 and 2024, specifically from 1 January 2023 to 31 December 2024, with evidence of the improvements implemented during the two years.

The Sustainability Report covers the entire upstream and downstream value chain of the company.

Time frames

The short-term time horizon for the data in the Sustainability Report coincides with the financial statements. The medium-term (up to five years) and long-term (more than five years) time horizons are aligned with the definitions adopted in our double materiality assessment.

Sustainability governance within the company

To ensure adequate oversight of sustainability topics, we have established a dedicated Sustainability & ESG Committee. ESG topics are also regularly discussed at the managerial level and with the dedicated working group, composed of specific figures and functions, such as:

- HR reference person
- Finance reference person
- Management systems reference person
- Environmental reference person
- Governance reference person
- Research & Development reference person

The steps of the Sustainability Report in brief

In compliance with the company values and the sustainability policy, the necessary steps were taken to draw up our first sustainability report:

Context analysis

We conducted an analysis on ESG topics, identifying those relevant to our business processes and the value chain. Topics that can be integrated into processes or considered relevant were included; those that are not relevant either internally or along the value chain were excluded.

Identification of Impacts, Risks and Opportunities (IROs)

Thanks to the context analysis and the discussion with stakeholders, we have identified the IROs, the basis for the subsequent evaluation and prioritisation. The process, conducted across departments, confirmed a participatory and transparent approach.

Double Materiality Matrix

We visually represented the results of the IRO assessment with a matrix highlighting the most relevant ESG topics. The tool takes into account both stakeholder perception and business impact, guiding business strategies and decisions.

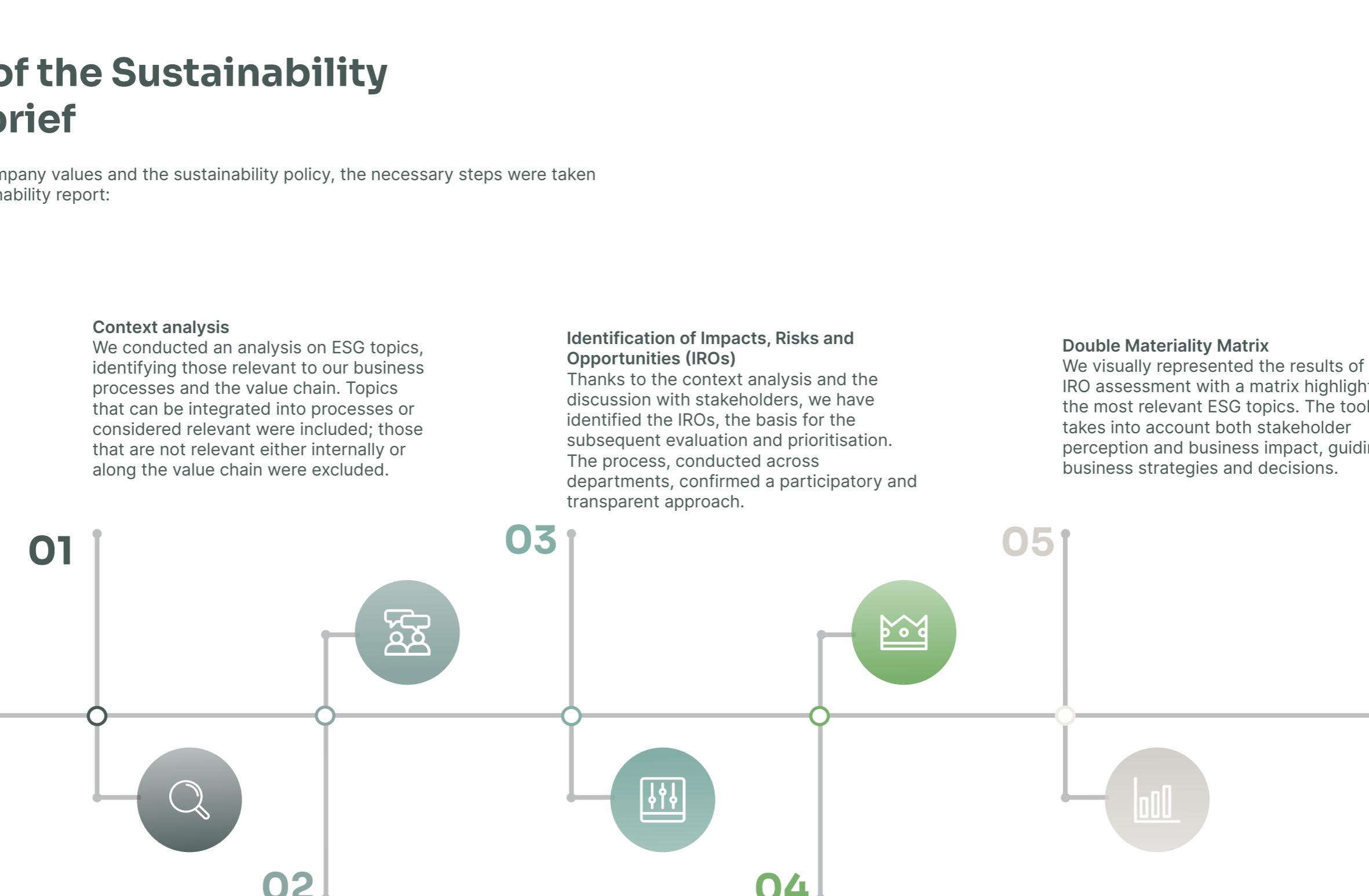
01

03

05

02

04



Stakeholder identification and engagement

We identified our stakeholders based on their relevance to the organisation and involved them through a survey, in order to gather their expectations and integrate their contribution into company strategies and decisions.

IRO Assessment and Relevance Threshold

We have adopted a scoring system based on two key dimensions: impact materiality and financial materiality. A weighted formula allowed each ESG topic to be assigned an overall score, defining its order of relevance.

Strategy, business model and value chain

Our strategy focuses on integrating sustainability into all its operations, focusing on a long-term approach that balances economic performance, social responsibility and environmental protection. The company's business model is based on a solid network of suppliers, customers and partners, with an ongoing commitment to innovation and operational efficiency. The value chain encompasses all stages, from production to distribution, ensuring the adoption of sustainable practices at every stage of the process.

This sustainability strategy is an integral part of our business model, based on a long-term vision that combines economic growth, responsible innovation and the creation of shared value. Our goal is to generate a positive impact not only for the company, but also for employees, customers, suppliers, the territory and the environment.

Our business model is based on:

Customer focus and product and service quality

Continuous investment in skills, technologies and processes

Operational efficiency and resource optimisation

Environmental and social responsibility throughout the production cycle.

For us, sustainability is not a separate activity, but rather a cross-cutting element that guides our strategic and operational decisions. This approach allows us to anticipate risks, seize new market opportunities and strengthen our competitiveness in a constantly evolving context.

With regard to our **value chain**, we take a collaborative approach with all stakeholders involved, with a focus on:



We are very much aware that the value generated by the company is the result of an **integrated chain of activities**, and for this reason we work to make it increasingly resilient, efficient and responsible. The corporate strategy is periodically updated to respond to regulatory developments, market expectations and the environmental and social objectives we have set ourselves.

Sustainability Policy and corporate values

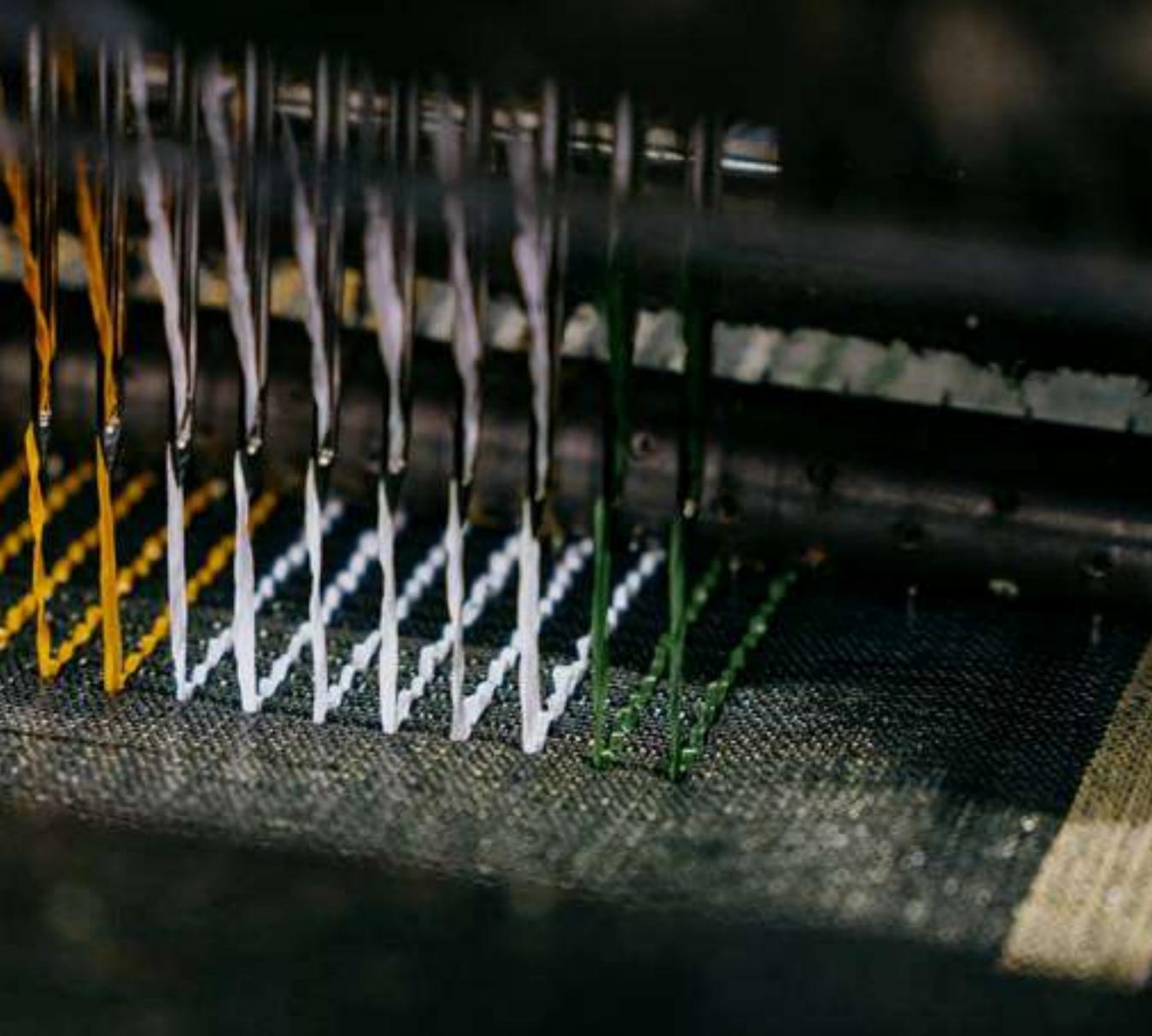
Here at Radici, we believe that sustainability is a shared responsibility and a strategic opportunity to generate value in the long term. Our commitment is based on the integration of environmental, social and governance (ESG) principles in all business activities, promoting a sustainable and inclusive growth model.

Vision and values

We believe in a sustainable, inclusive and responsible future. We are committed to actively contributing to the transition to a low-carbon economy, fostering a safe, fair and inclusive working environment, and operating with integrity, transparency and accountability to all our stakeholders.

Continuous improvement

We are committed to constantly monitoring our sustainability objectives, and to improving them over time through the definition of measurable KPIs, adherence to international standards and best practices and the periodic publication of our Sustainability Report.



E

Environmental commitment

We strive to reduce the environmental impact of our activities through:

Energy efficiency and use of renewable sources

Responsible management of energy resources and waste

Adoption of low-impact technologies and production processes

Constant monitoring of emissions and environmental indicators

S

Social responsibility

We promote a corporate culture based on respect for human rights, ensuring:

Equal treatment, diversity and inclusion in every work environment

Safety, health and well-being of workers

Continuous training and skills enhancement

Constructive dialogue with local communities

G

Governance and integrity

We adopt a system of ethical governance, which is constantly improving, through:

Adopting clear policies on anti-corruption, regulatory compliance and ethical conduct

The active involvement of stakeholders in relevant decision-making processes

Transparent reporting of environmental, social and economic performance

Stakeholder engagement

We have initiated a stakeholder engagement process, identifying a range of internal and external stakeholders including all employees, suppliers, customers, investors, civil society and banks. The main listening tool was a cycle of surveys conducted over a few weeks.

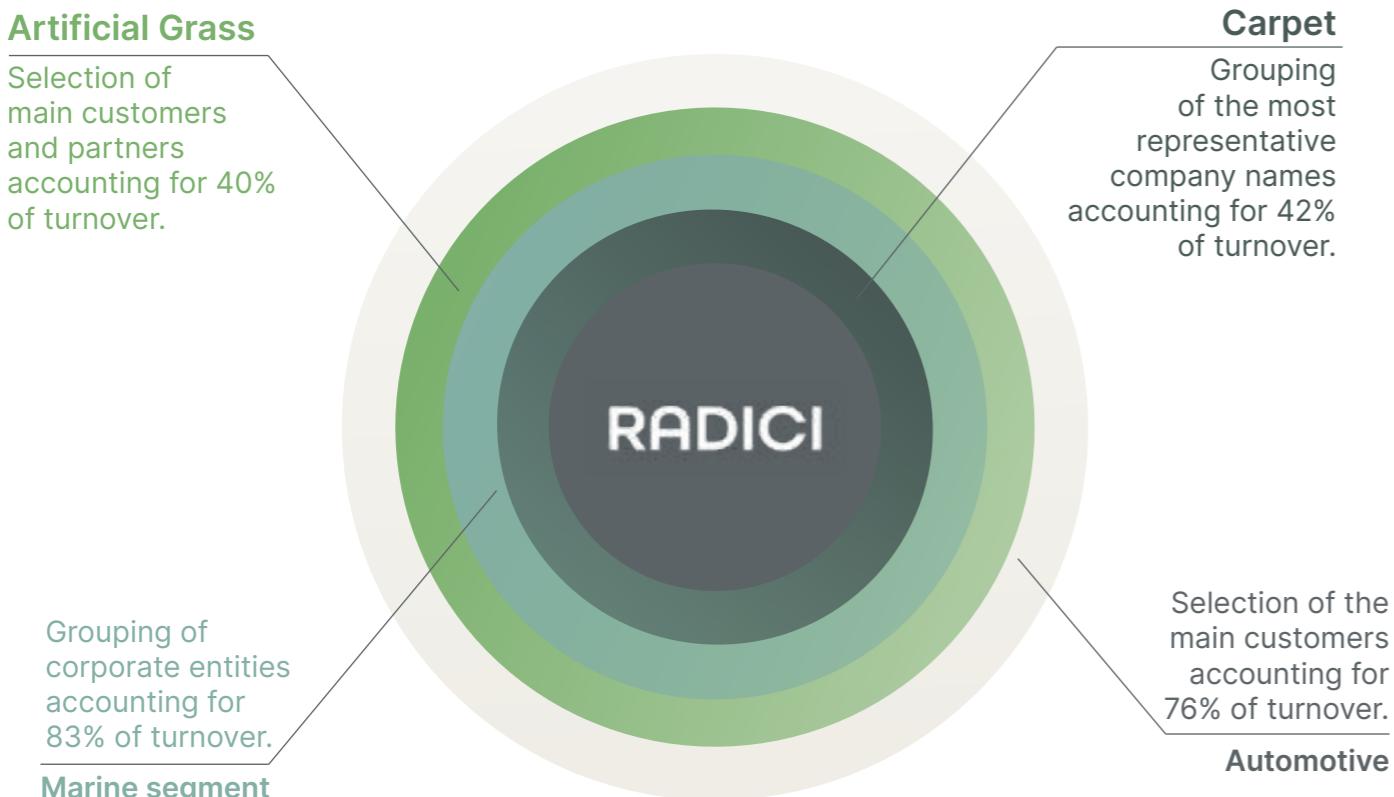
As part of the validation process of **our double materiality matrix**, we have activated a structured process for the identification and involvement of stakeholders, with particular attention to the Customer category, in order to collect qualified and representative feedback.

Customers were selected following an **ABC logic**, based on the contribution to the **total turnover of the division**, and segmented by production area and type of customer.

- **Automotive Area:** We have selected our strategic customers, which together account for 76% of the entire division's turnover. This selection takes into account the typical concentration of the segment.
- **Synthetic Grass:** we have involved the main customers and business partners, which generate approximately 40% of the division's turnover, ensuring qualified representation.
- **Carpet:** we have grouped the most significant company names, which cover around 42% of the turnover of the relevant division.
- **Marine Segment:** we selected the most representative corporate entities, which together account for 83% of the area's turnover.

For each area, we structured a **dedicated questionnaire**, sent to selected customers, with the aim of collecting perceptions, priorities and considerations with respect to the most relevant ESG topics. The results obtained have contributed significantly to the validation of our materiality matrix, providing concrete feedback from the market.

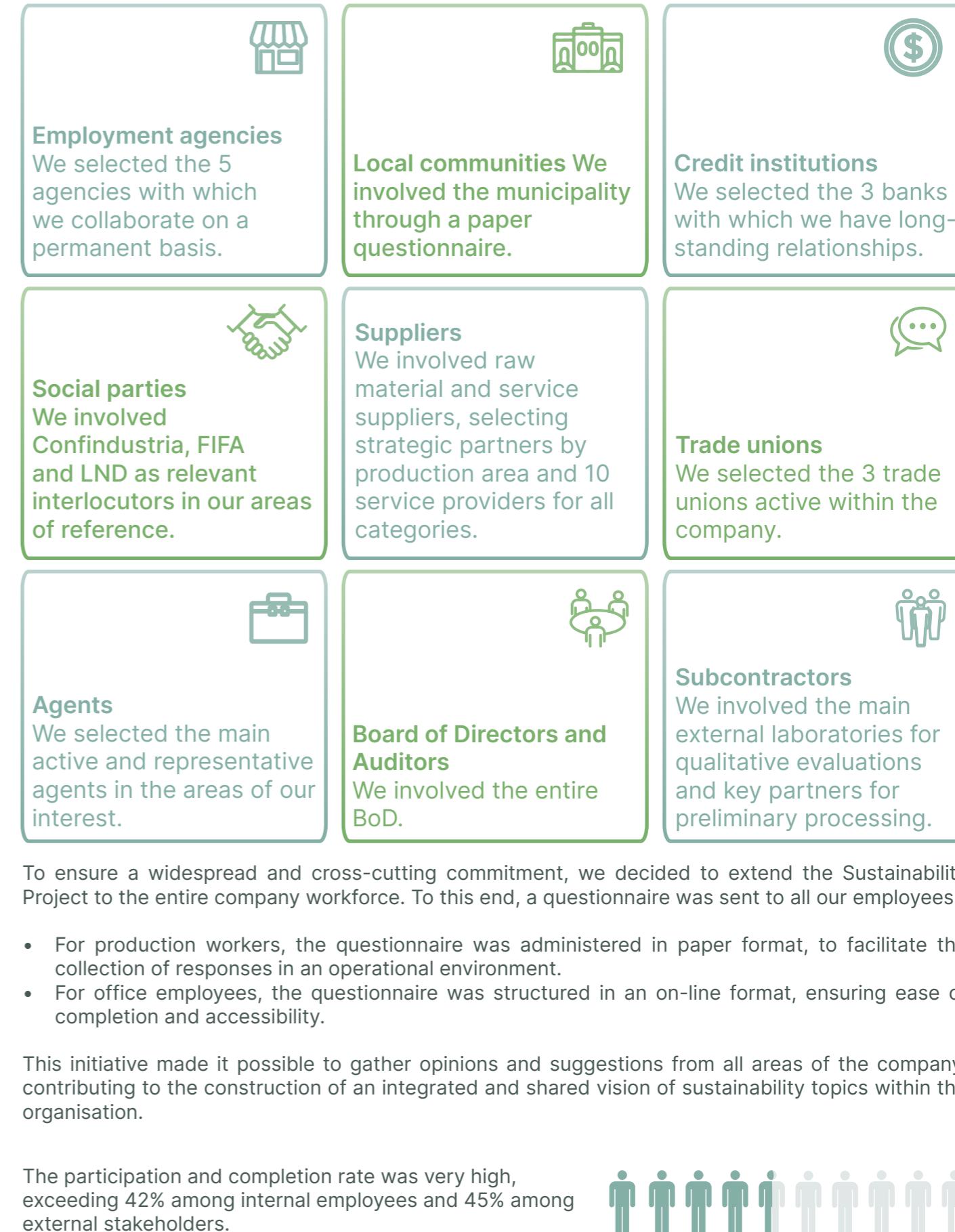
Stakeholders involved



Other areas involved in the stakeholder engagement process

In addition to Customers, we also involved other key stakeholder categories, with the aim of gathering useful feedback and further deepening our double materiality matrix.

The following areas were consulted:



Material impacts, risks and opportunities

We have identified the main material impacts related to our business activities, focusing on those that can significantly affect the environment, society and the economy. The material risks identified relate to challenges such as climate change, tightening environmental regulations and fluctuations in natural resources. At the same time, several opportunities have emerged, including the adoption of green technologies, energy efficiency and the development of new environmentally-sustainable products. The company is committed to proactively managing these risks and seizing opportunities, with the aim of improving our competitiveness and making a concrete contribution to sustainability goals.

Based on the double materiality assessment (DMA), we analysed and assessed impacts, risks and opportunities along the entire value chain, considering both our internal and external operations. Materiality was defined in relation to the following identified material topics:



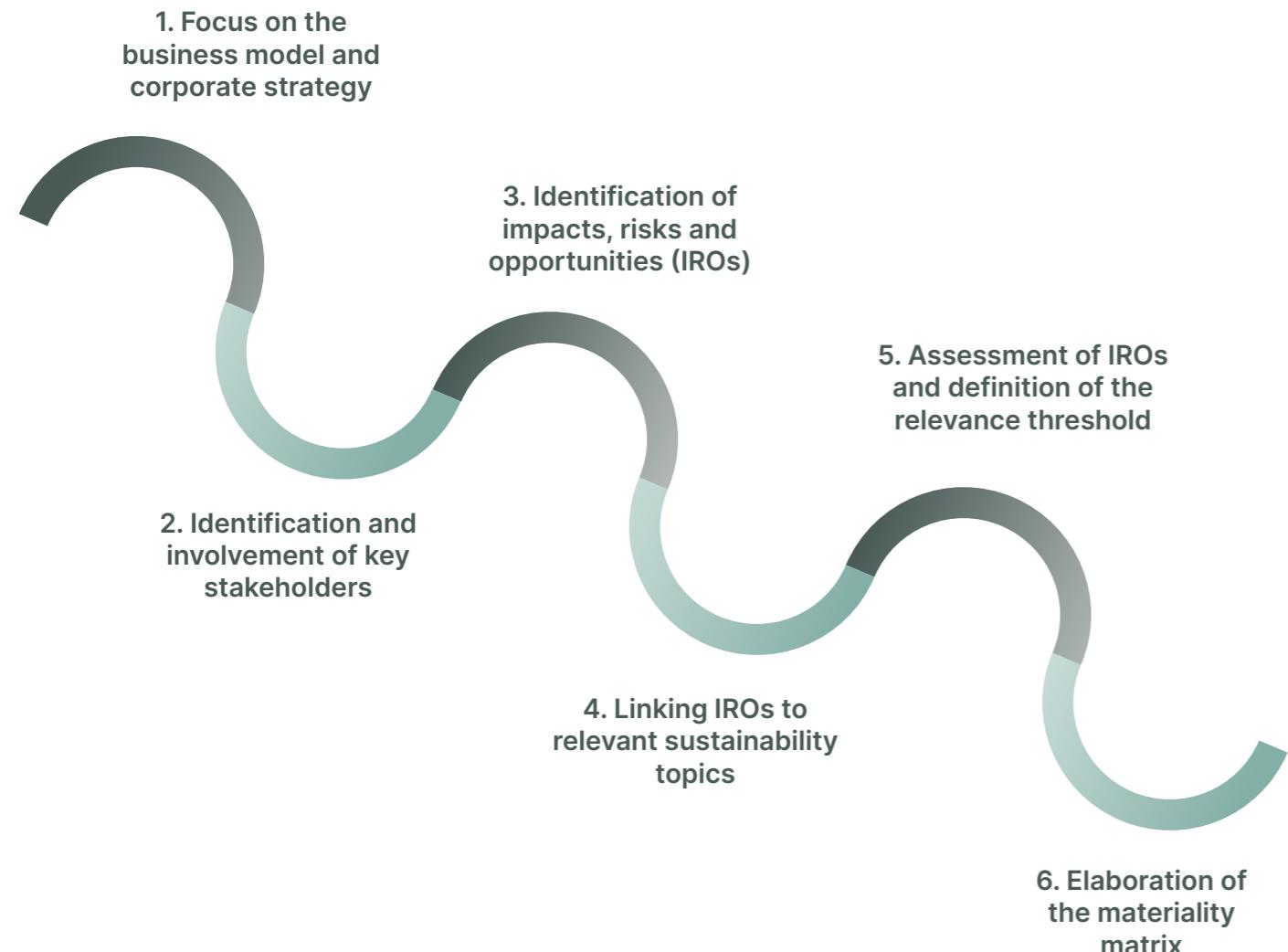
The material aspects related to our internal operations concern employees, governance, data management and use, preventive measures, as well as the offer of products and services. Upstream impacts focus on resource use and climate effects related to claims management processes. Downstream impacts, on the other hand, are related to the offer of products or specific customer segments. A detailed description of the impacts, risks and opportunities is given in the respective sections dedicated to the material topics identified.



Topics	Positive impacts	Opportunities	Negative impacts	Risks
E1 Climate change	Awareness of climate change adaptation	Increased visibility	Stakeholder dissatisfaction	Reputational damage
E2 Pollution	<ul style="list-style-type: none"> Production efficiency Ecodesign 	<ul style="list-style-type: none"> Reduction in costs, consumption and emissions Attraction of new markets 	<ul style="list-style-type: none"> Emissions and discharges Microplastic generation 	<ul style="list-style-type: none"> Possible restrictions and increasing costs Loss of market
E3 Water and marine resources	Awareness of the positive impact of our products	Ability to attract new market areas		
E5 Circular economy and waste	Reduction of production waste and scrap	Ecodesign for waste reduction	<ul style="list-style-type: none"> Use of unsuitable raw materials Generation of waste and scrap 	Image damage
S1 Own workforce	<ul style="list-style-type: none"> Healthy and balanced work environment Work flexibility Safety at work 	<ul style="list-style-type: none"> Greater retention Quality of work Increased work performance 	<ul style="list-style-type: none"> Loss of confidence in the company Employees not valued H&S measures not applied Lack of supervision of suppliers 	<ul style="list-style-type: none"> Turnover Legal consequences Exclusion of unsuitable suppliers
G1 Business conduct	<ul style="list-style-type: none"> Greater stakeholder confidence and transparency Communication of CSR policies Creation of a solid and controlled supply chain 	<ul style="list-style-type: none"> Increase in corporate value and its supply chain Increase in corporate value and business solidity 	<ul style="list-style-type: none"> Loss of company credibility Legal issues Failure to manage, evaluate and control its supply chain 	<ul style="list-style-type: none"> Internal turnover and loss of market share due to loss of credibility Decline in product quality due to mismanagement of the supply chain

Setting the path to the double materiality matrix (DMA)

The main aim of the Double Materiality Assessment (DMA) is to provide a structured and in-depth view of the main ESG topics, related to the company strategy and the operating context. The process is divided into six basic steps:



Generally, organisations summarise the results of these activities within the Sustainability Report or the Integrated Report, with the aim of transparently communicating their position and commitment with respect to the most relevant ESG topics. To complete the process, a strategic statement is often included, describing the actions planned to address the priorities that have emerged or the progress already made.

To identify material impacts, risks and opportunities, we conducted a double materiality Assessment (DMA), considering materiality from both an impact and a financial perspective. A large group of internal stakeholders was involved throughout the process, with the aim of informing, validating and contributing to the analysis. The assessment was divided into distinct phases, each of which was validated by internal stakeholders and representatives of the main external stakeholders before proceeding to the next phase.

The DMA will be reviewed annually, based on best practices, new guidelines and any organisational developments or changes.

Context analysis

The first step in identifying and assessing the significant impacts, risks and opportunities for Radici was to map and analyse our business model and value chain. We examined the key resources and stakeholders along the main activities of the value chain, with the aim of clearly defining the scope of the analysis and ensuring a comprehensive overview. We conducted an in-depth **context analysis** exercise on all topics related to the company's business, taking as a reference the complete list of **topics in the ESRS standard**. This process allowed us to assess the **relevance of each topic** to the specific context of our organisation, as well as to determine the level of **control** we exercise over each topic.

The analysis also considered whether each topic was **under our direct control or outside our sphere of influence**. Based on this assessment, we defined the main areas of interest for the subsequent work of **identifying IROs (Impact, Risk and Opportunity)**.

Identification of IROs (Impacts, Risks and Opportunities)

During this phase, we identified impacts, risks and opportunities (IROs) in relation to the topics and sub-topics defined by the ESRS. Through an in-depth consultation process with managers, department heads and business experts, we carefully examined all IROs related to sustainability topics, both within our organisation and along the value chain. The resulting IROs were then refined and classified according to the topics set out in the ESRS, to ensure alignment with industry regulations and standards. Once the classification was completed, we evaluated and summarised all the IROs by key topic, and submitted them for validation through feedback from our stakeholders. This process has allowed us to finalise the list of priority impacts for our company, orienting our sustainability strategies in a targeted manner.

The sources used to identify impacts, risks and opportunities included internal information, external standards and competitor analysis. We also integrated data from due diligence systems, such as supplier evaluations and external feedback, collected through interviews with internal experts from various fields (HR, supply chain, compliance, etc.). After creating a preliminary list of impacts, risks and opportunities, we organised cross-functional workshops to validate it. The selected impacts and risks were then checked for completeness and dependencies, confirming their validity for the next phase of the analysis. The stakeholders involved included experts from specific areas and representatives with a global view of the company's activities, such as those of investor relations and risk management.



Double Materiality Matrix and Risk Analysis

Finally, we completed the double materiality matrix, clearly identifying the most relevant topics for our company. The risk map highlights key risks, using a risk exposure-based scoring system that assigns weighted values according to impact, probability and financial implications.

For the assessment of impacts and risks, we have adopted methods and materiality thresholds consistent with our risk management system. This approach ensures an accurate and targeted assessment of the relevant aspects, both in terms of impacts and in relation to financial aspects, integrating the specific needs of our company.

Materiality of impacts

Impacts were assessed on the basis of severity (scale, scope and irreversibility) and probability. In the case of positive impacts, irreversibility was not taken into account as it was considered irrelevant. For actual impacts, the probability was not assessed because, since these are events that have already occurred, a forecast criterion is not applicable.

Financial materiality

Risks and opportunities were analysed in relation to their potential impact on cash flows, development, performance, position, cost of capital and access to finance. Potential financial effects were assessed in collaboration with key stakeholders in the financial and risk management areas, using inputs from financial objectives, existing performance, the risk management framework, and estimates and assumptions.

Sustainability risks are not treated as separate entities, but are fully integrated into the overall management of business risks. These risks are included in existing risk management processes, which are periodically reviewed in order to improve the understanding, monitoring and effective management of sustainability risks. In the context of the materiality assessment, the residual risk, i.e. the risk that persists after implementing the mitigation measures, is taken into account. The materiality assessment is carried out through an in-depth analysis, directly involving the main company stakeholders, and is subsequently validated in multidisciplinary workshops. This integrated approach allows us to identify relevant risks in a timely manner, assess their impact and define the actions necessary to address them effectively and proactively.

Definition of the information to be communicated

To determine the information to be disclosed, we defined the materiality criteria already in the initial phase of the assessment. Thereafter, the topics and disclosure requirements deemed material were analysed, validated and approved, in order to clearly outline the information scope of the report. Aspects found to be below the materiality threshold were excluded, thus ensuring a report focused on what is truly relevant to our organisation. We took a holistic approach, aimed at ensuring that the final information consistently and comprehensively reflected the most significant topics for the company.

For the preparation of the entire report, we collaborated with an external company that verified the assessments we carried out, the methodologies applied and the overall consistency of the process undertaken. The independent analysis carried out by the external company was a fundamental step in ensuring the soundness and transparency of our approach. Their contribution confirmed the alignment of our activities with international standards on sustainability and risk management, further strengthening the credibility of our commitment.

Identified Material Topics

E1	E2	E2
Climate change	Air, water and soil pollution	Microplastics
E3	E5	E5
Water consumption, withdrawal and discharge	Circular economy, resource inflows	Waste
S1	S1	S1
Work-life balance	Measures against violence and harassment in the workplace	Health and safety
S1		
Safe employment and working hours		
G1	G1	G1
Business culture	Management of relations with the supply chain	Active and passive corruption

E Environmental commitment

In compliance with the principles set out in the sustainability standards that we have taken as a reference for the preparation of the report, we are committed to progressively reducing the environmental impact of our activities, adopting an approach oriented towards efficiency and ecological responsibility. Environmental management is a central element of our corporate strategy, not only in terms of regulatory compliance, but also as a lever for innovation and competitiveness. This section presents our environmental policies, the concrete actions taken and the results achieved in terms of resource consumption, waste management, energy, emissions and land protection.

Introduction to environmental policies

Environmental protection is a fundamental and cross-cutting principle for our company, integrated into all operational and strategic activities. In a context of growing environmental awareness, we intend to actively contribute to the transition to a low-carbon, resource-efficient and climate-resilient economy.

Aware of the direct and indirect impact that our activities can generate on the environment, we adopt policies and practices aimed at **preventing pollution, reducing energy consumption and emissions**, sustainable management of natural resources and **proper waste management**. Our actions are inspired by the principles of continuous improvement, compliance with current legislation and the voluntary adoption of nationally and internationally recognised environmental standards.

Our environmental commitment is realised through:

- the integration of environmental criteria into decision-making processes and operational management;
- continuous environmental monitoring and the definition of improvement objectives;
- awareness-raising and training of staff on environmental topics;
- constant dialogue with stakeholders, customers and suppliers to promote responsible behaviour throughout the value chain.

During the year covered by this Report, we launched and/or consolidated initiatives aimed at improving energy efficiency, reducing the environmental footprint of our production processes and promoting a more circular approach to the use of resources. These policies form the basis of our environmental sustainability strategy and reflect the company's commitment to growth that is compatible with protecting the environment and future generations.



Key points of the sustainability policy

We firmly believe that the development of **sustainable production processes** is a fundamental pillar for the future of society and for the preservation of the environment. The Company adopts an ethical and balanced approach to the use of resources, with the aim of **minimising environmental impact** and improving **the quality of life**.

We are therefore actively engaged in **the research and development of ecological and innovative solutions**, constantly monitoring their impact on the environment.

The company's activities are aimed at **reducing emissions**, limiting waste and scrap, and optimising resource efficiency. We apply **circular economy** practices, using sustainable raw materials, encouraging the reuse of secondary raw materials and monitoring the environmental impact throughout the product life cycle.

These commitments also extend to the offer of products that generate **positive environmental impacts** and encourage virtuous behaviour, both inside and outside the organisation.

We comply with **legal obligations** and environmental regulations, including local ones, and as already defined in the **Environmental Policy**, we are committed to:



Promoting awareness of the "Environmental Good"

As a value shared by all, both within and outside the company, ensuring that every individual involved in production and management activities is informed and aligned with the objectives of the Environmental and Sustainability Policy.

Investing in research and development (R&D)

To improve the environmental performance of products, focusing on material selection, design and end-of-life management of the product.

Minimising environmental impact

Reducing energy consumption, emissions and waste and aiming for continuous improvement of plants in terms of quality and efficiency.

Communicating correctly

The values of the Environmental Policy and the progress achieved, both internally and externally, promoting a corporate culture oriented towards sustainability.

Applying sustainability goals

Also in the selection of suppliers, establishing environmental and health and safety standards to ensure that choices and collaborations are in line with the principles of sustainability.

We face environmental challenges with a commitment to building a sustainable future, reducing impact and spreading a culture of shared responsibility.

Material topics and performance indicators

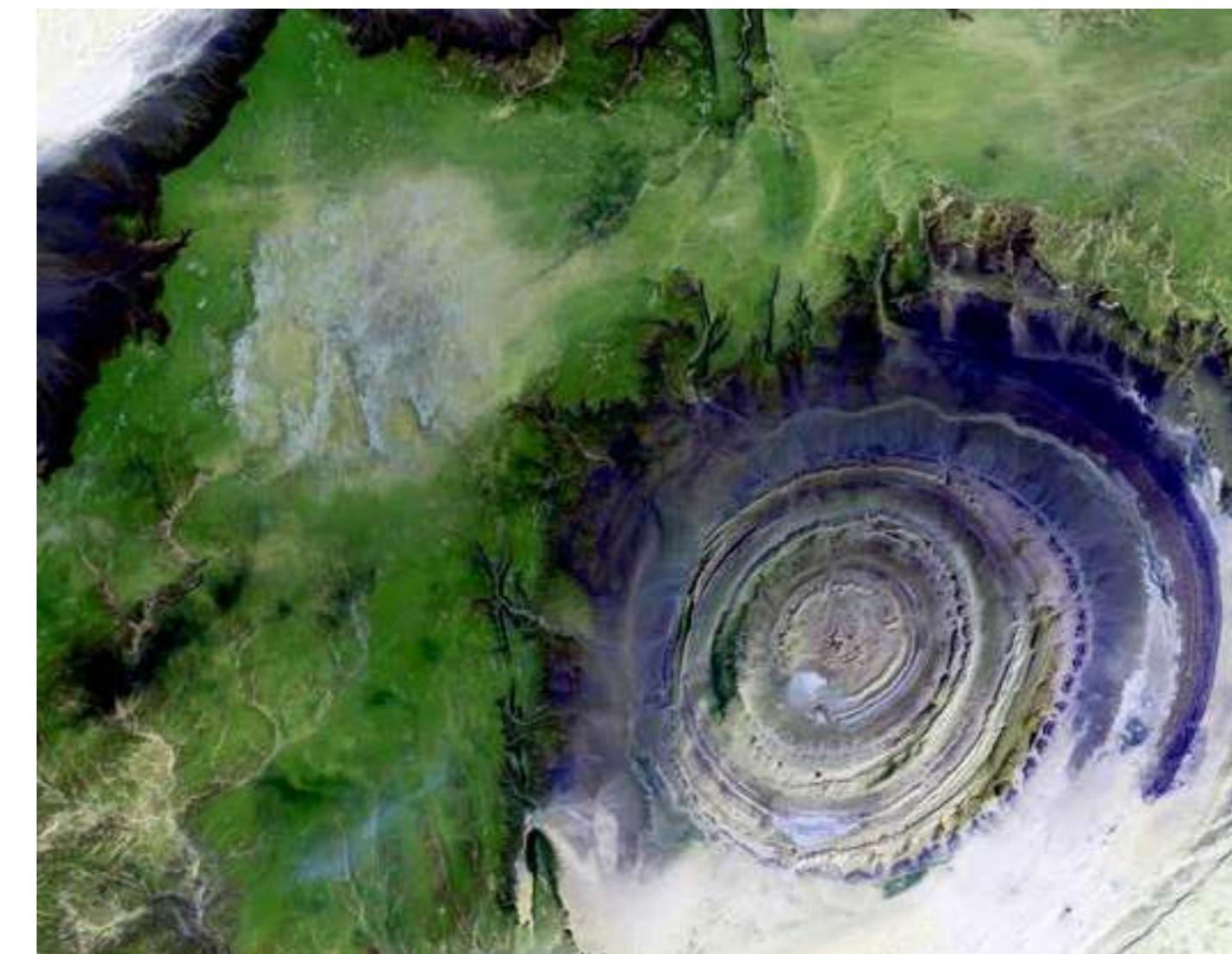
To assess the achievement of the objectives defined by the Sustainability Policy, a series of **qualitative and quantitative indicators are used**, periodically updated, which allow the company's performance to be measured objectively and transparently.

The material topics that were highlighted following the double materiality analysis are as follows:

E1	E2	E2
Climate change	Air, water and soil pollution	Microplastics
E3	E5	E5
Water consumption, withdrawal and discharge	Circular economy, resource inflows	Waste

The main indicators for Environmental topics include:

- Energy consumption per unit of product;
- Emissions of CO₂ and other climate-altering gases;
- Waste production and recovery rate;
- Use of recycled or renewable raw materials.



E1 – Climate change

Climate change is one of the major global challenges of our time, with significant impacts on the environment, the economy and the well-being of communities. Addressing this topic means not only recognising the responsibilities associated with greenhouse gas emissions and the use of natural resources, but also embracing the opportunities arising from the transition to sustainable, low-carbon models.

Monitoring data on energy consumption, renewable sources, and direct and indirect emissions allows us to understand the climate footprint of company activities and define mitigation and adaptation strategies.

Through these indicators, we make our commitment to contributing to the achievement of international climate goals and promoting sustainable growth transparent.

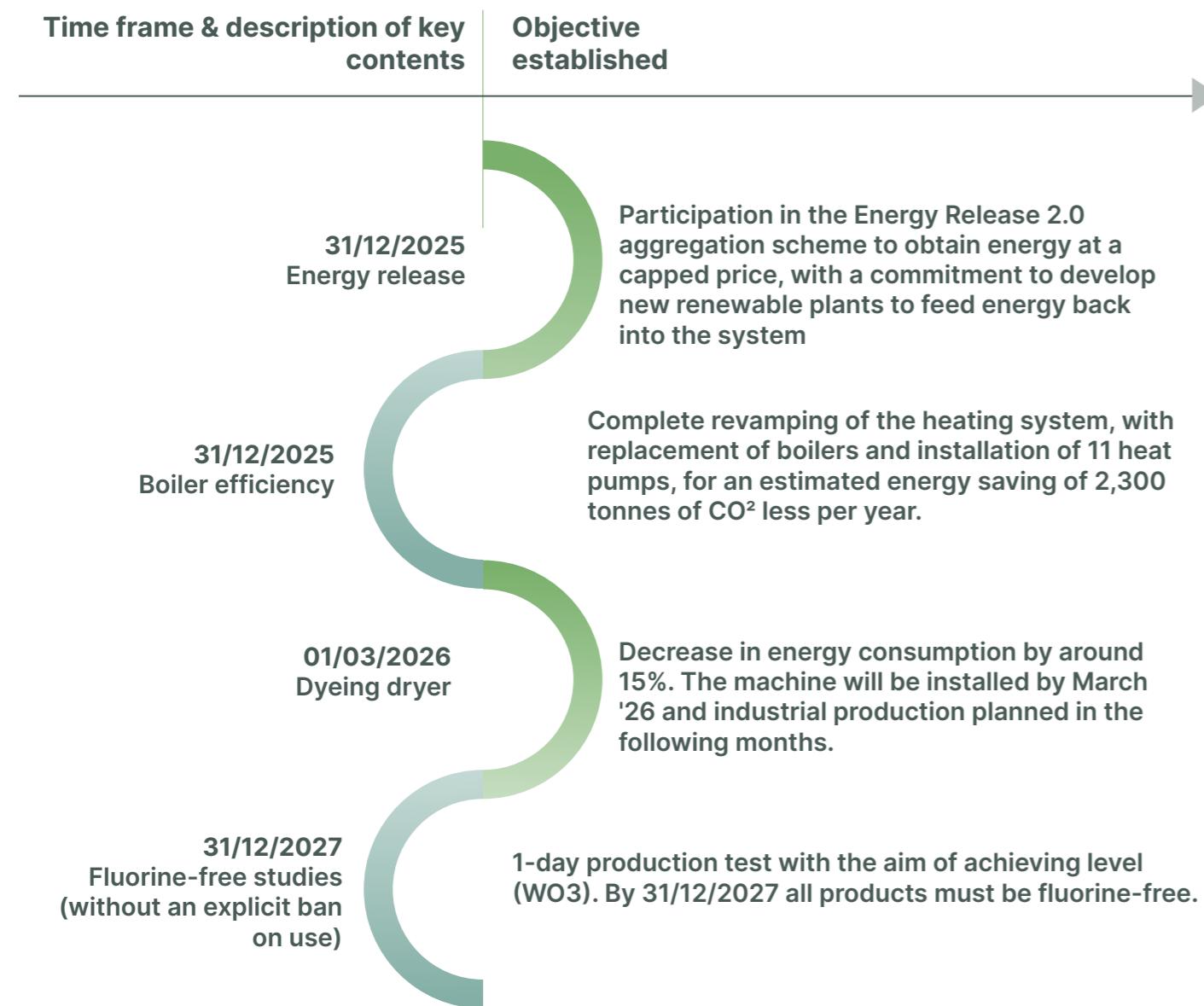
Topics	Positive impacts	Opportunities	Negative impacts	Risks
E1 Climate change	Awareness of climate change adaptation	Increased visibility	Stakeholder dissatisfaction	Reputational damage



Actions and targets

Currently, mitigation actions are linked to the impacts addressed in our environmental policy. We have already taken steps in the past to reduce the impact of our energy consumption. Even before introducing the reporting requirements and launching the Sustainability Report, we chose to focus on concrete actions, such as the installation of a photovoltaic system to serve the offices and production areas, with the aim of progressively extending the use of renewable energy to all our activities.

Our established processes are embedded in the day-to-day responsibilities of the teams that ensure compliance with our policies. Environmental topics are also constantly addressed through our ISO 14001 certification.



Energy efficiency

In 2023, we undertook two strategic interventions to reduce energy consumption and improve the sustainability of our activities. On the one hand, the installation of a photovoltaic system, capable of covering about half of the annual energy needs; on the other hand, a relamping operation, which replaced the old lamps with high-efficiency LED solutions. Two different but complementary choices, which contribute to reducing consumption, improving the quality of work environments and reducing the overall environmental impact.

Below are the figures from the first two years of operation:



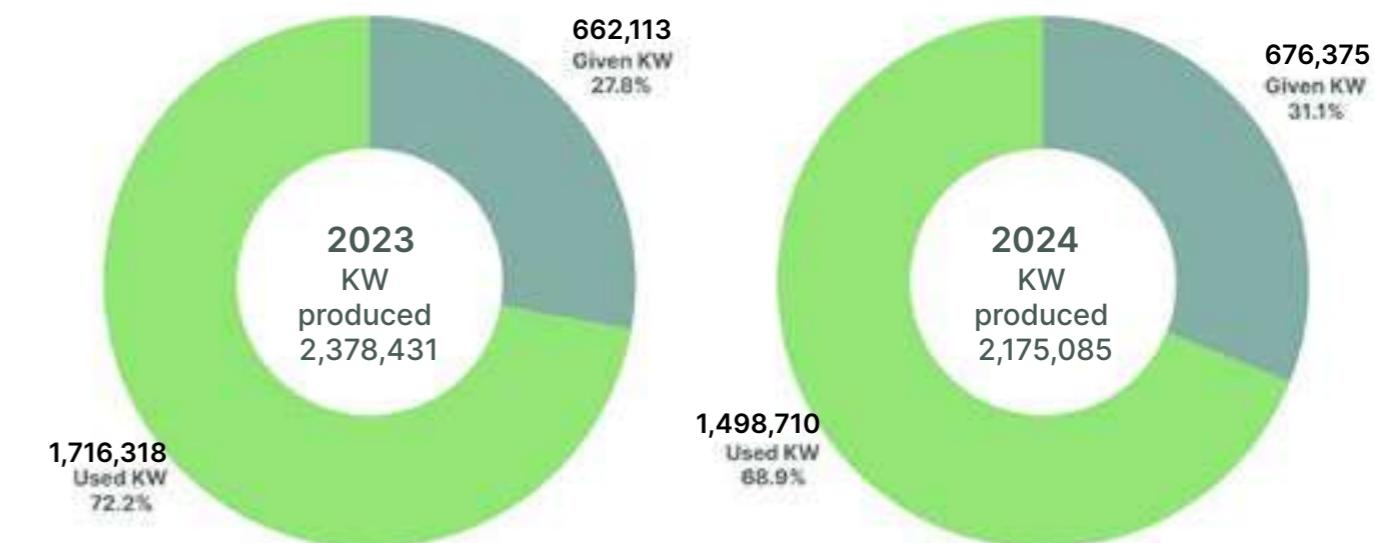
**-480,000 kWh
-230 tonnes of CO₂**

electricity saved annually by relamping

An additional contribution is paid to the energy supplier to ensure, through certification of origin, that the entire energy requirement purchased is covered by renewable sources.

From **39%** to **54%**

Internal photovoltaic coverage 2023-2024



Consumption

The tables below show the utility data (energy, methane, water and purification) collected in the period 2023–2024, presented through a graph in relation to production volumes. Consumption was compared with the actual production of the year, so as to obtain a proportionate and reliable figure: lower production naturally leads to lower consumption, while higher production leads to an increase. This approach makes it possible to clearly highlight the reduction in consumption achieved thanks to the measures taken.

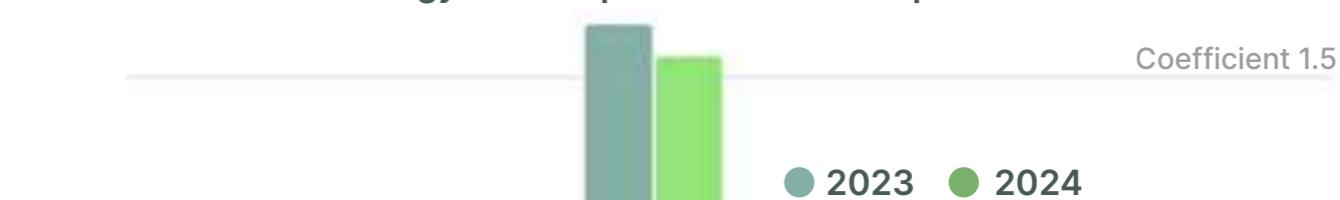
2023		Energy KWH	Methane M ³
Tufting	Weaving	745,231	151,174
	Dyeing	864,787	786,809
	Finishing	619,443	225,234
Wilton	Weaving	363,980	63,790
	Finishing	106,612	51,961
Needle-punched	Carding	950,232	71,091
	Dilour	191,914	6,187
	Finishing	223,972	81,655

2024*		Energy KWH	Methane M ³
Tufting	Weaving	754,356	154,449
	Dyeing	992,071	815,491
	Finishing	687,731	262,034
Wilton	Weaving	431,534	64,454
	Finishing	132,281	55,831
Needle-punched	Carding	771,384	71,831
	Dilour	120,681	6,252
	Finishing	135,347	46,786

*The increase in energy consumption and emissions is attributable to the increase in production volumes compared to 2023.

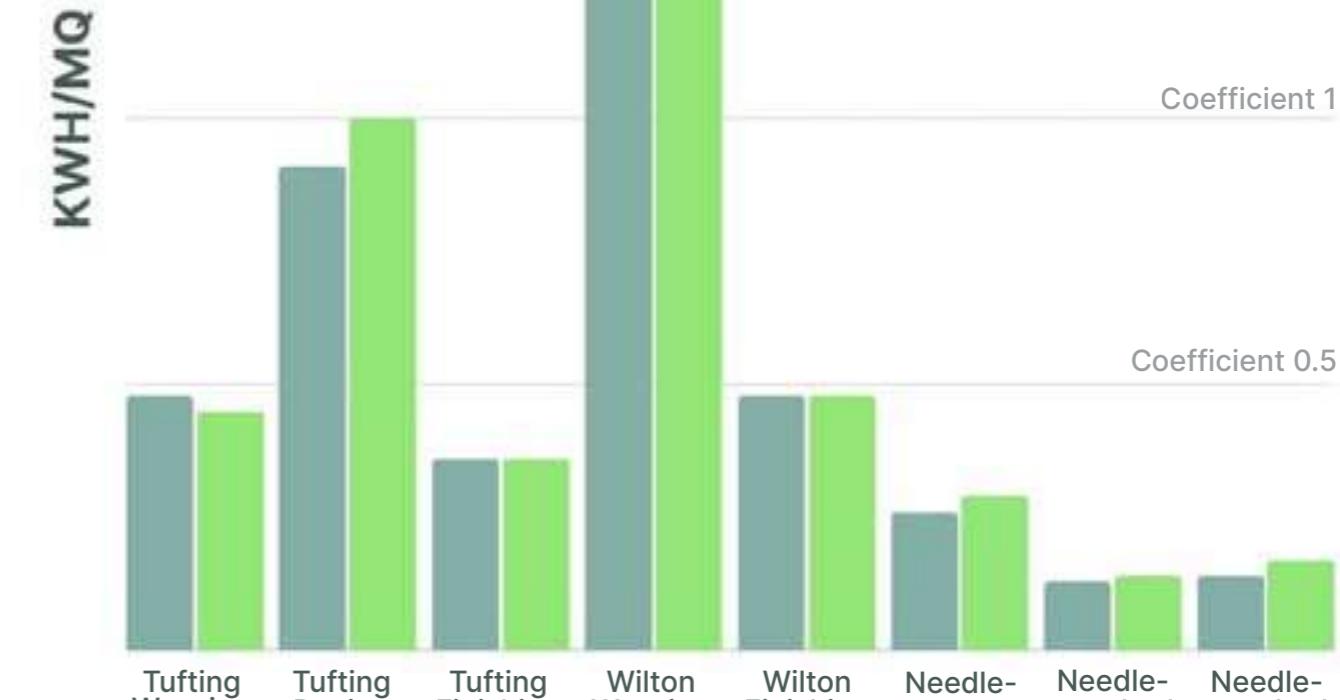


Energy consumption in relation to production



Coefficient 1.5

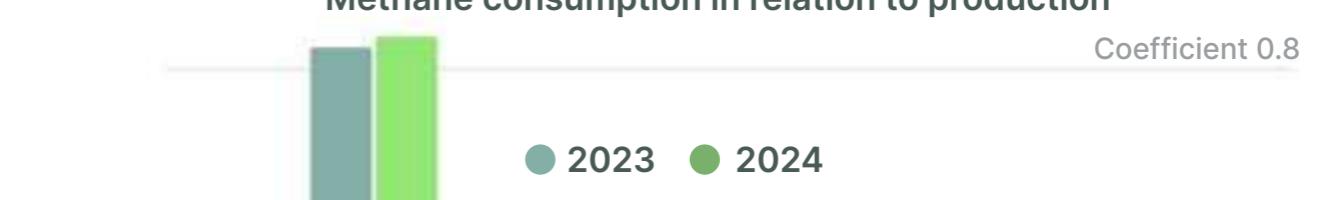
2023 2024



Coefficient 1

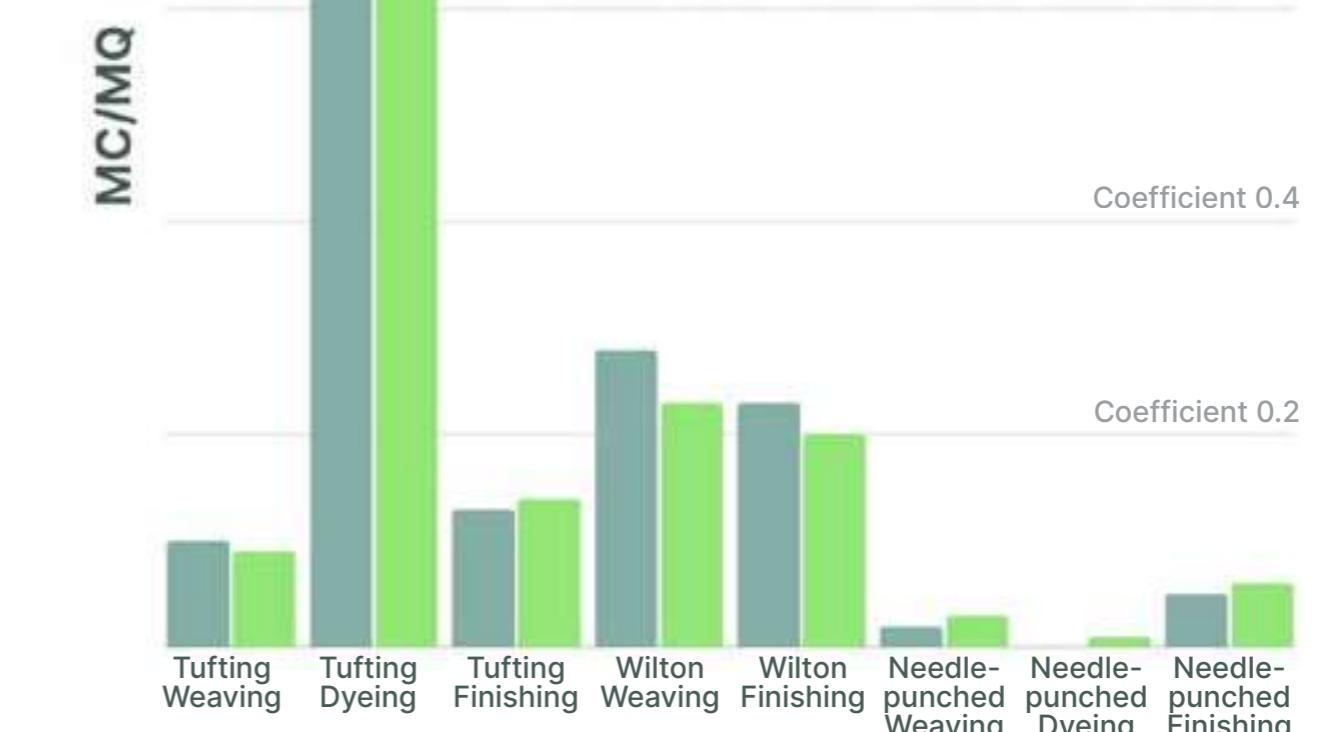
Coefficient 0.5

Methane consumption in relation to production



Coefficient 0.8

2023 2024



Coefficient 0.6

Coefficient 0.4

Coefficient 0.2

2023 2024

E2 – Pollution: Air, water and soil pollution and Microplastics

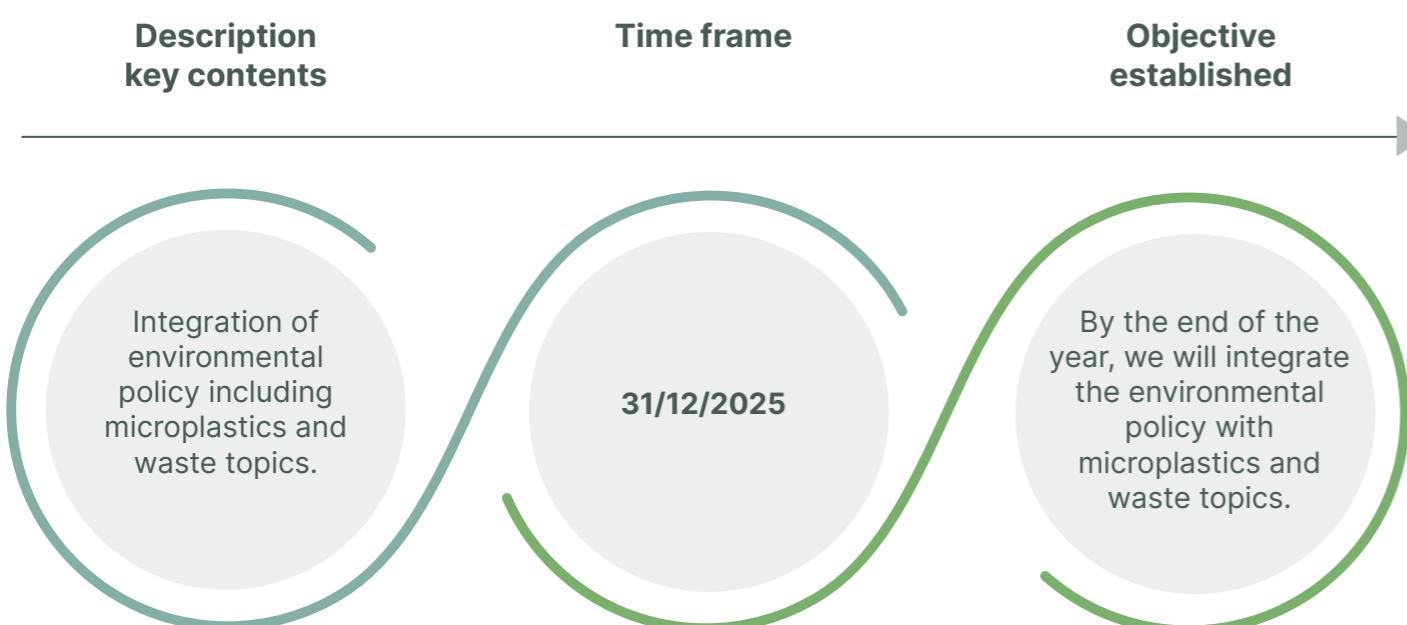
Environmental pollution, in all its forms, is one of the most significant critical issues for the protection of personal health, the ecosystems and biodiversity. Atmospheric emissions, water drains and waste management can have a direct impact on the quality of air, water and the soil, generating both local and global risks. In particular, the spread of microplastics is an emerging threat, as these particles do not degrade well and tend to instead accumulate in the natural environments, with long-term impacts on the ecosystems and food chain.

By monitoring data on discharges, emissions and waste generation, as well as strategies for reducing and preventing microplastics, the company's environmental performance can be assessed and concrete actions for improvement can be directed. Our environmental policies outline our commitment to managing water consumption. Through these KPIs we make clear our commitment to preventing pollution and promoting a more responsible use of natural resources.

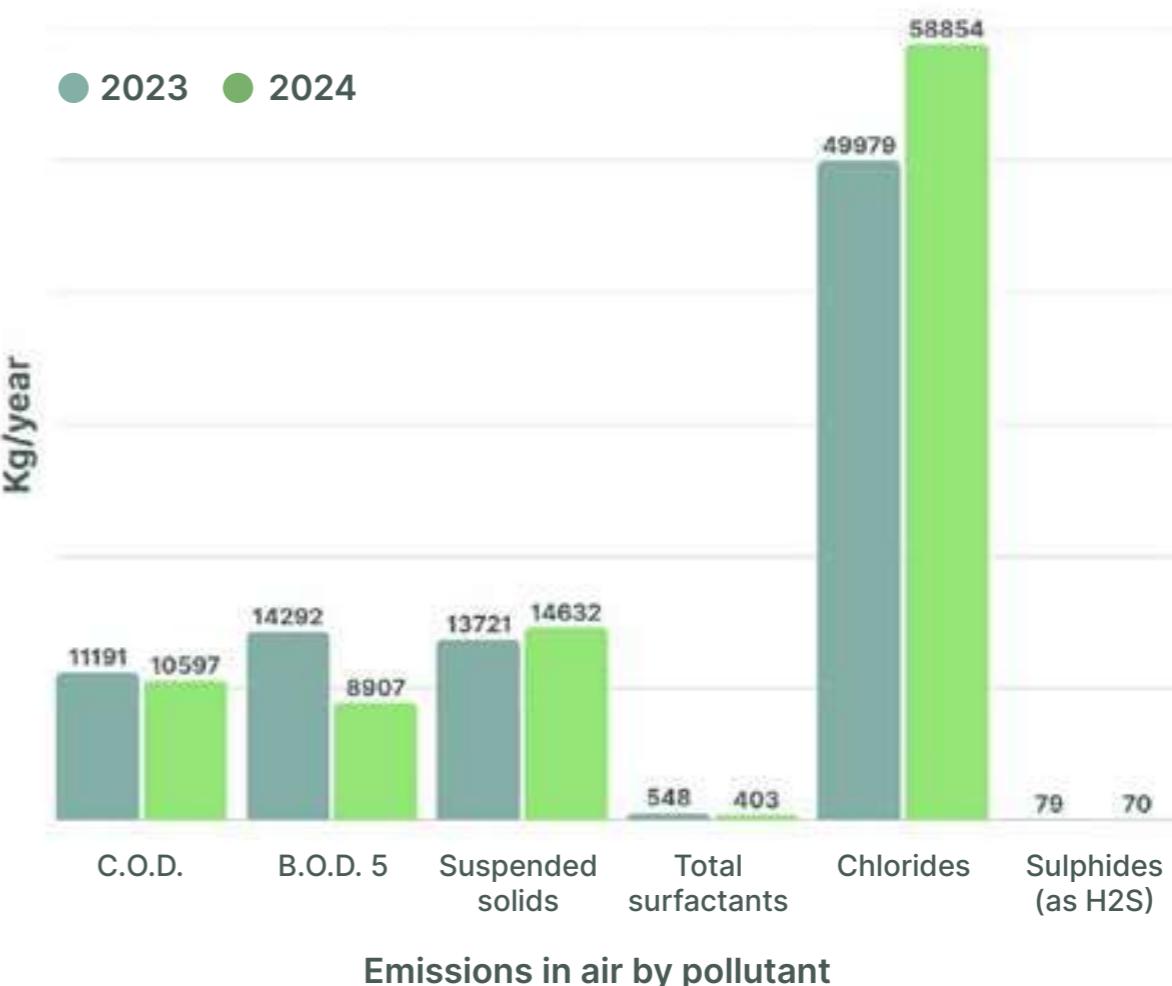
Topics	Positive impacts	Opportunities	Negative impacts	Risks
E2 Pollution	<ul style="list-style-type: none"> Production efficiency Ecodesign 	<ul style="list-style-type: none"> Reduction in costs, consumption and emissions Attraction of new markets 	<ul style="list-style-type: none"> Emissions and discharges Microplastic generation 	<ul style="list-style-type: none"> Possible restrictions and increasing costs Loss of market

Target

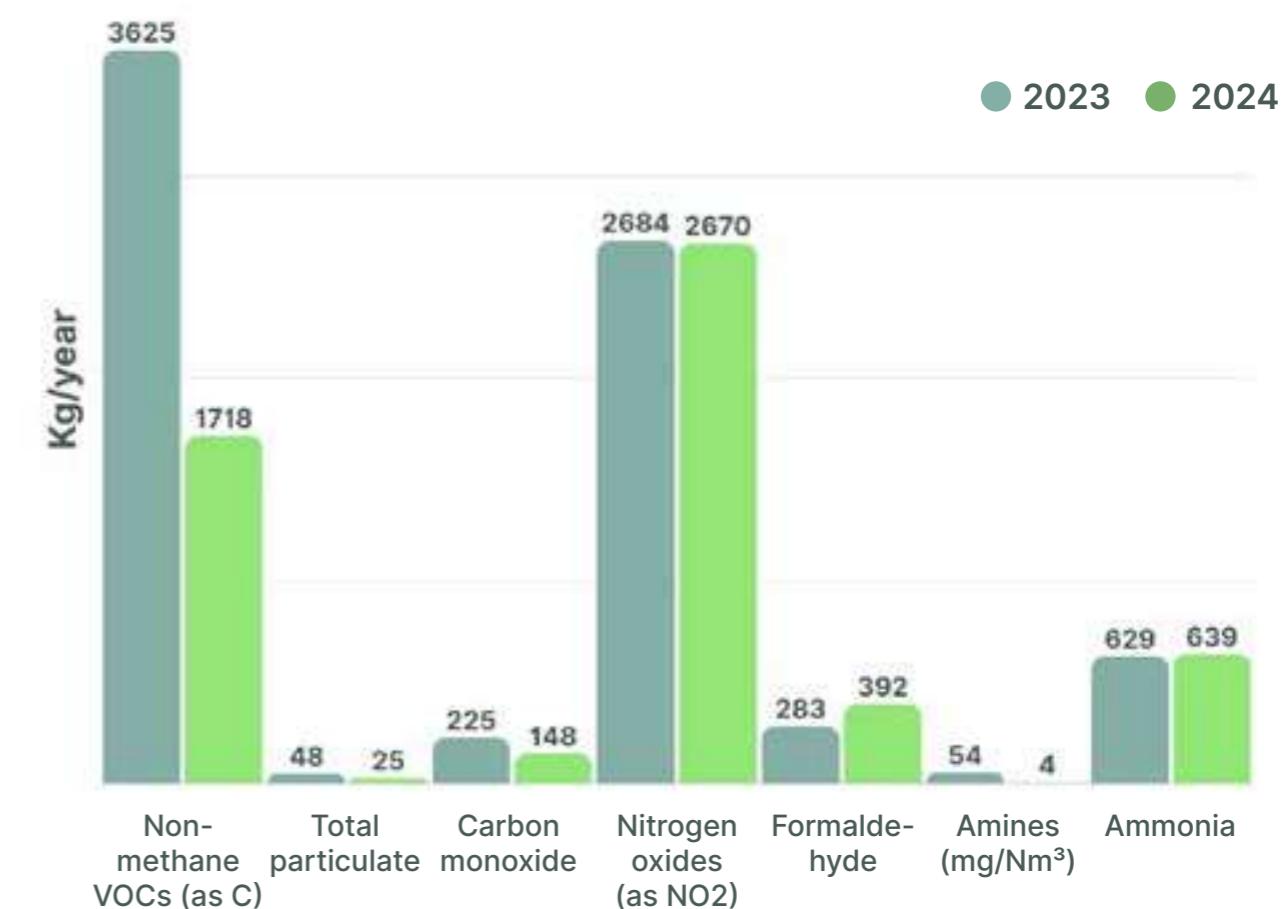
We have not identified any relevant material targets for disclosure regarding water pollution and microplastics. Our established processes are anchored in the functions that have the daily responsibility of ensuring compliance with our policies and respect for current regulations. Environmental topics are also constantly addressed through our ISO 14001 certification.



Emissions in water by pollutant



Emissions in air by pollutant

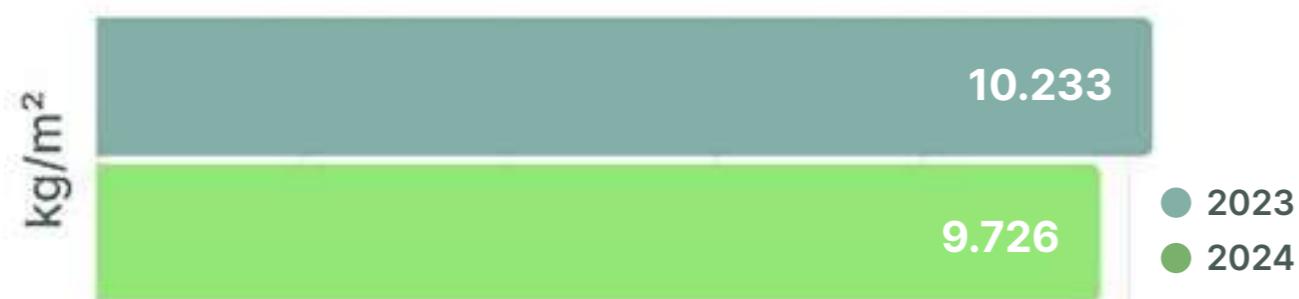


Microplastics

Microplastics are very small plastic particles, generally less than 5 millimetres, that result from the degradation of larger plastic waste or from direct use in industrial and consumer products. These particles are particularly problematic because they persist in the environment, contaminate water, soil and living organisms and can accumulate along the food chain, posing a risk to ecosystems and human health.

The topic of microplastics is now a global environmental challenge: their increasing prevalence calls for concrete and effective prevention and mitigation strategies. Companies can play a key role by reducing the use of single-use plastics, optimising waste management and monitoring the presence of microplastics in production processes. Dedicated KPIs allow progress to be measured objectively and make the organisation's commitment against this emerging form of pollution transparent.

Index of microplastics released (kg/m²)*



*The driver 'kg/m² of microplastics' was calculated by relating the total production of synthetic turf for the sports market to the kg of plastic infill required by our product certifications. This indicator improves with the introduction of solutions that completely eliminate plastic clogging or use materials of organic origin.



E3 – Water consumption, withdrawal and discharge

The responsible management of water resources is one of the priorities of environmental sustainability, as water is a common good essential for life, ecosystems and economic activities. Excessive or uncontrolled consumption, as well as untreated discharges, can generate significant impacts on the availability and quality of water resources, with consequences for the environment and local communities.

For a company, adopting a sustainable approach means reducing withdrawals through process efficiency, encouraging water reuse and recycling, and ensuring that discharges meet strict environmental standards. The monitoring of KPIs relating to consumption, withdrawals and discharges allows the company's performance to be evaluated and areas for improvement to be identified. Through these indicators, the organisation makes transparent its commitment to preserving the water resource and contributing to a fair and sustainable use of water.

Topics	Positive impacts	Opportunities	Negative impacts	Risks
E3 Water and marine resources	Awareness of the positive impact of our products	Ability to attract new market areas		

Actions and targets

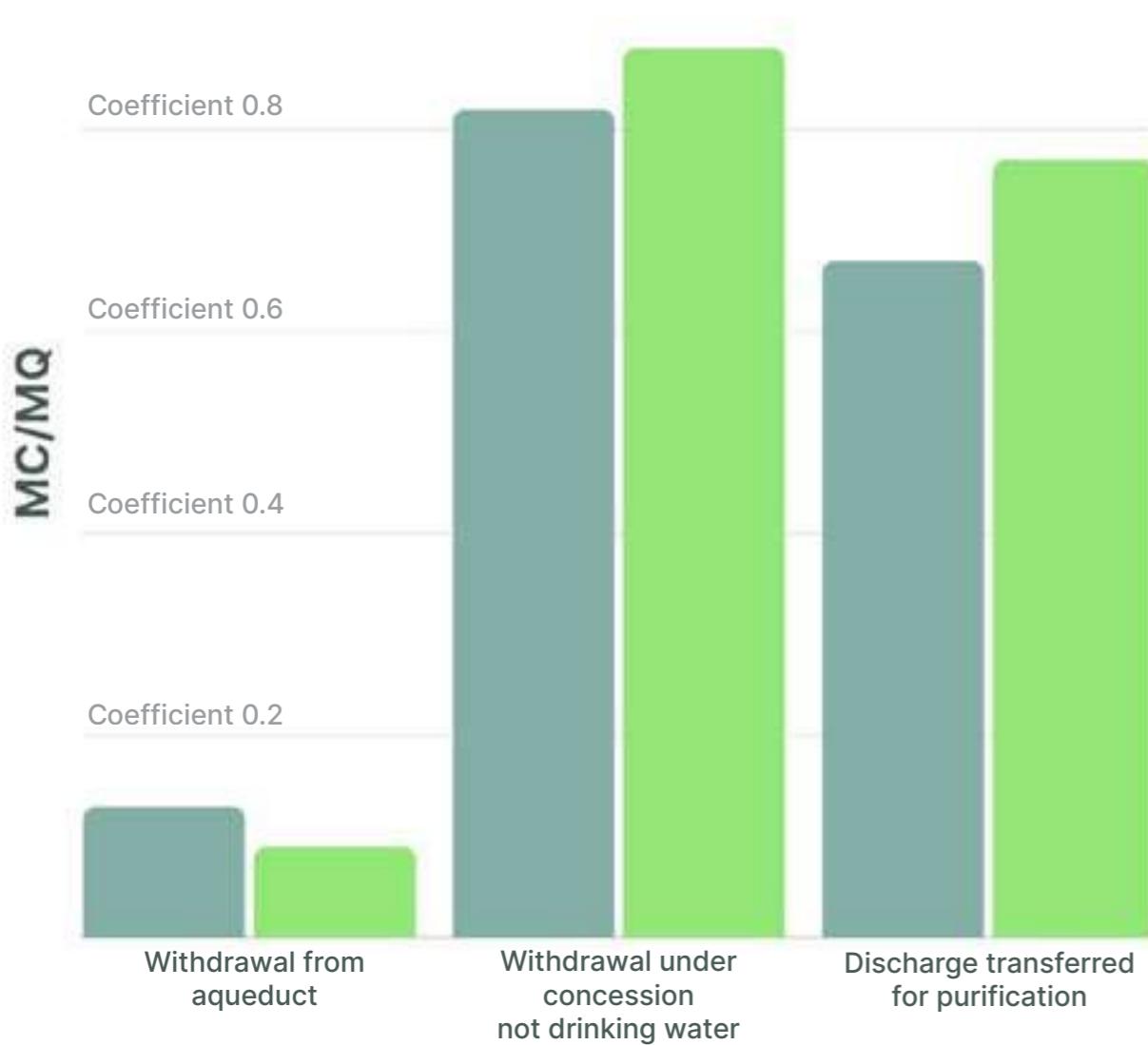
We have not identified any relevant material targets for disclosure regarding water consumption and discharges. Our established processes are anchored in the functions that have the daily responsibility of ensuring compliance with our policies and respect for current regulations governing environmental matters. Environmental topics are also constantly addressed through our ISO 14001 certification.

Water consumption

The table and graph show our water consumption data, highlighting withdrawals, use and trends over time (2023 and 2024). These indicators make it possible to monitor water use efficiency, identify possible areas of reduction and assess the overall environmental impact of activities. The graphical representation makes consumption trends immediately visible and supports the analysis of strategies adopted for a more sustainable use of water.



2023	Cubic metres of water	Withdrawal from aqueduct	Withdrawal under concession not drinking water	Discharge transferred for purification
Tufting	Dyeing	12,783	78,701	63,861
2024	Cubic metres of water	Withdrawal from aqueduct	Withdrawal under concession not drinking water	Discharge transferred for purification
Tufting	Dyeing	8,534	86,489	76,335



E5 – Resource use and circular economy: Resource use and waste

The circular economy is a sustainable development model that aims to minimise the waste of resources and to optimise the use of materials and products throughout their life cycle. Waste management is a key aspect of this approach, as the correct treatment, recycling and reuse of materials makes it possible to limit environmental impact and preserve natural resources. Adopting circular economy principles means rethinking production processes, logistics and procurement, promoting a more efficient and responsible use of resources.

Monitoring data on waste produced, recycled and disposed of, together with the implementation of reduction and recovery initiatives, allows performance to be measured and continuous improvement strategies to be oriented. Our commitment to sustainable materials management and the promotion of a more circular economic model is made transparent through our environmental policies, which focus on reducing waste, adopting sustainable practices and inviting suppliers and partners to follow similar behaviour. These policies mainly concern compliance with environmental regulations and continuous improvement of sustainability practices.

Topics	Positive impacts	Opportunities	Negative impacts	Risks
E5 Circular economy and waste	Reduction of production waste and scrap	Ecodesign for waste reduction	•Use of unsuitable raw materials •Generation of waste and scrap	Image damage

Target

Our established processes are embedded in the day-to-day responsibilities of the teams that ensure compliance with our policies and applicable regulations. Environmental topics are also constantly addressed through our ISO 14001 certification.

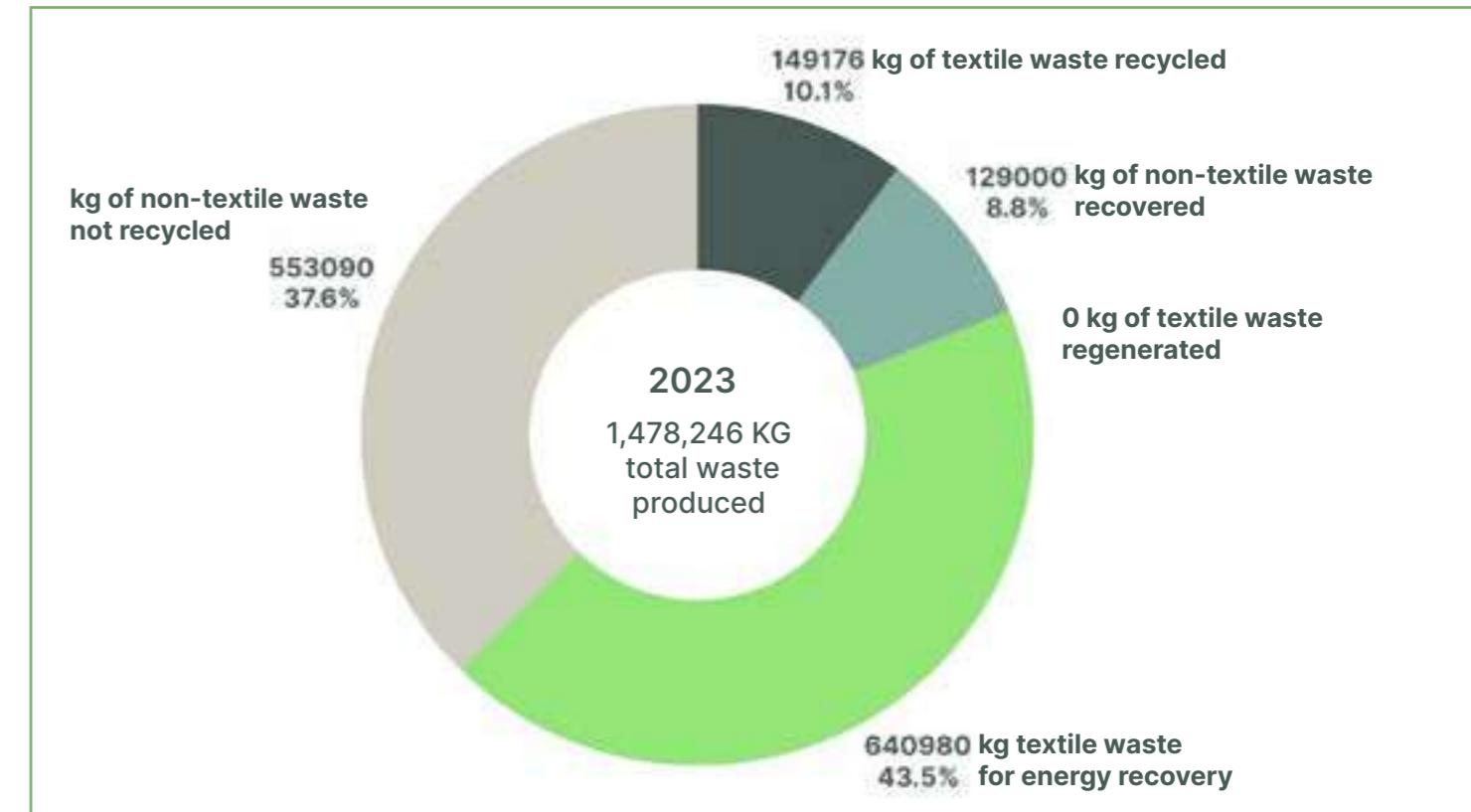
Below are some objectives and actions that are topic-specific and will serve to better monitor KPIs in the future:

Time frame & description of key contents	Objective established
31/12/2025 Integration of the environmental policy	By the end of the year we will integrate the environmental policy with microplastics and waste topics
31/06/2026 Roof renovations	At present, a total of 10,100 square metres of roofs are currently to be reclaimed: the first 4,300 square metres are scheduled to be completed by 31/12/2025.
31/12/2026 Possible LCA study on both carpet and grass	There are a total of 10 projects divided between artificial turf and carpet production with two pilot projects to be completed by 31/12/2025, one for the artificial turf division and the other for the carpet division.
31/12/2026 R&D study waste management	Reuse of finished materials such as carpets and self-recycled felt (second life) for flooring or flooring accessories with the launch of a material recovery project; volumes cannot yet be estimated.
30/06/2027 Roof renovations	Completion of the roofing work will continue until the remaining square metres are restored, with completion scheduled by 30/06/2027.

**Waste**

Waste management is a central element of corporate sustainability, as it directly affects the environmental impact of activities and the consumption of natural resources. A correct approach to waste includes reduction at source, separate collection, recycling and responsible disposal, in line with current legislation and environmental best practice.

By monitoring data on the amount and type of waste produced, recycled or sent for disposal, we can assess company performance and identify opportunities for improvement. The analysis of waste-related KPIs also makes the company's commitment to promoting resource efficiency, preventing pollution and contributing to a more circular economy transparent.



Internal projects for environmental improvement

In every area in which we operate, we promote projects dedicated to environmental improvement, aware that sustainability represents a continuous path of growth and innovation. From production to internal organisation to the markets in which we are present, every initiative is designed to reduce the impact of our activities and generate positive value for people and the environment.

Sports segment

In the world of sport, the search for sustainable solutions has led to the development of Ultramix 38.40 EVO N.I, a 100% NO-INFILL artificial turf system, designed to **anticipate environmental regulations** and reduce its overall impact on the environment.

Thanks to the special combination of textured monofilaments and high surface density, this product guarantees excellent playing performance and high wear resistance over time. **Fully recyclable and free of additional materials**, the membrane represents an advanced and responsible solution, capable of reducing end-of-life disposal costs and promoting a **more circular management of resources**.



Automotive segment

In the automotive sector, our commitment to sustainability translates into production based exclusively on the use of **second raw material** consisting of polyester flakes (PET) obtained from **recycled bottle flakes from local 0 km companies**.

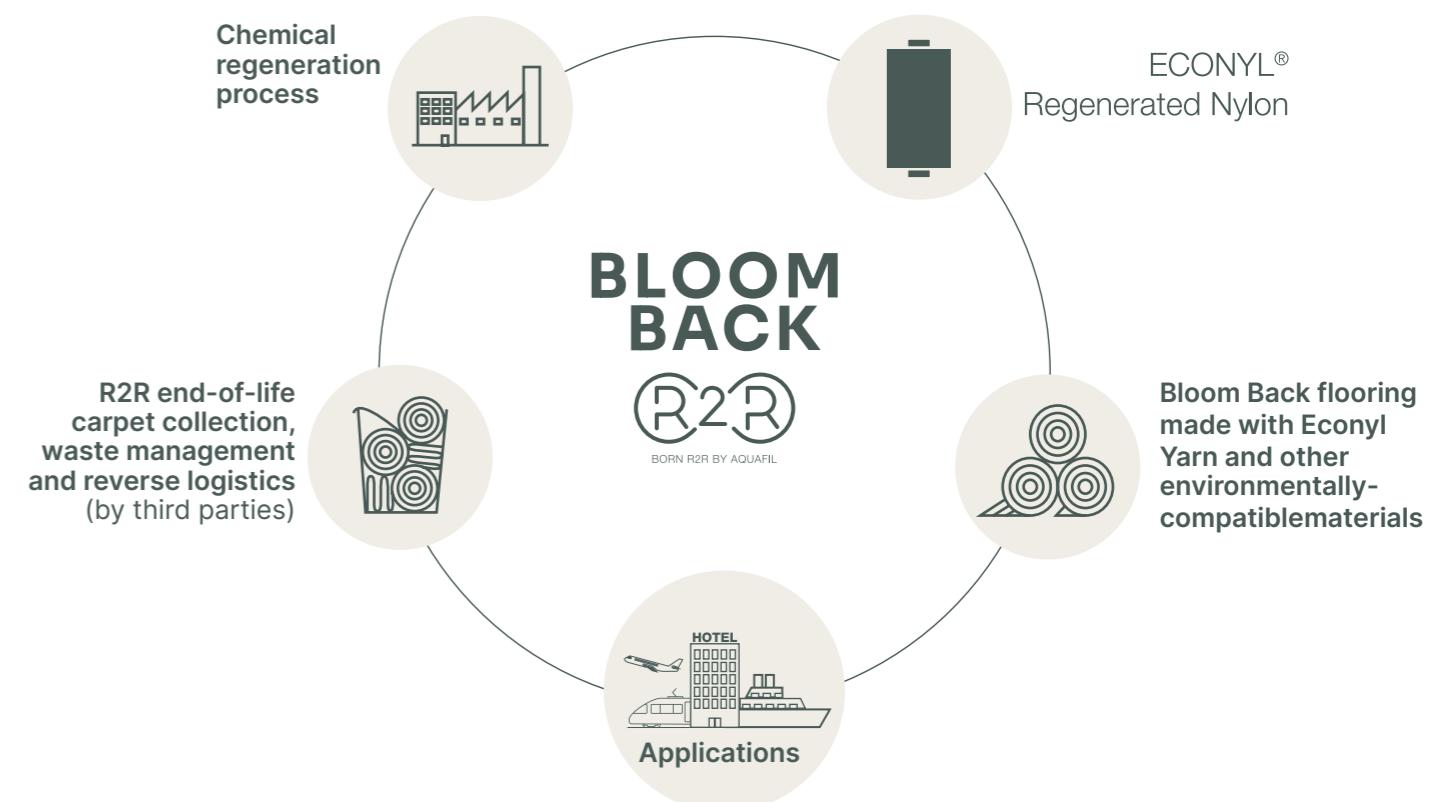
All our articles are **single-component** and manufactured without the use of latex or adhesives, thanks to a lamination process that preserves their technical characteristics and full environmental compatibility. This approach significantly reduces impact throughout the product life cycle and promotes a more responsible and circular production model.



Contract & Residential, Marine segment

In the field of textile design and flooring, our vision of sustainability takes shape in Bloom Back, an innovative solution made from ECONYL® yarn, obtained from regenerated industrial waste. Its single-component structure combines a polyamide 6 primary fabric with a backing of the same material, making the product fully regenerable at the end of its life cycle.

Bloom Back represents a step forward in our R2R - Born Regenerated to be Regenerable - circularity path, a model that is born from materials that have already been regenerated and designs from the outset the possibility of being recycled again, reducing waste and promoting responsible use of resources. The R2R route is illustrated below to show how each step concretely contributes to giving new life to materials.



S Social responsibility

We recognise the value of people as an essential lever for sustainable growth. This is why we are committed to creating a safe, inclusive working environment that respects fundamental rights, where everyone can feel welcome, have equal opportunities and develop their skills. Our social commitment is also reflected in our relations with the community, suppliers and all stakeholders with whom we collaborate. We seek to generate shared value and contribute with responsibility and passion to the development of the territories in which we operate.

Ethics and integrity

Acting with integrity and transparency is essential to building trusting relationships and ensuring long-term sustainability. In this section we present our ethical values, the code of conduct we have adopted, our corruption prevention policies and the initiatives we have put in place to promote responsible behaviour at all levels of the organisation.

Sustainable supply chain

Sustainability extends well beyond company boundaries, along the entire value chain. That is why we work with suppliers and partners who share our principles, promoting responsible environmental, social and ethical practices. This section describes our approach to sustainable procurement and how we monitor and value the supply chain.



Introduction to social policies

Social topics play a central role in our corporate vision and are a fundamental pillar of our commitment to sustainable development. We firmly believe that business success is closely linked to the well-being of the people who work there, the communities in which we operate, and the people with whom we interact throughout the value chain.

Our social policy is based on respect for **human rights**, the promotion of **diversity and inclusion**, the protection of **health and safety at work**, the enhancement of **human capital** and the strengthening of **dialogue with stakeholders**.

To this end, we are committed to creating a working environment that is safe, inclusive, motivating and respectful of each individual's dignity. The main areas on which we focus our social policies include:



Protecting workers' rights

We guarantee fair working conditions, combat all forms of discrimination and exploitation, and promote work-life balance.



Health and safety

We adopt preventive measures and management systems to minimise workplace risks, promoting a shared safety culture.



Training and development

We invest in the professional growth of our employees, offering opportunities for further training and skills development.



Inclusion and equal opportunities

We are committed to valuing cultural, gender and generational diversity, promoting an inclusive organisational culture.



Community involvement: We support social initiatives and collaborate with local authorities and organisations to contribute to the sustainable development of the region.

In this Sustainability Report, we report on the initiatives undertaken and the results achieved in the social field, with the aim of ensuring transparency, measurability and continuous improvement of our performance in this crucial area.

Key points of the sustainability policy

Our sustainable approach is concretely expressed through the **policies for the protection and development of Human Capital**, recognising that the active contribution of each individual is essential to the achievement of social sustainability goals.

We have always been committed to ensuring **working conditions that respect personal dignity, human rights and equal opportunities**. The company promotes a **professionalising and participative** working environment in which the value of the individual is recognised and appreciated as an integral part of collective success.

In particular, we ensure that the processes of employee **selection, management and training** are based on objective assessments of professionalism and merit. Prohibiting any form of direct or indirect **discrimination**, based on **gender, language, race, religion, political opinion or personal and social conditions**. This principle is the foundation of an inclusive working environment that respects the rights of each and every individual.

Furthermore, we are committed to **working safely** by taking all necessary measures to ensure compliance with prevention standards and by promoting **safe behaviour**. The safety of our employees and collaborators is a priority, not only in terms of physical integrity, but also in respect of their moral integrity. Consolidating a **safety culture** by raising awareness of risks, developing awareness and encouraging responsible and safe behaviour among all employees and collaborators.

With these initiatives, Radici is committed to building a work environment that not only protects the physical and psychological well-being of its employees, but also promotes the growth and development of professional skills, creating long-term shared value for the entire corporate community.

Material topics and performance indicators

To assess the achievement of the objectives defined by the Sustainability Policy, Radici uses a series of **qualitative and quantitative indicators**, periodically updated, which allow the company's performance to be measured objectively and transparently.

The material topics that were highlighted following the double materiality analysis are as follows:

S1
Work-life balance

S1
Measures against violence and harassment in the workplace

S1
Health and safety

S1
Safe employment and working hours

Key indicators for social and personnel topics include:

- Occupational injury and illness rates;
- Hours of training provided per employee;

S1 – Own workforce

The workforce is the beating heart of any organisation and the main driver of growth and innovation. Taking care of people means ensuring decent, safe and inclusive working conditions, while enhancing individual skills and talents. Monitoring data on employment, contractual stability, turnover and distribution of staff provides insight into the trends and characteristics of the workforce.

These indicators are crucial for measuring the degree of attractiveness and social sustainability, as well as for guiding human capital development strategies. Through these metrics, the desire to build a working environment that is fair, participative and capable of stimulating everyone's professional growth is made transparent.

IROs (Impacts Risks and Opportunities)

Our policies, procedures and processes form the basis of our actions to prevent potential negative impacts and promote positive outcomes. These frameworks help us identify and implement actions to address potential negative and positive impacts on our workforce. Our goal is to ensure that our practices do not cause or contribute to significant negative impacts on our workforce as we continually work to address and mitigate diversity and equality risks.

Topics	Positive impacts	Opportunities	Negative impacts	Risks
S1 Own workforce	<ul style="list-style-type: none"> • Healthy and balanced work environment • Work flexibility • Safety at work 	<ul style="list-style-type: none"> • Greater retention • Quality of work • Increased work performance 	<ul style="list-style-type: none"> • Loss of confidence in the company • Employees not valued • H&S measures not applied • Lack of supervision of suppliers 	<ul style="list-style-type: none"> • Turnover • Legal consequences • Exclusion of unsuitable suppliers



Policies

Anchored in the organisational values is a constant commitment to respect and protect the human and working rights of the workforce. The policies adopted - from the code of ethics to the integrated health and safety policy, from second-level supplementary plans to the correct application of the relevant Italian National Collective Bargaining Agreement (CCNL) - address in a structured manner the most relevant topics that can have an impact on people. Taken together, these tools represent dedication to translating Values into concrete practices.

The aim is to ensure that each policy is aligned to internationally recognised standards, reflecting a commitment to creating a safe, inclusive and fair workplace. This upholds the highest ethical principles and promotes a culture based on respect and dignity for all. To address the potential impacts on our workforce, we implemented several key policies. Our Code of Ethics explicitly addresses topics such as human trafficking, forced labour, compulsory labour and child labour.

We maintain a management system for the prevention of accidents at work, ensuring the safety and well-being of employees.

Target

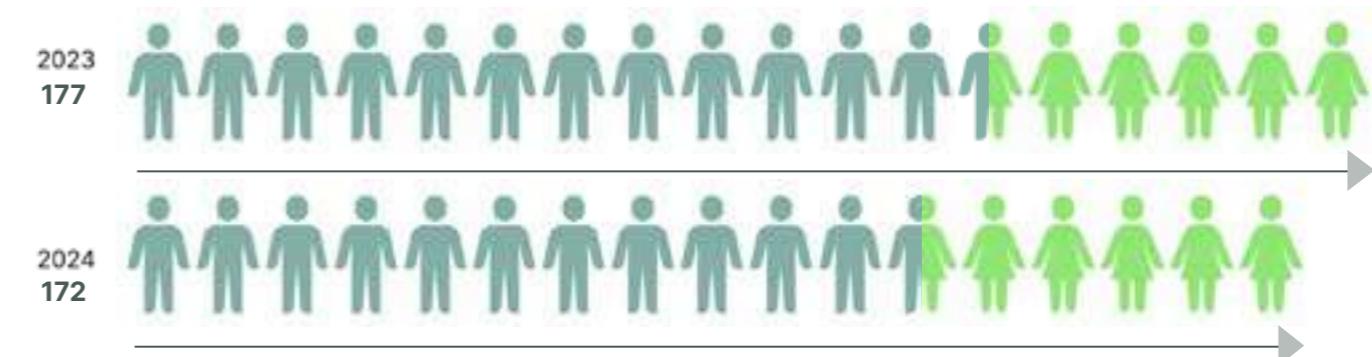
We have not set specific targets but actions to improve the business climate as we continuously evaluate our initiatives and their impact at appropriate management levels as part of our business conduct. Our established processes are anchored in the functions that have day-to-day responsibility for ensuring adherence to our policies, as well as our ongoing engagement channels and channels for raising concerns. This decision reflects our commitment to a strategic focus and sector-specific priorities.

Below are some actions defined by the organisation to better monitor specific KPIs in the future:

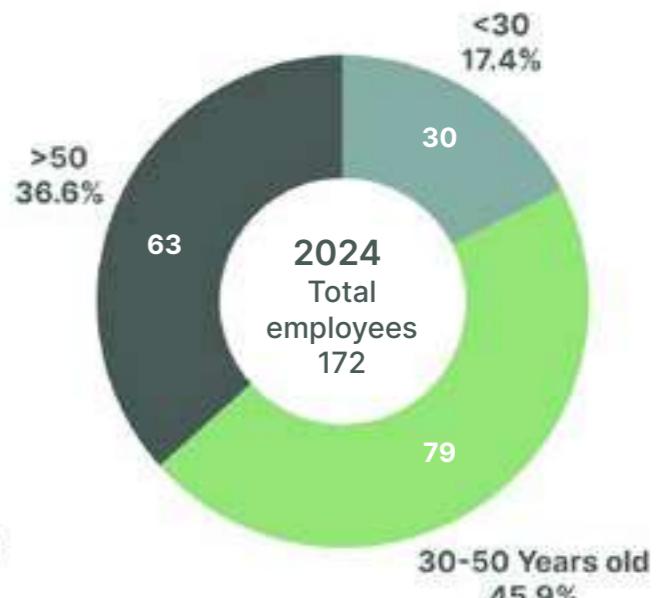
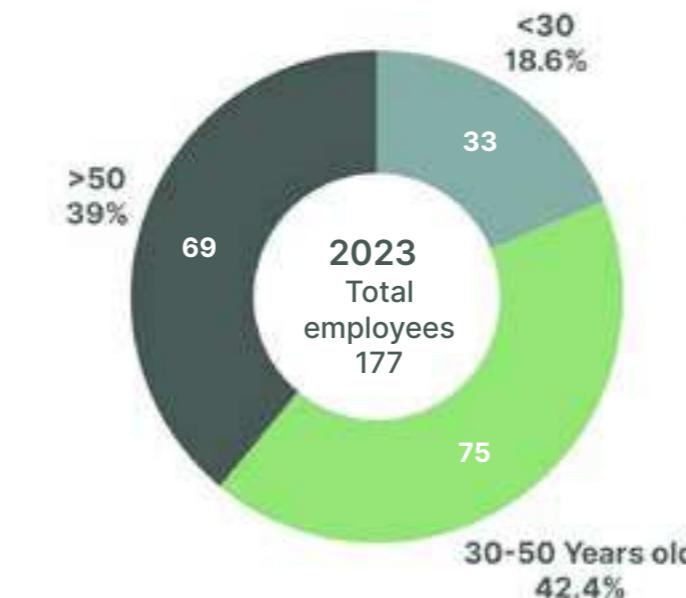
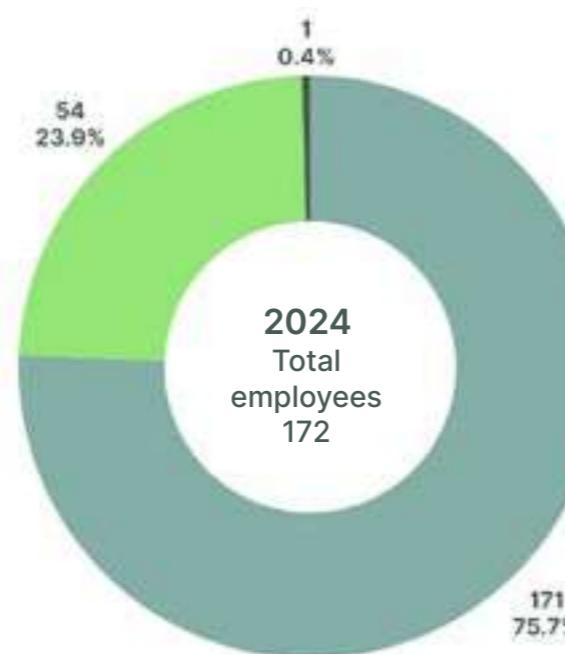
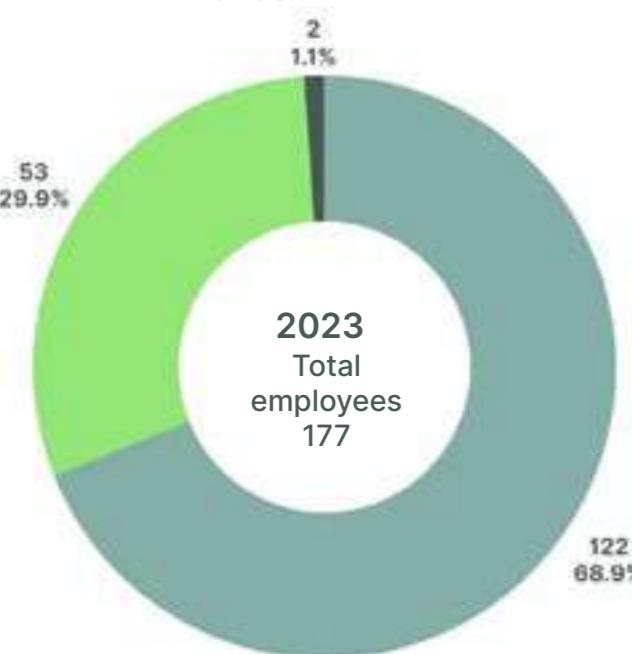
Time frame & description of key contents	Objective
31/06/2025 Welfare platform	Effective from March 2025, with an amount provided for by the CCNL of €200 and an additional supplement of €600 per year.
31/06/2025 Introduction of a supplementary health insurance package	Activated for 2025 (from July 2025) and reconfirmed through 2026
31/06/2025 Increase in the life insurance quota in the Previmoda pension fund	Activated as from 1 April 2025

Internal workforce

The following analysis illustrates the composition of the internal workforce according to different parameters - gender, contract type, age and company seniority - offering an overall view of the organisation and its evolution over time.

Distribution by gender**Distribution by classification**

Distribution by type of contract



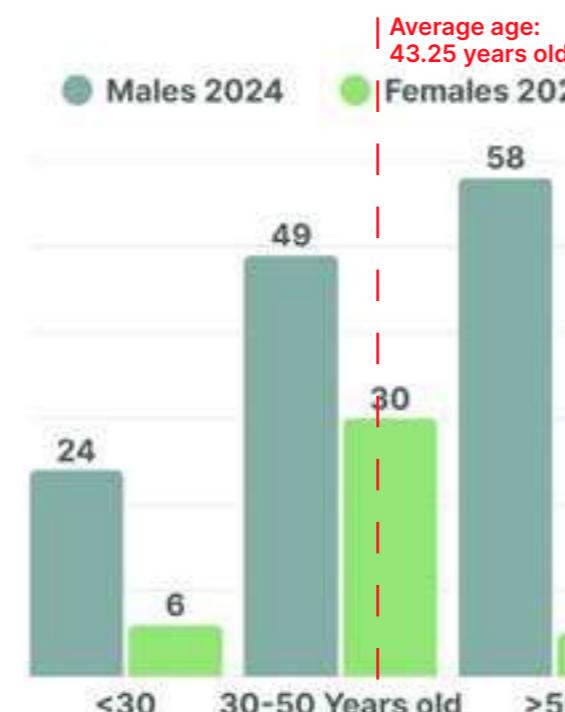
● Male employees on permanent contracts

● Female employees on permanent contracts

● Employees on fixed-term contracts



Distribution by age group



Company turnover

To calculate the employee turnover rate, we consider the number of people who leave the company during the year, either by personal choice or by dismissal or retirement. This value is then related to the average annual number of employees.





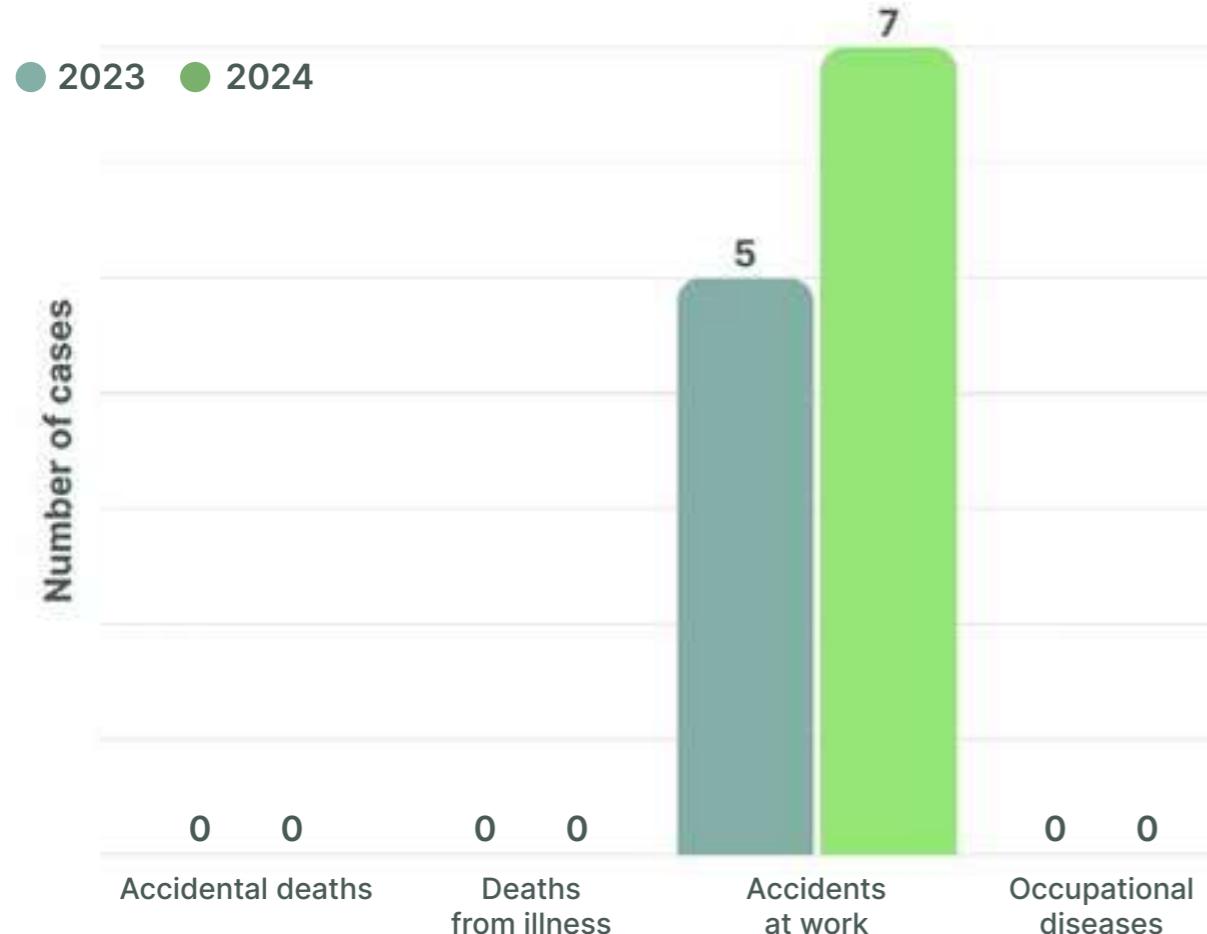
Health and safety

Protecting the health and safety of workers is a fundamental principle of social responsibility and a prerequisite for a sustainable working environment. In addition to compliance with existing regulations, this topic requires a proactive approach, based on risk prevention, continuous training and the promotion of a shared safety culture.

It is essential to adopt appropriate management systems, to constantly monitor accidents, near-misses and occupational diseases, and to implement continuous improvement measures.

Our workplace is not characterised by frequent accidents. While we cannot disclose specific data due to the sensitive nature of the information, the events recorded do not reveal any significant trends or patterns. After each accident, a careful review of the incident is conducted with all those involved in the Health and Safety system, and a document is drawn up recording the corrective actions to be implemented. In addition, brief meetings are held quarterly in the various production areas to monitor working conditions and ensure effective compliance with safety measures.

The measures taken make it possible to assess the effectiveness of the policies and to make the commitment to the well-being and protection of people transparent. Through these practices, it is confirmed that safety and health are central and non-negotiable values.



Number of days lost due to accidents at work

We count the number of days missed, including the first and last full day full day of absence. For calculation purposes, calendar days should be taken into account; consequently, days on which the person concerned is not expected to work (e.g. weekends or holidays) will count as lost days.



In-house projects for people's well-being

People's well-being guides our research. Through in-house research and development projects, we work to create solutions and treatments that, when applied to our products, contribute to improving the quality of life. Each innovation is created with the aim of making environments healthier, more comfortable and sustainable, promoting the well-being of those who live in them every day.

Sports segment

As part of our ongoing search for solutions that improve the safety and quality of our products, we have developed TurfGuard, an innovative treatment for sports turf. Applied directly during the finishing phase, it provides permanent antimicrobial protection over time on the artificial turf.

Analyses conducted at an external, accredited laboratory confirm a 98.32% reduction in the bacterial load on the tested mantle, offering a much safer alternative in terms of hygiene and protection for athletes.



Contract & Residential, Marine segment

We spend more than 90% of our time indoors: indoor air quality is therefore a priority for people's well-being and health. Allergens - such as dust mites, animal hairs or pollen - can cause reactions even in non-atopic subjects, with effects ranging from rhinitis to asthma.

Contrary to popular belief, carpet tiles can help improve air quality by trapping dust and reducing the dispersion of potentially harmful particles. With this in mind, we developed AlleRAD in-house, an innovative treatment designed for our carpet tiles for the residential, contract and marine markets.

AlleRAD is a 100% biobased technology based on natural symbiotic probiotics that can break down up to **99.9% of the most common inanimate allergens** most common inanimate allergens. It acts in a completely natural way, without affecting the breathability, colour or comfort of the product, and retains its effectiveness even after numerous industrial washes, as confirmed by tests conducted by independent laboratories.

Safe for the skin, biodegradable and free of harmful substances, AlleRAD is a concrete response to the growing demand for healthy and sustainable solutions for indoor environments. An innovation that combines research, well-being and environmental responsibility, helping to create healthier, more comfortable and inclusive spaces.

G

Governance and integrity

Transparent, accountable and ethical governance is the basis for our daily work. Consistent with the principles of the VSME standard, we adopt a management system oriented towards legality, risk prevention and integrity of behaviour, both internally and along the value chain. This section explains our organisational model, management and control policies, ethical practices adopted and how we ensure consistency between strategy, values and operations.

Sustainability strategy and governance

For us, integrating sustainability into our corporate strategy represents a concrete commitment to a responsible, sustainable and conscious growth model. In this section, we describe how ESG principles guide our strategic choices, the governance structure adopted to ensure their application, and the involvement of stakeholders in decision-making processes.

Measurement, communication and continuous improvement

ESG performance measurement is crucial to ensure transparency, credibility and progress. In this section we report on the results achieved, the indicators used and the tools employed to monitor our sustainability goals. In addition, we describe how we communicate with stakeholders and our commitment to continuous improvement.



Introduction to governance policies

Corporate governance is the foundation on which a transparent, accountable and long-term oriented management model is built. A sound and well-structured governance structure makes it possible to ensure respect for corporate values, risk control and a balance of stakeholder interests.

In our approach to sustainability, **good governance** is an enabler, guiding strategic decisions and ensuring coherence between economic, environmental and social objectives. Our company adopts an organisational model based on **principles of ethics, legality, transparency and integrity**, promoting a culture of responsibility and respect for rules.

Our governance policies cover several key areas:



Ethics and compliance:

We adopt and disseminate a Code of Ethics that defines the fundamental principles of conduct, and put in place procedures to prevent unlawful behaviour, conflicts of interest and corruption.

Risk management

We promote a proactive approach to risk management, aiming to identify and mitigate ESG (Environmental, Social and Governance) risks that may affect our activities.

Accountability and transparency

We define clear roles and responsibilities within the organisation, ensuring traceability of decisions and transparent performance reporting.

Stakeholder engagement

We adopt mechanisms for listening and dialogue with stakeholders to ensure that our strategies meet the expectations of the social, economic and environmental context in which we operate.

Sustainability in governance

We integrate ESG criteria into decision-making processes and control systems, promoting a holistic approach geared towards sustainable value creation over time.

In this Sustainability Report, we report on our governance practices and our commitment to an increasingly responsible, transparent and effective business model that generates trust and shared value.

Key points of the sustainability policy

Ethics and integrity in managing relations with our stakeholders are the pillars on which our **our way of doing business** is hinged. Maintaining and protecting its reputation is essential for the company to be perceived as an **honest and reliable** partner by all its stakeholders.

In particular, we are committed to **preventing corruption** and promoting an **ethical business environment** through a set of rules of conduct, control tools and procedures that enable us to verify how we conduct our business activities. The aim is to prevent and eliminate any form of unethical or corrupt behaviour.

To ensure compliance with these principles, we adopt and respect **the laws and regulations** of the countries in which we operate, in addition to international conventions on **corruption and illegal practices** and implement effective measures to prevent them.

To this end, we have adopted the following **fundamental tools**:

- Organisation and Management Model pursuant to Italian Legislative Decree no. 231/01
- Code of Ethics

These tools are used to **mitigate operational and reputational risks** and to prevent the offences envisaged by **Italian Legislative Decree no. 231/2001**. The **Code of Ethics** has been drawn up to establish a set of principles of business ethics, with the aim of recommending, promoting or prohibiting certain behaviours, over and above what is required by law.

We do not tolerate any form of **corruption** or **unethical behaviour** and consider this a risk to sustainable **economic development, good governance and sound business practices**.

The Company adopts a **governance system** oriented towards the control of business risks, transparency towards the market and **the safeguarding of the interests** of all stakeholders. This approach allows a balance to be maintained between the company's objectives and the expectations of its stakeholders, ensuring consistent and responsible action.



Material topics and performance indicators

To assess the achievement of the objectives defined by the Sustainability Policy, we use a series of **qualitative and quantitative indicators**, periodically updated, which allow the company's performance to be measured objectively and transparently.

The **material topics** that were highlighted following the double materiality analysis are as follows:

- Business conduct: corporate culture, whistleblowing, supply chain relationship management (G1)

The **main indicators for Governance and compliance** topics include:

- Cases of non-compliance or ethical violations detected;
- Awareness-raising and anti-corruption measures implemented.

Material governance topics



Topics	Positive impacts	Opportunities	Negative impacts	Risks
G1 Business conduct	<ul style="list-style-type: none"> • Greater stakeholder confidence and transparency • Communication of CSR policies • Creation of a solid and controlled supply chain 	<ul style="list-style-type: none"> • Increase in corporate value and its supply chain • Increase in corporate value and business solidity 	<ul style="list-style-type: none"> • Loss of company credibility • Legal issues • Failure to manage, evaluate and control its supply chain 	<ul style="list-style-type: none"> • Internal turnover and loss of market share due to loss of credibility • Decline in product quality due to mismanagement of the supply chain

Ethics and corporate responsibility

Ethical and responsible business conduct is the basis for building relationships of trust with all stakeholders and for ensuring the long-term sustainability of the organisation.

Business conduct means operating in full compliance with laws, regulations and principles of integrity, countering all forms of corruption, fraud or misconduct. For companies, this implies adopting codes of ethics, control procedures and governance systems that prevent non-compliance risks and promote transparency in decision-making.

Monitoring KPIs in this area makes it possible to assess the effectiveness of the policies adopted, the dissemination of the ethical culture and adherence to good governance standards. Through these indicators, the company demonstrates its commitment to operating responsibly, credibly and fairly towards all stakeholders.



Business conduct policies and corporate culture

We have devised, adopted and disseminated a series of policies that aim to promote a corporate culture of responsible business conduct throughout our organisation.

At the heart of this corporate culture are our Code of Ethics and Model 231, which prescribe compliance with applicable legislation and describe the ethical standards and values we are committed to upholding and encouraging. The consolidated nature of these two instruments reflects our approach to achieving effective policy integration, namely conciseness, transparency and accessibility.

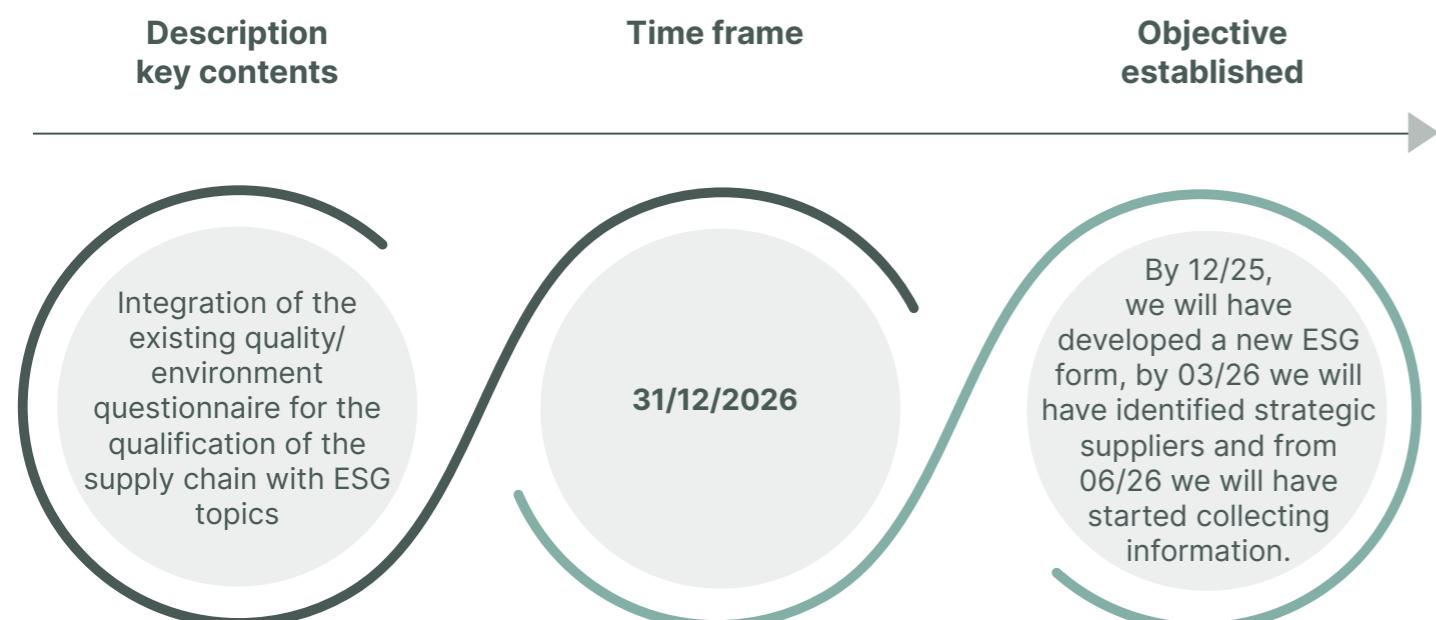
Anyone who becomes aware of potential or actual violations of the Code of Ethics or other policies is encouraged to report it through one of the various channels available, quarterly reports on implementation and effectiveness according to Model 231 and the dedicated whistleblowing channel. The whistleblowing channel can be used to report violations of EU law within the scope of the Whistleblower Directive, as well as other reports concerning serious crimes or other serious issues, such as corruption and bribery, fraud, sexual harassment, public procurement, environmental protection, etc.

Supply chain management

Sustainable supply chain management is an essential element in ensuring that the principles of social and environmental responsibility are respected throughout the entire production cycle. Companies have a duty to select and monitor their suppliers not only on the basis of quality and efficiency criteria, but also by assessing ethical, environmental and human rights aspects.

A responsible approach to the supply chain reduces the risks associated with non-compliant practices, promotes high standards and fosters collaboration based on trust and transparency. Monitoring KPIs in this area, such as supplier ESG assessments, audits and improvement initiatives, makes it possible to highlight the commitments made and the progress achieved. Through these indicators, the company demonstrates its active role in spreading sustainable practices throughout the supply chain, helping to create shared value.

Actions



Payment practices

Our procurement processes are based on a standard practice of compliance with the specific payment terms issued by each individual supplier, and payments to suppliers must be made in accordance with the original and agreed terms of the contract.

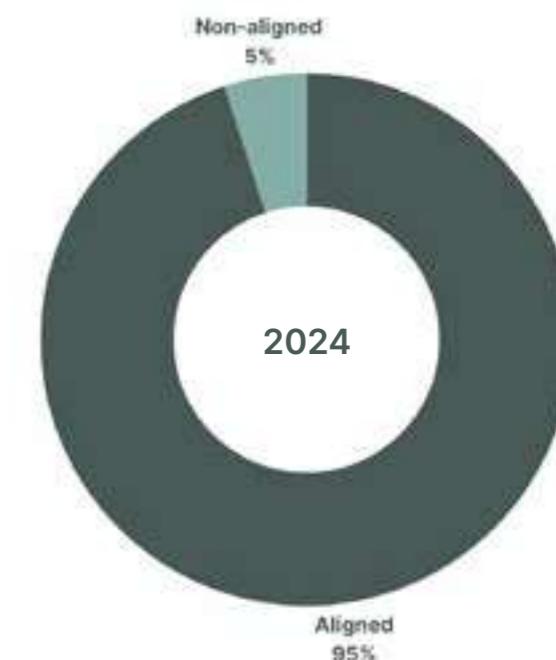
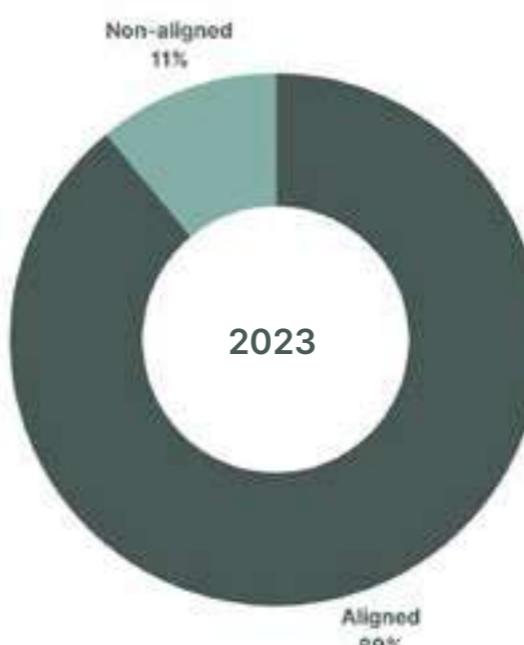
In any case, or in circumstances where the payment terms are not determined by the supplier or otherwise codified in any other way, *Radici's standard contractual payment terms provide for an average payment of 80 days to suppliers of raw materials and products, which constitutes about 70% of its annual invoices* in terms of value.

For services received, the average expected payment is 60 days from receipt of the invoice, which represents about 31% of its annual invoices. While we treat all suppliers equally in this way, we recognise the importance of ensuring the prevention of late payments to small and medium-sized enterprises (SMEs), in particular by encouraging open communication and transparency in terms of payment terms and practices.

Average number of days for payment of the invoice from the date on which the calculation of the contractual or legal payment term begins.



Percentage of payments aligned with standard payment terms.



The calculation of this data is based on the supplier ageing as at 31/12 of each year, determining the percentage of overdue payments with respect to the total exposure.

Time-line of ESG objectives

A journey along our environmental, social and governance goals and targets. From today's actions to the goals that will guide Radici's sustainable growth in the coming years.



	2025	2026	2027
<div style="display: flex; justify-content: space-around; align-items: center;"> <div style="text-align: center;"> <p>E1</p> <p>Climate change</p> </div> <div style="text-align: center;"> <p>E2</p> <p>Air, water and soil pollution</p> </div> <div style="text-align: center;"> <p>E3</p> <p>Water consumption, withdrawal and discharge</p> </div> <div style="text-align: center;"> <p>E5</p> <p>Circular economy, resource inflows</p> </div> <div style="text-align: center;"> <p>E2</p> <p>Microplastics</p> </div> <div style="text-align: center;"> <p>E5</p> <p>Waste</p> </div> </div>	<p>Integration of the environmental policy By the end of the year we will integrate the environmental policy with microplastics and waste topics</p> <p>Possible LCA study on both carpet and grass Two pilot projects will be completed by 31/12/2025, one per division.</p> <p>Energy release Participation in the Energy Release 2.0 aggregation scheme to obtain energy at a capped price, with a commitment to develop new renewable plants to feed energy back into the system</p>	<p>R&D waste management study Reuse of finished materials such as carpets and self-recycled felt (second life) for flooring or flooring accessories with the launch of a material recovery project; volumes cannot yet be estimated.</p> <p>Roof renovations At present, a total of 10,100 square metres of roofs are currently to be reclaimed: the first 4,300 square metres are scheduled to be completed by 31/12/2025.</p> <p>Dyeing dryer Decrease in energy consumption by around 15%. The machine will be installed by March '26 and industrial production planned in the following months.</p> <p>Possible LCA study on both carpet and grass In addition to the two pilot projects that will be completed at the end of 2025, a further 8 total projects are planned, divided between the production of synthetic grass and carpet.</p> <p>Boiler efficiency Complete revamping of the heating system, with replacement of boilers and installation of 11 heat pumps, for an estimated energy saving of 2,300 tonnes of CO₂ less per year.</p>	<p>Fluorine-free studies (without an explicit ban on use) 1-day production test with the aim of achieving level (W03). By 31/12/2027 all products must be fluorine-free.</p> <p>Roof renovations Completion of the roofing work will continue until the remaining square metres are restored, with completion scheduled by 30/06/2027.</p>
<div style="display: flex; justify-content: space-around; align-items: center;"> <div style="text-align: center;"> <p>S1</p> <p>Work-life balance</p> </div> <div style="text-align: center;"> <p>S1</p> <p>Measures against violence and harassment in the workplace</p> </div> <div style="text-align: center;"> <p>S1</p> <p>Safe employment and working hours</p> </div> <div style="text-align: center;"> <p>S1</p> <p>Health and safety</p> </div> </div>	<p>Welfare platform Effective from March 2025, with an amount provided for by the CCNL of €200 and an additional supplement of €600 per year.</p> <p>Introduction of a supplementary health insurance package activated for 2025 and reconfirmed for the whole of 2026</p> <p>Increase in the life insurance quota Previmoda Pension Fund activated from 01/04/2025</p>		
<div style="display: flex; justify-content: space-around; align-items: center;"> <div style="text-align: center;"> <p>G1</p> <p>Business culture</p> </div> <div style="text-align: center;"> <p>G1</p> <p>Management of relations with the supply chain</p> </div> <div style="text-align: center;"> <p>G1</p> <p>Active and passive corruption</p> </div> </div>		<p>Integration of the existing quality/environment questionnaire for the qualification of the supply chain with ESG topics By 12/25, we will have developed a new ESG form, by 03/26 we will have identified strategic suppliers and from 06/26 we will have started collecting information.</p>	



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