Reflecting our commitment

PAYPER

SUSTAINABILITY REPORT | 2024

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PAYPER

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Letter to the stakeholders

Dear stakeholders,

I am pleased to present the Sustainability Report 2024 which continues the sustainability reporting started in recent years for the Industrial Wear Group. Our efforts have led to a year of growth from all points of view, while determinedly and passionately sharing the search for a common development, in line with the positive values that have guided us since the beginning of our adventure.

The Group has pursued the strategy of strengthening the global structure, supporting growth and investment activities, always in full compliance with the regulations for the protection of workers. In 2024, following what has already been put in hand, we have expanded our product catalogue, strengthened our presence on foreign markets and further improved the perception of the Payper brand, obtaining significant results and demonstrating that our growth strategy is a winning one.

From an economic-financial point of view, the 2024 management has been largely positive thanks to the policies implemented by the Company which has optimised its management also in response to international geopolitical instability.

In 2024, the integration of sustainability within the Group has become even more deeply rooted, following a development path that has seen numerous in-depth studies in the ESG field and the achievement of concrete results as evidence of the commitments made. The definition of a Group Sustainability Plan continues through a process started in 2022 that has led to identifying the strategic priorities and that defines the operational objectives in line with some Sustainable Development Goals (SDGs) of the UN 2030 Agenda, identifying specific actions to achieve these objectives.

One of the most important aspects for the sustainability of our organisation is the responsible and sustainable management of our supply chain where most of the economic, environmental and social impacts are concentrated. For this reason, we have quantified the indirect Scope 3 emissions that we are increasingly deepening, and which helps us to be more aware of the environmental impact along the entire value chain.

For several years we have been a part of the Better Cotton initiative, one of the main references in terms of responsible farming and processing practices of our suppliers, dedicating specific clothing lines that use organic cotton in order to ensure sustainable farming practices. From November 2024, we have obtained the OCS (Organic Content Standard) and RCS (Recycled Claim Standard) certifications, two international standards that respectively guarantee the use of organic textiles and the criteria for the certification of textile products made with recycled materials.
In 2024, we implemented the use of packaging that only takes into consideration FSC® certified paper, with the aim of achieving a quota of 100% certified paper for packaging all our products. This demonstrates our commitment towards creating increasingly state-of-the-art and sustainable products, capable of reducing the associated environmental and social impacts.

In the area of social responsibility, we have proudly renewed the SA 8000 certification and the UNI/PDR 125:2022 certification on the management system for gender equality. We are aware that the presence of people belonging to different genders and, in a broader sense, different cultures, enriches our professional and human environment overall.

From 2024, in order to also improve the management and well-being of our people, we have introduced a figure entirely dedicated to human resources. We are also proceeding with defining an integrated management system, supported by a dedicated group that, across the roles provided for by the individual functions, will have the task of coordinating jointly as concerns the requirements of the various product and process certifications.

With the awareness of having achieved important goals, but also with the full mindfulness of the challenges that await us in the coming years, we submit this document.

Andrea Valentini
Chairman of the Board of Directors

Our highlights

Product

Certifications

GOTS and **OCS**
for organic textiles

GRS and **RCS**
for recycled materials

Official member of
Better Cotton

Implementation of the
product catalogue:

HORECA,
HeadWear and **Bags**
lines launched in 2024

Environment

Certification
UNI EN ISO 14001:2015
for the management system

41%
of the energy used
from renewable sources
in 2024

Update of
SCOPE 3
emissions on the value chain during 2024

68%
of waste destined for
recovery operations
(such as recycling or reuse)
in 2024

Transparency

100%
of new suppliers acquired subjected to **environmental and social assessment**

57%
of suppliers certified according to the **AMFORI BSCI** system in 2024

73%
of suppliers certified according to the **FSC® Standard** (Forest Stewardship Council) in 2024

People

Certifications

SA 8000:2014
for social responsibility

UNI/PDR 125:2022
for gender equality

UNI EN ISO 45001:2018
for the occupational health and safety management system

240
employees as at 31 December 2024, of whom **13% under 30 years of age** and **53% female and with an average age between 30 and 50 years**.
83% of employees has an **open-ended contract**.

Economy

165
million euro
the sales revenues in 2024

167.7
million euro
the economic value generated in 2024

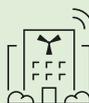**151**
million euro
the economic value distributed in 2024

01

The world of Payper

Modern headquarters
- plants for producing renewable energy
- large showroom
- automated warehouse

Italian R&D Office:
more than 50 new creations every year

Over 2,000 catalogue items
qualified by registered designs and numerous certifications

Distribution on the main
European markets

01

A story made of dreams

Our story begins with an idea from the Valentini family. Inspired by the exemplary life of a rescue pilot friend, we decided to dedicate ourselves to creating **work and corporate clothing**.

Our goal was clear: to design garments that not only facilitate movement, but also offer protection and refined aesthetics, typical of the Italian style.
Over time, our passion and dedication have led us to grow and specialise and in **2003**, we created **Industrial Wear** and the **Payper brand**, marking an important step in our journey.

Our **experience** and our **attention to detail** allow us to meet the needs of our customers, offering **professional clothing solutions** that reflect our commitment to excellence. Today Payper is an ever-expanding brand in the **main European markets** with a catalogue that is increasingly suited to all market needs.

The products, marketed under the **Payper** brand but also as **Gionny Wings**, are developed with meticulous attention to functionality, quality, aesthetics and refinement, combining high quality standards with an excellent quality-price ratio. Our business model is based on **creating and producing our own-brand garments**, with a constant focus on quality.

This commitment translates into **continuous research and development**, close **collaboration with selected suppliers** and **strict quality controls**, carried out directly by our technical staff in various locations around the world. Thus, we ensure that each garment meets the highest **quality and aesthetic standards**, in compliance with technical certifications.

One of our key activities is the constant expansion of the range of products offered. This objective is pursued both by developing **new items within existing product categories**, and **by innovating to explore new market segments**. This approach has allowed us to create, expand and consolidate a wide range of products over time, which are now recognised as **points of reference in the corporate and workwear market**.

From the dream of a child who becomes a rescue pilot, the inspiration of a company and a brand with an international reach.

Within the horizon of continuous improvement, the dream of creating high-performance garments, with the aesthetic attention typical of the Italian style, flies high.
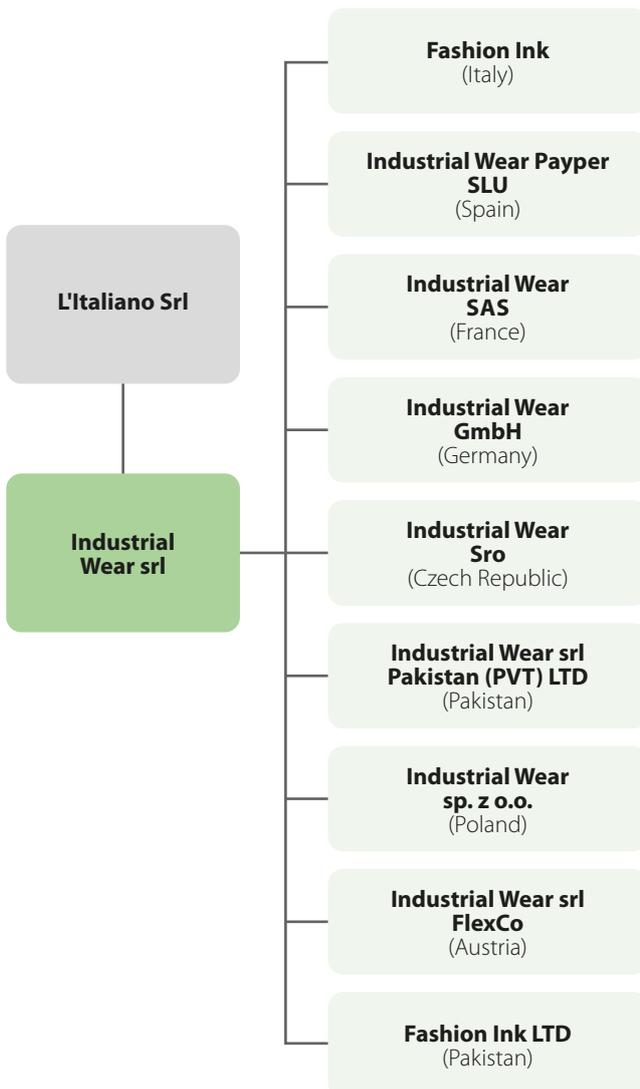
01

The Group and Governance

The Industrial Wear Group was born in 2003 as a company founded by the Valentini family which entirely controls the company through the Holding l'Italiano Srl, whose shares are held by the family itself.

The parent company Industrial Wear Srl **owns 100% of all the subsidiaries** and maintains commercial relations with the parent company L'Italiano Srl with reference to the properties located in Italy where the Group carries out its activities.

L'Italiano Srl is in fact the owner of the **entire production-logistics complex** located in **Fiumana di Predappio (FC)**, home to the **Headquarters,** and of various commercial properties in Vecchiazzano (FC) where there are **other warehouses** used for storing goods and for the **Fashion Ink Srl** screen printing and embroidery; it also has a site in **Barletta** (BAT) where the prototyping activity for the **Footwear** segment takes place.

Our organisational structure

```
                    ┌─────────────────────────────┐
                    │  Fashion Ink                │
                    │  (Italy)                    │
                    └─────────────────────────────┘
                    ┌─────────────────────────────┐
                    │  Industrial Wear Payper      │
                    │  SLU                         │
                    │  (Spain)                     │
                    └─────────────────────────────┘
                    ┌─────────────────────────────┐
                    │  Industrial Wear             │
                    │  SAS                         │
                    │  (France)                   │
                    └─────────────────────────────┘
┌──────────────┐    ┌─────────────────────────────┐
│ L'Italiano   │    │  Industrial Wear             │
│ Srl          │    │  GmbH                        │
└──────────────┘    │  (Germany)                  │
                    └─────────────────────────────┘
                    ┌─────────────────────────────┐
                    │  Industrial Wear             │
                    │  Sro                         │
                    │  (Czech Republic)            │
                    └─────────────────────────────┘
┌──────────────┐    ┌─────────────────────────────┐
│ Industrial   │    │  Industrial Wear srl         │
│ Wear srl     │    │  Pakistan (PVT) LTD          │
└──────────────┘    │  (Pakistan)                 │
                    └─────────────────────────────┘
                    ┌─────────────────────────────┐
                    │  Industrial Wear             │
                    │  sp. z o.o.                  │
                    │  (Poland)                   │
                    └─────────────────────────────┘
                    ┌─────────────────────────────┐
                    │  Industrial Wear srl         │
                    │  FlexCo                      │
                    │  (Austria)                  │
                    └─────────────────────────────┘
                    ┌─────────────────────────────┐
                    │  Fashion Ink LTD             │
                    │  (Pakistan)                 │
                    └─────────────────────────────┘
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Our headquarters in Fiumana di Predappio (FC) is equipped with a photovoltaic panel system and powered by electricity entirely from renewable sources.

The list of entities included in the reporting of the financial statements is the same as the list of those included in this sustainability report. **The Company does not hold any treasury quotas** or quotas in parent companies, whether directly or via trust companies or other intermediaries.

The **Branch Companies** in China and Bangladesh are not present in the organisational chart. These companies are responsible for quality control in the main areas of origin of the Group's suppliers and, in addition to the **production monitoring function** which takes place at the end of each batch produced by the suppliers, also have that of **coordination** and **production organisation** of the various factories.

The current **administrative body** is made up of Valentini Andrea (Chairman of the Board of Directors), Valentini Verter (Vice Chairman and founder of the Company), Valentini Emanuele and Valentini Stefano (Directors).

He was **elected in 2020** and will remain **in office until the approval of the Financial Statements as at 31 December 2026**, which envisages updating the positions of the Board of Directors.

The distribution by age is broken down as follows: 75% between 30-50 years old, 25% over 50 years old. To date, the Group's governance does not include internal board committees and internal self-assessment processes within the Board.

The showroom is part of the headquarters with a vast range of products that can be viewed.

*Flexibility
and control:
our organisational
structure allows us
to best manage the
various companies,
thanks also to
on-site dedicated
figures.*

Through periodic meetings, the Board of Directors elects the Chairman and appoints the Managing Directors, who are granted all the powers of ordinary administration.

The Chairman of the highest governing body, due to the corporate nature and to the role held, carries out managerial functions within the organisation, exercising direct control over the Group companies; no possible conflicts of interest are reported in this regard.

Among the **subsidiaries**, Fashion Ink Srl is also subject to management and coordination by Industrial Wear Srl. Industrial Wear SAS (France) and Industrial Wear Payper SLU (Spain) have a Board of Directors made up of 2 members of the parent company (the Chairman of the Board of Directors of the parent company and the Group Sales Manager) and of 2 locally present people, i.e. the Chief Financial Officer (CFO) and the Branch Sales Manager.

Due to its corporate nature, Industrial Wear GMBH (Germany) does not have a Board of Directors; its management is entrusted

simultaneously to the Chairman of the Board of Directors of the parent company, to the Group's Sales Director and to the Sales Director of the branch.

The subsidiaries are autonomous but require approval of the financial statements through the assembly of designated shareholders who are also consulted for any extraordinary decisions. For Industrial Wear Sro (Czech Republic), Industrial Wear Poland and Industrial Wear FlexCo Austria, local boards have not yet been formalised, but the companies are in fact autonomous in managing the business thanks to on-site salespeople and to an administrative and sales department once again managed by local people.

The **Parent Company is responsible for managing the company processes**, including the managerial, administrative, production and expansion strategy ones. There is also a continuous involvement of the **Finance**, **Controlling and Legal** departments, whose objective is to ensure the transmission of accurate information to monitor the most important areas.

| Name and surname	Position	Executive	Non-Executive	Independent	Other relevant positions
Andrea Valentini	Chairman of the Board of Directors	✓			0
Verter Valentini	Vice Chairman of the Board of Directors	✓			0
Emanuele Valentini	Director	✓			0
Stefano Valentini	Director	✓			0

01

Our headquarters is home to the high-tech automated production-logistics complex.
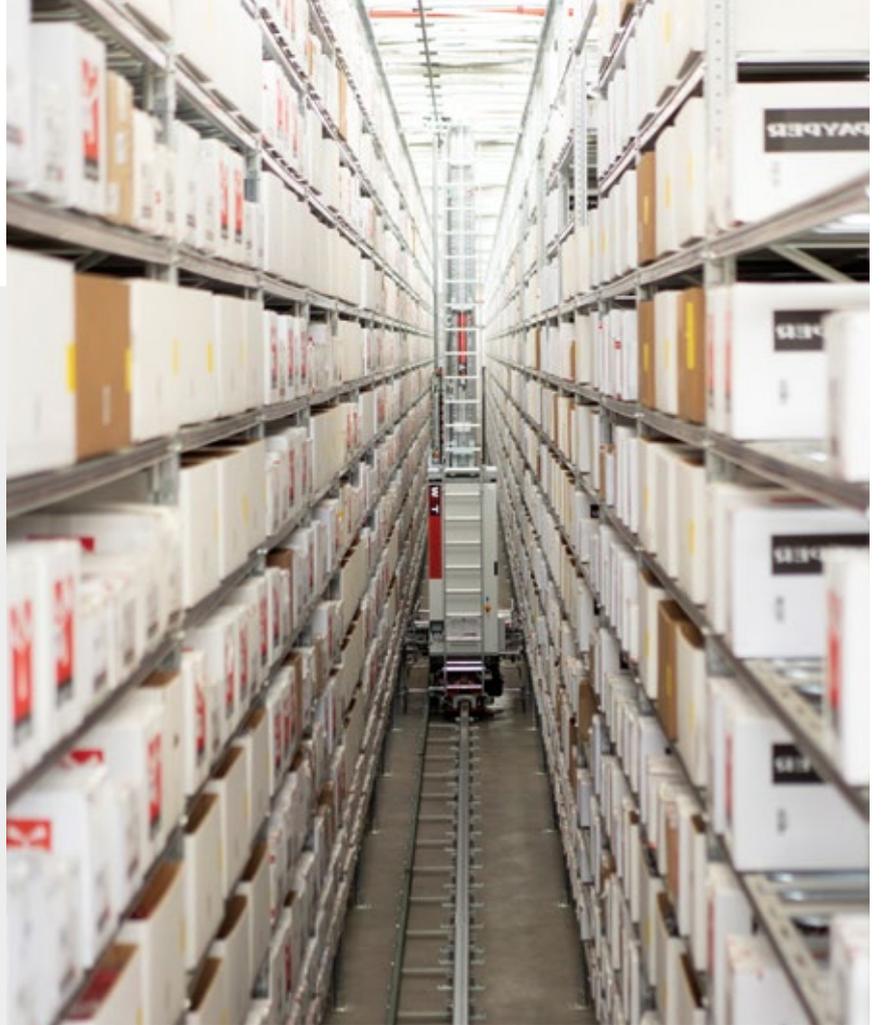
V
The warehouse is equipped with latest-generation robotic systems, integrated with the order management system.
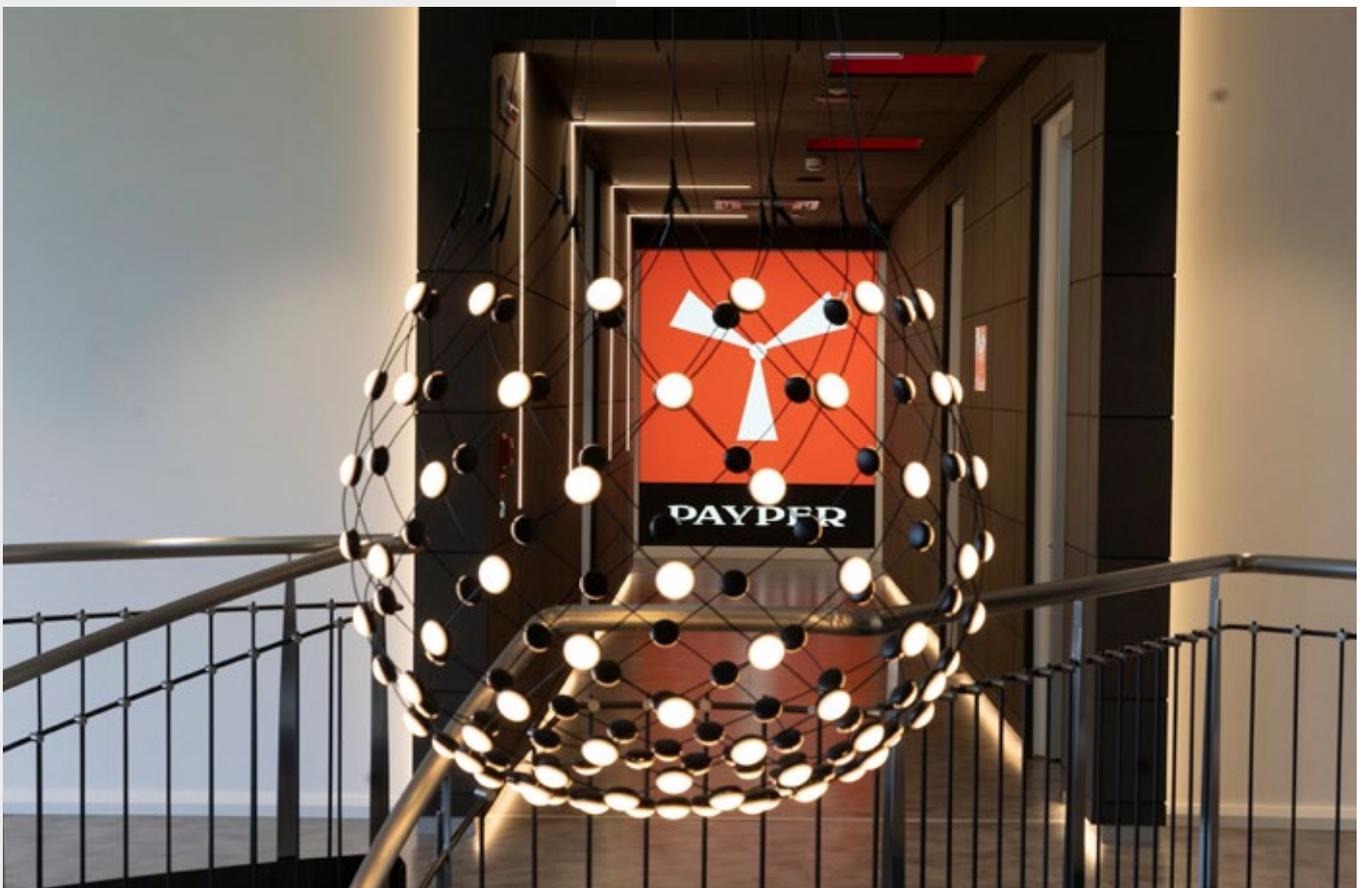
The **remuneration** of the directors of the parent company is established by specific resolutions and is approved by the Shareholders' Meeting. All company executives also have a fixed remuneration and a variable portion linked to the achievement of specific objectives.

The **Board of Statutory Auditors** is responsible for monitoring the legality of corporate transactions and for supervising compliance with legal and statutory regulations. Furthermore, it is responsible for assessing the adequacy and the operation of the organisational, administrative and accounting structures of the Company.

The corporate organisation chart, **updated in November 2024**, includes, in addition to the General Management, the transversal departments of Finance, Information Technology, Legal & Compliance and Product R&D.

Furthermore, some departments, such as the Sustainability, Retail and Procurement offices, have been included within the General Management staff.

The departments assigned to Logistics operations are instead made up of the inbound Logistics, Storage & Picking and outbound Logistics departments, while the departments assigned to the Marketing & Sales activities are represented by Communication and Marketing, Sales, Customer Service and Product Customisation.

We have always been committed to integrating attention towards sustainability into our organisation, for a conscious and responsible development path.

THE GOVERNANCE OF THE INDUSTRIAL WEAR GROUP						
Company	**Industrial Wear S.r.l. share**	**Composition of the Board of Directors of the parent company and of its subsidiaries**				
Industrial Wear srl	100%	Chm	Vice Chm	Dir.	/	/
Fashion Ink Srl	100%	SD	/	/	/	/
Industrial Wear Payper SLU (Spain)	100%	Chm	/	/	Sales M.	Loc. CFO Local M.
Industrial Wear SAS (France)	100%	Chm	/	/	Sales M.	Loc. CFO Local M.
Industrial Wear GMBH (Germany)[1]	100%	Chm	/	/	Sales M.	Local M.
Industrial Wear SRO (Czech Republic)	100%	SD	/	/	/	/
Industrial Wear (PVT) LTD (Pakistan)	100%	SD	/	/	/	/
Industrial Wear sp. z.o.o. (Poland)	100%	SD	/	/	/	/
Industrial Wear FlexCo (Austria)	100%	SD	/	/	/	/
Fashion Ink LTD (Pakistan)	67%	SD	/	/	/	/

Legend: Chm = Chairman of the Board; V. Chm = Vice Chairman; Dir. = Directors; Sales M = Group Sales Manager; Local M. = Local Sales Manager; Loc. CFO = Local Chief Financial Officer, SD = Sole Director.

[1] *Due to its corporate nature, a Board of Directors is not envisaged.*

Industrial Wear in the world

Germany

Industrial Wear GmbH - Mülheim an der Ruhr (DE)
A company founded in 2020, today it covers the entire German and Austrian territory.

Denmark

Industrial Wear Denmark
Founded in 2023 to expand the Northern European market.

Poland

Industrial Wear sp. z o.o. - Warsaw (PL)
Launched in 2023 with the aim of expanding the Group's positioning on the European market.

Czech Republic

Industrial Wear s.r.o.
Prague (CZ)
Having joined the Group in March 2021, it oversees the areas of the Czech Republic, Slovakia and Hungary.

Austria

Industrial Wear FlexCo
Austria (AT)
Joined the Group in 2024 with a view to expanding the Group's positioning.

Spain

Industrial Wear Payper S.L.U
Sant Cugat - Barcellona (ES)
Founded in 2017, it was the first group company based abroad.

France

Industrial Wear SAS - Levallois-Perret (FR)
Active since 2020, the branch covers the entire French and Belgian territory.

Italy

Industrial Wear Srl
Fiumana di Predappio (FC)
Fashion Ink Srl - Forlì (FC)

The Transit Points

Logistics warehouses in Italy

The logistics warehouses in **Bologna**, **Rivalta Scrivia** (AL), **Bertinoro** and **Ravenna** support our activities and, with the aim of making order management increasingly efficient, the "**Logistics Planning**" office was created in 2024 to control and plan logistics flows.

The new logistics warehouse in Tarragona (ES)

In 2024, the new logistics office in Tarragona (Spain) was also inaugurated. This is responsible for **distributing orders in Spain**, **France**, **Portugal and Belgium**. We expect that the sales made by the Spanish headquarters will be completely managed by the local warehouse from 2025, thus ensuring a more efficient management and the possibility of receiving goods both from Italy and directly from the producing countries.

From 2024, logistics flows are planned and controlled by a new dedicated office.

Our results

The **economic value directly generated** in 2024 is **167.7 million euro** (145 million euro in 2023) of which the **economic value distributed** amounts to **151.4 million** euro (130.7 million euro in 2023).

Most of this value is represented by reclassified **operating costs** for a total of **122.8 million** euro, followed by the remuneration of **personnel** amounting to **13.2 million euro**.

The remuneration of the **Public Administration** amounted to approximately **8.1 million** euro, while the remuneration of the **shareholders** was equal to **3.6 million** euro and that of the **lenders** was equal to approximately **3.400 thousand** euro.
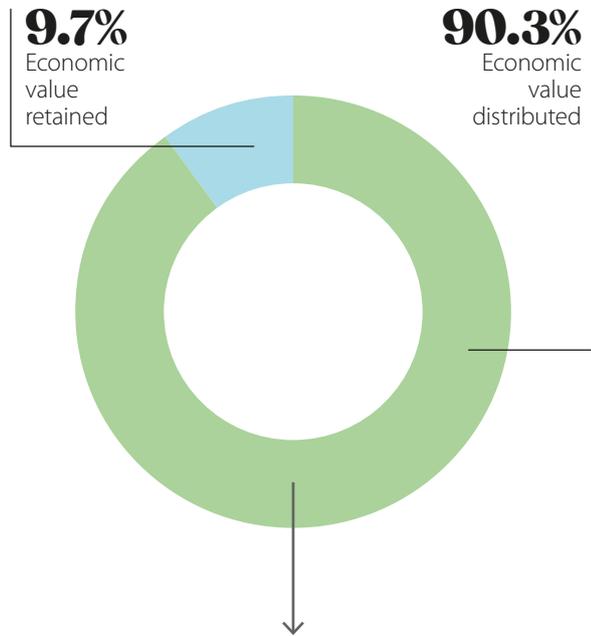The value distributed to the **Community** amounts to **191 thousand** euro.

Finally, the **economic value retained** in the Company in 2024 was approximately **16.3 million** euro.

165 million
euro sales revenues
(+15.5% compared to 2023)

THE ECONOMIC VALUE GENERATED BY THE GROUP

9.7%
Economic value retained

90.3%
Economic value distributed

THE ECONOMIC VALUE DISTRIBUTED BY THE GROUP

2.38%

0.13%

2.26%

5.37%

8.71%

81.15%
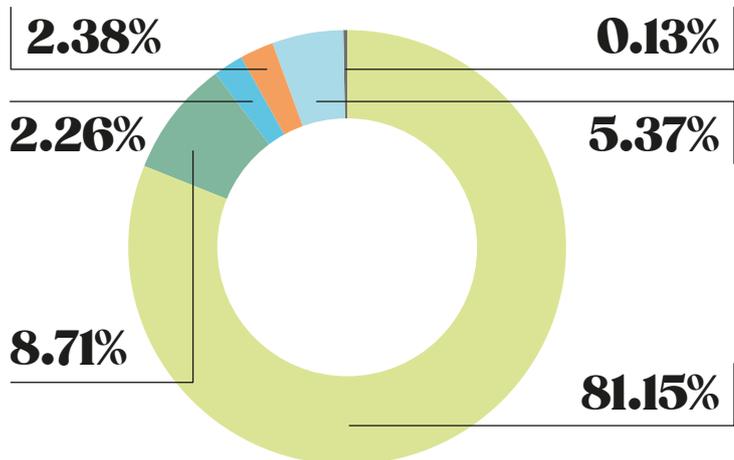
- Value redistributed to Suppliers
- Remuneration of Personnel
- Remuneration of Lenders
- Remuneration of Shareholders
- Remuneration of the Public Administration
- Remuneration of the Community

Our values

DO. TO CREATE.
BE. TO SHARE.
FLY. TO DREAM.

Each of our garments is an expression of our authenticity, a reflection of who we are and what we believe.

Talent, commitment, passion: **this is doing**.
Sensitivity, respect, sharing: **this is being**.
Ideas, projects, dreams: **this is flying**.
These are the distinctive principles that guide our work every day.

With its unmistakable logo, Payper is a brand characterised by charm and freedom; its propeller is filled with our dream of **creating increasingly high-performance clothing**, **safe,** but also **refined** and with a **contemporary style**.

A dream fuelled by our ideas and our passion and achievable thanks to the **determination** and **energy of the people** who make this journey possible. In fact, every resource is necessary **to reach new and challenging heights together**.

With this in mind, we value and support internal professional skills, always ready to find innovative solutions, and we focus on **teamwork**, collaborating synergistically with external partners, so that they share our conscious and responsible business approach.

In our daily work, we are **inspired by the reality** that surrounds us and by the people with whom we interface, from whom we receive a constant impulse and the stimulus to improve day after day, seeking cutting-edge solutions.

Continuous attention to increasingly higher **quality** is our indelible legacy, what makes us recognisable.

Our vision **embraces the entire community**, of which we feel an integral part, to grow and achieve new and important goals together, respecting and valuing everyone.

Ethics and business integrity

The complexity of the company finds in the OMM an important tool for optimal management.

In line with our values, since 2022 we have implemented the **Organisation, Management and Control Model provided for by L. Decree 231/2001** (hereinafter also "OMM").

The OMM is a set of principles, rules, procedures and controls designed to **prevent the commission of predicate offences** based on the assessment and management of the risks present. In line with current legislation, there is a precise **system of disciplinary measures** applicable in the event of breach of the various aspects of the Model.

The Model represents an **essential tool for managing the complexity of the situations in which a company operates**, providing a clear definition of the principles and values that guide its activities.

The Code of Ethics

In line with the adoption of the Organisation, Management and Control Model, we have adopted a Code of Ethics, which is **shared with all employees**, **suppliers**, **customers** and more generally with all the various parties who enter into a relationship collaboration with the Group.

The Code, updated during 2024, represents the "**Charter of fundamental rights and duties**" outlining the corporate principles and values that guide the Group companies in carrying out their activities.
These principles constitute the identity of the company and constantly guide the strategic and political choices within the businesses in which they operate.

We are also committed to a constant effort **to align the governance principles between the parent company and its subsidiaries**.
This occurs by updating the regulations and articles of association in order to ensure coherence and uniformity in the Group's identity.

Each Group Company shares and undertakes to follow the following ethical principles:

- ☑ **Legality**: compliance with the laws and regulations in force.
- ☑ **Equality and impartiality**: fair and non-discriminatory treatment for all.
- ☑ **Transparency**, **correctness and reliability**: transparent, correct and reliable conduct.
- ☑ **Professionalism**: to act with competence and responsibility.
- ☑ **Confidentiality**: protection of confidential information.
- ☑ **Privacy protection**: respect and protection of employee and customer privacy.
- ☑ **Value of human resources**: enhancement and protection of personnel.
- ☑ **Health and safety**: ensuring a safe and healthy working environment.
- ☑ **Respect and protection of the environment**: adoption of sustainable practices for the protection of the environment.
- ☑ **Protection of competition**: compliance with the rules of fair competition.

We undertake to inform and raise the awareness of all employees so that they carry out their duties in accordance with these ethical principles.

We promote a constant predisposition and willingness to continuously improve and ensure compliance with all applicable laws and regulations.

01

To verify that the provisions of the OMM and the Code of Ethics are transparently applied, we have established a **Supervisory Body** (**SB**) within the company which, specifically, performs the following functions.

- ✓ It deals with the **application of the OMM**, ensuring its knowledge is disseminated and that it is complied with and verifies its correct implementation, making use of the competent company departments.

- ✓ It indicates the necessary **updates** in the event of non-compliances or changes in the company organisation.

- ✓ It ensures that all recipients operate **in compliance with the law** and the Code of Ethics.

- ✓ It conducts **internal investigations** in the light of reports regarding possible breaches.

- ✓ **It collects and stores the data and information** deriving from the investigations carried out and promotes specific initiatives and solutions in response to any proposed corrective actions.

In compliance with the provisions of the so-called Operating Procedure "**Whistleblowing**", we have set up a telephone channel and a mailbox in order to allow the flow of reports to the SB anonymously, in order to protect whistleblowers against any form of retaliation, discrimination or penalisation, ensuring the confidentiality of the identity of the whistleblower to then proceed with the appropriate resolution or communication to the Board of Directors.

The OMM and the Code of Ethics are concretely applied thanks also to the Supervisory Body's work of control and updating.

SA 8000

Starting in 2022, we have implemented the SA8000 management system, an international standard on **Social Responsibility** promoted by Social Accountability.

The standard aims to verify the compliance of corporate practices on the following issues.

- Child labour
- Forced and compulsory labour
- Health and Safety
- Freedom of association and right to collective bargaining
- Discrimination
- Disciplinary measures
- Working hours
- Remuneration

The privacy management system

As regards privacy protection, we have adopted a **Privacy Management System** compliant with GDPR 679/2016, supported by the figure of a **Data Protection Officer** - external **DPO**, who periodically checks the regulatory requirements.

This system also includes a specific procedure for the management and control of possible *Data Breach* cases, with a logbook, an analysis sheet of the severity of the incident and a form for the report to the parties involved.

Legality Rating

The **Legality Rating**, issued by the Italian Competition and Market Authority (**AGCM**) in collaboration with the Ministries of the Interior and Justice of the Italian State, certifies compliance with the high standards of legality and the correct management of the business by **Industrial Wear**, which aims to promote ethical values in business activity. The score varies from one to three stars, based on compliance with the requirements.

Our stakeholders and our material topics

In 2024, our work on sustainability saw a **consolidation of ESG topics within our economic**, **environmental and social** performances, allowing us to continue to build a solid and long-lasting path in the company.

The development of the activities, which began in 2021 with the definition of the Group's **stakeholder map** and the identification of the material topics, subsequently continued until 2023 with the creation of a **sustainability office which**, **in 2024**, **became independent**, working closely with the Proprietor

and all the company's strategic assets. Still with a view to strengthening governance in ESG terms, we have created an **internal team that deals with the Company Certification Management System** (ISO9001, ISO14001, ISO45001, SA8000 and UNI/PDR 125:2022).

Throughout 2024, we pursued the objective of **identifying new procedures for monitoring** data and certifications, improving existing processes, and introducing a **sustainable corporate culture**.

Our stakeholders

END USERS

RETAILERS

EMPLOYEES

SUPPLIERS OF GOODS AND SERVICES

CONTROL AND CERTIFICATION BODIES

FINANCIAL INSTITUTIONS

PRODUCER PARTNERS

LOCAL COMMUNITIES
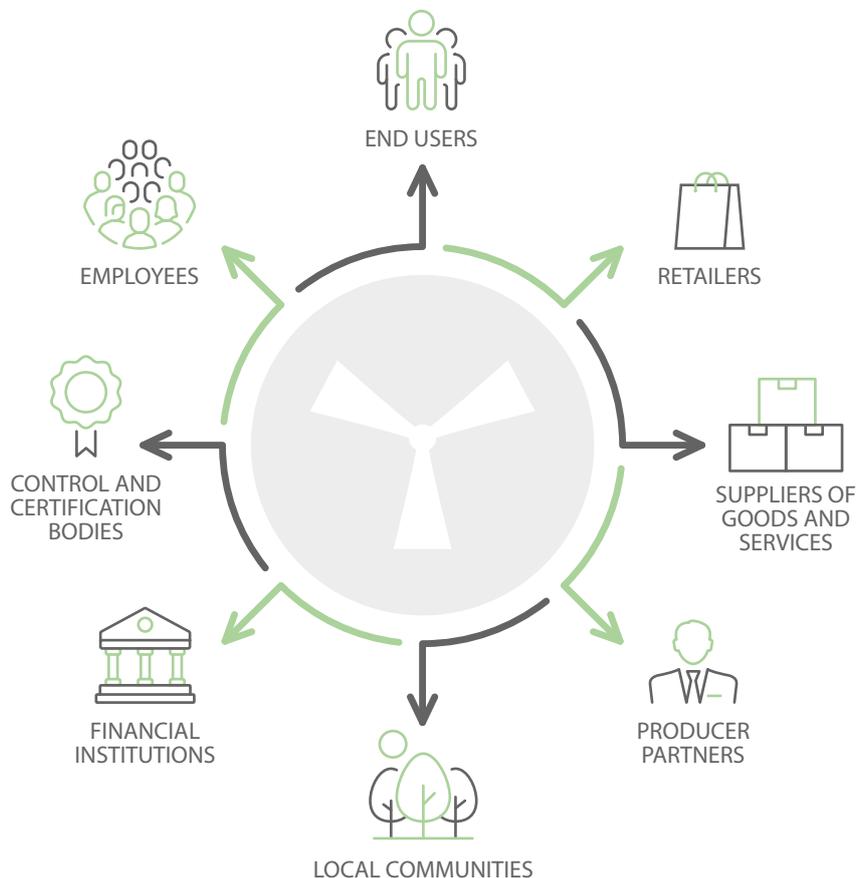
In accordance with the provisions of the GRI Sustainability Reporting Standards, we have used the information deriving from engagement activities with these categories of stakeholders as one of the inputs necessary to identify and assess their impacts on ESG topics. The main ways of communicating and involving each category of stakeholder are summarised below.

CATEGORIES OF STAKEHOLDERS	MAIN DIALOGUE AND INVOLVEMENT INITIATIVES
END USERS	• Paying attention to and managing complaints through the involvement of retailers • Sites of major retailers
RETAILERS	• Daily report of the sales offices and related Group agents • Organised visits to the Group's showroom • Dedicated meetings • Group website
EMPLOYEES	• Training and personnel assessment initiatives • Reporting system (Whistleblowing) • Internal communication channels (Intranet, bulletin boards, etc.)
PRODUCER PARTNERS	• Daily report of the Group Purchasing Offices • Supplier selection activities and performance assessment in terms of quality, cost of service and ethical, social and environmental responsibility criteria • Monitoring activities through external certifying bodies • Periodic meetings and checks with suppliers • Group website
SUPPLIERS OF GOODS AND SERVICES	• Daily report of the Group Purchasing Offices • Supplier selection activities and performance assessment in terms of quality, cost of service and ethical, social and environmental responsibility criteria • Group website
CONTROL AND CERTIFICATION BODIES	• Official communications • Fulfilment of the documentary requirements laid down by the applicable regulations in force • Group website
LOCAL COMMUNITIES	• Local initiatives • Collaborations and partnerships with local organisations and associations
FINANCIAL INSTITUTIONS	• Periodic update meetings • Shared multi-year industrial plans

01

The materiality analysis defined the pillars: the 4 strategic reference points linked to sustainability.

In accordance with the provisions of the reporting standards adopted, we have undertaken **a materiality analysis** to identify the relevant topics. This was carried out by involving top management and stakeholders, in order to identify and assess the **current and potential**, **positive and negative impacts** that we have on the economy, the environment and people in the context of our activities and business relationships.

Following the analysis of the current context, we carried out a **benchmark analysis** on a panel of sector companies; this took into account the guidelines defined by international organisations and the publications of some authoritative sources, such as, for example, the Sustainability Accounting

Standards Board (SASB), the Sustainability Reporting Standards (GRI standards), the S&P Global Yearbook and the UNEP FI Impact Radar.

The assessment of the significance of the impacts was therefore performed primarily through the **involvement of Management**, which expressed its scores by considering the following three parameters: scale, scope and probability.

Furthermore, to determine the **relevance of the impacts for stakeholders**, a questionnaire was administered to a sample of these, involving: employees, customers, suppliers and financial institutions.

Subsequently, the impacts were **aggregated into relevant topics and in Pillars**, as shown in the table.

The materiality analysis is updated periodically, in a process that is refined and detailed year on year. This ensures a direct and constant dialogue with our stakeholders, making it possible to communicate and manage the proposals and critical topics they raise.

During 2024, no significant changes occurred that would modify the strategic and operational approach of the Company. Therefore, it was deemed appropriate to postpone the update of the materiality analysis to the next reporting year.

THE MATERIAL TOPICS FOR OUR GROUP	OUR SUSTAINABILITY PILLARS
Product quality, safety and conformity	
Compliance and reputation	
Economic performance	**Product**
Customer satisfaction	
Product, process, R&D innovation	
Ethics and business integrity	
Management of raw materials	**Transparency**
Sustainable and responsible management of the supply chain	
Employee training, development and well-being	
Occupational health and safety	**People**
Diversity, equal opportunities and inclusion	
Energy consumption and emissions	**Environment**

01

Our sustainability pillars and our strategic lines

1 NO POVERTY	**2** ZERO HUNGER	**3** GOOD HEALTH AND WELL-BEING
4 QUALITY EDUCATION	**5** GENDER EQUALITY	**6** CLEAN WATER AND SANITATION
7 AFFORDABLE AND CLEAN ENERGY	**8** DECENT WORK AND ECONOMIC GROWTH	**9** INDUSTRY, INNOVATION AND INFRASTRUCTURE
10 REDUCED INEQUALITIES	**11** SUSTAINABLE CITIES AND COMMUNITIES	**12** RESPONSIBLE CONSUMPTION AND PRODUCTION
13 CLIMATE ACTION	**14** LIFE BELOW WATER	**15** LIFE ON LAND
16 PEACE, JUSTICE AND STRONG INSTITUTIONS	**17** PARTNERSHIPS FOR THE GOALS	SUSTAINABLE DEVELOPMENT GOALS

The commitment to sustainability is inherent in our DNA, placing the impact that these generate on the environment, people and future generations at the centre of our business decisions.

Our will is to act in an increasingly responsible and tangible way to implement sustainable practices, based on which we have evolved the design processes of our products over time.

For this reason we have defined **four thematic pillars** that represent the keystones of our approach to sustainability: **product**, **transparency**, **people and environment**.

When defining the strategic lines and objectives, we have also taken into account the priorities defined in the 2030 Agenda for Sustainable Development (Sustainable Development Goals – SDGs), which represents the main international framework on the topic of sustainability.

To date, **through our activities**, **we contribute to achieving 7 of the 17 UN SDGs**.

Key facts of 2024

2024 was a challenging year in terms of legislation for the topics of sustainability, as this introduced a series of regulations that also affect the clothing sector.

There is a strong signal from the market and the governments that pushes all companies to deal with sustainability, identify their impacts, review their raw materials and improve the transparency of their value chain. The **main regulations introduced** that promote transparency and awareness **towards sustainability topics**, include the following.

Corporate Sustainability Reporting Directive (CSRD)

A key directive for **corporate sustainability**, it requires transparent disclosure of environmental, social and governance (ESG) performance, aims to hold companies accountable and encourages more sustainable practices.

Green Claim Directive

A set of rules that aims to tackle misleading environmental claims by promoting **greater transparency and environmental responsibility** by companies. The directive will enable **consumers to make more informed choices** and contribute to a more sustainable future.

EUDR

A regulation that allocates responsibility to companies operating in the raw materials and derived products sector. It requires them to carry out "**due diligence**" to ensure that their **products are obtained sustainably** and with respect for forests.

Ecodesign for Sustainable Products Regulation (ESPR)

A set of rules that the European Union intends to introduce to make the **products used by consumers more respectful of the environment**, through a design with an increasingly lower impact on the environment.

01

To make the commitment we invest in each garment visible, over the course of the year we have introduced the **Digital Product Passport**, a tool which describes all the features, the performance and the countries in which the main production phases of the garment took place.

We took the opportunity to **review the communication** of all the technical features, certifications, washing instructions, disposal indications of the garment and of its packaging, in order to make the **information accessible to all**, achievable **through the batch number of** the garment and available for all reference markets, effectively bringing forward the entry into force of the ESPR directive.

Aware that our commitment also involves the supply chain and the partners involved in the business, in 2024 we achieved a **strengthening of the scenario of international certifications**, obtaining the **OCS** and **RCS** certifications. Both certifications will allow us to **improve the circularity of the products and packaging**, with a view to continuously improving our environmental and social performance.

Still during this year, we updated the company's **quality**, **environment and safety** policy, clarifying our commitment towards complying with the "**due diligence**" principles of the GOTS certification.

In fact, we have committed to using "due diligence" mechanisms in internal processes, by foreseeing any negative impacts in our procurement practices, and by promoting a supply chain that is attentive and respectful of human rights, workers and the environment.

2025 will be a crucial year for our commitment to sustainability. Aware of the path still to be taken, we will tackle new challenges and ambitious goals.

In line with adopting the CSRD Directive, we will also focus on **integrating sustainability into the corporate culture**, strengthening the awareness and commitment of all employees in relation to these principles. In this sense, we will invest in the **continuous training of the employees**, both to acquire new skills and to upskill existing ones.

Finally, thanks to the collaboration with our suppliers, **we will pursue the goal of promoting sustainable practices along the supply chain**.

To optimise the traceability of our garments, we have introduced the Digital Product Passport, an actual identity document for each item.

Our certifications

Certifications are an added value and allow us to put our commitment down on paper.

With a view to strengthening governance in ESG terms, during 2024, in Industrial Wear Srl we created an **internal group** that deals with the **Certification Management System** (ISO 9001, ISO14001, ISO45001, SA8000 and UNI/PDR 125:2022).

The creation of the multidisciplinary team aims to share corporate social, environmental and organisational responsibility projects, by exchanging views, monitoring the impacts obtained and committing to **identifying new procedures for monitoring data and certifications** to improve existing processes, and to introduce a sustainable corporate culture.

Internally we have always believed in the value that certifications can offer in monitoring our impacts on the environment and people.

For this reason, we have undertaken an important and structured certification process, which ensures the effectiveness of the **Integrated Management System** (**IMS**) by applying the main international standards throughout the entire assessment process. The determination to pursue this objective of general improvement has led us to achieve the following certifications over the years.

MANAGEMENT OF CERTIFICATIONS AND SUSTAINABILITY INITIATIVES	ACQUISITION DATES
The **Organic Content Standard** (**OCS**) verifies the percentage of organically grown material and traces its production from source to final product. The purchase of Organic Content Standard (OCS) certified products demonstrates the need for organic farming.	2024
The **Recycled Claim Standard** (**RCS**)verifies the percentage of recycled content and traces its path from source to final product. The purchase of Recycled Claim Standard (RCS) certified products demonstrates the demand for recycled materials.	2024

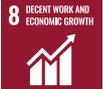| MANAGEMENT OF SUSTAINABILITY CERTIFICATIONS AND INITIATIVES	ACQUISITION DATES
The **UNI/PDR 125:2022 Gender Equality** certification establishes the Company's commitment to adopt internal policies suitable for promoting a reduction in the gender gap, equal opportunities and the harmonisation of the work-life balance.	2023
The **Global Recycling Standard** (**GRS**) verifies the percentage of recycled material and traces it from source to final product. Products certified according to the GRS therefore contain recycled material that has been (independently) verified at every stage of the supply chain. The GRS also includes stringent social, environmental and chemical requirements, which must be met by the facilities, from source to final supplier. Purchasing GRS-certified products therefore demonstrates the need for recycled content and improved processing practices in the supply chain.	2023
The **Global Organic Textile Standard** (**GOTS**) recognises and defines criteria for the responsible and sustainable development of the textile sector through the use of organic farming. The standard sets requirements across the entire supply chain for ecological and working conditions in the production of textiles and clothing using organic raw materials. Organic production is based on an agricultural system that supports and restores soil fertility without the use of toxic pesticides and persistent synthetic fertilisers. Furthermore, it includes laws on animal welfare and the ban on genetically modified organisms.	2023
SA8000 is a standard for social responsibility developed by Social Accountability International (SAI). It is based on the principles of international human rights legislation as described in the conventions of the International Labour Organisation (ILO), the United Nations Convention on the Rights of the Child and the Universal Declaration of Human Rights. SA8000 provides a framework for organisations to demonstrate their commitment to ensuring a fair and ethical treatment of workers throughout their supply chain.	2022
Better Cotton is a global initiative that promotes responsible, ethical and environmental cotton production. When addressing the challenges of sustainability in the textile industry, Better Cotton aims to redefine cotton growing and production methods and procedures.	2021
ISO 45001:2018 is an international standard for occupational health and safety management systems to effectively manage occupational health and safety risks and improve performance.	2020
ISO 14001:2015 is an internationally recognised standard for Environmental Management Systems (EMS) developed by the International Organisation for Standardisation (ISO). It provides a framework that organisations can follow to establish, implement, maintain and continuously improve their environmental performance.	2019
The **AMFORI-BSCI** (**Business Social Compliance Initiative**) **and the BEPI** (**Business Environmental Performance Initiative**) codes of conduct include principles of legal compliance, freedom of association and the right to collective bargaining, decent working hours, fair remuneration, health and safety at work, reduction of the environmental impact of the supply chain in areas such as energy consumption, reduction of greenhouse gas emissions or management of chemicals.	2017
ISO 9001:2015 is an internationally recognised standard for Quality Management Systems (QMS) developed by the International Organisation for Standardisation (ISO). The certification defines the requirements to ensure that the organisation's products consistently meet customer needs and regulatory standards, while improving customer satisfaction.	2016

01

Product

Industry, Innovation and Infrastructure (SDG 9)
Responsible Consumption and Production (SDG 12)

Strategic guidelines

- Develop durable and sustainable products
- Innovate the products made to increase quality and safety
- Improve customer satisfaction

Operational objectives

- Continue to measure the durability of our products through specific KPIs and increase this feature over time
- Continue to increase the production of garments containing a percentage of cotton and raw materials sourced from sustainable supply chains
- Define specific objectives to reduce the environmental impacts related to the life cycle of our products

Actions

- Measure the impacts of the materials used
- Create a Carbon footprint for new product lines
- Evaluate and prototype a sustainable product line
- Increase the supply of sustainable raw materials, adhering to programs such as Better Cotton and meeting certification requirements such as GOTS and GRS
- Raise awareness among our customers concerning the sustainability of our products

Transparency

Responsible Consumption and Production (SDG 12)
Peace, Justice and Strong Institutions (SDG 16)

Strategic guidelines

- Strengthen governance on ethics, compliance and sustainability topics
- Manage the supply chain ethically and sustainably

Operational objectives

- Spread awareness of our Code of Ethics and ensure that it is shared by our employees and our business partners
- Define a Supplier Code of Conduct with specific criteria related to shared environmental and social issues
- Improve the ESG performance of our suppliers over time, measured through specific audits carried out by independent bodies

Actions

- Expand the elements of supplier investigation with sustainability aspects
- Evaluate the adoption of a code of conduct for suppliers
- Continue to raise awareness among employees in foreign offices and suppliers on sustainability activities
- Continue to disseminate the Code of Ethics to employees and business partners
- Maintain regulatory compliance with new environmental regulations and obligations in various countries

People

5 GENDER EQUALITY

8 DECENT WORK AND ECONOMIC GROWTH

Strategic guidelines

- Ensure the health and safety of workers
- Improve employee well-being and satisfaction
- Add value to the community and the local territory

Operational objectives

- Increase internal awareness of the Health and Safety system and strengthen the internal control system
- Constantly improve the healthiness of the work environments and mitigate the risks related to the activities in our plants
- Develop collaborations and strategic projects with local organisations to generate positive impacts on the environment and on people

Actions

- Continue to strengthen training on Health and Safety issues
- Implement employee engagement and awareness activities on sustainability and implement activities related to pillar 5 of the ESG topics
- Continue to promote a fair, inclusive and equal opportunity working environment
- Plan and take part in local initiatives related to sports, volunteering and environmental protection
- Continue to attract talent and strengthen the relationship with the local community

Environment

7 AFFORDABLE AND CLEAN ENERGY

13 CLIMATE ACTION

Strategic guidelines

- Reduce energy consumption and climate-changing emissions
- Increase the environmental sustainability of the raw materials purchased

Operational objectives

- Measure the climate-altering emissions generated by our Group, including GHG emissions related to our indirect activities (Scope 3)
- Develop a decarbonisation plan for our activities, defining reduction targets in line with the Paris Agreements
- Develop activities aimed at reducing the demand for raw materials for products and packaging through circular economy approaches

Actions

- Continue to track CO_2 emissions and develop reduction or compensation initiatives
- Expand the emissions calculation perimeter for all locations
- Involve foreign offices in impact reduction initiatives
- Improve the management and emissions of upstream and downstream transport
- Implement solutions to optimise the impacts of our packaging by adopting alternatives such as the use of recycled materials or materials from sustainably managed sources

02/

The product

Material topics related to this pillar

- _Product quality, safety and conformity_
- _Compliance and reputation_
- _Customer satisfaction_
- _Product, process, R&D innovation_
- _Economic performance_

UN Sustainable Development Goals relevant to this pillar

9 INDUSTRY, INNOVATION AND INFRASTRUCTURE

12 RESPONSIBLE CONSUMPTION AND PRODUCTION

Innovation is our daily commitment: we expand and improve our range with consistency and dedication.

Our products

We have built a solid history of **growth and development of our brand**, becoming a point of reference in the workwear, professional and casual clothing sector.

This success is the result of a strategic vision oriented towards innovation, which we implement with a wide range of **products**, designed to facilitate daily movements.

Our **Research and Development team**, the beating heart of the company, is made up of highly qualified and passionate professionals. Every year, our work translates into **new prototypes**, constantly expanding the product catalogue.

The R&D team's commitment is not limited to creating new products but extends to continuously updating the existing items, to ensure their competitiveness and adequacy for the market.

Expanding the product range is our priority objective, pursued by developing new solutions within existing categories and by exploring innovative sectors.

In 2024 we expanded our catalogue with the HORECA garments, a collection that includes a wide range of models, designed to meet the needs of different professional figures in this sector.

In addition, we have continued to choose **resistant and breathable materials**, such as cotton and polyester, to ensure maximum comfort during long working hours.

Creativity, research and quality are the essential components of the creation process of our garments.

The HORECA collection ranges from exquisite elegance to lines with more casual tones.

∧
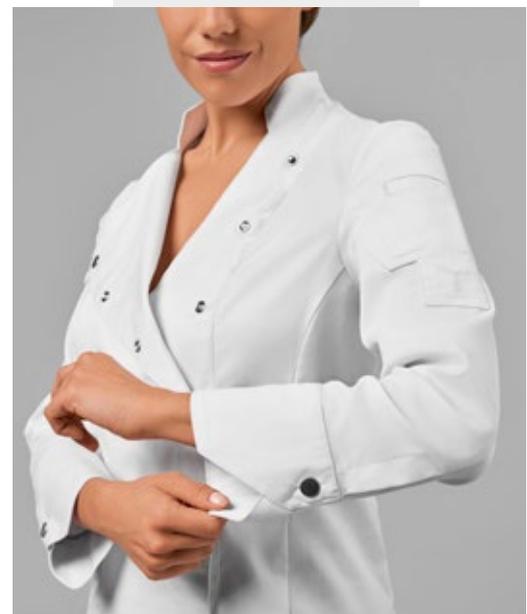
Our integrated approach, which takes into consideration the entire life cycle of the product, allows us to achieve high standards and to ensure the reliability of our products over time.

Again in 2024, we created the **ONHEAD** collection, a line of caps, beanies and neck warmers designed for a young and versatile audience, the **DAYPACK** collection, a selection of backpacks and bags for anyone looking for a practical and versatile accessory to carry their essential everyday items.

Quality and sustainability are **fundamental values** for us. Every phase of the production process, from research to packaging design, is subjected to rigorous controls, with particular attention to environmental impact and health.

A commitment that translates into unique value for customers, who can rely on innovative, high-performance and environmentally friendly solutions.

In line with our commitment to transparency and traceability, we have decided to bring forward the implementation of the **Digital Product Passport** (**DPP**), in compliance with the "Green Claim" directive.

From 1 January 2025, all products will be equipped with the DPP, thus having the possibility of knowing the technical characteristics of our garments, the washing instructions and all information relating to the garment and its packaging.

Colours and personality: the DAYPACK and ONHEAD collections, launched in 2024, are a manifesto of style and authenticity.

∧

Our R&D team develops innovative solutions that comply with regulations but do not compromise on quality, comfort and unique style.

02

Catalogue product ranges

Casual

Casual and sports clothing for teams of all types and for corporate uniforms

Workwear

Personal protective clothing

Safety

Gloves and accessories for personal protection

Professional

Clothing dedicated to the HORECA sector

Footwear

Safety footwear

Headwear & Bags

Caps, beanies and DAYPACK (backpacks and bags)

The materials used

The clothing industry, traditionally dependent on the use of natural resources, has an inevitable impact on environmental matrices at both a local and a global level. However, there is a growing awareness of the need to reduce this dependence and to adopt more sustainable sources of supply.

This approach not only offers **commercial advantages**, but also helps to **minimise the environmental impact**.

For this reason, as part of the analysis of environmental risks relating to implementing our environmental management system compliant with the **ISO 14001 standard**, we carry out a detailed identification of the processes and of their inputs and outputs of materials, in order to associate each activity carried out with the corresponding environmental aspects to be monitored and managed on an on-going basis.

Together with our manufacturing partners, we use a **variety of materials** to make our products, including **cotton**, **nylon**, **leather** and **synthetic fibres**, as well as packaging materials used for transport and distribution, such as **paper**, **cardboard** and, to a lesser extent, **plastics**.

To choose the materials to use in our products, we conduct specific investigations that have the task of ensuring both the **compliance of the fabrics to meet specific performances** (flameproof, acidproof, rainproof, etc.) and the quality and maximum comfort of the garments produced.

We carefully choose the materials to offer items that combine versatility, quality and design.

02

Aware of the impact of our actions, we have decided to **focus on packaging**.

During 2024, the Research and Development department collaborated directly with suppliers to identify the **most innovative solutions for product packaging**, with the aim of reducing the plastic used in packaging as much as possible and of increasing the use of FSC® certified paper.

Solutions that consider more sustainable packaging have been directly developed internally, such as the **new line of gloves offered with packaging entirely in paper** which avoids the use of secondary plastic packaging.

As regards t-shirts and polo shirts, we have optimised by eliminating individual polybags and bagging in multiples; furthermore, **polybags in 100% recycled plastic** are used for all garments.

All paper or cardboard materials such as catalogues and brochures have been printed on **FSC® certified paper**.

We are committed to choosing packaging that ensures a safe and responsible distribution.

CONSUMPTION OF PACKAGING MATERIALS (tons)

896
Wood

814
Paper and cardboard

487
Plastics
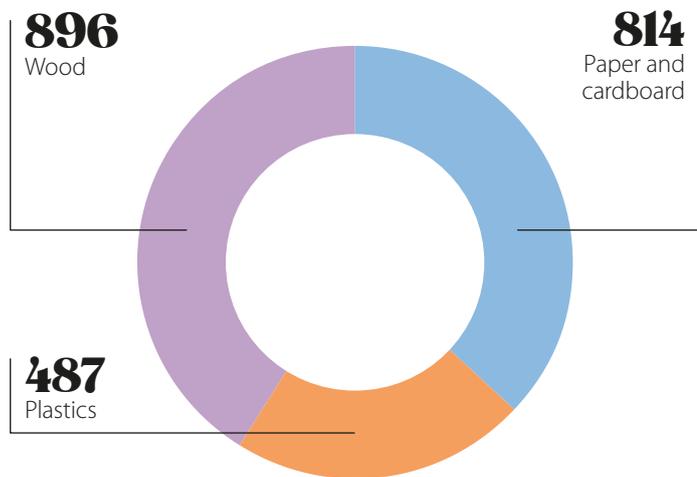
CONSUMPTION OF MATERIALS FOR THE CREATION OF GARMENTS (tons)

3,214
Polyester

569
Other*

400
Leather

442
Nylon

5,031
Cotton
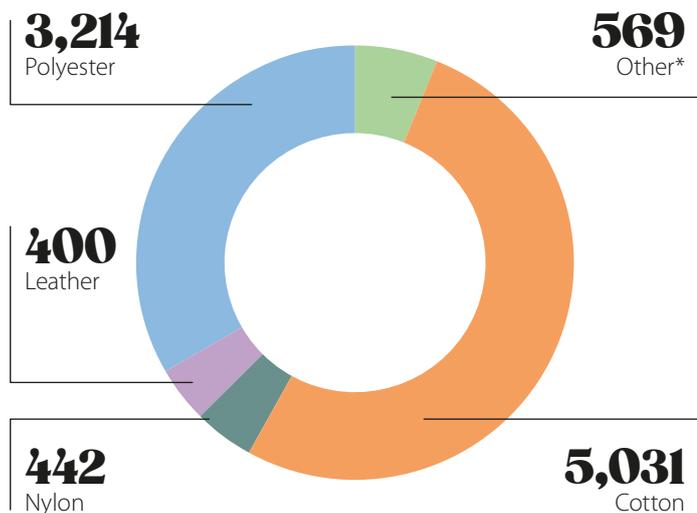
*Elastane, polypropylene, polyethylene, viscose, nitrile.

Sustainable materials for long-lasting development

Sustainability is not only a commitment to the environment but also an opportunity for growth

Reducing dependence on natural resources including virgin fibres such as cotton, together with adopting alternative production methods, represent a crucial challenge for our planet. To address this issue, it is essential to adopt **increasingly innovative and sustainable strategies and actions**.

One of the most promising solutions is the use of **alternative materials**, such as recycled or bio-based fibres.

Recycled fibres not only reduce the consumption of precious natural resources but also help reduce pollution resulting from the production of new materials.

Organic fibres represent a valid alternative to reduce the environmental impact linked to the use of toxic pesticides and fertilisers, often used in traditional cotton cultivation.

At the same time, the development of **sustainable supply sources** plays a key role in protecting the environment. Organic production, in particular, stands out for its ability to preserve ecosystems, reduce soil erosion and prevent other forms of environmental degradation.

The commitment to sustainable practices does not only translate into environmental benefits. It can also generate significant **commercial advantages** driven by an ever-increasing number of consumers who are attentive to the environmental impact of the products they buy.

Companies that demonstrate a **concrete commitment to sustainability** can therefore attract a wider and more loyal clientele, while opening up new markets and reducing the risks related to the availability and costs associated with the use of virgin resources.

In line with this vision, **we are actively involved in searching for alternative solutions to implement along our entire value chain**, which result in adhering to the most virtuous initiatives and in adopting the most representative certifications in the sector.

OUR PARTICIPATION IN INTERNATIONAL PROGRAMS AND THE CERTIFICATIONS OBTAINED BY OUR MATERIALS

02

Better Cotton

*For a more
sustainable cotton
supply chain,
for the benefit of
the environment
and the farming
communities.*

We have been a part of **Better Cotton** since 2022, an international organisation that aims to promote a more sustainable cotton supply chain globally.

Better Cotton works to reduce the negative impacts of the cotton cultivation and processing phases, contributing to a more sustainable future for the textile industry.

Adhering to the Better Cotton strategy means pursuing its **criteria** which aim to steer global cotton producers towards a production that is more responsible for the environment and for the farming communities through **seven guiding principles**.

The "Better Cotton" principles

01 Crop protection
Prefer alternative techniques and eliminate the use of pesticides.

02 Use of water in a sustainable manner
Implement responsible irrigation practices.

03 Soil health
Promote better cultivation techniques, for more luxuriant crops.

04 Biodiversity
Improve and conserve natural habitat areas by means of a dedicated plan.

05 Harvest, storage and transport
Support farmers in adopting more efficient systems.

06 Decent working conditions
Commit to the well-being of farmers and their communities.

07 Effective management system
Invest in the continuous learning of farmers and in the improvement of agricultural practices.

02

02

The impact of Better Cotton

75%
of cotton comes from Better Cotton sources

In 2024, **we reached an important milestone**: **75% of cotton comes from Better Cotton sources**.

Aware of the importance of investing in programs that promote the responsible use of cotton cultivation and processing, below we report in detail our impact as Better Cotton members for 2024.

In 2024, **5,679,816 kg of cotton** were **produced following more sustainable standards**, with a positive impact on people and the environment.

The key points of our commitment as members of Better Cotton

Support for farmers

Our commitment translates into tangible support for farmers. Thanks to our sourcing, we have helped **increase their profitability by an estimated 15%** over the last three seasons.

This increase is not just a number but represents a **better quality of life** for the farming communities, ensuring they have **decent working conditions** and the **freedom to organise**.

Saving water resources

Sustainability for us also means respecting natural resources. In 2024, we estimate that we have helped **save 317,275 m³ of water** in cotton production.

This result is fundamental for **preserving biodiversity** and for **optimising the use of water resources**, a precious asset for our planet.

Reducing the use of pesticides

Another crucial aspect of our commitment is the **reduction of the environmental impact**.

In 2024, we estimate that we have contributed to **reducing the use of active pesticides by 437 kg**. This means fewer harmful chemicals in the environment and greater protection of human health.

These results are an important step on our journey towards greater sustainability. We will continue to work with Better Cotton and other partners to promote sustainable agricultural practices and reduce our environmental impact.

02

Recycled Claim Standard and Organic Content Standard

We guarantee high standards in the choice of materials, focusing on internationally recognised certifications

With this in mind, we have recently obtained the **OCS** (**Organic Content Standard**) and **RCS** (**Recycled Claim Standard**) certifications.

ORGANIC 100 Content standard ©TextileExchange

ORGANIC BLENDED Content standard ©TextileExchange

Industrial Wear S.r.l. a Socio Unico is OCS certified
By ICEA
ICEA-TX-3026
Only the products which are covered by a valid
Transaction certificate are OCS certified

Organic Content Standard (OCS)

The Organic Content Standard (OCS) **verifies the percentage of organically grown material and traces its production from source to final product.** Products certified according to the OCS standard therefore contain organically grown material that has been (independently) verified at every stage of the supply chain. **Organic Content Standard 100 (OCS 100)** certified products contain **at least 95% organically grown material**, while **Organic Content Standard Blended** (OCS Blended) certified products **contain between 5 and 94% organically grown material**. Organic cotton is produced and certified according to organic farming standards, which require practices that support ecosystems.

Recycled Claim Standard (RCS)

The Recycled Claim Standard (RCS) **verifies the percentage of recycled content and traces its path from source to final product**. Products certified according to the Recycled Claim Standard (RCS) therefore contain recycled material that has been (independently) verified at every stage of the supply chain, from source to final product. Products certified according to the **Recycled Claim Standard 100** (RCS 100) **contain at least 95% certified recycled material**, while products certified according to the **Recycled Claim Standard Blended** (RCS Blended) **contain between 5 and 94% certified recycled material**.

Our goal for the coming years is to develop a line of certified, traceable and compliant products along the entire supply chain.

This commitment translates into greater transparency and trust for consumers, who can be certain of the origin and sustainability of the products they purchase. We are committed to continuing to improve our production processes in order to reduce the environmental impact, promoting a more responsible and sustainable consumption model.

02

Sustainable management of packaging

We adopt a conscious approach to packaging, favouring recycled materials and materials from responsible sources.

All products marketed under the Payper brand are provided with specific **primary and secondary packaging**, which differ in type, function and materials. Among these, **paper and cardboard**, **plastic and wood** are particularly relevant.

Over time, we have implemented various initiatives to **reduce the impacts related to the consumption of materials and to the generation of packaging waste**. In particular, during the order assembly phases, **corrugated cardboard is reused several times for subsequent shipments** (**re-packing**) considering a minimum tolerable threshold in order to simultaneously maintain its quality and integrity.

We are committed to **reducing the use of plastic**, implementing innovative solutions for display and customer service, such as the new line of **gloves with paper-only HanTag**. To optimise the transport of gloves, a solution has also been introduced that groups 12 gloves in a single box entirely made of FSC® certified paper.

In order to take into consideration the best sustainable packaging solutions, should certain materials be indispensable or non-reducible, they are replaced with recycled and/or certified materials, for example through the **Global Recycled Standard** (GRS).

During 2024, we committed to changing all our paper materials to **recycled paper or paper from responsible management sources** (**FSC®**), setting ourselves the goal of achieving **100% by 2030**.

Since 2023, we have also implemented a further initiative on packaging in relation to the adhesive tape used for the packages, choosing to use the line of **adhesive tapes** "**EcoHIT19**", made with **films containing at least 85% post-consumer recycled material**.

*Since 2024, we have committed to reaching 100% FSC®
recycled paper in all our materials by 2030.*

02

Resistance of materials and durability of garments

What differentiates linear economy from circular economy lies in the way in which value is created and maintained within the system for as long as possible.

At Industrial Wear, we aim to implement this very approach by developing durable products containing recycled materials that can be recycled at the end of their life.

The **risk of obsolescence** for professional and promotional clothing is much lower than for traditional clothing: a work uniform needs the **greatest** "**long-life**" **possible**, due to the need for uniformity within the end customer companies. This is one of the reasons for the high **average lifespan of the items** in the catalogue, some of which have been present since the birth of Industrial Wear.

Resistance, and therefore overall **durability**, is one of the basic characteristics that garments must guarantee during their use. To this end, appropriate **laboratory tests and trials** are carried out on the PPE of each category in order to verify compliance with these properties.
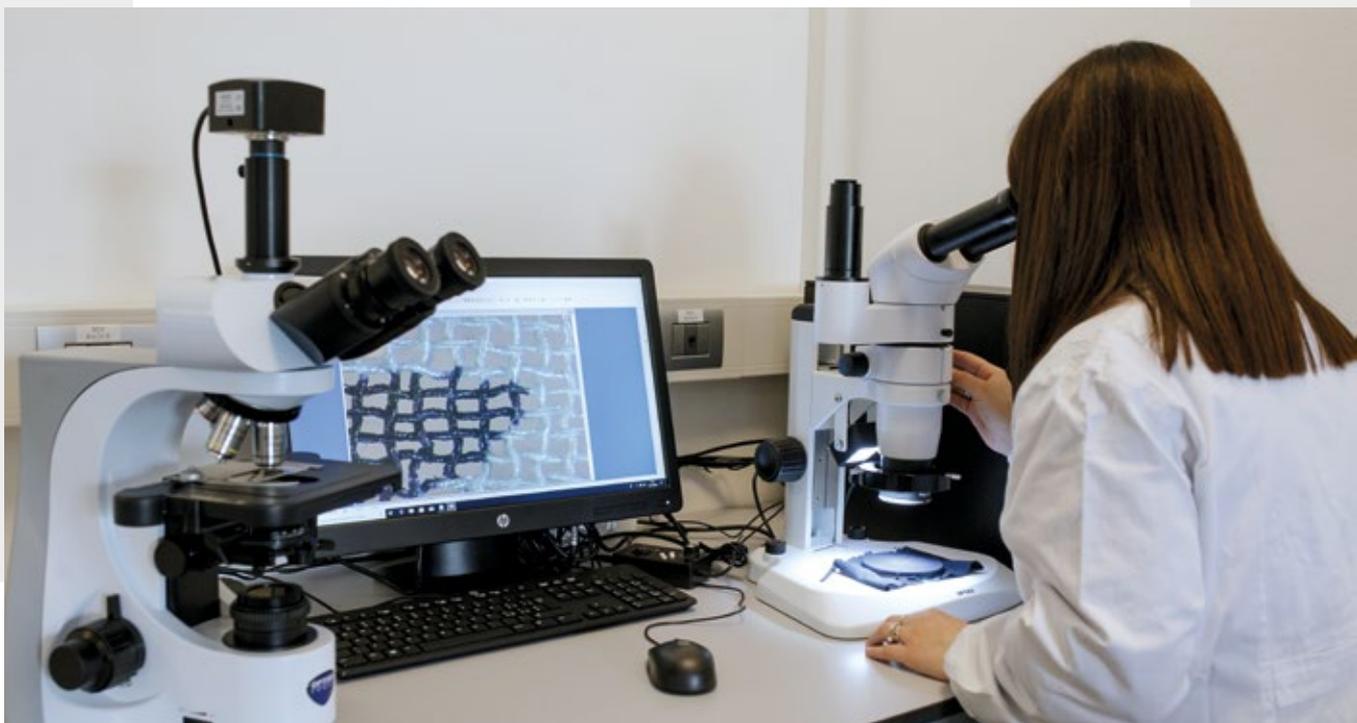
SATRA quality certification

Industrial Wear is a member of **SATRA**, a leading authority **in the technical verifications of Personal Protective Equipment** (PPE), in particular footwear and leather goods.

Members of SATRA have exclusive access to its testing methods and research, consultancy, technical training and accreditation.

Being a member of SATRA confirms our desire to guarantee high quality standards.

02

Quality and performance: the guarantee of protection

We have acquired great experience in the field of design, model development and the supply of raw materials for the production of workwear, professional and casual, with a clear objective: **to make the performance of workers safer**, more practical, with greater appeal.

To achieve these results, attention to process quality and certification of product performance parameters are essential.

Most of our items are marked PPE (**Personal Protective Equipment**). In this sense, these articles must pass specific tests provided for by European Regulation 2016/425, regarding healthiness, harmlessness, resistance and other parameters.

We decided to eliminate PFAS from our products even before the legislation came into force, opting for alternative solutions in line with our commitment.

Management of PFAS

In the past, chemicals called **PFAS** were used to make fabrics water-resistant, as they were able to ensure excellent water-repellent and oil-repellent performance.

However, the use of these substances causes **damage to the environment and to human health**. In fact, PFAS are able to deposit in large quantities both in the environment and in humans, contaminating water, food, soil and air.

With the aim of protecting the environment and consumer health, the laws on PFAS have become more stringent, impacting our Payper product reality as well.

In any case, we had decided, even before the new legislation came into force, to **completely eliminate PFAS from our products**, **replacing them with alternative treatments that are equally effective but more sustainable**.

To ensure that all our products are free of PFAS, we have introduced **strict technical specifications shared with fabric suppliers** and included specific checks with related **analyses carried out on each production batch**, managed by our Quality Laboratory.

Thanks to these actions, all **Payper jackets** and **PPE** are able to guarantee top **water-repellent properties** without damaging the environment and health.

PPE classification

Personal Protective Equipment is classified into three categories, in ascending order according to the degree of risk associated with the work activity.

- **First category PPE**: these are protective devices for activities which have minimal risk and that can cause minor damage (such as the effect of vibrations, sunlight, light impacts, atmospheric phenomena, etc.). They are self-certified by the manufacturer.

- **Second category PPE**: PPE that does not fall into the other two categories and that is linked to activities with significant risk. A certificate from a notified body is required.

- **Third category PPE**: devices that protect the worker from serious or permanent damage to his/her health or from the risk of death.

02

The evolution of products: creativity, research and development

The constant pursuit of excellence guides our choices every day, driven by the desire to leave a tangible and transversal mark on workwear, promotional and casual clothing.

We invest a great many resources in the **creative development of new models**, a crucial phase both for competitiveness and for creating value, and for the environmental sustainability of our garments. The primary objective is to create exclusively sustainable models, produced through responsible and certified processes, and with a completely traceable production chain.

Every creative idea is inspired by the **internal design and prototyping offices**, and then reaches the **laboratory**, where industry experts analyse and select the best fabrics and materials in terms of resistance, durability, flexibility, together with compliance with the most important international standards.

Our commitment to ensuring the highest quality is what makes the items in our collections innovative, functional, and comfortable, made unique and recognisable by the scrupulous **search for details**.

01
First drawing and prototyping

02
Prototype analysis

03
Product tech-report

04
Constant communication with producers

The safety of the products and the guarantee of the health of the end customers

The **technical offices**, located in the various production areas around the world, ensure compliance with manufacturing standards and working conditions in total synergy with the centralised **Quality Laboratory**.

All our production complies with the parameters of the **European REACH Regulation** (EC No. 1907/2006) which records, assesses, authorises and restricts the use of chemicals. **Harmlessness tests** are also performed, such as determining the pH of the aqueous extract, checking for the presence of azo compounds and for compliance with the requirements of the **REACH Regulation**. All results are archived in the laboratory.

Finally, for several years, our main suppliers have been producing with **OEKO-TEX® certified materials**. The **100 STANDARD by OEKO-TEX®** ensures the absence of substances harmful to health in products, by means of demanding verification criteria.

Both in 2023 and 2024, an assessment of the impacts on the health and safety of end users was carried out on **all categories of our Payper products** (Casual, Work, Safety, Professional, Footwear). Since almost all products are PPE, they must comply with the minimum requirements for the health and safety of workers according to **European Regulation 2016/425**.

In addition to the minimum requirements laid down by the regulations, the company carries out tests on all products through detailed analyses coordinated by the internal laboratory. This operation is carried out on all Industrial Wear productions.

Our productions comply with international protection and safety parameters

02
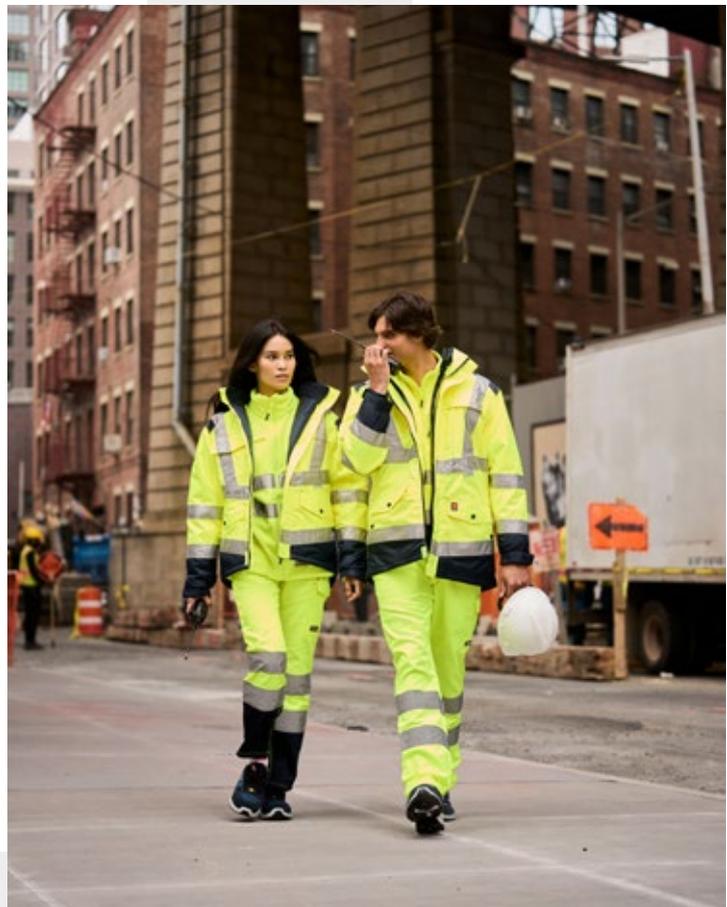
At the service of our customers

Communication to customers is developed through **digital channels** such as videos, email newsletters and **traditional channels** in paper form, such as catalogues and commercial brochures.

The company's Customer Care department is constantly engaged **in ensuring rapid and effective customer support**, guaranteeing on average a resolution of complaints within a week of opening.

In the culture of being increasingly strategic allies of our partners, the "**Retail Experience**" project was born in 2021 with the aim of creating **a Payper shopping experience**, that is, of immersive and dedicated environments, characterised by our recognisable colours and design elements.

Statistical surveys

This activity is often required by General Management to collect information on **customer satisfaction**.

Collection of complaints

Complaints are **recorded on a specific form**, of which a summary report is periodically provided by the complaints department to General Management.

Product returns

Monitoring returns provides the company with an indication of **product performance** and is therefore considered an indicator of end customer satisfaction.

Retail Experience

The "Retail Experience" project offers different levels of participation and display solutions.

- **Payper Island** – exhibition area consisting of free-standing display
- **Payper Corner** – actual furnishings, with quality materials made to measure.
- **Payper Flex** – modular exhibition area that adapts more easily to exhibition needs.
- **Payper Smart Point** - to reach those customers who, with the aim of growing, develop an initial collaboration with our company.

To intensify the sales experience of our retailer, a **Visual Merchandising** service is also active with a sector professional who is responsible for implementing all the appropriate strategies to maximise the potential of each reality both at the retailer's premises and from a distance. Thanks to this service, the retailer has the opportunity to stimulate the consumer to become loyal to Payper products, whilst also enhancing the quality and attention to detail that distinguishes the brand.

During 2024, we expanded the offer for our retail customers, creating displays and **ad hoc spaces for the HORECA line**.

Currently, **149 Retail Experience projects** are active on the **Italian territory**, while **73 are active internationally**. This reinforces the vision of being a company with a strong international vocation, but one that promotes a typically Italian style.

03/

Transparency

Material topics related to this pillar

- *Ethics and business integrity*
- *Management of raw materials*
- *Sustainable and responsible management of the supply chain*

UN Sustainable Development Goals relevant to this pillar

03

Our Supply Chain

Our strength lies in an integrated operating model, which merges strategic collaborations with international manufacturers.

We select external partners based on their **specialisation in the production of items that comply with our standards** and technical specifications.

This partnership extends to the entire range of products, with the production of the main lines in international manufacturing centres located in **China**, **Bangladesh**, **Pakistan** and **India**.

Our **Import and Logistics departments** manage **every phase** of the distribution process. In fact, once completed, the products land in the **main Italian ports** of Ravenna, Genoa and La Spezia, where a specialised team takes care of customs clearance operations.

03

Our offices manage every phase of the distribution process using an efficient logistics network.

03

Our production partners

Our company is an ecosystem, where each component is essential for the growth and well-being of the whole.

At Industrial Wear, we have always pursued a strategy of consolidating our supply chain, through a **meticulous and rigorous selection of manufacturing partners**.

This approach has allowed us to establish **solid and lasting relationships**, based on mutual trust and the sharing of common goals, promoting a path of growth and synergistic development.

Our suppliers are in fact the partners with whom we build the future, carefully selected for their excellence and their commitment to sustainability.

Our supplier collaboration is guided by several key principles, including:

- ✓ **uncompromising quality**, with samples carefully evaluated in the laboratory to ensure higher quality levels than competitors;

- ✓ **production capacity and price competitiveness**, to meet our business requirements and ensure an efficient and sustainable flow;

- ✓ **application for registration to the BCI** (*Better Cotton Initiative*) for suppliers who process cotton items;

- ✓ **social and environmental responsibility**, for fair and safe working conditions and respect for the environment.

For us, this translates into a **proactive approach** for verifying all the crucial aspects. The presence of **technical offices located in the main production centres** represents a key element of this control system.

These offices play a **multifunctional role**, which goes beyond the simple inspection of product quality. They are responsible for constantly monitoring the production processes, ensuring compliance with company standards and current regulations.

Furthermore, they coordinate and follow up on orders, ensuring that delivery times are complied with and that any topics are resolved promptly.

Every day we work to cultivate valuable relationships with our partners, strengthening our governance on the topics of ethics, compliance and sustainability.

Participation of our partners in initiatives and certifications

100%
suppliers **mapped** according to **quality**, **environmental and social** criteria

73%
suppliers who use exclusively **FSC-certified** packaging (Forest Stewardship Council)

20%
suppliers **GRS-certified** (Global Recycled Standard)

ISO 45001

23%
suppliers **ISO 45001 certified**

ISO 14001

20%
suppliers **ISO 14001 certified**

ISO 9001

43%
suppliers **ISO 9001 certified**

China

Pakistan

Bangladesh

India
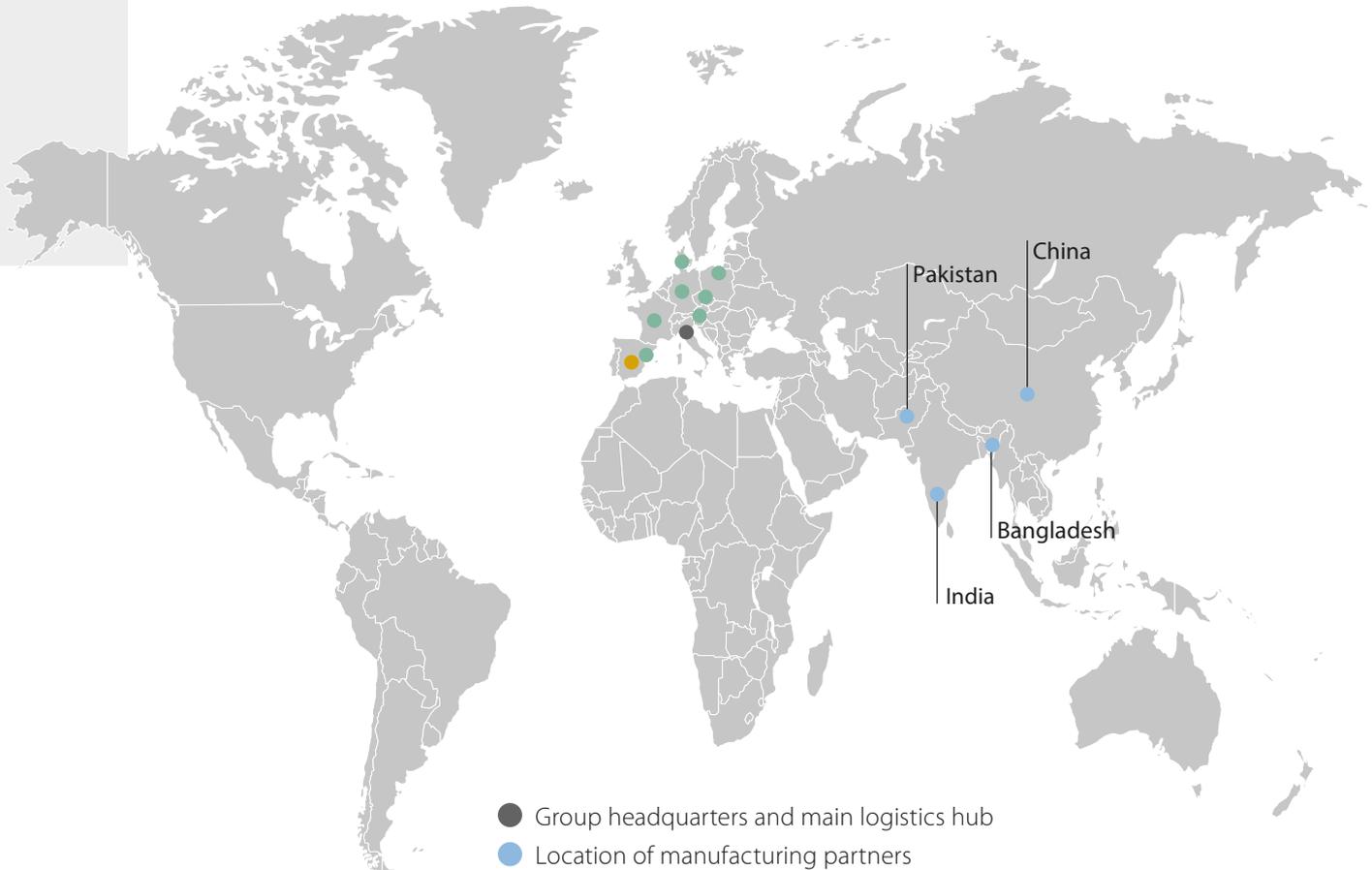
- ● Group headquarters and main logistics hub
- ● Location of manufacturing partners
- ● Location of commercial branches
- ● Additional logistics hub

03

Assessment of suppliers with sustainability criteria

During 2024, 100% of newly acquired suppliers were assessed according to social and environmental criteria.

The supplier assessment includes an **initial screening phase**, in which data on various organisational aspects are requested, including compliance with environmental regulations, working conditions, with health and safety, non-discrimination parameters and with other **environmental and social criteria**.

Following an initial positive assessment, the supplier is included in the **register of approved suppliers**, constantly updated by the Procurement Department. Furthermore, an **audit is carried out on all new suppliers of finished products and on existing suppliers on an annual basis**. In particular, a performance evaluation is carried out by an external body on the basis of the Amfori BSCI and BEPI Codes of Conduct, which take into account **14 parameters**, **including Social Accountability**, **Health & Safety**, **Environment**.

At the end of the assessment process, a **Factory Audit Report** is sent to the company; this contains the relative performance score for each of the areas considered.

The **evaluation of our suppliers by Amfori**, through periodic audits and monitoring of ESG criteria, results in a classification in which:

- an **A score** represents the highest level, indicating the **excellence** of the supplier;
- a **B score** identifies suppliers with **near-optimal capabilities** and **compliant performance**;
- a **C score** denotes **good quality**;
- the **D and No Ratings scores** indicate a **mediocre** performance.

Our existing suppliers have achieved excellent scores in the Amfori analysis, demonstrating the quality of their performance and our commitment to excellence.

Our commitment in line with the Amfori BSCI and BEPI Codes of Conduct

Through the alignment with the **Amfori BSCI** (**Business Social Compliance Initiative**) **and the BEPI** (**Business Environmental Performance Initiative**) Codes of Conduct, we are committed, together with our business partners, to monitoring ESG criteria throughout the supply chain, in accordance with international principles.

This commitment translates into key values, including continuous improvement, constructive dialogue, cooperation and stakeholder empowerment, to protect the environment, ensure compliance with national and international legislation and promote transparency.

Concrete actions include:
- an effective **environmental management system**;
- active control of **energy use**, reducing greenhouse gas emissions;
- the **management of emissions** of hazardous substances into the air;
- control of **water management and efficiency**, including water reuse;
- **waste management**;
- the **protection of biodiversity** and the management of environmental impacts;
- the **noise pollution management**;
- control of the use and disposal of **hazardous substances**.

These objectives are constantly monitored through materiality analysis, supply chain mapping, risk assessments and continuous improvement activities, ensuring a transparent and linear dialogue between the company and the supply chain.

03

Reducing impacts in the supply chain

We are aware that sustainability is a path of continuous improvement and every day we are committed to monitoring the impacts of our processes.

In particular, our garments are created by our partners in **different production sites around the world** through **processes typical of the textile industry** and it is well known, both to us and to the community, that these activities have significant environmental impacts, such as energy consumption, the production of emissions and the consumption of water.

It is essential that we should fully understand the **impacts generated** by these production activities and that we commit ourselves, through constant monitoring and progressive collaboration with suppliers, to **limiting the negative effects** of both the production and the logistics processes, finding **effective mitigation solutions**.

As regards the **upstream impacts**, **we raise awareness among production partners about the use of materials with a lower environmental impact** as they come from sustainable crops and manufacturing processes, promoting, for example, adherence to the Better Cotton programme for the responsible management of cotton.

For 2025, initiatives are underway to **increasingly implement the use of recycled fibres from sustainable sources for packaging**, with the aim of obtaining **100% FSC® -certified incoming paper and cardboard**.

As regards the **downstream impacts**, we indicate to users of Payper garments how to wash the garments, encouraging the **use of low-temperature programs** that ensure a lower expenditure of energy and a reduced release of polyester into the water.

Over the course of the year, we have also worked to **collect all the information relating to our garments in a sheet** with technical data and certifications, washing instructions and also details on the production phases of the garment and its packaging.

We have thus brought forward the introduction of the **Digital Product Passport** (**DPP**) for all reference markets.

Finally, aware of the impacts that some fabric treatments can generate on the environment, we have begun to replace and **eliminate PFAS-based treatments** from all our production to use alternative products that are equally effective and more sustainable.

The use of these new treatments has transformed into a stringent technical specification shared with fabric suppliers and into specific checks with analyses carried out on each production batch.

Finally, part of the textile waste is sent **to recycling pathways** through manufacturing and non-profit companies, with reuse initiatives that include donations to local volunteer associations.

MATERIALS	ASSOCIATED ENVIRONMENTAL IMPACTS	IMPACT REDUCTION ACTIVITIES
COTTON	Cotton cultivation generates negative impacts on soil, biodiversity and water availability. The subsequent spinning phase also requires washing the cotton using a significant quantity of water. Finally, dyeing the garment involves the use of various chemical compounds and of substantial quantities of water.	☑ Using cottons from sustainable cultivations as part of the Better Cotton and GOTS OCS initiative ☑ Requesting all suppliers to provide a declaration relating to the non-use of polluting substances, with subsequent request to their sub-suppliers. ☑ Possibility of raising awareness among suppliers for recovering energy from steam after the copper plating/sanforising treatment phase.
POLYESTER AND NYLON	The reagent manufacturing phase and the creation of the fibre by synthesis produces impacts related to the use of fossil fuels as basic raw materials, the consumption of water for washing and of electricity for regulating the process temperature, in addition to the particulate emissions associated with the chemical reactions generated.	☑ Addition of the indication on the label to use low washing temperatures (maximum 30°) to reduce the release of polyester. ☑ Addition on the label of the indication not to use the dryer, but to air dry, in order to limit wasting energy ☑ The use of recycled polyester fibres is currently being assessed.
PLASTIC	Plastic, used mainly for packaging and transport operations to customers, although efficient, is not biodegradable; it therefore has a significant impact on end-of-life management and disposal. In particular, if dispersed in the environment, it causes significant environmental damage.	☑ A process of reducing the use of plastic in packaging is underway, by batching multiple products into a single polybag. ☑ A process of replacing plastic with paper and cardboard when possible or with recycled plastic is underway. ☑ By 2030, we expect that 100% of our products will be packaged using polybags with recycled plastic.
WOOD	The consumption of wood, paper and cardboard involves the production of wood, which, if not managed sustainably, can lead to deforestation, contributing to the loss of biodiversity and increased CO_2 emissions. The production of paper and cardboard requires large amounts of water and energy and can cause pollution by releasing chemicals, especially if chlorine-based bleaches are used. Although less resistant than plastic, paper and cardboard are more biodegradable and recyclable, reducing the environmental impact in the long term.	☑ Request for FSC® certified paper and cardboard from our suppliers for the downstream aspect and use of sustainable paper within the company for the upstream aspect. ☑ The goal for 2025 is to have 100% FSC® certified paper used. ☑ In 2024, to facilitate the sale and collection of products, we used EPAL certified pallets, or EUR pallets. In this case, the pallets are purchased new and then put back into circulation through reuse and repair, thus reducing the environmental impact linked to the production of new pallets.

03

Placing them on the market involves phases that go beyond production, including design, transport, use and end of life. These phases, common to all materials, are managed through an integrated value chain to guarantee quality and sustainability throughout the product's life cycle.

ACTIVITIES	ONGOING INITIATIVES FOR REDUCING IMPACTS
DESIGN: PRODUCT DESIGN WITH PROTOTYPE	• The prototype garments are donated to charity • The in-house prototypes are manufactured by reusing the fabrics sent by the suppliers for the initial tests • Reduced paper usage for tech files. The sheets are no longer printed and the signature is electronic
MANUFACTURE OF THE GARMENT: CUTTING, PACKAGING, PREPARATION FOR SHIPMENT	• The paper pattern is designed to reduce fabric waste • The cardboard boxes for the packaging are sized to contain a number of items that fills them • The use of packaging bags made of material from post-consumer recycling or responsible management sources is being assessed.
TRANSPORT BY LAND TO THE PORT OF EMBARKATION	
TRANSPORT BY SHIP TO THE PORT IN ITALY	• Optimisation of transport so that they are always fully loaded: containers are organised so that they are always full in order to reduce transport costs per volume of goods shipped. Activities for using electric, intermodal transport or new generation ships with low environmental impact are planned for 2025.
TRANSPORT BY LAND AND TRAIN FROM THE PORT TO THE LOGISTICS WAREHOUSE	
LOGISTICS MANAGEMENT	• Management of cardboard waste with carton reuse when possible • Optimisation of transport: vehicles always travel fully loaded
USE OF THE PRODUCT	• The shipped material is packed and placed in full cardboard boxes in order to reduce consumption and subsequent waste. • Instructions on the correct differentiation in the case of PPE
END OF LIFE	• High durability of the garment in order to extend the life cycle and reduce the overall impacts • Instructions for the consumer on the disposal of the garment at the end of its life

Efficiency and innovation in logistic processes

Advanced logistics solutions aim to reduce environmental impact and improve the well-being of operators.

We stand out on the European scene for our constant attention **to technological innovation**, applied both to production and to logistics processes. This avant-garde propensity has allowed us to achieve positions of excellence in the sector.

Logistics management is a key element of our corporate strategy and in this area we are committed to operating in a transparent and responsible manner.

The inauguration of the Headquarters in 2017 marked a turning point, with the implementation of state-of-the-art logistics solutions, which integrate **advanced management systems** with **robotic technologies**.

The objective of this integration is twofold: **to reduce the environmental impact of the plants and to improve the well-being of the operators**.

At the same time, moving from a manual order management system to an integrated and automated system, the technological leap has allowed us to ensure **greater efficiency** in order management, improving customer service, and **increasing productivity**.

The system receives orders directly from the server, which in turn sends input to the automated warehouse, activating a sequential process that leads to the composition of the order and to its final shipping.

24

Thanks to this optimisation, we are able to fulfil most orders within 24 hours of receipt, ensuring fast and reliable delivery times.

02/

People

Material topics related to this pillar

- *Employee training, development and well-being*
- *Occupational health and safety*
- *Diversity, equal opportunities and inclusion*

UN Sustainable Development Goals relevant to this pillar

5 GENDER EQUALITY

8 DECENT WORK AND ECONOMIC GROWTH

04
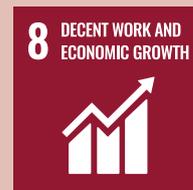
Fly together: our team

We believe that the development of personal skills and talents is a key element for our company, ensuring product excellence and operational continuity in the long term. As at December 2024, we have a workforce of **240 employees**, with a **15% increase compared to 2023**.

Over the course of the year, we have in fact recorded a **net positive** increase with **63 new hires** compared to 38 employees who have left the company.

The expansion of the workforce occurred in symbiosis with a process of **company growth** that has maintained a **stable trend** for several years. Most employees are located in **Italy** (184, equal to 77% in 2024) distributed in the offices of Fiumana (FC), Vecchiazzano (FC), Barletta (BAT) for Industrial Wear and Forlì (FC) for Fashion Ink.

The workforce in the **European offices** (France, Germany, Spain and the Czech Republic) is now 56, up from 39 in 2023, demonstrating the **Group's growing presence on foreign markets**.

Furthermore, we stand out for a workforce with **50% having an average age between 30 and 50 years old**, 37% over 50 years old and 13% of young people under 30 years old.

With reference to the distribution by gender, of the total employees, **128 are women** (**53% in 2024**), reflecting the company's strong commitment to promoting female employment.

At a contractual level, **open-ended contracts** prevail (83% of the total), capable of ensuring **stability and continuity of work and pay**.

The strengthening of the workforce reflects the constant growth of the group, which continues to show a positive trend.

The numbers that speak for us

240
of employees
as at December 2024

63
new employee
hires in 2024

30%
of employees
in the foreign
branches in 2024

+15%
of employee
growth in 2024

5
executives in 2024
vs 4 in 2023

13
middle management
in 2024 vs 11 in 2023

130
clerical staff in 2024
vs 108 in 2023

92
manual workers
in 2024 vs 86 in 2023

53%
female workforce
of the Group

83%
open-ended
contracts

13%
under 30

50%
between 30 and
50 years old

AVERAGE AGE
IN THE COMPANY
IN 2024

37% **over 50 years old**

04

Development, well-being and protection of workers
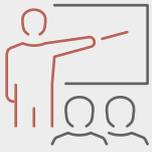
> 280 hours
for training courses on Occupational Health and Safety.

The possibility of **attracting and retaining the best resources** represents a strategic element which is based on several factors, including the ability to ensure the **well-being and satisfaction** of workers and the possibility of offering our people adequate measures that allow them to maintain a continuous professional growth.

Personnel training is carefully monitored and planned through an **internal database for mapping skills** that converge into a **matrix** useful for constantly tracking the correspondence of existing skills with those required for each employee, in order to **plan periodic updates** and **personalised development paths**.

Specifically, to strengthen the foundations of this structured activity, in 2024 we carried out a mapping of the skills of all staff and new hires to **implement training**, both vertical and transversal, in line with the corporate objectives and to promote the **upskilling** of the human capital.

In particular, also through individual interviews, we received the **requests of the workers** and, with the collaboration of their respective managers, we defined a **training plan** capable of satisfying the needs of the department to which they belong and, at the same time, of best facilitating individual development.

The courses offered are also delivered with the support of external training bodies and include **technical topics** regarding fabrics, **product sustainability**, **management systems** and certifications.

We value people through constant training courses, which increase skills and perspectives.

Many training initiatives aimed at our employees focus on sustainability topics.

For 2025 we have also set ourselves the goal of investing in initiatives for disseminating the **culture of corporate sustainability**, including **employee training on ESG topics,** on the topic of inclusion and diversity, on the use of work management programs, time management, etc.

In this same perspective, to **promote responsible and environmentally friendly behaviour,** the Headquarters is equipped with columns of **filtered water dispensers** for use by employees, to reduce waste from plastic bottles.

04

Our **Social Sustainability Policy** contains the guiding principles that we apply to managing the working environment from a social point of view.

This document summarises the measures implemented in relation to compliance with and maintenance of the main certifications and management systems, specifically **SA 8000** and **Uni/PDR 125:2022**.

UNI/PDR 125:2022

UNI/PDR 125:2022 defines the guidelines on the management system for **gender equality**, an area in which we obtained the **certification** already in December 2023.

As required by this certification, we have appointed the **Steering Committee**, established by Top Management and consisting – among others – of the HR Manager, who is responsible for ensuring the effective adoption and application of the Gender Equality Policy.

In line with the evaluation phase planned for the certification update, **for 2024 we have conducted a new analysis relating to the gender pay gap**, highlighting a **good pay balance**.

SA8000

The SA8000 standard is an international standard that defines the requirements for an **ethically correct behaviour by companies towards workers and all interested parties**; this standard was developed by SAI (Social Accountability International).

Industrial Wear Italia obtained the **certification in 2022** and is still undergoing **constant monitoring and maintenance**.

In line with the provisions of the Standard, we have established the **Social Performance Team** (SPT) which has the purpose of ensuring compliance with the requirements defined by SA 8000. It is a working group that deals with the management of the main topics of social responsibility and is made up of a Senior Manager, two representatives chosen by the company, two representatives elected by the workers, the HR Manager and the SA8000 management system manager.

The tasks of this group are:

- **to monitor compliance** with the Standard, including through periodic audits and the review of company performance;
- **to identify and assess risks** regarding actual or potential non-compliance with the Standard;
- **to verify the effectiveness of the actions** adopted to satisfy the social responsibility policies adopted and the requirements of the Standard;
- **to collaborate in the identification and analysis of possible non-compliances**, with the consequent and possible identification of corrective actions.

During 2024, we underwent **several audits** by External Certification Bodies, in addition to second party compliance audits, preparatory to these.

The SA8000 and UNI/PDR 125:2022 certification maintenance audits ended positively, confirming how much we invest in the founding principles and values in which we believe.

Through the UNI/PDR 125:2022 practice, the Company undertakes to:

☑ respect the principles of parity and equality set forth in the Constitution of the Italian Republic as well as in the first and second level regulations, the rules of voluntary adoption and the internal code regulations (see company Code of Ethics);

☑ adopt policies and measures aimed not only at promoting female employment but also and above all at maintaining it over time, thus accompanying the female worker in the simultaneous implementation of projects of a professional as well as of a strictly personal nature. The same applies to male workers should they be the least represented gender in the company;

☑ promote welfare policies to support those who dedicate themselves to caring for the family;

☑ ensure adequate training and information for all personnel regarding respect for diversity, inclusiveness and equal opportunities;

☑ extend the culture of gender equality externally, communicating and promoting the principles of equality and inclusion to stakeholders;

☑ include principles of equality and equal opportunities in the personnel assessment and selection process.

☑ remove as far as possible any obstacle that prevents effective equality between men and women in the world of work by ensuring the inclusion of the principle of equality in the processes, specifically:
- equal opportunities to access work (personnel selection phase),
- income equality,
- equal access to career and training opportunities (personal assessment phase),
- application of paternity leave in line with European best practices,
- presence of mechanisms for job protection and to guarantee of the same level of pay after maternity leave;

04

As we recognise the importance of employee satisfaction in improving the quality and productivity of work, we have also implemented innovative incentive policies and tools to promote personal and family well-being, taking into account the balance between work and personal life, as well as the sustainability of the purchasing power.
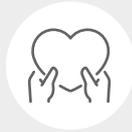
We adopt a **welfare program** that, through the implementation of a dedicated regulation, supports and makes accessible goods and services that meet the individual and family needs of all employees, in compliance with current legislation. Through this plan, employees are entitled to an **amount of personal credit**, which can be used to **purchase goods and services of their choice**, including specialist healthcare services, family assistance and physical health services such as gyms and wellness centres. Furthermore, we notify all our employees whenever there are activities or events organised by external entities, such as the event dedicated to health check-ups with discounts dedicated to all those interested in taking part. In order to assess the effectiveness of the measures activated, a "Corporate Environment Questionnaire" is planned during 2025.

During 2024, with the aim of promoting a better **work-life balance**, **individual smart-working agreements** were ensured that allow employees to take advantage of adequate tools so that agile work performance is in line with organisational/production and individual needs.

As regards hiring policies, the company's **recruitment process** is governed by a specific internal procedure and is based on a precise analysis of organisational needs, that is, when a need arises in the departments, a repository of available resources is created. If these are not sufficient, external recruiting channels and bodies are used. Subsequently, a shortlist of candidates is drawn up, interviews are held, and the final choice is made.

For us, it is also important that each person can be welcomed in the best possible way within the company, giving them the opportunity to bring ideas and contribute to the company's growth. To meet this need, in 2024 the "**Corporate Induction**" **project** was born, **a program of integration and knowledge of the company and its various departments dedicated to new hires** who can thus become part of the Industrial Wear world and attitude quickly and easily.

Furthermore, through the **internal newsletter**, all employees can get to know the new colleagues who have arrived in the company and the tasks they perform. The goal is to build increasingly effective and inclusive internal communication in the company.

04

Health and safety
in the workplace

ISO 45001
Industrial Wear Italia has a management system for health and safety at work compliant with the standard.

We are aware that employee well-being also depends on a solid management system for occupational health and safety, which is why we have been **ISO 45001:2018** certified since 2019. Our SSL System covers the sites of Fiumana, Vecchiazzano and Barletta and is periodically updated with a view to continuous improvement and certified by a third party.

The figures of the "Supervisors" are trained and appointed internally and have the task of monitoring compliance with safety regulations, raising awareness among workers towards active participation in people's health.

Furthermore, we periodically carry out **risk assessment activities related** to health and safety topics as part of the **Risk Assessment Document** (**Italian DVR**), drawn up for each company facility and updated in accordance with the provisions of L. Decree no. 81/08. The DVRs are then verified annually during the meeting with the Health and Safety Officer, Company physician, the Workers' health and safety representative and Management and updated in the event of changes in safety conditions or of regulatory changes. Each DVR includes chapters on the measures to be adopted and the opportunities for improvement.

Annually, during the internal compliance audit, **the risk analysis is updated** according to the **ISO 45001** standard and
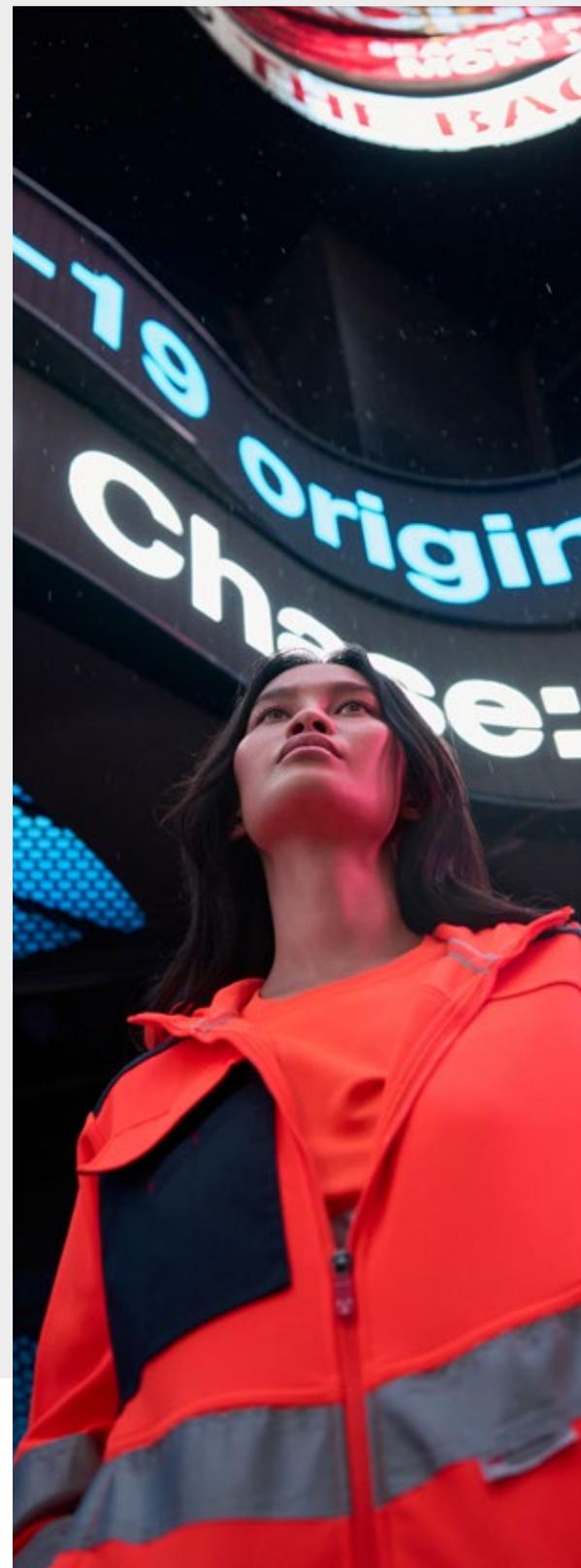
Industrial Wear annually carries out a management review for all certifications, analysing the general results, including those from health surveillance and internal audits, monitoring the achievement of the improvement objectives and establishing the subsequent ones.

the company's compliance is verified. The management system includes further internal controls in addition to the legal periodic maintenance to monitor the efficiency and safety of vehicles, devices, systems and equipment.

We are committed to involving our workers through various activities. Among these, we organise regular meetings to discuss important topics such as **occupational safety** and occupational diseases.

In 2024, the "**Supervisor's Diary (Diario del Preposto)**" project was born, consisting of weekly meetings, recorded through specific documentation, in order to address the critical issues reported in the workplace by department managers. The initiative improved the dialogue between supervisors and workers, facilitating the development and reporting of issues.

These practices have also improved communication and responsibility, not only for the people identified as Supervisors but also for all workers **by creating a direct dialogue channel between management and departments** to prevent problems and risks in the workplace.

During 2024, we organised **training courses on Occupational Health and Safety** for a total of **288 hours**.
By the end of each year, General Management defines the **Training plan** for the following year, also including the provision of training events on topics not strictly linked to legal requirements.

As part of the management system, the **Company physician**, present both for the Fiumana and Vecchiazzano sites and for Barletta, provides the company with the annual report on the health surveillance results.

Regarding injuries, in 2024 three cases of minor injuries were recorded (a sprain, a contusion and a fracture) and no cases of occupational disease. Accidents are reported through a specific form for recording individual accidents with the aim of analysing the circumstances, identifying the causes and deficiencies and planning prevention actions.

Furthermore, the analysis of accidents through the Ishikawa Diagram is already in use. This is a useful tool for improving existing processes and identifying the possible cause of accidents with the aim of identifying effective solutions.

Reporting and addressing critical topics in the workplace is easier and faster with the weekly meetings provided for by the Supervisor's Diary, a project launched in 2024.

05/

The environment

Material topics related
to this pillar

- *Energy consumption
  and emissions*

UN Sustainable Development
Goals relevant to this pillar

Management of the impacts generated

Our commitment focuses on finding innovative solutions aimed at gradually increasing positive impacts on the environment. Each of our choices comes from a careful analysis of the risks and benefits related to it.

Although we are not directly involved in production, **we are involved in the design study and we purchase the finished products from our partners**, also managing the logistical aspect. Therefore, **the environmental impacts are mainly indirect** and linked to the value chain.

Starting from 2023, we began calculating the Scope 3 indirect emissions which include those generated during the entire life cycle of our products. This includes emissions from the production and transportation of materials, as well as those resulting from the use and disposal of the products. In particular, we consider emissions along our entire value chain, both upstream and downstream.

The aim is to provide a **transparent and detailed view of the environmental impact generated along the entire supply chain**, from production to use and disposal of the products.

Quantifying CO_2 emissions gives us the opportunity to identify areas for improvement and to promote sustainable practices in collaboration with our partners. This ongoing commitment reflects the desire to **build an increasingly responsible value chain** and to actively contribute to a sustainable future.

830 tCO₂e
Total direct GHG emissions generated (Scope 1 and Scope 2 – Location based) in 2024

105,120 tCO₂e
Total indirect GHG emissions (Scope 3) in 2024

10,761 GJ
Total energy consumption in 2024

95%
Electricity from renewable sources consumed in 2024

Recharging station
Installed during 2023
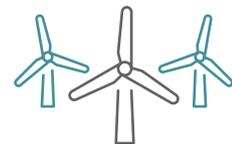
969,054 Kwh
Electricity purchased coming exclusively from renewable sources certified with Guarantee of Origin - GO in 2024

The ISO 14001 environmental management system

The management of the direct environmental aspects is ensured by the presence of an **Environmental Management System compliant with ISO 14001**, which is part of the Integrated Quality-Safety-Environment Management System. The scope of application of the system currently covers our Headquarters in Fiumana, the Vecchiazzano sites and the Barletta site.

As part of the Environmental Management System, **we annually update the environmental risk analysis** with the aim of assessing in detail each activity carried out and the potential associated risks. The environmental risk analysis (ANRA) identifies the main contextual factors, from the regulatory framework to the economic one, to the relevant factors in the supply chain and in the evolution of the environmental conditions.

05

Management of the waste generated

We are aware that correct waste management allows us to implement a path of continuous improvement towards a circular economy model.

In 2024, we started the first reporting of the **waste generated** by our activities.

This analysis revealed a **total production of about 192 tons of waste**, of which 2.7 tons (1.4%) were classified as hazardous, being rags and packaging contaminated by chemicals used mainly in the laboratory testing phase.

Total waste generated (%)

1.42%
total hazardous waste

98.58%
total non-hazardous waste
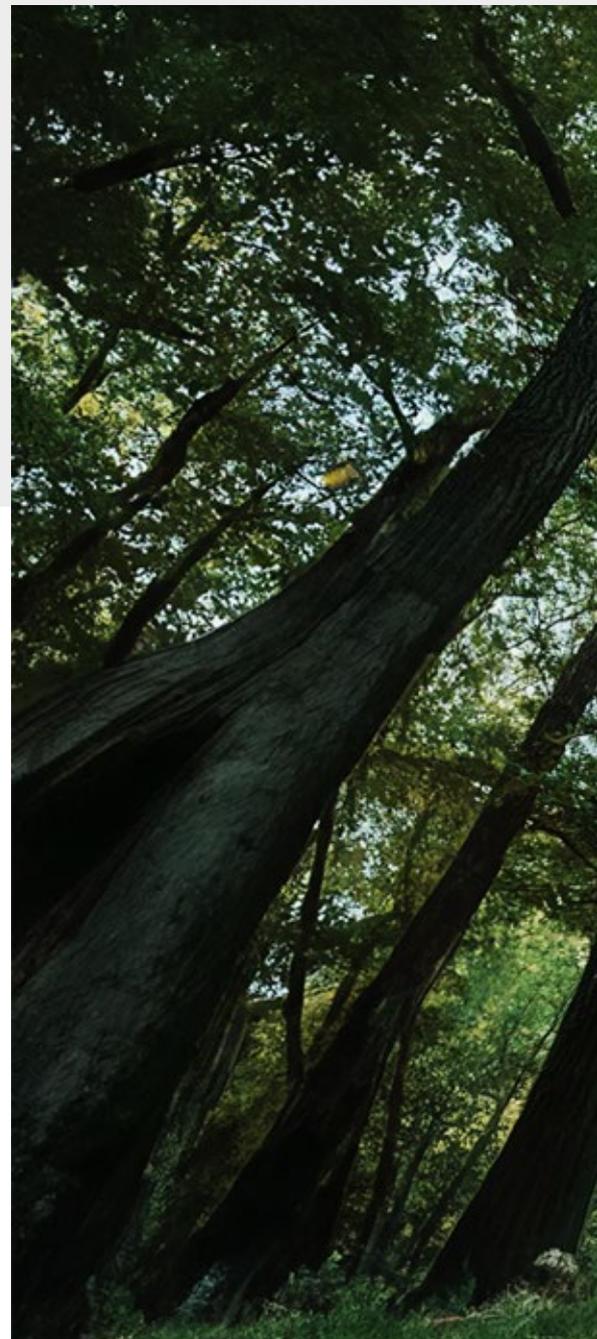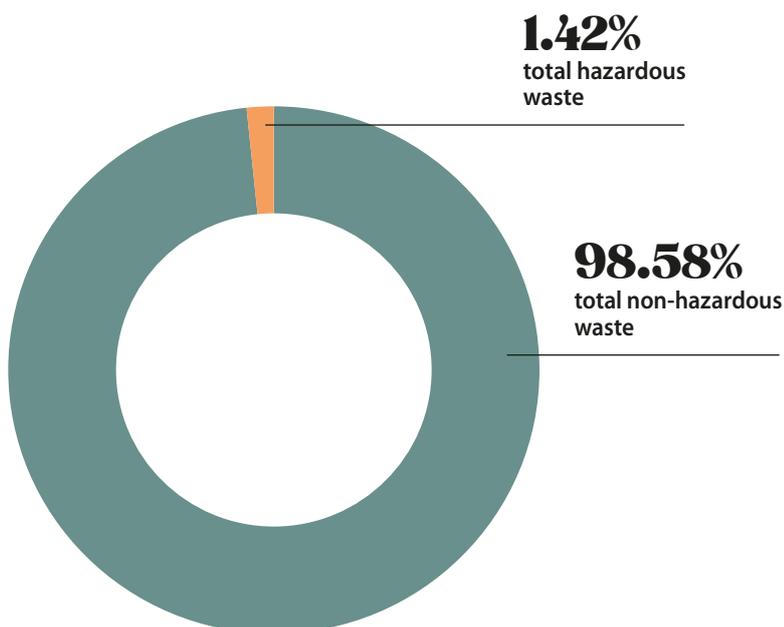
We pay close attention to the **correct disposal** of the waste we produce and try to promote a waste reduction policy within the company. We have implemented several **initiatives to reduce waste production and promote its recycling**.

These include the reuse of incoming packaging cartons and EU pallets.

During 2024, we allocated 68% of waste to recovery operations that include recycling and reuse activities.

Energy consumption and emissions

Every day we are committed to reducing the energy consumption and climate-altering emissions related to our activities.

For our Headquarters in Fiumana di Predappio, we planned, already in the design phase, the installation of a **photovoltaic system** which in 2024 was able to generate more than 250,000 kWh which, added to the almost 86,000 kWh produced by the Fashion Ink plant, allowed us to cover **about 21% of the Group's electricity needs**.

Most of our energy consumption is attributable to the consumption of electricity to power the logistics warehouses located in Fiumana and Vecchiazzano. **Starting from 2024, we have chosen to exclusively purchase electricity from renewable sources certified through Guarantees of Origin (GO)** also for the Fashion Ink headquarters.

This strategic choice has contributed to increasing the **share of green electricity used from 85% to 95%**, indicating our commitment to reducing greenhouse gas emissions and the overall environmental impact.

At Group level, **energy from renewable sources amounted to 4,451GJ or 41.36% of total energy needs**, while in 2023 the amount was 3,523GJ or 37% of total needs, with an **increase of 13% compared to** the previous year.

Electricity used in Group offices in 2024 (%)

5.11%

94.89%

- Renewable electricity
- Non-renewable electricity
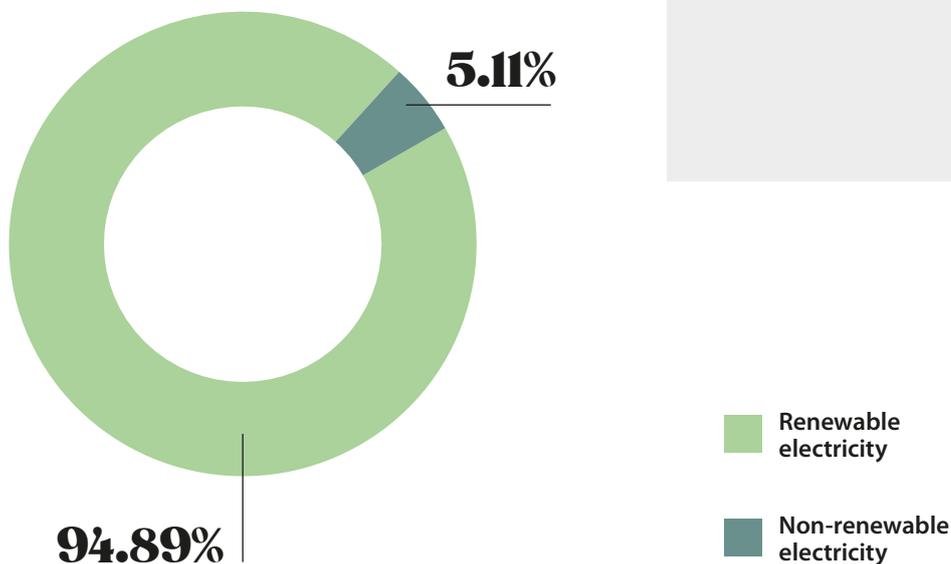
In a context of corporate growth, we are proud to have maintained a balance, demonstrating that environmental responsibility and economic development can coexist.

A lighting system was installed inside our Headquarters capable of recognising the passage and presence of personnel inside the work areas through **proximity sensors**, which regulate the light intensity based on human movement, significantly reducing the consumption of electricity.

The room thermostats have been adjusted so as not to exceed **threshold temperatures in summer and winter**, defining precise periods of use of the heating and cooling systems on an annual basis.

In 2023, **at the Fiumana Headquarters we installed an electric vehicle charging station**, with the aim of providing employees with a reliable infrastructure for charging vehicles during travel and daily activities and, at the same time, of promoting the adoption and spread of the use of electric vehicles in addition to the two hybrid cars already present.

The total **direct Scope 1 climate-altering emissions** produced in 2024 amounted to **393 tCO$_2$e**, up 25% compared to 2023 (314 tCO$_2$e), mainly due to a **more accurate** and timely quantification of the consumption of our vehicles and to the **increased journeys made** by sales representatives between the various offices.

Emissions of this type were mainly generated by the consumption of natural gas, petrol and diesel.

Total Group energy consumption (GJ)

6,310

4,451

5,989

3,523

■ Renewable energy GJ

■ Non-renewable energy GJ

as at 31st December 2024   **as at 31st December 2023**
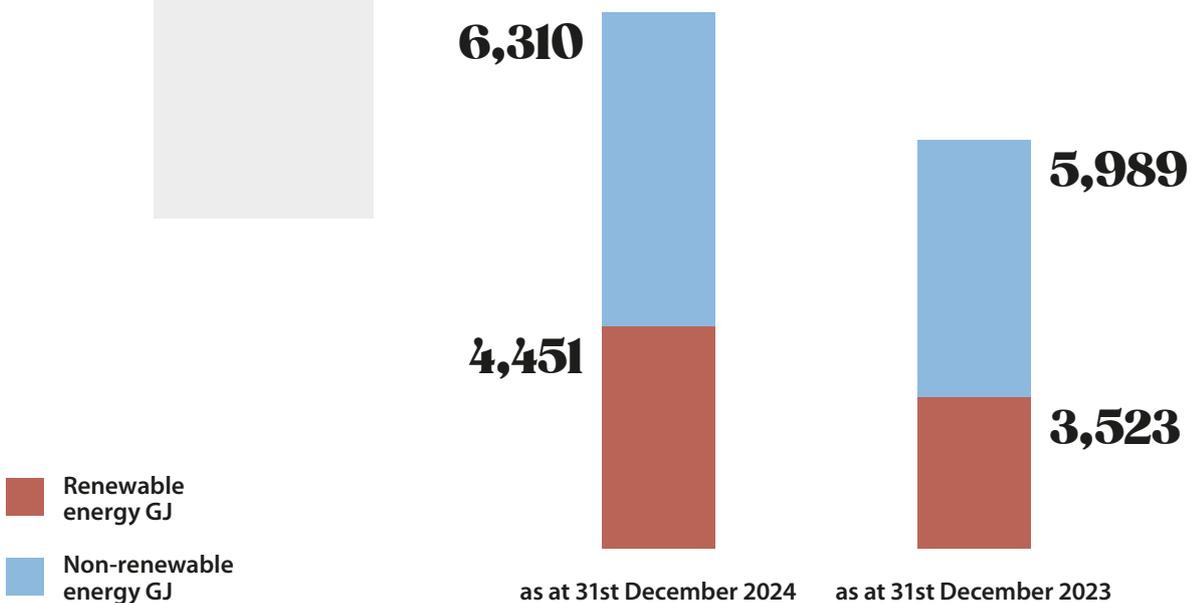
As regards **indirect Scope 2- Location based emissions** linked to the consumption of electricity, these amounted to 437 tCO_2 (291 tCO_2 in 2023).

Scope 2 Categories

Market-based emissions

This method considers the company's contractual agreements with energy suppliers, such as Guarantees of Origin. It also provides a more accurate picture of the company's actual emissions, taking into account its energy sourcing choices.

Location-based emissions

This method uses the average emission factors of the power grid from which the company draws energy. It also provides an overview of the emissions associated with energy consumption but does not indicate the company's specific choices regarding energy sources.

We continue to be committed to finding effective solutions for a greener energy future.

Climate-altering emissions generated by scope (tCO₂e)

437

393

291

314

SCOPE 1

SCOPE 2 - Location based

as at 31st December 2024

as at 31st December 2023
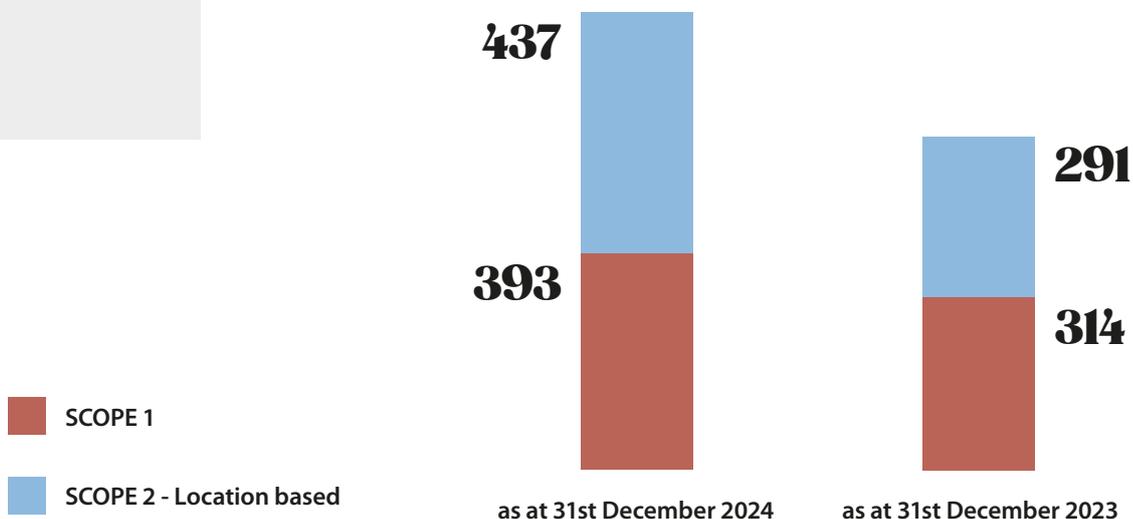
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From upstream to downstream, we are committed to conducting our activities increasingly in harmony with the environment.

The quantification of environmental impacts along the value chain

In order to improve the measurement of the impact of our activities, we have **quantified Scope 3 emissions also for the year 2024**, comparing them with the data for 2023, the year in which we carried out the first survey.

In 2024, we recorded a **total of 105,120 tCO$_2$e** of Scope 3 emissions, compared to 101,856[1] tons in the previous year, showing an overall increase of 3.2%. **This increase is mainly due to economic growth** and highlights the need to intensify our efforts to reduce the environmental impact of our value chain.

Although we are constantly committed to improving environmental performance, company growth has led to a slight increase in indirect emissions.

Comparison of Scope 3 emissions (tCO$_2$ e)

as at 31st December 2024

6,994
3,996
764
93,366

as at 31st December 2023

7,012
3,234
672
90,938

- Use of products sold
- Downstream transport and distribution
- Upstream transport and distribution
- Purchased goods and services
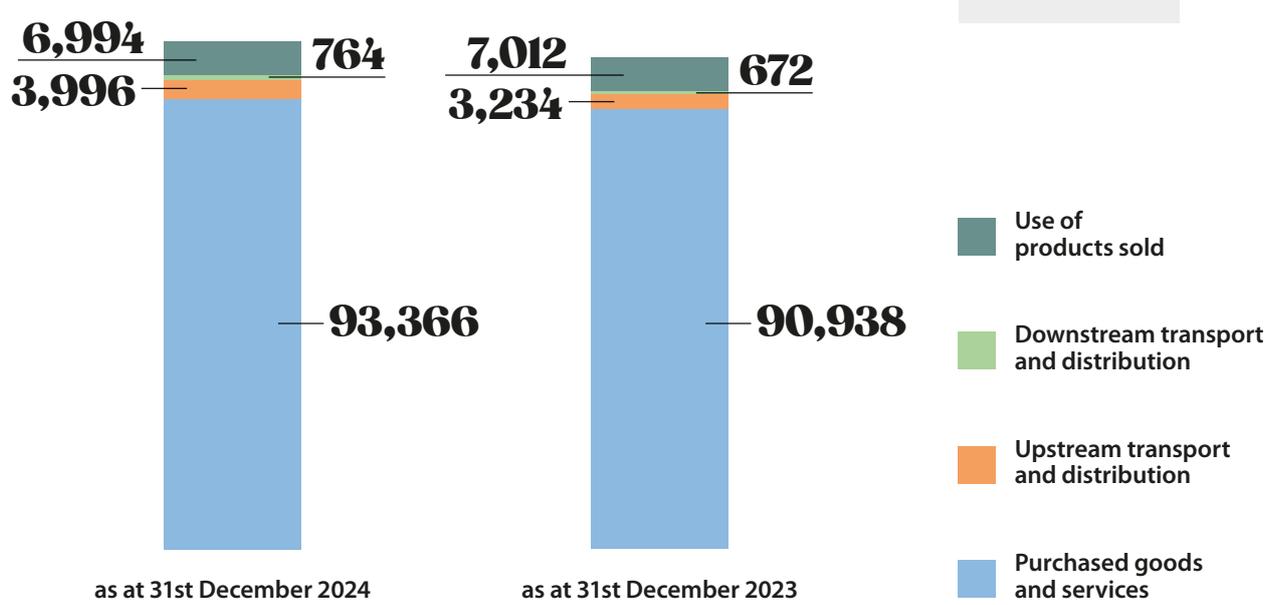
[1] *The 2023 Scope 3 emissions figure has been restated following an improvement in the data collection process. For previously published data, please refer to the 2023 Sustainability Report.*

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To contain indirect emissions, it is important to optimise the purchasing activities of goods and services in particular.

By analysing the individual categories, we noted that emissions related to "**Purchased goods and services**" increased from 90,938 to 93,366 tCO₂e, with **an increase of approximately 2.7%**.

This figure pushes us to strengthen collaboration with our suppliers, promoting more sustainable practices and favouring materials with a low environmental impact.

Emissions related to the "**Downstream transport and distribution**" category increased from 672 to 764 tCO₂e, with **an increase of approximately 13.6%**. The increase is attributable to the company's economic growth and to the greater number of items sold.

The category "**Upstream transport and distribution**" recorded the most significant increase, going from 3,234 to 3,996 tCO₂e, with a **growth of approximately 23.6%**, also due to the inclusion of a new leased warehouse to ensure a more widespread delivery of products.

Finally, the category "**Use of products sold**" **remains in line with 2023**, going from 7,012 to 6,994 tCO₂e.

Composition of Scope 3 emissions (tCO₂e) in 2024 (%)

1%

4%

6%

89%

RELEVANT CATEGORIES

- **Purchased goods and services**
- **Upstream transport and distribution**
- **Downstream transport and distribution**
- **Use of products sold**

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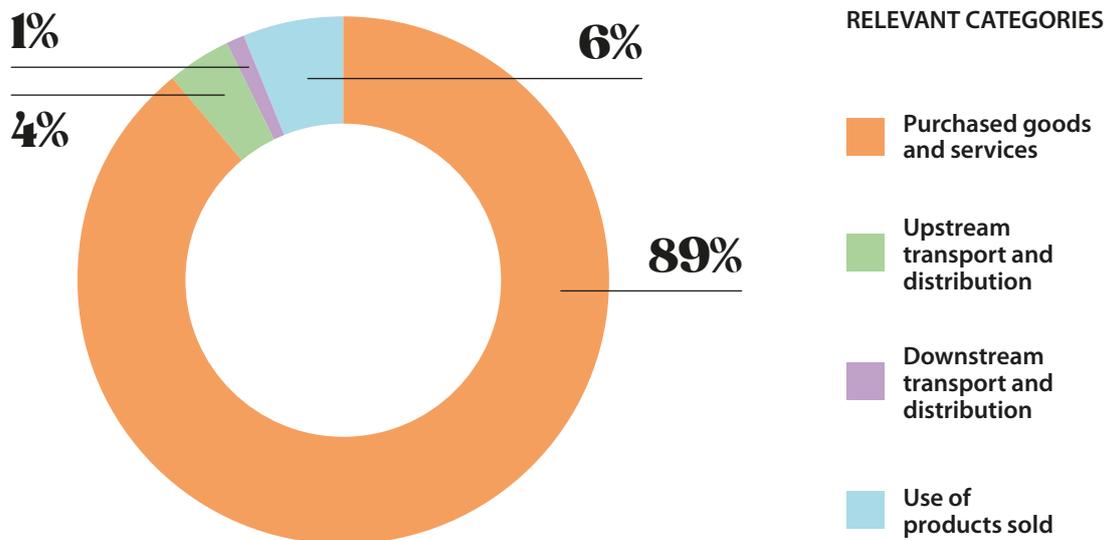
Performance indicators

ECONOMIC RESPONSIBILITY

GRI 201-1 Economic value directly generated and distributed

ECONOMIC VALUE DIRECTLY GENERATED AND DISTRIBUTED (in Euro)		
	as at 31st December 2024	as at 31st December 2023
Economic value directly generated	**167,655,030**	**145,016,851**
Economic value retained	**16,284,780**	**14,326,812**
Economic value distributed, of which:	**151,370,250**	**130,690,039**
Value redistributed to Suppliers	122,841,914	108,333,768
Remuneration of Personnel	13,188,164	11,020,129
Remuneration of Lenders	3,426,647	2,953,652
Remuneration of Shareholders	3,600,000	2,000,000
Remuneration of the Public Administration	8,121,656	6,283,629
Remuneration of the Community	191,869	98,861

CORPORATE SOCIAL RESPONSIBILITY

GRI 2-7 Employees

EMPLOYEES BY GENDER AND GEOGRAPHICAL AREA (Headcount)						
Geographical area	as at 31st December 2024			as at 31st December 2023		
	Men	**Women**	**Total**	**Men**	**Women**	**Total**
Industrial Wear Srl - Italy (Fiumana, Vecchiazzano, Barletta)	66	98	**164**	54	92	**146**
Fashion ink Srl - Italy	7	13	**20**	7	17	**24**
Industrial Wear GmbH - Germany	14	5	**19**	8	4	**12**
Industrial Wear Sarl - France	10	6	**16**	6	5	**11**
Industrial Wear SRO - Czech Rep.	3	2	**5**	2	3	**5**
Industrial Wear Payper Sl - Spain	10	4	**14**	8	3	**11**
Industrial Wear Sp. Z.O.O. - Poland	2	-	**2**	N/A	N/A	**N/A**
Total Group employees	**122**	**128**	**240**	**85**	**124**	**209**

EMPLOYEES BY TYPE OF CONTRACT (open-ended, fixed-term contract), GENDER AND GEOGRAPHICAL AREA (Headcount)							
Geographical area	**Type of contract**	**as at 31st December 2024**			**as at 31st December 2023**		
		Men	**Women**	**Total**	**Men**	**Women**	**Total**
Industrial Wear Srl - Italy (Fiumana, Vecchiazzano, Barletta)	Open-ended	55	73	**128**	48	70	**118**
	Fixed-term	11	25	**36**	6	22	**28**
	Total	**66**	**98**	**164**	**54**	**92**	**146**
Fashion ink Srl - Italy	Open-ended	6	9	**15**	5	9	**14**
	Fixed-term	1	4	**5**	2	8	**10**
	Total	**7**	**13**	**20**	**7**	**17**	**24**
Industrial Wear GmbH - Germany	Open-ended	13	5	**18**	7	4	**11**
	Fixed-term	1	-	**1**	1	-	**1**
	Total	**14**	**5**	**19**	**8**	**4**	**12**
Industrial Wear Sarl - France	Open-ended	10	6	**16**	6	5	**11**
	Fixed-term	-	-	**-**	-	-	**-**
	Total	**10**	**6**	**16**	**6**	**5**	**11**
Industrial Wear SRO - Czech Rep.	Open-ended	3	2	**5**	2	3	**5**
	Fixed-term	-	-	**-**	-	-	**-**
	Total	**3**	**2**	**5**	**2**	**3**	**5**
Industrial Wear Payper Slu - Spain	Open-ended	10	4	**14**	8	3	**11**
	Fixed-term	-	-	**-**	-	-	**-**
	Total	**10**	**4**	**14**	**8**	**3**	**11**
Industrial Wear Sp. Z.O.O. - Poland	Open-ended	2	-	2	1	-	1
	Fixed-term	-	-	-	-	-	-
	Total	**2**	**-**	**2**	**1**	**-**	**1**
Total Group employees	**Open-ended**	**99**	**99**	**198**	**76**	**94**	**170**
	Fixed-term	**13**	**29**	**42**	**9**	**30**	**39**
	Total	**112**	**128**	**240**	**85**	**124**	**209**

		EMPLOYEES BY TYPE OF EMPLOYMENT (Full-time and Part-time), **GENDER AND GEOGRAPHICAL AREA (Headcount)**					
Geographical area	**Type of contract**	**as at 31st December 2024**			**as at 31st December 2023**		
		Men	**Women**	**Total**	**Men**	**Women**	**Total**
Industrial Wear Srl - Italy (Fiumana, Vecchiazzano, Barletta)	Full-time	65	76	**141**	53	70	**123**
	Part-time	1	22	**23**	1	22	**23**
	Part-time (%)	2%	22%	**14%**	2%	24%	**16%**
	Total	**66**	**98**	**164**	**54**	**92**	**146**
Fashion ink Srl - Italy	Full-time	7	11	**18**	7	15	**22**
	Part-time	-	2	**2**	-	2	**2**
	Part-time (%)	0%	15%	**10%**	0%	12%	**8%**
	Total	**7**	**13**	**20**	**7**	**17**	**24**
Industrial Wear GmbH - Germany	Full-time	12	4	**16**	7	3	**10**
	Part-time	1	1	**2**	1	1	**2**
	Part-time (%)	8%	20%	**11%**	13%	25%	**17%**
	Total	**13**	**5**	**18**	**8**	**4**	**12**
Industrial Wear Sarl - France	Full-time	10	5	**15**	6	5	**11**
	Part-time	-	1	**1**	-	-	**-**
	Part-time (%)	0%	17%	**6%**	0%	0%	**0%**
	Total	**10**	**6**	**16**	**6**	**5**	**11**
Industrial Wear SRO - Czech Rep.	Full-time	3	2	**5**	2	3	**5**
	Part-time	-	-	**-**	-	-	**-**
	Part-time (%)	0%	0%	**0%**	0%	0%	**0%**
	Total	**3**	**2**	**5**	**2**	**3**	**5**
Industrial Wear Payper Slu - Spain	Full-time	10	4	**14**	8	3	**11**
	Part-time	-	-	**-**	-	-	**-**
	Part-time (%)	0%	0%	**0%**	0%	0%	**0%**
	Total	**10**	**4**	**14**	**8**	**3**	**11**
Industrial Wear Sp. Z.O.O. - Poland	Full-time	2	-	2	1	-	1
	Part-time	-	-	-	-	-	-
	Part-time (%)	0%	0%	0%	0%	0%	0%
	Total	**2**	**-**	**2**	**1**	**-**	**1**
Total Group employees	**Full-time**	**109**	**102**	**211**	**83**	**99**	**182**
	Part-time	**2**	**26**	**28**	**2**	**25**	**27**
	Part-time (%)	**2%**	**20%**	**12%**	**2%**	**20%**	**13%**
	Total	**112**	**128**	**240**	**85**	**124**	**209**

GRI 2-8 Workers who are not employees

EXTERNAL COLLABORATORS BY GENDER (Headcount)						
Professional category	**as at 31st December 2024**			**as at 31st December 2023**		
	Men	**Women**	**Total**	**Men**	**Women**	**Total**
Personnel on outsourced contracts	-	-	**-**	-	-	**-**
Interns/Trainees	-	-	**-**	-	1	**1**
Self-employed/freelancers	-	1	**1**	1	1	**2**
Contracts for freelance work – continuous collaboration contracts	-	-	**-**	-	-	**-**
Total external collaborators	**-**	**1**	**1**	**1**	**2**	**3**

GRI 405-1 Diversity of governance bodies and employees

EMPLOYEES BY PROFESSIONAL CATEGORY AND GENDER (Headcount)						
Number of people	**as at 31st December 2024**			**as at 31st December 2023**		
	Men	**Women**	**Total**	**Men**	**Women**	**Total**
Executives	5	0	**5**	4	0	**4**
Managerial staff	10	3	**13**	9	2	**11**
Clerical staff	59	71	**130**	42	66	**108**
Manual workers	38	54	**92**	30	56	**86**
Total	**112**	**128**	**240**	**85**	**124**	**209**

EMPLOYEES BY PROFESSIONAL CATEGORY AND GENDER (Headcount) - Percentage						
Number of people	**as at 31st December 2024**			**as at 31st December 2023**		
	Men	**Women**	**Total**	**Men**	**Women**	**Total**
Executives	100%	0%	**2%**	100%	0%	**2%**
Managerial staff	77%	23%	**5%**	82%	18%	**5%**
Clerical staff	45%	55%	**54%**	39%	61%	**52%**
Manual workers	41%	59%	**38%**	35%	65%	**41%**
Total	**47%**	**53%**	**100%**	**41%**	**59%**	**100%**

EMPLOYEES BY PROFESSIONAL CATEGORY AND AGE GROUP (Headcount)							
Number of people	**as at 31st December 2024**				**as at 31st December 2023**		
	<30	**30-50**	**>50**	**Total**	**<30**	**30-50**	**>50**	**Total**
Executives	0	1	4	**5**	0	1	3	**4**
Managerial staff	0	8	5	**13**	0	6	5	**11**
Clerical staff	17	62	51	**130**	16	55	37	**108**
Manual workers	15	49	28	**92**	18	45	23	**86**
Total	**32**	**120**	**88**	**240**	**34**	**107**	**68**	**209**

06

EMPLOYEES BY PROFESSIONAL CATEGORY AND AGE GROUP - Percentage

Number of people	as at 31st December 2024				as at 31st December 2023			
	<30	30-50	>50	Total	<30	30-50	>50	Total
Executives	0%	20%	80%	**2%**	0%	25%	75%	**2%**
Managerial staff	0%	62%	38%	**5%**	0%	55%	45%	**5%**
Clerical staff	13%	48%	39%	**54%**	15%	51%	34%	**52%**
Manual workers	16%	53%	30%	**38%**	21%	52%	27%	**41%**
Total	**13%**	**50%**	**37%**	**100%**	**16%**	**51%**	**33%**	**100%**

EMPLOYEES BELONGING TO PROTECTED GROUPS BY PROFESSIONAL CATEGORY (Headcount)

Number of people	as at 31st December 2024			as at 31st December 2023		
	Men	Women	Total	Men	Women	Total
Executives	1	0	**1**	0	0	**-**
Managerial staff	1	0	**1**	0	0	**-**
Clerical staff	1	6	**7**	2	3	**5**
Manual workers	2	4	**6**	2	4	**6**
Total	**5**	**10**	**15**	**4**	**7**	**11**

COMPOSITION OF THE BOARD OF DIRECTORS BY GENDER AND AGE GROUPS - Percentage

Number of people	as at 31st December 2024				as at 31st December 2023			
	<30	30-50	>50	Total	<30	30-50	>50	Total
Men	0%	75%	25%	**100%**	0%	75%	25%	**100%**
Women	0%	0%	0%	**0%**	0%	0%	0%	**0%**
Total	**0%**	**75%**	**25%**	**100%**	**0%**	**75%**	**25%**	**100%**

GRI 401-1 Number and rate of new hires and personnel turnover by gender, area and age groups

NEW HIRES (Headcount)

Number of people	as at 31st December 2024				as at 31st December 2023			
	<30	30-50	>50	Total	<30	30-50	>50	Total
Men	7	22	9	**38**	6	8	2	**16**
Women	4	17	4	**25**	9	16	4	**29**
Total	**11**	**39**	**13**	**63**	**15**	**24**	**6**	**45**

RESIGNATIONS/DISMISSALS (Headcount)

Number of people	as at 31st December 2024				as at 31st December 2023			
	<30	30-50	>50	Total	<30	30-50	>50	Total
Men	5	5	3	**13**	3	7	3	**13**
Women	6	13	5	**25**	1	5	5	**11**
Total	**11**	**18**	**9**	**38**	**4**	**12**	**8**	**24**

RECRUITMENT AND TURNOVER RATE BY GENDER								
Number and rate of new hires and turnover by gender and geographical area	as at 31st December 2024				as at 31st December 2023			
	New hires		Resignations/ dismissals		New hires		Resignations/ dismissals	
	Number	%	Number	%	Number	%	Number	%
Men	38	34%	13	**12%**	16	19%	13	**15%**
Women	25	20%	25	**20%**	29	23%	11	**9%**
Total	**63**	**26%**	**38**	**16%**	**45**	**22%**	**24**	**11%**

RECRUITMENT AND TURNOVER RATE BY GENDER								
Number and rate of new hires and turnover by age group	as at 31st December 2024				as at 31st December 2023			
	New hires		Resignations/ dismissals		New hires		Resignations/ dismissals	
	Number	%	Number	%	Number	%	Number	%
<30 years	11	35%	11	**34%**	15	44%	4	**12%**
30 - 50 years	39	33%	18	**15%**	24	22%	12	**11%**
>50 years	13	15%	9	**10%**	6	9%	8	**12%**
Total	**63**	**26%**	**38**	**16%**	**45**	**22%**	**24**	**11%**

GRI 404-1 Average annual number of hours of training per capita by gender and category

TOTAL HOURS OF COMPULSORY TRAINING[1] BY PROFESSIONAL CATEGORY AND GENDER									
Professional category	as at 31st December 2023								
	No. of Hours Men	Total male employees	No. of hours per capita men	No. of Hours Women	Total female employees	No. of hours per capita women	No. of Hours Total	Total employees	Number of hours per capita
Executives	-	4	-	**-**	-	-	-	**4**	**-**
Managerial staff	6	9	0.7	**-**	2	-	6	**11**	**0.5**
Clerical staff	47	42	1.1	**52**	66	0.8	99	**108**	**0.9**
Manual workers	96	30	3.2	**142**	56	2.5	238	**86**	**2.8**
Total	**149**	**85**	**1.8**	**194**	**124**	**1.6**	**343**	**209**	**1.6**
Professional category	as at 31st December 2024								
	No. of Hours Men	Total male employees	No. of hours per capita men	No. of Hours Women	Total female employees	No. of hours per capita women	No. of Hours Total	Total employees	Number of hours per capita
Executives	46	5	9.2	**-**	-	-	46	**5**	**9.2**
Managerial staff	35	10	3.5	**25**	3	8.3	60	**13**	**4.6**
Clerical staff	14	59	0.2	**71**	71	1	85	**130**	**0.7**
Manual workers	36	38	0.9	**61**	54	1.1	97	**92**	**1.1**
Total	**131**	**112**	**1.2**	**157**	**128**	**1.2**	**288**	**240**	**1.2**

[1] *Mandatory training courses are safety-related courses (State-Regions Agreement L. Decree 81-2008).*

TOTAL HOURS OF NON-MANDATORY TRAINING BY PROFESSIONAL CATEGORY AND GENDER									
	as at 31st December 2023								
Professional category	**No. of Hours Men**	**Total male employees**	**No. of hours per capita men**	**No. of Hours Women**	**Total female employees**	**No. of hours per capita women**	**No. of Hours Total**	**Total employees**	**Number of hours per capita**
Executives	-	4	-	-	-	-	-	4	**-**
Managerial staff	-	9	-	-	2	-	-	11	**-**
Clerical staff	170	42	4.0	311	66	4.7	481	108	**4.5**
Manual workers	32	30	1.1	11	56	0.2	43	86	**0.5**
Total	**202**	**85**	**2.4**	**322**	**124**	**2.6**	**524**	**209**	**2.5**
	as at 31st December 2024								
Executives	-	5	-	-	-	-	-	5	**-**
Managerial staff	5	10	0.5	104	3	34.7	109	13	**8.38**
Clerical staff	73	59	1.2	288	71	4.1	361	130	**2.78**
Manual workers	32	38	0.8	10	54	0.2	42	92	**0.46**
Total	**110**	**112**	**1.0**	**402**	**128**	**3.1**	**512**	**240**	**2.13**

GRI 2-21 Total annual Compensation Rate

TOTAL ANNUAL COMPENSATION RATE [2]		
Rate	**2024**	**2023**
Percentage change in the total annual salary of the highest-paid person	9.9%	6.2%
Percentage change in the average value of the total annual salary of all employees (excluding the highest paid person)	-5.12%	23.15%
Salary ratio	**9.66**	**8.34**
Annual percentage change ratio	**-1.93**	**+0.27**

GRI 2-30 Collective Bargaining Agreements

PERCENTAGE OF THE TOTAL NUMBER OF EMPLOYEES COVERED BY COLLECTIVE BARGAINING AGREEMENTS		
Total number of employees	**as at 31st December 2024**	**as at 31st December 2023**
Total number of employees	216	209
Number of employees with collective labour agreement[3]	214	192
Total percentage	**99%**	**92%**

[2] *The total annual remuneration includes the basic salary in the form of annualised GAS as at 31 December, the expected bonuses, overtime and other components related to non-structural factors of the remuneration. The highest-paid individual in both years (2024 and 2023) is the person in charge of the External Sales Department. The target values were taken into account for the variable part of the remuneration, i.e. 100% of the obtainable bonus, as the actual amounts paid are not available at the date of publication of the Sustainability Report. Full-time equivalent (FTE) rates of pay were used for part-time employees. The annual percentage change ratio was calculated by considering the average change in the total annual salary of all employees (excluding the highest paid person) between the current year and the previous year.*

[3] *The percentages shown are to be understood net of the countries where local legislation does not provide for the establishment of collective bargaining agreements. As regards Italian companies, reference is made to the Tertiary and to the Graphics and Publishing National Labour Collective Agreements (industry). As regards foreign companies, reference is made to the specific industry collective labour agreements currently in force in the reference countries.*

GRI 403-9: Accidents at work

ACCIDENTS AT WORK – EMPLOYEES		
Number of accidents	**2024**	**2023**
Total number of recordable accidents at work	3	3
of which serious accidents[4]	0	0
Total number of deaths due to accidents at work	0	0
TIME DATA		
Hours	**2024**	**2023**
Hours worked	299,013	316,679
Multiplier for calculation	200,000	200,000
DEATH RATE AND ACCIDENT RATE[5]		
Rate	**2024**	**2023**
Rate of recordable accidents at work	2.01	1.89
Rate of serious accidents at work	0	0
Rate of deaths due to accidents at work	0	0
MAIN TYPES OF ACCIDENTS AT WORK		
Type of accident	**2024**	**2023**
Bruising, wound, crushing	1	1
Fracture, amputation, burn	1	0
Sprains, strains	1	2

ACCIDENTS AT WORK – EXTERNAL WORKERS		
Number of accidents	**2024**	**2023**
Total number of recordable accidents at work	0	0
of which serious accidents[4]	0	0
Total number of deaths due to accidents at work	0	0
TIME DATA		
Hours	**2024**	**2023**
Hours worked	12,532	26,652
Multiplier for calculation	200,000	200,000
DEATH RATE AND ACCIDENT RATE[5]		
Rate	**2024**	**2023**
Rate of recordable accidents at work	0	0
Rate of serious accidents at work	0	0
Rate of deaths due to accidents at work	0	0

[4] *Workplace accidents resulting in an injury from which the worker cannot recover, does not recover, or it is unrealistic to expect full recovery to pre-injury health within 6 months.*

[5] *Accidents that generate: death, work incapacity (total or partial), transfer limitations, medical treatments, first aid intervention are included, even if they do not generate days of absence from work. Accidents while commuting with a car owned by the employee are excluded. The frequency rates for the accident indices were calculated as follows: (Number of accidents / Number of hours worked) x 200,000.*

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ENVIRONMENTAL RESPONSIBILITY

The reporting scope of environmental data and information includes the production sites of Fiumana di Predappio (FC), Vecchiazzano (FC) and Barletta (BAT) for Industrial Wear Srl; the production site of Forlì for Fashion Ink Srl; the sites of Sant Cugat del Vallès (Barcelona) for Industrial Wear Payper Slu (Spain), of Levallois-Perret for Industrial Wear Sarl (France), of Mülheim an der Ruhr for Industrial Wear GmbH (Germany), of Prague for Industrial Wear Sro (Czech Republic) and of Industrial Wear Sp. Zoo (Poland).

GRI 301-1: Materials used by weight or volume[6]

RENEWABLE MATERIALS			
Type of material	**Unit of measurement**	**2024**	**2023**
Cotton	Tons	5,031	5,686
Paper	Tons	814	726
Wood for packaging	Tons	896	775
NON-RENEWABLE MATERIALS			
Type of material	**Unit of measurement**	**2024**	**2023**
Polyester	Tons	3,214	2,001
Nylon and Polyamide	Tons	442	345
Elastane	Tons	140	70
Polypropylene	Tons	285	58
Polyethylene	Tons	51	8
Leather	Tons	400	93
Viscose	Tons	4	9
Nitrile	Tons	90	1
Other plastic for packaging	Tons	487	421
Total renewable materials	**Tons**	**6,741**	**8,582**
Total non-renewable materials	**Tons**	**5,113**	**3,389**
Total materials	**Tons**	**11,854**	**11,971**

[6] By renewable materials we mean materials derived from abundant resources which are rapidly replenished through ecological cycles or agricultural processes so that the services provided by these and other related resources are not compromised and remain available for future generations.
By non-renewable materials we mean resources that do not regenerate in short periods of time. Examples of non-renewable resources include minerals, metals, oil, gas or coal.

GRI 302-1: Energy consumed within the organisation

ENERGY CONSUMPTION WITHIN THE ORGANISATION						
Type of consumption	**Unit of measure-ment**	**2024**		**2023**	
		Total	**Total GJ**	**Total**	**Total GJ**
Non-renewable fuels	-		**6,071**		**5,234**
Natural gas	Standard cubic metre	50,815	2,035	60,336	2,416
Fuel for transportation	L	60,727	1,943	45,040	1,534
Diesel for transportation	L	58,147	2,093	33,945	1,284
ELECTRIC ENERGY		**1,302,827**	**4,690**	**1,188,510**	**4,279**
Electricity purchased from the network	**kWh**	**1,035,57**	**3,728**	**929,033**	**3,345**
of which from non-renewable sources	kWh	66,516	239	209,782	755
from renewable sources	kWh	969,054	3,489	719,251	2,589
Electricity self-produced by photovoltaic systems	**kWh**	**338,437**	**1,218**	**369,577**	**1,330**
Electricity self-produced and fed into the network	**kWh**	**71,180**	**256**	**110,100**	**396**
of which from renewable sources - produced by photovoltaic systems	kWh	71,180	256	110,100	396
Total energy consumption	**GJ**	**10,761**		**9,512**	
Non-renewable energy	**GJ**	**6,310**		**5,989**	
Renewable energy	**GJ**	**4,451**		**3,523**	
% Renewable energy on the total	**%**	**41.36%**		**37.04%**	

ENERGY CONSUMPTION CONVERSION FACTORS					
Starting unit	**Conversion unit**	**2024**	**Source 2024**	**2023**	**Source 2023**
Electrical / Thermal Energy	GJ/kWh	0.0036	CONSTANT (International System)	0.0036	CONSTANT (International System)
Natural gas	GJ/1000smc	0.04	DEFRA 2024	40.04	DEFRA 2023
Natural Gas (Density)	kg/m³	0.8		0.8	
Diesel for transportation	GJ/ton	42.85		45.41	
Diesel (Density)	kg/litres	0.84		0.83	
Unleaded petrol for transportation	GJ/ton	43.13		45.58	
Petrol (Density)	kg/litres	0.74		0.75	

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GRI 305-1: Direct GHG emissions (Scope 1) - GRI 305-2: Indirect GHG emissions (Scope 2)

DIRECT AND INDIRECT GHG EMISSIONS (SCOPE 1 AND SCOPE 2)[7]			
Type of consumption	Unit of measurement	2024 Total	2023 Total
SCOPE 1	**tCO$_2$e**	**393**	**314**
Methane gas (Natural Gas)	tCO$_2$e	104	123
Petrol for transportation (fleet owned or leased on a long-term basis)	tCO$_2$e	142	106
Diesel for transportation (fleet owned or leased on a long-term basis)	tCO$_2$e	147	85
F-Gas	tCO$_2$e	0	-
SCOPE 2			
Electricity purchased - Location based	tCO$_2$e	437	291
Electricity purchased - Market Based	tCO$_2$e	26	88
TOTAL EMISSIONS (SCOPE 1 + SCOPE 2 - Location based)	**tCO$_2$e**	**830**	**605**
TOTAL EMISSIONS (SCOPE 1 + SCOPE 2 - Market based)	**tCO$_2$e**	**420**	**402**

ENERGY CONSUMPTION EMISSION FACTORS					
Starting unit	Conversion unit	2024	Source 2023	2023	Source 2023
Natural gas	tCO$_2$e/m³	0.002	DEFRA 2024	0.002	DEFRA 2023
Fuel for transportation	tCO$_2$e/ton	3.154		3.154	
Diesel for transportation	tCO$_2$e/ton	3.014		3.016	
Electricity (Location based) - IT	kgCO$_2$/kWh	0.43114	AIB 2024	0.315	Terna 2019
Electricity (Location based) - FR	kgCO$_2$/kWh	0.03364		0.056	
Electricity (Location based) - DE	kgCO$_2$/kWh	0.09631		0.393	
Electricity (Location based) - CZECH REP.	kgCO$_2$/kWh	0.59148		0.475	
Electricity (Location based) - ES	kgCO$_2$/kWh	0.17019		0.210	
Electricity (Market based) - IT	kgCO$_2$/kWh	0.50000		0.457	AIB 2023
Electricity (Market based) - FR	kgCO$_2$/kWh	0.04074		0.125	
Electricity (Market based) - DE	kgCO$_2$/kWh	0.7199		0.684	
Electricity (Market based) - CZECH REP.	kgCO$_2$/kWh	0.65858		0.697	
Electricity (Market based) - ES	kgCO$_2$/kWh	0.28245		0.275	

[7] *The GRI Sustainability Reporting Standards provide for two methods for calculating Scope 2 emissions, the "Location-based method" and the "Market-based method". Both calculation methods were used for calculating the Scope 2 emissions, in line with the GRI Sustainability Reporting Standards. The Market-based method relies on the CO$_2$ emissions emitted by the energy providers from which the organisation purchases electricity through a contract, and can be calculated considering: Certificates of Guarantee of Origin of the energy and direct contracts with suppliers, emission factors specific to the supplier, emission factors relating to the "residual mix", i.e. to non-monitored or unclaimed energy and emissions (source: AIB - European Residual Mixes). The Location-based method relies on average emission factors relating to energy generation by well-defined geographical borders, including local, sub-national or national borders (source: Terna International Comparison). The Scope 2 emissions calculated with the Location-based and Market-based methods are expressed in tons of CO$_2$; however, the percentage of methane and nitrous oxide has a negligible effect on the total emissions of greenhouse gases (CO$_2$ equivalent) as can be inferred from the technical literature of reference.*

[8] *The 2023 data on emissions relating to the categories: 1 - Purchased goods and services, 4 - Upstream transport and distribution and 9 - Downstream transport and distribution, have been restated following an improvement in the data collection process. For previously published data, please refer to the 2023 Sustainability Report.*

[9] *The "Ecotransit" tool was used for calculations relating to routes carried out by sea; for routes by land, Google Maps was implemented.*

[10] *The types of material considered were calculated by taking into consideration the specific composition of the individual garments. The specific emission factors have been identified for 97% of the types of materials; for the remaining 3% of synthetic material, a coefficient calculated on the average of the relevant synthetic materials was considered. As regards the emission factors used, Ecoinvent Version 3.10 and 3.11 factors were considered.*

GRI 305-3 Other indirect greenhouse gas (GHG) emissions (Scope 3)[8]

OTHER INDIRECT GREENHOUSE GAS (GHG) EMISSIONS (SCOPE 3) [9]			
Reference category	**Unit of measurement**	**2024**	**2023**
		Total	**Total**
SCOPE 3			
1 - Purchased goods and services	**tCO$_2$e**	**93,366**	**90,938**
of which Assets [10]	tCO$_2$e	92,202	89,903
of which Services [11]	tCO$_2$e	1,164	1,036
4 - Upstream transport and distribution	**tCO$_2$e**	**3,996**	**3,234**
of which actual transport [12]	tCO$_2$e	3,079	2,584
of which Logistics Assets	tCO$_2$e	918	650
9 - Downstream transport and distribution [13]	**tCO$_2$e**	**764**	**672**
11 - Use of products sold [14]	**tCO$_2$e**	**6,994**	**7,012**
TOTAL EMISSIONS (SCOPE 3)	**tCO$_2$e**	**105,120**	**101,856**

GRI 306-3 – Waste produced

TOTAL WEIGHT OF WASTE GENERATED			
Type of waste	**Unit of measurement**	**2024**	**2023**
		Total	**Total**
Hazardous waste			
Rags, clothing and packaging containing residues of hazardous substances or contaminated	tons	2	N/A
Laboratory chemicals containing or consisting of hazardous substances	tons	0.7	N/A
Total hazardous waste	**tons**	**2.7**	**N/A**
Percentage	**%**	**1.42%**	**N/A**
Non-hazardous waste			
Paper and cardboard packaging	tons	53.6	N/A
Plastic packaging	tons	18.2	N/A
Absorbent cloths, filter materials, rags and protective clothing	tons	59.4	N/A
Waste aqueous solutions	tons	59	N/A
Total non-hazardous waste	**tons**	**190.2**	**N/A**
Percentage	**%**	**98.58%**	**N/A**
Hazardous waste	**tons**	**192.9**	**N/A**

[11] *Data calculated by applying appropriate "EEIO emission factors" to the expenditure data.*

[12] *Data calculated by applying DEFRA 2023 and 2024 factors considering transport by truck, ship and train.*

[13] *Data calculated by applying DEFRA 2023 and 2024 emission factors.*

[14] *As regards the category, the washing phase is considered the main reference process associated with a maximum number of 25 washes for each garment. Product categories identified as merchandising and protective accessories such as: gloves, welding accessories, shoes and sanitizers were not included in the calculation as there are no specific washing cycles for these. As for the washing process, this took into consideration a machine for domestic use with a load capacity of 9kg, belonging to the energy efficiency class "A", and with an annual consumption of between 279-322 kWh for 220 washes (between 40°C and 60°C), Source: ENEA. Consumption was re-measured according to the types of washes indicated on the label of the individual items sold (30°C, 40°C and 60°C). The emission factors considered, which took into account the destination of sales in the various countries, come from "AIB 2023 Supplier Mix" and "AIB 2024 Supplier Mix" for European countries and from "Terna 2019" for non-European countries.*

GRI 306-4 – Waste not destined for disposal

TOTAL WEIGHT OF WASTE NOT DESTINED FOR DISPOSAL (in tons), BASED ON RECOVERY OPERATIONS						
Recovery operations	Unit of measure-ment	As at 30th December 2024		As at 30th December 2023	
		On-site	At an external site	On-site	At an external site
Hazardous waste					
Preparation for reuse	tons	-	0.11	N/A	N/A
Recycling	tons	-	-	N/A	N/A
Non-hazardous waste					
Preparation for reuse	tons	-	131.2	N/A	N/A
Recycling	tons	-	-	N/A	N/A
Total	**tons**	**-**	**131**	**N/A**	**N/A**

GRI 306-5 – Waste for disposal

TOTAL WEIGHT OF WASTE FOR DISPOSAL (in tons)					
Disposal method	Unit of measure-ment	As at 30th December 2024		As at 30th December 2023	
		On-site	At an external site	On-site	At an external site
Hazardous waste					
Incineration (with energy recovery)	tons	-	-	N/A	N/A
Incineration (without energy recovery)	tons	-	-	N/A	N/A
Landfill	tons	-	2.6	N/A	N/A
Non-hazardous waste					
Incineration (with energy recovery)	tons	-	-	N/A	N/A
Incineration (without energy recovery)	tons	-	-	N/A	N/A
Landfill	tons	-	59	N/A	N/A
Total	**tons**	**-**	**61.6**	**N/A**	**N/A**

[15] *Suppliers for 2024 were assessed by requesting all certifications (e.g. ISO 14001, ISO 45001, SA8000), correctly saved on the server; In addition, AMFORI BSCI and BEPI monitoring were sent to them as factory audits to assess all sustainability aspects. One supplier has not been assessed because a corporate order has not yet been issued in its favour. The data obtained is recorded in the supplier's initial assessment file (1-list of supplier scores Audit rev006).*

[16] *Industrial Wear does not currently plan binding action plans to improve the situation within its supply chain (no improvements were agreed as a result of the assessment). The Group undertakes to implement these initiatives (as envisaged by points "d" and "e" of the relevant GRI disclosure), in subsequent reporting years.*

SUPPLY CHAIN RESPONSIBILITY

GRI 308-1: New suppliers that have been assessed using environmental criteria [15]

NEW SUPPLIERS ASSESSED WITH ENVIRONMENTAL CRITERIA		
	as at 31st December 2024	as at 31st December 2023
Total new suppliers	7	13
New suppliers assessed according to environmental criteria	7	10
Percentage of new suppliers that were screened using environmental criteria	**100%**	**77%**

GRI 308-2: Negative environmental impacts in the supply chain and actions taken [16]

NEGATIVE ENVIRONMENTAL IMPACTS IN THE SUPPLY CHAIN		
	as at 31st December 2024	as at 31st December 2023
	NO. OF	NO. OF
Suppliers that underwent environmental impact assessments	7	10
Suppliers that are found to have significant, potential and current negative environmental impacts	0	0

GRI 414-1: New suppliers that were screened using social criteria

NEW SUPPLIERS ASSESSED WITH SOCIAL CRITERIA		
	as at 31st December 2024	as at 31st December 2023
Total new suppliers	7	13
New suppliers assessed according to social criteria	7	10
Percentage of new suppliers that were screened using social criteria	**100%**	**77%**

GRI 414-2: Negative social impacts in the supply chain and actions taken

NEGATIVE SOCIAL IMPACTS IN THE SUPPLY CHAIN		
	as at 31st December 2024	as at 31st December 2023
	NO. OF	NO. OF
Suppliers that underwent social impact assessments	7	10
Suppliers that are found to have significant, potential and current negative social impacts	0	0

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Methodological note

This document represents the Sustainability Report of the Industrial Wear Group (in the document also "Group" or "Industrial Wear"), created with the aim of **communicating in a clear manner the company's sustainability approach** and its performance in terms of environmental, social and economic sustainability in relation to the year from **1st January to 31st December 2024**. In order to compare the data over time and to assess the performance of the Group's activities, we also detail the **comparison with the data relating to the 2023 financial year** (from 1 January 2023 to 31 December 2023). To ensure the reliability of the data, the use of estimates was limited as much as possible and, where these are present, they are appropriately indicated in the document and based on the best methodologies available.

This Sustainability Report of the Industrial Wear Group has been prepared in compliance with the requirements of the 2021 update of the "**GRI Sustainability Reporting Standards**" defined by the Global Reporting Initiative (GRI). As required by the GRI Standards, the Industrial Wear Group has identified the sustainability issues deemed relevant through a **materiality analysis**, described in the paragraph "Our stakeholders and our material topics" of this document.

The scope of the economic and social data and information is the same as in the **Consolidated Financial Statements** of Industrial Wear as at 31 December 2024. With reference to the environmental data and information, the reporting scope includes the headquarters of Industrial Wear Srl with the related sites of Fiumana di Predappio (FC)

and Vecchiazzano (FC), Fashion Ink Srl and the foreign commercial branches Industrial Wear Payper S.L. (Spain), Industrial Wear S.a.r.l. (France), Industrial Wear GmbH (Germany), Industrial Wear S.r.o. (Czech Republic). Finally, Industrial Wear Pakistan, Industrial Wear Poland, Industrial Wear Austria and Fashion Ink Pakistan are excluded from the scope of the reported data and information, as they are deemed not significant with respect to the economic, environmental and social impacts generated by the Group. With reference to the established ENRIN KPI (ratio, expressed in percentage terms, between the amount of energy consumption from renewable sources and the total energy consumption), a share of energy from renewable sources equal to 41.36% is recorded in the 2024 reporting period, compared to the two previous years (2022: 11.8% and 2023 equal to 37.04%).

The preparation of the Sustainability Report, coordinated by the Chief Financial and Procurement Officer, saw the participation of various corporate departments, engaged in the collection of data and reported information. **The document is not subject to external assurance**. It should also be noted that during the 2024 financial year there was a relative change in the size of the organisational structure and ownership structure of the Group due to **opening the new office in Austria** (Industrial Wear Flexco Austria), launched with the aim of expanding the Group's positioning on the Northern European market, and of Fashion Ink LTD (Pakistan) with which there have been no commercial relations to date. There are no further significant changes relating to the Group's supply chain.

For further information and suggestions regarding the Industrial Wear Group Sustainability Report, write to info@payperwear.com.

Analysis of impacts and of material topics

The following table shows the topics that have been defined as material, their related impacts and the relative involvement of the Industrial Wear Group when carrying out its activities or as part of its business relationships.

The detailed description of each impact is given in the reference paragraphs of each material topic listed. Please refer to the GRI Content Index for placement of these paragraphs within the document.

Material topics for the Industrial Wear Group	Impacts	Nature	Involvement of the Industrial Wear Group
Product quality, safety and conformity	Reduction in the quality of the manufactured products	Negative/Potential	Caused by the Industrial Wear Group
	Protection of the health of product users	Positive/Current	
	Misleading communications to customers and end users	Negative/Potential	
Compliance and reputation	Non-compliance with laws, regulations and standards	Negative/Potential	Caused by the Industrial Wear Group
	Failure to pay taxes and fees	Negative/Potential	
	Breach of privacy and loss of customer data	Negative/Potential	
Customer satisfaction	Reduction of customer and end user satisfaction	Negative/Potential	Caused by the Industrial Wear Group
Management of raw materials	Use of raw materials for garments	Negative/Current	Caused by the Industrial Wear Group and related to the Group through its commercial relationships
Product, process, R&D innovation	Technological innovation of processes and products	Positive/Current	Caused by the Industrial Wear Group
Employee training, development and well-being	Employee satisfaction and well-being	Positive/Current	Caused by the Industrial Wear Group
	Recruitment of workers from the local community	Positive/Current	
	Training and growth of workers	Positive/Current	
Energy consumption and emissions	Generation of direct and indirect GHG emissions	Negative/Current	Caused by the Industrial Wear Group and related to the Group through its commercial relationships
	Energy consumption	Negative/Current	
Sustainable and responsible management of the supply chain	Violation of human rights in the supply chain	Negative/Potential	Caused by the Industrial Wear Group
	Inadequate working conditions and remuneration among suppliers	Negative/Potential	Caused by the Industrial Wear Group
Occupational health and safety	Workplace Accidents	Negative/Potential	Caused by the Industrial Wear Group
Ethics and business integrity	Unethical conduct of business	Negative/Potential	Caused by the Industrial Wear Group
Diversity, equal opportunities and inclusion	Discrimination and non-inclusive practices in the workplace	Negative/Potential	Caused by the Industrial Wear Group
Economic performance	Generation and distribution of economic value	Positive/Current	Caused by the Industrial Wear Group

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GRI content index

Statement of use	Industrial Wear S.r.l. has prepared this Sustainability Report in accordance with the GRI Standards for the period from 1/01/2024 to 31/12/2024
GRI 1 used	GRI 1: Fundamental principles (2021)
Applicable Sector GRI Standards	N/A

GRI STANDARD	INFORMATION NOTE	PAGE	OMISSION		
			Requirement omitted	Reason	Explanation
GENERAL DISCLOSURES					
	2-1 Organisational details	12			
	2-2 Entities included in the organisation's sustainability reporting	116			
	2-3 Reporting period, frequency and contacts	116			
	2-4 Restatements of information	116			
	2-5 External Assurance	116			
	2-6 Activities, value chain and other business relationships	18-19, 41-42, 62-63			
	2-7 Employees	78-79, 102-104			
	2-8 Non-employee workers	105			
	2-9 Governance structure and composition	12-17			
	2-10 Appointment and selection of the highest governance body	12-14			
GRI 2: General Disclosure (2021)	2-11 Chairman of the highest governance body	12-14			
	2-12 Role of the highest governance body in overseeing impact management	12-14			
	2-13 Delegation of responsibility for impact management	26-29			
	2-14 Role of the highest governance body in sustainability reporting	12-14, 26-29			
	2-15 Conflicts of Interest	14			
	2-16 Communication of critical issues	22-23			
	2-17 Collective knowledge of the highest governance body	26-29			
	2-18 Performance assessment of the highest governance body	26.30			
	2-19 Remuneration policies	17			
	2-20 Process for determining remuneration	17			

GRI STANDARD	INFORMATION NOTE	PAGE	OMISSION		
			Requirement omitted	Reason	Explanation
GRI 2: General Disclosure (2021)	2-21 Annual Total Compensation Report	108			
	2-22 Sustainable Development Strategy Statement	5			
	2-23 Policy commitments	30-37			
	2-24 Integration of commitments in terms of policy	30-31			
	2-25 Processes to remedy adverse impacts	22-25, 36-37			
	2-26 Mechanisms for requesting clarifications and raising concerns	24, 86-87			
	2-27 Compliance with laws and regulations	During the 2024 financial year, no significant fines or sanctions were recorded for non-compliance with laws and regulations.			
	2-28 Belonging to associations	27, 34-35, 48			
	2-29 Approach to stakeholder involvement	26-27			
	2-30 Collective Bargaining Agreements	Germany, the Czech Republic, and Poland have national collective bargaining systems, but the companies can decide whether or not to adopt these.			
MATERIAL TOPICS					
GRI 3: Material Topics (2021)	3-1 Process for determining material topics	28, 116-117			
	3-2 List of material topics	29			
Material topic: ECONOMIC PERFORMANCE					
GRI 3: Material Topics (2021)	3-3 Management of material topics	20			
GRI 201: Economic performance (2016)	201-1 - Direct economic value generated and distributed	102			
Material topic: ETHICS AND BUSINESS INTEGRITY					
GRI 3: Material Topics (2021)	3-3 Management of material topics	22-25			

GRI STANDARD	INFORMATION NOTE	PAGE	OMISSION		
			Requirement omitted	Reason	Explanation
GRI 205 Anti-Corruption (2016)	205-3 - Confirmed incidents of corruption and actions taken	During 2024, no cases of corruption and/or reports on the matter were recorded.			
GRI 206 Anti-competitive behaviours (2016)	206-1 Legal actions for anti-competitive behaviour, antitrust and monopoly practices	During 2024, there were no legal actions against the company with reference to anti-competitive practices and/or violations of regulations on antitrust and monopolistic practices.			
Material topic: COMPLIANCE AND REPUTATION					
GRI 3: Material Topics (2021)	3-3 Management of material topics	22-25			
GRI 207: Taxes	207-1 - Approach to taxation	Industrial Wear adopts a precautionary approach without aggressive or evasive policies in order to fulfil tax obligations in a transparent manner, as it considers this to be one of the fundamental aspects for an ethical and responsible management by the Group.			
	207-2 - Tax governance, control and risk management	The Group pursues a behaviour aimed at complying with the tax regulations applicable in the countries in which it operates and at interpreting them in such a manner as to responsibly manage tax risk, in order to satisfy the interests of all stakeholders.			

GRI STANDARD	INFORMATION NOTE	PAGE	OMISSION		
			Requirement omitted	Reason	Explanation
GRI 418: Customer privacy	418-1 Substantiated complaints concerning breaches of customer privacy and losses of customer data	During 2024, there were no cases concerning breaches of customer privacy and/or of leaks, theft or loss of customer data.			

Material topic: ENERGY CONSUMPTION AND EMISSIONS					
GRI 3: Material Topics (2021)	3-3 Management of material topics	90-91, 95-100			
GRI 302: Energy (2016)	302-1 - Energy consumption within the organisation	95, 96, 111			
GRI 305: Emissions (2016)	305-1 Direct GHG emissions (Scope 1)	90, 96-97, 112			
	305-2 - Energy indirect GHG emissions (Scope 2)	90, 96-97, 112			
	305-3 Other indirect greenhouse gas emissions (Scope 3)	90, 99-100, 113			

Material topic: MANAGEMENT OF RAW MATERIALS					
GRI 3: Material Topics (2021)	3-3 Management of material topics	45-55			
GRI 301: Materials (2016)	301-1 Materials used by weight and volume	45-46, 110			
GRI 306: Waste (2020)	306-1 - Waste generation and significant waste-related impacts	92-93			
	306-2 - Management of significant waste-related impacts	92-93			
	306-3 – Waste produced	113			
	306-4 – Waste not destined for disposal	114			
	306-5 – Waste destined for disposal	114			

Material topic: EMPLOYEE TRAINING, DEVELOPMENT AND WELL-BEING					
GRI 3: Material Topics (2021)	3-3 Management of material topics	78-79			
GRI 401: Employment (2016)	401-1 New employee hires and employee turnover	78-79, 106-107			
GRI 404: Training and Education (2016)	404-1 Average hours of training per year per employee	80-81, 87, 107-108			

Material topic: OCCUPATIONAL HEALTH AND SAFETY					
GRI 3: Material Topics (2021)	3-3 Management of material topics	86-87			

GRI STANDARD	INFORMATION NOTE	PAGE	OMISSION		
			Requirement omitted	Reason	Explanation
GRI 403: Occupational health and safety (2018)	403-1 Occupational health and safety management system	86-87			
	403-2 Hazard identification, risk assessment and incident investigation	86-87			
	403-3 Occupational health services	86-87			
	403-4 Worker participation, consultation, and communication on occupational health and safety	86-87			
	403-5 Worker training on occupational health and safety	86-87			
	403-6 Promotion of worker health	86-87			
	403-7 - Prevention and mitigation of occupational health and safety impacts directly linked by business relationships	86-87			
	403-9 Accidents at work	109			
Material topic: DIVERSITY, EQUAL OPPORTUNITIES AND INCLUSION					
GRI 3: Material Topics (2021)	3-3 Management of material topics	25, 82-84			
GRI 405: Diversity and equal opportunity (2016)	405-1 Diversity of governance bodies and employees	105-106			
GRI 406: Non-discrimination (2016)	406-1 Episodes of discrimination and corrective measures taken	No incidents of discrimination were recorded during 2024.			
Material topic: CUSTOMER SATISFACTION					
GRI 3: Material Topics (2021)	3-3 Management of material topics	61-63			
GRI 417: Marketing and labelling (2016)	417-2 Incidents of non-compliance concerning product and service information and labelling	During 2024, there were no episodes of non-compliance concerning the information and labelling of products and services.			
Material topic: PRODUCT QUALITY, SAFETY AND CONFORMITY					
GRI 3: Material Topics (2021)	3-3 Management of material topics	56-59			
GRI 416: Customer health and safety (2016)	416-1 Assessment of impacts on health and safety by product and service category	59			
	416-2 Incidents of non-compliance concerning the health and safety impacts of products and services	During 2024, there were no cases of non-compliance concerning the health and safety impacts of products and services.			

GRI STANDARD	INFORMATION NOTE	PAGE	OMISSION		
			Requirement omitted	Reason	Explanation
Material topic: SUSTAINABLE AND RESPONSIBLE MANAGEMENT OF THE SUPPLY CHAIN					
GRI 3: Material Topics (2021)	3-3 Management of material topics	68-74			
GRI 308: Supplier environmental assessment	308-1 - New suppliers that were screened using environmental criteria	68-71, 115			
	308-2 Negative environmental impacts in the supply chain	72-74, 115			
GRI 414: Supplier social assessment	414-1 New suppliers that were screened using social criteria	68-71, 115			
	414-2 Negative social impacts in the supply chain and actions taken	72-74, 115			
Material topic: PRODUCT, PROCESS, R&D INNOVATION					
GRI 3: Material Topics (2021)	3-3 Management of material topics	60, 75			

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