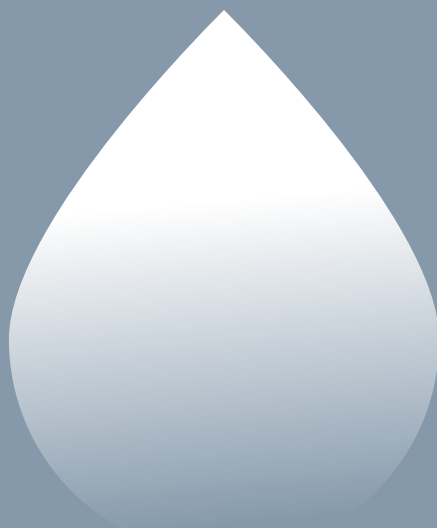


PAYPER

Sustainability Report 2025



reflecting



our commitment



Sustainability Report | 2025

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Dear Stakeholders,

We are pleased to share with you the 2025 Sustainability Report, which continues the Industrial Wear Group's reporting: a document that chronicles a journey of corporate growth and development, consistent with the values and authenticity that have always accompanied and guided us.

We are aware that our products are not simply garments: they are work tools that constantly support people who operate in complex and, at times, risky environments. For this reason, we feel a real responsibility towards designing solutions that contribute to the protection, comfort, and visibility of workers. Our commitment is to do our part with integrity, by listening, and continuously improving, because there are people behind every technical choice.

In 2025, we also strengthened our presence both nationally and internationally, paying constant attention to the quality of the governance, to environmental protection, and to workers' health and safety. We expanded our product catalogue and consolidated the presence of the Payper brand in foreign markets. The company closed the year with positive results, confirming its growth trend, maintaining its economic and financial balance, and creating increasingly lasting relationships with our stakeholders and the communities in which we operate.

Against this backdrop, sustainability continued to guide our development path, through structured work on ESG issues and the assumption of measurable commitments. The evolution of our sustainability plan allowed us to define strategic priorities and operational objectives in line with the *Sustainable Development Goals (SDGs)* of the UN 2030 Agenda.

Throughout 2025, we continued our strategy based on the 4 Pillars of Sustainability. In terms of **product innovation**, we expanded our offering and developed increasingly high-performance fabrics, designed to contribute to the protection, comfort, and safety of the wearer, also experimenting with organic, recycled, and sustainable agricultural materials.

As concerns the **social and regional impacts**, 2025 saw work being completed on the new site dedicated to the production of safety footwear: an ambitious project that combines investments in Industry 4.0 technology and value for the local area, including through the urban redevelopment of a mountain community.

We also confirmed our ethical commitment by maintaining our SA8000 and UNI/PdR 125:2022 gender equality certifications. We believe in the **value of people**: each person characterises our professional and human environment by bringing their own set of experiences. Our commitment also continues in terms of ISO 45001 workplace Health and Safety, continuing to maintain a positive trend.

Environmental protection remains a fundamental pillar of our sustainability strategy. Over the past year, we have implemented a series of activities to reduce our environmental impact, reducing emissions by strengthening intermodal traffic and streamlining logistics operations, making goods flows more efficient.

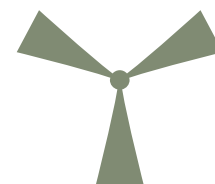
We therefore present this document with the concreteness of the goals achieved, the awareness of the challenges that await us, and the vision needed to tackle these.

Andrea Valentini

Chairman of the Board of Directors



OUR



6



PRODUCT

Launch of production of the **first line** of garments made with **organic cotton**

Official member of **Better Cotton™**
+ **GOTS** and **OCS** certifications for organic textiles
and **GRS** and **RCS** for recycled materials

Packaging made of **FSC®** cardboard
and **100% recycled plastic**



TRANSPARENCY

100% of suppliers mapped according to the main industry certifications

Formalisation of the **GOTS Due Diligence Committee**

Promotion of our **Group Code of Ethics**

HIGHLIGHTS

PEOPLE

Certification **SA 8000:2014** on social responsibility, **UNI/PdR 125:2022** on gender equality, and **UNI EN ISO 45001:2018** on Occupational Health and Safety

258 employees as at 31 December 2025,
53% of whom are female

800 hours of mandatory training in Occupational
Health and Safety



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ENVIRONMENT

Environmental Management System certified
according to the **UNI EN ISO 14001:2015** standard

**92% of electricity purchased comes from
renewable sources** in 2025

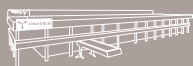
- 11% less waste produced in 2025 +
83% of waste sent for recovery operations (such as
recycling or reuse) in 2025 (+ 14% more than in 2024)



01

8

The world of Payper



Modern headquarters



Italian R&D Office



Distribution on the main **European markets**





A story made of dreams

Our story began as the brainchild of the Valentini family. Inspired by the example of a friend who was a rescue pilot, we chose to dedicate ourselves to designing workwear and corporate wear, with a simple and concrete goal: to create garments that promote freedom of movement, while offering protection and a refined aesthetic, the expression of Italian style.

This led to the birth of **Industrial Wear** and of the **Payper** brand in 2003. From the beginning of this adventure, we have established the utmost dedication towards understanding and satisfying our customers' needs, striving for excellence when offering workwear and corporate wear solutions.

Today, Payper is a brand that is constantly expanding in the main European markets, with an ever-greater catalogue capable of meeting the diverse needs of the sector. The products, marketed under the **Payper** and **Gionny Wings** brands, are developed through meticulous research into functionality, quality materials, and attention to design, with the goal of combining high quality standards with a competitive price-performance ratio.

Our business model is based on creating and producing our own-brand garments, with a constant focus on quality. This commitment translates into ongoing investments in research and development, a close collaboration with selected suppliers, and rigorous quality controls, carried out directly by our in-house technical staff and directly on-site in the various production locations around the world. Thus, we ensure that each garment complies with the technical certifications and meets high quality and aesthetic standards.



The Group and governance

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

Our organisational structure includes Industrial Wear Srl as the parent company, controlling Fashion Ink Srl and its foreign subsidiaries: in 2025, Fashion Ink Srl, Industrial Wear Payper SLU in Spain, Industrial Wear SAS in France, Industrial Wear GmbH in Germany, and Industrial Wear SRO in the Czech Republic were consolidated. Industrial Wear Pakistan, Industrial Wear Sp. z o.o. in Poland, Industrial Wear FlexCo Austria, Fashion Ink Ltd. Pakistan, and Industrial Wear USA Inc. are valued at cost.

The Industrial Wear Group and **Fashion Ink Headquarters** are located in Fiumana di Predappio (FC). Both are equipped with photovoltaic systems and powered by electricity from entirely renewable sources. The headquarters houses the high-tech automated production and logistics complex and the showroom, with a vast range of products on display.

We also have our **own warehouses** in Vecchiazzano di Forlì (FC) for storing goods, and a dedicated facility for the development of the **Footwear** segment in Barletta (BAT).

In 2025, a facility dedicated to the production of **safety footwear** was inaugurated in Civitella di Romagna (FC).





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	Chief Executive Officer	●			0
Stefano Valentini	Director				0

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The parent company 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 owns the entire production and logistics complex in Fiumana di Predappio (FC), home to its Headquarters, and several commercial properties in Vecchiazzano (FC), where other warehouses used for goods storage are located, as well as the screen printing and embroidery factory **Fashion Ink Srl**. It also has a site in Barletta (BAT), where prototyping for the footwear segment takes place, and the new production site in Civitella di Romagna (FC). The list of entities included in the financial statement reporting is the same as the entities included in this Sustainability Report.

The Company does not hold any treasury quotas or quotas in parent companies, whether directly or through trust companies or other intermediaries. The organisation chart shown below does not include the **Branch Companies** in China, Bangladesh, and the

subsidiary in Denmark, which operate in the main areas of origin of the Group's suppliers and provide market coverage. These companies are responsible for quality control and production verification at the end of each batch, as well as for supporting the operational coordination and production organisation of the partner factories. The current **administrative body** is composed of Andrea Valentini, Chairman of the Board of Directors, Verter Valentini, Vice Chairman and founder of the company, and the directors Emanuele Valentini and Stefano Valentini. The Board of Directors was elected in 2023 and will remain in office until the approval of the Financial Statements for the year ended 31 December 2025, scheduled for March 2026. However, no changes are expected to the positions, roles, or duties.

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 or internal Board self-assessment processes.



THE GOVERNANCE OF THE INDUSTRIAL WEAR GROUP

Company	Industrial Wear Srl	Composition of the board of directors of the parent company and of the subsidiaries				
Industrial Wear Srl	100%	Chm	V. 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) ¹	100%	Chm.	/	/	Sales M.	Local M.
Industrial Wear (Pvt) Ltd. (Pakistan)	100%	SD	/	/	/	/
Industrial Wear Sp. z o.o. (Poland)	100%	SD	/	/	/	/
Industrial Wear FlexCo (Austria)	100%	SD	/	/	/	/
Industrial Wear Inc. (US)	100%	SD	/	/	/	/
Fashion Ink Ltd. (Pakistan)	67%	SD	/	/	/	/

¹ Due to the nature of the company, there is no Board of Directors.

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

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 governance body, depending on the corporate structure and role, performs management functions within the organisation and exercises direct control over the Group companies; no potential conflicts of interest are reported in this regard. During 2025, the Board of Directors did not receive specific sustainability training and did not receive a performance assessment. Among the **subsidiaries**, Fashion Ink Srl is also subject to management and coordina-

tion by Industrial Wear Srl. Industrial Wear SAS (France) and Industrial Wear Payper SLU (Spain) have a Board of Directors, two of whose members are representatives of the parent company (the Chairman of the Board of Directors of the parent company and the Group's Sales Manager) and the remaining two are operational managers at the subsidiary. The latter are, for Spain, the General Manager and the Manager of Sales Operations of the subsidiary, while for France, the General Manager and the Sales Manager of the subsidiary. Industrial Wear GmbH (Germany) and Industrial Wear SRO (Czech Republic) do not have a board of directors due to their corporate

structure, and their management is, for each of them, entrusted to three Directors, two of whom are representatives of the parent company (the Chairman of the Board of Directors of the parent company and the Group's Sales Manager) and the third is, respectively, the Managing Director (in Germany) and the Director (in the Czech Republic).

The subsidiaries are separate and autonomous legal entities, and each approves its own financial statements by resolution of its sole shareholder. Industrial Wear Sp. z o.o. Poland, Industrial Wear FlexCo Austria, and Industrial Wear USA Inc. do not yet have a board of directors, as they are two recently established subsidiaries.

The Parent Company is responsible for managing business processes, including management, administration, production, and strategic development. There is also ongoing involvement of the Finance, Controlling, and Legal departments, aimed at ensuring the provision of accurate and timely information to support the monitoring of the most relevant areas.



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 predefined 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 **company's organisation chart** includes, in addition to General Management, the cross-functional departments of Finance, Information Technology, Legal & Compliance, Sustainability, Retail and Procurement, and Product R&D. 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.



Industrial Wear in the World

GERMANY

Industrial Wear GmbH - Mülheim an der Ruhr

A company founded in 2020, today it covers the entire German and Austrian territory.

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DENMARK

Industrial Wear Denmark - Copenhagen

Founded in 2023 to expand the Northern European market.

CZECH REPUBLIC

Industrial Wear SRO - Prague

Joined the Group in March 2021 and covers Czech Republic, Slovakia, and Hungary.

FRANCE

Industrial Wear SAS - Levallois-Perret

Active since 2020, the branch covers the entire French and Belgian territory.

POLAND

Industrial Wear Sp. z o.o. - Warsaw

Launched in 2023 with the aim of expanding the Group's positioning on the European market.

AUSTRIA

Industrial Wear FlexCo

Joined the Group in 2024 with the aim of expanding the Group's positioning.

SPAIN

Industrial Wear Payper SLU - Sant Cugat - Barcelona

Founded in 2017, it was the Group's first company with Headquarters abroad.

ITALY

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

Logistics warehouses in Italy

The logistics warehouses in Bologna, Rivalta Scrivia (AL), Bertinoro (FC), and Ravenna support our operations. To further streamline order management, the **Logistics Planning Office** was established in 2024 to control and plan logistics flows. The office consolidated its operations in 2025 with the development of a new warehouse in Bologna, dedicated to the sale of products in full packages for major Italian customers.

Transit Points



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. In 2025, sales from the Spanish office will be completely managed by the local warehouse, thus ensuring more efficient management and the possibility of receiving goods both from Italy and directly from the manufacturing countries.

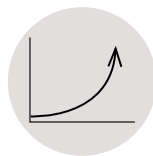
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Our results



> **178**

EUR MILLION
Sales revenue
(+8% compared to 2024)



> **205**

EUR MILLION
Generated
economic value



> **187**

EUR MILLION
Distributed
economic value





Our results

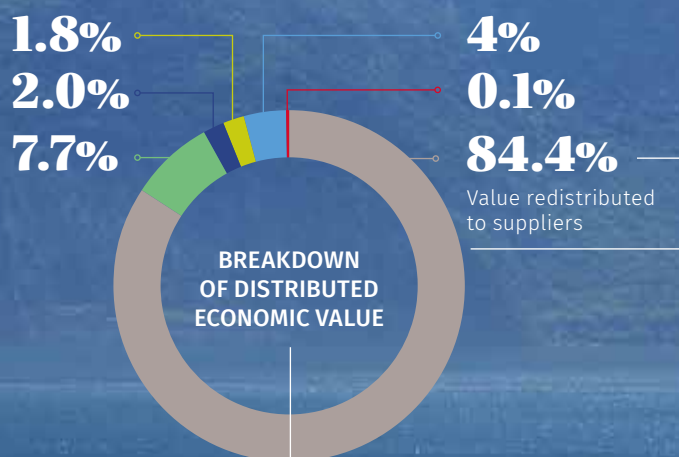
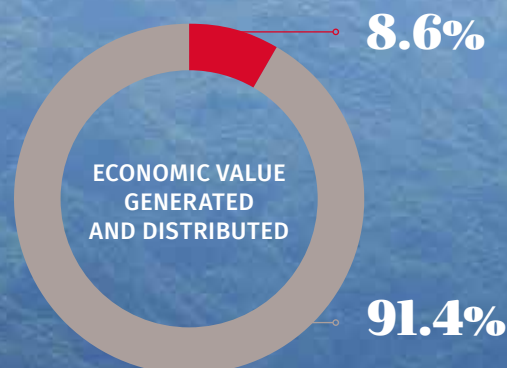
The **economic value directly generated** in 2025 is 205.5 million euro (167.7 million euro in 2024) of which the **economic value distributed** amounts to 187.7 million euro (151.4 million euro in 2024).

Most of this value is represented by reclassified operating costs for a total of 158 million euro followed by the **remuneration of personnel** (14.4 million euro).

The remuneration of the **Public Administration** amounted to approximately €7.5 million, while the **shareholders' remuneration** amounted to €3.4 million, and the **lenders' remuneration** amounted to approximately €3.6 million. The value distributed to the **Community** amounts to 266 thousand euro. Finally, the **economic value retained** in the Company in 2025 was approximately 17.6 million euro.

THE ECONOMIC VALUE GENERATED AND DISTRIBUTED BY THE GROUP

- Economic value distributed out of total generated
- Economic value retained out of total generated



- Remuneration of personnel
- Remuneration of lenders
- Remuneration of Shareholders
- Remuneration of the public administration
- Community remuneration

Our principles

Talent, commitment, passion: this is what it means **to do**.

Sensitivity, respect, sharing: this is what it means **to be**.

Ideas, projects, dreams: this is what it means **to fly**.

These are the distinctive principles that guide us every day when developing protective clothing that cares for people. We value and support our internal professionals, always ready to find innovative solutions, and we focus on teamwork, collaborating synergistically with external partners, selected because they share our conscious and responsible business approach.

In our daily work, we draw inspiration from the world around us and the people we interact with, from whom we receive constant motivation and the incentive to improve day after day, seeking cutting-edge solutions. Passion is the throbbing engine of our work, the spark at the origin of every new creation, what makes it unique and desirable. Our constant focus on ever-higher quality is

our indelible legacy, what makes us recognisable. Each of our garments is an expression of our **authenticity**, a reflection of who we are and what we believe in. Being authentic, promoting the value of the individual, and preserving the environment around us are our essential principles. They allow us to create connections, share our ideas, our goals, and our progress.

Our vision embraces the entire community, of which we feel an integral part, and which provides the necessary glue to grow and reach new and important goals together, respecting and valuing each person.

The propeller embodies our dream of creating increasingly safe, refined, high-performance, and contemporary clothing.

With its unmistakable logo, Payper is a brand characterised by charm and freedom. Our ideas and our passion are the driving force that generates authentic dreams, made achievable only thanks to the determination and energy of the people who make this journey possible: a necessary contribution to achieving new and challenging heights together.

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Ethics and business integrity

In line with the values just described, in 2022 we implemented the **Organisation, Management and Control Model required by L. Decree no. 231/2001**.

The OMM is a set of principles, rules, procedures, and controls aimed at preventing predicate offenses being committed by means of assessing and managing the risks associated

with the corporate activities. In line with current legislation, the Model provides a precise system of disciplinary sanctions applicable in the event of violations of its various aspects; it is thus an essential tool for managing the complexity of situations in which a company operates, providing a clear definition of the principles and values that guide its activities.



The Group's Code of Ethics



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In line with the adoption of the Organisation, Management, and Control Model, we have adopted a **Code of Ethics**, shared with all employees, suppliers, customers, and, more generally, with all parties who engage in a collaborative relationship with the Group.

The Code, updated in 2025, represents the *charter of fundamental rights and duties* because it outlines the corporate principles and values that guide the Group's companies in carrying out their activities. These principles constitute the company's identity and constantly guide the strategic choices and policies within the businesses in which the Group operates. 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 of the Group's identity.

Each Group company shares and is committed to the following ethical principles:

- **Legality:** Compliance with the laws and regulations in force.
- **Equality and impartiality:** Fair and non-discriminatory treatment of all.
- **Transparency, correctness and reliability:** Transparent, correct and reliable conduct.
- **Professionalism:** Acting with competence and responsibility.
- **Confidentiality:** Protection of personal information.
- **Protection of privacy:** Respect and protection of the privacy of employees and customers.
- **Value of human resources:** Promoting personnel and their well-being.
- **Health and Safety:** Commitment to a safe and healthy work environment.

- **Respect and protection of the environment:** Adoption of sustainable practices and reduction of environmental impacts.
- **Protection of competition:** Compliance with the rules of fair competition.

We are committed to informing and raising awareness among all employees so that they perform their duties in accordance with these ethical principles. We promote a constant commitment to continuous improvement and ensure compliance with all applicable laws and regulations.

To ensure that the provisions of the OMM and of the Code of Ethics are applied transparently, we have established a **Supervisory Body (SB)** within the company. Specifically, the SB:

- 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 functions;
- Indicates the necessary updates in the event of non-compliances or changes in the company organisation;
- Ensures that all recipients operate in compliance with the law and the Code of Ethics;
- Conducts internal investigations following reports of potential violations;
- Collects and archives data and information resulting from investigations and promotes appropriate initiatives and solutions in relation to any proposed corrective actions.

In compliance with the provisions of the **whistleblowing** operating procedure, we have set up a telephone channel and an email address to allow reports to be submitted to the Supervisory Body, even anonymously. This protects whistleblowers from any form of retaliation, discrimination, or penalisation, ensuring the confidentiality of their identity and allowing appropriate resolution and/or communication to the Board of Directors.



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.



The stakeholders and the Group's material topics

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In 2025, our sustainability journey **consolidated ESG issues within our economic, environmental, and social performance**, allowing the company to continue building a solid and long-lasting path.

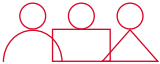
The development of these activities, which began in 2021 with the definition of the Group's stakeholder map and the identification of the material topics, continued until 2023 with the establishment of a sustainability office. This office became independent in 2024, working closely with the company ownership and with all strategic corporate assets. The Sustainability Report is prepared by the **Sustainability Office**, and to date, the Board of Directors has not delegated responsibility for impact management.

Continuing with the aim of strengthening ESG governance, in 2025 we created an internal team to manage the corporate cer-

tification management system (ISO 9001, ISO14001, ISO45001, SA8000, and UNI/PdR 125:2022). The creation of the team, which involves various departments, aims to share corporate social, environmental, and organisational responsibility projects, discussing and monitoring their impacts. Throughout 2025, we pursued the goal of identifying new data monitoring and certification management procedures, with the aim of improving existing processes and of introducing a **sustainable corporate culture**.

In accordance with the **GRI Sustainability Reporting Standards**, we used information derived from engagement activities with the various stakeholder categories as one of the inputs needed to identify and assess the Group's impacts and their expectations regarding ESG issues. 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 • Whistleblowing system • 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



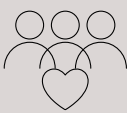
In accordance with the reporting standards adopted, we undertook a **materiality analysis** to identify relevant topics, conducted through the involvement of top management and stakeholders, in order to identify and assess the current and potential, positive and negative impacts that our activities have on the economy, the environment, and the people within the scope of our operations and business relationships.

Following an analysis of the current context, we conducted a benchmarking exercise on a panel of companies in the sector, taking into consideration the guidelines established by international organisations and publications from authoritative sources, such as the *Sustainability Accounting Standards*

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

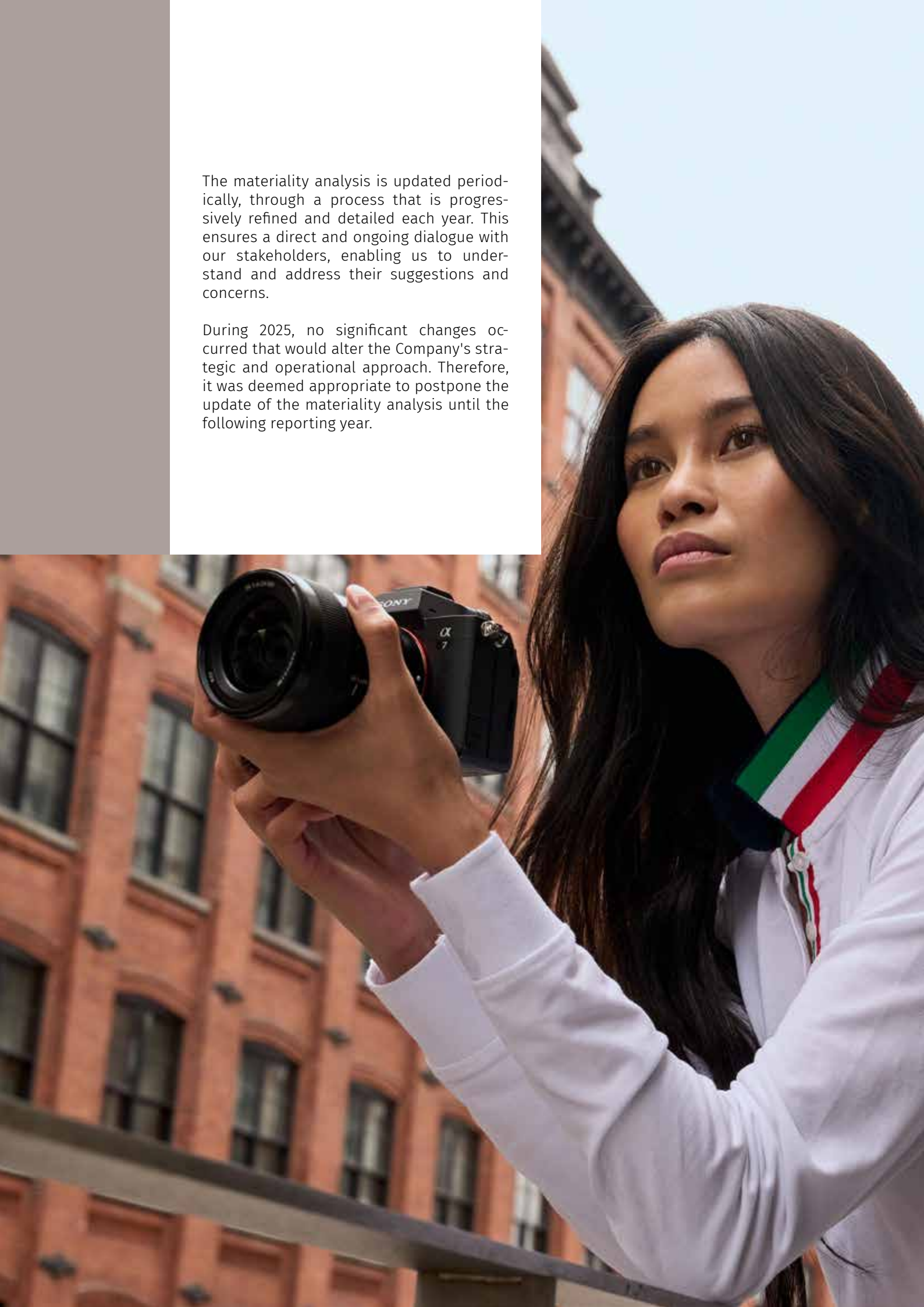
The significance of the impacts was therefore assessed primarily through the **involvement of Management**, which expressed its scores based on the following three parameters: scale, scope, and likelihood. Furthermore, to **determine the relevance of the impacts for stakeholders**, a questionnaire was administered to a sample of these, involving employees, customers, suppliers, and financial institutions.

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

Material topics for Industrial Wear	Group sustainability Pillars
PRODUCT QUALITY, SAFETY, AND COMPLIANCE	 PRODUCT
COMPLIANCE AND REPUTATION	
ECONOMIC PERFORMANCE	
CUSTOMER SATISFACTION	
PRODUCT INNOVATION, PROCESS, R&D	
ETHICS AND BUSINESS INTEGRITY	 TRANSPARENCY
MANAGEMENT OF RAW MATERIALS	
SUSTAINABLE AND RESPONSIBLE MANAGEMENT OF THE SUPPLY CHAIN	
EMPLOYEE TRAINING, DEVELOPMENT AND WELL-BEING	 PEOPLE
OCCUPATIONAL HEALTH AND SAFETY	
DIVERSITY, EQUAL OPPORTUNITIES AND INCLUSION	
ENERGY CONSUMPTION AND EMISSIONS	 ENVIRONMENT

The materiality analysis is updated periodically, through a process that is progressively refined and detailed each year. This ensures a direct and ongoing dialogue with our stakeholders, enabling us to understand and address their suggestions and concerns.

During 2025, no significant changes occurred that would alter the Company's strategic and operational approach. Therefore, it was deemed appropriate to postpone the update of the materiality analysis until the following reporting year.



The Group's sustainability Pillars and strategic lines

Our commitment to sustainability is inherent in our DNA and guides us in focusing on the reduction of the impact our corporate decisions have on the environment, people, and future generations. Our desire is to act in an increasingly responsible and tangible manner, adopting sustainable practices that we have introduced over time in the design and production of our products.

When defining the strategic lines and objectives, we have also taken into account the priorities defined in the **2030 Agenda for Sustainable Development Goals (SDGs)**, which represents the main international framework on the topic of sustainability. To date, through our activities, we contribute to the achievement of 7 of the 17 United Nations SDGs.

For this reason we have defined **four thematic Pillars** that represent the keystones of our approach to sustainability: **Product, Transparency, People and Environment**.



SUSTAINABLE DEVELOPMENT GOALS

The highlights of 2025



In 2025, we continued to consolidate our sustainability journey: we continued to work on the quality of the data collected and to structure collaboration with our stakeholders.

During 2025, we achieved the **Ecovadis** Silver medal, a global rating that measures companies' ESG sustainability performance.

This recognition commits us to constantly measure ourselves against new objectives, consolidate our path, and systematically measure our sustainability performance.

Achieving the **Silver medal** places us among the **top 15% of companies**.

We have continued to expand the categories of our garments equipped with a **Digital Product Passport**, a tool that describes all the garment's characteristics, its performance, and the countries where the main production phases take place. To date, the Digital Product Passport is available for 100% of our garments in the catalogue. This ongoing update also includes com-

municating the technical characteristics, certifications, washing instructions, and disposal instructions for the garments and the packaging, available to all and accessible via the garment's batch number.

Aware that our commitment also includes the involvement of the supply chain and the business partner involved, 2024 saw us strengthen our position in the international certification landscape, with the achievement of the **OCS** and **RCS** certifications. Both allow us to improve the circularity of our products and packaging, with a view to continuously improving environmental and social performance.

In 2025, we established the **GOTS Due Diligence Committee**, whose objective is to coordinate the entire due diligence process. With this in mind, we are committed to using internal processes and due diligence mechanisms to prevent any negative impacts in our procurement practices and to promote a careful supply chain that respects human rights, workers' rights, and the environment.



Our certifications

With a view to strengthening ESG governance, throughout 2025, at Industrial Wear we continued to work to strengthen the structure of our certification management system through an **internal group** dedicated to the **Certification Management System** (ISO 9001, ISO 14001, ISO 45001, SA8000, and UNI/PdR 125:2022), ensuring its maintenance and renewal.

We have always believed in the value that certifications can offer towards 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** by applying the main international standards throughout the entire assessment process. The determination to pursue this goal of overall improvement has led Industrial Wear Srl to achieve the following certifications over the years:

Management of certifications and sustainability initiatives

Acquisition dates



The **Organic Content Standard (OCS)** is a textile certification that ensures the organic and biological origin of cotton. This standard is an initiative of Textile Exchange, a global non-profit organisation that promotes sustainability in the textile sector. Industrial Wear, which places particular emphasis on the use of natural and certified fibres, obtained this certification in November 2024.

2024



The **Recycled Claim Standard (RCS)**, promoted by Textile Exchange, recognises the importance of recycling in supporting a sustainable production and consumption model aimed at reducing the use of virgin resources. The RCS requires a third-party verified environmental statement, which guarantees the recycled content of products, whether intermediate or finished, and ensures traceability throughout the entire production process, from material recycling to subsequent production stages, up to the labelling of the final product.

2024



The **UNI/PdR 125:2022 Gender Equality** certification establishes the company's commitment to adopting internal policies that promote the reduction of the gender gap, equal opportunities, and the harmonisation of life cycles.

2023

Management of certifications and sustainability initiatives

Acquisition dates



The **Global Recycled 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 supply chain processing practices.

2023



The **Global Organic Textile Standard (GOTS)** recognises and promotes the responsible and sustainable development of the textile sector through the use of organic farming. The standard establishes requirements for the entire supply chain regarding environmental and labour 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. It also includes standards for animal welfare and the prohibition of 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 standards, 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 fair and ethical treatment of workers throughout their supply chain.

2022



Better Cotton™ is a global initiative that promotes responsible, ethical, and sustainable cotton production. By addressing sustainability challenges in the textile industry, Better Cotton™ aims to redefine cotton cultivation and production practices.

2021



ISO 45001:2018 is an international standard for occupational health and safety management systems, designed to effectively manage occupational health and safety risks and improve performance.

2020



Management of certifications and sustainability initiatives

Acquisition dates



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*) **Code of Conduct** includes principles of legal compliance, freedom of association and the right to collective bargaining, decent working hours, fair remuneration and occupational health and safety.

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 and processes consistently meet customer needs and regulatory standards, while improving customer satisfaction.

2016

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Thematic Pillars

Strategic Guidelines

Operational objectives



PRODUCT

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

- 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 for reducing the environmental impact associated with the life cycle of our products



TRANSPARENCY

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

- 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



ENVIRONMENT

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

- Measure the climate-altering emissions generated by the 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
- Continue to develop activities aimed at reducing the need for raw materials for products and packaging through circular economy approaches



PEOPLE

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

- Increase internal training on corporate certifications and compliance with the Code of Ethics and the OMM 231/01
- Continue to map and mitigate risks related to operations in our plants
- Develop collaborations and strategic projects with local organisations to generate positive impacts on the environment and on people



Actions

- Measure the impacts of the materials used and improve their longevity
 - Create a Carbon footprint for new product lines
 - Increase the number of products with organic and recycled content
 - Increase the supply of sustainable raw materials, such as: Better Cotton™, GOTS and GRS
 - Raise awareness among our customers concerning the sustainability of our products
-
- Expand the elements of supplier investigation with sustainability aspects
 - Evaluate the adoption of a code of conduct for suppliers
 - Engage employees of foreign offices and suppliers in sustainability activities
 - Continue the dissemination of the Code of Ethics and of Conduct to employees and commercial partners
 - Maintain regulatory compliance with new environmental regulations and obligations in various countries
-
- Continue to track CO₂ emissions and develop reduction or compensation initiatives
 - Formalise a standardised procedure for monitoring CO₂ emissions at all sites
 - Continue to implement solutions to reduce our packaging with alternatives such as the use of recycled materials or materials from sustainably managed sources
-
- Continue to strengthen training on our Quality, Environment, Occupational Health and Safety, and Ethics policies.
 - Implement employee awareness-raising activities regarding ESG sustainability
 - Continue to promote a fair, inclusive and equal opportunity working environment
 - Continue to attract talent and strengthen the relationship with the local community

Reference SDGs



02

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Product

- **Product quality, safety and conformity**
- **Compliance and reputation**
- **Customer satisfaction**
- **Product innovation, process, R&D**
- **Economic performance**



SDG 9

INDUSTRY, INNOVATION AND INFRASTRUCTURE

Build sustainable, high-quality infrastructure for all, to foster a new business model that respects the principles of sustainability and adopts efficient, cutting-edge technologies and industrial processes.

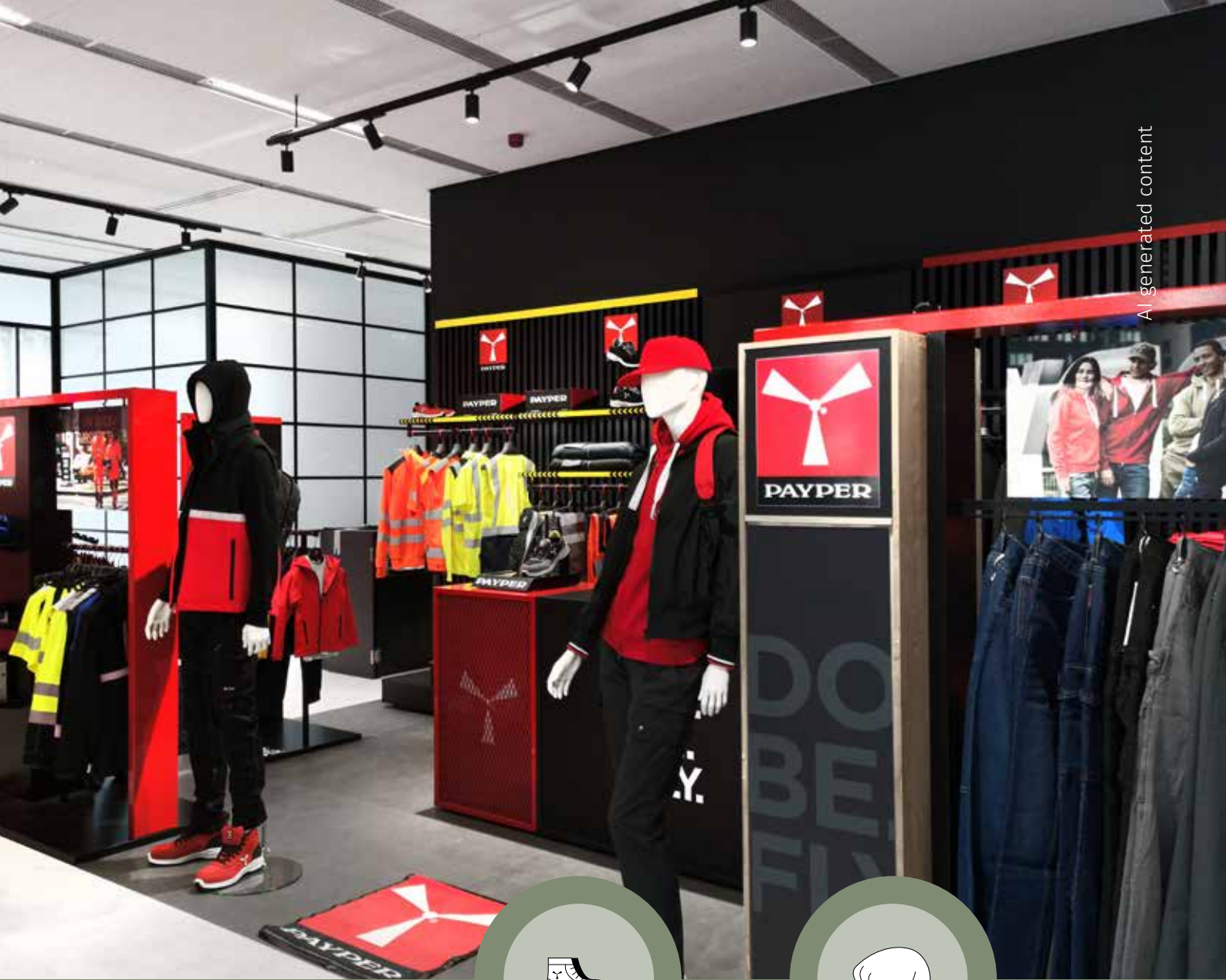


SDG 12

RESPONSIBLE CONSUMPTION AND PRODUCTION

Contribute to the well-being of the population through access to water, energy, and food, while reducing unnecessary consumption of natural resources.





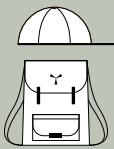
THE GROUP'S PRODUCTS



Footwear
safety footwear



Professional
clothing dedicated to
the HORECA sector



Headwear & bags
caps, hats, and daypacks
(backpacks and bags)



Safety
personal protective clothing
and gloves



Casual & workwear
casual and sports clothing for
teams of all types and for
corporate uniforms

Industrial Wear products

Through careful research, considered a central element for the company's development, we have built a solid history over the years that has fostered the **growth 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 composed of highly qualified professionals. Every year, our work translates into **new prototypes**, constantly expanding the product catalogue. The R&D team's commitment also extends to continuously updating existing products, ensuring their competitiveness and market relevance. Expanding the product range is our priority objective, pursued by developing new solutions within existing categories and by exploring innovative sectors.

In 2025, we enriched our catalogue with new items within our **Professional** brand (which previously included only garments geared towards the HO.RE.CA segment), by adding the new Medical, Beauty, and Cleaning lines. The company intends to increasingly target categories of workers with products expressly designed for specific roles, increasingly meeting their specific needs and requirements.

The collection offers tailored garments, with design solutions tailored to meet the needs of those who turn their passion into a profession and a mission. For this segment, our team has selected excellent raw materials to create garments with a high aesthetic and functional value.

Also in 2025, we launched our new Footwear **10-SPACES** collection, a line of safety shoes that combines design, technology, and style, thanks to our new production facility in Civitella di Romagna. Different uppers combine with an innovative three-layer sole designed to offer a high-performance, high-quality shoe with an elegant design.

Quality and sustainability are fundamental values for Payper. Every phase of the production process is subjected to rigorous controls, paying particular attention to environmental impact and the health and comfort of workers.

Furthermore, in line with our commitment to transparency and traceability, the company has decided to bring forward the implementation of the **Digital Product Passport (DPP)**. In compliance with the European Ecodesign Regulation (*ESPR - Ecodesign for Sustainable Products Regulation*), starting January 2025, all products in the catalogue will be equipped with a DPP, providing access to the garments' technical characteristics, washing instructions, and all other information related to the product and its packaging.





The materials used

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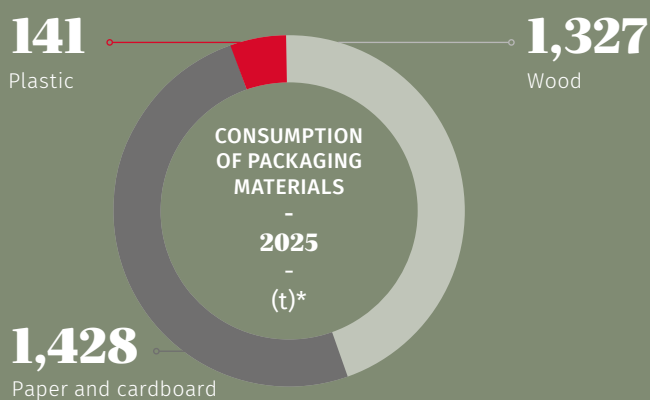
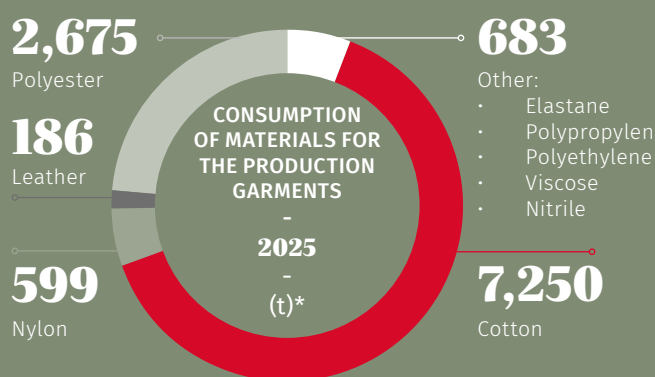
The clothing industry, traditionally dependent on the use of natural resources, has an inevitable impact on environmental matrices, both locally and globally. However, there is a growing awareness of the need to reduce this dependence and to adopt more sustainable sources of supply.

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

For this reason, as part of the risk analysis relating to the implementation of our environmental management system compliant with the **ISO 14001² standard**, we identify the processes and the related material inputs and outputs, so as to associate each activity carried out with the corresponding environmental aspects to be monitored and managed over time.

Through our producer partners, we use various **materials** to manufacture our products, including **cotton, nylon, leather** and **synthetic fibres**, as well as packaging materials for transport and distribution, such as **paper, cardboard** and, to a lesser extent, **plastics**.

To select the materials to use, we conduct specific investigations to ensure both the **compliance of the fabrics with specific performance requirements** (flame-retardant, acid-resistant, rainproof, etc.) and the quality and maximum comfort of the garments produced.



² The ISO 14001 certification covers all Industrial Wear Srl sites, except for the Civitella di Romagna site, which is currently undergoing certification.

* All references to 't' indicate metric tons (1,000 kg).



After analysing the various impacts of the resources used, we have defined a strategy to better optimise the packaging, also in light of EU Regulation 2025/40 PPWR - *Packaging and Packaging Waste Regulation*. Towards this goal, we have been collaborating directly with suppliers since 2024 in order to identify the **most innovative and sustainable solutions for product packaging**, aiming to minimise plastic use and increase the use of FSC®-certified paper.

Internally, we have developed solutions for more sustainable packaging, such as the **new line of gloves (Payper Plus brand) offered in an all-paper package**, eliminating the use of secondary plastic packaging.

As regards T-shirts and polo shirts, we have optimised packaging by eliminating individual polybags and adopting multiple packaging. Furthermore, we use **100% recycled plastic polybags** for all garments. All paper or cardboard materials, such as catalogues and brochures, are also printed on FSC®-certified paper.



Sustainable materials for long-lasting development

Reducing dependence on natural resources and virgin fibres, such as cotton, and 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 adoption of **alternative materials**, such as recycled or bio-based fibres.

Recycled fibres not only reduce the consumption of 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, selecting **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.

In 2025, we began designing garments and items that, while ensuring the same characteristics and quality standards, should nevertheless be made with recycled or organic raw materials.

Commitment to sustainable practices translates not only into environmental benefits. It can also generate significant **commercial advantages**, driven by the growing number of consumers who are aware of the environmental impact of the products they purchase. Companies that demonstrate a **concrete commitment to sustainability** can therefore attract a broader and more loyal customer base, fully aware of its choices.

Operating responsibly means organising our business in compliance with ESG principles and involving our suppliers in this process, developing partnerships based on this production strategy.

Our participation in international programs and the certifications obtained by our materials



Recycled Claim Standard and Organic Content Standard

To consolidate our performance in the use of natural fibres and sustainable industrial wear production, in 2024 we obtained the **OCS (Organic Content Standard)** and **RCS (Recycled Claim Standard)** certifications, two internationally recognised standards for organic and bio-based textiles.

As Industrial Wear Group, we have set ourselves the goal of increasing the design and marketing of certified products over the coming years, ensuring traceability and compliance with requirements throughout the entire supply chain.

This commitment translates into greater transparency for consumers, who can now rely on clearer information regarding the or-

igin and sustainability characteristics of the products they purchase.

This process began in 2025 with the adoption of a **Due Diligence Committee**, in line with the innovations introduced by the revision of the GOTS standard. The committee laid the foundation for greater internal awareness and for strengthening the monitoring activities along the supply chain.

During the year, we also continued the design and testing of garments made from GOTS and OCS organic cotton, as well as of GRS-certified recycled polyester. Our goal is to launch a line of select garments in 2026, while continuing to raise customer awareness on sustainability issues.

The RCS certification applies to the entire textile production process, from the cultivation of recycled raw materials to the processing, production, packaging, labelling, marketing, and distribution of fabrics. This standard recognises the importance of recycling for the growth of a sustainable production and consumption model, with the aim of reducing the use of virgin resources. The RCS certification requires a third-party issuing a verified environmental declaration, which certifies the recycled content of both intermediate and finished products and ensures traceability throughout the entire production process. The system covers material recycling, subsequent manufacturing stages, and finished product labelling. Thus, the RCS guarantees that certified products contain recycled materials and that these are traceable throughout the supply chain.

The Organic Content Standard (OCS) is a certification of the biological and organic origin of cotton in textile products. This standard verifies the presence and amount of organic material in a finished product and traces the flow of raw material from its point of origin to the finished product. The OCS provides an independent and transparent guarantee that the materials used in the products are truly organic; a certification that guarantees sustainable agricultural practices and the reduction of the environmental impact of textile production.



Better Cotton™

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 cultivation and processing of cotton for use in the textile industry. Adhering to the Better Cotton™ strategy means promoting, through six guiding principles, a more responsible cotton production whilst respecting the environment and farming communities.



The Principles

1] Management system: includes requirements relating to planning and monitoring activities, data management and the continuous improvement of these aspects. The principle also aims to underline the importance of an integrated, collaborative and inclusive approach, which involves the agricultural community to achieve long-term sustainability objectives.

2] Natural resources: this principle focuses on agricultural practices that protect and improve soil health, water quantity and quality, and biodiversity.

3] Crop protection: closely related to the previous point, this principle outlines crop protection practices, which must be cost-effective and minimise the risk of harmful impacts on human health and the environment.

4] Fibre quality: specific to each production area, this principle focuses on good agronomic practices to be adopted before planting, during crop growth, and in the post-harvest period, with the aim of healthy, high-quality production, while reducing contamination and waste.

5] Decent work: this principle aims to create work environments that ensure the freedom to organise and negotiate decent working conditions and that provide adequate grievance mechanisms.

6] Sustainable livelihoods: farmers, workers, and agricultural communities are the foundation of the entire cotton sector, and for this reason, their livelihoods are intrinsically interconnected with sustainable production. Principle 6 aims to seek active collaborations to identify the key needs and challenges of workers in the sector and to find viable strategies to address them.

The Impact

Our adherence to the Better Cotton™ principles has allowed us to continue to make positive contributions to people and the environment in 2025. **We used 4,241,797 kg of cotton produced according to sustainable standards.**

Recognising the importance of investing in programs that preserve and promote responsible agricultural use, we have taken steps to track our Better Cotton™ impacts.





Support for Farmers

Supporting farmers also means ensuring fair compensation for their work, and thanks to our sourcing, we have helped **increase their profitability by 14.7% over the last three seasons**. This increase isn't just a number; it represents a better quality of life for farming communities, ensuring decent working conditions and the ability to invest more resources in their activities to ensure the improved quality and sustainability of the product obtained.

Saving Water Resources

Sustainability means respecting natural resources, and thanks to the strategies implemented, we achieved a significant milestone in 2025, **saving 49,218 m³ of water in cotton production**. This is a valuable achievement, dedicated to a fundamental yet increasingly sensitive right: access to water resources.

Reducing the Use of Pesticides

Another crucial aspect of our commitment to the environment is choosing production methods that reduce the use of chemical pesticides. Thanks to this strategy, we helped **reduce its use by 161 kg** in 2025, with tangible benefits for human health and soil fertility.

Our commitment continues

These results are an important step on our journey toward greater production sustainability. The desire to contribute to reducing the environmental impact of industrial activity is today a guiding principle of our strategy, which includes adherence to principles such as those expressed by Better Cotton™ and the certifications we have chosen to rely on to measure our results and define future goals.



Sustainable management of packaging



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All Payper-branded products are equipped with **primary and secondary packaging**, which varies in type and function. The main materials used are **paper and cardboard, plastic, and wood**.

Over time, we have adopted various initiatives **to reduce the impacts related to the consumption of materials and the production of packaging waste**.

Specifically, during the order preparation phase, corrugated cardboard is **reused several times for subsequent shipments (re-packaging)**, taking into account a minimum tolerance threshold that allows maintaining its quality and integrity.

In 2024, we began a process to reduce the use of plastic, introducing innovative solutions for display and customer service, such as the new line of gloves with all-paper packaging. We also introduced a solution that groups 12 pairs of gloves in a single box made entirely of FSC®-certified paper.

When certain materials are deemed indispensable or cannot be further reduced, we evaluate their replacement with recycled and/or certified materials, for example through the Global Recycled Standard (GRS). This commitment continued in 2025 with the development of packaging for new garments, such as the underwear line, also made entirely of paper.

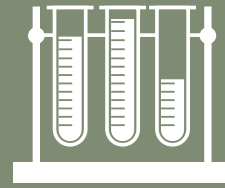
The company uses 100% FSC®-certified paper materials³ for notepads, catalogues, and brochures, and is committed to ensuring that all new orders involving paper packaging comply with the FSC® and Global Recycled Standard (GRS) certifications.

Since 2023, Industrial Wear has launched a further packaging initiative regarding the adhesive tape used for packaging. The use of the **EcoHIT19 adhesive tape line, made with films containing at least 85% post-consumer recycled material**, has been introduced.

³ Any products that do not comply with this certification are limited to pre-existing warehouse stock.



Resistance of materials and durability of garments



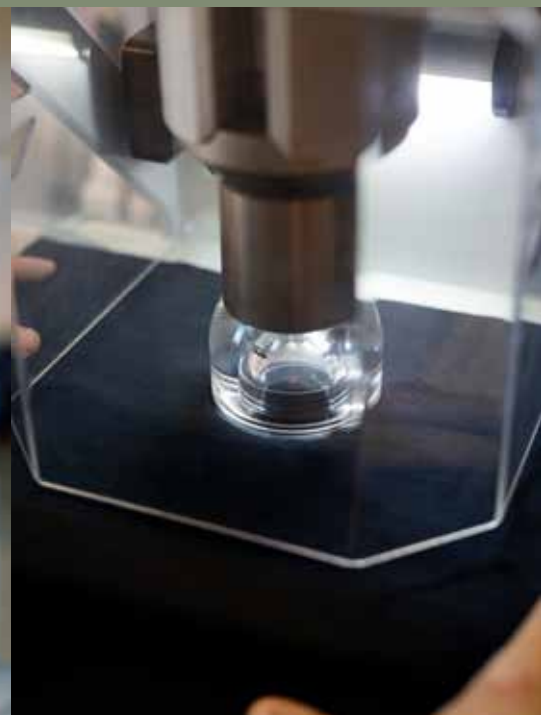
What differentiates the **linear** economy from the **circular** economy lies in the way value is created and maintained within the system for **as long as possible**. At Industrial Wear, we adopt this approach by developing durable products containing recycled materials and designed to be recycled at the end of their lifespan.

The **risk of obsolescence** in professional and promotional clothing is significantly lower than in traditional clothing collections: fashion trends and style trends have only a marginal impact on the design and materials offered, which are defined and selected primarily for their ability to meet safety and ergonomic requirements in the workplace.

Resistance, and therefore overall **durability**, is among the fundamental characteristics that garments must ensure during use. To this end, **laboratory tests and trials** are conducted for each category of PPE (Personal Protective Equipment) to verify compliance with key requirements, such as:

- **Abrasion resistance**
- **Propensity** of the fabric to **surface fuzzing** and to **pilling**
- **Colour fastness to washing**
- **Colour fastness to rubbing**
- **Bursting strength**
- **Thermal insulation** and resistance to cold
- Resistance to **shrinkage test**
- **Tensile and tear strength**
- **Resistance to the combination of light and perspiration**

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Quality and performance: guaranteeing protection



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We have acquired extensive experience in design, pattern development, and raw material sourcing for workwear, professional apparel, and promotional clothing, with a clear goal: to **make the performance of workers safer**, more practical, and more attractive and functional for the wearer. To achieve these results, attention to process quality and certification of product performance are fundamental cornerstones.

Most of our items are marked PPE (Personal Protective Equipment). As such, they must pass specific tests required by European Regulation 2016/425, aimed at verifying their compliance with essential health and safety requirements, including healthiness, harm-

lessness, resistance, and other performance parameters.

In 2025, we continued to work, together with our supplier partners, on **eliminating PFAS from our products**, replacing them where possible with equally effective but more sustainable alternative treatments. This was possible thanks to the introduction of stringent technical specifications shared with fabric suppliers, with specific checks and related analyses performed on each production batch. All this is managed by our Quality Laboratory Office. During 2025, **100% of the significant product categories were assessed** to ensure adequate health and safety standards.

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 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.



Footwear: inside 10-SPACES

The new line of safety footwear takes shape inside Payper's new production facility located in Cusercoli (FC), thanks to the use of dedicated machinery and qualified expertise. The **10-SPACES** line is the result of continuous experimentation, design research, and the selection of high-performance, high-quality raw materials. These elements contribute to a shoe designed to offer stability, balance, and performance appropriate for work environments requiring this specific solution.

Not only comfort, but also the well-being of those who wear work shoes is a top priority for the company.

We have equipped each shoe with the **Pulsar Cushioning** insole, made with integrated antistatic fibre and designed to increase safety and promote comfort. The insole is designed to ensure support and a more balanced weight distribution, helping to reduce fatigue and promote correct posture.

The combination of stability and lightness is designed to accommodate movement during use. To ensure additional support, the shoes are certified to accommodate **Secosol** orthopaedic insoles, intended for people with posture-related issues.



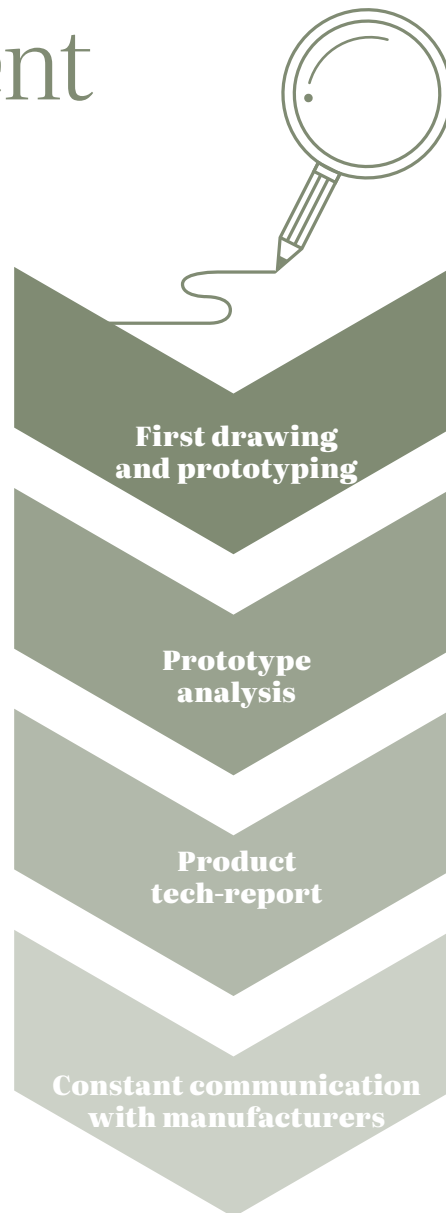
Product evolution: creativity, research and development

We have a clear goal: to leave a tangible and transversal mark on all our garments, which is why we constantly strive for excellence, raising the quality of our products' manufacturing and performance with each line update.

We invest significantly in the **creative development of new models**, a crucial phase for both competitiveness and creating value, as well as for the environmental sustainability of the garments. The primary objective is to create exclusively sustainable models, produced through responsible and certified processes, always within a carefully selected and fully traceable production chain.

Every creative idea is inspired by the **in-house design and prototyping offices** and brought to life in the **production laboratories**, where industry experts analyse and select the best fabrics and materials in terms of strength, durability, and flexibility, rigorously adhering to the most important international standards governing the industry.

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.



Product safety and ensuring the health of 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 registers, evaluates, authorises, and restricts the use of chemical substances. **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®** cer-

tified materials. The **100 STANDARD by OEKO-TEX®** ensures the absence of substances harmful to health in products, by means of demanding verification criteria.

All Payper product categories (Corporate Wear, Work & Safety, Footwear) have been assessed for their impact on the health and safety of end users. 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**. To ensure this performance, all products are adequately tested, including through analyses coordinated by the laboratory on all production runs.

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.



At the service of our partner customers

Customer communication is developed through **digital channels** and content such as videos and **newsletters**, and through **traditional paper channels**, with catalogues and commercial brochures.

In 2025, we decided to get closer to those who wear Payper garments every day by also opening official pages on the main social networks. This represents a direct way to create communities, to communicate, and to raise

awareness among our customers and all end users regarding the care and characteristics of Payper garments.

The communication effort continues outward, with the **Customer Care Office** serving as the front door for customer inquiries. This office is constantly committed **to ensuring rapid and effective support for those who choose Payper**, guaranteeing an average resolution of complaints within a week of opening the ticket.



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



In line with our philosophy of increasingly being strategic allies of our partners, the **Retail Experience** project was launched in 2021 with the aim of creating a Payper shopping experience in immersive and dedicated environments, characterised by our recognisable colours and design elements. To do this, different levels of participation are offered:

- **Payper Island** – simple and free-standing display supports
- **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 the Group

To enhance the sales experience, a **Visual Merchandising** service is also available, both at the partner retailer and remotely, with a professional in the sector who is responsible for implementing all the appropriate strategies to maximise the potential of each business. Thanks to this service, the retailer has the opportunity to stimulate the consumer to become loyal to Payper products, also enriching the quality and attention that distinguishes the brand.

Currently, **151 Retail Experience projects** are active on the **Italian territory**, while **169 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

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Transparency

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



SDG 12

RESPONSIBLE CONSUMPTION AND PRODUCTION

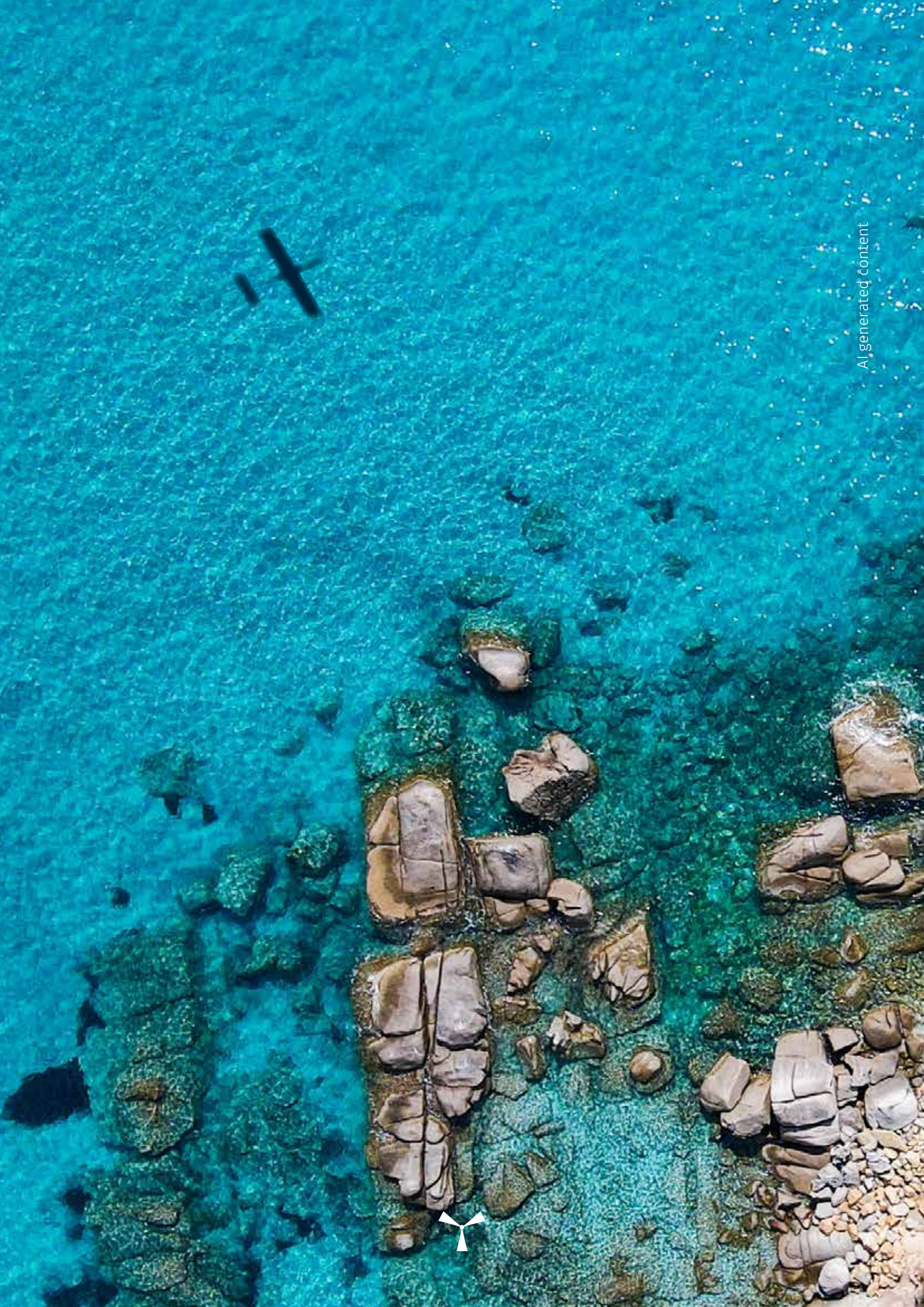
Contribute to more responsible production through the conscious use of materials, energy, and resources, with the aim of reducing waste and generating lasting value.



SDG 16

PEACE, JUSTICE AND STRONG INSTITUTIONS

Promote legality, transparency, and responsibility through correct behaviour, fair relationships, and integrity-oriented business practices, respecting rules and people.





Our supply chain

Transparency in corporate activities is also reflected in the selection and management of the supply chain. Suppliers are selected based on their expertise, operational reliability, and ability to meet the company's required standards. From this perspective, building solid and lasting relationships is a key element, with the aim of developing stable collaborations and long-term contracts based on trust and shared responsibility. To date, the Industrial Wear Group does not have a formalised procedure for assessing the environmental and social impacts of its supply chain.

This collaborative strategy encompasses the entire product range and extends from our headquarters to our manufacturing centres in **China, Bangladesh, Pakistan, and India**.

Once production is complete, our **Import and Logistics Offices** manage **every stage** of distribution: the products arrive at the **main Italian ports** – Genoa and La Spezia – where a specialised team oversees customs clearance and subsequent container placement at the relevant logistics hubs.

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Our producer partners

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

This approach has allowed us to establish **lasting relationships**, based on mutual trust and on sharing common goals, promoting a path of growth and synergistic development. Our suppliers are the partners with whom we build the future, carefully selected for their excellence and their commitment to the economic, social, and environmental sustainability of their production. Our supplier collaboration is guided by several key principles, including:

- **Uncompromising quality:** with samples carefully evaluated in the laboratory to ensure superior quality levels compared to competitors;
- **Production capacity:** to meet our business needs and ensure a satisfactory and sustainable flow;

- **Better Cotton™ membership application:** to share its operating principles with suppliers who handle cotton products;
- **Social and environmental responsibility:** to ensure fair and safe working conditions and respect for the environment.

These guidelines define supply contracts and employ the **Technical Offices located at the main production centres for providing an active and timely tool** for verifying and monitoring the correctness of procedures.

The Technical Offices play a role that goes beyond simple product quality inspection: they are responsible for the timely monitoring of the production processes and for ensuring compliance with company standards and legal requirements. They coordinate and *follow up* on orders, ensuring that delivery times are complied with and that any topics are resolved promptly.

QUALITY: our partners' involvement



100%

Suppliers mapped according to quality, environmental, and social criteria

Assessment of suppliers with sustainability criteria



Supplier assessment is an essential element of the supply chain qualification and monitoring system. The process begins with a company screening phase, aimed at examining the organisational structures and the level of compliance with environmental, social, and occupational health and safety standards.

Upon successful completion of the screening, the company is added to the **register of approved suppliers**, a list managed and updated by the Purchasing Office. During 2025, 100% of newly acquired suppliers were assessed according to social and environmental criteria. Furthermore, an **annual audit is conducted on all new suppliers of finished products and on existing suppliers**. Specifically, a performance assessment is carried out by an external body based on the **Amfori BSCI Standard**, which takes into account **13 parameters**, including *Protection of the Environment* and *Occupational Health and Safety*.

At the conclusion of the assessment process,

a **Factory Audit Report** is sent to the company containing the relative performance score for each of the areas considered.

Amfori's assessment of our suppliers, through periodic audits and monitoring of ESG criteria, results in a score analysis and classification, where:

- 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;
- the C score denotes good quality, while scores D and No Rating indicate a performance that is not fully satisfactory.

This is one of the cornerstones of our strategy for the pursuit of excellence, a commitment demonstrated by the results of the AMFORI analysis, which highlights the excellent performance and high standards of the suppliers currently working with the Group.



Our commitment to the AMFORI BSCI Code of Conduct

Through alignment with the **Amfori BSCI and BEPI 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 is an expression of 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. 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;
- **Noise pollution management**;
- Control of the use and disposal of **hazardous substances**.



Reducing impacts in the supply chain



Our garments are produced using **typical textile industry processes**; both we and the community are well aware that these activities can have significant environmental impacts if not organised with discipline and attention towards energy consumption, emissions control, and water resource management.

It is essential for us to understand the **upstream impacts generated** by our production activities, and for this reason, we are committed, through monitoring and collaboration with suppliers, **to limiting the negative downstream effects** of our production, logistics, and garment use processes by finding **effective mitigation solutions**.

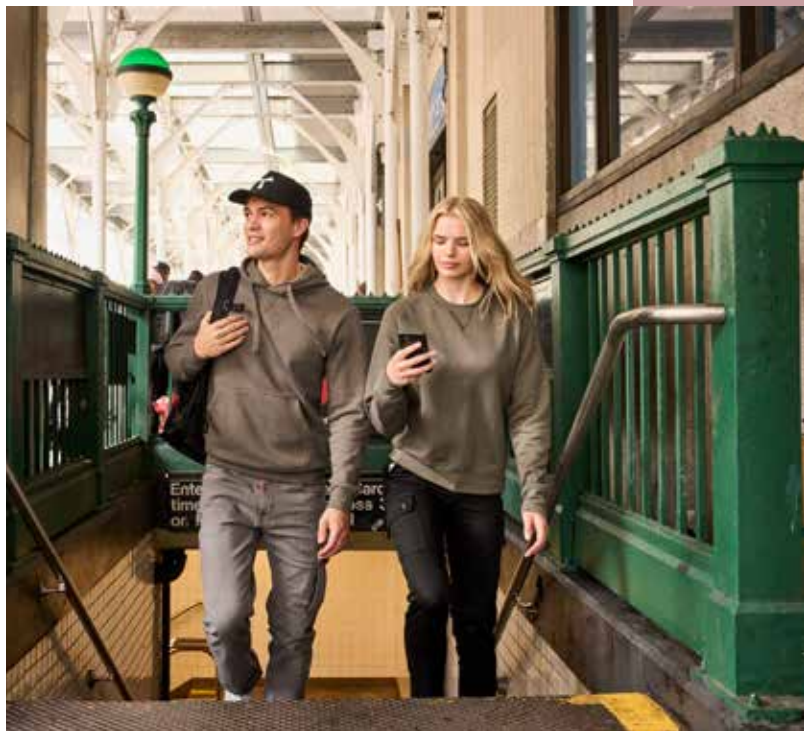
As regards *upstream* impacts, we encourage our producer partners to use materials with a lower environmental impact because they come from sustainable cultivation and manufacturing processes. For example, we promote membership in Better Cotton™ for suppliers who use cotton, which is the most common raw material used in the production of all our garments.

Furthermore, initiatives have been implemented for 2025 **to further increase the use of recycled fibres and of packaging from sustainable sources**, such as promoting the use of FSC® paper and cardboard by suppliers.

Regarding *downstream* impacts, we advise users of Payper products on how to wash their garments, encouraging **the use of low-temperature programs** that ensure less energy consumption and reduce the release of polyester into the water.

In 2025, we worked on collecting and organising information about our garments in a structured manner, developing a comprehensive technical data sheet that includes technical data, certifications, washing instructions, and information on production phases and packaging. This activity anticipates the introduction of the **Digital Product Passport (DPP)** in our target markets and represents a concrete step towards greater product traceability and transparency.

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Materials	Associated environmental impacts
COTTON	Cotton cultivation generates negative impacts on soil, biodiversity and water availability. The subsequent spinning phase also requires washing the cotton, which requires significant amounts of water. Finally, garment dyeing involves the use of various chemicals and significant amounts of water.
POLYESTER AND NYLON	The reagent manufacturing and synthetic fibre production phases generate impacts primarily attributable to the use of fossil fuels as raw materials, water consumption for washing, electricity use to regulate process temperatures, and particulate emissions generated by chemical reactions.
PLASTIC	The Group uses plastic primarily for packaging and transportation to customers. While it guarantees logistical and protective efficiency, it is a non-biodegradable material, which has significant impacts on end-of-life management and disposal. Its potential dispersion into the environment can also have significant impacts on ecosystems.
WOOD, PAPER, AND CARDBOARD	The use of wood, paper, and cardboard has environmental impacts related to sourcing the raw materials, which, if not managed sustainably, can contribute to deforestation, biodiversity loss, and increased CO₂ emissions. Paper and cardboard production also requires significant amounts of water and energy and can generate pollution, particularly when processes involve the use of bleaching chemicals, such as chlorine-based ones. However, compared to plastic, paper and cardboard are more biodegradable and recyclable, helping to reduce long-term environmental impact.

Impact reduction activities

- Use of cotton from sustainable cultivation as part of the Better Cotton™ initiative and from organic farming, certified according to standards such as GOTS and OCS.
 - All suppliers are required to provide a declaration regarding the non-use of pollutants, with subsequent requests to their subcontractors.
 - Possibility to raise supplier awareness of energy recovery from the steam generated during the copper plating/sanforising treatment phases.
-
- Labelling instructions for washing up to a maximum of 30°C will be included, to help reduce the release of polyester microfibrils.
 - Labelling instructions to avoid using a dryer and to favour air drying will be added, thus limiting the dispersion of microfibrils.
 - The use of GRS and RCS-certified recycled polyester fibres is planned for 2026.
-
- We are currently working to reduce the use of plastic in packaging by grouping multiple products in a single polybag and, where possible, by replacing plastic with paper and cardboard.
 - We are also working to replace virgin plastic with alternative materials, such as recycled paper or plastic.
 - By 2030, we expect 100% of our products to be packaged in recycled plastic polybags.
-
- Our commitment translates into requiring suppliers to use FSC®-certified paper and using paper from responsibly managed sources within the company.
 - The Group's goal for 2026 is for 100% of the paper used to be FSC®-certified.
 - During 2025, the Group used EPAL or EUR-certified pallets to facilitate product handling and collection. These pallets are purchased, used, and then reintroduced into circulation through reuse and repair practices, thus reducing the environmental impact associated with the production of new pallets.



Beyond production, marketing a product takes into consideration its entire life cycle:

- **design**
- **transport**
- **use**
- **end-of-life**

All these phases are managed in an integrated manner, with design orienting the value chain toward quality and sustainability.



Activities

DESIGN: PRODUCT DESIGN WITH PROTOTYPE



MANUFACTURE OF THE GARMENT: CUTTING, PACKAGING, PREPARATION FOR SHIPMENT



LAND TRANSPORT TO THE PORT OF EMBARKATION



TRANSPORT BY SHIP TO THE PORT IN ITALY



TRANSPORT BY LAND FROM THE PORT TO THE LOGISTICS WAREHOUSE



LOGISTICS MANAGEMENT



USE OF THE PRODUCT



END OF LIFE

Ongoing initiatives for reducing impacts

- 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
- The paper pattern is designed to reduce fabric waste
- Packaging boxes are sized to accommodate an adequate number of garments to ensure they are fully filled
- The use of packaging bags made of biodegradable materials, post-consumer recycling, or responsibly managed sources is currently being assessed
- Transport is organised to ensure full container loading, optimising shipping volumes and reducing the impact of transportation costs, both financial and environmental. During 2025, we introduced transportation solutions with a lower environmental impact, exploring the possibility of using next-generation ships. At the same time, we initiated tests on road transportation using biofuel, but above all, we favoured rail transportation wherever possible
- Management of cardboard waste with reuse, where possible
- Transport optimisation: vehicles always travel fully loaded
- Shipped material is packaged in fully loaded cardboard boxes, thus optimising packaging use and reducing waste production
- Provision of instructions for correctly sorting PPE at the end of its life
- High durability of the garment, in order to extend its life cycle and reduce overall impacts
- Consumer instructions for proper management of the garment at the end of its life



Efficiency and innovation in logistic processes



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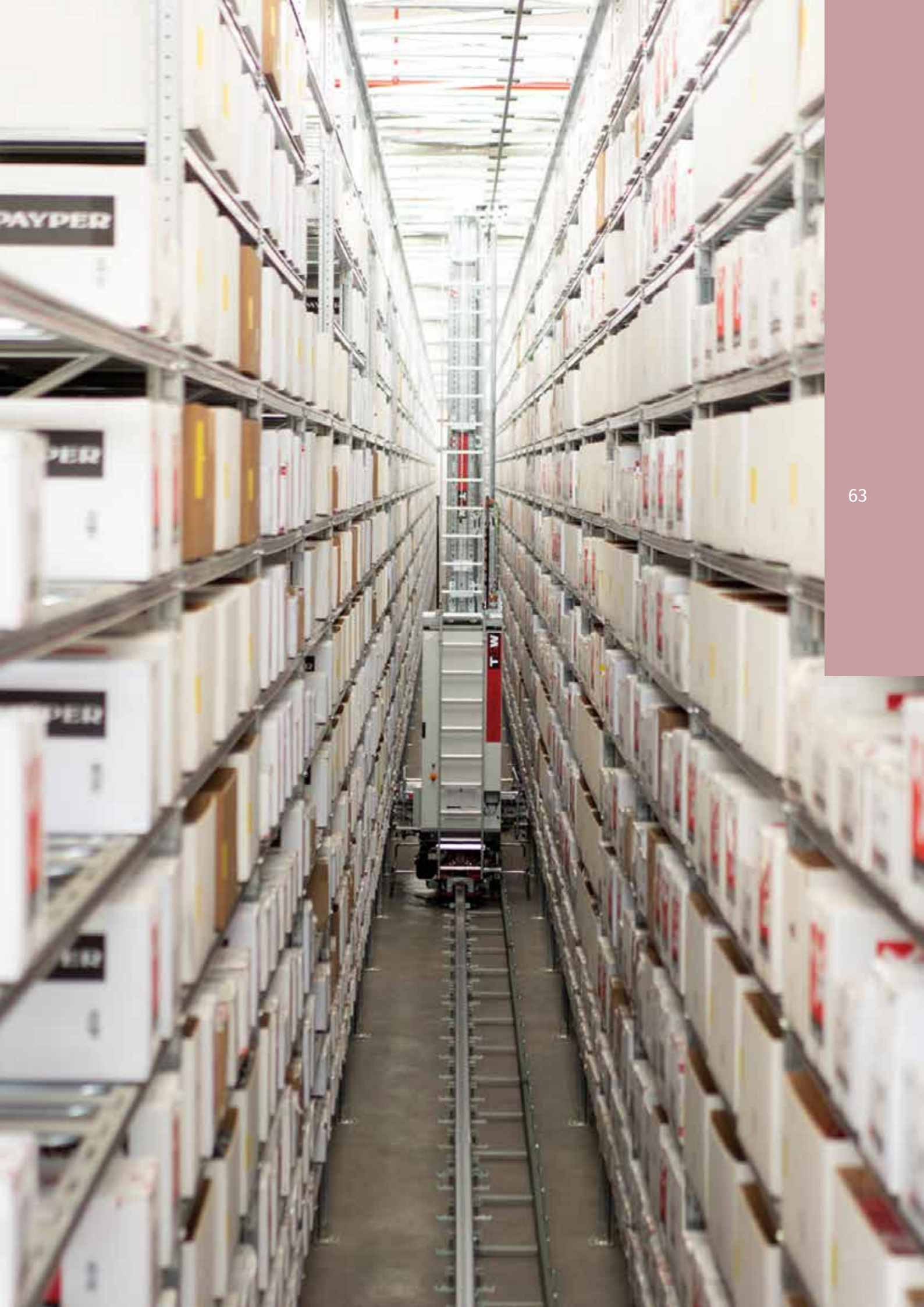
Technological updates represent a continuous path for the Group to improve performance and are applied to both production and logistics processes. This approach has allowed us to consolidate our competitive position in the European sector over time.

Logistics management is a central element of the company's strategy and is based on efficiency, traceability, and responsibility. The inauguration of our Headquarters in 2017 marked a significant step forward, thanks to the introduction of advanced logistics solutions that integrate **advanced management systems with robotic technologies**.

In 2024, we also expanded our operations with the creation of a logistics hub in Tarragona, Spain, and one in Bologna, in the heart of Italy. The first is aimed at optimising shipments to Spain, France, and the Benelux countries; the second, through the "Whole Packages" project, is intended to serve key customers, improving shipping management efficiency and the use of the

same original packaging. Indeed, the release of items in the inner cardboard box does not require any repacking. Furthermore, through this new project, the company has "shortened" the supply chain, reducing the volume of goods transported by logistics to Fiumana. The whole parcels warehouse ships almost exclusively goods arriving directly from the two main ports of disembarkation.

The logistics service organisation has a twofold objective: **reducing the environmental impact of the facilities and improving the well-being of operators**. At the same time, by 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 and an increase in productivity. The system receives orders directly from the server and transmits the relevant instructions to the automated warehouse, triggering a sequential process that leads to order composition and final shipment.



04

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People

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



SDG 8

DECENT WORK AND ECONOMIC GROWTH

Achieve sustainable and inclusive economic growth that benefits all and does not harm the environment, creating decent jobs for all people, especially women, young people and other disadvantaged groups.



SDG 5

GENDER EQUALITY

Achieve gender equality and empower all women and girls.





> +8%

EMPLOYEE GROWTH
IN 2025



> 24%

OF EMPLOYEES IN
FOREIGN BRANCHES IN
2025



> 53%

THE GROUP'S FEMALE
WORKFORCE



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 the Group's operational continuity in the long term. As at December 2025, we had a workforce of **258 employees**.

Over the course of the year, we recorded a positive net increase with **77 new hires** and 43 employees leaving the company. **The increase in headcount**, approximately **8%**, occurred alongside a company growth process that has maintained a stable trend for several years.

The majority of employees is located in **Italy** (196, equal to 76% in 2025) distributed across the Industrial Wear offices in Fiumana (FC), Vecchiazzano (FC), Barletta (BAT), and Civitella di Romagna (FC). The workforce in the **European offices** (France, Germany, Spain and the Czech Republic) is now 62, up from 56 in 2024, demonstrating the **Group's growing presence on foreign markets**.

Furthermore, we stand out for our company's **average age**: 57% of our personnel is between 30 and 50, 31% is over 50, and 12% is under 30.

The **recruiting** process is structured to maximise the value of our people, starting with a careful analysis of the needs of individual departments and a review of the skills and aspirations of candidates and the repository of available resources. Each person is a valuable resource, capable of contributing new ideas that support the company on its natural path to growth.

At Industrial Wear, we strongly believe in an employment system that can ensure the greatest possible **stability**, both for the company itself, which can more easily invest in its resources, and for the employees, who can look forward to their personal and family lives with greater confidence. In fact, by 2025, **85% of our employees will be employed on permanent contracts** and even fixed-term hires are always made with the intention of continuing the relationship upon expiry.

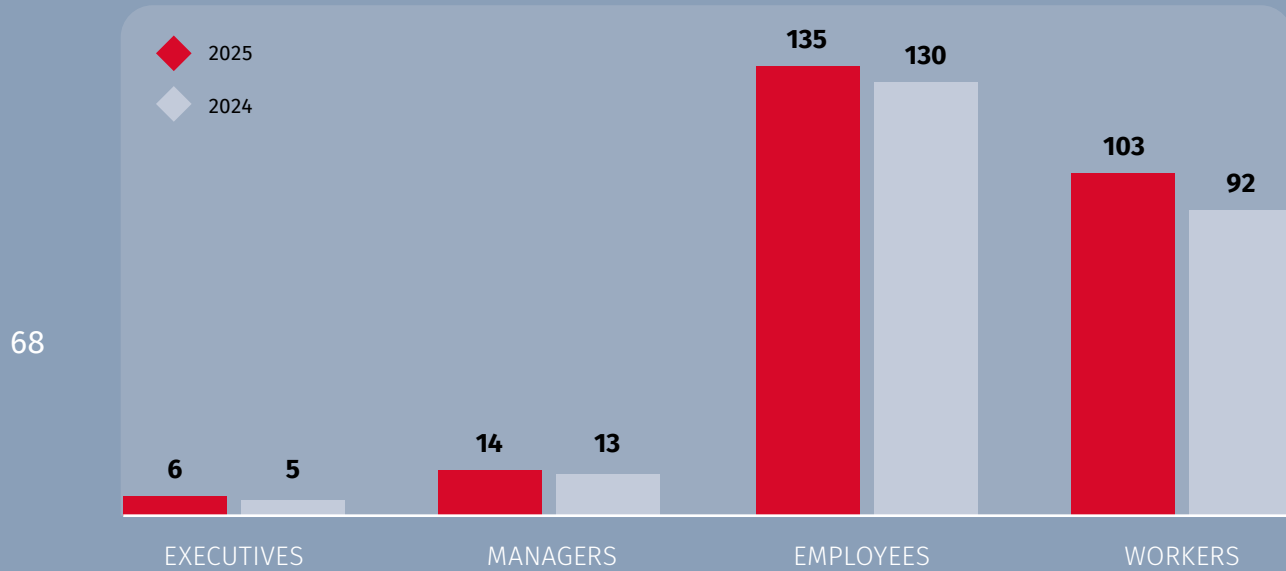
Furthermore, we also value hiring people from the local community, as we feel an integral part of it and want to actively contribute to the growth and development of the region in which we operate.

Gender equality is intrinsic to our corporate culture. We firmly believe that the true value of a professional lies in their **skill set** and their **technical** and **transversal aptitudes**, not their gender, and this applies regardless of their role. Personnel selection always begins by analysing the role, identifying who can best meet the needs specified in the job description, regardless of gender. Therefore, analysing each candidate's specific and transversal skills becomes crucial.

The success of these selection practices based on skills and professionalism is demonstrated by the numbers: in 2025, the company will have a **predominantly female presence**, accounting for 53% of the workforce.



EMPLOYEES BY PROFESSIONAL CATEGORY (headcount)



Development, well-being and protection of workers

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 its people adequate measures that allow them to maintain a continuous **professional growth**.

Our **Social Sustainability Policy** contains the guiding principles we apply in managing corporate social responsibility. This document summarises all the measures related to compliance with and maintenance of the main certifications and management systems, specifically **SA 8000 and UNI/PdR 125:2022**.

The **SA8000** standard is an international standard that defines the requirements for ethically correct behaviour by companies towards workers and all stakeholders. This standard was developed by **Social Accountability International (SAI)**, and Industrial Wear Italia obtained certification in 2022 and is currently undergoing ongoing 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. The SPT is a working group that deals with managing 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-compliances 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 2025 we underwent the renewal of the SA 8000 certification which ended successfully, confirming our commitment to the values of Corporate Social Responsibility.



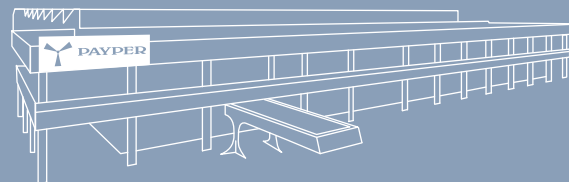
As also defined in the **Social Sustainability Policy**, an important goal achieved is the **Gender Equality Certification**, already obtained in December 2023 according to the **UNI/PdR 125:2022 reference practice**.

The **Steering Committee**, established by Management and composed of a number of professionals, including the HR manager, is responsible for ensuring the effective adoption and implementation of the Gender Equality Policy.

Furthermore, at the company, we firmly believe that **parenthood** is a value and we support it with concrete actions. We ensure open communication channels with employees on parental leave, guaranteeing relationship continuity with their work team. Upon return, we provide updates on company developments, and Management is always available to analyse needs with **flexible working solutions** that respect the new work-life balance.

Listening to needs is an essential tool for employee relations. For this reason, Management is attentive to the needs of employees with specific temporary personal needs. The goal is to ensure everyone has the peace of mind needed to balance professional and personal commitments.

We strongly believe that continuous training and ongoing education can enhance the expertise of our resources. **Personnel training** is monitored through our internal database, which includes a **skills matrix** that tracks existing skills versus those required. This monitoring system allows us to plan periodic refresher courses and personalised development paths.



Through the UNI/PdR 125:2022 practice, the Company is committed 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 where they are the underrepresented gender in the company;
- 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:
 1. Equal opportunities to access work (personnel selection phase),
 2. Income equality,

3. Equal access to career and training opportunities (personal assessment phase),
 4. Application of paternity leave in line with European best practices,
 5. Presence of mechanisms for job protection and to guarantee the same level of pay after maternity leave;
- 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 towards stakeholders;
 - Include principles of equality and equal opportunities in the personnel assessment and selection process.

In 2025, we dedicated a total of 1,886 hours of training.

Specifically, we dedicated **845 hours to mandatory training**, specifically dedicated to workplace health and safety prevention. Numerous regulatory efforts were dedicated to training personnel at our new safety footwear production site and to a series of periodic refresher courses.

Aware of the importance of training for enhancing employee skills and expertise, we dedicated **1,041 hours to non-mandatory training**. The courses were delivered with the support of external training providers and included both technical topics, such as the implementation of new software, and those related to improving soft skills.

With a view to spreading a **culture of corporate sustainability**, in 2025 we involved various departments in courses and **training sessions on ESG issues**, relating to sustainable marketing and communication, supply chain management, and certification management systems.

We have continued our efforts to strengthen a **corporate culture focused on inclusion** and equal opportunities, recognising that even everyday language can contribute, often unintentionally, to reinforcing stereotypes and prejudices. In this context, we organised a **training course dedicated to inclusive language**.

At Industrial Wear, we recognise the importance of employee satisfaction in improving the quality and productivity of work. For this reason, we have implemented **innovative incentive policies and tools** to promote personal and family well-being, taking into consideration the work-life balance as well as the sustainability of the purchasing power.



TOTAL TRAINING HOURS BY PROFESSIONAL CATEGORIES



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 can access **personal credit**, which can be used to **purchase goods and services of their choice**, including specialised healthcare services, family care services, 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.

To assess the effectiveness of the measures implemented, in 2025 we carried out the **Corporate Climate Questionnaire** to monitor company performance and mitigate any risks. The survey allows us to map employee

engagement and satisfaction levels, a useful tool for promoting a culture based on listening and dialogue.

In an increasingly uncertain economic environment, where the purchasing power of individuals and families continues to decline, the company continues to contribute with initiatives to benefit its community: throughout 2025, we **strengthened our corporate welfare plan**, introducing measures aimed at increasing organisational well-being and employee purchasing power. The platform used is among the leading ones in Italy, thanks to its usability and range of goods and services offered, so much so that **100% of the welfare benefits were utilised**. Initiatives include the provision of support packages for seasonal and recreational activities for employees and their families. Furthermore, starting in June 2025, the company made meal vouchers available to its employees, a concrete initiative that has significantly improved our employees' spending power.

Health and safety in the workplace

We understand that employee well-being depends on a solid Occupational Health and Safety (OH&S) management system. This is why Industrial Wear Italia has been **ISO 45001:2018** certified by a third-party body since 2019. Our OH&S system covers the Fiumana, Vecchiazano, and Barletta sites and is periodically updated for continuous improvement.



> **800**
hours

For training courses on
Occupational Health and
Safety



> **ISO 45001**

Industrial Wear Italia has an
OH&S management system
compliant with the standard

The **Supervisors** are trained and appointed internally and are responsible for monitoring compliance with safety regulations, raising awareness among workers about 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, the 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 **ISO 45001** and company 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.

Industrial Wear periodically 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.



During 2025, we organised **training courses on Occupational Health and Safety for a total of over 800 hours**. Mandatory training hours significantly increased in preparation for the launch of the Civitella di Romagna safety footwear production site, with several mandatory industry-specific courses.

As part of the Management System, the **Company physicians**, present at the Fiumana, Vecchiazano, and Civitella di Romagna sites, as well as at Barletta, provide the company with annual reports on the results of health surveillance.

Regarding injuries, one minor injury⁴ was recorded in 2025. This result is the fruit of the company's true commitment and culture regarding workplace safety, which has led all employees, particularly those responsible for compliance with all workplace safety regulations, to understand its importance from the moment they join.

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.

⁴ One sprain/distraction/stress injury.

In 2024, the “**Supervisor's Diary**” project was launched, with weekly meetings to address critical issues reported in the workplace. This **facilitated reporting relevant issues** and created a **direct channel of dialogue between departments** to prevent problems and reduce risks.



05

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Environment

- **Energy consumption and emissions**



SDG 7

CLEAN AND AFFORDABLE ENERGY

Ensure universal access to sustainable, reliable and modern energy, to improve the living conditions of millions of people. Increase the use of renewable energies instead of fossil fuels and promote energy efficiency.



SDG 13

CLIMATE ACTION

Introduce climate change as a primary issue on the political agenda, in the strategies and programs of national and regional governments, businesses and civil society.





> **11,486 GJ**

Total energy **consumption** of the Group in 2025



> **83%**

Waste prepared for reuse



> **94%**

Electricity from renewable sources consumed by the Group



> **863,000 kWh**

Electricity purchased coming exclusively from renewable sources certified by the Guarantee of Origin - **GO**



> **679 tCO₂e**

The **total direct GHG emissions** generated (Scope 1 and Scope 2 – Location based)



> **129,102 tCO₂e**

Total indirect GHG emissions (Scope 3)



ISO 14001 ENVIRONMENTAL MANAGEMENT SYSTEM

The management of direct environmental aspects is ensured by the presence of an **Environmental Management System compliant with the ISO 14001 standard**. The scope of application of the system currently covers our Headquarters in Fiumana, the Vecchiazano sites and the Barletta site.

As part of the Environmental Management System, we periodically **update the environmental risk analysis** with the aim of assessing in detail each activity performed and the potential associated risks. The environmental risk analysis identifies the main contextual factors, from the regulatory and economic frameworks to relevant factors in the supply chain and changes in environmental conditions.



Management of the impacts generated by the Group

Our environmental commitment is reflected in the constant search for solutions aimed at creating a positive impact on the environment.

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

We have been calculating **Scope 3 indirect emissions** since 2023. These include those generated throughout the entire life cycle of the products. This includes emissions from the production and transportation of materials used to manufacture the products, as well as those resulting from the use and disposal of the products themselves.

The goal 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 products.

Quantifying CO₂ emissions allows us 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.



Management of waste generated by the Group

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

In 2025, we continued **reporting the waste generated** by our operations, which began in 2024. This analysis revealed a total production of approximately 175 metric tons of waste (11% less than in 2024), of which 3.2 metric tons (1.8%) were classified as hazardous, specifically including toner, rags, and packaging contaminated with chemicals. The decrease in disposal volumes is attributable to the normalisation of flows following disposal interventions last year.

We are very careful about the proper disposal of the waste we produce, striving to promote a culture of waste reduction within the company, as set out in our Quality, Environment, and Occupational Health and Safety Policy.

Over the years, we have implemented various initiatives to reduce waste production and promote its recycling. This includes the reuse of incoming packaging cardboard and of the EU pallet.

In 2025, the Group allocated approximately 83% of its waste (a 14% increase compared to last year) to recovery operations that include recycling and reuse.



Energy consumption and emissions

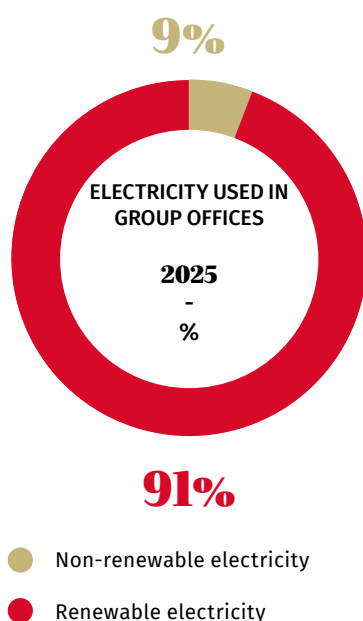
For our Headquarters in Fiumana di Predappio, we planned, already in the design phase, the installation of a **photovoltaic system** which in 2025 was able to generate more than 250,000 kWh which, added to the almost 86,000 kWh produced by the Fashion Ink plant, allowed us to cover **about 22% of the Group's electricity needs**.

Most of our energy consumption is attributable to electricity used to power the logistics warehouses located in Fiumana and Vecchiazzano. For this reason, **since 2024, we have chosen to purchase exclusively electricity from renewable sources certified by Guar-**

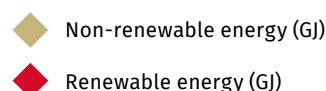
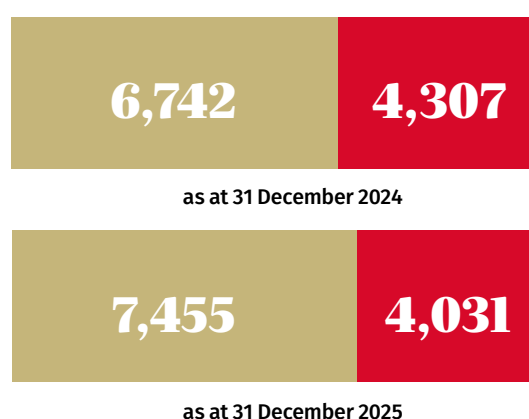
antees of Origin (GO), including for the Fashion Ink headquarters. This strategic choice has contributed to increasing the share of electricity from renewable sources, which in 2025 amounted to 94% of the total electricity used. This reflects our commitment to reducing greenhouse gas emissions and our overall environmental impact.

At Group level, energy from renewable sources amounted to **4,031 GJ**, or 35% of total energy needs, a slight decrease compared to 2024. The increase in energy needs is closely related to the expansion of our operations and business growth.

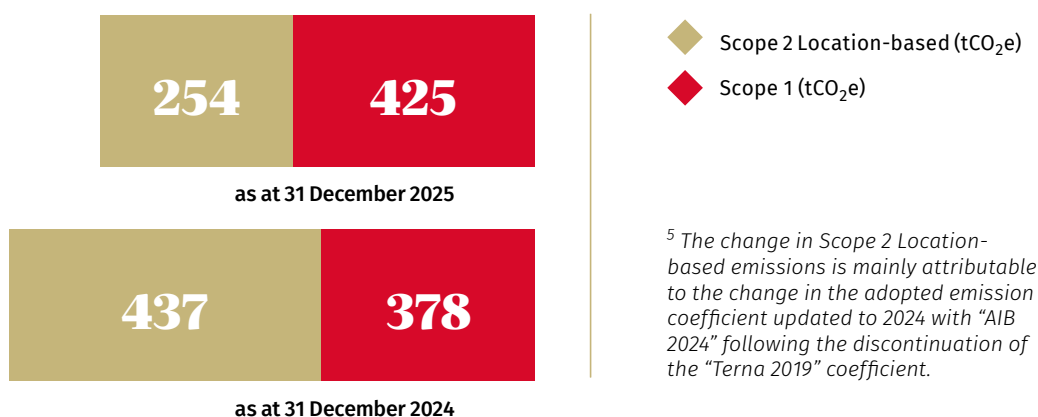
81



Total Group energy consumption (GJ)



Climate-changing emissions generated by scope (tCO₂e)



82

Our Headquarters is built to reduce environmental impacts. All offices and the showroom have been equipped with a lighting system that uses **proximity sensors** to detect the passage and presence of personnel within the work areas. These sensors adjust the light intensity based on human movement, significantly reducing electricity consumption.

The room thermostats were then 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. Furthermore, all office personnel have been informed of the policy regarding office temperatures.

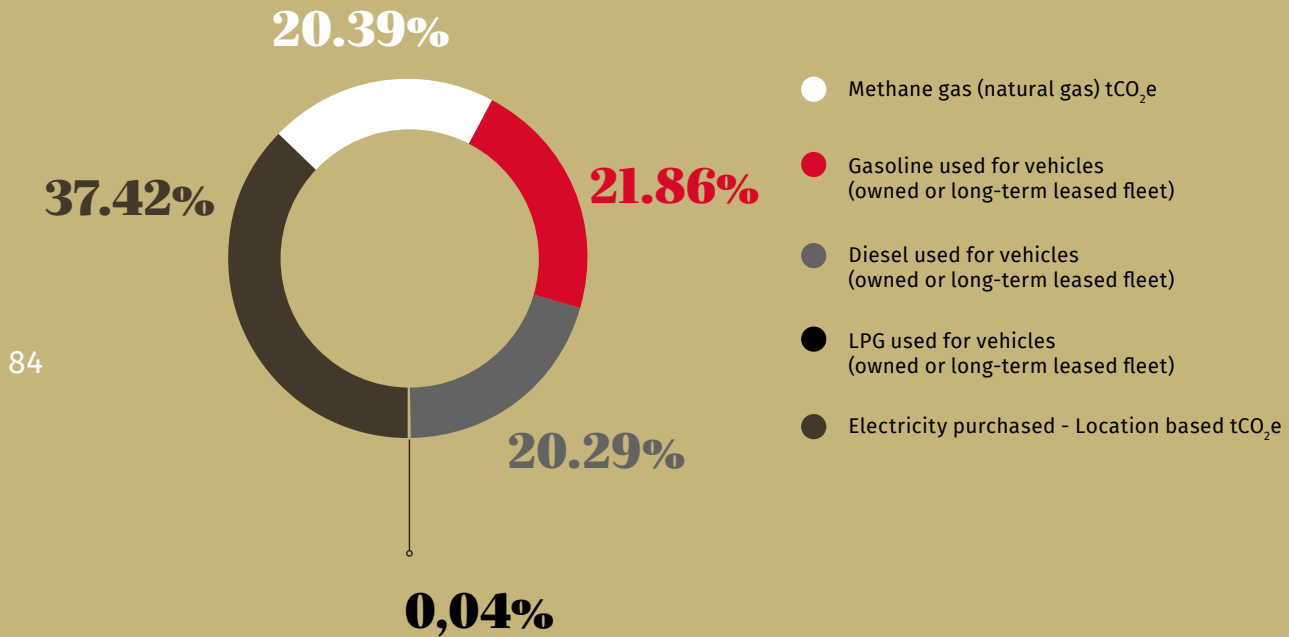
In this same perspective, to promote responsible and environmentally friendly behaviour, the Headquarters is equipped with columns of **filtered water dispensers** for use by employees, to reduce waste from plastic bottles.

Finally, in 2023, we installed **an electric vehicle charging station at our Fiumana headquarters**, not only to provide employees with a reliable infrastructure for charging their vehicles during travel and daily activities, but also to promote the adoption and widespread use of electric vehicles. In 2025, we will have nine hybrid (petrol/electric) cars and two electric vehicles.

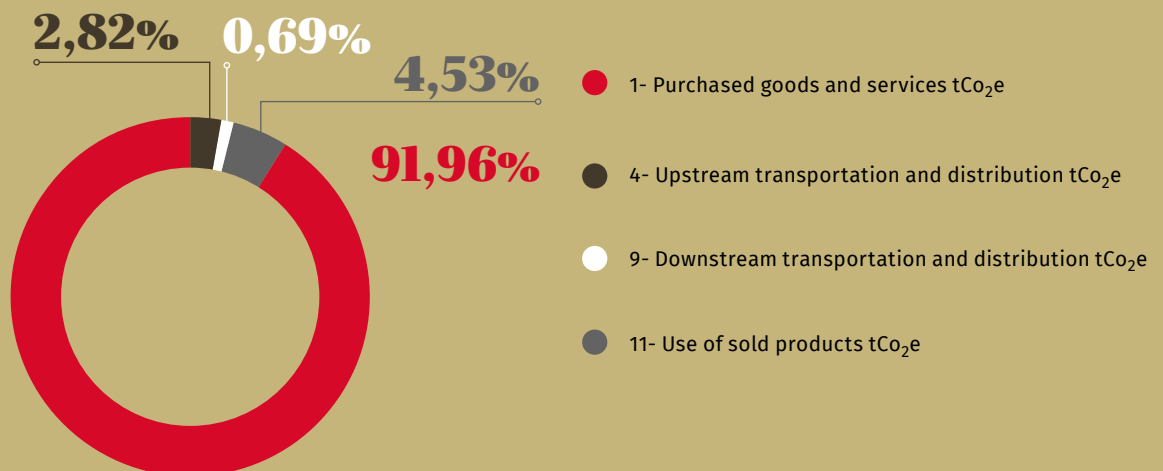
Total **direct Scope 1 climate-altering emissions** in 2025 amounted to 425 tCO₂e, a 12% increase compared to 2024 (378 tCO₂e), primarily due to more accurate and timely quantification of the Group's vehicle consumption and to the company's increased turnover. Furthermore, the emission factors used have been updated, resulting in a corresponding adjustment to the data. The Group's emissions were mainly generated by the consumption of natural gas, petrol and diesel. Specifically, with the addition of hybrid-powered vehicles to the company fleet, diesel consumption has decreased and petrol consumption has increased. As regards the **indirect Scope 2- Location based emissions** linked to the consumption of electricity, these were equal to 254 tCO₂e (437 tCO₂e in 2024)⁵. The change in Scope 2 emissions is attributed both to improved calculations and to a reorganisation of production structures, which led to a temporary reduction in energy requirements. In 2025, total Scope 1 and Scope 2 emissions calculated using the Location-based method were 679 tCO₂e, down 17% from the previous year (815 tCO₂e). Thanks to the purchase of certified energy from renewable sources, we kept our total Scope 1 and Scope 2 Market-based emissions virtually unchanged, with a slight increase of 453 metric tons of CO₂e in 2025 compared to 429 metric tons of CO₂e in 2024, again due to the growth in business activities.



Contribution to the generation of climate-changing emissions generated by source in 2025 (%)



Composition of Scope 3 emissions in 2025 (%)



The quantification of environmental impacts along the value chain

To improve the quantification of the impact of our activities, in 2025 we continued to monitor and update the **quantification of Scope 3 emissions**, continuing the mapping process begun in 2023.

Scope 3 emissions in 2025 amounted to 129,102 metric tons of CO₂e; **92%** of these are attributable to category 1 **“Purchased goods and services”**, which is the most significant component. The increase is primarily attributable to a significant increase in the volume of goods purchased in 2025 compared to 2024 and to a more accurate calculation of emissions impacting our supply chain.

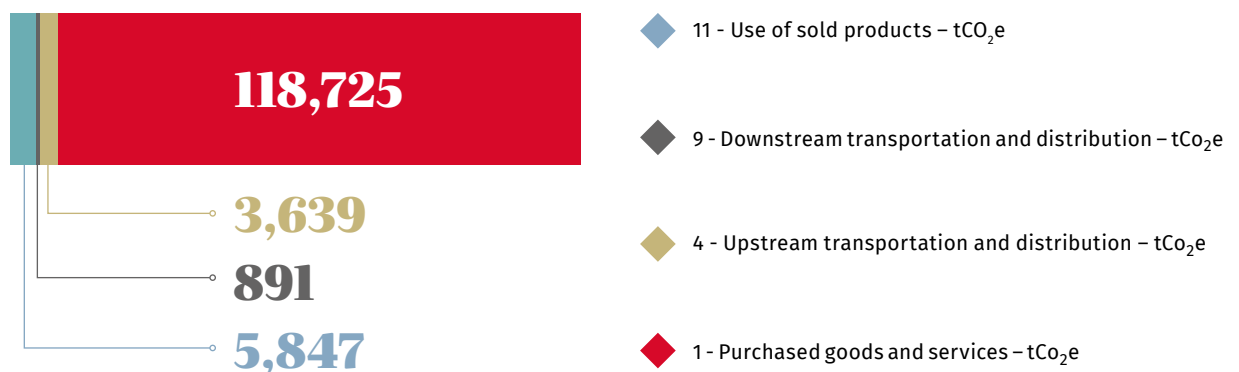
The remaining emissions are distributed across the following categories: **“Use of sold products”**, which represents **5%** of the total; **“Upstream transportation and distribu-**

tion”, with an impact of approximately **3%**; and, finally, **“Downstream transportation and distribution”**, which contributes approximately **1%**.

In 2025, we invested in greater container efficiency and in a more efficient redistribution of shipments within our logistics operations, favouring almost exclusively the use of intermodal transport and/or low-impact vehicles that use biofuels for all transport from ports to logistics centres.

We are committed to continuously improving the quantification of our emissions; for this reason, in 2025 we formalised data collection to create the **company's Carbon Footprint**. This goal will also be achievable thanks to the collaboration with all the partners and suppliers who work closely with us on a daily basis.

Scope 3 emissions (tCO₂e) 2025





Appendices



Performance indicators

ECONOMIC RESPONSIBILITY

GRI 201-1 Direct economic value generated and distributed

ECONOMIC VALUE DIRECTLY GENERATED AND DISTRIBUTED (in Euro)		
	as at 31 December 2025	as at 31st December 2024
Economic value directly generated	205,481,790	167,655,030
Economic value retained	17,663,918	16,284,780
Economic value distributed, of which:	187,817,872	151,370,250
Value redistributed to Suppliers	158,477,375	122,841,914
Remuneration of Personnel	14,424,437	13,188,164
Remuneration of Lenders	3,656,200	3,426,647
Remuneration of Shareholders	3,450,000	3,600,000
Remuneration of the Public Administration	7,543,632	8,121,656
Remuneration of the Community	266,228	191,869

CORPORATE SOCIAL RESPONSIBILITY

GRI 2-7 Employees

EMPLOYEES BY GENDER AND GEOGRAPHY (headcount)						
Geographical area	as at 31 December 2025			as at 31st December 2024		
	Male	Female	Total	Male	Female	Total
Industrial Wear Srl - Italy (Fiumana, Vecchiazano, Barletta)	74	103	177	66	98	164
Fashion ink Srl - Italy	4	15	19	7	13	20
Industrial Wear GmbH - Germany	13	5	18	14	5	19
Industrial Wear SAS - France	12	5	17	10	6	16
Industrial Wear SRO – Czech Rep	4	3	7	3	2	5
Industrial Wear Payper SLU - Spain	8	5	13	10	4	14
Industrial Wear Sp. z o.o. - Poland	5	-	5	2	-	2
Industrial Wear FlexCo - Austria	2	-	2	-	-	-
Total Group employees	122	136	258	112	128	240

EMPLOYEES BY TYPE OF CONTRACT (PERMANENT, TEMPORARY CONTRACT), GENDER AND GEOGRAPHICAL AREA (headcount)

Geographical area	Type of contract	as at 31 December 2025			as at 31st December 2024		
		Male	Female	Total	Male	Female	Total
Industrial Wear Srl – Italy	Permanent	58	84	142	55	73	128
	Temporary	16	19	35	11	25	36
	Total	74	103	177	66	98	164
Fashion Ink Srl – Italy	Permanent	4	12	16	6	9	15
	Temporary	-	3	3	1	4	5
	Total	4	15	19	7	13	20
Industrial Wear GmbH – Germany	Permanent	13	5	18	13	5	18
	Temporary	-	-	-	1	-	1
	Total	13	5	18	14	5	19
Industrial Wear SAS – France	Permanent	11	5	16	10	6	16
	Temporary	1	-	1	-	-	-
	Total	12	5	17	10	6	16
Industrial Wear SRO – Czech Rep	Permanent	4	3	7	3	2	5
	Temporary	-	-	-	-	-	-
	Total	4	3	7	3	2	5
Industrial Wear Payper SLU – Spain	Permanent	8	5	13	10	4	14
	Temporary	-	-	-	-	-	-
	Total	8	5	13	10	4	14
Industrial Wear Sp. z o.o. – Poland	Permanent	5	-	5	2	-	2
	Temporary	-	-	-	-	-	-
	Total	5	-	5	2	-	2
Industrial Wear FlexCo – Austria	Permanent	2	-	2	-	-	-
	Temporary	-	-	-	-	-	-
	Total	2	-	2	-	-	-
Total Group employees	Permanent	105	114	219	99	99	198
	Temporary	17	22	39	13	29	42
	Total	122	136	258	112	128	240



EMPLOYEES BY TYPE OF EMPLOYMENT (FULL-TIME AND PART-TIME), GENDER AND GEOGRAPHICAL AREA <i>(headcount)</i>							
Geographical area	Type of contract	as at 31 December 2025			as at 31st December 2024		
		Male	Female	Total	Male	Female	Total
Industrial Wear Srl – Italy	Full-time	73	81	154	65	76	141
	Part-time	1	22	23	1	22	23
	Part-time (%)	1%	21%	13%	2%	22%	14%
	Total	74	103	177	66	98	164
Fashion Ink Srl – Italy	Full-time	4	13	17	7	11	18
	Part-time	-	2	2	-	2	2
	Part-time (%)	0%	13%	11%	0%	15%	10%
	Total	4	15	19	7	13	20
Industrial Wear GmbH – Germany	Full-time	12	5	17	13	4	17
	Part-time	1	-	1	1	1	2
	Part-time (%)	8%	0%	6%	7%	20%	11%
	Total	13	5	18	14	5	19
Industrial Wear SAS – France	Full-time	12	4	16	10	5	15
	Part-time	-	1	1	-	1	1
	Part-time (%)	0%	20%	6%	0%	17%	6%
	Total	12	5	17	10	6	16
Industrial Wear SRO – Czech Rep	Full-time	4	3	7	3	2	5
	Part-time	-	-	-	-	-	-
	Part-time (%)	0%	0%	0%	0%	0%	0%
	Total	4	3	7	3	2	5
Industrial Wear Payper SLU – Spain	Full-time	8	5	13	10	4	14
	Part-time	-	-	-	-	-	-
	Part-time (%)	0%	0%	0%	0%	0%	0%
	Total	8	5	13	10	4	14
Industrial Wear Sp. z o.o. – Poland	Full-time	5	-	5	2	-	2
	Part-time	-	-	-	-	-	-
	Part-time (%)	0%	0%	0%	0%	0%	0%
	Total	5	-	5	2	-	2
Industrial Wear FlexCo – Austria	Full-time	2	-	2	-	-	-
	Part-time	-	-	-	-	-	-
	Part-time (%)	0%	0%	0%	0%	0%	0%
	Total	2	-	2	-	-	-
Total Group employees	Full-time	120	111	231	110	102	212
	Part-time	2	25	27	2	26	28
	Part-time (%)	2%	18%	10%	2%	20%	12%
	Total	122	136	258	112	128	240

GRI 2-8 Workers who are not employees

EXTERNAL COLLABORATORS BY GENDER (*headcount*)

Professional category	as at 31 December 2025			as at 31st December 2024		
	Male	Female	Total	Male	Female	Total
Agency workers	-	-	-	-	-	-
Interns/Trainees	-	1	1	-	-	-
Self-employed/Freelancers ⁶	2	1	3	2	1	3
Contracts for freelance work – continuous collaboration contracts	-	-	-	-	-	-
Total external collaborators	2	2	4	2	1	3

⁶ The 2024 figure for the number of self-employed/VAT-registered men has been restated following an improvement in the data collection process. For previously published data, please refer to the 2024 Sustainability Report.

GRI 405-1 Diversity of governance bodies and employees⁷

EMPLOYEES BY PROFESSIONAL CATEGORY AND GENDER (*headcount*)

Number of people	as at 31 December 2025			as at 31st December 2024		
	Male	Female	Total	Male	Female	Total
Executives	6	-	6	5	0	5
Managers	11	3	14	10	3	13
Employees	62	73	135	59	71	130
Workers	43	60	103	38	54	92
Total	122	136	258	112	128	240

EMPLOYEES BY PROFESSIONAL CATEGORY AND GENDER (*percentage*)

Number of people	as at 31 December 2025			as at 31st December 2024		
	Male	Female	Total	Male	Female	Total
Executives	100%	0%	2%	100%	0%	2%
Managers	79%	21%	5%	77%	23%	5%
Employees	46%	54%	52%	45%	55%	54%
Workers	42%	58%	40%	41%	59%	38%
Total	47%	53%	100%	47%	53%	100%

⁷ The 2024 figure for the number of employees in the 30-50 and over-50 age groups and the respective percentages has been restated following an improvement in the data collection process. For previously published data, please refer to the 2024 Sustainability Report.



EMPLOYEES BY PROFESSIONAL CATEGORY AND AGE GROUP (headcount)

Number of people	as at 31 December 2025				as at 31st December 2024			
	<30	30-50	>50	Total	<30	30-50	>50	Total
Executives	0	2	4	6	0	1	4	5
Managers	0	7	7	14	0	8	5	13
Employees	16	79	40	135	17	66	47	130
Workers	15	60	28	103	15	49	28	92
Total	31	148	79	258	32	124	84	240

EMPLOYEES BY PROFESSIONAL CATEGORY AND AGE GROUP (percentage)

Number of people	as at 31 December 2025				as at 31st December 2024			
	<30	30-50	>50	Totale	<30	30-50	>50	Totale
Executives	0%	33%	67%	2%	0%	20%	80%	2%
Managers	0%	50%	50%	5%	0%	62%	38%	5%
Employees	12%	59%	30%	52%	13%	51%	36%	54%
Workers	15%	58%	27%	40%	16%	53%	30%	38%
Total	12%	57%	31%	100%	13%	52%	35%	100%

EMPLOYEES BELONGING TO PROTECTED CATEGORIES BY PROFESSIONAL CATEGORY (headcount)⁸

Number of people	as at 31 December 2025			as at 31st December 2024		
	Men	Women	Total	Men	Women	Total
Executives	0	0	0	0	0	-
Managers	0	0	0	0	0	-
Employees	0	3	3	0	3	3
Workers	4	4	8	2	4	6
Total	4	7	11	2	7	9

COMPOSITION OF THE BOARD OF DIRECTORS BY GENDER AND AGE GROUPS (percentage)

Number of people	as at 31 December 2025				as at 31st December 2024			
	<30	30-50	>50	Total	<30	30-50	>50	Total
Male	0%	75%	25%	100%	0%	75%	25%	100%
Female	0%	0%	0%	0%	0%	0%	0%	0%
Total	0%	75%	25%	100%	0%	75%	25%	100%

⁸ The 2024 figure relating to the number of employees belonging to protected categories has been restated following an improvement in the data collection process. For previously published data, please refer to the 2024 Sustainability Report.

GRI 401-1 New employee hires and employee turnover

NEW HIRES (*headcount*)

Number of people	as at 31 December 2025				as at 31st December 2024			
	<30	30-50	>50	Total	<30	30-50	>50	Total
Male	10	22	11	43	7	22	9	38
Female	10	21	3	34	4	17	4	25
Total	20	43	14	77	11	39	13	63

RESIGNATIONS/DISMISSALS (*headcount*)

Number of people	as at 31 December 2025				as at 31st December 2024			
	<30	30-50	>50	Total	<30	30-50	>50	Total
Male	6	6	7	19	5	5	3	13
Female	6	11	7	24	6	13	6	25
Total	12	17	14	43	11	18	9	38

RECRUITMENT AND TURNOVER RATE BY GENDER

Number and rate of new hires and turnover by gender	as at 31 December 2025				as at 31st December 2024			
	New hires		Resignations/ dismissals		New hires		Resignations/ dismissals	
	Number	%	Number	%	Number	%	Number	%
Male	43	35%	19	16%	38	34%	13	12%
Female	34	25%	24	18%	25	20%	25	20%
Total	77	30%	43	17%	63	26%	38	16%

HIRING RATE AND TURNOVER BY AGE GROUP

Number and rate of new hires and turnover by age group	as at 31 December 2025				as at 31st December 2024			
	New hires		Resignations/ dismissals		New hires		Resignations/ dismissals	
	Number	%	Number	%	Number	%	Number	%
<30 years	20	65%	12	39%	11	34%	11	34%
30-50 years	43	29%	17	11%	39	31%	18	15%
>50 years	14	18%	14	18%	13	15%	9	11%
Total	77	30%	43	17%	63	26%	38	16%



GRI 404-1 Average hours of training per year per employee

TOTAL HOURS OF MANDATORY TRAINING⁹ BY PROFESSIONAL CATEGORY AND GENDER									
Professional category	as at 31 December 2025								
	No. of Hours Male	Total male employees	No. of hours per capita Male	No. of Hours Female	Total female employees	No. of hours per capita Female	Total number of hours	Total employees	Number of hours per capita
Executives	16	6	2.7	-	-	-	16	6	2.7
Managers	8	11	0.7	6	3	2.0	14	14	1.0
Employees	400	62	6.5	134	73	1.8	534	135	4.0
Workers	111	43	2.6	170	60	2.8	281	103	2.7
Total	535	122	4.4	310	136	2.3	845	258	3.3

as at 31st December 2024									
Executives	46	5	9.2	-	-	-	46	5	9.2
Managers	35	10	3.5	25	3	8.3	60	13	4.6
Employees	14	59	0.2	71	71	1.0	85	130	0.7
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

⁹ Mandatory training courses are safety-related courses (State-Regions Agreement L. Decree no. 81-2008).

TOTAL HOURS OF NON-MANDATORY TRAINING BY PROFESSIONAL CATEGORY AND GENDER¹⁰

Professional category	as at 31 December 2025								
	No. of Hours Male	Total male employees	No. of hours per capita Male	No. of Hours Female	Total female employees	No. of hours per capita Female	Total number of hours	Total employees	Number of hours per capita
Executives	2	6	0.3	-	-	-	2	6	0.3
Managers	8	11	0.7	30	3	10.0	38	14	2.7
Employees	422	62	6.8	195	73	2.7	617	135	4.6
Workers	96	43	2.2	288	60	4.8	384	103	3.7
Total	528	122	4.3	513	136	3.8	1,041	258	4.0

as at 31st December 2024									
Executives	-	5	-	-	-	-	-	5	-
Managers	5	10	0.5	104	3	34.7	109	13	8.4
Employees	100	59	1.7	288	71	4.1	388	130	3.0
Workers	32	38	0.8	10	54	0.2	42	92	0.5
Total	137	112	1.2	402	128	3.1	539	240	2.2

¹⁰ The 2024 figure relating to the number of non-mandatory training hours in total and per capita has been restated following an improvement in the data collection process. For previously published data, please refer to the 2024 Sustainability Report.



GRI 2-21 Annual total compensation ratio

TOTAL ANNUAL COMPENSATION RATE ¹¹	
Annual compensation rate	2025 ¹²
Salary ratio	17.58

¹¹ Total annual remuneration includes the basic salary in the form of annualised gross annual salary (GAS), bonuses, overtime, benefits, and all components related to non-structural factors of remuneration for the year. The highest-paid individual in the 2025 financial year is the Chairman of the Board of Directors. For part-time employees (equal to 10% of total employees in 2025), total remuneration has not been normalised in relation to a full-time contract.

¹² Please note that in the 2025 financial year, the reporting scope of the GRI 2-21 indicator was extended to the entire Industrial Wear Group, but it was not possible to restate the figure for the 2024 financial year using the same scope. Therefore, calculating the annual percentage change ratio has not been possible. It will be reported starting next year.

GRI 2-30 Collective Bargaining Agreements

PERCENTAGE OF THE TOTAL NUMBER OF EMPLOYEES COVERED BY COLLECTIVE BARGAINING AGREEMENTS ¹³		
Total number of employees	as at 31 December 2025	as at 31st December 2024
Total number of employees	258	240
Number of employees with collective labour agreement ¹⁴	226	214
Total percentage	88%	89%

¹³ The 2024 figure for the total number of employees and therefore the percentage of total employees covered by collective bargaining agreements has been restated following an improvement in the data collection process. For previously published data, please refer to the 2024 Sustainability Report.

¹⁴ 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, where there are no collective bargaining agreements, the Group refers to the specific sector agreements currently in force in the countries of reference.

GRI 403-9 Work-related injuries¹⁵

ACCIDENTS AT WORK – EMPLOYEES		
Number of accidents ¹⁶	2025	2024
Total number of recordable accidents at work	1	3
<i>of which serious accidents</i>	0	0
Total number of deaths due to accidents at work	0	0

TIME DATA		
Hours	2025	2024
Hours worked	397,035	364,905
Multiplier for calculation	200,000	200,000

¹⁵ The 2024 figures relating to hours worked by employees and therefore the rate of recordable workplace accidents have been restated following an improvement in the data collection process. For previously published data, please refer to the 2024 Sustainability Report.

¹⁶ 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. Accidents that result in: total or partial incapacity for work, travel restrictions, medical care, and first aid are included, even if they do not result in days of absence from work. Accidents while commuting with a car owned by the employee are excluded.

DEATH RATE AND ACCIDENT RATE¹⁷

Rate	2025	2024
Rate of recordable accidents at work	0.50	1.64
Rate of serious accidents at work	0	0
Rate of deaths due to accidents at work	0	0

¹⁷ The frequency rates for the accident indices were calculated as follows: (Number of accidents / Number of hours worked) x 200,000.

MAIN TYPES OF ACCIDENTS AT WORK

Type of accident	2025	2024
Bruising, wound, crushing	0	1
Fracture, amputation, burn	0	1
Sprains, strains	1	1

ACCIDENTS AT WORK – EXTERNAL WORKERS

Number of accidents	2025	2024
Total number of recordable accidents at work	0	0
<i>of which serious accidents</i>	0	0
Total number of deaths due to accidents at work	0	0

TIME DATA

Hours	2025	2024
Hours worked	10,503	12,532
Multiplier for calculation	200,000	200,000

DEATH RATE AND ACCIDENT RATE

Rate	2025	2024
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



ENVIRONMENTAL RESPONSIBILITY

With reference to environmental data and information, the reporting scope includes the following companies: Industrial Wear Srl with its sites in Fiumana di Predappio (FC), Vecchiazzano (FC), and Barletta (BAT); Fashion Ink Srl with its sites in Vecchiazzano (FC) and Predappio (FC); and the foreign commercial subsidiaries Industrial Wear Payper SLU (Spain), Industrial Wear SAS (France), Industrial Wear GmbH (Germany), Industrial Wear SRO (Czech Republic) with their sites. The new production facility in Civitella di Romagna (FC) is excluded from this reporting, as it began operations in December 2025.

GRI 301-1 Materials used by weight or volume

RENEWABLE MATERIALS ¹⁸			
Type of material ¹⁹	Unit of measurement	2025	2024
Cotton	t	7,250	5,031
Paper and cardboard	t	1,428	814
Wood for packaging	t	1,327	896
NON-RENEWABLE MATERIALS			
Type of material	Unit of measurement	2025	2024
Polyester	t	2,675	3,214
Nylon and Polyamide	t	599	442
Elastan	t	155	140
Polypropylene	t	303	285
Leather	t	186	400
Viscose	t	16	4
Other plastic for packaging	t	141	487
Other non-renewable materials ²⁰	t	210	141
Total renewable materials	t	10,006	6,741
Total non-renewable materials	t	4,283	5,113
Total materials	t	14,289	11,854

¹⁸ 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.

¹⁹ Data relating to packaging, specifically "paper and cardboard" and "other plastic for packaging", have been estimated. As regards the cardboard boxes received with the purchase of garments and subsequently reused for their marketing, an estimate was made considering the average weight of a box equal to 1.05 kg. As regards the plastic bags (polybags) included in the "other plastic packaging" category, it was assumed that one bag was used for each item purchased, with the exception of T-shirts and polo shirts, where one polybag was used for every 5 items. Furthermore, it was assumed that each polybag weighs 5 grams.

²⁰ The "Other Non-Renewable Materials" category Includes some lesser-used materials, such as nitrile and polyethylene.

GRI 302-1 Energy consumption within the organisation²¹

ENERGY CONSUMPTION WITHIN THE ORGANISATION					
Type of consumption	Unit of measurement	2025		2024	
		Total	Total GJ	Total	Total GJ
NON-RENEWABLE FUELS		192,522	7,196	170,499	6,337
Natural gas	Sm³	67,010	2,724	51,625	2,067
Gasoline for transportation	L	71,757	2,434	60,727	2,070
Diesel for transportation	L	53,636	2,033	58,147	2,200
LPG for transportation	L	119	5	-	-
ELECTRIC ENERGY		1,191,643	4,290	1,308,867	4,712
Electricity purchased from the network	kWh	935,179	3,367	1,041,610	3,750
of which from non-renewable sources	kWh	71,962	259	112,350	404
from renewable sources	kWh	863,217	3,108	929,260	3,345
Total self-produced electricity (consumed + fed into the network)	kWh	334,395	1,204	338,437	1,218
of which from renewable sources - produced by photovoltaic systems	kWh	334,395	1,204	338,437	1,218
Electricity self-produced and fed into the network	kWh	77,931	281	71,180	256
of which from renewable sources - produced by photovoltaic systems	kWh	77,931	281	71,180	256
Total energy consumption	GJ	11,486		11,049	
Energy from renewable sources	GJ	4,031		4,307	
Energy from non-renewable sources	GJ	7,455		6,742	
% Energy consumption from renewable sources	%	35.10%		38.98%	

²¹ The 2024 figures for Natural Gas, Petrol for transportation, Diesel Fuel for transportation, Electricity purchased from renewable sources, and Electricity purchased from non-renewable sources have been restated following an improvement in the data collection process. For previously published data, please refer to the 2024 Sustainability Report.



ENERGY CONSUMPTION CONVERSION FACTORS²²

Starting unit	Conversion unit	2025	Source 2025	2024	Source 2024
Electrical / Thermal Energy	GJ/kWh	0.0036	CONSTANT (International System)	0.0036	CONSTANT (International System)
Natural gas	GJ/Sm ³	0.04	DEFRA 2025	0.04	DEFRA 2024
Natural Gas (Density)	kg/m ³	0.8		0.8	
Methane gas (CNG) for transportation	GJ/t	50.68		50.55	
Methane gas (CNG) for transportation (Density)	kg/m ³	175		175	
Diesel for transportation	GJ/t	45.545		45.399	
Diesel (Density)	kg/L	0.83		0.83	
LPG	GJ/t	45.86			
LPG (Density)	kg/L	0.84			
Unleaded petrol for transportation	GJ/t	45.46		45.433	
Petrol (Density)	kg/L	0.75		0.75	

²² The 2024 figures relating to the conversion factors and the density of diesel fuel for transportation, and the conversion factor and the density of petrol for transportation, have been restated following an improvement in the data collection process. For previously published data, please refer to the 2024 Sustainability Report.

GRI 305-1 and 305-2: Direct (Scope 1) and indirect (Scope 2) GHG emissions²³

DIRECT AND INDIRECT GHG EMISSIONS (SCOPE 1 AND SCOPE 2)²⁴

Type of consumption	Unit of measurement	2025	2024
SCOPE 1	tCO₂e	425	378
Methane gas (Natural Gas)	tCO ₂ e	138	106
Gasoline for transportation (fleet owned or leased on a long-term basis)	tCO ₂ e	148	127
Diesel for transportation (fleet owned or leased on a long-term basis)	tCO ₂ e	138	146
LPG for transportation (owned or long-term leased fleet)	tCO ₂ e	0,29	-
F-Gas	tCO ₂ e	0	-
SCOPE 2 Dual Reporting			
Electricity purchased - Location based	tCO ₂ e	254	437
Electricity purchased - Market Based	tCO ₂ e	28	51
TOTAL EMISSIONS (SCOPE 1 + SCOPE 2 - Location - Based)	tCO₂e	679	815
TOTAL EMISSIONS (SCOPE 1 + SCOPE 2 - Market based)	tCO₂e	453	429

ENERGY CONSUMPTION EMISSION FACTORS

Starting unit	Conversion unit	2025	Source 2025	2024	Source 2024
Natural gas	tCO ₂ e/m ³	0.002	DEFRA/ DESNZ 2025	0.002	DEFRA/ DESNZ 2024
LPG	tCO ₂ e/t	2.939		2.939	
Gasoline for transportation	tCO ₂ e/t	2.773		2.779	
Diesel for transportation	tCO ₂ e/t	3.088		3.014	
Electricity (Location based) - IT	kgCO ₂ /kWh	0.27950	AIB 2024	0.43114	AIB 2023
Electricity (Location based) - FR	kgCO ₂ /kWh	0.01947		0.03364	
Electricity (Location based) - DE	kgCO ₂ /kWh	0.04250		0.09631	
Electricity (Location based) - CZECH REP.	kgCO ₂ /kWh	0.51464		0.59148	
Electricity (Location based) - ES	kgCO ₂ /kWh	0.17377		0.17019	
Electricity (Market based) - IT	kgCO ₂ /kWh	0.44120		0.50000	
Electricity (Market based) - FR	kgCO ₂ /kWh	0.02352		0.04074	
Electricity (Market based) - DE	kgCO ₂ /kWh	0.72456		0.71990	
Electricity (Market based) - CZECH REP.	kgCO ₂ /kWh	0.58407		0.65858	
Electricity (Market based) - ES	kgCO ₂ /kWh	0.29220		0.28245	

²³ The 2024 figures for Scope 1 emissions from natural gas, transportation petrol, transportation diesel fuel, and market-based Scope 2 emissions from purchased electricity have been restated following the restatement of energy consumption data, for which reference is made to the detailed table in GRI 302-1.

²⁴ The GRI Sustainability Reporting Standards provide for two methodologies 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 CO₂ 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: AIB - European Supplier Mixes). The Scope 2 emissions calculated with the Location-based and Market-based methods are expressed in metric tons of CO₂; however, the percentage of methane and nitrous oxide has a negligible effect on the total emissions of greenhouse gases (CO₂ equivalent) as can be inferred from the technical literature of reference.



OTHER INDIRECT GREENHOUSE GAS (GHG) EMISSIONS (SCOPE 3)²⁵

Reference category	Unit of measurement	2025
SCOPE 3		
1 – Purchased goods and services²⁶	tCO₂e	118,725
<i>of which Assets²⁷</i>	tCO ₂ e	117,325
<i>of which Services²⁸</i>	tCO ₂ e	1,400
4 – Upstream transportation and distribution	tCO₂e	3,639
<i>of which actual transport²⁹</i>	tCO ₂ e	2,421
<i>of which Logistics assets³⁰</i>	tCO ₂ e	1,218
9 – Downstream transportation and distribution³¹	tCO₂e	891
11 – Use of sold products³²	tCO₂e	5,847
TOTAL EMISSIONS (SCOPE 3)	tCO₂e	129,102

²⁵ Following improvements to the calculation methodologies for the Scope 3 categories reported by the Group, it was deemed appropriate not to report the 2024 comparative figure, as a comparison with the 2025 figure could have been misleading. Specifically, for category 4, “upstream transportation and distribution”, more accurate data provided directly by transportation service providers is now considered. As regards the 2024 data and the related calculation methodologies, please refer to the previously published 2024 Sustainability Report.

²⁶ For details on the purchased materials considered in the calculation of Category 1, and any estimates, please refer to the detailed table in GRI 301-1.

²⁷ 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 98.2% of the types of materials; for the remaining 1.8% of synthetic material, a coefficient calculated on the average of the relevant synthetic materials was considered. As regards the emission factors used, Ecoinvent Version 3.11 and 3.12 factors were considered.

²⁸ Calculated by applying the “EEIO emission factors” to the expenditure data.

²⁹ For category 4 “Upstream Transport and Distribution”, emissions were estimated using the “Ecotransit” tool. The sources used include: ecoinvent v. 3.9.1 (cut-off method) for petrol, diesel, LPG, and HFO; the ifeu refinery model for CNG, LNG, H₂ (SMR), VLSFO, and ULSFO; and GLEC v. 3.1 by the Smart Freight Centre (2024) for kerosene.

³⁰ Calculated by applying the “EEIO emission factors” to the expenditure data.

³¹ As regards the “downstream transport and distribution” category, the relative emissions were estimated considering the distance travelled, by sea and land, of outgoing goods paid for by third parties, to which the emission factors published by the Department for Energy Security & Net Zero (DEFRA/DESNZ) for the year 2025 were applied, according to the means of transport used.

³² For the “use of Products Sold” category, the relative emissions were estimated considering the washing phase as the main reference process associated with a maximum number of 25 washes for each item. 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, are from “AIB 2024 Supplier Mix” for European countries and from “Terna 2024” for non-European countries.

GRI 306-3 Waste generated³³

TOTAL WEIGHT OF WASTE GENERATED			
Type of waste	U.o.M	2025	2024
Hazardous waste			
Rags, clothing and packaging containing residues of hazardous substances or contaminated	t	2.91	2.03
Laboratory chemicals containing or consisting of hazardous substances	t	0.32	0.73
Total hazardous waste	t	3.23	2.76
Percentage	%	1.84%	1.40%
Non-hazardous waste			
Paper and cardboard packaging	t	100.55	55.81
Plastic packaging	t	26.87	19.68
Absorbent cloths, filter materials, rags and protective clothing	t	1.64	59.44
Waste aqueous solutions	t	27.44	59.00
Other waste (e.g. Wood, Iron and steel, end-of-life equipment, packaging in mixed materials...)	t	16.21	-
Total non-hazardous waste	t	172.71	193.93
Percentage	%	98.16%	98.60%
Total	t	175.95	196.69

³³ The 2024 figure relating to waste produced, specifically paper, cardboard, and plastic packaging, has been restated following an improvement in the data collection process. For previously published data, please refer to the 2024 Sustainability Report.

GRI 306-4 Waste diverted from disposal³⁴

TOTAL WEIGHT OF WASTE NOT DESTINED FOR DISPOSAL (IN METRIC TONS), BASED ON RECOVERY OPERATIONS					
Recovery operations	Unit of measurement	As at 30 December 2025		As at 30th December 2024	
		On-site	At an external site	On-site	At an external site
Hazardous waste					
Preparation for reuse	t	-	0.22	-	0.11
Recycling	t	-	-	-	-
Non-hazardous waste					
Preparation for reuse	t	-	145.16	-	134.96
Recycling	t	-	-	-	-
Total	t	-	145.37	-	135.96

³⁴ The 2024 figure for waste not destined for disposal, particularly waste intended for preparation for reuse, has been restated following an improvement in the data collection process. For previously published data, please refer to the 2024 Sustainability Report.



GRI 306-5 Waste directed to disposal

TOTAL WEIGHT OF WASTE FOR DISPOSAL (IN METRIC TONS)					
Disposal method	Unit of measurement	As at 30 December 2025		As at 30th December 2024	
		On-site	At an external site	On-site	At an external site
Hazardous waste					
Incineration (with energy recovery)	t	-	0	-	0
Incineration (without energy recovery)	t	-	0	-	0
Landfill	t	-	0.92	-	2.62
Other disposal operations	t	-	2.10	-	-
Non-hazardous waste					
Incineration (with energy recovery)	t	-	0	-	-
Incineration (without energy recovery)	t	-	0	-	-
Landfill	t	-	27.44	-	59.00
Other disposal operations	t	-	0.11	-	-
Total	t	-	30.57	-	61.62

SUPPLY CHAIN RESPONSIBILITY

GRI 308-1 New suppliers that were screened using environmental criteria³⁵

NEW SUPPLIERS ASSESSED WITH ENVIRONMENTAL CRITERIA		
	as at 31 December 2025	as at 31st December 2024
Total new suppliers	7	7
New suppliers screened according to environmental criteria	7	7
Percentage of new suppliers that were screened using environmental criteria	100%	100%

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

NEW SUPPLIERS SCREENED WITH SOCIAL CRITERIA		
	as at 31 December 2025	as at 31st December 2024
Total new suppliers	7	7
New suppliers screened according to social criteria	7	7
Percentage of new suppliers that were screened using social criteria	100%	100%

³⁵ The suppliers for 2025 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 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).

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 2025. 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 2024 financial year (from 1 January 2024 to 31 December 2024). Any restatements of data from the previous period are expressly indicated. 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 accordance with the requirements of the “GRI Sustainability Reporting Standards” defined by the Global Reporting Initiative (GRI), according to the “in accordance” option. 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 “The stakeholders and the material topics of the Group” of this document.

The scope of the economic, social, and environmental data and information is the same as that of the Industrial Wear Group's Consolidated Financial Statements as at 31 December 2025. Specifically, the scope of the social and environmental data and information includes all companies consolidated using the full consolidation method in the Consolidated Financial Statements. Furthermore, for employee data only, the subsidiaries Industrial Wear sp. z o.o. (Poland) and Industrial Wear s.r.l. FlexCo (Austria) are also included, valued at cost in the Consolidated Financial Statements, in order to represent the entire workforce across Europe. Finally, please note that with regard to environmental data and information, the reporting scope excludes the new pro-

duction facility in Civitella di Romagna (FC), which began operations in December 2025. Its data will be included starting in the 2026 financial year. It should also be noted that during the 2025 financial year, there was a change in the size of the Group's organisational structure and ownership structure, due to the establishment of the new subsidiary Industrial Wear USA Inc. in the United States.

There have been no significant changes to the Group's supply chain.

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 has undergone a limited assurance engagement (according to the criteria set out in the ISAE 3000 Revised standard) by Deloitte & Touche SpA. The audit was conducted according to the procedures indicated in the “Report of the Independent Auditors”, included in this document.

In addition to the indicators required by the GRI standard, some additional KPIs relevant to the Industrial Wear Group are reported below. In particular, please note that the ratio between self-generated electricity³⁶ and total electricity requirement³⁷ is 28%. For further details on electricity consumption, please refer to the table “GRI 302-1: Energy consumed within the organisation” in the “Environmental Responsibility” section. Furthermore, the Group purchased electricity from renewable sources for a total of 863,217 kWh, equal to 92% of total electricity purchased. Finally, in 2025, Industrial Wear Srl allocated 0.0814% of its turnover to a dedicated employee welfare fund.

The document is also available on the Industrial Wear Group website: www.payperwear.com. For further information and suggestions regarding the Industrial Wear Group Sustainability Report, write to info@payperwear.com.

³⁶ Self-generated electricity refers to the total share of electricity self-produced by the Group, which includes both the portion self-produced and consumed and the portion self-produced and sold to the network; therefore, the ratio differs from the share of renewable electricity included in the percentage of energy consumption from renewable sources reported according to the requirements of GRI 302-1.

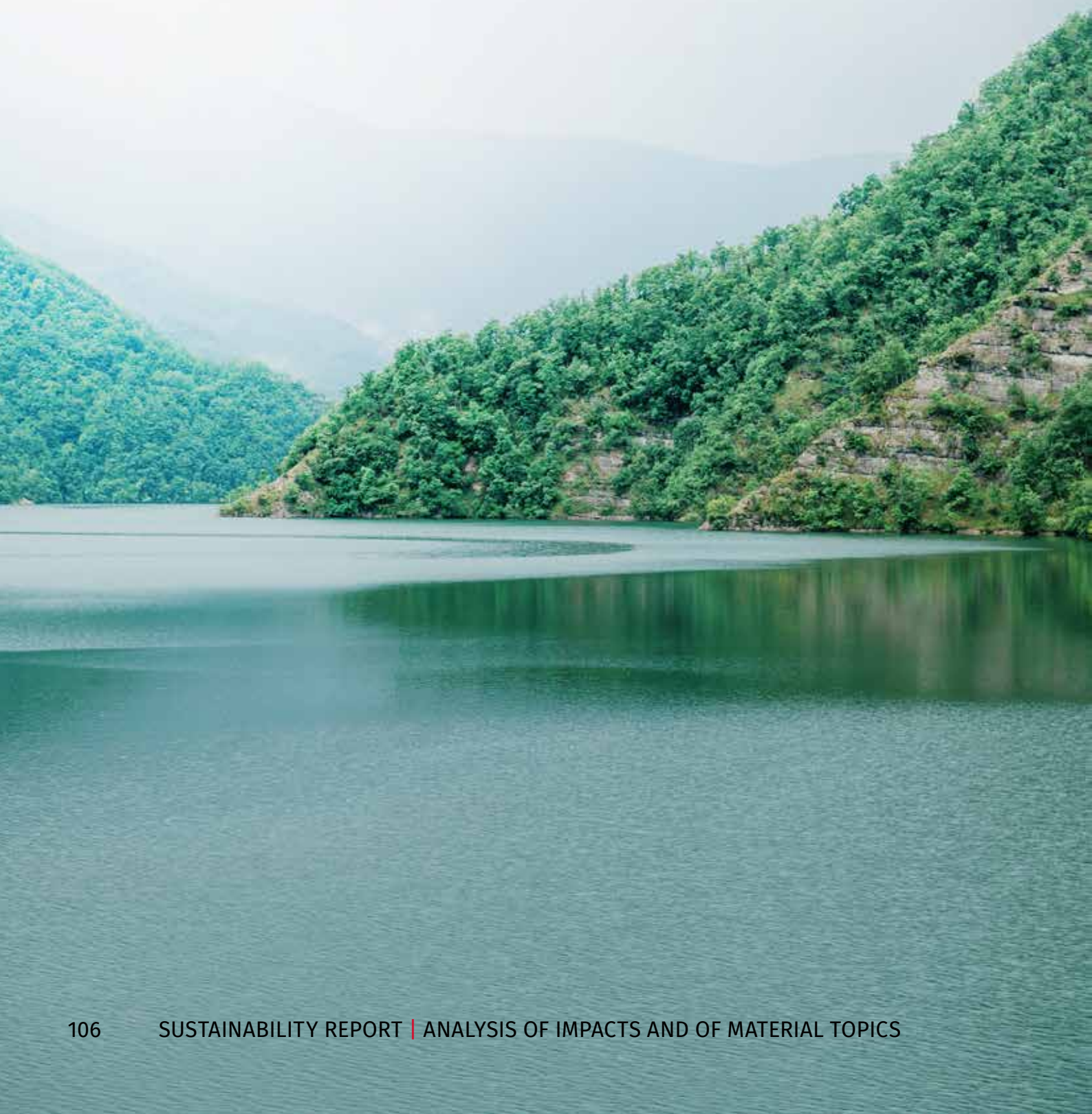
³⁷ The Group's total electricity requirement was calculated as the sum of self-generated and consumed electricity and purchased electricity, equal to 1,191,643 kWh.



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 INNOVATION, PROCESS, R&D	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 (Scopes 1, 2 and 3)	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	
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



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 1/01/2025 to 31/12/2025
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					
GRI 2: General Disclosure (2021)	2-1 Organisational details	12			
	2-2 Entities included in the organisation's sustainability reporting	12; 105			
	2-3 Reporting period, frequency and contact point	105			
	2-4 Restatements of information	105			
	2-5 External Assurance	105			
	2-6 Activities, value chain and other business relationships	11; 35; 53-54			
	2-7 Employees	67-68; 88-89			
	2-8 Workers who are not employees	91			
	2-9 Governance structure and composition	12-15			
	2-10 Nomination and selection of the highest governance body	13-15			
	2-11 Chair of the highest governance body	13-15			
	2-12 Role of the highest governance body in overseeing the management of impacts	13-15			
	2-13 Delegation of responsibility for managing impacts	22			
	2-14 Role of the highest governance body in sustainability reporting	22			
	2-15 Conflicts of Interest	14-15			
	2-16 Communication of critical concerns	19-21			
	2-17 Collective knowledge of the highest governance body	14-15			
	2-18 Evaluation of the performance of the highest governance body	14			
	2-19 Remuneration policies	15			

GRI 2: General Disclosure (2021)	2-20 Process to determine remuneration	15			
	2-21 Annual Total Compensation Ratio	96			
	2-22 Statement on sustainable development strategy	4			
	2-23 Policy commitments	26-31			
	2-24 Embedding policy commitments	30-31			
	2-25 Processes to remediate negative impacts	19-21; 30-31			
	2-26 Mechanisms for seeking advice and raising concerns	20-21			
	2-27 Compliance with laws and regulations	During the 2025 financial year, no significant fines or sanctions were recorded for non-compliance with laws and regulations.			
	2-28 Membership associations	28-30; 39-40			
	2-29 Approach to stakeholder engagement	22-23			
	2-30 Collective Bargaining Agreements	96			
MATERIAL TOPICS					
GRI 3: Material Topics (2021)	3-1 Process to determine material topics	24-25			
	3-2 List of material topics	107			
Material topic: ECONOMIC PERFORMANCE					
GRI 3: Material topics (2021)	3-3 Management of material topics	18			
GRI 201: Economic performance (2016)	201-1 - Direct economic value generated and distributed	18; 88			
Material topic: ETHICS AND BUSINESS INTEGRITY					
GRI 3: Material topics (2021)	3-3 Management of material topics	19-21			
GRI 205 Anti-Corruption (2016)	205-3 - Confirmed incidents of corruption and actions taken	During 2025, 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 2025, 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	19-21			
GRI 207: Taxes	207-1 - Approach to tax	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 the tax risk, in order to satisfy the interests of all stakeholders.			
GRI 418: Customer privacy	418-1 Substantiated complaints concerning breaches of customer privacy and losses of customer data	During 2025, 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	81			
GRI 302: Energy (2016)	302-1 - Energy consumption within the organisation	81; 99			
GRI 305: Emissions (2016)	305-1 Direct (Scope 1) GHG emissions	82; 100			
	305-2 - Energy indirect (Scope 2) GHG emissions	82; 100			
	305 - Other indirect (Scope 3) GHG emissions	84-85; 102			
Material topic: MANAGEMENT OF RAW MATERIALS					
GRI 3: Material topics (2021)	3-3 Management of material topics	35-43; 58; 81			
GRI 301: Materials (2016)	301-1 Materials used by weight and volume	36; 98			

GRI 306: Waste (2020)	306-1 - Waste generation and significant waste-related impacts	80			
	306-2 - Management of significant waste-related impacts	80			
	306-3 - Waste generated	80; 103			
	306-4 - Waste diverted from disposal	80; 103			
	306-5 - Waste directed to disposal	80; 104			
Material topic: EMPLOYEE TRAINING, DEVELOPMENT AND WELL-BEING					
GRI 3: Material topics (2021)	3-3 Management of material topics	69-72			
GRI 401: Employment (2016)	401-1 New employee hires and employee turnover	93			
GRI 404: Training and Education (2016)	404-1 Average hours of training per year per employee	72; 94-95			
Material topic: OCCUPATIONAL HEALTH AND SAFETY					
GRI 3: Material topics (2021)	3-3 Management of material topics	73-74			
GRI 403: Occupational health and safety (2018)	403-1 Occupational health and safety management system	73-74			
	403-2 Hazard identification, risk assessment and incident investigation	73			
	403-3 Occupational health services	74			
	403-4 Worker participation, consultation, and communication on occupational health and safety	74			
	403-5 Worker training on occupational health and safety	74			
	403-6 Promotion of worker health	73			
	403-7 - Prevention and mitigation of occupational health and safety impacts directly linked by business relationships	73-74			
	403-9 Work-related injuries	74; 96-97			
Material topic: DIVERSITY, EQUAL OPPORTUNITIES AND INCLUSION					
GRI 3: Material topics (2021)	3-3 Management of material topics	69-71			



GRI 405: Diversity and equal opportunity (2016)	405-1 Diversity of governance bodies and employees	69-71; 91-92			
GRI 406: Non-discrimination (2016)	406-1 Incidents of discrimination and corrective actions taken	No incidents of discrimination were recorded during 2025.			
Material topic: CUSTOMER SATISFACTION					
GRI 3: Material topics (2021)	3-3 Management of material topics	46-49			
GRI 417: Marketing and labelling (2016)	417-2 Incidents of non-compliance concerning product and service information and labelling	During 2025, 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	43-47			
GRI 416: Customer health and safety (2016)	416-1 Assessment of the health and safety impacts of product and service categories	44			
	416-2 Incidents of non-compliance concerning the health and safety impacts of products and services	During 2025, there were no cases of non-compliance concerning the health and safety impacts of products and services.			
Material topic: SUSTAINABLE AND RESPONSIBLE MANAGEMENT OF THE SUPPLY CHAIN					
GRI 3: Material topics (2021)	3-3 Management of material topics	53-62			
GRI 308: Supplier environmental assessment	308-1 - New suppliers that were screened using environmental criteria	55; 104			
	308-2 Negative environmental impacts in the supply chain and actions taken	53			
GRI 414: Supplier social assessment	414-1 New suppliers that were screened using social criteria	55; 104			
	414-2 Negative social impacts in the supply chain and actions taken	53			
Material topic: PRODUCT INNOVATION, PROCESS, R&D					
GRI 3: Material topics (2021)	3-3 Management of material topics	46; 62			

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



INDEPENDENT AUDITOR'S REPORT ON THE SUSTAINABILITY REPORT

To the Board of Directors of Industrial Wear S.r.l.

We have carried out a limited assurance engagement on the Sustainability Report of the Industrial Wear Group (hereinafter also "Group") as of December 31, 2025.

Responsibility of the Management for the Sustainability Report

The Management of Industrial Wear S.r.l. is responsible for the preparation of the Sustainability Report in accordance with the "*Global Reporting Initiative Sustainability Reporting Standards*" established by GRI - *Global Reporting Initiative* (hereinafter "GRI Standards"), as stated in the paragraph "Methodological note" of the Sustainability Report.

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

The Management is also responsible for the definition of the Industrial Wear Group's objectives in relation to the sustainability performance, for the identification of the stakeholders and the significant aspects to report.

Auditor's Independence and quality management

We have complied with the independence and other ethical requirements of the *International Code of Ethics for Professional Accountants (including International Independence Standards)* (IESBA Code) issued by the *International Ethics Standards Board for Accountants*, which is founded on fundamental principles of integrity, objectivity, professional competence and due care, confidentiality and professional behaviour.

Our firm applies International Standard on Quality Management 1, which requires the firm to design, implement and operate a system of quality management including policies or procedures regarding compliance with ethical requirements, professional standards and applicable legal and regulatory requirements.

Auditor's responsibility

Our responsibility is to express our conclusion based on the procedures performed about the compliance of the Sustainability Report with the GRI Standards. We conducted our work in accordance with the criteria established in the *“International Standard on Assurance Engagements ISAE 3000 (Revised) - Assurance Engagements Other than Audits or Reviews of Historical Financial Information”* (hereinafter “ISAE 3000 Revised”), issued by the *International Auditing and Assurance Standards Board (IAASB)* for limited assurance engagements.

The standard requires that we plan and perform the engagement to obtain limited assurance whether the Sustainability Report is free from material misstatement.

Therefore, the procedures performed in a limited assurance engagement are less than those performed in a reasonable assurance engagement in accordance with ISAE 3000 Revised (*“reasonable assurance engagement”*), and, therefore, do not enable us to obtain assurance that we would become aware of all significant matters and events that might be identified in a reasonable assurance engagement.

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

Specifically, we carried out the following procedures:

- 1) analysis of the process relating to the definition of material aspects disclosed in the Sustainability Report, with reference to the methods of analysis and understanding of the context, evaluation and prioritization of actual and potential impacts and to the internal validation of the process results;
- 2) comparison between the economic and financial data and information included in the paragraph “Our Results” of the Sustainability Report with those included in the Group’s Financial Statement;
- 3) understanding of the processes underlying the origination, recording and management of qualitative and quantitative material information included in the Sustainability Report.

In particular, we carried out interviews and discussions with the management of Industrial Wear S.r.l. and with the personnel of Fashion Ink S.r.l. and Industrial Wear GmbH and we carried out limited documentary verifications, in order to gather information about the processes and procedures, which support the collection, aggregation, elaboration and transmittal of non-financial data and information to the department responsible for the preparation of the Sustainability Report.

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

- at the parent company's and subsidiaries' level:
 - a) with regards to qualitative information included in the Sustainability Report, we carried out interviews and gathered supporting documentation in order to verify its consistency with the available evidence;
 - b) with regards to quantitative information, we carried out both analytical procedures and limited verifications in order to ensure, on a sample basis, the correct aggregation of data;
- for the following companies and sites, Fiumana di Predappio (FC) headquarters and production plant for Industrial Wear S.r.l., Forlì (FC) production plant for Fashion Ink S.r.l and Mülheim an der Ruhr (Germany) production plant for Industrial Wear GmbH, which we selected based on their activities, their contribution to the performance indicators at the consolidated level and their location, we carried out site visits or remote meetings, during which we have met the management and have gathered supporting documentation on a sample basis with reference to the correct application of procedures and calculation methods used for the indicators.

Conclusion

Based on the work performed, nothing has come to our attention that causes us to believe that the Sustainability Report of the Industrial Wear Group as of December 31, 2025 is not prepared, in all material aspects, in accordance with the GRI Standards as stated in the paragraph "Methodological note" of the Sustainability Report.

Other matters

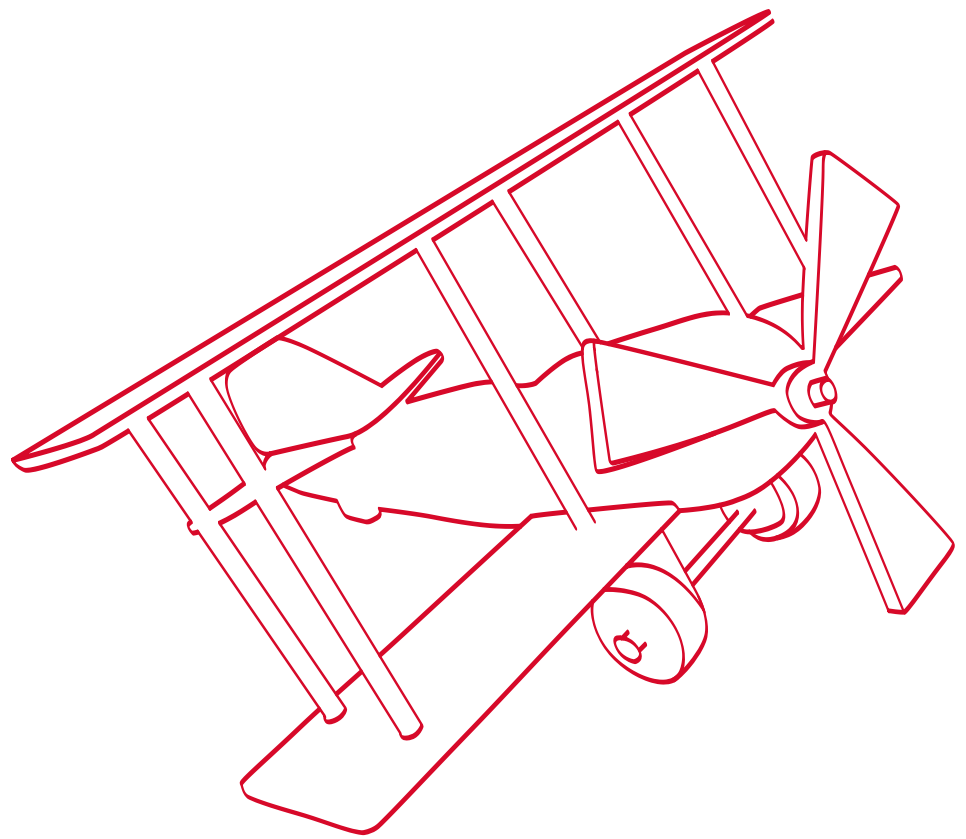
The comparative data for the year ended December 31, 2024 presented in the Sustainability Report has not been verified.

DELOITTE & TOUCHE S.p.A.

Signed by
Silvia Dallai
Partner

Bologna, Italy
April 22, 2026

This independent auditor's report has been translated into the English language solely for the convenience of international readers. Accordingly, only the original text in Italian language is authoritative.



**The 2025 Sustainability Report is available on the website
www.payperwear.com**

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Closed for printing: July 2026

Graphic design and layout: Cambiamenti Snc di Zauli Carlo & Co.

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