



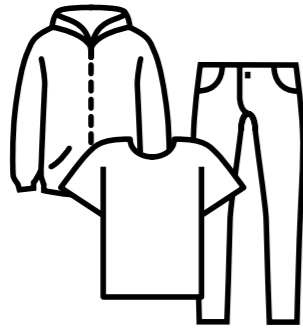
# Sustainability Report

TWO THOUSAND TWENTY-THREE

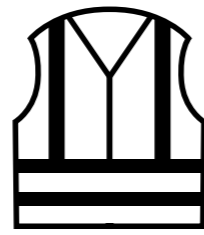




**DO.  
BE.  
FLY.**



**CORPORATE**



**WORK**



**SAFETY**



**FOOTWEAR**

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**The integration of sustainability within the Group's strategies is consolidated.**



## Letter to the stakeholders

Dear stakeholders,

I am pleased to present the new 2023 Sustainability Report that continues the sustainability reporting started in recent years for the Industrial Wear Group.

With determination and passion, our Group shares the search for a common development path in line with the healthy values that have guided us throughout our progress in recent years. Our efforts have resulted in a year full of growth from all points of view.

**The Group has pursued its strategy of strengthening the global structure by supporting its growth and investment activities,** always in full compliance with the regulations for the protection of workers. In particular, during 2023, proceeding with the strategy already launched, we expanded our product catalogue, strengthened our presence on foreign markets and enhanced the perception of the *PAYPER* brand which has allowed us to achieve positive results, proving a winning strategy for the expected growth objectives.

**At an economic-financial level,** the 2023 management has in fact **maintained a positive trend** thanks to the policies implemented by the company in recent years also to counter the geopolitical instabilities dictated by the international context.

In 2023, the integration of sustainability within the Group becomes even more rooted, following a development path that sees numerous insights in the ESG field and the achievement of concrete results as evidence of the commitments made.

Starting with the process of defining the **Group Sustainability Plan** which, in continuity with the process begun in 2022, was marked by the identification of the strategic priorities and the definition of the operational objectives in line with a series of Sustainable Development Goals (SDGs) of the UN Agenda 2030, and by the identification of specific actions aimed at achieving these objectives.

One of the most important aspects for the sustainability of our organisation is certainly the **responsible and sustainable management of our supply chain**, where most of the impacts generated on the economy, the environment and people are concentrated. This is the reason that we set up a **first measurement exercise for Scope 3 indirect emissions**, which helps us to be more aware of the environmental impact along the value chain.

In addition to *Better Cotton* labelling, one of the main references in terms of responsible

farming and processing practices of its suppliers, in 2023 we implemented the **GOTS certification** (*Global Organic Textile Standard*) and the **GRS certification** (*Global Recycled Standard*) on our garments, two international standards that respectively ensure the use of organic textiles and the criteria for certifying textile products made from recycled materials. This also demonstrates our commitment to creating an increasingly cutting-edge and sustainable product capable of reducing the environmental and social impacts associated with it.

Further efforts have been made in the field of social responsibility, and with great pride leading us to obtain first the SA 8000 certification in 2022, and finally in 2023 also the **UNI/PDR 125:2022 certification for the gender equality management system**. We are in fact aware that the presence of people belonging to different genders and, in a broader sense, to different cultures is a source of overall professional and human enrichment.

With the certainty of having achieved significant results, but equally aware of the importance of the path that awaits us in the coming years, we submit this document.

**Andrea Valentini**  
Chairman of the Board of Directors



# The world of Payper

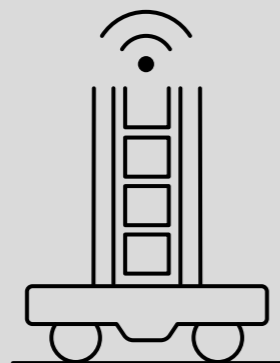


Italian R&D office:  
**more than  
50 new  
creations  
every year.**



## Modern headquarters characterised by

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



Distribution on the  
**main  
European  
markets.**



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



**Workwear and Corporate Wear**  
designed to facilitate the movements of the individual,  
to protect and equip them with  
**high-performance garments  
whose aesthetics are typical of  
the Italian style.**



# Our history

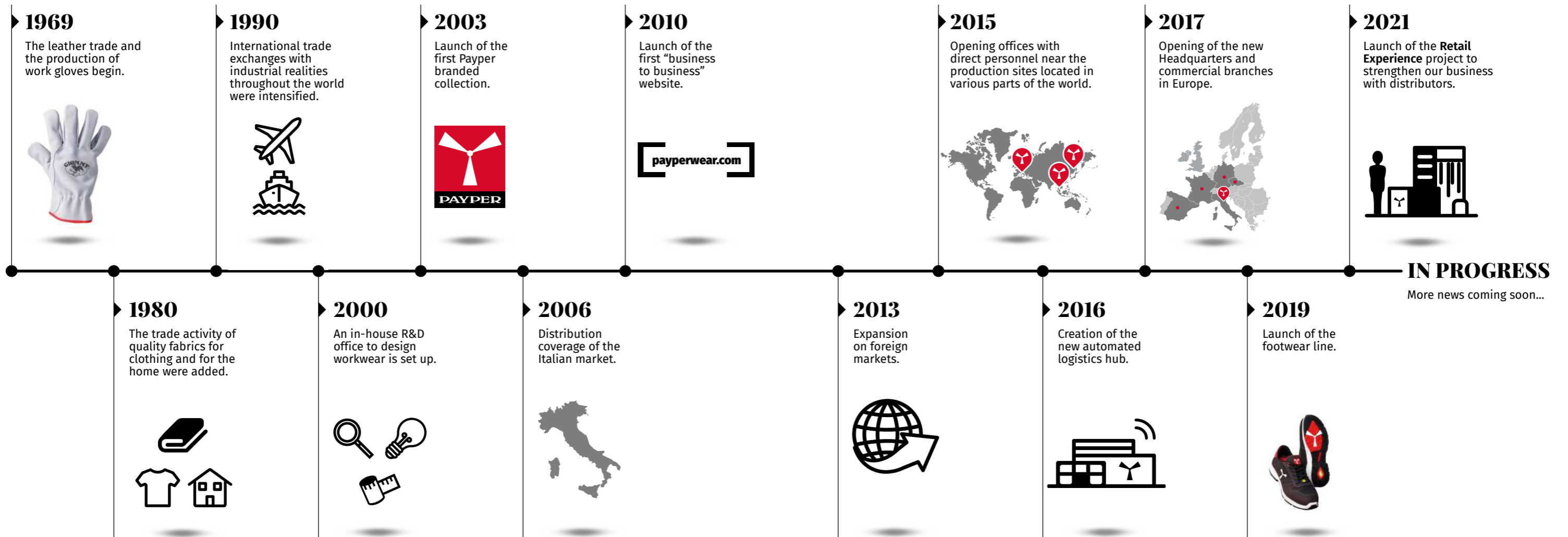
Industrial Wear is the brainchild of the **Valentini family** who, inspired by the exemplary life of their pilot rescuer friend, decided to devote itself to manufacturing **Workwear and Corporate Wear** clothing designed to facilitate the movements of the individual, to protect and equip him/her with garments **whose aesthetics are particularly refined, typical of the Italian style.**

Over time, dimensional growth and specialisation led, in 2003, to the birth of **Industrial Wear** together with the **Payper** brand. This initiative aimed to consolidate past experiences, expand the range of products offered, improve the services provided and win new market shares. After establishing a solid presence throughout Italy, in 2006 the company began to focus on exports, quickly

managing to cover **all the main European markets.** Today the brand has a catalogue of **over two thousand items**, qualified by registered designs and numerous **certifications**, which are flanked each year by more than fifty new creations from the Italian R&D department, constantly researching new aesthetic and functional solutions. In fact, production management takes place through

compliance with accurate **quality controls**, directly by its staff in the technical offices located in various parts of the world. In 2017 the new headquarters were inaugurated, **a modern complex** also powered by **renewable energy**, equipped with a showroom where you can view the entire Payper collection and with a warehouse equipped with the latest generation intelligent logistics systems.

**From one family's idea, the story of a company and of a brand with an international reach.**





## The Group and Governance

**We guarantee maximum efficiency by optimising every single activity.**

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.

The organisational structure envisages Industrial Wear Srl as the parent company controlling Fashion Ink Srl and the foreign subsidiaries: Industrial Wear Payper SLU in Spain, Industrial Wear SAS in France, Industrial Wear GmbH in

Germany, Industrial Wear s.r.o. in the Czech Republic, Industrial Wear srl (PVT) LTD Pakistan and, from 2023, **Industrial Wear sp. z o.o. Poland**, launched with the aim of expanding the Group's positioning on the European market.

The company has its **Headquarters** located in Fiumana di Predappio (FC), where the production-logistics hub is located. Furthermore, there are **owned warehouses** in Vecchiazzano di Forlì (FC), used for the storage of goods and a branch

dedicated to the development of the **Footwear** segment, in Barletta (BAT).

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 is in fact the owner of the entire production-logistics complex located in Fiumana di Predappio (FC), where the Headquarters is located, and of various commercial properties in



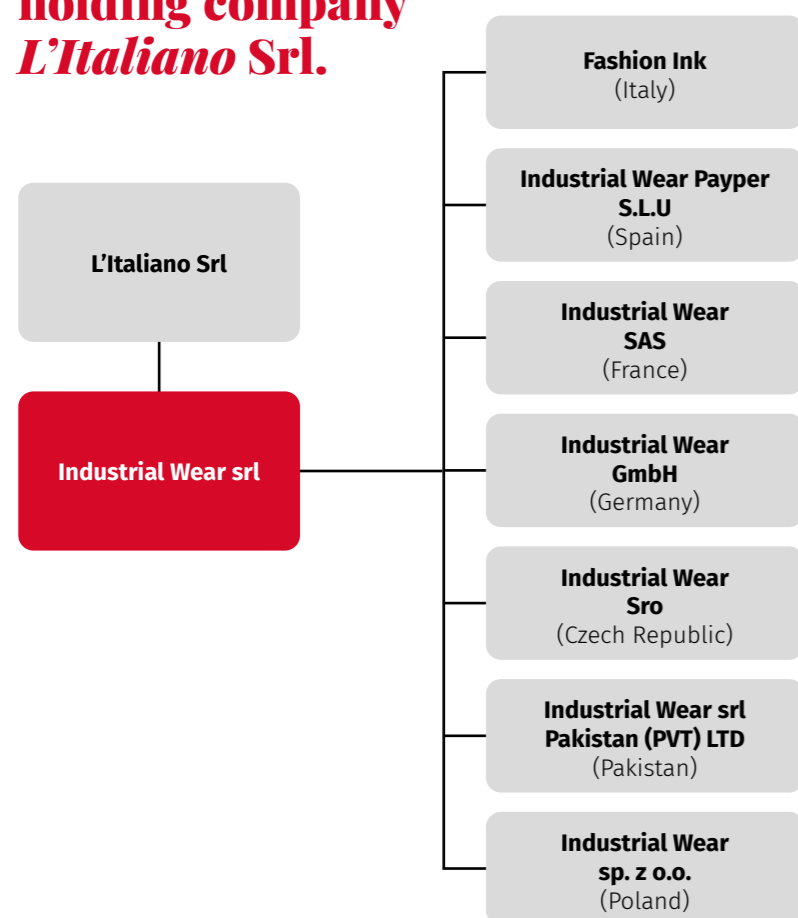
Vecchiazzano (FC) where there are other warehouses used for storing goods and for the Fashion Ink screen printing and embroidery; it also has a site in Barletta (BAT) where the prototyping activity for the Footwear segment takes place. The list of entities included in the reporting of the financial statements is the same as the list of those included in this sustainability report.

The Company does not hold any treasury quotas or quotas in

parent companies, whether directly or via trust companies or other intermediaries. The organisational chart below does not include the **Branch Companies** in China and Bangladesh. These companies deal with quality control in the main areas of origin of the Group's suppliers and have, in addition to the production monitoring function which is carried out at the end of each batch by the suppliers, also that of coordination and production organisation in the various factories.

**The main production-logistics complex is located at the Fiumana di Predappio (FC) headquarters.**

## The Valentini family has 100% control of the Group through the holding company L'Italiano Srl.



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

and Valentini Stefano (Directors). It was elected in 2020 and, having remained in office until the approval of the financial statements for the current year, was re-elected on 31 May 2023 with the same members and will remain in office until approval of the financial statements at 31 December 2025. The distribution by age is broken down as follows: 25% between 30-50 years old, 75% over 50 years old. To date, the Group's governance does not envisage internal board committees and self-assessment processes within the Board.

Through periodic meetings, the Board of Directors elects the Chairman and appoints the Managing Directors, who are granted all the powers of ordinary administration. The Chairman of the highest governing body, due to the corporate nature and to the role he holds, performs managerial functions within the organisation, exercising direct control over the companies of the Group; there are no possible conflicts of interest in this regard.

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

Industrial Wear GmbH (Germany) envisages a board of directors due to its corporate nature; its management is entrusted concurrently to the Chairman of the Board of Directors of the

parent company, to the Group Sales Manager and to the branch sales manager. The subsidiaries are autonomous but require approval of the financial statements through the assembly of designated shareholders who are also consulted for any extraordinary decisions. For Industrial Wear Sro (Czech Republic) and Industrial Wear sp. z o.o.

(Poland), local boards of directors have not yet been formalised but they are in fact autonomous in managing the business thanks to on-site sales representatives and to an administrative and commercial department once again managed by local people.

The Parent Company is responsible for managing the

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

### THE GOVERNANCE OF THE INDUSTRIAL WEAR GROUP

COMPANY	INDUSTRIAL WEAR SRL SHARE	COMPOSITION OF THE BOARD OF DIRECTORS OF THE PARENT COMPANY AND OF THE SUBSIDIARIES				
Industrial Wear srl	100%	Chm	Vice Chm	Dir.	/	/
Fashion Ink Srl	100%	SD	/	/	/	/
Industrial Wear Payper SLU (Spain)	100%	Chm	/	/	Sales M.	Loc. CFO Local M.
Industrial Wear SAS (France)	100%	Chm	/	/	Sales M.	Loc. CFO Local M.
Industrial Wear GmbH (Germany) <sup>1</sup>	100%	Chm	/	/	Sales M.	Local M.
Industrial Wear s.r.o. (Czech Republic)	100%	SD	/	/	/	/
Industrial Wear srl (PVT) LTD (Pakistan)	100%	SD	/	/	/	/
Industrial Wear sp. z o.o. (Poland)	100%	SD	/	/	/	/

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

The **remuneration** of the directors of the parent company is established by specific resolutions and is approved by the Shareholders' Meeting.

All company executives also have a fixed remuneration and a variable portion linked to the achievement of specific objectives.

The **Board of Statutory Auditors** is responsible for monitoring the legality of corporate transactions

and for supervising compliance with legal and statutory regulations. Furthermore, it is responsible for assessing the adequacy and the operation of the organisational, administrative and accounting structures of the Company.

In addition to General Management, the **corporate organisation chart** includes the transversal departments of Finance, Information

Technology, Legal & Compliance, 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, Sustainability, Sales, Customer Service and Product Customisation.

<sup>1</sup> Due to the nature of the company, there is no Board of Directors.

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



**A constantly evolving catalogue, with new items and sector innovations.**



**We maintain high and reliable standards thanks to the control of all phases of the production process.**



## Our business model

The **business model is based on the design and the consequent management of the manufacture of garments** with proprietary brands, in order to distribute clothing and footwear items suitable for putting together work uniforms.

This activity involves a constant attention to the research and development phase, as well as a constant collaboration with supplier partners, who are directly involved in manufacturing the products only once the required quality and aesthetic level and compliance with the envisaged technical protection characteristics have been ensured.

Once the customer's order has been acquired, the products are delivered through an **innovative logistics process**, which sees the integration between different transport phases, a highly technological automated warehouse and a digital platform for order management.

One of the main company activities consists in the **constant expansion of the range of products in the catalogue**, both through the development of new items within existing product families and through innovation to explore new market segments.



The products, marketed under the **Payper** and **Gionny Wings** brands, are studied and designed within the company by a dedicated design department. The garments are developed based on a logic of **functionality, quality, refinement**, associating a performing quality standard with a high quality-price ratio. Over time this has allowed us to create, expand and consolidate a vast range of products which today represents a point of reference in the corporate and workwear market.

**We develop our garments according to a logic of functionality, quality, style and refinement.**



### THE GROUP'S PRODUCTS



#### CORPORATE WEAR

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



#### WORK & SAFETY

Personal protective clothing and gloves



#### FOOTWEAR

Safety footwear

**We build and improve relationships with our customers every day.**

During 2023, the Industrial Wear Group achieved **revenues of 143 million euro**, (135.4 million euro in 2022) thanks to the sale of our products in at least 20 countries around the world. The Group's **209 employees**, located mainly in the Fiumana headquarters in Predappio (FC), have grown strongly in recent years (+11% compared to 2022).

Industrial Wear acts as a partner of companies and for this purpose it has structured services that improve and optimise every exchange with customers. The experienced local sales team, the multilingual customer service, the in-house marketing and graphics department are involved every day in building a close and lasting relationship with customers.

The company's clientele includes resellers and shops specialised in the resale of accident prevention and work items, promotional retailers, screen printing and sports shops. The local distributors have been carefully chosen to ensure that



the protection of the brand is guaranteed. Although Italy remains the main reference market, in recent years the company has progressively expanded **its international presence**, especially by opening branches in various European countries, thus facilitating the export of the various product lines.



# Industrial Wear in the world

From its **headquarters in Fiumana di Predappio (FC)**, where the Group's offices and main logistics warehouse are located, Industrial Wear has begun a process of progressive positioning on foreign markets, which has led to opening various commercial branches in Europe.

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

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

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

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

**Spain**  
**Industrial Wear Payper SLU** - Sant Cugat - Barcelona (ES)  
Founded in 2017, it was the first group company based abroad.

**Italy**  
**Industrial Wear Srl** - Fiumana di Predappio (FC)  
**Fashion Ink Srl** - Forlì (FC)  
The **Headquarters**, developed in a production-logistics complex in Fiumana di Predappio (FC), occupies an area of 50,000 square metres, has Industry 4.0 manufacturing equipment and is almost entirely powered by self-produced solar energy. Other warehouses for the storage of goods and for the "embroidery" division of **Fashion Ink** are located in Vecchiazano.



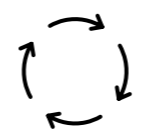
# Our results



**>143 million euro**  
Sales revenue 2023 (+9% compared to 2022).



**>145 million euro**  
The directly generated economic value.

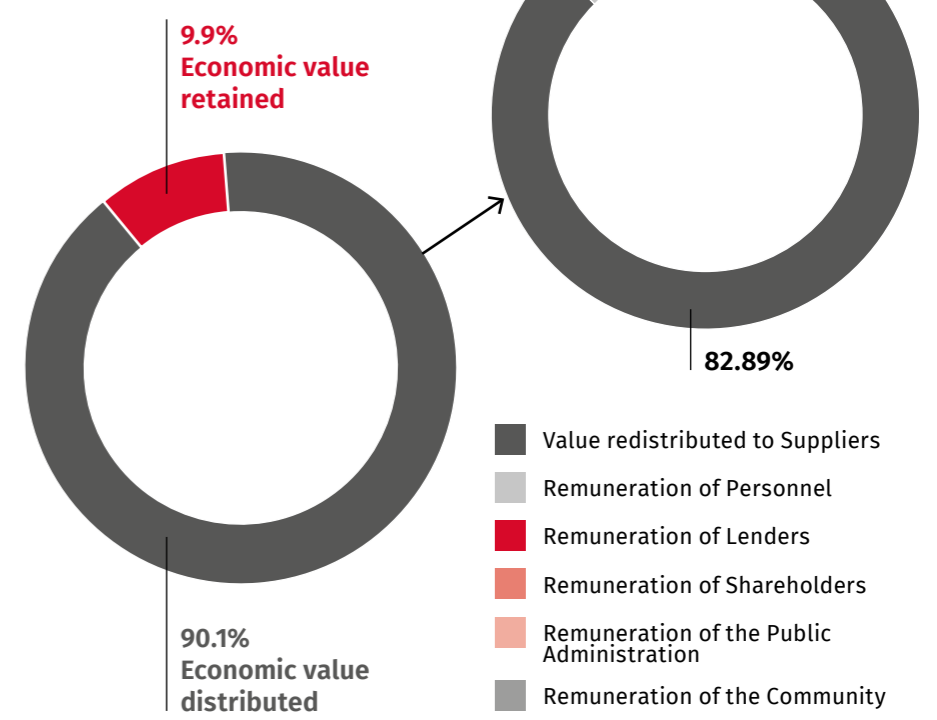


**>130 million euro**  
The distributed economic value.

In 2023, a generalised growth in sales revenues is confirmed. The Group has in fact generated **revenues from sales** and from **services** equal to **143,003,751 €** (€135,410,486 in 2022) an increase of 5.3% compared to the previous year. There is also a steady increase in the weighting of foreign revenues, which reflects the intensification of the commercial activity and of the direct investments and commercial activities in other European countries.

**The economic value directly generated** by the Industrial Wear Group in 2023 is 145 million euro (173.1 million euro in 2022) of which the **distributed economic value** amounts to 130.7 million euro (163.6 million euro in 2022).

**The economic value generated and distributed by the Group**



Most of this value is represented by reclassified operating costs for a total of 108.3 million euro followed by the remuneration of personnel (11 million euro).

The remuneration of the Public Administration was equal to over 6.2 million euro, while the remuneration of the shareholders was equal to 2 million euro and of the lenders was equal to about 2,954 thousand euro. The value distributed to the Community amounts to € 99 thousand euro. Finally, the value retained in the Company in 2023 is equal to 14.3 million euro.



# Our approach to sustainability



Since 2022, we have been applying the SA8000 **Management System,** an international standard on Social Responsibility.



## Our 4 pillars

- Product
- Transparency
- People
- Environment



## Our values

**Do**  
to create.

**Be**  
to share.

**Fly**  
to dream.



**OMM and Code of Ethics**  
adopted since  
**December 2022.**



## UNI/PDR 121:2021 Gender Equality Certification

that promotes the reduction of the gender gap, equal opportunities and the harmonisation of the work-life balance  
**achieved in 2023.**



## Our values

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

**Do to create. Be to share. Fly to dream.** These are the values that guide Industrial Wear and that run through the entire production chain. Having the knowledge to create new products, sharing this with others and dreaming of new and increasingly challenging futures is an inclusive mission which is achieved thanks to the positive and responsible contribution of all the people and partner realities involved.

The concreteness and the passion feed the daily **“doing”**, stimulate the continuous search for technological and creative innovation, consolidate the authoritative approach towards a global market.

The company intends to create a professional network which generates a strong sense of belonging, through the **“sharing”** of values, interests and intentions, establishing a distinguishable and identifying added value on the market.

The internal working group, highly professional and the driving force of the entire process, will always pay great attention to young excellence, in order to increase the contribution of ideas, energy, **“dreams”** and make the companies of the Group increasingly competitive. This is why, long ago, the company included the themes of Corporate Social Responsibility in its governance, undertaking a fruitful journey of international certifications and best practices aimed at qualitative, sustainable and ethical development.

**Our values run through the entire production chain, fuelling a shared and inclusive mission.**



**Corporate Social Responsibility is an integral part of our governance.**



# Ethics and business integrity



## SA 8000

In 2022 Industrial Wear implemented the SA8000 management system, an **international standard on Social Responsibility** promoted by Social Accountability.

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

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

In line with the values just described, since 2022 Industrial Wear has implemented the **Organisation, Management and Control Model provided for by L. Decree 231/2001** (hereinafter also "OMM").

The OMM is a set of principles, rules, procedures and controls designed to prevent the commission of predicate offences based on the assessment and

management of the risks present. In line with current legislation, there is a precise system of disciplinary measures applicable in the event of breach of the various aspects of the model.

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

## OMM - Organisation, Management and Control Model: the definition of the principles and values that guide the company activities.



To verify that the provisions of the OMM and the Code of Ethics are transparently applied, a **Supervisory Body** has been established in 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 of changes in the company organisation;
- Ensures that all recipients operate in compliance with the law and the Code of Ethics;
- Conducts internal investigations in the light of reports regarding possible breaches;
- Collects and stores the data and information deriving from the investigations carried out and promotes specific initiatives and solutions in response to any proposed corrective actions.

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



## THE GROUP'S CODE OF ETHICS

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

The Code represents the "**Charter of fundamental rights and duties**" outlining the **corporate principles and values** that guide the Group companies in carrying out their activities. These principles constitute the identity of the company and constantly guide the strategic and political choices within the businesses in which they operate. The company is committed to a constant effort to align the governance principles between the parent company and its subsidiaries. This occurs by updating the regulations and articles of association in order to ensure coherence and uniformity in the Group's identity. Each Group Company shares and undertakes to follow the ethical principles listed below.

- Legality:** Compliance with the laws and regulations in force.
- Equality and impartiality:** Fair and non-discriminatory treatment for all.
- Transparency, correctness and reliability:** Transparent, correct and reliable conduct.
- Professionalism:** Act with competence and responsibility.
- Confidentiality:** Protection of confidential information.
- Privacy protection:** Respect and protection of employee and customer privacy.
- Protection of price sensitive information:** Safeguarding sensitive price information.
- Value of human resources:** Enhancement and protection of personnel.
- Health and Safety:** Ensuring a safe and healthy working environment.
- Respect and protection of the environment:** Adoption of sustainable practices to protect the environment.
- Protection of competition:** Compliance with the rules of fair competition.

The Group Companies undertake to inform and raise the awareness of all employees so that they carry out their duties in accordance with these ethical principles. A constant predisposition and a desire for continuous improvements are promoted and compliance with all current laws and regulations is guaranteed.

## The Code of Ethics outlines the corporate principles and values that guide the Group's companies.



# Stakeholders and the material topics of the Group

The Industrial Wear Group's path towards sustainability has seen a progressive approach to the issue through specific initiatives aimed at improving its economic, environmental and social performance and at tracing a lasting path over time.

2021 represented the **starting point** for the Group in adopting a structured path in terms of sustainability, an initial performance assessment which

allowed obtaining indications on the Group's positioning with respect to the various players in the sector at national and international level and identifying the strengths and areas for improvement on which to focus attention and commitment.

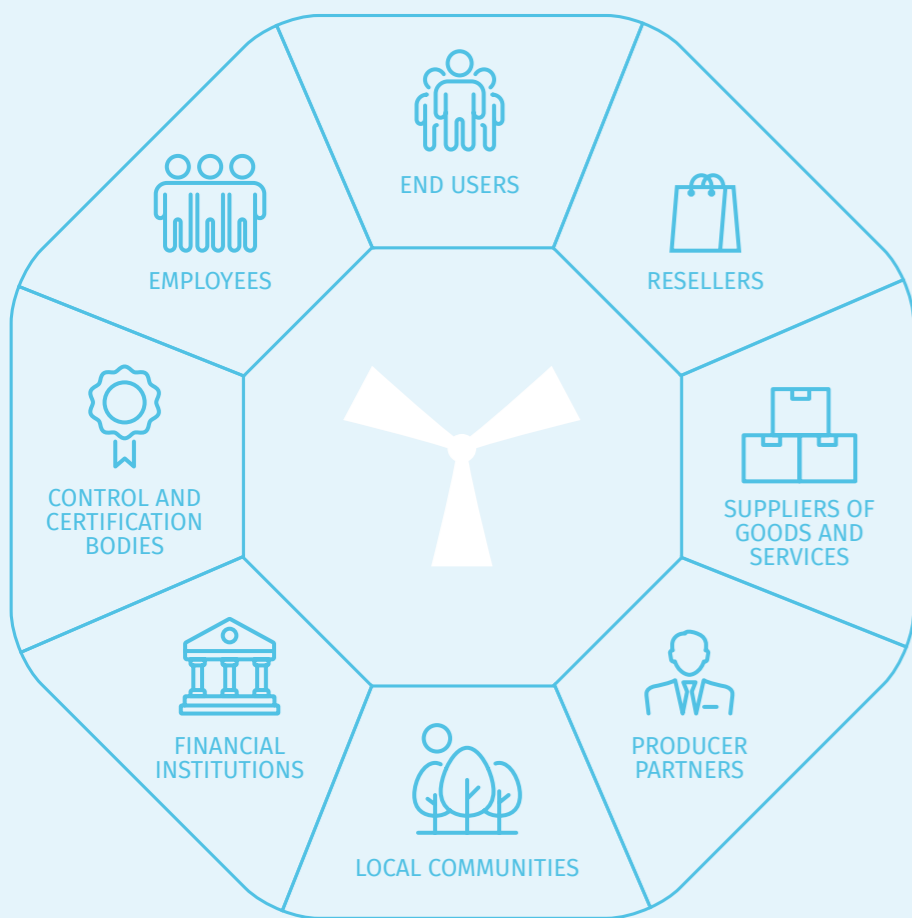
The development of this path continued in 2022 by redefining the **Group's stakeholder map** and by identifying the long-term objectives in the areas









of sustainability, with the aim of maintaining the dialogue undertaken with partners.

2023 saw the introduction of an office dedicated to sustainability within the company organisation chart, with the aim of expanding activities by creating a path of value over time, inserting **the relevant issues among the strategic assets for development of the business. In fact, a long-term strategy** has been structured, with the objective of expanding the traceability perimeter of environmental impacts on the economy, the environment and the community. **Furthermore, the office deals with sustainability communication in order to respond to the needs of the market in which it operates and to raise awareness of these issues within internal departments. Through the involvement of corporate parties, the Group has set itself the objective of identifying new procedures and certifications with the aim of improving existing processes**, thus making the corporate context increasingly sustainable.

In accordance with the provisions of the GRI Sustainability Reporting Standards, the Group has used the information deriving from engagement activities with these categories of stakeholders as one of the necessary inputs to identify and assess its own impact on the economy, the environment and people, including for the purpose of preparing this Sustainability Report. The main ways of communicating and involving each category of stakeholder are summarised below.

## THE STAKEHOLDERS OF THE INDUSTRIAL WEAR GROUP



CATEGORIES OF STAKEHOLDERS	MAIN DIALOGUE AND INVOLVEMENT INITIATIVES
 END USERS	<ul style="list-style-type: none"> <li>• Paying attention to and managing complaints through the involvement of retailers</li> <li>• Sites of major retailers</li> </ul>
 RESELLERS	<ul style="list-style-type: none"> <li>• Daily report of the Sales Offices and related Group agents</li> <li>• Organised visits to the Group's showroom</li> <li>• Dedicated meetings</li> <li>• Group website</li> </ul>
 EMPLOYEES	<ul style="list-style-type: none"> <li>• Training and personnel assessment initiatives</li> <li>• Reporting system (Whistleblowing)</li> <li>• Internal communication channels (Intranet, bulletin boards, etc.)</li> </ul>
 PRODUCER PARTNERS	<ul style="list-style-type: none"> <li>• Daily report of the Group Purchasing Offices</li> <li>• Supplier selection activities and performance assessment in terms of quality, cost of service and ethical, social and environmental responsibility criteria</li> <li>• Monitoring activities through external certifying bodies</li> <li>• Periodic meetings and checks with suppliers</li> <li>• Group website</li> </ul>
 SUPPLIERS OF GOODS AND SERVICES	<ul style="list-style-type: none"> <li>• Daily report of the Group Purchasing Offices</li> <li>• Supplier selection activities and performance assessment in terms of quality, cost of service and ethical, social and environmental responsibility criteria</li> <li>• Group website</li> </ul>
 CONTROL AND CERTIFICATION BODIES	<ul style="list-style-type: none"> <li>• Official communications</li> <li>• Fulfilment of the documentary requirements laid down by the applicable regulations in force</li> <li>• Group website</li> </ul>
 LOCAL COMMUNITIES	<ul style="list-style-type: none"> <li>• Local initiatives</li> <li>• Collaborations and partnerships with local organisations and associations</li> </ul>
 FINANCIAL INSTITUTIONS	<ul style="list-style-type: none"> <li>• Periodic update meetings</li> <li>• Shared multi-year industrial plans</li> </ul>

In accordance with the provisions of the reporting standards adopted, during 2022 the Group undertook a materiality analysis to identify the relevant issues. This was carried out by involving top management and stakeholders, in order to identify and assess the current and potential, positive and negative impacts which the Group has on the economy, the environment and people as part of its activities and business relationships.

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





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

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

scale, scope and probability. In addition, in order to determine the significance of the impacts for the stakeholders, a questionnaire was submitted to a sample of stakeholders (employees, customers, suppliers, and financial institutions) of the Group.

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

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

MATERIAL TOPICS FOR INDUSTRIAL WEAR	GROUP SUSTAINABILITY PILLARS
PRODUCT QUALITY, SAFETY AND CONFORMITY	 <b>PRODUCT</b>
COMPLIANCE AND REPUTATION	
ECONOMIC PERFORMANCE	
CUSTOMER SATISFACTION	
PRODUCT INNOVATION, PROCESS, R&D	
ETHICS AND BUSINESS INTEGRITY	 <b>TRANSPARENCY</b>
MANAGEMENT OF RAW MATERIALS	
SUSTAINABLE AND RESPONSIBLE MANAGEMENT OF THE SUPPLY CHAIN	
EMPLOYEE TRAINING, DEVELOPMENT AND WELL-BEING	 <b>PEOPLE</b>
OCCUPATIONAL HEALTH AND SAFETY	
DIVERSITY, EQUAL OPPORTUNITIES AND INCLUSION	
ENERGY CONSUMPTION AND EMISSIONS	 <b>ENVIRONMENT</b>



## The Group's sustainability pillars and strategic lines

### THE 4 INDUSTRIAL WEAR PILLARS ON SUSTAINABILITY



**Product**



**Transparency**



**People**



**Environment**

For several years now, Industrial Wear has included the issues of Corporate Social Responsibility in its governance, undertaking a fruitful journey of international certifications and best practices aimed at qualitative, sustainable and ethical development. All this translates into the ability to **integrate our business activities with respect and protection for the interests of the communities** with which we relate, but also **with the protection of environmental resources**, preserving these for future generations.

In particular, the Industrial Wear Group has defined **four thematic pillars**, which represent the keystones of its approach to sustainability: product, transparency, people and environment, which represent the Group's strategic reference on sustainability.

During 2022, the Group also launched strategic planning on the issue of sustainability, based on the four Pillars, by defining specific **strategic sustainability guidelines** and **operational goals** aimed at the continuous improvement of Industrial Wear's ESG performance.

When defining the strategic guidelines and the goals, the priorities defined in the 2030 Agenda for Sustainable Development (**Sustainable Development Goals – SDGs**), which represents the main international framework on the theme of sustainability, were also taken into account. In particular, through its

activities, the Group contributes to the achievement of 7 of the 17 UN SDGs.

The group's objective of **strengthening its concrete commitment in these areas**, identifying actions aimed at implementing its strategic guidelines, continued in 2023. The achievement of the UNI/PDR 121:2021 Gender Equality

certification has allowed us to broaden our attention to UN objective no. 5 "Gender equality".

The **UNI/PDR 121:2021 Gender Equality** certification establishes the Group's commitment to adopting suitable internal policies and to promoting the reduction of the gender gap, equal opportunities and the harmonisation of the work-life balance.

Furthermore, aware that the company's commitment also includes the involvement of the entire supply chain and of the partners involved in our business, in 2023 the Group expanded the international certification scenario by obtaining **GOTS** and **GRS**. Both certifications will allow us to improve the sustainability of our products and packaging, with a view to continuous attention to environmental and social performance.

The **Global Recycling Standards (GRS)** is considered the most important international standard for the sustainable production of clothing and fabrics made from recycled materials. The standard recognises the importance of recycling in the development of sustainable production and consumption models, with the aim of promoting the reduction of the consumption of resources (virgin raw materials, water and energy) and of increasing the quality of recycled products.

The **Global Organic Textile Standard** recognises and establishes the responsible and sustainable development of the textile sector through the use of organic agriculture. The standard sets requirements across the entire supply chain for ecological and working conditions in the production of textiles and clothing using organic raw materials. Organic production is based on an agricultural system that supports and restores soil fertility without the use of toxic pesticides and persistent synthetic fertilisers. Furthermore, it includes laws on animal welfare and the ban on genetically modified organisms.



MANAGEMENT OF SUSTAINABILITY CERTIFICATIONS AND INITIATIVES		ACQUISITION DATES
	The UNI/PDR 121:2021 Gender Equality certification establishes the Group's commitment to adopting suitable internal policies and to promoting the reduction of the gender gap, equal opportunities and the harmonisation of the work-life balance.	2023
	The Global Recycling Standards (GRS) is considered the most important international standard for the sustainable production of clothing and fabrics made from recycled materials. The standard recognises the importance of recycling in the development of sustainable production and consumption models, with the aim of promoting the reduction of the consumption of resources (virgin raw materials, water and energy) and of increasing the quality of recycled products.	2023
	The Global Organic Textile Standard (GOTS) recognises and establishes the responsible and sustainable development of the textile sector through the use of organic agriculture. The standard sets requirements across the entire supply chain for ecological and working conditions in the production of textiles and clothing using organic raw materials. Organic production is based on an agricultural system that supports and restores soil fertility without the use of toxic pesticides and persistent synthetic fertilisers. Furthermore, it includes laws on animal welfare and the ban on genetically modified organisms.	2023
	SA8000 is a standard for social responsibility developed by Social Accountability International (SAI). It is based on the principles of international human rights legislation as described in the conventions of the International Labour Organisation (ILO), the United Nations Convention on the Rights of the Child and the Universal Declaration of Human Rights. SA8000 provides a framework for organisations to demonstrate their commitment to ensuring a fair and ethical treatment of workers throughout their supply chain.	2022
	Better Cotton is a global initiative that promotes responsible, ethical and environmental cotton production. When addressing the challenges of sustainability in the textile industry, Better Cotton aims to redefine cotton growing and production methods and procedures.	2021
	ISO 45001:2018 is an international standard for occupational health and safety management systems to effectively manage occupational health and safety risks and improve performance.	2020
	ISO 14001:2015 is an internationally recognised standard for environmental management systems (EMS) developed by the International Organisation for Standardisation (ISO). It provides a framework that organisations can follow to establish, implement, maintain and continuously improve their environmental performance.	2019
	the AMFORI-BSCI (Business Social Compliance Initiative) 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 you're your products and organisation consistently meet customer needs and regulatory standards, whilst improving customer satisfaction.	2016



# The group's sustainability objectives.

## STRATEGIC GUIDELINES

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

## OPERATIONAL OBJECTIVES

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

## ACTIONS

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



## Product



## STRATEGIC GUIDELINES

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

## OPERATIONAL OBJECTIVES

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



## Transparency



## ACTIONS

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

## STRATEGIC GUIDELINES

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

## OPERATIONAL OBJECTIVES

- Increase internal awareness of the Health and Safety system and strengthen the internal control system
- Constantly improve the healthiness of the work environments and mitigate the risks related to the activities in our plants
- Structure continuous training actions aimed at increasing the technical and transversal skills of personnel.
- Develop collaborations and strategic projects with local organisations to generate positive impacts on the environment and on people

## ACTIONS

- Continue to strengthen training on Health and Safety issues;
- Implement engagement and awareness-raising activities on sustainability aimed at employees
- Continue to promote a fair, inclusive and equal opportunity working environment
- Develop a mapping of employee skills in order to structure career paths.
- Plan and take part in local initiatives related to sport, volunteering and environmental protection
- Continue to attract talent and strengthen the relationship with the local community.



## People



## STRATEGIC GUIDELINES

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

## OPERATIONAL OBJECTIVES

- Measure the climate-altering emissions generated by 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
- Develop activities aimed at reducing the demand for raw materials for products and packaging through circular economy approaches

## ACTIONS

- Continue to track CO2 emissions and develop reduction or compensation initiatives
- Expand the emissions calculation perimeter for all locations
- Involve foreign offices in impact reduction initiatives
- Improve the management and emissions of upstream and downstream transport
- Implement solutions to reduce our packaging with alternative solutions such as the use of recycled materials or those coming from sustainably managed sources



## Environment





# Product

# 01



In 2023, the Group obtained the **GOTS Certification** (global organic textile standard) and the **GRS Certification** (global recycled standard)



### The material topics connected to the "Product" pillar

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



**Management system certified** according to the **UNI EN ISO 9001:2015** standard.



**100% of the products** assessed with respect to the **health and safety of end customers.**

UN SUSTAINABLE DEVELOPMENT GOALS RELEVANT FOR THE "PRODUCT" PILLAR >



### SDG 9 – INDUSTRY, INNOVATION AND INFRASTRUCTURE

Achieve sustainable and quality infrastructure for all, boost a new business model that respects the principles of sustainability and adopts clean technologies and industrial processes.



### SDG 12 – RESPONSIBLE CONSUMPTION AND PRODUCTION

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



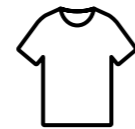
# 1.1

## The product catalogue

Over time, the Company has seen a significant expansion in terms of **size and specialisation**, leading to the creation of **over two thousand products**. These items are the result of the work of a **highly qualified and creative R&D team**, which every year contributes dozens of new prototypes to the growing collection. Furthermore, it takes care of updating various items already present in the catalogue, thus ensuring their relevance and competitiveness on the market.

One of the main business activities is in fact aimed at **constantly expanding the range of products**, through the development of new items within the existing product categories or through innovation activities that allow exploring new sectors.

From research, to style, to development, to packaging, **everything is checked in detail**, both in terms of quality and functionality parameters and of aspects related to the potential impact on the environment and human health. The control of the entire production process, from design to logistics, allows achieving high and guaranteed standards over time.



**2,000 and more products,**  
developed by the R&D team



**From the most casual to the most technical, each collection is designed by a creative and expert research and development team.**



### Corporate wear

#### Total looks for men, women and children

The segment aims to meet the needs of a market represented by anyone in their professional or personal sphere looking for clothing that is representative of a specific organisation/event, whether this is their reference company or a different organisation to which they belong. The garments for this segment are designed and manufactured in order to provide a quality, comfortable and easily customisable product, whilst still maintaining an individual style, characterising and enhancing the Payper brand.

### Work & Safety

#### Tech-nik, multipro, hi-vi, industry, protection, gloves

This division identifies clothing and accessories for work and accident prevention such as multi-protection garments, high visibility clothing, work gloves, masks, overalls and other personal protective equipment, where the benefits sought by customers are to be able to have available an item in which safety and protection are a priority and where at the same time all movements for carrying out their work are made easier. The items belonging to this segment require in-depth research and development (R&D) work, as they present a greater complexity in both the design and the manufacturing process. This complexity is due to the fact that the garments must meet rigorous certifications and comply with a series of international regulatory requirements. Therefore, R&D activity focuses on the search for innovative solutions that allow guaranteeing regulatory compliance without compromising the quality, comfort and distinctive style of the Payper products.



For Industrial Wear it is essential to keep up with the directions and trends of the international context, in order to meet the needs of its customers and to ensure it pays careful attention. For this reason, in recent years the products of the Safety segment have included the "Protection" line, dedicated to the protection of workers and featuring: surgical and filtering masks, overalls and accessories, and protective goggles.



### Footwear

#### Safety footwear

The Payper brand line of safety footwear was introduced at the beginning of 2019. The footwear segment supply chain is totally Made in Italy and is managed by a team of professionals capable of designing and creating a shoe with a high quality standing, which combines design and protection, to offer the wearer a distinctive element of great comfort for their foot, paying full attention to safety criteria.



**Our approach to packaging changes: recycled materials from responsible management.**



# 1.2

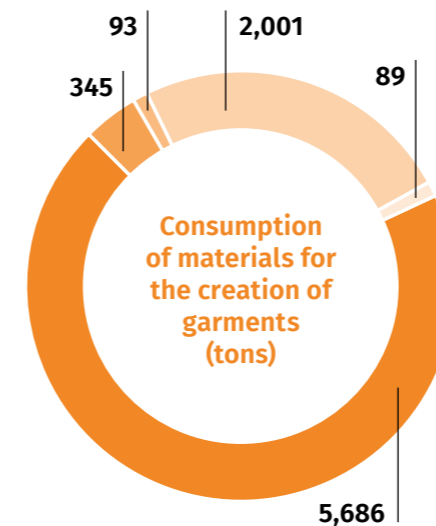
## The materials used

The clothing industry, traditionally dependent on the use of natural resources, creates an inevitable impact on environmental matrices at a local and global level. However, there is a growing recognition of the need to reduce this dependence and to seek more sustainable sources of supply. This approach not only offers commercial advantages, but also reduces the impact on the environment. For this reason, as part of the analysis of environmental risks relating to implementing our environmental

management system linked to the ISO 14001 standard, we carry out a detailed **identification of the processes and of their inputs and outputs of materials**, in order to associate each activity carried out with the corresponding environmental aspects to be monitored and managed on an on-going basis.

The Group, including through its manufacturing partners, uses various materials for manufacturing its **products** (primarily cotton, polyamide,

leather and synthetic fibres) and for the **packaging** used for transport and distribution (mainly paper, cardboard and to a lesser extent plastics). During 2023, the search for less impactful solutions from a packaging point of view was carried forward and this will allow **the elimination of plastic packaging for the new glove lines starting from 2024**. Furthermore, a paradigm shift is underway on the packaging used, through the choice of recycled and responsibly managed material.



- Cotton
- Polyamide
- Leather
- Polyester
- Other (elastane, polyamide, viscose, etc.)



- Paper and cardboard
- Plastics
- Wood





# 1.3

## Sustainable materials for long-lasting development



Reducing dependence on natural resources such as cotton can be achieved through several strategies. One of these is adopting alternative materials, such as recycled or biological fibres. Recycled fibres help reduce the consumption of natural resources and the pollution resulting from the production of new materials, while organic fibres reduce the use of toxic pesticides and fertilisers.

Furthermore, the development of sustainable sources of supply, such as organic production, helps preserve ecosystems, reduce soil erosion and other forms of environmental degradation.

Adopting these practices not only leads to a lower impact on the environment, but can also offer commercial advantages, such as attracting increasingly environmentally conscious consumers, accessing new markets and reducing risks related to the availability and costs of natural resources. For this reason the Group is committed to finding

alternative solutions that it can implement along its value chain.

In 2022, Industrial Wear joined **Better Cotton**, an international organisation that aims to make the cotton supply chain more sustainable at a global level, by reducing the negative impact of the growing and processing phases, through a precise traceability system.

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

During 2023, Better Cotton conducted a review of the *Better Cotton Principles and Criteria (P&C)*, which led to adopting the *"Principles and Criteria 3.0"* and which will modify the standard starting from the 2024-2025 cotton season.



### The "Better Cotton" 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 linked to the previous one, this principle outlines crop protection practices that are cost-effective and minimise the risk of harmful impacts on human health and the environment.
- 4. Fibre quality:** this principle focuses on locally relevant good practices before planting, during crop growth and for the post-harvest period to produce a healthy, high-quality crop, as well as to reduce contamination and waste.
- 5. Decent work:** this principle also aims to create working environments that can ensure freedom to organise and negotiate decent working conditions and provide access to grievance mechanisms.
- 6. Sustainable livelihoods:** farmers, workers and agricultural communities are the foundation of the entire cotton sector, so their livelihoods are intrinsically interconnected with sustainable cotton production. Principle 6 aims to seek active collaborations to identify the main needs and challenges of workers in the sector - and to find feasible strategies to address them.



**The Better Cotton labelling** on the garment indicates the presence of a percentage of cotton from responsible farming and manufacturing practices. From the initial 10%, this will increase over the years to obtain a garment made up of 50% cotton coming from Better Cotton productions.

For the Group, participating in this initiative represents a fundamental part of the **development of a procurement**

**strategy for more sustainable materials**, which allows it to make progress in improving the sustainability performance of its supply chain. For this reason, the commitment towards selecting suppliers who were able to comply with the criteria required by the BCI was considerable and in 2023 it allowed reaching an average quantity of **32%** of certified cotton within the garments, a result greater than initially expected.

**For a more responsible cotton supply chain for the environment and for agricultural communities.**



In 2023, the Industrial Wear Group achieved another important milestone in this field, the **GOTS (Global Organic Textile Standard) certification**, an internationally recognised standard for **organic textiles**. It is considered to be one of the most prestigious and rigorous standards for fabrics produced by using organic fibres and following environmental and social sustainability criteria.

The GOTS certification applies to the entire textile production process, from the cultivation of organic raw materials to the processing, production, packaging, labelling, trade and distribution of fabrics. The GOTS standards establish rigorous requirements to ensure that certified textiles meet the following criteria:

- **Biological origin of the fibres:** The fibres used in GOTS textiles must come from certified organic crops, without the use of pesticides or synthetic chemical fertilisers.
- **Respect for the environment:** Factories and production processes must meet strict environmental criteria, including energy conservation, wastewater and waste treatment, and limit greenhouse gas emissions.

- **Working conditions:** The GOTS standards also include requirements regarding decent working conditions for workers employed in textile production, ensuring respect for human and labour rights.

- **Traceability and transparency:** Detailed documentation of the production process is required, from the cultivation of raw materials to the finished product, to ensure traceability and transparency throughout the supply chain.

The GOTS certification offers an **independent guarantee of the quality and ethics of textile products**. The Group's objective for the next years is therefore to research and design a line of certified products, ensuring the traceability of the compliance with the requirements along the entire supply chain.



Another reason for pride is the achievement of the **GRS (Global Recycled Standard) certification**, an international standard that establishes the criteria for certifying textile products made with **recycled materials**, in order to promote sustainability and the circular economy in the textile industry. This standard is managed by the **Textile Exchange** organisation and applies to the entire textile production process, from the collection of recycled materials to the processing,

production, packaging, labelling, trade and distribution of fabrics.

The main requirements of the GRS certification include:

- **Origin of recycled materials:** Fabrics must contain at least a specified percentage of recycled materials from post-consumer or post-industrial sources.
- **Chain of custody:** A traceability system must be implemented that documents the supply chain of recycled materials, ensuring the traceability and transparency of the production process.
- **Environmental and social requirements:** Factories and production processes must comply with certain environmental criteria, such as energy saving, wastewater

treatment and waste management, and must ensure respect for human rights and decent working conditions for workers employed in textile production.

- **Labelling and communication:** Certified products must be labelled clearly and accurately, so that consumers can easily identify fabrics made from recycled materials and understand the positive environmental impact of such products.

This certification is necessary to pursue the Group's goal of researching and using **recycled polyester** and of promoting greater awareness of the need to reduce, reuse and recycle resources in the textile industry.

# 1.4



## Resistance of materials and durability of garments



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

The **risk of obsolescence** for professional and promotional clothing is much lower than for traditional clothing: a work uniform needs the **greatest "long-life" possible**, due to the

need for uniformity within the end customer companies. This is one of the reasons for the high **average lifespan of the items** in the catalogue, some of which have been present since the company was founded.

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



## Laboratory testing and tests

- Fabric **abrasion resistance** test
- Determination of fabric **propensity to surface fuzzing and to pilling**
- Determination of **colour fastness to washing**
- Determination of **colour fastness** to rubbing
- Determination of **burst strength**
- Resistance to **shrinkage test**
- Tensile and tear strength **test**
- Resistance **test to the combination of light and perspiration**



# 1.5



## The evolution of products: creativity, research and development



FIRST DRAWING AND PROTOTYPING



PROTOTYPE ANALYSIS



PRODUCT TECH-REPORT



CONSTANT COMMUNICATION WITH PRODUCERS

One of the main activities of the company is the **creative development of new models**. This phase has a key implication not only in terms of competitiveness and of the ability to generate value, but also in relation to the aspects of environmental sustainability that characterise the garments. The company goal is to produce exclusively **sustainable models made through responsible and certified processes**, through a wholly controlled supply chain.

The design and development of new products, based on careful market analysis,

is mainly carried out by the **Design Office**, headed by the founder who directs the design and development activities. The developed models are then shared with the manufacturing partners to produce the garments.

The work of the department is carried out by preparing a specific **Design Plan** which lists the project milestones, taking into account checks, reviews and validations. All the activities, from the garment prototyping to its creation, are established through a specific internal procedure and coordinated by **using a single integrated management system**.



**Our goal: to produce only sustainable models through a 100% controlled supply chain.**



The world of **Research and Development** is constantly evolving and for this reason over the last few years, professionals who deal with prototyping and 3D modelling have arrived within the company. In particular, the **Digital Pattern makers** team, using 3D design software, deals with designing and modelling products with the aim of realistically simulating the physical properties of fabrics, the design of accessories and the performance of the garment.

The use of 3D software packages also offers the possibility of optimising times by obtaining videos and images that can also be used for marketing purposes, creating a truthful rendering faithful to the real product.

**Through 3D design, the Digital Pattern Makers team simulates all the characteristics of the real garment.**



# 1.6



## Quality and performance: the guarantee of protection



### 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 shocks, 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 an authorised inspection 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. According to the regulations in force in the field of health and safety in the workplace, specific mandatory training is required to be able to use them correctly.

The Group has acquired great experience in the field of design, model development and the procurement of raw materials for professional and casual work, with a clear objective: **to make the performance of workers safer**, more practical, with greater appeal. To achieve these results, attention to process quality and certification of product performance parameters are essential.

### Most Industrial Wear items are marked as PPE (Personal Protective Equipment).

In this sense, these articles must **pass specific tests** provided for by European Regulation 2016/425, regarding healthiness, harmlessness, resistance and other parameters. To date, the Payper catalogue offers 223 category I PPE, 102 category II PPE and 10 category III PPE.

## To date, the Payper catalogue offers 223 category I PPE, 102 category II PPE and 10 category III PPE.



### PROTECTION FROM THE COLD

During 2023, the Group took steps to expand the offer of **products dedicated to protection from the cold**. The projects directly involved the manufacturing partners and carrying out specific protection tests against the cold implemented by the Group's internal laboratory which led to various outerwear items such as the padded Softshells to being certified.

# 1.7

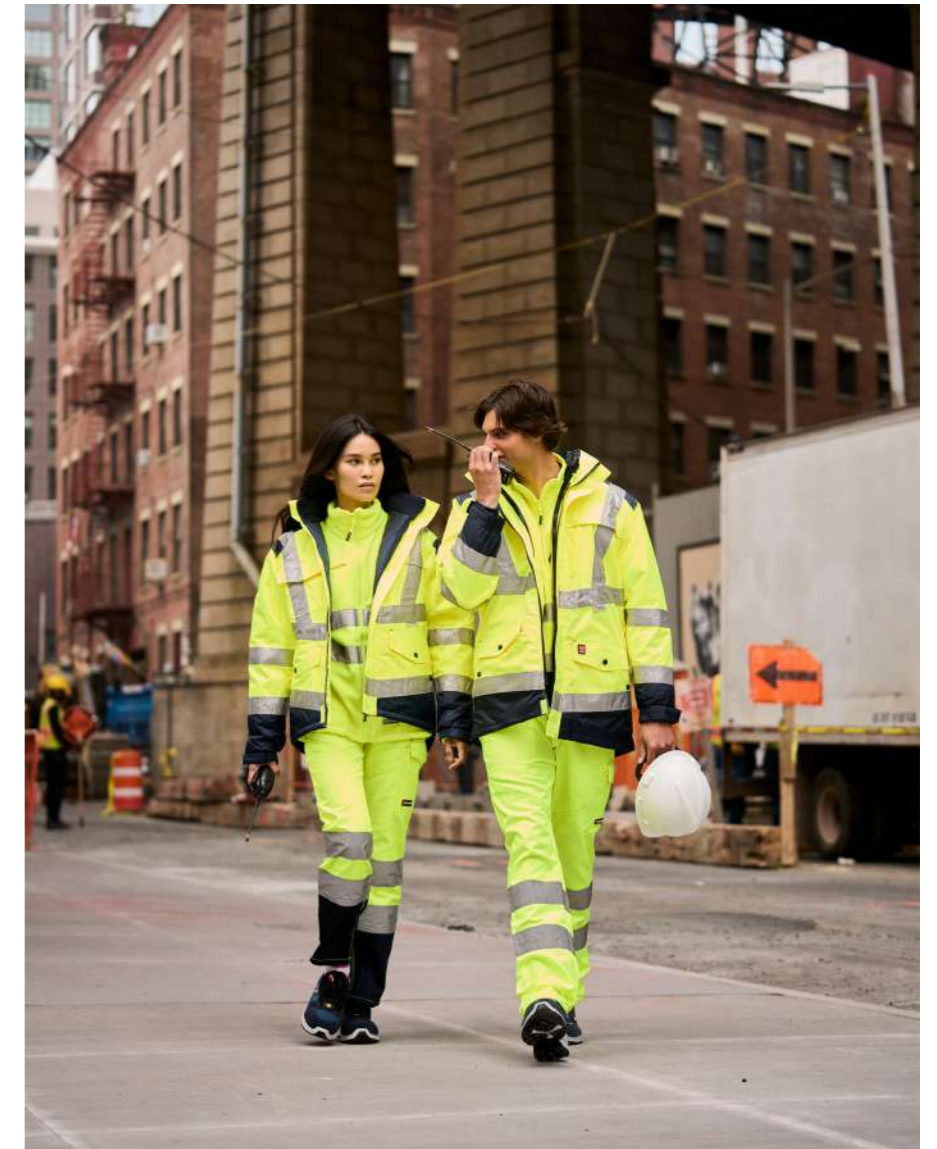


## The safety of the products and the guarantee of the health of the end customers

The Group's productions are **certified** according to international protection and safety parameters. 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 central **Quality Laboratory**. In 2023, the analysis and testing procedures on the products were updated in order to ensure that the verification processes for compliance with the parameters required by the new certifications acquired in 2022 and 2023, namely Better Cotton, GOTS and GRS, were carried out correctly.



## We promote the dissemination of sustainable practices for the healthiness of our products.



Furthermore, the entire production of Industrial Wear falls within the parameters of the **European REACH Regulation** (EC No. 1907/2006) which records, assesses, authorises and restricts the use of chemicals.

Finally, for several years now, the main suppliers of Industrial Wear have been producing with **OEKO-TEX® certified materials**.

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

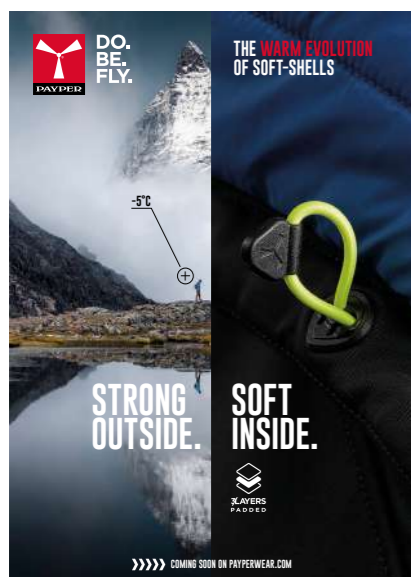
Both in 2022 and 2023, **100% of the Payper product categories** (Corporate Wear, Work & Safety, Footwear) were assessed for the impacts on the health and safety of end users.

# 1.8

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

The company's Customer Care department is constantly engaged **in ensuring rapid and effective customer support**, guaranteeing on average a resolution of complaints within a week of opening, with an **average of over 270 monthly contacts managed**.

Industrial Wear also carries out a continuous survey of **customer satisfaction** of the product and of the service offered through questionnaires which are then shared internally.



## At the service of our customers



### 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

Since 2021, the "Retail Experience" project has been developing individual agreements that provide for different types of partnerships depending on the format chosen with the retailers.

The aim is to intensify the relationship with the retailer, allowing the latter to obtain the optimal conditions to identify and build loyalty with the Payper brand. To do this, different levels of participation are offered:

- **PAYPER SMART POINT:** exhibition point intended for exhibiting periodic samples, created for customers who collaborate with the group.
- **PAYPER ISLAND:** exhibition area made up of free-standing displays.
- **PAYPER CORNER:** innovative display system with an ultra-modular design that can be adapted to any space.

To intensify the sales experience of our retailer, a **Visual Merchandising** service is also active with a sector professional who is responsible for implementing all the appropriate strategies to maximise the potential of each reality both at the retailer's premises and from a distance. Thanks to this service,



the retailer has the opportunity to stimulate the consumer to become loyal to Payper products, also enriching the quality and attention that distinguishes the brand.

Currently, **110 Retail Experience projects are active on the Italian territory**, while **128 are active internationally**. This reinforces the vision of being a company with a **strong international vocation, but one that promotes a typically Italian style**.

## Retail Experience

**110 projects** on the **Italian territory**

**128 projects** on the **international territory**





# Transparency

# 02



## The automated warehouse:

maximise operational efficiency while reducing environmental impacts.



### The material topics connected to the “Transparency” pillar

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



Our **business model** is based on **partnerships with suppliers** in charge of producing the finished product.



Constantly searching for **solutions with low environmental impact**

UN SUSTAINABLE DEVELOPMENT GOALS RELEVANT FOR THE “TRANSPARENCY” PILLAR >



**SDG 12 – RESPONSIBLE CONSUMPTION AND PRODUCTION**  
Ensure the well-being of the population through access to water, energy and food, while reducing over-consumption of natural resources.



**SDG 16 – PEACE, JUSTICE AND STRONG INSTITUTIONS**  
promote legality at national and international level, and ensure equal access to justice for all, reducing corruption and creating accountable and transparent institutions.



# 2.1

## Our supply chain

### Rules and certifications mapped within the supply chain



**60%**  
Suppliers certified by the **Amfori BSCI system**  
(+5% compared to 2022)

**16%**  
Suppliers certified by **SEDEX-SMETA**  
(Sedex Members Ethical Trade Audit)

**19%**  
ISO14001 Certified Suppliers  
(+2% compared to 2022)

**32%**  
ISO9001 Certified Suppliers

Industrial Wear's business model is mainly based on collaboration with manufacturing partners responsible for creating the products conceived and designed by the company.

The production of all the items in the "Corporate" and "Work-wear" catalogues takes place entirely abroad, mainly in **China, Bangladesh, Pakistan** and **India**, while the footwear line is **Made in Italy**.

Once made, the products are delivered by ship to the **ports of Ravenna, Genoa and La Spezia**. Containers are cleared on a daily basis and are subsequently transferred to the **logistics hubs in Ravenna, Rivalta Scrivia, Bertinoro and Bologna**. From here the products are finally transferred to the **internal warehouses** of Fiumana and Vecchiazzano, to then be shipped.



- Location of manufacturing partners
- Group headquarters and logistics warehouses
- Location of commercial branches



# 2.2

## Selecting and monitoring production partners

### We cultivate valuable relationships with our partners for ethical and quality production.

Over the years, Industrial Wear has carefully selected suppliers, built a strong bond of mutual trust, promoting a common development path. The company has collaborated closely with its partners, following **clear principles**, such as maintaining high **quality standards** and paying attention to fair and socially

responsible **working conditions**. The control of these aspects is ensured thanks to the presence of **technical offices in the main production sites** which, in addition to a purpose of **quality control and inspection** at the suppliers' premises, are responsible for the **coordination and follow-up of orders**.



### Assessment of suppliers with sustainability criteria

The supplier assessment includes an **initial screening phase**, in which data on various organisational aspects are requested, including compliance with environmental regulations, proper working conditions, with health and safety, non-discrimination parameters and with other **environmental and social criteria**. Following an initial positive assessment, the supplier is included in the **register of approved suppliers**, constantly updated by the Procurement Department. During 2023, **77% of the newly acquired suppliers** was **assessed**.

The remaining suppliers are in the assessment phase just described, in view of the launch of a new product line which will take place in 2024.

Furthermore, an **audit is carried out on all new suppliers of finished products and on existing suppliers** on an annual basis. In particular, a performance evaluation is carried out by an external body based on the **BSCI AMFORI Standard**, which takes into consideration **14 parameters, including Social Accountability, Health & Safety, Environment**. At the end of the assessment process, a **Factory Audit Report** is sent to the company; this contains the relative performance score for each of the areas considered.

Industrial Wear in fact uses suppliers registered with **AMFORI**, of which it is an official member. 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. Suppliers registered on this platform must also take appropriate measures to prevent or minimise the negative effects of production processes on the community, on natural resources and on the environment in general.



# 2.3

## Reducing impacts in the supply chain

The production of garments takes place at **various production sites around the world**, through **industrial processes characteristic of the textile industry**. These activities generate environmental impacts related to various aspects, such as energy

consumption, the production of emissions and water consumption. For the Group it is essential to understand in detail these processes and their consequences on the environment, in order to be able to make prudent choices in terms of **monitoring and collaborating with suppliers** towards the reduction of negative impacts.

To this end, Industrial Wear has prepared an in-depth analysis of the life cycle of its products through a *Life Cycle Assessment* (LCA) approach. This analysis, constantly updated, sheds light in particular on the **environmental impacts associated with the raw materials** that make up our products and on the relative management methods.

Aware of the environmental impacts generated in our supply chain, over the years we have implemented a series of activities and measures to reduce them.

**We raise awareness among production partners in the use of materials that generate lower environmental impacts** as they come from sustainable crops and production processes. In fact, for 2024 initiatives are underway to **increasingly implement the use of recycled fibres from sustainable sources**. On the other side, we inform users of Payper garments on how to wash the garments, **encouraging the use of programs and low temperatures** that guarantee a lower expenditure of energy and a reduction in the release of polyester into the water. Furthermore, we recommend the use of air drying to avoid the dispersion of micro-fibres in water.











MATERIAL	ENVIRONMENTAL IMPACTS ASSOCIATED WITH THE LIFE CYCLE OF RAW MATERIALS	IMPACT REDUCTION ACTIVITIES
<b>COTTON</b>	Cotton cultivation generates negative impacts on soil, biodiversity and water availability. The subsequent spinning phase also requires washing the cotton using a significant quantity of water. Finally, dyeing the garment involves the use of various chemical compounds and of substantial quantities of water.	<ul style="list-style-type: none"> <li>Using cottons from sustainable crops as part of joining the Better Cotton initiative</li> <li>Requesting all suppliers to provide a declaration relating to the non-use of polluting substances, with subsequent request to their sub-suppliers</li> <li>Possibility of raising awareness among suppliers for recovering energy from steam after the copper plating/sanforising treatment phase</li> </ul>
<b>POLYESTER AND POLYAMIDE</b>	The manufacturing phase of the reagents and the creation of the fibre by synthesis produces impacts related to the use of fossil fuels as basic raw materials, the consumption of water for washing, of electricity for regulating the process temperature and the particulate emissions associated with the chemical reactions generated.	<ul style="list-style-type: none"> <li>Addition of the indication on the label of the use of low washing temperatures (maximum 30°) to reduce the release of polyester</li> <li>Addition of the indication on the label not to use a tumble dryer, but to air dry, to avoid dispersion of the micro-fibres in the water</li> <li>The use of recycled polyester fibres is currently being assessed</li> </ul>
<b>LEATHER</b>	The initial phase of leather production involves the tanning and colouring activities, during which a significant use of water is required and there are potential risks of polluting the waters used due to the necessary chemical agents. Subsequently, in the cutting, hemming and shaping phase, the production of waste associated with manufacturing waste also takes place.	<ul style="list-style-type: none"> <li>It is potentially possible to recover the waste when inserting the anti-puncture plate, for its reuse</li> </ul>



Placing our products on the market also requires other **phases complementary to production, such as design, transport, use and end of life of the garments**, which

involve different steps of the value chain. These are phases common to all the products and materials that compose them, starting **from the design up to the end of their life**.

ACTIVITIES	ONGOING INITIATIVES FOR REDUCING IMPACTS
 <b>DESIGN: PRODUCT DESIGN WITH PROTOTYPE</b>	<ul style="list-style-type: none"> <li>• The prototype garments are donated to charity</li> <li>• The in-house prototypes are manufactured by reusing the fabrics sent by the suppliers for the initial tests</li> <li>• Reduced paper usage for tech files. The sheets are no longer printed and the signature is electronic</li> </ul>
 <b>MANUFACTURE OF THE GARMENT: CUTTING, PACKAGING, PREPARATION FOR SHIPMENT</b>	<ul style="list-style-type: none"> <li>• The paper pattern is designed to reduce fabric waste</li> <li>• The cardboard boxes for the packaging are sized to contain a number of items that fills them</li> <li>• The use of packaging bags made of material from post-consumer recycling or responsible management sources is being assessed</li> </ul>
 <b>TRANSPORT BY LAND TO THE PORT OF EMBARKATION</b>	
 <b>TRANSPORT BY SHIP TO THE PORT IN ITALY</b>	<ul style="list-style-type: none"> <li>• Optimisation of transport so that they are always fully loaded: containers are organised so that they are always full in order to reduce transport costs per volume of goods shipped. Activities for using electric transport or new generation ships with low environmental impact are planned for 2024</li> </ul>
 <b>TRANSPORT BY LAND FROM THE PORT TO THE LOGISTICS WAREHOUSE</b>	
 <b>LOGISTICS MANAGEMENT</b>	<ul style="list-style-type: none"> <li>• Management of cardboard waste with carton reuse when possible</li> <li>• Optimisation of transport: vehicles always travel fully loaded</li> </ul>
 <b>USE OF THE PRODUCT</b>	<ul style="list-style-type: none"> <li>• The shipped material is packed and placed in full cardboard boxes in order to reduce consumption and subsequent waste</li> <li>• Instructions on the correct differentiation in the case of PPE</li> </ul>
 <b>END OF LIFE</b>	<ul style="list-style-type: none"> <li>• High durability of the garment in order to extend the life cycle and reduce the overall impacts</li> <li>• Instructions for the consumer on the disposal of the garment at the end of its life</li> </ul>



# 2.4

## Efficiency and innovation in logistic processes

The Industrial Wear Group has always been attentive to the technological innovation of its production and logistics processes, and this is one of the reasons it is positioned among the European excellences of the sector.

In the headquarters opened in 2017, the company has **implemented state-of-the-art solutions in the logistics sector** which integrate management systems with new **automated technologies**, in order to ensure the **reduction of the environmental impact of the plants**, the well-being at work of the operators and, at the same time, to improve order processing times and increase productivity.



In particular, in recent years, the development of the company performance has been driven by the **technological evolution of the warehouse**. The company has made the transition from a system which provided for a completely manual management of the order to an integrated system that receives the order from the server, which in turn sends the input to the **automated warehouse** which activates the process leading to the order composition and the final shipment.

This technological leap has allowed the company to **significantly increase the efficiency of its logistics processes, thus improving customer service**: during most periods of the year, we are able to process an order within 24 hours of receipt.

**The advantages of the automated warehouse: less environmental impact, more efficiency, more well-being at work.**



# People

# 03



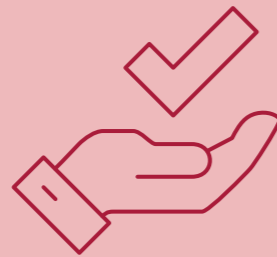
## 59% of female employees

as at 31 December 2023.



### The material topics connected to the "People" pillar

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



Adoption of the **Group Code of Ethics** and **SA 8000:2014** certification.

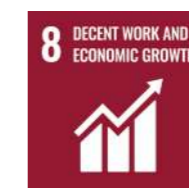


**209 employees**  
as at 31st December 2023,  
**Average age**  
about  
**40 years**  
**16% under 30 years of age.**

UN SUSTAINABLE DEVELOPMENT GOALS RELEVANT FOR THE "PEOPLE" PILLAR >



**SDG 5 – GENDER EQUALITY**  
Achieve gender equality and empower all women and girls.



**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.

# 3.1



## Fly together: our team



**+11%**  
Employee growth in 2023



**+19%**  
Of employees in the foreign branches in 2023



**59%**  
The group's female workforce



**16%**  
Of people are aged less than 30 in 2023

The promotion of individual skills and talents represents a fundamental pillar for the company in order to ensure the excellence of the products and the stability of the Group's operations over time. As at December 2023, the Industrial Wear Group has a workforce of **209 employees**, recording an **11% increase compared to 2022**. Over the course of the year, a positive net increase of 21 people was noted, with 45 new arrivals and 24 employees leaving the company. The workforce, which increased by approximately 11%, occurred in symbiosis with a company growth process that has maintained a stable trend for several years.

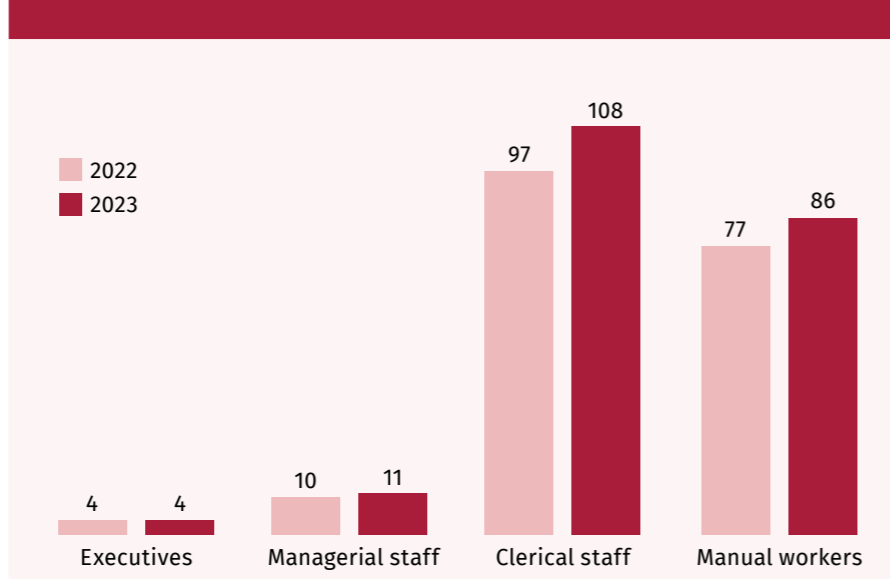
The majority of employees is located in **Italy** (170, equal to 81% in 2023) distributed in the sites of Fiumana (FC), Vecchiazano (FC), Barletta (BAT) for Industrial Wear and Forlì (FC) for Fashion Ink. The

workers employed in the **European offices** (France, Germany, Spain and the Czech Republic) are now 39, an increase compared to the 36 in 2022, demonstrating the **Group's growing presence on foreign markets**.

The Company has a strong propensity to hire **people from the local community**. The Group is also characterised by a workforce with a **moderate average age** (around 40 years), thanks to the presence of a significant share of young people (16% of people under the age of 30).

Of the total employees, **124 are women (59% in 2023)**, reflecting the company's strong commitment to promoting female employment. At contractual level, **open-ended contracts** prevail (81% of the total), able to ensure **stability and continuity to the company**.

Employees (headcount) by professional category



# 3.2



## 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**.

With the aim of formalising these essential elements for the Group, during 2023 Industrial Wear defined a **Social Sustainability Policy**, containing the guiding principles that the Company intends to apply when managing the working environment from a social point of view.

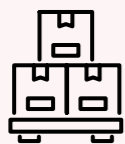
In fact, this document summarises the safeguards implemented in relation to compliance with and maintenance of the Group's main

certifications and management systems, specifically **SA 8000** and **Uni/PDR 125:2022**.

In particular, the SA8000 standard is an international standard that defines the requirements for ethically correct behaviour by companies towards workers and all interested parties; this standard was developed by SAI (Social Accountability International) and the certification was obtained for the first time by the Group in 2022.

In line with the provisions of the Standard, since 2021 Industrial Wear has defined its **Social Performance Team (SPT)** which aims to ensure compliance with the requirements defined by SA 8000. The SPT is a working group that deals with the management of the main social responsibility issues and is made up, in a balanced manner, of workers'

**We value staff with a positive and stimulating work environment.**



During 2023, in collaboration with Confindustria, the **reduction of daily hours from 8 to 6.5**, with equal pay, was confirmed for the picking operators of the Fiumana warehouse department.

representatives (freely elected) and of management representatives. The tasks of this group are:

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

Finally, as also defined within the Social Sustainability Policy, an important objective achieved during 2023 is represented by obtaining the **Gender Equality Certification** according to the **reference procedure PDR 125:2022**. Industrial Wear is in fact deeply convinced that the presence within its organisation of people belonging to different genders and, in a broader sense, to different cultures, is a reason for overall professional (as well as personal) enrichment and therefore allows

creating a stimulating, innovative and positively competitive working environment.

The Company recognises the importance of employee satisfaction in improving the quality and productivity of work. For this reason, innovative incentive policies and tools have been implemented to promote personal and family well-being, taking into consideration **the balance between work and personal life**, as well as the **sustainability of the purchasing power**. During 2023, a **welfare program** was once again formalised by implementing an internal regulation which aims to support and provide access to goods and services that satisfy the individual and family needs of all employees, in compliance with current legislation. Through this Plan, employees are entitled to an amount of personal credit, which can be used to purchase goods and services of their choice, including specialist healthcare services and family assistance.

Furthermore, in order to assess the effectiveness of the measures activated, a **questionnaire concerning the satisfaction with the Welfare service** was submitted to all workers during 2023. Specific checks are also carried out

periodically **Corporate atmosphere analyses** are carried out periodically by the communications department, in order to also obtain an indication of the employees' perception of the company, as well as possible ideas-proposals for improvement in various fields.

## Gender Equality Certification through the PDR 125:2022 procedure.

The Company undertakes to:

- Respect the principles of parity and equality set forth in the Constitution of the Italian Republic as well as in the first and second level legislation, the voluntarily adopted rules and the internal code regulations (see company Code of Ethics);
- Adopt policies and measures aimed not only at promoting female employment but also and above all at maintaining it over time, thus accompanying the female worker in the simultaneous implementation of projects of a professional as well as of a strictly personal nature; the same applies to male workers should they be the least represented gender in the company,
- Remove as much 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:
  - I. Equal opportunities to access work (personnel selection phase),
  - II. Income equality,
  - III. Equal access to career and training opportunities (personal assessment phase),
  - IV. Application and awareness on paternity leave in line with European best practices,
  - V. The presence of mechanisms for job protection and for guaranteeing 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 order to expand the skills present in the company, during 2023 the Group invested in hiring employees with specific knowledge relating to the activities currently underway and to possible future developments. The new hires in fact included people with particular know-how such as: 3D design, visual merchandising, material chemistry and communication.

Again with the aim of facilitating the reconciliation of work-life balance, an internal agreement relating to agile working, so-called “**smart working**”, was established in 2023. The agreement provides the opportunity for employees to take advantage of the appropriate tools so that work performance in agile mode is in line with organisational/production and individual needs.

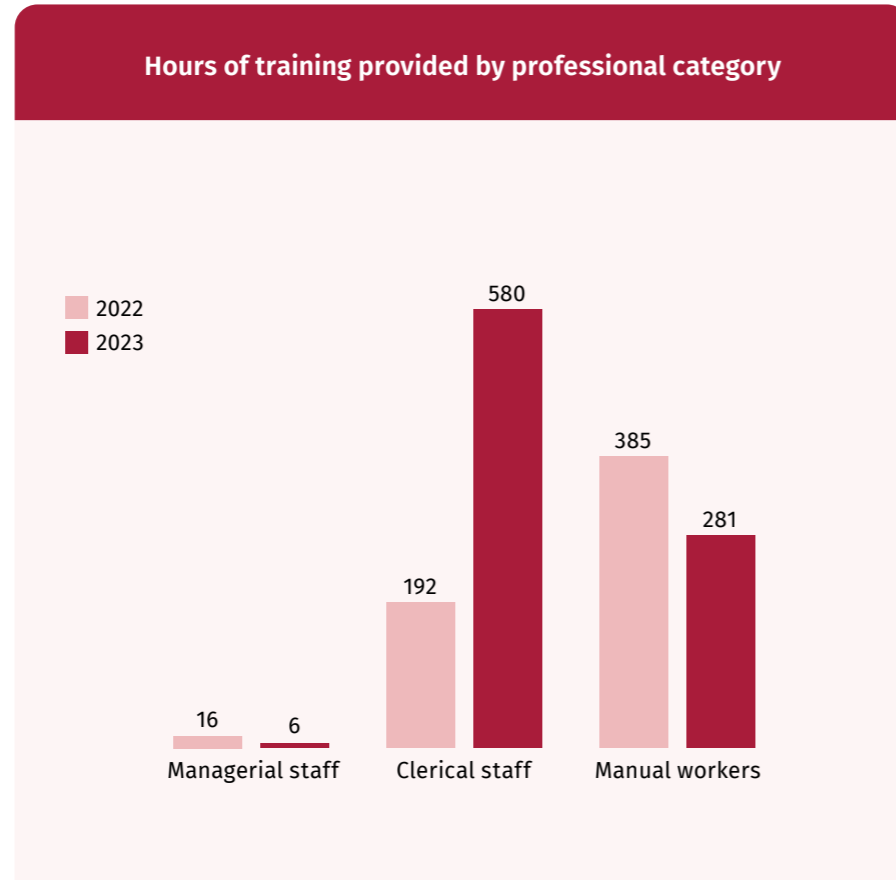
## Specific skills in the company are expanded through new hires.

As regards hiring policies, the company’s **recruitment process** is governed by a specific internal procedure and is based on a precise analysis of organisational needs. In order to make the search for skills more effective, Industrial Wear is committed to developing activities within the framework of Employer Branding, including various **collaborations with local schools**.

Personnel training is carefully monitored and planned through an internal database for **mapping**

**skills**. This activity has enabled creating a skills matrix, which allows keeping track constantly, for each employee, of the correspondence of the existing skills with those required, in order to plan periodic updates and **customised development paths**.

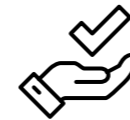
One of the objectives linked to the SA8000 management system, in fact, aims to define **career development** paths based on the skills acquired and on the assessments received by each employee.



# 3.3



**343 hours**  
For training courses on Occupational Health and Safety



**+49%**  
The hours dedicated to courses on Occupational Health and Safety (2023 vs. 2022)



**ISO 45001**  
Management system for Health and Safety at Work compliant with the standard

<sup>2</sup> One contusion and two sprains.



## Health and safety in the workplace

Since 2019, Industrial Wear has implemented a **Health and safety at work management system in compliance with the ISO 45001:2018 standard**, which is part of the Group’s integrated Quality-Safety-Environment management system. This system covers the sites of Fiumana, Vecchiazzano and Barletta. The system is periodically updated with a view to continuous improvement, and the certification by a third party body was **renewed at the beginning of 2023**.

The company carries out periodic **risk assessment activities related to health and safety** 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 **participation and consultation of workers** carried out by Industrial Wear is based on several initiatives, including periodic meetings

(e.g. Annual Report on Accident and Occupational Diseases), examination of the risk assessment document, discussion on recently issued regulations.

During 2023, the company organised **training courses on Occupational Health and Safety** for a total of **343 hours**. By the end of each year, General Management also defines the **Training plan** for the following year, also including the provision of training events on issues not strictly related to legal requirements. During 2023, **supplementary insurance** was also adopted for all people who travel abroad.

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

Regarding injuries, three minor<sup>2</sup> cases were recorded during 2023.





# Environment

# 04



**37% of the energy used comes from renewable sources in 2023.**



The material topics connected to the “Environment” pillar

- Energy consumption and emissions



**Management system certified**

according to the **UNI EN ISO 14001:2015** standard.



**85% of electricity used comes from clean energy**

UN SUSTAINABLE DEVELOPMENT GOALS RELEVANT FOR THE “ENVIRONMENT” PILLAR >



**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.

# 4.1



## Management of the impacts generated by the Group

The Group's commitment focuses on finding innovative solutions to gradually reduce its impact on the environment. Industrial Wear is not directly involved in the manufacturing process of the products but defines the design and purchases the finished garment from its manufacturing partners. Furthermore, the Group deals with the coordination of incoming and outgoing logistics processes. Consequently, **the environmental impacts deriving from company activities are mainly indirect and linked to the value chain.** For this reason, starting from 2023, the calculation process was developed to include the **quantification of Scope 3 emissions**, that is, the indirect emissions generated by activities outside the direct control of the organisation, but which are associated with their activities. These include the emissions that the Group generates along its value chain, both *upstream* and *downstream*, such as emissions linked to production and transport of materials used to manufacture the products, as well as emissions resulting from the use and disposal of the products themselves.

**The analysis of environmental risks is essential to assess the activities and opportunities for improvement.**



### The ISO 14001 environmental management system

Management of the direct environmental aspects is ensured by the presence of an **environmental management system compliant with ISO 14001**, which is part of the integrated Quality-Safety-Environment management system. The application scope of the system today covers the Fiumana Headquarters and the Vecchiazzano sites, while at the Barletta headquarters it is currently in the implementation phase and will be included in the integrated management system starting from 2024.

As part of the environmental management system, the company carries out appropriate **environmental risk analyses** with the aim of assessing in detail each activity carried out and the potential associated risks. The analysis of the Group's environmental risks (ANRA) identifies the main contextual factors, from the regulatory framework to the economic one, to the relevant factors in the supply chain and in the evolution of environmental conditions. This allows us to highlight the risks but also the opportunities to which the Group is exposed in order to develop appropriate safeguards.



**9,513 GJ**  
The Group's energy consumption in 2023



**Recharging station**  
Installed during the year

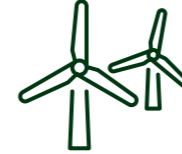


**37%**  
The energy coming from renewable sources consumed by the Group

# 4.2



## Energy consumption and emissions



**> 719,000 KWH**

The electricity purchased comes exclusively from renewable sources certified with Guarantee of Origin - GO



**605 tCO<sub>2</sub>e**  
The total direct GHG emissions generated (Scope 1 and Scope 2 – Location based)



**325,506 tCO<sub>2</sub>e**  
Total indirect GHG emissions (Scope 3)

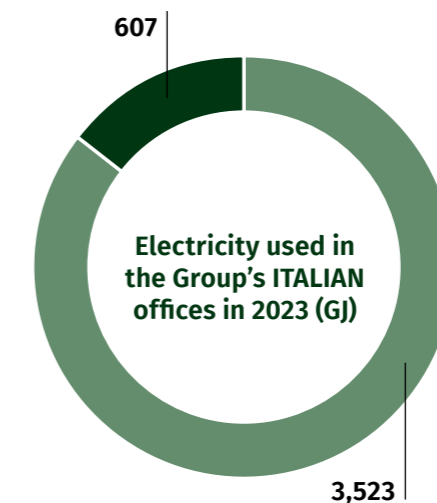
Industrial Wear is **actively engaged in reducing energy consumption and greenhouse emissions** related to its directly managed activities. In 2017, the design phase for building the new company headquarters in Fiumana di Predappio included the installation of a **photovoltaic system** which in 2023 was able to generate more than 275,000 kWh which, added to the almost 95,000 kWh produced by the Fashion Ink plant, allowed covering **about 22% of the Group's electricity needs.**

The majority of the Group's energy consumption is in fact attributable to **electricity consumption** to power the logistics warehouses located at **Fiumana and Vecchiazzano**, equal to 81% of the total electricity consumed by the Group.

For this reason, starting from 2023 in the sites just mentioned the Company has chosen to **purchase exclusively electricity from renewable sources**, also in order to contribute to reducing greenhouse gas emissions and

the Group's overall environmental impact.

Through this choice, and from the combination of the photovoltaic systems already in place, in 2023 **85% of the electricity used by the Group in Italy comes from clean energy** (compared to 24% in 2022).



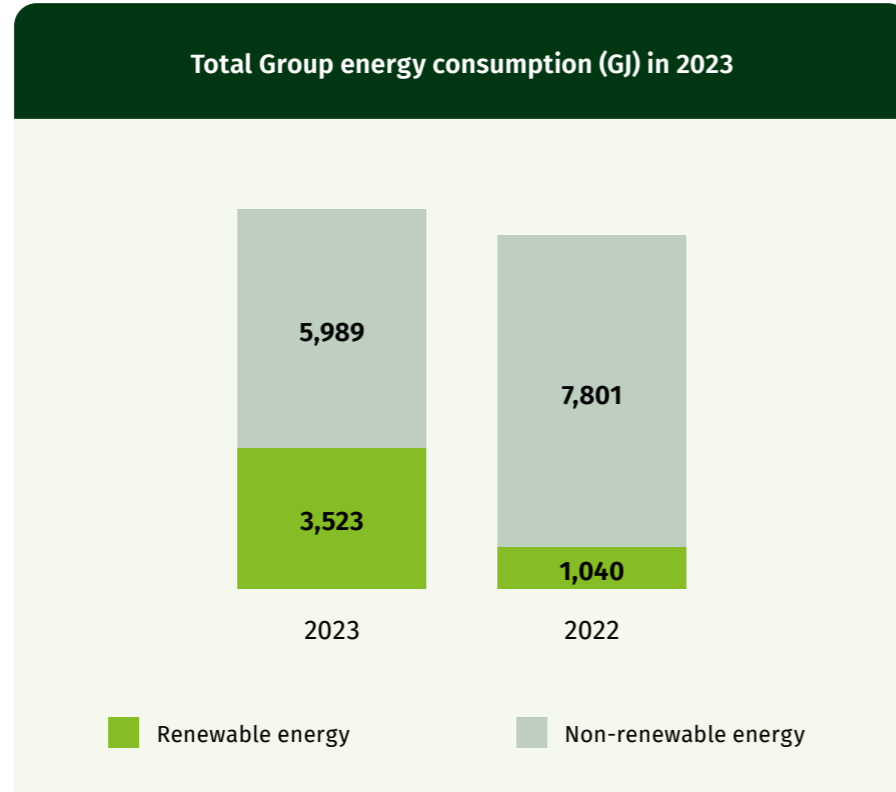
## We study concrete solutions to reduce environmental impacts thanks to technology and innovation

At Group level, energy from renewable sources amounted to 3,523 GJ or 37% of the total energy needs (the quantity was 1,040 GJ in 2022), with an increase of 26 percentage points compared to the previous year.

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

The room thermostats 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. Lastly, **awareness-raising activities were carried out among workers** to adopt correct behaviours aimed at reducing energy consumption.

Finally, **in 2023, a recharging station for electric vehicles**



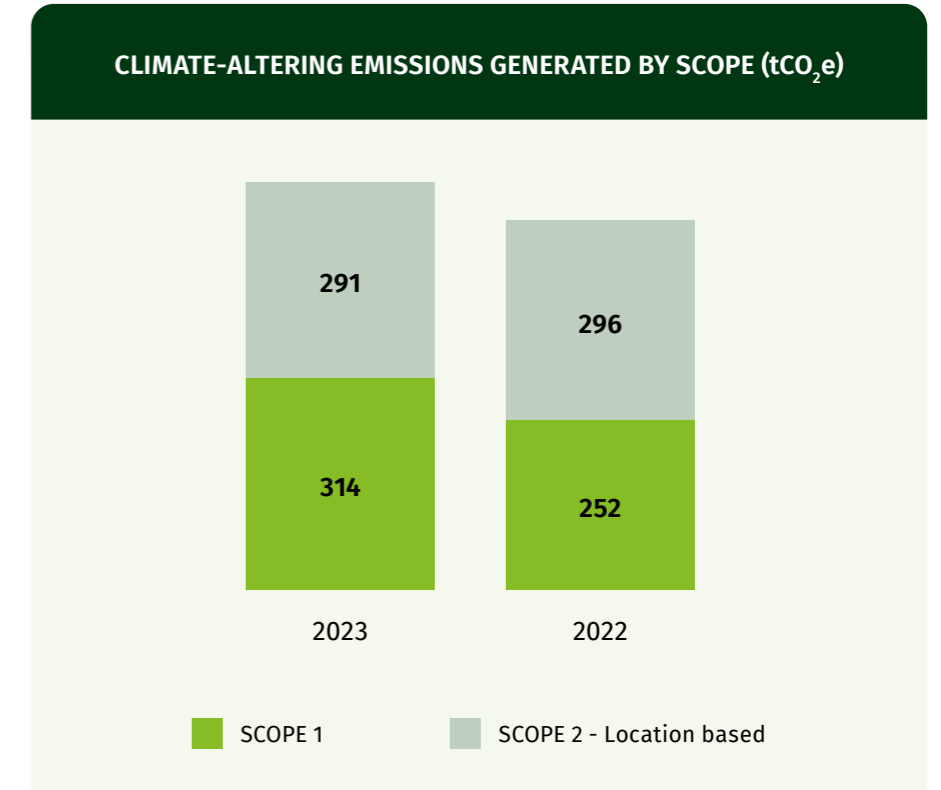
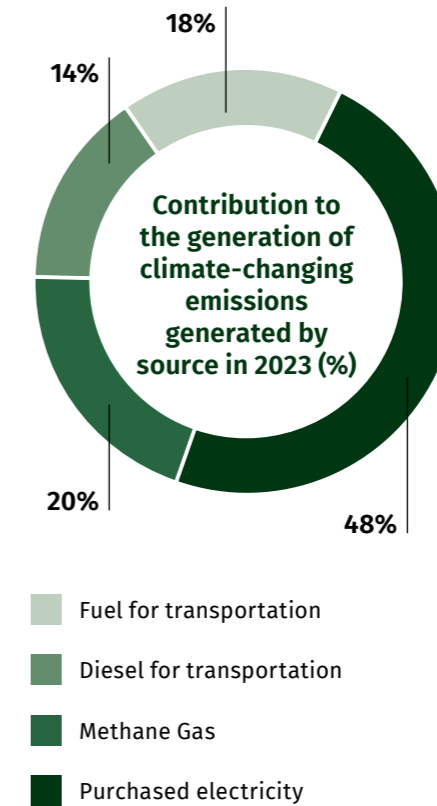
was installed at the Fiumana headquarters, not only with the aim of providing employees with a reliable infrastructure to recharge their vehicles during travel and daily activities, but also with the aim of promoting the adoption and diffusion of the use of electric vehicles.

The total of **Scope 1 direct climate-changing emissions** produced in 2023 amounted to 314 tCO<sub>2</sub>e, an increase compared to 2022 due to a more accurate quantification of the consumption of the Group's vehicles and to the increased travel by commercial representatives between the various offices. The Group's emissions were mainly generated by the consumption of natural gas, petrol and diesel.



However, **there is an active search for solutions to reduce these impacts**. As regards the **indirect Scope 2- Location based emissions** linked to the consumption of electricity, these were equal to 291 tCO<sub>2</sub> (296 tCO<sub>2</sub> in 2022).

In 2023, the total Scope 1 and Scope 2 emissions calculated according to the Location based method amounted to 605 tCO<sub>2</sub>e, an increase of 10% compared to the previous year (548 tCO<sub>2</sub>e), while **the total emissions of Scope 1 and Scope 2 - Market-based decreased by more than 40%** (there are 402 tCO<sub>2</sub>e in 2023 compared to 680 tCO<sub>2</sub>e in 2022), this occurred thanks to the use of electricity from renewable sources.



# 4.3



## The quantification of environmental impacts along the value chain

In order to improve the quantification of the impact of its activities, the first **quantification of the Scope 3 indirect emissions** was carried out during 2023, i.e. the indirect emissions that the organisation generates along its value chain, both *upstream* and *downstream*.

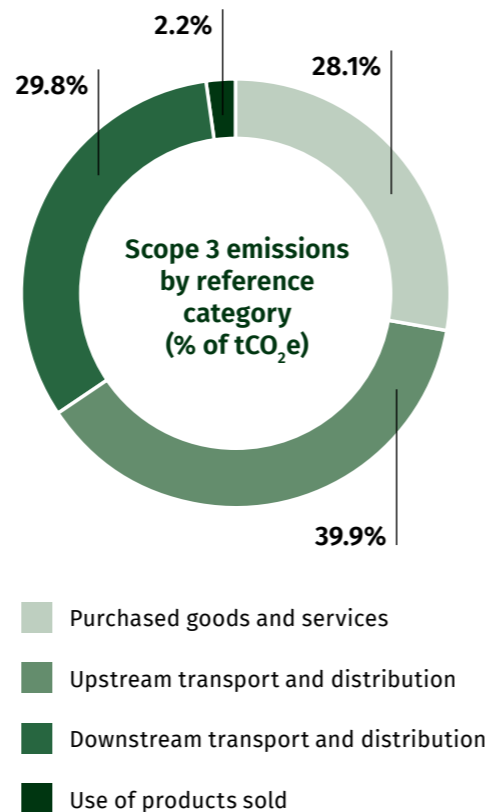
Considering the Group's business model, the Scope 3 categories envisaged by the GHG Protocol considered significant are: purchased goods and services, upstream transport and distribution (which also includes Assets leased by the Group), downstream transport and distribution and use of the products sold.

In 2023 **the Scope 3 emissions of the Group** amounted to approximately **323 thousand tCO<sub>2</sub>e**,

identifying the "*Upstream transport and distribution*" as the most significant category with a quantity equal to **128,795 tCO<sub>2</sub>e**, followed by the "*Downstream transport and distribution*" with **96,362 tCO<sub>2</sub>e**, the "*Purchased goods and services*" **90,916 tCO<sub>2</sub>e** and the "*Use of products sold*" with a quantity equal to **7,012 tCO<sub>2</sub>e**. The values of these emissions in percentage terms are reported below.

Since the most relevant categories are mainly *upstream transport and distribution* (an impact of 39.9%) and *downstream transport and distribution* (represented by 29.8% of the total Scope 3 emissions), research is underway into solutions for reducing the impact, through concrete actions that involve both the type of means of transport used and the technologies and innovations in place.

**We reuse cardboard packaging several times and reduce the use of plastic bags to reduce waste.**



# 4.4



## Sustainable management of packaging

All products placed on the market by Industrial Wear are provided with specific **primary and secondary packaging**, which differs in type and function. Among these, **paper and cardboard, plastic and wood** are particularly relevant.

Over time, various initiatives have been implemented to **reduce the impacts associated with the consumption of materials and with generating packaging waste**.

In particular, while assembling the order, the corrugated cardboard is **reused several times for subsequent shipments (re-packing)**, until a minimum tolerable quality threshold is reached. In 2023, the weight of the cardboard disposed of, equal to 98 tons, for the warehouses of Fiumana and Vecchiazano is equal to approximately 16% of the cardboard arrived at the factory. **The remaining 84% of the cardboard boxes that arrived at the plant in 2023 were reused to send other orders.**

Furthermore, **plastic bags in some items have also been eliminated**, bagging multiple items inside the same polybag.

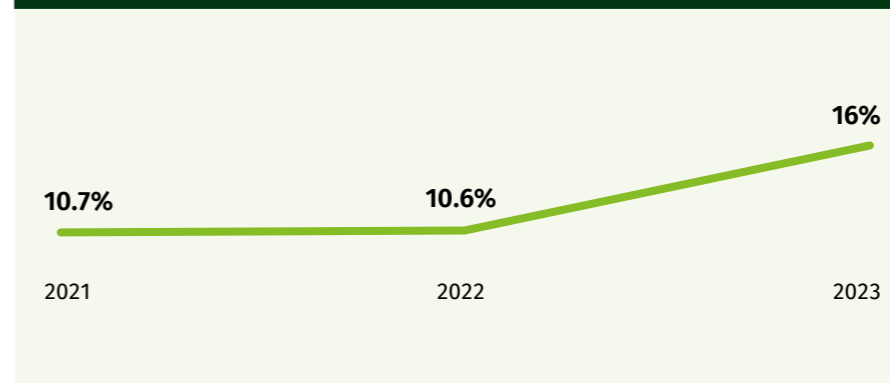
Packaging reduction activities are underway for some of our products. In particular, in 2024 new products will be placed on the market with an all-paper packaging that we estimate will save about

1 ton of plastic packaging. Furthermore, there is an on-going change in the use of packaging towards materials with a lower environmental impact.

**By 2030 we expect 100% of our products to be packaged using polybags with recycled plastic and sustainably sourced paper.**



**RATIO OF WEIGHT OF CARDBOARD BOXES DISPOSED OF TO BOXES RECEIVED (%)**



Furthermore, since 2023 Industrial Wear has implemented a further packaging initiative regarding the adhesive tape used for packaging. The use of the "*EcoHIT19*" line of adhesive tapes was undertaken, made with **films containing at least 85% post-consumer recycled material**. In general, the products of the "*EcoHIT19*" line contain overall **at least 61% post-consumer recycled material**.



# Appendices



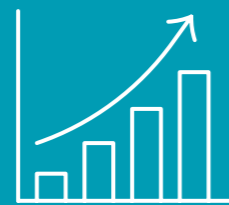
# GRI content index



- Economic responsibility
- Corporate social responsibility
- Environmental responsibility
- Supply chain responsibility



Industrial Wear S.r.l. has prepared this Sustainability Report in accordance with the GRI Standards for the period from 1/01/2023 to 31/12/2023.



# Performance indicators



# Methodological note





# Performance indicators

## ECONOMIC RESPONSIBILITY

GRI 201-1 Economic value directly generated and distributed

ECONOMIC VALUE DIRECTLY GENERATED AND DISTRIBUTED (IN EURO)		
	as at 31st December 2023	as at 31st December 2022
<b>Economic value directly generated</b>	<b>145,016,851</b>	<b>173,065,361</b>
<b>Economic value retained</b>	<b>14,326,812</b>	<b>9,482,685</b>
<b>Economic value distributed, of which:</b>	<b>130,690,039</b>	<b>163,582,676</b>
Value redistributed to Suppliers	108,333,768	144,944,720
Remuneration of Personnel	11,020,129	9,484,964
Remuneration of Lenders	2,953,652	890,142
Remuneration of Shareholders	2,000,000	3,900,000
Remuneration of the Public Administration	6,283,629	4,272,009
Remuneration of the Community	98,861	90,841

## CORPORATE SOCIAL RESPONSIBILITY

GRI 2-7 Employees

EMPLOYEES BY GENDER AND GEOGRAPHICAL AREA (HEADCOUNT)						
Geographical area	as at 31st December 2023			as at 31st December 2022 <sup>3</sup>		
	Men	Women	Total	Men	Women	Total
Industrial Wear Srl - Italy (Fiumana, Vecchiazano, Barletta)	54	92	146	52	82	134
Fashion ink Srl - Italy	7	17	24	7	11	18
Industrial Wear GmbH - Germany	8	4	12	9	5	14
Industrial Wear Sarl - France	6	5	11	5	4	9
Industrial Wear SRO - Czech Rep.	2	3	5	1	2	3
Industrial Wear Payper Sl - Spain	8	3	11	8	2	10
<b>Total Group employees</b>	<b>85</b>	<b>124</b>	<b>209</b>	<b>82</b>	<b>106</b>	<b>188</b>

<sup>3</sup> The 2022 figure has been restated following an improvement in the human resources data collection process.

EMPLOYEES BY TYPE OF CONTRACT (OPEN-ENDED, FIXED-TERM CONTRACT), GENDER AND GEOGRAPHICAL AREA (HEADCOUNT)							
Geographical area	Type of contract	as at 31st December 2023			as at 31st December 2022		
		Men	Women	Total	Men	Women	Total
Industrial Wear Srl - Italy (Fiumana, Vecchiazano, Barletta)	Open-ended	48	70	118	47	60	107
	Fixed-term	6	22	28	5	22	27
	<b>Total</b>	<b>54</b>	<b>92</b>	<b>146</b>	<b>52</b>	<b>82</b>	<b>134</b>
Fashion ink Srl - Italy	Open-ended	5	9	14	4	10	14
	Fixed-term	2	8	10	3	1	4
	<b>Total</b>	<b>7</b>	<b>17</b>	<b>24</b>	<b>7</b>	<b>11</b>	<b>18</b>
Industrial Wear GmbH - Germany	Open-ended	7	4	11	8	4	12
	Fixed-term	1	-	1	1	1	2
	<b>Total</b>	<b>8</b>	<b>4</b>	<b>12</b>	<b>9</b>	<b>5</b>	<b>14</b>
Industrial Wear Sarl - France	Open-ended	6	5	11	5	4	9
	Fixed-term	-	-	-	-	-	-
	<b>Total</b>	<b>6</b>	<b>5</b>	<b>11</b>	<b>5</b>	<b>4</b>	<b>9</b>
Industrial Wear SRO - Czech Rep.	Open-ended	2	3	5	1	2	3
	Fixed-term	-	-	-	-	-	-
	<b>Total</b>	<b>2</b>	<b>3</b>	<b>5</b>	<b>1</b>	<b>2</b>	<b>3</b>
Industrial Wear Payper SLU - Spain	Open-ended	8	3	11	8	2	10
	Fixed-term	-	-	-	-	-	-
	<b>Total</b>	<b>8</b>	<b>3</b>	<b>11</b>	<b>8</b>	<b>2</b>	<b>10</b>
<b>Total Group employees</b>	<b>Open-ended</b>	<b>76</b>	<b>94</b>	<b>170</b>	<b>73</b>	<b>82</b>	<b>155</b>
	<b>Fixed-term</b>	<b>9</b>	<b>30</b>	<b>39</b>	<b>9</b>	<b>24</b>	<b>33</b>
	<b>Total</b>	<b>85</b>	<b>124</b>	<b>209</b>	<b>82</b>	<b>106</b>	<b>188</b>

EMPLOYEES BY TYPE OF EMPLOYMENT (FULL-TIME AND PART-TIME), GENDER AND GEOGRAPHICAL AREA (HEADCOUNT)							
Geographical area	Type of contract	as at 31st December 2023			as at 31st December 2022		
		Men	Women	Total	Men	Women	Total
Industrial Wear Srl - Italy (Fiumana, Vecchiazano, Barletta)	Full-time	53	70	123	51	65	116
	Part-time	1	22	23	1	17	18
	Part-time (%)	2%	24%	16%	2%	21%	13%
	<b>Total</b>	<b>54</b>	<b>92</b>	<b>146</b>	<b>52</b>	<b>82</b>	<b>134</b>
Fashion ink Srl - Italy	Full-time	7	15	22	7	10	17
	Part-time	-	2	2	-	1	1
	Part-time (%)	0%	12%	8%	0%	9%	6%
	<b>Total</b>	<b>7</b>	<b>17</b>	<b>24</b>	<b>7</b>	<b>11</b>	<b>18</b>
Industrial Wear GmbH - Germany	Full-time	7	3	10	7	3	10
	Part-time	1	1	2	2	2	4
	Part-time (%)	13%	25%	17%	22%	40%	29%
	<b>Total</b>	<b>8</b>	<b>4</b>	<b>12</b>	<b>9</b>	<b>5</b>	<b>14</b>
Industrial Wear Sarl - France	Full-time	6	5	11	5	4	9
	Part-time	-	-	-	-	-	-
	Part-time (%)	0%	0%	0%	0%	0%	0%
	<b>Total</b>	<b>6</b>	<b>5</b>	<b>11</b>	<b>5</b>	<b>4</b>	<b>9</b>
Industrial Wear SRO - Czech Rep.	Full-time	2	3	5	1	2	3
	Part-time	-	-	-	-	-	-
	Part-time (%)	0%	0%	0%	0%	0%	0%
	<b>Total</b>	<b>2</b>	<b>3</b>	<b>5</b>	<b>1</b>	<b>2</b>	<b>3</b>
Industrial Wear Payper SLU - Spain	Full-time	8	3	11	8	2	10
	Part-time	-	-	-	-	-	-
	Part-time (%)	0%	0%	0%	0%	0%	0%
	<b>Total</b>	<b>8</b>	<b>3</b>	<b>11</b>	<b>8</b>	<b>2</b>	<b>10</b>
<b>Total Group employees</b>	<b>Full-time</b>	<b>83</b>	<b>99</b>	<b>182</b>	<b>79</b>	<b>86</b>	<b>165</b>
	<b>Part-time</b>	<b>2</b>	<b>25</b>	<b>27</b>	<b>3</b>	<b>20</b>	<b>23</b>
	<b>Part-time (%)</b>	<b>2%</b>	<b>20%</b>	<b>13%</b>	<b>4%</b>	<b>19%</b>	<b>12%</b>
	<b>Total</b>	<b>85</b>	<b>124</b>	<b>209</b>	<b>82</b>	<b>106</b>	<b>188</b>

GRI 2-8 Workers who are not employees

EXTERNAL COLLABORATORS BY GENDER (HEADCOUNT)						
Professional category	as at 31st December 2023			as at 31st December 2022		
	Men	Women	Total	Men	Women	Total
Personnel on outsourced contracts	-	-	-	1	-	1
Interns/Trainees	-	1	1	-	-	-
Self-employed/freelancers	1	1	2	4	1	5
Contracts for freelance work – continuous collaboration contracts	-	-	-	3	-	3
<b>Total external collaborators</b>	<b>1</b>	<b>2</b>	<b>3</b>	<b>8</b>	<b>1</b>	<b>9</b>

GRI 405-1 Diversity of governance bodies and employees

EMPLOYEES BY PROFESSIONAL CATEGORY AND GENDER (HEADCOUNT)						
Number of people	as at 31st December 2023			as at 31st December 2022		
	Men	Women	Total	Men	Women	Total
Executives	4	0	4	4	0	4
Managerial staff	9	2	11	8	2	10
Clerical staff	42	66	108	37	60	97
Manual workers	30	56	86	33	44	77
<b>Total</b>	<b>85</b>	<b>124</b>	<b>209</b>	<b>82</b>	<b>106</b>	<b>188</b>

EMPLOYEES BY PROFESSIONAL CATEGORY AND GENDER (HEADCOUNT) - PERCENTAGE						
Number of people	as at 31st December 2023			as at 31st December 2022		
	Men	Women	Total	Men	Women	Total
Executives	100%	0%	2%	100%	0%	2%
Managerial staff	82%	18%	5%	80%	20%	5%
Clerical staff	39%	61%	52%	38%	62%	52%
Manual workers	35%	65%	41%	43%	57%	41%
<b>Total</b>	<b>41%</b>	<b>59%</b>	<b>100%</b>	<b>44%</b>	<b>56%</b>	<b>100%</b>

EMPLOYEES BY PROFESSIONAL CATEGORY AND AGE GROUP (HEADCOUNT)								
Number of people	as at 31st December 2023				as at 31st December 2022			
	<30	30-50	>50	Total	<30	30-50	>50	Total
Executives	0	1	3	4	0	1	3	4
Managerial staff	0	6	5	11	0	8	2	10
Clerical staff	16	55	37	108	10	55	32	97
Manual workers	18	45	23	86	13	34	30	77
<b>Total</b>	<b>34</b>	<b>107</b>	<b>68</b>	<b>209</b>	<b>23</b>	<b>98</b>	<b>67</b>	<b>188</b>

EMPLOYEES BY PROFESSIONAL CATEGORY AND AGE GROUP (HEADCOUNT) - PERCENTAGE								
Number of people	as at 31st December 2023				as at 31st December 2022			
	<30	30-50	>50	Total	<30	30-50	>50	Total
	Executives	0%	25%	75%	2%	0%	25%	75%
Managerial staff	0%	55%	45%	5%	0%	80%	20%	5%
Clerical staff	15%	51%	34%	52%	10%	57%	33%	52%
Manual workers	21%	52%	27%	41%	17%	44%	39%	41%
<b>Total</b>	<b>16%</b>	<b>51%</b>	<b>33%</b>	<b>100%</b>	<b>12%</b>	<b>52%</b>	<b>36%</b>	<b>100%</b>

EMPLOYEES BELONGING TO PROTECTED GROUPS BY PROFESSIONAL CATEGORY* (HEADCOUNT)						
Number of people	as at 31st December 2023			as at 31st December 2022		
	Men	Women	Total	Men	Women	Total
	Executives	0	0	-	0	0
Managerial staff	0	0	-	0	0	-
Clerical staff	2	3	5	0	2	2
Manual workers	2	4	6	1	3	4
<b>Total</b>	<b>4</b>	<b>7</b>	<b>11</b>	<b>1</b>	<b>5</b>	<b>6</b>

COMPOSITION OF THE BOARD OF DIRECTORS BY GENDER AND AGE GROUPS - PERCENTAGE								
Number of people	as at 31st December 2023				as at 31st December 2022			
	<30	30-50	>50	Total	<30	30-50	>50	Total
	Men	0%	75%	25%	100%	0%	75%	25%
Women	0%	0%	0%	0%	0%	0%	0%	0%
<b>Total</b>	<b>0%</b>	<b>75%</b>	<b>25%</b>	<b>100%</b>	<b>0%</b>	<b>75%</b>	<b>25%</b>	<b>100%</b>

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

NEW HIRES (HEADCOUNT)								
Number of people	as at 31st December 2023				as at 31st December 2022			
	<30	30-50	>50	Total	<30	30-50	>50	Total
	Men	6	8	2	16	6	10	5
Women	9	16	4	29	7	18	7	32
<b>Total</b>	<b>15</b>	<b>24</b>	<b>6</b>	<b>45</b>	<b>13</b>	<b>28</b>	<b>12</b>	<b>53</b>

RESIGNATIONS/DISMISSALS (HEADCOUNT)								
Number of people	as at 31st December 2023				as at 31st December 2022			
	<30	30-50	>50	Total	<30	30-50	>50	Total
	Men	3	7	3	13	3	12	3
Women	1	5	5	11	2	8	3	13
<b>Total</b>	<b>4</b>	<b>12</b>	<b>8</b>	<b>24</b>	<b>5</b>	<b>20</b>	<b>6</b>	<b>31</b>

RECRUITMENT AND TURNOVER RATE BY GENDER								
Number and rate of new hires and turnover by gender and geographical area	as at 31st December 2023				as at 31st December 2022			
	New hires		Resignations/ dismissals		New hires		Resignations/ dismissals	
	Number	%	Number	%	Number	%	Number	%
	Men	16	19%	13	15%	21	27%	18
Women	29	23%	11	9%	32	31%	13	13%
<b>Total</b>	<b>45</b>	<b>22%</b>	<b>24</b>	<b>11%</b>	<b>53</b>	<b>29%</b>	<b>31</b>	<b>17%</b>

HIRING RATE AND TURNOVER BY AGE GROUP								
Number and rate of new hires and turnover by age group	as at 31st December 2023				as at 31st December 2022			
	New hires		Resignations/ dismissals		New hires		Resignations/ dismissals	
	Number	%	Number	%	Number	%	Number	%
	<30 years	15	44%	4	12%	13	52%	5
30 - 50 years	24	22%	12	11%	28	30%	20	22%
>50 years	6	9%	8	12%	12	19%	6	10%
<b>Total</b>	<b>45</b>	<b>22%</b>	<b>24</b>	<b>11%</b>	<b>53</b>	<b>29%</b>	<b>31</b>	<b>17%</b>

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

TOTAL HOURS OF COMPULSORY TRAINING* BY PROFESSIONAL CATEGORY AND GENDER									
Professional category	as at 31st December 2023								
	No. of Hours Men	Total male employees	No. of hours per capita men	No. of Hours Women	Total female employees	No. of hours per capita women	No. of Hours Total	Total employees	Number of hours per capita
	Executives	-	4	-	-	-	-	-	4
Managerial staff	6	9	0.7	-	2	-	6	11	0.5
Clerical staff	47	42	1.1	52	66	0.8	99	108	0.9
Manual workers	96	30	3.2	142	56	2.5	238	86	2.8
<b>Total</b>	<b>149</b>	<b>85</b>	<b>1.8</b>	<b>194</b>	<b>124</b>	<b>1.6</b>	<b>343</b>	<b>209</b>	<b>1.6</b>
Professional category	as at 31st December 2022								
	No. of Hours Men	Total male employees	No. of hours per capita men	No. of Hours Women	Total female employees	No. of hours per capita women	No. of Hours Total	Total employees	Number of hours per capita
	Executives	-	4	-	-	-	-	-	4
Managerial staff	-	8	-	-	2	-	-	10	-
Clerical staff	50	37	1.4	68	60	1.1	118	97	1.22
Manual workers	138	33	4.2	116	44	2.6	254	77	3.30
<b>Total</b>	<b>188</b>	<b>82</b>	<b>2.3</b>	<b>184</b>	<b>106</b>	<b>1.7</b>	<b>372</b>	<b>188</b>	<b>1.98</b>

\* The Group has entered into agreements with the respective Employment agencies which have postponed the deadlines for adjusting the minimum mandatory number. For this reason, there are fewer than the previous year.

TOTAL HOURS OF NON-MANDATORY TRAINING <sup>5</sup> BY PROFESSIONAL CATEGORY AND GENDER									
as at 31st December 2023									
Professional category	No. of Hours Men	Total male employees	No. of hours per capita men	No. of Hours Women	Total female employees	No. of hours per capita women	No. of Hours Total	Total employees	Number of hours per capita
Executives	-	4	-	-	-	-	-	4	-
Managerial staff	-	9	-	-	2	-	-	11	-
Clerical staff	170	42	4.0	311	66	4.7	481	108	4.5
Manual workers	32	30	1.1	11	56	0.2	43	86	0.5
<b>Total</b>	<b>202</b>	<b>85</b>	<b>2.4</b>	<b>322</b>	<b>124</b>	<b>2.6</b>	<b>524</b>	<b>209</b>	<b>2.5</b>
as at 31st December 2021									
Professional category	No. of Hours Men	Total male employees	No. of hours per capita men	No. of Hours Women	Total female employees	No. of hours per capita women	No. of Hours Total	Total employees	Number of hours per capita
Executives	-	4	-	-	-	-	-	4	-
Managerial staff	8	8	1.0	8	2	4.0	16	10	1.6
Clerical staff	36	37	0.96	39	60	0.6	74	97	0.8
Manual workers	122	33	3.7	8	44	0.2	131	77	1.7
<b>Total</b>	<b>166</b>	<b>82</b>	<b>2.02</b>	<b>55</b>	<b>106</b>	<b>0.4</b>	<b>206</b>	<b>188</b>	<b>1.2</b>

GRI 2-21 Total annual Compensation Rate

TOTAL ANNUAL COMPENSATION RATE <sup>6</sup>		
Rate	2023	2022
Percentage change in the total annual salary of the highest-paid person	6.2%	6.7%
Percentage change in the average value of the total annual salary of all employees (excluding the highest paid person)	14%	-9.6%
<b>Salary ratio</b>	<b>8.34</b>	<b>9.67</b>
<b>Annual percentage change ratio</b>	<b>+0.4</b>	<b>-0.7</b>

GRI 2-30 Collective Bargaining Agreements

PERCENTAGE OF THE TOTAL NUMBER OF EMPLOYEES COVERED BY COLLECTIVE BARGAINING AGREEMENTS		
Total number of employees	as at 31st December 2023	as at 31st December 2022
Total number of employees	209	188
Number of employees with collective labour agreement <sup>7</sup>	192	171
<b>Total percentage</b>	<b>92%</b>	<b>91%</b>

<sup>5</sup> Mandatory training courses are safety-related courses (State-Regions Agreement L. Decree 81-2008).

<sup>6</sup> The total annual remuneration includes the basic salary in the form of annualised GAS as at 31 December, the expected bonuses, overtime and other components related to non-structural factors of the remuneration. The highest-paid individual in both years (2023 and 2022) is the person in charge of the External Sales Department. The target values were taken into account for the variable part of the remuneration, i.e. 100% of the obtainable bonus, as the actual amounts paid are not available at the date of publication of the Sustainability Report. Full-time equivalent (FTE) rates of pay were used for part-time employees. The annual percentage change ratio was calculated by considering the average change in the total annual salary of all employees (excluding the highest paid person) between the current year and the previous year.

GRI 403-9: Accidents at work

ACCIDENTS AT WORK – EMPLOYEES		
Number of accidents	2023	2022
Total number of recordable accidents at work	3	4
of which serious accidents <sup>8</sup>	0	0
Total number of deaths due to accidents at work	0	0
TIME DATA		
Hours	2023	2022
Hours worked	316,679	282,045
Multiplier for calculation	200,000	200,000
DEATH RATE AND ACCIDENT RATE <sup>9</sup>		
Rate	2023	2022
Rate of recordable accidents at work	1.89	2.84
Rate of serious accidents at work	0	0
Rate of deaths due to accidents at work	0	0
MAIN TYPES OF ACCIDENTS AT WORK		
Type of accident	2023	2022
Bruising, wound, crushing	1	2
Fracture, amputation, burn	0	0
Sprains, pulled muscles and strains	2	2
ACCIDENTS AT WORK – EXTERNAL WORKERS		
Number of accidents	2023	2022
Total number of recordable accidents at work	0	0
of which serious accidents <sup>6</sup>	0	0
Total number of deaths due to accidents at work	0	0
TIME DATA		
Hours	2023	2022
Hours worked	3,217	13,132
Multiplier for calculation	200,000	200,000
DEATH RATE AND ACCIDENT RATE <sup>8</sup>		
Rate	2023	2022
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

<sup>7</sup> The percentages shown are to be understood net of the countries where local legislation does not provide for the establishment of collective bargaining agreements. As regards Italian companies, reference is made to the Tertiary and to the Graphics and Publishing National Labour Collective Agreements (industry). As regards foreign companies, reference is made to the specific industry collective labour agreements currently in force in the reference countries.

<sup>8</sup> 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.

<sup>9</sup> Accidents that generate: death, work incapacity (total or partial), transfer limitations, medical treatments, first aid intervention are included, even if they do not generate days of absence from work. Accidents while commuting with a car owned by the employee are excluded. The frequency rates for the accident indices were calculated as follows: (Number of accidents / Number of hours worked) x 200,000.

## ENVIRONMENTAL RESPONSIBILITY

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

GRI 301-1: Materials used by weight or volume<sup>10</sup>

RENEWABLE MATERIALS				
Type of material	Unit of measurement	2023	2022	
Cotton	Tons	5,686	7,514	
Leather	Tons	93	161	
Paper	Tons	726	907	
Wood for packaging	Tons	775	N/A	
NON-RENEWABLE MATERIALS				
Type of material	Unit of measurement	2023	2022	
Polyester	Tons	2,001	2,997	
Polyamide	Tons	345	251	
Elastane	Tons	70	35	
Polypropylene	Tons	58	63	
Polyethylene	Tons	8	22	
Viscose	Tons	9	18	
Acrylic	Tons	1	2	
Other plastic for packaging	Tons	421	N/A	
<b>Total renewable materials</b>	<b>Tons</b>	<b>7,279</b>	<b>8,582</b>	
<b>Total non-renewable materials</b>	<b>Tons</b>	<b>2,913</b>	<b>3,389</b>	
<b>Total materials</b>	<b>Tons</b>	<b>10,192</b>	<b>11,971</b>	

GRI 302-1: Energy consumed within the organisation

ENERGY CONSUMPTION WITHIN THE ORGANISATION					
Type of consumption	Unit of measurement	2023		2022	
		Total	Total GJ	Total	Total GJ
<b>NON-RENEWABLE FUELS<sup>11</sup></b>		<b>5,234</b>		<b>4,380</b>	
Natural gas	Standard cubic metre	60,336	2,416	59,421	2,363
Fuel for transportation	L	45,040	1,534	23,446	800
Diesel for transportation	L	33,945	1,284	31,882	1,217
<b>ELECTRIC ENERGY<sup>12</sup></b>		<b>1,188,510</b>	<b>4,279</b>	<b>1,238,867</b>	<b>4,460</b>
<b>Electricity purchased from the network</b>	<b>kWh</b>	<b>929,033</b>	<b>3,345</b>	<b>950,091</b>	<b>3,420</b>
of which from non-renewable sources	kWh	209,782	755	950,091	3,420
of which from renewable sources	kWh	719,251	2,589	-	-
<b>Electricity self-produced by photovoltaic systems</b>	<b>kWh</b>	<b>369,577</b>	<b>1,330</b>	<b>383,551</b>	<b>1,381</b>
<b>Electricity self-produced and fed into the network</b>	<b>kWh</b>	<b>110,100</b>	<b>396</b>	<b>94,775</b>	<b>341</b>
from renewable sources - produced by photovoltaic systems	kWh	110,100	396	94,775	341
<b>Total energy consumption</b>	<b>GJ</b>	<b>9,513</b>		<b>8,840</b>	
<b>Non-renewable energy</b>	<b>GJ</b>	<b>5,989</b>		<b>7,801</b>	
<b>Renewable energy</b>	<b>GJ</b>	<b>3,523</b>		<b>1,040</b>	
<b>% Renewable energy on the total</b>	<b>%</b>	<b>37.04%</b>		<b>11.76%</b>	

## ENERGY CONSUMPTION CONVERSION FACTORS

Starting unit	Conversion unit	2023	Source 2023	2022	Source 2022
Electrical / Thermal Energy	GJ/kWh	0.0036	CONSTANT (International System)	0.0036	CONSTANT (International System)
Natural gas	GJ/1000smc	40.04		39.76	
Natural Gas (Density)	kg/m <sup>3</sup>	0.8		0.8	
Diesel for transportation	GJ/ton	45.41	DEFRA 2023	45.28	DEFRA 2022
Diesel (Density)	kg/litres	0.83		0.84	
Unleaded petrol for transportation	GJ/ton	45.58		46.00	
Petrol (Density)	kg/litres	0.75		0.74	

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

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

## DIRECT AND INDIRECT GHG EMISSIONS (SCOPE 1 AND SCOPE 2)<sup>13</sup>

Type of consumption	Unit of measurement	2023	2022	
		Total	Total	
<b>SCOPE 1</b>		<b>tCO<sub>2</sub>e</b>	<b>314</b>	<b>252</b>
Methane gas (Natural Gas)	tCO <sub>2</sub> e	123	120	
Petrol for transportation (fleet owned or leased on a long-term basis)	tCO <sub>2</sub> e	106	50	
Diesel for transportation (fleet owned or leased on a long-term basis)	tCO <sub>2</sub> e	85	82	
<b>SCOPE 2</b>				
Electricity purchased - Location based	tCO <sub>2</sub>	291	296	
Electricity purchased - Market Based	tCO <sub>2</sub>	88	428	
<b>TOTAL EMISSIONS (SCOPE 1 + SCOPE 2 - Location based)</b>		<b>tCO<sub>2</sub>e</b>	<b>605</b>	<b>548</b>
<b>TOTAL EMISSIONS (SCOPE 1 + SCOPE 2 - Market based)</b>		<b>tCO<sub>2</sub>e</b>	<b>402</b>	<b>680</b>

<sup>10</sup> 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.

<sup>11</sup> It should be noted that the consumption of fuel for motor vehicles for the company Industrial Wear Sarl was estimated on the basis of the kilometres travelled by the cars during the two reporting years using a conversion factor of 13 km/l for the petrol consumption and of 16 km/l for the diesel consumption.

<sup>12</sup> It should be noted that the electricity consumption for the year 2022 for the company Industrial Wear GmbH was estimated on the basis of the increase in the volume of hours worked and in personnel, using an estimation factor of +25% compared to 2021.

<sup>13</sup> The GRI Sustainability Reporting Standards provide for two methods for calculating Scope 2 emissions, the "Location-based method" and the "Market-based method". Both calculation methods were used for calculating the Scope 2 emissions, in line with the GRI Sustainability Reporting Standards. The Market-based method relies on the CO<sub>2</sub> emissions emitted by the energy providers from which the organisation purchases electricity through a contract, and can be calculated considering: Certificates of Guarantee of Origin of the energy and direct contracts with suppliers, emission factors specific to the supplier, emission factors relating to the "residual mix", i.e. to non-monitored or unclaimed energy and emissions (source: AIB - European Residual Mixes). The Location-based method relies on average emission factors relating to energy generation by well-defined geographical borders, including local, sub-national or national borders (source: Terna International Comparison). The Scope 2 emissions calculated with the Location-based and Market-based methods are expressed in tCO<sub>2</sub>; however, the percentage of methane and nitrous oxide has a negligible effect on the total emissions of greenhouse gases (CO<sub>2</sub> equivalent) as can be inferred from the technical literature of reference.

ENERGY CONSUMPTION EMISSION FACTORS					
Starting unit	Conversion unit	2023	Source 2023	2022	Source 2022
Natural gas	tCO <sub>2</sub> e/m <sup>3</sup>	0.002		0.002	
Fuel for transportation	tCO <sub>2</sub> e/ton	3.154	DEFRA 2023	2.903	DEFRA 2022
Diesel for transportation	tCO <sub>2</sub> e/ton	3.016		3.033	
Electricity (Location based) - IT	kgCO <sub>2</sub> /kWh	0.315		0.315	
Electricity (Location based) - FR	kgCO <sub>2</sub> /kWh	0.056		0.056	
Electricity (Location based) - DE	kgCO <sub>2</sub> /kWh	0.393	Terna 2019	0.393	Terna 2019
Electricity (Location based) - CZECH REP.	kgCO <sub>2</sub> /kWh	0.475		0.475	
Electricity (Location based) - ES	kgCO <sub>2</sub> /kWh	0.210		0.210	
Electricity (Market based) - IT	kgCO <sub>2</sub> /kWh	0.457		0.457	
Electricity (Market based) - FR	kgCO <sub>2</sub> /kWh	0.125		0.049	
Electricity (Market based) - DE	kgCO <sub>2</sub> /kWh	0.684	AIB 2023	0.618	AIB 2022
Electricity (Market based) - CZECH REP.	kgCO <sub>2</sub> /kWh	0.697		0.550	
Electricity (Market based) - ES	kgCO <sub>2</sub> /kWh	0.275		0.296	

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

OTHER INDIRECT GREENHOUSE GAS (GHG) EMISSIONS (SCOPE 3) <sup>14</sup>			
Reference category	Unit of measurement	2023	2022 <sup>15</sup>
		Total	Total
<b>1 - Purchased goods and services</b>	<b>tCO<sub>2</sub>e</b>	<b>90,916</b>	<b>N/A</b>
of which Assets <sup>16</sup>	tCO <sub>2</sub> e	89,880	N/A
of which Services <sup>17</sup>	tCO <sub>2</sub> e	1,036	N/A
<b>4 - Upstream transport and distribution</b>	<b>tCO<sub>2</sub>e</b>	<b>128,795</b>	<b>N/A</b>
of which actual transport <sup>18</sup>	tCO <sub>2</sub> e	128,145	N/A
of which leased Assets <sup>17</sup>	tCO <sub>2</sub> e	650	N/A
<b>9 - Downstream transport and distribution<sup>19</sup></b>	<b>tCO<sub>2</sub>e</b>	<b>96,362</b>	<b>N/A</b>
<b>11 - Use of products sold<sup>20</sup></b>	<b>tCO<sub>2</sub>e</b>	<b>7,012</b>	<b>N/A</b>
<b>TOTAL EMISSIONS (SCOPE 3)</b>	<b>tCO<sub>2</sub>e</b>	<b>323,085</b>	<b>N/A</b>

<sup>14</sup> The "Ecotransit" tool was used for calculations relating to routes carried out by sea; for routes by land, Google Maps was implemented.

<sup>15</sup> The 2022 data is not available as the calculation was implemented for the first time during the 2023 fiscal year.

<sup>16</sup> The types of material considered were calculated by taking into consideration the specific composition of the individual garments. The specific emission factors have been identified for 97% of the types of materials; for the remaining 3% of synthetic material, a coefficient calculated on the average of the relevant synthetic materials was considered. As regards the emission factors used, Ecoinvent Version 3.10 factors were considered.

<sup>17</sup> Data calculated by applying appropriate "EEIO emission factors" to the expenditure data.

<sup>18</sup> Data calculated by applying DEFRA 2023 factors considering transport by truck, ship and train.

<sup>19</sup> Data calculated by applying DEFRA 2023 emission factors.

<sup>20</sup> As regards the category, the washing phase is considered the main reference process associated with a maximum number of 25 washes for each garment. Product categories identified as merchandising and protective accessories such as: gloves, welding accessories, shoes and sanitizers were not included in the calculation as there are no specific washing cycles for these. As for the washing process, this took into consideration a machine for domestic use with a load capacity of 9kg, belonging to the energy efficiency class "A", and with an annual consumption of between 279-322 kWh for 220 washes (between 40°C and 60°C), Source: ENEA. Consumption was re-measured according to the types of washes indicated on the label of the individual items sold (30°C, 40°C and 60°C). The emission factors considered, which took into account the destination of sales in the various countries, are from "AIB 2023 Supplier Mix" for European countries and from "Terna 2019" for non-European countries.

## SUPPLY CHAIN RESPONSIBILITY

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

NEW SUPPLIERS ASSESSED WITH ENVIRONMENTAL CRITERIA		
	as at 31st December 2023	as at 31st December 2022
Total new suppliers	13	4
New suppliers assessed according to environmental criteria	10	4
Percentage of new suppliers that were screened using environmental criteria	77%	100%

GRI 308-2: Negative environmental impacts in the supply chain and actions taken<sup>21</sup>

NEGATIVE ENVIRONMENTAL IMPACTS IN THE SUPPLY CHAIN		
	2023	2022
	No. of	No. of
Suppliers that underwent environmental impact assessments	10	16
Suppliers that are found to have significant, potential and current negative environmental impacts	0	0

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

NEW SUPPLIERS ASSESSED WITH SOCIAL CRITERIA		
	as at 31st December 2023	as at 31st December 2022
Total new suppliers	13	4
New suppliers assessed according to social criteria	10	4
Percentage of new suppliers that were screened using social criteria	77%	100%

GRI 414-2: Negative social impacts in the supply chain and actions taken<sup>14</sup>

NEGATIVE SOCIAL IMPACTS IN THE SUPPLY CHAIN		
	2023	2022
	No. of	No. of
Suppliers that underwent social impact assessments	10	16
Suppliers that are found to have significant, potential and current negative social impacts	0	1 <sup>22</sup>

<sup>21</sup> Industrial Wear does not currently plan binding action plans to improve the situation within its supply chain (no improvements were agreed as a result of the assessment). The Group undertakes to implement these initiatives (as envisaged by points "d" and "e" of the relevant GRI disclosure), in subsequent reporting years.

<sup>22</sup> The case refers to the result obtained by a supplier following an audit process carried out by an external body which highlighted the possibilities for improvement in the following areas: working hours, safe and healthy employment, Social Management System.



## GRI content index

<b>Statement of use</b>	Industrial Wear S.r.l. has prepared this Sustainability Report in accordance with the GRI Standards for the period from 1/01/2023 to 31/12/2023
<b>GRI 1 used</b>	GRI 1: Fundamental principles (2021)
<b>Applicable Sector GRI Standards</b>	N/A

GRI STANDARD	INFORMATION NOTE	PAGE	OMISSION		
			Requirement omitted	Reason	Explanation
<b>GENERAL DISCLOSURES</b>					
<b>GRI 2: General Disclosure (2021)</b>	2-1 Organisational details	12			
	2-2 Entities included in the organisation's sustainability reporting	94			
	2-3 Reporting period, frequency and contacts	94			
	2-4 Restatements of information	94			
	2-5 External Assurance	94			
	2-6 Activities, value chain and other business relationships	15-16; 48-49; 52			
	2-7 Employees	60; 76-78			
	2-8 Non-employee workers	79			
	2-9 Governance structure and composition	10-13			
	2-10 Appointment and selection of the highest governance body	12			
	2-11 Chairman of the highest governance body	12			
	2-12 Role of the highest governance body in overseeing impact management	12			
	2-13 Delegation of responsibility for impact management	26-28			
	2-14 Role of the highest governance body in sustainability reporting	12-13; 26-28			
	2-15 Conflicts of Interest	12			
	2-16 Communication of critical issues	24-25			
	2-17 Collective knowledge of the highest governance body	26-28			

GRI STANDARD	INFORMATION NOTE	PAGE	OMISSION		
			Requirement omitted	Reason	Explanation
<b>GRI 2: General Disclosure (2021)</b>	2-18 Performance assessment of the highest governance body	26; 30			
	2-19 Remuneration policies	13			
	2-20 Process for determining remuneration	13; 24			
	2-21 Annual Total Compensation Report	82			
	2-22 Sustainable Development Strategy Statement	5			
	2-23 Policy commitments	29-33			
	2-24 Integration of commitments in terms of policy	29-31			
	2-25 Processes to remedy adverse impacts	24-25; 31-33			
	2-26 Mechanisms for requesting clarifications and raising concerns	24-25; 61			
	2-27 Compliance with laws and regulations	During the 2023 financial year, no significant fines or sanctions were recorded for non-compliance with laws and regulations.			
2-28 Belonging to associations	27; 41				
2-29 Approach to stakeholder involvement	27				
2-30 Collective Bargaining Agreements	82				
<b>MATERIAL TOPICS</b>					
<b>GRI 3: Material Topics (2021)</b>	3-1 Process for determining material topics	28; 94-95			
	3-2 List of material topics	28; 94-95			
<b>Material topic: ECONOMIC PERFORMANCE</b>					
<b>GRI 3: Material Topics (2021)</b>	3-3 Management of material topics	19			
<b>GRI 201: Economic performance (2016)</b>	201-1 - Direct economic value generated and distributed	76			
<b>Material topic: ETHICS AND BUSINESS INTEGRITY</b>					
<b>GRI 3: Material Topics (2021)</b>	3-3 Management of material topics	24-25			
<b>GRI 205 Anti-Corruption (2016)</b>	205-3 - Confirmed incidents of corruption and actions taken	During 2023, no cases of corruption and/or reports on the matter were recorded.			

GRI STANDARD	INFORMATION NOTE	PAGE	OMISSION		
			Requirement omitted	Reason	Explanation
<b>GRI 206 Anti-competitive behaviours (2016)</b>	206-1 Legal actions for anti-competitive behaviour, antitrust and monopoly practices	During 2023, there were no legal actions against the company with reference to anti-competitive practices and/or violations of regulations on antitrust and monopolistic practices.			
<b>Material topic: COMPLIANCE AND REPUTATION</b>					
<b>GRI 3: Material Topics (2021)</b>	3-3 Management of material topics	24-25			
<b>GRI 207: Taxes</b>	207-1 - Approach to taxation	Industrial Wear adopts a precautionary approach without aggressive or evasive policies in order to fulfil tax obligations in a transparent manner, as it considers this to be one of the fundamental aspects for an ethical and responsible management by the Group.			
	207-2 - Tax governance, control and risk management	The Group pursues a behaviour aimed at complying with the tax regulations applicable in the countries in which it operates and at interpreting them in such a manner as to responsibly manage tax risk, in order to satisfy the interests of all stakeholders.			
<b>GRI 418: Customer privacy</b>	418-1 Substantiated complaints concerning breaches of customer privacy and losses of customer data	During 2023, there were no cases concerning breaches of customer privacy and/or of leaks, theft or loss of customer data.			
<b>Material topic: ENERGY CONSUMPTION AND EMISSIONS</b>					
<b>GRI 3: Material Topics (2021)</b>	3-3 Management of material topics	68-72			
<b>GRI 302: Energy (2016)</b>	302-1 - Energy consumption within the organisation	69-70; 84-85			
	305-1 Direct GHG emissions (Scope 1)	85-86			
<b>GRI 305: Emissions (2016)</b>	305-2 - Energy indirect GHG emissions (Scope 2)	85-86			
	305-3 Other indirect greenhouse gas emissions (Scope 3)	86			

GRI STANDARD	INFORMATION NOTE	PAGE	OMISSION		
			Requirement omitted	Reason	Explanation
<b>Material topic: MANAGEMENT OF RAW MATERIALS</b>					
<b>GRI 3: Material Topics (2021)</b>	3-3 Management of material topics	39-42; 73			
<b>GRI 301: Materials (2016)</b>	301-1 Materials used by weight and volume	39; 84			
<b>GRI 306: Waste (2020)</b>	306-1 - Waste generation and significant waste-related impacts	73			
	306-2 - Management of significant waste-related impacts	68; 73			
<b>Material topic: EMPLOYEE TRAINING, DEVELOPMENT AND WELL-BEING</b>					
<b>GRI 3: Material Topics (2021)</b>	3-3 Management of material topics	60-64			
<b>GRI 401: Employment (2016)</b>	401-1 New employee hires and employee turnover	60; 80-81			
<b>GRI 404: Training and Education (2016)</b>	404-1 Average hours of training per year per employee	64; 81-82			
<b>Material topic: OCCUPATIONAL HEALTH AND SAFETY</b>					
<b>GRI 3: Material Topics (2021)</b>	3-3 Management of material topics	65			
<b>GRI 403: Occupational health and safety (2018)</b>	403-1 Occupational health and safety management system	65			
	403-2 Hazard identification, risk assessment and incident investigation	65			
	403-3 Occupational health services	65			
	403-4 Worker participation, consultation, and communication on occupational health and safety	65			
	403-5 Worker training on occupational health and safety	65			
	403-6 Promotion of worker health	65			
	403-7 - Prevention and mitigation of occupational health and safety impacts directly linked by business relationships	65			
	403-9 Accidents at work	83			
	<b>Material topic: DIVERSITY, EQUAL OPPORTUNITIES AND INCLUSION</b>				
<b>GRI 3: Material Topics (2021)</b>	3-3 Management of material topics	24; 61-63			
<b>GRI 405: Diversity and equal opportunity (2016)</b>	405-1 Diversity of governance bodies and employees	79-80			

GRI STANDARD	INFORMATION NOTE	PAGE	OMISSION		
			Requirement omitted	Reason	Explanation
<b>GRI 406: Non-discrimination (2016)</b>	406-1 Episodes of discrimination and corrective measures taken	During 2023, there were no cases of discrimination within the Company.			
<b>Material topic: CUSTOMER SATISFACTION</b>					
<b>GRI 3: Material Topics (2021)</b>	3-3 Management of material topics	47-49			
<b>GRI 417: Marketing and labelling (2016)</b>	417-2 Incidents of non-compliance concerning product and service information and labelling	During 2023, there were no episodes of non-compliance concerning the information and labelling of products and services.			
<b>Material topic: PRODUCT QUALITY, SAFETY AND CONFORMITY</b>					
<b>GRI 3: Material Topics (2021)</b>	3-3 Management of material topics	43; 46-47			
<b>GRI 416: Customer health and safety (2016)</b>	416-1 Assessment of impacts on health and safety by product and service category	47			
	416-2 Incidents of non-compliance concerning the health and safety impacts of products and services	During 2023, there were no cases of non-compliance concerning the health and safety impacts of products and services.			
<b>Material topic: SUSTAINABLE AND RESPONSIBLE MANAGEMENT OF THE SUPPLY CHAIN</b>					
<b>GRI 3: Material Topics (2021)</b>	3-3 Management of material topics	52-54			
<b>GRI 308: Supplier environmental assessment</b>	308-1 - New suppliers that were screened using environmental criteria	53; 87			
	308-2 Negative environmental impacts in the supply chain	87			
<b>GRI 414: Supplier social assessment</b>	414-1 New suppliers that were screened using social criteria	53; 87			
	414-2 Negative social impacts in the supply chain and actions taken	87			
<b>Material topic: PRODUCT INNOVATION, PROCESS, R&amp;D</b>					
<b>GRI 3: Material Topics (2021)</b>	3-3 Management of material topics	44-45; 57			



## 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 2023.

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 2022 financial year (from 1 January 2022 to 31 December 2022). To ensure the reliability of the data, the use of estimates was limited as much as possible and, where these are present, they are appropriately indicated in the document and based on the best methodologies available

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

The scope of the economic and social data and information is the same as in the Consolidated Financial Statements of Industrial Wear as at 31 December 2023. With reference to the environmental

data and information, the reporting scope includes the headquarters of Industrial Wear Srl with the related sites of Fiumana di Predappio (FC) and Vecchiazano (FC), Fashion Ink Srl and the foreign commercial branches Industrial Wear Payper S.L. (Spain), Industrial Wear S.a.r.l. (France), Industrial Wear GmbH (Germany), Industrial Wear S.r.o. (Czech Republic). Finally, Industrial Wear Pakistan and Industrial Wear Poland are excluded from the scope of the data and information reported, as they are deemed not significant with respect to the economic, environmental and social impacts generated by the Group.

The preparation of the Sustainability Report, coordinated by the Chief Financial and Procurement Officer, saw the participation of various corporate departments, engaged in the collection of data and reported information. The document is not subject to external assurance.

Furthermore, it should be noted that during the 2023 financial year there was a relative size change in the organisational structure and the ownership structure of the Group given by the opening of the new headquarters in Poland (Industrial Wear Poland) launched with the aim of expanding the Group’s position on the European market. There are no further significant changes relating to the Group’s supply chain.

For further information and suggestions regarding the Industrial Wear Group Sustainability Report, write to [info@payperwear.com](mailto:info@payperwear.com).

The document is also available on the Industrial Wear Group website: [www.payperwear.com](http://www.payperwear.com).

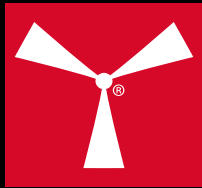


### ANALYSIS OF IMPACTS AND OF MATERIAL TOPICS

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

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

MATERIAL TOPICS FOR THE INDUSTRIAL WEAR GROUP	IMPACTS	NATURE	INVOLVEMENT OF THE INDUSTRIAL WEAR GROUP
<b>PRODUCT QUALITY, SAFETY AND CONFORMITY</b>	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	
<b>COMPLIANCE AND REPUTATION</b>	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	
<b>CUSTOMER SATISFACTION</b>	Reduction of customer and end user satisfaction	Negative/Potential	Caused by the Industrial Wear Group
<b>MANAGEMENT OF RAW MATERIALS</b>	Use of raw materials for garments	Negative/Current	Caused by the Industrial Wear Group and related to the Group through its commercial relationships
<b>PRODUCT INNOVATION, PROCESS, R&amp;D</b>	Technological innovation of processes and products	Positive/Current	Caused by the Industrial Wear Group
<b>EMPLOYEE TRAINING, DEVELOPMENT AND WELL-BEING</b>	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	
<b>ENERGY CONSUMPTION AND EMISSIONS</b>	Generation of direct and indirect GHG emissions	Negative/Current	Caused by the Industrial Wear Group and related to the Group through its commercial relationships
	Energy consumption	Negative/Current	
<b>SUSTAINABLE AND RESPONSIBLE MANAGEMENT OF THE SUPPLY CHAIN</b>	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	
<b>OCCUPATIONAL HEALTH AND SAFETY</b>	Workplace Accidents	Negative/Potential	Caused by the Industrial Wear Group
<b>ETHICS AND BUSINESS INTEGRITY</b>	Unethical conduct of business	Negative/Potential	Caused by the Industrial Wear Group
<b>DIVERSITY, EQUAL OPPORTUNITIES AND INCLUSION</b>	Discrimination and non-inclusive practices in the workplace	Negative/Potential	Caused by the Industrial Wear Group
<b>ECONOMIC PERFORMANCE</b>	Generation and distribution of economic value	Positive/Current	Caused by the Industrial Wear Group



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