



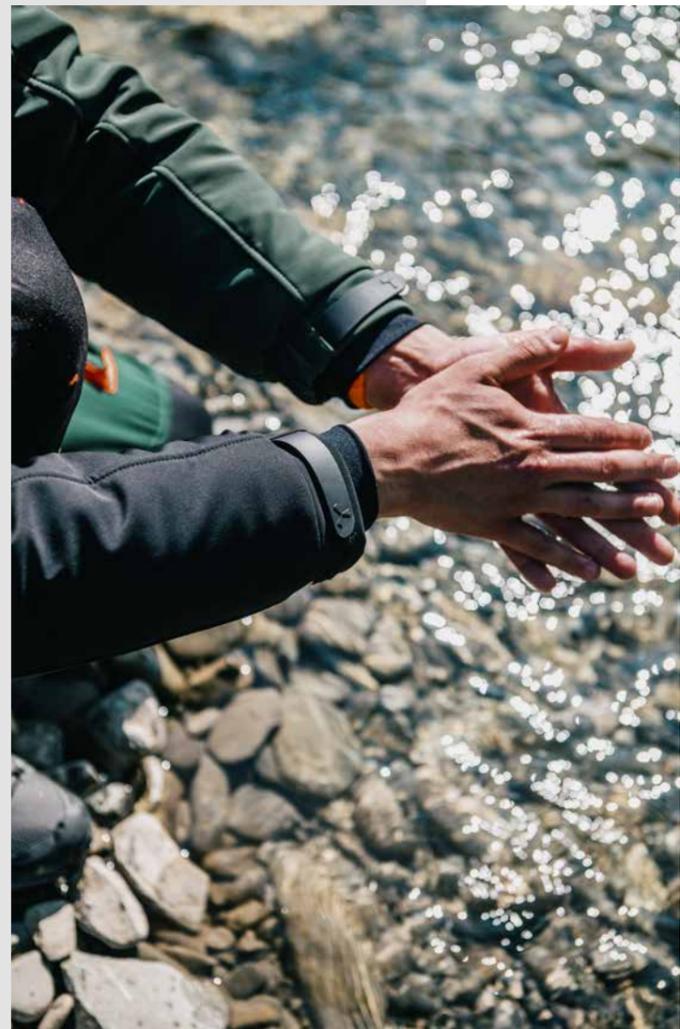
Sustainability report

TWO THOUSAND TWENTY TWO



Index

	Letter to the stakeholders	5
	The world of Payper	6
	Our history	8
	The Group and Governance	10
	Our business model	15
	Industrial Wear in the world	18
	Our results	19
	Our approach to sustainability	20
	Our values	22
	Ethics and business integrity	24
	Stakeholders and the material topics of the Group	26
	The Group's sustainability pillars and strategic lines	29
	01 Product and production	32
	1.1 The product catalogue	34
	1.2 The materials used	37
	1.3 Sustainable cotton: membership of Better Cotton	38
	1.4 Resistance of materials and durability of garments	39
	1.5 Quality and performance: the guarantee of protection	40
	1.6 Product evolution: creativity, research and development	42
	1.7 The safety of the products and the guarantee of the health of the end customers	43
	1.8 At the service of our customers	44
	02 International certifications and transparency	46
	2.1 Our supply chain	48
	2.2 Selecting and monitoring production partners	49
	2.3 Reducing impacts in the supply chain	50
	2.4 Efficiency and innovation in logistic processes	53
	03 Ethics and community	54
	3.1 Fly together: our team	56
	3.2 Development, well-being and protection of workers	57
	3.3 Health and safety in the workplace	59
	04 Environmental sustainability	60
	4.1 Management of the impacts generated by the Group	62
	4.2 Energy consumption and emissions	63
	4.3 Sustainable management of packaging	65
	Appendix	66
	Performance indicators	68
	GRI content index	81
	Methodological note	86



Within the framework of sustainability, we share our values, interests and intentions to imagine a path of continuous growth together.

Letter to the stakeholders

Dear stakeholders,

I am very pleased to present our 2022 Sustainability Report, which continues the sustainability reporting started last year, expanding the scope of the data and information to the entire Industrial Wear Group.

Our Group has continued to pursue the idea of responsible development through a great attention to quality, to the territory and to the healthy values of life. We have done so tangibly and daily passion, sharing our values, interests and intentions to imagine a path of continuous growth together.

At an economic-financial level, management in 2022 was positive thanks to the policies implemented by the company, despite the increases in the costs of raw materials and transport which impacted purchase costs.

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 2022 we expanded our product catalogue and strengthened our presence on foreign markets.

2022 was a key year for refining our approach to managing sustainability aspects. We carried out a Materiality analysis in line with the provisions of the 2021 update of the GRI Sustainability Reporting Standards, directly involving the Group's Top Management and a sample of stakeholders through a dedicated survey.

Identifying the sustainability issues that are relevant to the Group has allowed us to clearly focus our strategic priorities, which we have developed into **operational objectives** capable of contributing to the **achievement of a series of the Sustainable Development Goals (SDGs)** in the UN 2030 Agenda. This is a fundamental first step towards defining our **Group's Sustainability Plan**.

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. In 2022, we strengthened our virtuous relationship with our supplier

partners by updating our assessment of their social and environmental performance and by involving them in the Better Cotton initiative.

Achieving the **certification of the management system for Social Responsibility according to the international standard SA8000** is also part of the same approach. This milestone places us among the companies most attentive to strategic aspects such as the quality of work, employee well-being and respect for human rights both within our sites and throughout the entire supply chain.

Finally, in December 2022 the Parent company Industrial Wear Srl concluded the adoption of the **Organisation and Management Model according to L. Decree 231/01**. This allows us to strengthen our system of policies and procedures related to the ethics and integrity of our business activity at the level of best practices and in line with the needs of a now structured Group.

It is with the certainty of having achieved important results, but at the same time with the awareness of the importance of the path that awaits us in the coming years, that I submit this document to you.

Andrea Valentini

Chairman of the Board of Directors



The world of Payper



Italian R&D office:

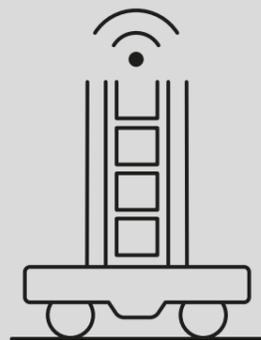
more than 50 new creations every year.



Modern headquarter

featuring:

- renewable energy production plants
- large showroom
- automated warehouse



Distribution on **the main European markets.**



Over 2,000 catalogue items

qualified by **registered designs**

and numerous certifications.



Workwear e Corporate Wear

designed to facilitate people's movements, protect them and equip them with

high-performance garments, with the typical aesthetics of Italian style.



Our history

Payper 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.**

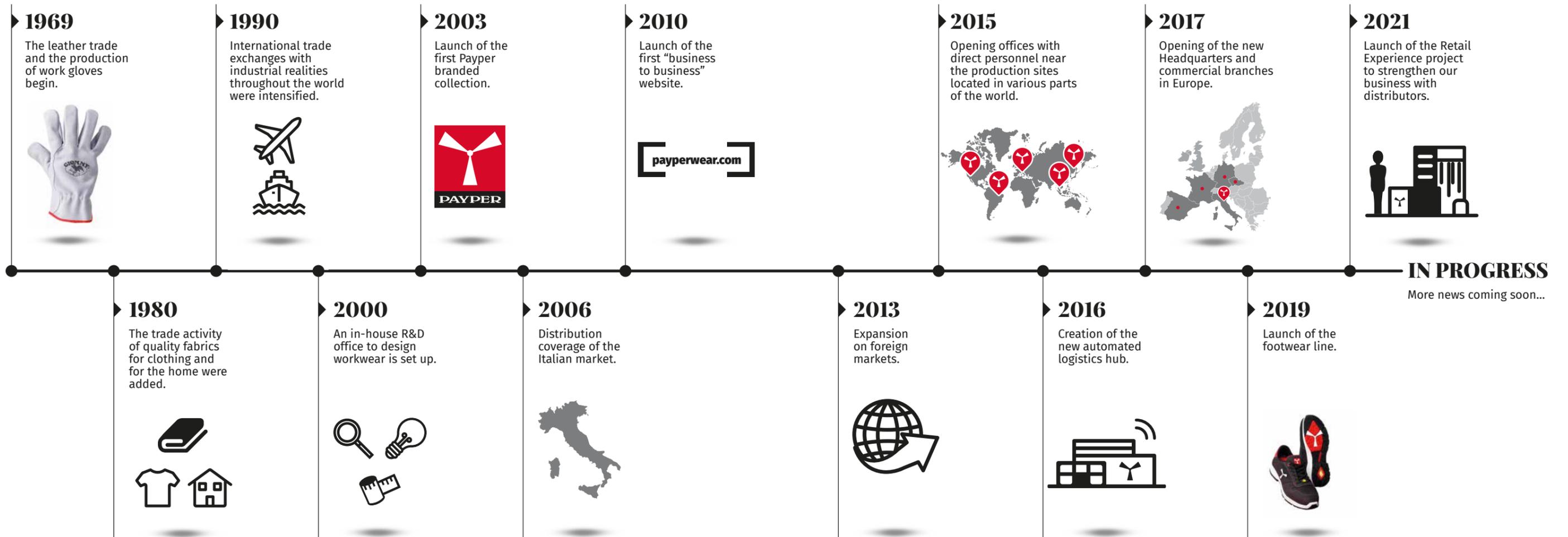
The growth in size and the specialisation developed over time, in 2003 led to the birth of **Industrial Wear**, with the aim of industrialising the previous experiences, expanding the product catalogue, enhancing services and conquering new market shares. In 2006, after having achieved the goal of distribution throughout the **Italian territory**, the company embarked on developing its exports, covering

all the main European markets in just a few years.

Today it 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. Productions are managed

and subjected to 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 which produces 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

Our corporate organisation is structured to optimise each 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 Sro in the Czech Republic (launched during 2021), and Industrial Wear srl Pakistan (PVT) LTD. During 2022, there were no changes in the corporate group, nor in the shareholding structure of the Group.

The company has its **Headquarters** located in Fiumana di Predappio (FC), where the production-logistics hub is located. In addition, 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



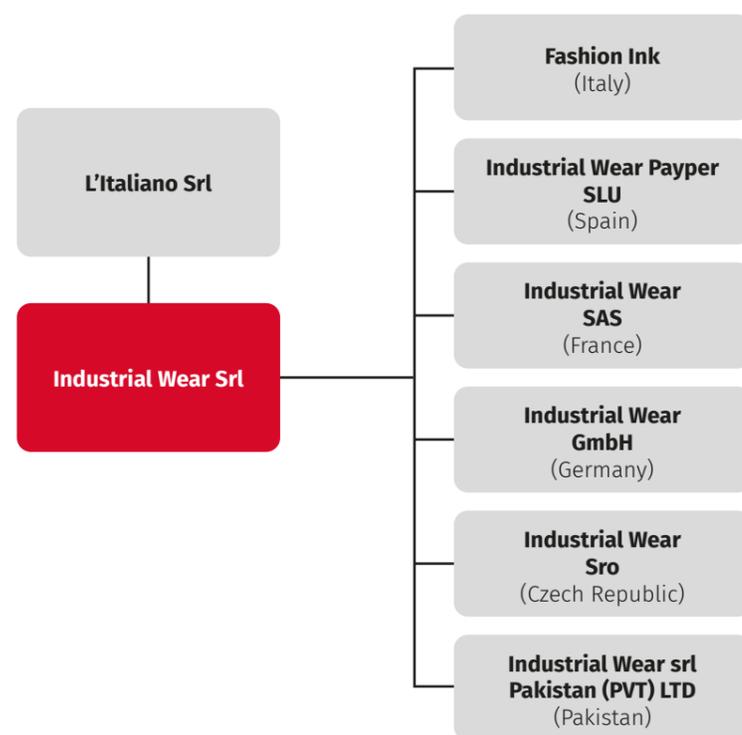
Vecchiazzano (FC) where there are other warehouses used for storing goods and for the Fashion Ink screen printing and embroidery; it also has a site in Barletta (BAT) where the prototyping activity for the Footwear segment takes place. The list of entities included in the reporting of the financial statements 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 organisation chart does not include the **Branch Companies** in China, Pakistan 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 control 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 completed by Valentini Andrea (Chairman of the Board of Directors), Valentini Verter (Vice Chairman and founder of the company), Valentini Emanuele and Valentini Stefano (Directors). He was elected on 20 July 2020 and, having remained in office until the approval of the financial statements for the current year, was re-elected

given the same members of the previous Board 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 Chairperson and appoints the Managing Directors, to whom all the powers of ordinary administration are attributed. 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 L'Italiano 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) does not have a board of directors due to its corporate nature, and 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. Industrial Wear Sro (Czech Republic) remains the only company where a local board has not yet been formalised, but it is in fact already completely autonomous for managing the business thanks to a local sales manager and to an administrative and sales department managed by

locally present people.

The managerial, administrative, production and expansion strategy processes are entrusted to the parent company. There is a constant involvement of the Finance, Controlling and Legal departments with the aim of ensuring adequate information flows to oversee areas of high interest.

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.

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

THE GOVERNANCE OF THE INDUSTRIAL WEAR GROUP						
COMPANY	INDUSTRIAL WEAR Srl	COMPOSITION OF THE BOD 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 Loc. M.
Industrial Wear SAS (France)	100%	Chm	/	/	Sales M.	Loc. CFO Loc. M.
Industrial Wear GmbH (Germany) *	100%	Chm	/	/	Sales M.	Loc. M.
Industrial Wear Sro (Czech Republic)	100%	Chm	/	/	/	/

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 the supervisory body that has the task of carrying out the legal checks on corporate transactions and the supervisory activities on compliance with the provisions of law and the articles of association, as well as on the adequacy and operation of

the organisational, administrative and accounting structures of the Company. The composition of the Board of Statutory Auditors of the parent company Industrial Wear Srl as at 31 December 2022 is as follows:

- Chairman of the Board of Statutory Auditors: Stefano Sgarzani
- Statutory Auditor: Alessandro Mengozzi
- Statutory Auditor: Rita Santolini
- Alternate Statutory Auditor: Elisa Monari
- Alternate Statutory Auditor: Maurizio Giovanni Di Costanzo
- External Auditor: Deloitte & Touche Spa

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, Sales, Customer Service and Product Customisation.

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



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



Our business model

Design, production, logistics: we take care of our garments at every stage.

Industrial Wear represents an **Italian and an international company** at the same time, with extensive expertise in the field of model development, procurement of raw materials and the production of professional and casual workwear.

The **business model is based on the design and the consequent management of the manufacture of garments** with proprietary brands. 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 business activities is aimed at **constantly expanding the range of products in the catalogue**, through the development of new items within the existing product families or through innovation activities that allow exploring new sectors.



The products, marketed under the **Payper and Gionny Wings brands**, are designed and created within the company by a dedicated design department. The garments are developed based on a logic of **functionality, quality, beauty and refinement**, associating a performing quality standard with a high quality-price ratio. Over time, this has allowed us to create, expand and consolidate a 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

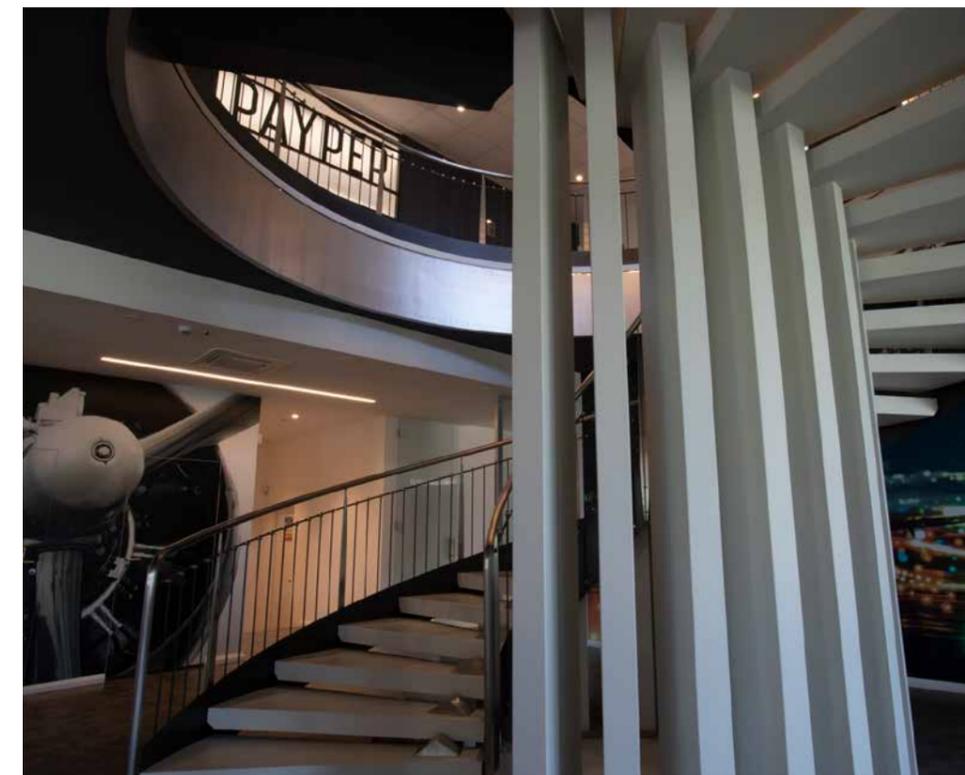


We act as a partner of companies, providing services that optimise every exchange.

During 2022, the Industrial Wear Group achieved **revenues of 135.4 million euro**, (117 million euro in 2021) thanks to the sale of our products in more than 10 countries around the world. The Group's **180 employees**, located mainly in the Fiumana headquarters in Predappio (FC), have grown strongly in recent years (14% compared to 2021).

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 is represented by 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 identified and selected after having bring certain that the protection of the brand is ensured. Although Italy still

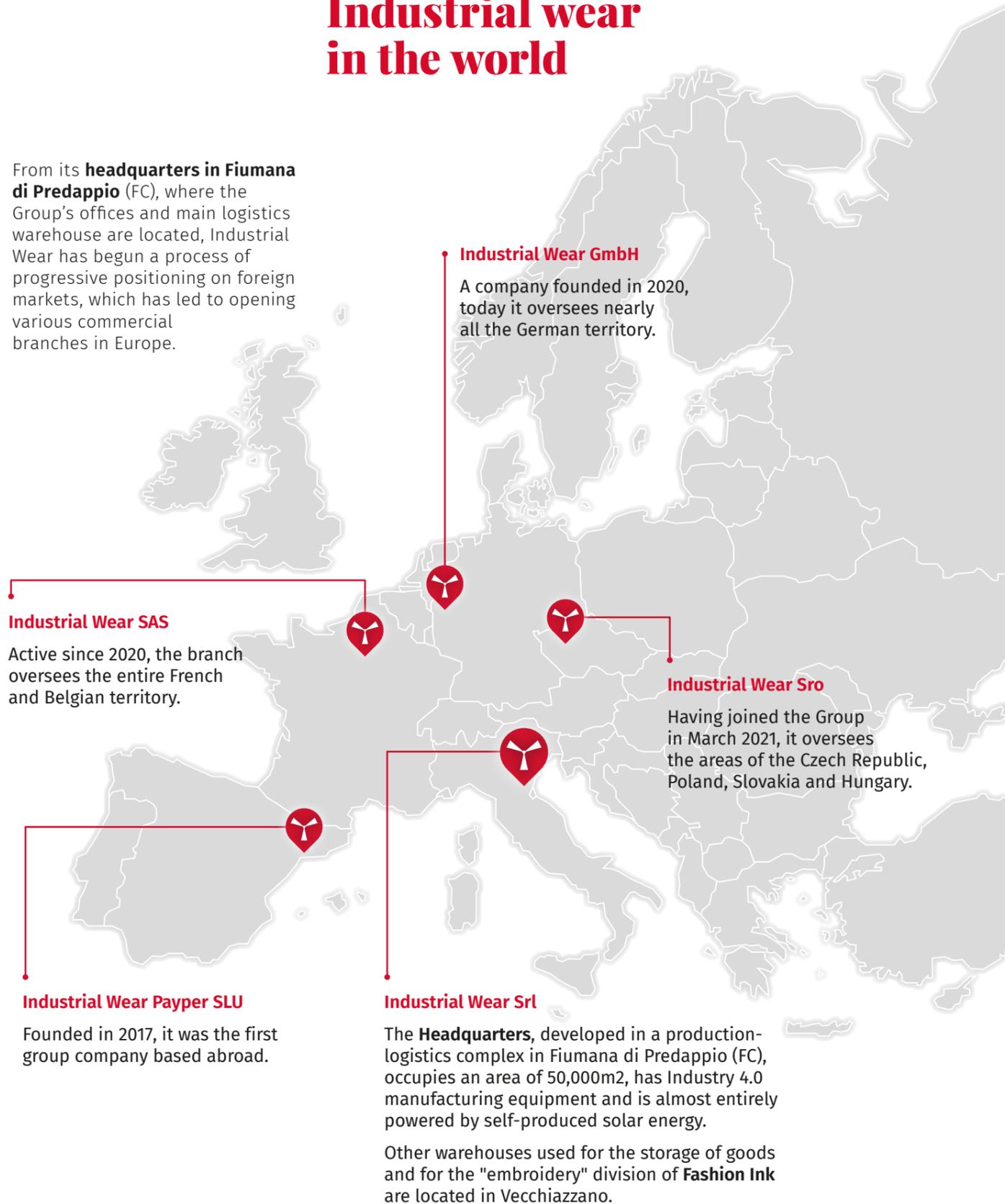


represents the reference market, for several years the **company presence abroad** has been progressively increasing, primarily thanks to opening branches in various European countries, capable of facilitating the export of the various ranges of products.



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.



Our results



135 million euro

in sales revenue in 2022.



173 million euro

of directly generated economic value.



164 million euro

of distributed economic value.

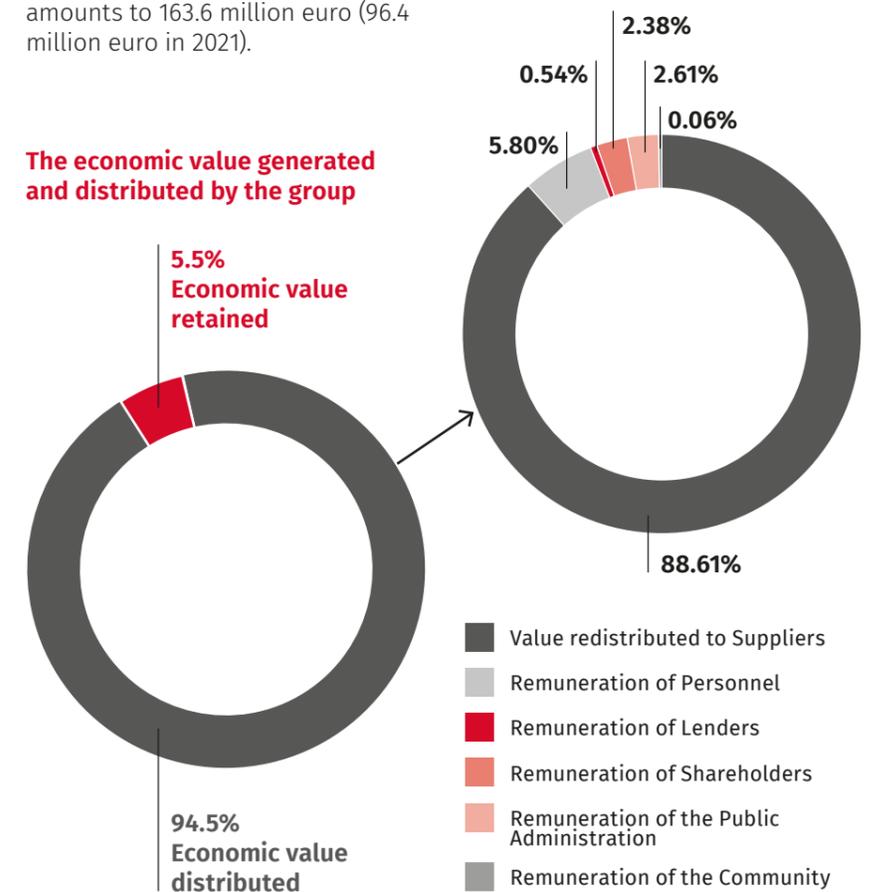
In 2022, thanks to the commercial strategies implemented by the Company, there is a generalised growth in sales revenues. The Group generated **revenues from sales and services** equal to € 135,410,486 (€ 117,041,390 in 2021), mainly in Italy. There is a steady increase in the weighting of foreign revenues, which reflects the intensification of the commercial activity and of direct investments in other European countries.

The **economic value directly generated** by the Industrial Wear Group in 2022 is 173.1 million euro (107.2 million euro in 2021) of which the distributed economic value amounts to 163.6 million euro (96.4 million euro in 2021).

Most of this value is represented by reclassified operating costs for a total of 144.9 million euro followed by the remuneration of personnel (9.5 million euro).

The remuneration of the Public Administration was equal to over 4.3 million euro, while the remuneration of the shareholders was equal to 3.9 million euro and of the lenders was equal to 890 thousand euro. The value distributed to the Community amounts to € 91 thousand euro. The value retained in the Company in 2022 is equal to 9.5 million euro.

The economic value generated and distributed by the group





Our approach to sustainability



SA8000
management
system,
international standard
on Social Responsibility,
implemented
in 2022.



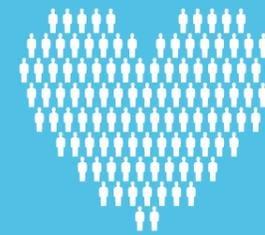
Our 4 pillars

- Product and production
- International certifications and transparency
- Ethics and community
- Environmental sustainability



Our values

Do
to create.
Be
to share.
Fly
to dream.



Code of ethics

shared with
all employees,
suppliers, customers
and collaborators

adopted in
December
2022.



OMM – Organisation, Management and Control Model

required by L. Decree 231/2001 (hereinafter also “OMM”),

completed and adopted
in December 2022.



Our values

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

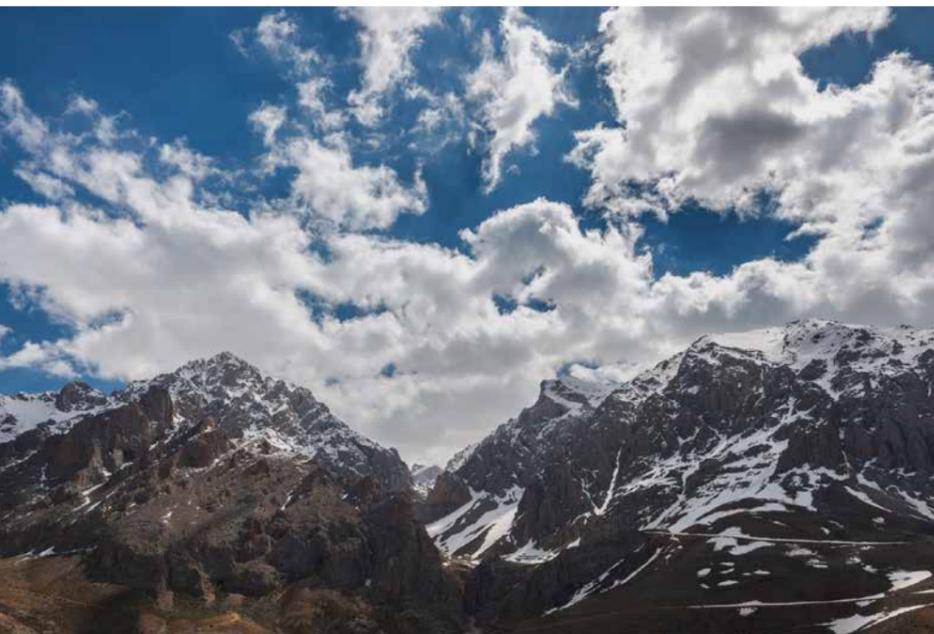
Do to create. Be to share. Fly to dream. These are the values that guide Industrial Wear and that run through the entire production chain. Having the knowledge to create new products, sharing this with others and dreaming of new and increasingly challenging futures is an inclusive mission which is achieved 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:

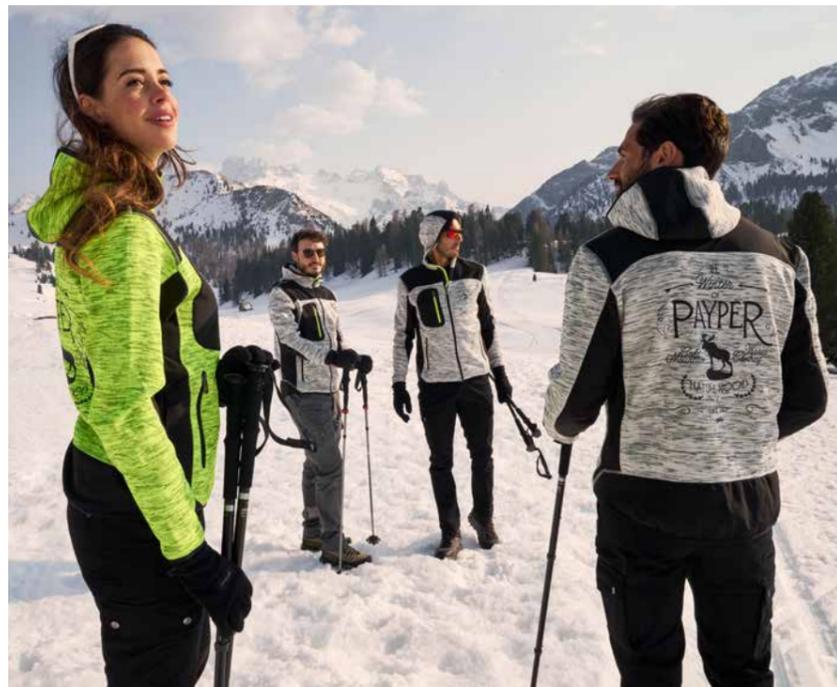
- Child labour
- Forced and compulsory labour
- Health and Safety
- Freedom of association and right to collective bargaining
- Discrimination
- Disciplinary measures
- Working hours
- Remuneration
- Management system

In line with the values described above, during 2022, Industrial Wear started the development and implementation of the **Organisation, Management and Control Model required by L. Decree 231/2001** (hereinafter also “OMM”), completed and adopted in December 2022.

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 a tool that allows managing the complexity of situations in which a company operates, clearly defining the set of principles and values that guide its activities.

The OMM is an important tool for the best management of the company’s field of action and its complexity.



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 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.

The Code of Ethics represents the “Charter of Fundamental Rights and Duties”.

THE GROUP’S CODE OF ETHICS

In line with the adoption of the Organisation, Management and Control Model, since December 2022 the Group has adopted a **Code of Ethics**, shared with all employees, suppliers, customers and more generally with all the different individuals who enter into a relationship collaboration with the Group.

The Code represents the “Charter of Fundamental Rights and Duties” and **defines the corporate principles and values** that inspire the companies of the Group in carrying out their activities and which constitute their **corporate identity**, constantly guiding **strategic and political choices within the businesses** in which they operate. The company is also engaged in a constant effort to align the governance principles between the parent company and the subsidiaries, by updating the regulations and articles of association in order to make them homogeneous and to create a single identity at Group level.

Each Group Company shares, accepts and complies with the following ethical principles: legality; equality and impartiality; transparency, correctness and reliability; professionalism; confidentiality; privacy protection; protection of price sensitive information; value of human resources; Health & Safety; respect and protection of the environment; competition protection. **The Group companies undertake to ensure that everyone is informed and made aware of how to carry out their duties in compliance** with the behavioural ethics to be assumed, that there is a constant willingness and desire for continuous improvement and that all applicable laws and regulations are complied with.

In this regard, to facilitate the flow of information to the SB, an email address also dedicated to reports has been set up. In compliance with the provisions of the so-called Operating Procedure “**Whistleblowing**”, the SB will act in such a way as to guarantee

the whistle-blowers 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.



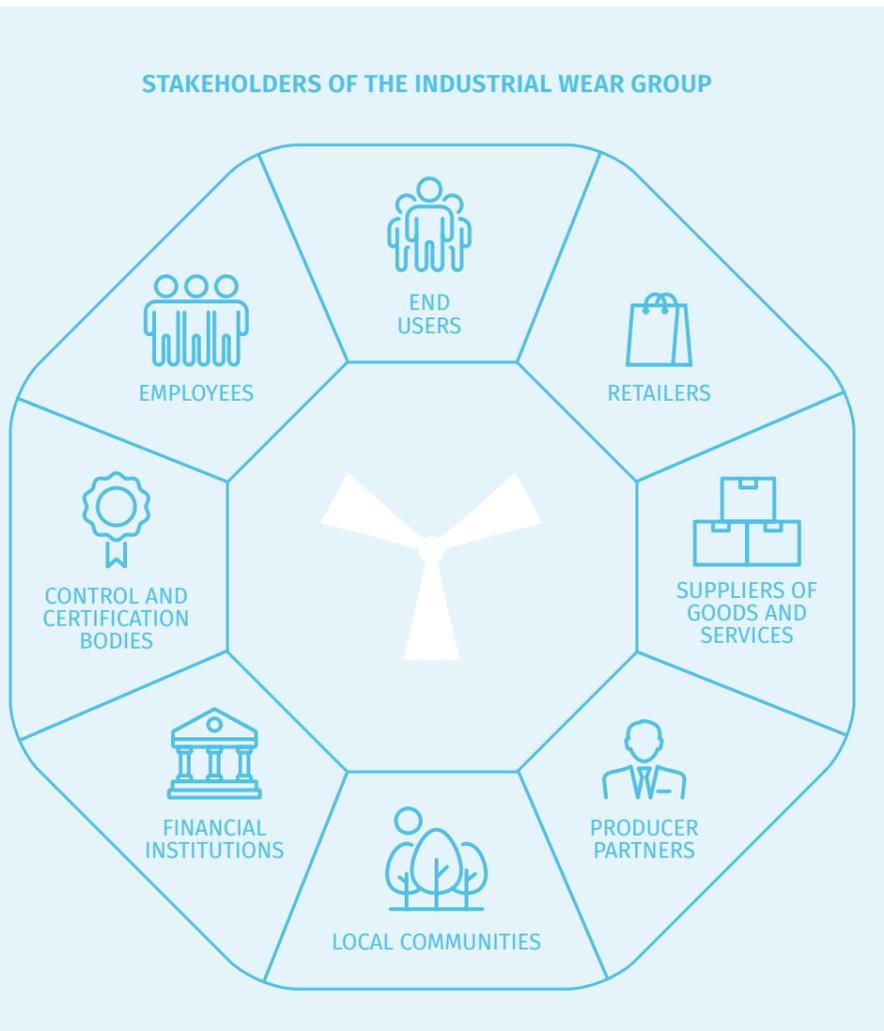
Stakeholders and the material topics of the group

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 over time. For the Group, 2021 represented **the starting point in adopting a structured path in terms of sustainability.**

Following an **initial assessment of the sustainability performance** which allowed obtaining an indication of the Group's positioning with respect to the various players in the sector at national and international level, the strengths and possible areas for improvement have been identified, where commitment, management and supervision could be increased.

During **2022**, as part of the development of this path, the **map of the Group's stakeholders** was redefined, with the aim of maintaining an active and continuous dialogue, including as concerns long-term objectives in the areas of sustainability.

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 impacts** 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.



Dialogue and involvement are the key points of our relationships with stakeholders.

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

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 publications of some authoritative sources, such as, among others, 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.

Thanks to the materiality analysis, the most relevant issues related to sustainability for the company and its stakeholders were identified and grouped into pillars.

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



The Group's sustainability pillars and strategic lines

THE 4 PAYPER PILLARS ON SUSTAINABILITY



Product and production

For several years now, Payper has 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. 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: International certifications and transparency, Product and production, Environmental sustainability and Ethics and community, which represent the Group's strategic reference on sustainability.



International certifications and transparency



Ethics and community



Environmental 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 goal is to **increasingly strengthen its tangible commitment in these areas**, identifying specific actions aimed at implementing its strategic Guidelines and operational Goals, improving its sustainability performance over time.



THEMATIC PILLARS	STRATEGIC GUIDELINES	OPERATIONAL OBJECTIVES	REFERENCE SDGs
 PRODUCT AND PRODUCTION	<ul style="list-style-type: none"> Develop durable and sustainable products Innovate the products made to increase quality and safety Improve customer satisfaction 	<ul style="list-style-type: none"> Measure the durability of our products through specific KPIs and increase this feature over time 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 	 
 INTERNATIONAL CERTIFICATIONS AND TRANSPARENCY	<ul style="list-style-type: none"> Strengthen governance on ethics, compliance and sustainability issues Manage the supply chain ethically and sustainably 	<ul style="list-style-type: none"> 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 	 
 ENVIRONMENTAL SUSTAINABILITY	<ul style="list-style-type: none"> Reduce energy consumption and climate-changing emissions Increase the environmental sustainability of the raw materials purchased 	<ul style="list-style-type: none"> 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 	 
 ETHICS AND COMMUNITY	<ul style="list-style-type: none"> Ensure the health and safety of workers Improve employee well-being and satisfaction Add value to the community and the local territory 	<ul style="list-style-type: none"> Increase internal awareness of the Health and Safety system and strengthen the internal control system Constantly improve the healthiness of the work environments and mitigate the risks related to the activities in our plants Develop collaborations and strategic projects with local organisations to generate positive impacts on the environment and on people 	 



Product and production

01



Official member of
Better Cotton.



▼
The material topics related to the “product and production” pillar

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



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



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

UN SUSTAINABLE DEVELOPMENT GOALS RELEVANT FOR THE “PRODUCT AND PRODUCTION” 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 catalogue of products

The growth in size and the specialisation developed over time have led to the birth of **more than two thousand products**, developed by the creative and experienced **R&D team** which every year enriches the collection with **dozens of new prototypes** and updates several items that are already part of the catalogue.

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. The Payper collections are developed by a very creative and experienced Italian R&D team.

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 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 clothing items 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 one's work are made easier. The various items belonging to this segment require an intense R&D activity, as they are characterised by a greater design and manufacturing complexity and by the fact that the garments are subjected to strict certifications and to a series of international regulatory requirements.

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, among the products belonging to the Safety segment in recent years we have developed the **"Protection"** line dedicated to protection against transmissible infectious diseases, such as surgical and filtering masks, overalls and accessories against infectious agents but also against radioactive contamination, protective goggles and broad spectrum sanitisers.



FOOTWEAR Safety footwear

At the beginning of 2019, we also introduced the Payper brand line of safety footwear.

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.



Since 2019, we have undertaken a process of analysis on the environmental impacts of the life cycle of our products.

1.2

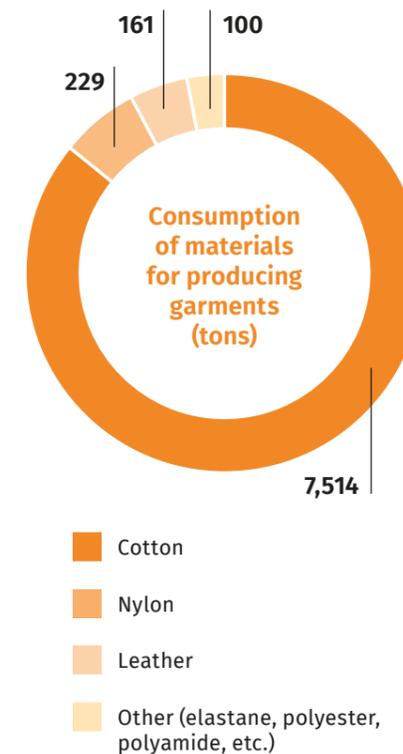


The materials used

The clothing industry is based on the use of natural resources, with an inevitable impact on local and global environmental matrices. Reducing our dependence on these resources and developing sustainable sources of supply creates commercial benefits and decreases 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, nylon, leather and synthetic fibres) and for the **packaging** used for transport and distribution (mainly paper, cardboard and to a lesser extent plastics).



From the materials to make the garments to those for packaging, every resource counts.



Assessment of the environmental impacts on the life cycle of the raw materials used

Since 2019, Industrial Wear has started a process of technical in-depth analysis on the environmental impacts related to the life cycle of its products, inspired by the **LCA (Life Cycle Assessment)** approach.

The study, developed as part of the ISO 14001 environmental management system, took into consideration **all the materials with which the garments are manufactured**, including: cotton, wool, polyester, polyamides-Nylon, viscose or Rayon. All the phases of the life cycle of the materials have been considered: product conception with prototyping, creation of the garment, transport by land, transport by ship, shipment to the customer, end user, end of life.

For each of these phases, **the degree of environmental impact** on the main environmental matrices (water, air, raw materials and soil, waste, energy) was **qualitatively assessed** and the degree of influence of the company, the reduction activities and the potential alternatives with less impact were examined in depth.



1.3

Sustainable cotton: membership of Better Cotton



Our results

Sunset, Sunrise Venice, Skipper, Florence, Verona made with Better Cotton since 2022.



Our objective

t-shirts, polo shirts, sweatshirts and trousers Made with better cotton by 2023.

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

In 2022 the Group 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 cultivation and processing phases, through a precise traceability system.

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

To achieve this, licensed growers are trained to adopt more environmentally, socially and economically **sustainable**

production practices. In order to make the **supply chain increasingly transparent**, most of our suppliers have joined the Better Cotton program, supporting our mission, which is **to promote the best practices of cotton cultivation globally**. This common purpose allows us to increasingly extend the quantity of products made with sustainable cotton.

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.



The "Better Cotton" principles

1. Crop protection: replacing the use of pesticides with alternative techniques;
2. Use of water in a sustainable manner;
3. Looking after soil health, because a healthy soil leads to more substantial and better quality crops;
4. Preservation and improvement of biodiversity;
5. Implementation of best practices for the collection, storage and transport of cotton fibres;
6. Decent working conditions;
7. Effective management system, adopting integrated policies and procedures.



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 for the PPE of each category in order to verify compliance with these properties, including:



Laboratory tests and trials

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

1.5



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 impacts, atmospheric phenomena, etc.). They are self-certified by the manufacturer.
- **Second category PPE:** PPE that does not fall into the other two categories and that is linked to activities with significant risk. A certificate from 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 gained extensive expertise in the field of model development, procurement of raw materials and the production of professional and casual workwear, 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.

Both in 2021 and 2022, **100% of the Payper product categories** (Corporate Wear, Work & Safety, Footwear) were assessed for the impacts on the health and safety of end users.



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





1.6

Product evolution: creativity, research and development



FIRST DRAWING AND PROTOTYPING



PROTOTYPE ANALYSIS



PRODUCT TECH-REPORT



CONSTANT COMMUNICATION WITH MANUFACTURERS

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 a careful analysis of the market, is carried out mainly by the **Design Department**, headed

by the founder Verter Valentini 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**.

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**.

The company supports the dissemination of sustainable



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

chemistry practices among industry organisations, in order to protect consumers, workers and the environment.

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.

To date, the analyses carried out by the control bodies on the Group's products have not found any critical issues in terms of risks for the health and safety of end users.



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

1.8



At the service of our customers

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 Customer Care department is constantly engaged in ensuring **rapid and effective customer support**, guaranteeing on average a 95% resolution of complaints within a week of opening, with over 250 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.



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.



Collaboration with retailers is developed through **contractual agreements that provide for different types of partnerships** depending on the format chosen (Authorised Dealer or Partner).

- **PAYPER ISLAND**
simple and free standing displays.
- **PAYPER CORNER**
actual furnishings, with quality materials made to measure.
- **PAYPER SMART POINT**
to reach those customers who, with the aim of growing, develop an initial collaboration with the Group.



Quick and effective Customer Care: 95% of complaints resolved within one week, over 250 contacts/handled per month.



International certifications and transparency

02



100% of suppliers mapped

according to the main ones industry certifications



The material topics related to the “international certifications and transparency” pillar

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



55% of suppliers certified according to the AMFORI BSCI system



32% of suppliers certified according to the ISO 9001 standard.

UN SUSTAINABLE DEVELOPMENT GOALS RELEVANT FOR THE “CERTIFICATIONS AND 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



The Industrial Wear business model is significantly based on the **collaboration with our manufacturing partners**, who have the task of creating the product conceived and designed by the company.

The production of all the items in the two clothing catalogues, "Corporate" and "Work-wear", takes place entirely abroad, in particular in **China, Bangladesh, Pakistan** and **India**, while the

production of the shoe line is totally **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, Forlì and Bologna**. From here, finally, the products are transferred to the **internal warehouses**, to then be delivered to the customer.

55%
Suppliers certified by the **Amfori BSCI system**

20%
Suppliers certified by SEDEX-SMETA (Sedex Members Ethical Trade Audit)

16%
ISO14001 Certified Suppliers

32%
ISO9001 Certified Suppliers



- 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.

The relationship with suppliers is based on **deep knowledge** and mutual trust, in many cases **consolidated over the years through a history of common development**. Over time, the company has worked together with partners according to **clear principles**, such as the high level of **product quality standards** and the attention to fair and socially responsible **working conditions**.

The control of these aspects is made possible by the presence of **operational offices in the main production areas**. These technical offices, in addition to a quality **control and inspection** role at the suppliers, deal with the **coordination and follow-up of orders** and carry out a careful **check** of the production's **compliance with quality and ethical standards**.



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.

An **audit is carried out on all new suppliers of finished products and on existing suppliers** on an annual basis. In particular, it provides for an evaluation of performance 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.

During 2022, **56 suppliers were assessed on the basis of the criteria described**.



100%
Suppliers subjected to assessment using environmental and social criteria.



56 suppliers
assessed in 2022 on the basis of the criteria described.



2.3

Reducing impacts in the supply chain

The production of our 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, generation of emissions, water

consumption. For the Group it is essential to understand in detail these processes and their consequences on the environment, in order to have the ability to make the necessary choices in terms of **monitoring and collaboration with our 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 adopted.



The management of raw materials is the first step towards increasingly sustainable production processes.

MATERIAL	ENVIRONMENTAL IMPACTS ASSOCIATED WITH THE LIFE CYCLE OF RAW MATERIALS	IMPACT REDUCTION ACTIVITIES
COTTON	Cotton cultivation generates negative impacts on soil, biodiversity and water availability. The subsequent spinning phase also requires washing the cotton using a significant quantity of water. Finally, dyeing the garment involves the use of various chemical compounds and of substantial quantities of water.	<ul style="list-style-type: none"> Using cottons from sustainable crops as part of joining the BCI initiative Requesting all suppliers to provide a declaration relating to the non-use of polluting substances, with subsequent request to their sub-suppliers Possibility of raising awareness among suppliers for recovering energy from steam after the copper plating/sanforising treatment phase
WOOL	Sheep breeding for the production of wool produces polluted emissions, as well as environmental impacts related to the production of feed. Washing the fleece then requires a significant water consumption, the use of specific detergents and degreasers. Finally, dyeing the garment involves the use of various chemical compounds, water and thermal energy.	<ul style="list-style-type: none"> Requesting all suppliers to provide a declaration relating to the non-use of polluting substances, with subsequent request to their sub-suppliers Possibility of raising awareness among suppliers for recovering waste lanolin during the fleece washing phase and for using the by-products for cosmetic production Possibility of raising awareness among suppliers for reusing the wool waste in the opening and beating phase, for using as cushion padding or other solutions
POLYESTER AND NYLON	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"> Addition of the indication on the label of the use of low washing temperatures (maximum 30°) to reduce the release of polyester Addition of the indication on the label not to use a tumble dryer, but to air dry, to avoid dispersion of the microfibres in the water. The use of recycled polyester fibres is currently being assessed
RAYON	The extraction of the cellulose necessary for the production requires washing and process water in baths with chemical compounds. The subsequent preparation of the compound also involves the use of chemical components by synthesis and of chemical dyes and process electricity for the thermoregulation of the bath.	<ul style="list-style-type: none"> The use of Tencel-marked Lyocel fibres or of Modal fibres with a lower environmental impact is currently being assessed
POLYURETHANE	The manufacture of synthesis reagents (polyol and isocyanate) can generate the production of particulate matter from chemical reactions. Furthermore, the finishing phase, whose purpose is to clean the sole, involves the use of chemical substances for cleaning and produces waste from removing the polyurethane burrs.	<ul style="list-style-type: none"> The material sent to the customer is packed and placed in full cartons in order to reduce consumption and subsequently the waste associated with the packaging In the case of PPE, the packaging contains indications on disposal at the end of their life It is potentially possible to recover the polyurethane in the finishing phase and re-subdivide it into isocyanate and polyol for recycling
LEATHER	The initial phase of leather production involves the tanning and colouring activities, in 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"> It is potentially possible to recover the waste when inserting the anti-puncture plate, for its reuse

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
 DESIGN: PRODUCT DESIGN WITH PROTOTYPE	<ul style="list-style-type: none"> • The prototype garments are donated to charity • The in-house prototypes are manufactured by reusing the fabrics sent by the suppliers for the initial tests • Reduced paper usage for tech files. The sheets are no longer printed and the signature is electronic
 MANUFACTURE OF THE GARMENT: CUTTING, PACKAGING, PREPARATION FOR SHIPMENT	<ul style="list-style-type: none"> • The paper pattern is designed to reduce fabric waste • The cardboard boxes for the packaging are sized to contain a number of items that fills them • The use of packaging bags in biodegradable material is currently being assessed
 TRANSPORT BY LAND TO THE PORT OF EMBARKATION	
 TRANSPORT BY SHIP TO THE PORT IN ITALY	<ul style="list-style-type: none"> • 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
 TRANSPORT BY LAND FROM THE PORT TO THE LOGISTICS WAREHOUSE	
 LOGISTICS MANAGEMENT	<ul style="list-style-type: none"> • Management of cardboard waste with carton reuse when possible • Optimisation of transport: vehicles always travel fully loaded
 USE OF THE PRODUCT	<ul style="list-style-type: none"> • The shipped material is packed and placed in full cardboard boxes in order to reduce consumption and subsequent waste. • Instructions on the correct differentiation in the case of PPE
 END OF LIFE	<ul style="list-style-type: none"> • High durability of the garment in order to extend the life cycle and reduce the overall impacts • Instructions for the consumer on the disposal of the garment at the end of its life

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 new headquarters, inaugurated 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 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.

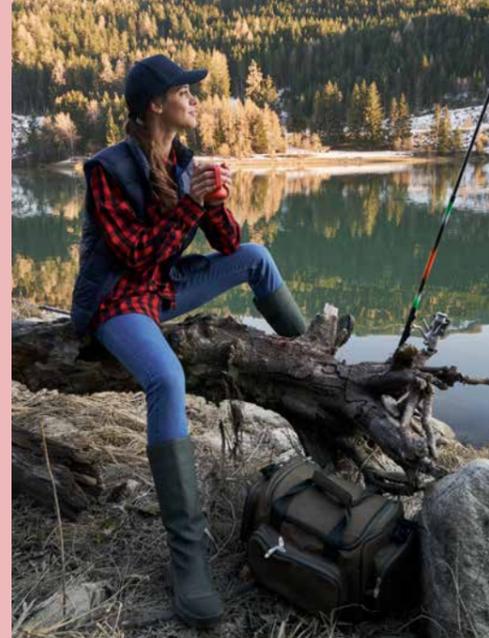
This technological leap has allowed the company to **significantly increase the efficiency of its logistics processes, thus improving customer service**: during most periods of the year, we are able to process an order within 24 hours of receipt.

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



Ethics and community

03



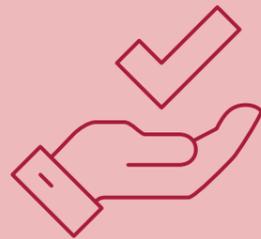
57% of female employees

as at 31 December 2022.



The material topics related to the “Ethics and Community” pillar

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



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



180 employees as at 31 December 2022, of which **14% under the age of 30.**

UN SUSTAINABLE DEVELOPMENT GOALS RELEVANT TO THE “ETHICS AND COMMUNITY” PILLAR



SDG 8 – DECENT WORK AND ECONOMIC GROWTH

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



SDG 17 – PARTNERSHIP

Promote the birth of a Global Alliance for Sustainable Development, through the mobilisation and exchange of knowledge, technical skills, technologies and financial resources between all players.

3.1

Fly together: our team



+14%
employee growth
(2022 vs 2021)



+33%
of employees in the
foreign branches
(2022 vs 2021)



57%
the group 's female
workforce



14%
of the people are
under 30 in 2022



Enhancing people and their talents represents an essential element for the company to ensure the quality of the products and the continuity of the Group's activities over time.

At the end of 2022, the Industrial Wear Group had **180 employees, a 14% increase compared to 2021**. During the year there was a net increase of 22 people, given by 53 hired and 31 terminated during the year. The number of Group employees has **more than tripled compared to 2016**, when the number of workers was 57.

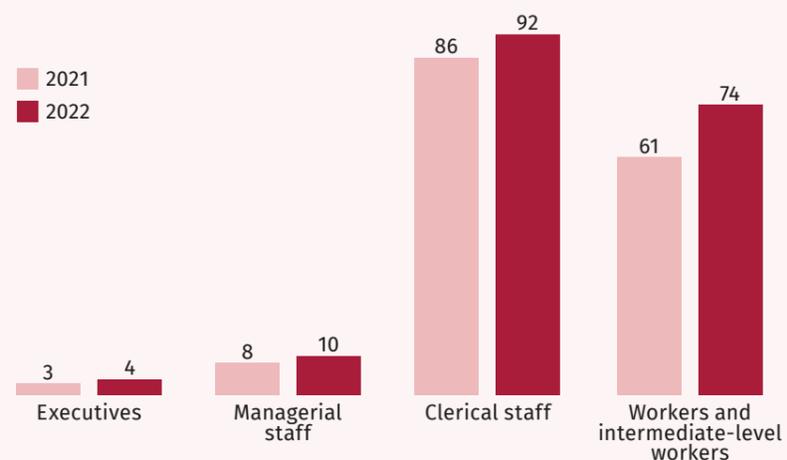
The majority of employees is located in **Italy** (144, equal to 80% in 2022) in the sites of Fiumana (FC), Vecchiazano (FC), Barletta (BT) for Industrial Wear and Forlì (FC) for Fashion Ink. The number of employees in the **European offices** (France, Germany, Spain and the Czech

Republic) now stands at 36 (20% of the Group's total population), up from 27 in 2021 (+33%), reflecting the **Group's growing presence in 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 (14% of people under the age of 30).

Of these, 103 are women (57% in 2022), reflecting the company's strong commitment to promoting female employment. At contractual level, **open-ended contracts** prevail (82% 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

We value staff with a positive and stimulating work environment.



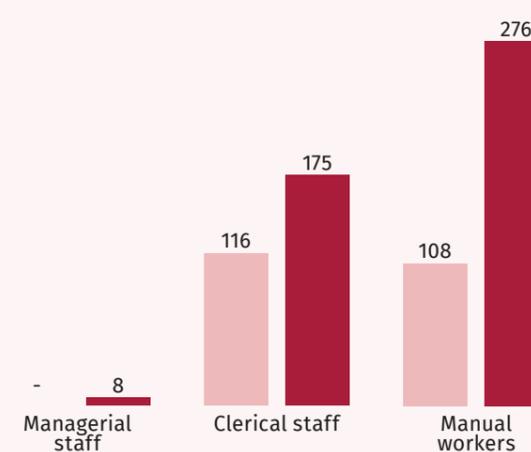
The possibility of **attracting and retaining the best resources** represents a strategic element which is based on several factors, including the ability to ensure the **well-being and satisfaction** of our workers, also in relation to their continuous **professional growth**.

The company **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 with a view to 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 aims to define **career development** paths based on the skills acquired and on the assessments received by each employee.

Training hours provided by professional category

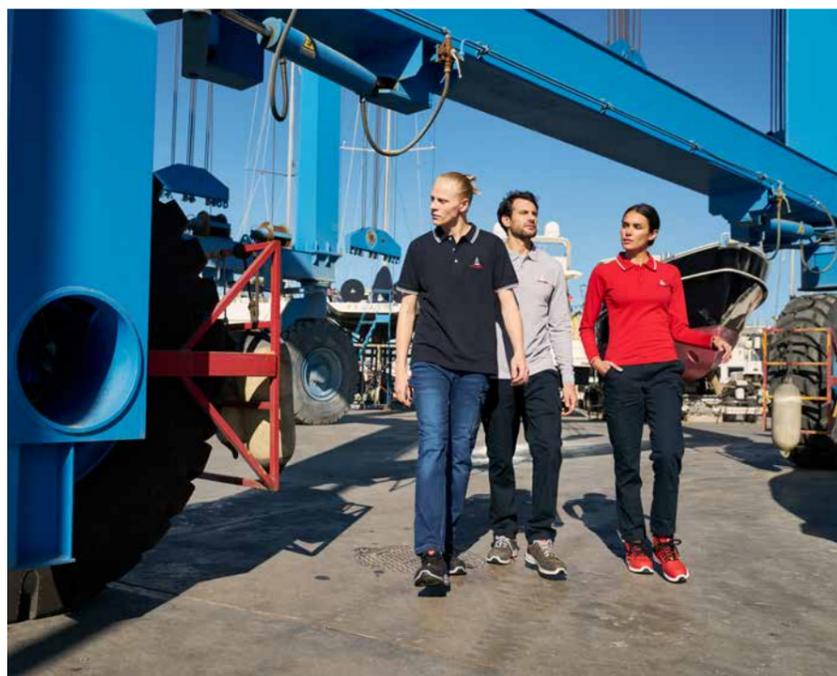


In terms of improving the well-being of employees, Industrial Wear has developed a **corporate welfare program** which provides for a sum to be available to each employee, which can be used for purchasing goods and services of their choice, including dental care and physiotherapy. Added to this there is the possibility of accessing a supplementary health fund.

In order to assess the effectiveness of the measures activated, a **questionnaire concerning the satisfaction with the Welfare service** was previously submitted and will be submitted in 2023 to all workers. Specific **corporate atmosphere analyses** are also 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.



During 2022, the Group started a **trial** concerning the picking functions in the Fiumana warehouse department. In collaboration with Confindustria, a **reduction of effective hours per day from 8 to 6.5** was introduced, for equal pay.



SA8000

OBTAINING THE SA8000 CERTIFICATION

Industrial Wear has chosen to achieve the objective of implementing an internal Social Responsibility management system and of obtaining the Certification according to the SA8000:2014 Standard. 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).

3.3



230 hours for training courses on Occupational Health and Safety



+32% hours dedicated to training courses on Health and Safety (2022 vs 2021)



ISO 45001 occupational health and safety management system compliant with the standard



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 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 2022, the company organised **training courses on Occupational Health and Safety** for a total of over 230 hours, up 32% compared to 2021. 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.

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 **accidents**, two minor cases were recorded during 2022.



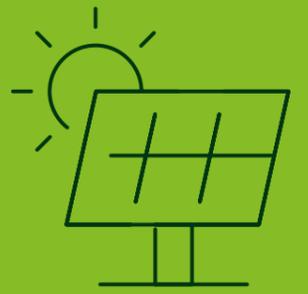


Environmental sustainability

04



12% of the energy used comes from Renewable sources
in 2022.



The material topics related to the “environmental sustainability” pillar

- Energy consumption and emissions



Management system certified
according to the standard
UNI EN ISO 14001:2015.



-16% of energy consumption and emissions generated
(2022 vs 2021).

UN SUSTAINABLE DEVELOPMENT GOALS RELEVANT TO THE “ETHICS AND COMMUNITY” PILLAR >



SDG 7 – CLEAN AND AFFORDABLE

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.



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 is actively committed to finding effective solutions aimed at progressively reducing its environmental impacts, in line with the most innovative practices in the sector.

Industrial Wear does not directly carry out the garment manufacturing process but defines the product design and purchases the finished garment from its manufacturing partners, coordinating the incoming and outgoing logistics processes. In this sense, the **environmental impacts associated with corporate activities are mainly indirect** and attributable to the supply chain.



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 2023.

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 Group's environmental risk analysis (ANRA) was **updated in 2022**: in particular, the context factors were modified, transport-related risks were reviewed and chemical-related risks were updated.



8.840 GJ

The Group's energy consumption in 2022



548 tCO₂e

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



31%

The contribution of photovoltaic systems to the Group's electricity needs

4.2



Energy consumption and emissions



-16%

The Group's total energy consumption and emissions (2022 vs 2021)

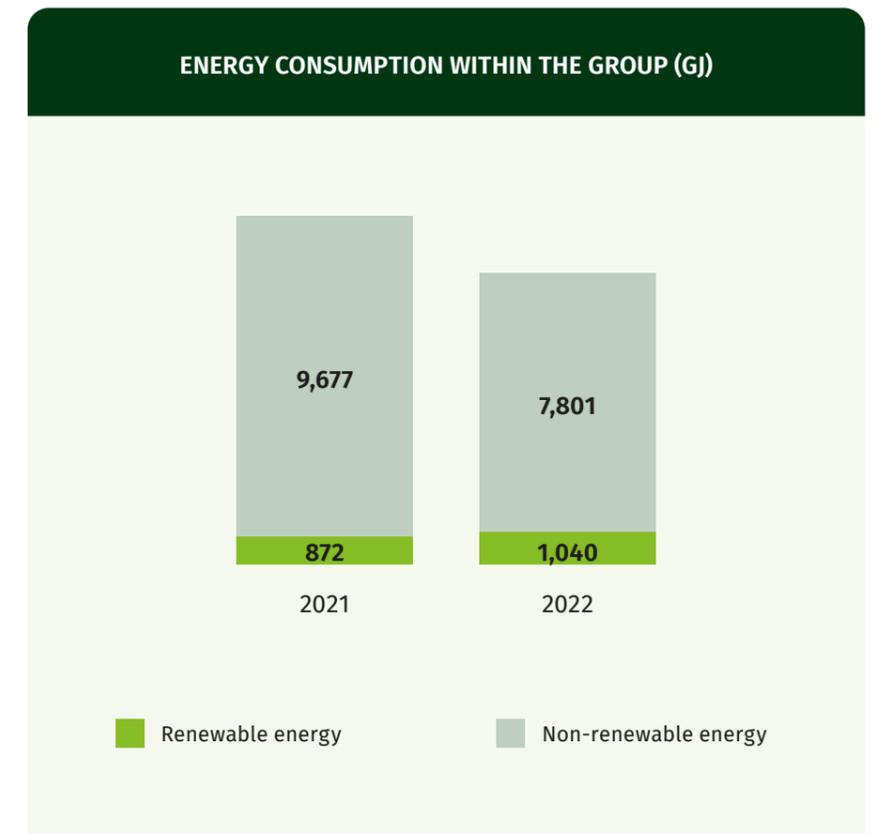
The photovoltaic system at headquarters has allowed covering 31% of the Group's electricity needs.

Industrial Wear is actively engaged in reducing energy consumption and greenhouse emissions related to its directly managed activities. In 2017, the construction of the new company headquarters in Fiumana di Predappio envisaged the installation of a **photovoltaic system** capable of generating 383,551 kWh in 2022, equal to **31% of the Group's electricity needs**.

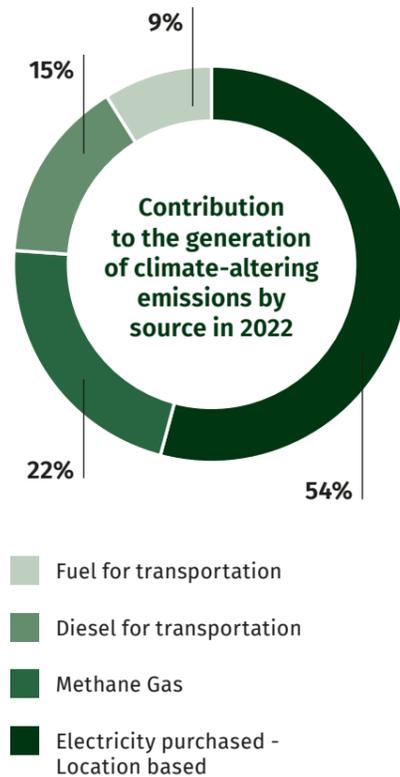
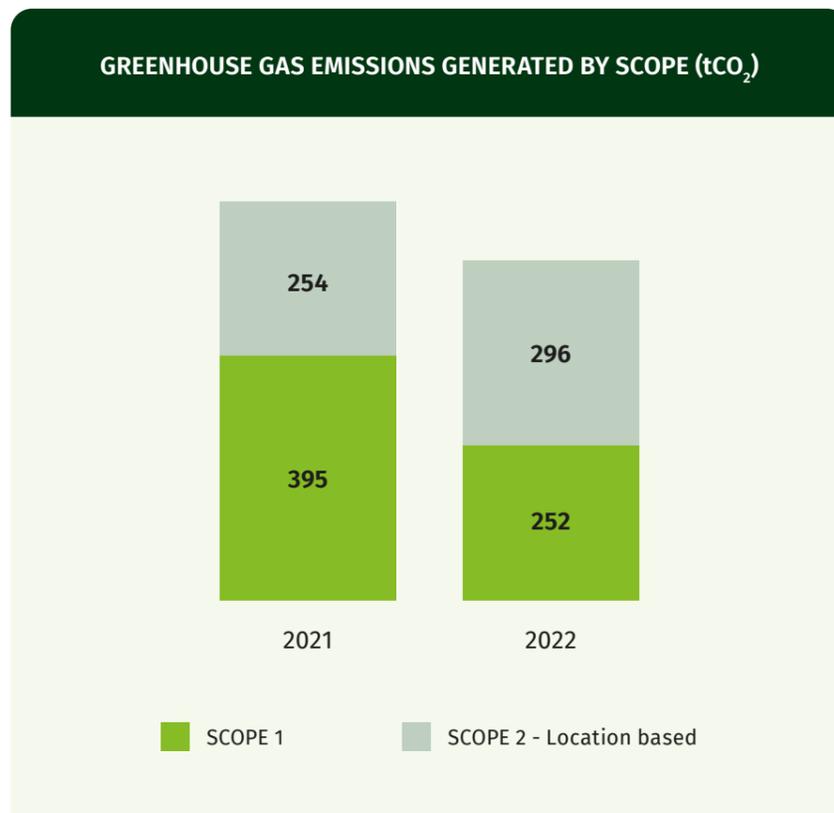
A lighting system was installed inside the premises capable of recognising the passage and presence of personnel inside the

work areas through **proximity sensors**, which regulate the light intensity based on human movement, significantly reducing the consumption of electricity.

The room thermostats were also 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.



Total climate-changing emissions decreased by 16% (2022 vs 2021)



The total direct Scope 1 **greenhouse gas emissions** produced in 2022 amounted to 252 tCO₂, a 36% decrease compared with 2021. These were mainly generated by the consumption of natural gas, petrol and diesel. As regards the indirect Scope 2- Location based emissions linked to the consumption of electricity, these are equal to 296 tCO₂ (254 tCO₂ in 2021). In 2022, the total Scope 1 and Scope 2 - Location based emissions was 548 tCO₂, down by 16% compared with the previous year (649 tCO₂).

4.3



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.

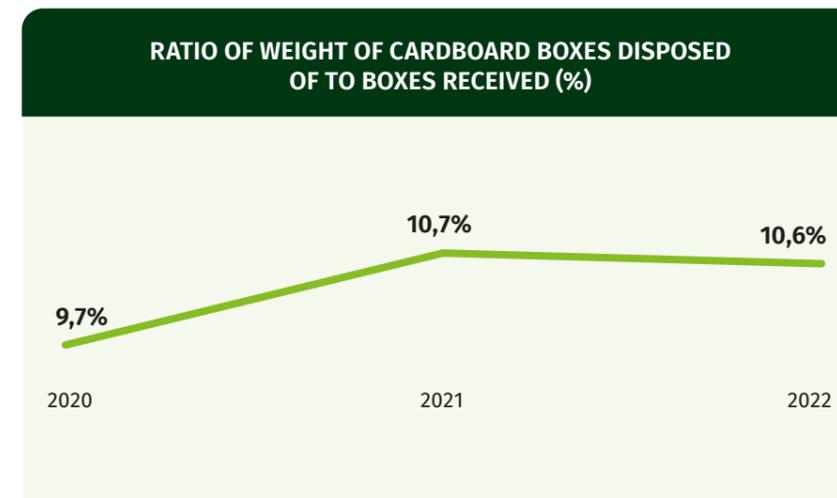
Over time, various initiatives have been implemented to **reduce the impacts associated with the consumption of materials and with generating packaging waste**.

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 2022, the weight of the cardboard disposed of, equal to 27 tons, for the warehouses of Fiumana and Vecchiazano is equal to just under 10% of the cardboard arrived at the factory. **The remaining 90% of the cardboard boxes that arrived at the plant in 2022 were reused to send other orders.**

Plastic bags in some items have also been eliminated, bagging multiple items inside the same bag. Finally, research is underway on the use of materials with a lower environmental impact in terms of packaging (e.g. degradable/ compostable plastic, corn derivatives, replacing plastic with paper).

We reuse 90% of cardboard packaging and reduce the use of plastic bags to reduce waste.

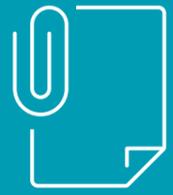


Recycle! The right way

On 11 September 2020, L. Decree no. 116/2020 came into force, establishing the obligation to affix **the identification code of the material on all packaging**, according to the indications of Decision 129/97/EC. The company began to take its first steps by creating a useful and easy-to-consult digital tool to **support consumers and customers to properly dispose of the various types of packaging**.

Recycle! The right way is the tool that allows us to provide our users with information on the nature and final destination of the packaging. Simply framing the **QR code located on the transport documents allows knowing how to correctly separate the relevant materials**.

Useful tips are also provided to allow everyone to carry out correct waste sorting. In any case, reference should be made to the provisions of the Municipality of residence, in order to be sure to differentiate correctly.



Appendix



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 1/01/2022 to 31/12/2022.



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 31 st December 2021	as at 31 st December 2022
Economic value directly generated	107,158,946	173,065,361
Economic value retained	10,721,271	9,482,685
Economic value distributed, of which:	96,437,674	163,582,676
Value redistributed to Suppliers	83,412,185	144,944,720
Remuneration of Personnel	7,624,950	9,484,964
Remuneration of Lenders	599,637	890,142
Remuneration of Shareholders	1,200,000	3,900,000
Remuneration of the Public Administration	3,520,065	4,272,009
Remuneration of the Community	80,838	90,841

CORPORATE SOCIAL RESPONSIBILITY

GRI 2-7 Employees

EMPLOYEES BY GENDER AND GEOGRAPHICAL AREA (HEADCOUNT)						
Geographical area	as at 31 st December 2021			as at 31 st December 2022		
	Men	Women	Total	Men	Women	Total
Industrial Wear srl (Fiumana, Vecchiazano, Barletta)	48	65	113	47	79	126
Fashion Ink Srl	7	11	18	7	11	18
Industrial Wear GmbH - Germany	7	3	10	9	5	14
Industrial Wear Sas - France	3	3	6	5	4	9
Industrial Wear SRO - Czech Rep.	3	-	3	1	2	3
Industrial Wear Payper Slu - Spain	6	2	8	8	2	10
Total Group employees	74	84	158	77	103	180

EMPLOYEES BY TYPE OF CONTRACT (OPEN-ENDED, FIXED-TERM CONTRACT), GENDER AND GEOGRAPHICAL AREA (HEADCOUNT)							
Geographical area	Type of contract	as at 31 st December 2021			as at 31 st December 2022		
		Men	Women	Total	Men	Women	Total
Industrial Wear srl (Fiumana, Vecchiazano, Barletta)	Open-ended	42	56	98	42	57	99
	Fixed-term	6	9	15	5	22	27
	Total	48	65	113	47	79	126
Fashion Ink Srl	Open-ended	5	9	14	4	10	14
	Fixed-term	2	2	4	3	1	4
	Total	7	11	18	7	11	18
Industrial Wear GmbH - Germany	Open-ended	7	3	10	8	4	12
	Fixed-term	-	-	-	1	1	2
	Total	7	3	10	9	5	14
Industrial Wear Sas - France	Open-ended	3	3	6	5	4	9
	Fixed-term	-	-	-	-	-	-
	Total	3	3	6	5	4	9
Industrial Wear SRO - Czech Rep.	Open-ended	3	-	3	1	2	3
	Fixed-term	-	-	-	-	-	-
	Total	3	-	3	1	2	3
Industrial Wear Payper Slu - Spain	Open-ended	6	2	8	8	2	10
	Fixed-term	-	-	-	-	-	-
	Total	6	2	8	8	2	10
Total Group employees	Open-ended	66	73	139	68	79	147
	Fixed-term	8	11	19	9	24	33
	Total	74	84	158	77	103	180

EMPLOYEES BY TYPE OF EMPLOYMENT (FULL-TIME AND PART-TIME), GENDER AND GEOGRAPHICAL AREA (HEADCOUNT)							
Geographical area	Type of contract	as at 31 st December 2021			as at 31 st December 2022		
		Men	Women	Total	Men	Women	Total
Industrial Wear Srl (Fiumana, Vecchiazano, Barletta)	Full-time	45	52	97	46	62	108
	Part-time	3	13	16	1	17	18
	Part-time (%)	6%	20%	14%	2%	22%	14%
	Total	48	65	113	47	79	126
Fashion Ink Srl	Full-time	7	10	17	7	10	17
	Part-time	-	1	1	-	1	1
	Part-time (%)	0%	9%	6%	0%	9%	6%
	Total	7	11	18	7	11	18
Industrial Wear GmbH - Germany	Full-time	7	3	10	7	3	10
	Part-time	-	-	-	2	2	4
	Part-time (%)	0%	0%	0%	22%	40%	29%
	Total	7	3	10	9	5	14
Industrial Wear Sas - France	Full-time	3	3	6	5	4	9
	Part-time	-	-	-	-	-	-
	Part-time (%)	0%	0%	0%	0%	0%	0%
	Total	3	3	6	5	4	9
Industrial Wear SRO - Czech Rep.	Full-time	3	-	3	1	2	3
	Part-time	-	-	-	-	-	-
	Part-time (%)	0%	-	0%	0%	0%	0%
	Total	3	-	3	1	2	3
Industrial Wear Payper Slu - Spain	Full-time	6	2	8	8	2	10
	Part-time	-	-	-	-	-	-
	Part-time (%)	0%	0%	0%	0%	0%	0%
	Total	6	2	8	8	2	10
Total Group employees	Full-time	71	70	141	74	83	157
	Part-time	3	14	17	3	20	23
	Part-time (%)	4%	17%	11%	4%	19%	13%
	Total	74	84	158	77	103	180

EMPLOYEES BY CATEGORY (FTE)				
Category	as at 31 st December 2021		as at 31 st December 2022	
	Total		Total	
Executives	5		5	
Clerical staff	94		113	
Manual workers	67		57	
Total Group employees	166		175	

GRI 2-8 Workers who are not employees

EXTERNAL COLLABORATORS BY GENDER (HEADCOUNT)						
Professional category	as at 31 st December 2021			as at 31 st December 2022		
	Men	Women	Total	Men	Women	Total
Personnel on outsourced contracts	-	-	-	1	-	1
Interns/Trainees	1	-	1	-	-	-
Self-employed/freelancers	7	-	7	4	1	5
Contract for freelance work – continuous collaboration contracts	-	-	-	3	-	3
Total external collaborators	8	-	8	8	1	9

GRI 405-1 Diversity of governance bodies and employees

EMPLOYEES BY PROFESSIONAL CATEGORY AND GENDER (HEADCOUNT)						
Number of people	as at 31 st December 2021			as at 31 st December 2022		
	Men	Women	Total	Men	Women	Total
Executives	3	0	3	4	0	4
Managerial staff	7	1	8	8	2	10
Clerical staff	36	50	86	35	57	92
Manual workers	28	33	61	30	44	74
Total	74	84	158	77	103	180

EMPLOYEES BY PROFESSIONAL CATEGORY AND GENDER (HEADCOUNT) - PERCENTAGE						
Number of people	as at 31 st December 2021			as at 31 st December 2022		
	Men	Women	Total	Men	Women	Total
Executives	100%	0%	2%	100%	0%	2%
Managerial staff	88%	13%	5%	80%	20%	6%
Clerical staff	42%	58%	54%	38%	62%	51%
Manual workers	46%	54%	39%	41%	59%	41%
Total	47%	53%	100%	43%	57%	100%

EMPLOYEES BY PROFESSIONAL CATEGORY AND AGE GROUP (HEADCOUNT)								
Number of people	as at 31 st December 2021				as at 31 st December 2022			
	<30	30-50	>50	Total	<30	30-50	>50	Total
Executives	0	0	3	3	0	1	3	4
Managerial staff	0	8	0	8	0	8	2	10
Clerical staff	11	50	25	86	11	50	31	92
Manual workers	11	30	20	61	14	34	26	74
Total	22	88	48	158	25	93	62	180

EMPLOYEES BY PROFESSIONAL CATEGORY AND AGE GROUP (HEADCOUNT) - PERCENTAGE								
Number of people	as at 31 st December 2021				as at 31 st December 2022			
	<30	30-50	>50	Total	<30	30-50	>50	Total
	Executives	0%	0%	100%	2%	0%	25%	75%
Managerial staff	0%	100%	0%	5%	0%	80%	20%	6%
Clerical staff	13%	58%	29%	54%	12%	54%	34%	51%
Manual workers	18%	49%	33%	39%	19%	46%	35%	41%
Total	14%	56%	30%	100%	14%	52%	34%	100%

EMPLOYEES BELONGING TO PROTECTED GROUPS BY PROFESSIONAL CATEGORY ¹ (HEADCOUNT)						
Number of people	as at 31 st December 2021			as at 31 st December 2022		
	Men	Women	Total	Men	Women	Total
	Executives	0	0	-	0	0
Managerial staff	0	0	-	0	0	-
Clerical staff	0	4	4	0	2	2
Manual workers	2	3	5	1	3	4
Total	2	7	9	1	5	6

COMPOSITION OF THE BOARD OF DIRECTORS BY GENDER AND AGE GROUPS - PERCENTAGE								
Number of people	as at 31 st December 2021				as at 31 st 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%
Total	0%	75%	25%	100%	0%	75%	25%	100%

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

NEW HIRES (HEADCOUNT)								
Number of people	as at 31 st December 2021				as at 31 st December 2022			
	<30	30-50	>50	Total	<30	30-50	>50	Total
	Men	4	9	7	20	6	10	5
Women		11	6	17	7	18	7	32
Total	4	20	13	37	13	28	12	53

RESIGNATIONS/DISMISSALS (HEADCOUNT)								
Number of people	as at 31 st December 2021				as at 31 st December 2022			
	<30	30-50	>50	Total	<30	30-50	>50	Total
	Men	3	4	-	7	3	12	3
Women	2	4	3	9	2	8	3	13
Total	5	8	3	16	5	20	6	31

RECRUITMENT AND TURNOVER RATE BY GENDER								
Number and rate of new hires and turnover by gender and geographical area	as at 31 st December 2021				as at 31 st December 2022			
	New hires		Resignations/dismissals		New hires		Resignations/dismissals	
	Number	%	Number	%	Number	%	Number	%
	Men	20	27%	7	9%	21	27%	18
Women	17	20%	9	11%	32	31%	13	13%
Total	37	23%	16	10%	53	29%	31	17%

HIRING RATE AND TURNOVER BY AGE GROUP								
Number and rate of new hires and turnover by age group	as at 31 st December 2021				as at 31 st December 2022			
	New hires		Resignations/dismissals		New hires		Resignations/dismissals	
	Number	%	Number	%	Number	%	Number	%
	<30 years	4	18%	5	23%	13	52%	5
30 - 50 years	20	23%	8	9%	28	30%	20	22%
>50 years	13	27%	3	6%	12	19%	6	10%
Total	37	23%	16	10%	53	29%	31	17%

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

TOTAL HOURS OF COMPULSORY TRAINING ² BY PROFESSIONAL CATEGORY AND GENDER									
Professional category	as at 31 st 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	Total number of hours	Total employees	Number of hours per capita
	Executives	-	4	0	-	-	-	-	4
Managerial staff	-	8	0	-	2	0	-	10	0
Clerical staff	50	35	1.4	68	57	1.2	118	92	1.3
Manual workers	138	30	4.6	116	44	2.6	254	74	3.4
Total	188	77	2.4	184	103	1.8	372	180	2.1
Professional category	as at 31 st December 2021								
	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	Total number of hours	Total employees	Number of hours per capita
	Executives	1	3	0.3	-	-	-	1	3
Managerial staff	-	7	0	-	1	0	-	8	0
Clerical staff	36	36	1.0	88	50	1.8	124	86	1.4
Manual workers	38	28	1.4	112	33	3.4	150	61	2.5
Total	75	74	1.0	200	84	2.4	275	158	1.7

¹The 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.

²Mandatory training courses are safety-related courses (Regional State Agreement L. Decree 81-2008).

TOTAL HOURS OF NON-MANDATORY TRAINING BY PROFESSIONAL CATEGORY AND GENDER									
as at 31 st December 2022									
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	Total number of hours	Total employees	Number of hours per capita
Executives	-	4	0	-	-	-	-	4	0
Managerial staff	8	8	1.0	8	2	4.0	16	10	5
Clerical staff	30	35	0.8	41.5	57	0.7	71	92	1.6
Manual workers	122	30	4.1	7.4	44	0.2	129	74	4.2
Total	160	77	2.1	37.2	103	0.4	197	180	2.4
as at 31 st 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	Total number of hours	Total employees	Number of hours per capita
Executives	1	3	0.3	-	-	-	1	3	0.3
Managerial staff	-	7	0	-	1	0	-	8	0
Clerical staff	36	36	1	88	50	1.8	124	86	1.4
Manual workers	38	28	1.4	112	33	3.4	150	61	2.5
Total	75	74	1	200	84	2.4	275	158	1.7

GRI 2-21 Annual Total Compensation Rate

TOTAL ANNUAL COMPENSATION RATE ³			
Rate	2021	2022	
Percentage change in the total annual salary of the highest-paid person	45.6%	6.7%	
Percentage change in the average value of the total annual salary of all employees (excluding the highest paid person)	13.1%	-9.6%	
Salary ratio	8.19	9.67	
Annual percentage change ratio	+3.5%	-0.7%	

GRI 2-30 Collective Bargaining Agreements

PERCENTAGE OF THE TOTAL NUMBER OF EMPLOYEES COVERED BY COLLECTIVE BARGAINING AGREEMENTS			
Total number of employees	as at 31 st December 2021	as at 31 st December 2022	
Total number of employees	159	180	
Number of employees with collective labour agreement ⁴	145	163	
Total percentage	91%	91%	

³ 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 (2021 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 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.

⁴ The percentages shown are to be understood net of the countries where local legislation does not provide for the establishment of collective bargaining agreements. As regards Italian companies, reference is made to the Tertiary and to the Graphics and Publishing National Labour Collective Agreements (industry). As regards foreign companies, reference is made to the specific industry collective labour agreements currently in force in the reference countries..

GRI 403-9: Accidents at work

ACCIDENTS AT WORK – EMPLOYEES		
Number of accidents	2021	2022
Total number of recordable accidents at work	0	4
of which serious accidents ⁵	0	0
Total number of deaths due to accidents at work	0	0
TIME DATA		
Hours	2021	2022
Hours worked	254,700	282,045
Multiplier for calculation	200,000	200,000
DEATH RATE AND ACCIDENT RATE ⁶		
Rate	2021	2022
Rate of recordable accidents at work	0	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	2021	2022
Bruising, wound, crushing	0	2
Fracture, amputation, burn	0	0
Sprains, pulled muscles and strains	0	2
ACCIDENTS AT WORK – EXTERNAL WORKERS		
Number of accidents	2021	2022
Total number of recordable accidents at work	0	0
of which serious accidents ⁵	0	0
Total number of deaths due to accidents at work	0	0
TIME DATA		
Hours	2021	2022
Hours worked	9,082	13,132
Multiplier for calculation	200,000	200,000
DEATH RATE AND ACCIDENT RATE ⁶		
Rate	2021	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

⁵ 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.

⁶ 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 (BAT) for Industrial Wear Srl; the Forlì production site for Fashion Ink Srl; the Sant Cugat (Barcelona) sites for Industrial Wear Payper Slu (Spain), Levallois-Perret for Industrial Wear Sas (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 volume⁷

RENEWABLE MATERIALS				
Type of material	Unit of measurement	2021	2022	
Cotton	Tons	4,207	7,514	
Leather	Tons	7	161	
Paper	Tons	474	907	
NON-RENEWABLE MATERIALS				
Type of material	Unit of measurement	2021	2022	
Polyester	Tons	1,386	2,997	
Nylon	Tons	130	229	
Elastane	Tons	18	35	
Polyamide	Tons	5	22	
Polypropylene	Tons	6	1	
Polyethylene	Tons	11	22	
Viscose	Tons	12	18	
Acrylic	Tons	0	2	
Plastic	Tons	31	63	
Total renewable materials	Tons	4,688	8,582	
Total non-renewable materials	Tons	1,599	3,389	

GRI 302-1: Energy consumed within the organisation

ENERGY CONSUMPTION WITHIN THE ORGANISATION					
Type of consumption	Unit of measurement	2021		2022	
		Total	Total GJ	Total	Total GJ
NON-RENEWABLE FUELS⁸			6,733		4,380
Natural gas	Standard cubic metre	71,650	2,846	59,421	2,363
Fuel for transportation	L	88,195	3,021	23,446	800
Diesel for transportation	L	22,682	866	31,882	1,217
ELECTRIC ENERGY⁹		1,060,207	3,817	1,238,867	4,460
Electricity purchased from the network	kWh	817,933	2,945	950,091	3,420
of which from non-renewable sources	kWh	817,933	2,945	950,091	3,420
of which from renewable sources	kWh	-	-	-	-
Electricity self-produced by photovoltaic systems	kWh	339,850	1,223	383,551	1,381
Electricity self-produced and fed into the network	kWh	97,576	351	94,775	341
from renewable sources - produced by photovoltaic systems	kWh	97,576	351	94,775	341
Total energy consumption	GJ		10,550		8,840
Non-renewable energy	GJ		9,677		7,801
Renewable energy	GJ		872		1,040
% Renewable energy on the total	%		8.3%		11.8%

ENERGY CONSUMPTION CONVERSION FACTORS					
Starting unit	Conversion unit	2021	Source 2021	2022	Source 2022
Electrical / Thermal Energy	GJ/kWh	0.0036	CONSTANT (International System)	0.0036	CONSTANT (International System)
Natural gas	GJ/1000smc	39.71		39.76	
Natural Gas (Density)	kg/m3	0.8		0.8	
Methane gas (CNG) for transportation	GJ/ton	49.89		50.08	
Methane gas (CNG) for transportation (Density)	kg/m3	175		175	
Diesel for heating	GJ/ton	45.3		45.3	
Diesel (Density)	kg/litres	0.85		0.84	
Diesel for transportation	GJ/ton	45.127	DEFRA 2021	45.28	DEFRA 2022
Diesel (Density)	kg/litres	0.85		0.84	
LPG	GJ/ton	49.333		49.33	
LPG (Density)	kg/m3	529.75		529.71	
LPG (Density)	kg/litres	0.53		0.53	
Unleaded petrol for transportation	GJ/ton	46.176		46	
Petrol (Density)	kg/litres	0.74		0.74	

⁷ 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.

⁸ 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 diesel consumption.

⁹ 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.

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) ¹⁰			
Type of consumption	Unit of measurement	2021	2022
		Total	Total
SCOPE 1	tCO₂e	395	252
Methane gas (Natural Gas)	tCO ₂ e	145	120
Petrol for transportation (fleet owned or leased on a long-term basis)	tCO ₂ e	193	50
Diesel for transportation (fleet owned or leased on a long-term basis)	tCO ₂ e	58	82
SCOPE 2	tCO₂		
Electricity purchased - Location based	tCO ₂	254	296
Electricity purchased - Market Based	tCO ₂	369	428
TOTAL EMISSIONS (SCOPE 1 + SCOPE 2 - Location based)	tCO₂e	649	548
TOTAL EMISSIONS (SCOPE 1 + SCOPE 2 - Market based)	tCO₂e	764	680

ENERGY CONSUMPTION EMISSION FACTORS					
Starting unit	Conversion unit	2021	Source 2021	2022	Source 2022
Natural gas	tCO ₂ e/m ³	0.002		0.002	
LPG	tCO ₂ e/ton	2.939		2.939	
Fuel for transportation	tCO ₂ e/ton	2.948	DEFRA 2021	2.903	DEFRA 2022
Diesel for transportation	tCO ₂ e/ton	2.969		3.033	
Diesel for heating	tCO ₂ e/ton	3.230		3.033	
Electricity (Location based) - IT	kgCO ₂ /kWh	0.315		0.315	
Electricity (Location based) - FR	kgCO ₂ /kWh	0.056		0.056	
Electricity (Location based) - DE	kgCO ₂ /kWh	0.393	Terna 2019	0.393	Terna 2019
Electricity (Location based) - CZECH REP.	kgCO ₂ /kWh	0.475		0.475	
Electricity (Location based) - ES	kgCO ₂ /kWh	0.210		0.210	
Electricity (Market based) - IT	kgCO ₂ /kWh	0.459		0.457	
Electricity (Market based) - FR	kgCO ₂ /kWh	0.059		0.049	
Electricity (Market based) - DE	kgCO ₂ /kWh	0.589	AIB 2021	0.618	AIB 2022
Electricity (Market based) - CZECH REP.	kgCO ₂ /kWh	0.532		0.550	
Electricity (Market based) - ES	kgCO ₂ /kWh	0.287		0.296	

¹⁰ 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 CO₂ emissions emitted by the energy providers from which the organisation purchases electricity through a contract, and can be calculated considering: Certificates of Guarantee of Origin of the energy and direct contracts with suppliers, emission factors specific to the supplier, emission factors relating to the "residual mix", i.e. to non-monitored or unclaimed energy and emissions (source: AIB - European Residual Mixes). The Location-based method relies on average emission factors relating to energy generation by well-defined geographical borders, including local, sub-national or national borders (source: Terna International Comparison). The Scope 2 emissions calculated with the Location-based and Market-based methods are expressed in tons of CO₂; however, the percentage of methane and nitrous oxide has a negligible effect on the total emissions of greenhouse gases (CO₂ equivalent) as can be inferred from the technical literature of reference.

SUPPLY CHAIN RESPONSIBILITY

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

NEW SUPPLIERS ASSESSED WITH ENVIRONMENTAL CRITERIA		
	as at 31 st December 2021	as at 31 st December 2022
Total new suppliers	8	4
New suppliers assessed according to environmental criteria	8	4
Percentage of new suppliers that have been assessed using environmental criteria	100%	100%

GRI 308-2: Negative environmental impacts in the supply chain and actions taken¹¹

NEGATIVE ENVIRONMENTAL IMPACTS IN THE SUPPLY CHAIN		
	2021	2022
	No. of	No. of
Suppliers that underwent environmental impact assessments	20	16
Suppliers that are found to have significant, potential and current negative environmental impacts	0	0

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

NEW SUPPLIERS ASSESSED WITH SOCIAL CRITERIA		
	as at 31 st December 2021	as at 31 st December 2022
Total new suppliers	8	4
New suppliers assessed according to social criteria	8	4
Percentage of new suppliers that have been assessed using social criteria	100%	100%

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

NEGATIVE SOCIAL IMPACTS IN THE SUPPLY CHAIN		
	2021	2022
	No. of	No. of
Suppliers that underwent social impact assessments	20	16
Suppliers that are found to have significant, potential and current negative social impacts	0	1 ¹²

¹¹ 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.

¹² 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

Statement of use	Industrial Wear Srl has prepared this Sustainability Report in accordance with the GRI Standards for the period from 1/01/2022 to 31/12/2022
GRI 1 used	GRI 1: Fundamental principles (2021)
Applicable Sector GRI Standards	N/A

GRI STANDARD	INFORMATION NOTE	PAGE	OMISSION		
			Requirement omitted	Reason	Explanation
GENERAL DISCLOSURES					
	2-1 Organisational details	12			
	2-2 Entities included in the organisation's sustainability reporting	86			
	2-3 Reporting period, frequency and contacts	86			
	2-4 Restatements of information	86			
	2-5 External Assurance	86			
	2-6 Activities, value chain and other business relationships	15; 44-45; 48-50;			
	2-7 Employees	56-57; 68-70			
	2-8 Non-employee workers	71			
	2-9 Governance structure and composition	10-13			
GRI 2: General Disclosure (2021)	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
GRI 2: General Disclosure (2021)	2-18 Performance assessment of the highest governance body	30			
	2-19 Remuneration policies	13			
	2-20 Process for determining remuneration	13; 24			
	2-21 Annual Total Compensation Report	74			
	2-22 Sustainable Development Strategy Statement	5			
	2-23 Policy commitments	24-25			
	2-24 Integration of commitments in terms of policy	29-31			
	2-25 Processes to remedy adverse impacts	29-31; 51-53; 87			
	2-26 Mechanisms for requesting clarifications and raising concerns	24-25; 86			
	2-27 Compliance with laws and regulations		During the 2022 financial year, no significant fines or sanctions were recorded for non-compliance with laws and regulations.		
2-28 Belonging to associations	33; 38; 43; 58				
2-29 Approach to stakeholder involvement	27				
2-30 Collective Bargaining Agreements	74				
MATERIAL TOPICS					
GRI 3: Material Topics (2021)	3-1 Process for determining material topics	26-28			
	3-2 List of material topics	28			
Material topic: ECONOMIC PERFORMANCE					
GRI 3: Material Topics (2021)	3-3 Management of material topics	19			
GRI 201: Economic performance (2016)	201-1 - Direct economic value generated and distributed	68			
Material topic: ETHICS AND BUSINESS INTEGRITY					
GRI 3: Material Topics (2021)	3-3 Management of material topics	20-25; 29-31			
GRI 205 Anti-Corruption (2016)	205-3 - Confirmed incidents of corruption and actions taken		During 2022, no cases of corruption and/or reports on the matter were recorded.		

GRI STANDARD	INFORMATION NOTE	PAGE	OMISSION		
			Requirement omitted	Reason	Explanation
GRI 206 Anti-competitive behaviours (2016)	206-1 Legal actions for anti-competitive behaviour, antitrust and monopoly practices				During 2022, there were no legal actions against the company with reference to anti-competitive practices and/or violations of regulations on antitrust and monopolistic practices.
Material topic: COMPLIANCE AND REPUTATION					
GRI 3: Material Topics (2021)	3-3 Management of material topics	24-25			
GRI 207: Taxes	207-1 - Approach to taxation				Industrial Wear adopts a precautionary approach without aggressive or elusive policies in order to fulfill tax obligations in a transparent way considering it one of the fundamental aspects for an ethical and responsible management of the Group.
	207-2 - Tax governance, control and risk management				The Group pursues a behavior that complies with the tax regulation applicable in the countries where it operates and interprets them in order to manage responsibly the tax risk, so as to fulfill the interests of all stakeholders.
GRI 418: Customer privacy	418-1 Substantiated complaints concerning breaches of customer privacy and losses of customer data				During 2022, there were no cases concerning breaches of customer privacy and/or of leaks, theft or loss of customer data.
Material topic: ENERGY CONSUMPTION AND EMISSIONS					
GRI 3: Material Topics (2021)	3-3 Management of material topics	63-64			
GRI 302: Energy (2016)	302-1 Energy consumed within the organisation	63; 76-77			
GRI 305: Emissions (2016)	305-1 Direct GHG emissions (Scope 1)	64; 78			
	305-2 Energy indirect GHG emissions (Scope 2)	64; 78			
Material topic: MANAGEMENT OF RAW MATERIALS					
GRI 3: Material Topics (2021)	3-3 Management of material topics	37-39			

GRI STANDARD	INFORMATION NOTE	PAGE	OMISSION		
			Requirement omitted	Reason	Explanation
GRI 301: Materials (2016)	301-1 Materials used by weight and volume	37; 76			
GRI 306: Waste (2020)	306-1 - Waste generation and significant waste-related impacts	65			
	306-2 - Management of significant waste-related impacts	65			
Material topic: EMPLOYEE TRAINING, DEVELOPMENT AND WELL-BEING					
GRI 3: Material Topics (2021)	3-3 Management of material topics	56-57			
GRI 401: Employment (2016)	401-1 New employee hires and employee turnover	56; 72-73			
GRI 404: Training and Education (2016)	404-1 Average hours of training per year per employee	57; 73-74			
Material topic: OCCUPATIONAL HEALTH AND SAFETY					
GRI 3: Material Topics (2021)	3-3 Management of material topics	59			
	403-1 Occupational health and safety management system	59			
	403-2 Hazard identification, risk assessment and incident investigation	59			
	403-3 Occupational health services	59			
	403-4 Worker participation, consultation, and communication on occupational health and safety	59			
	403-5 Worker training on occupational health and safety	59			
	403-6 Promotion of worker health	59			
	403-7 Prevention and mitigation of occupational health and safety impacts within commercial relationships	59			
	403-9 Accidents at work	75			
Material topic: DIVERSITY, EQUAL OPPORTUNITIES AND INCLUSION					
GRI 3: Material Topics (2021)	3-3 Management of material topics	56-57; 25			
GRI 405: Diversity and equal opportunity (2016)	405-1 Diversity of governance bodies and employees	56; 71-72			
GRI 406: Non-discrimination (2016)	406-1 Episodes of discrimination and corrective measures taken	In 2022 there have been no cases of discrimination inside the Company.			

GRI STANDARD	INFORMATION NOTE	PAGE	OMISSION		
			Requirement omitted	Reason	Explanation
Material topic: CUSTOMER SATISFACTION					
GRI 3: Material Topics (2021)	3-3 Management of material topics	44-45			
GRI 417: Marketing and labelling (2016)	417-2 Incidents of non-compliance concerning product and service information and labelling	During 2022, there were no episodes of non-compliance concerning the information and labelling of products and services.			
Material topic: PRODUCT QUALITY, SAFETY AND CONFORMITY					
GRI 3: Material Topics (2021)	3-3 Management of material topics	35; 39-43			
	416-1 Assessment of impacts on health and safety by product and service category	40-50			
GRI 416: Customer health and safety (2016)	416-2 Incidents of non-compliance concerning the health and safety impacts of products and services	During 2022, there were no cases of non-compliance concerning the health and safety impacts of products and services.			
Material topic: SUSTAINABLE AND RESPONSIBLE MANAGEMENT OF THE SUPPLY CHAIN					
GRI 3: Material Topics (2021)	3-3 Management of material topics	48-49			
GRI 308: Supplier environmental assessment	308-1 - New suppliers that were screened using environmental criteria	79			
	308-2 Negative environmental impacts in the supply chain	79			
GRI 414: Supplier social assessment	414-1 New suppliers that were screened using social criteria	79			
	414-2 Negative social impacts in the supply chain and actions taken	79			
Material topic: PRODUCT INNOVATION, PROCESS, R&D					
GRI 3: Material Topics (2021)	3-3 Management of material topics	38-39; 42-43			



Methodological note

This document represents the first 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 2022.

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 2021 financial year (from 1 January 2021 to 31 December 2021). 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 topics deemed relevant through a materiality analysis, described in the paragraph “Fly. Our approach to sustainability” 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 2022. 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 Slu (Spain), Industrial Wear Sas (France), Industrial Wear GmbH (Germany), Industrial Wear Sro (Czech Republic). Finally, Industrial Wear srl Pakistan (PVT) LTD is excluded from the scope of data and information reported, as it is considered insignificant 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.

It should also be noted that during the 2022 financial year, there were no significant changes in the size, organisational structure, ownership structure and supply chain of the Industrial Wear Group .

For further information and suggestions regarding the Industrial Wear Group Sustainability Report, write to info@payperwear.com. The document is also available on the Industrial Wear Group website: 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
PRODUCT QUALITY, SAFETY AND CONFORMITY	Reduction in the quality of the manufactured products	Negative/Potential	Caused by the Industrial Wear Group
	Protection of the health of product users	Positive/Current	
	Misleading communications to customers and end users	Negative/Potential	
COMPLIANCE AND REPUTATION	Non-compliance with laws, regulations and standards	Negative/Potential	Caused by the Industrial Wear Group
	Failure to pay taxes and fees	Negative/Potential	
	Breach of privacy and loss of customer data	Negative/Potential	
CUSTOMER SATISFACTION	Reduction of customer and end user satisfaction	Negative/Potential	Caused by the Industrial Wear Group
MANAGEMENT OF RAW MATERIALS	Use of raw materials for garments	Negative/Current	Caused by the Industrial Wear Group and related to the Group through its commercial relationships
PRODUCT INNOVATION, PROCESS, R&D	Technological innovation of processes and products	Positive/Current	Caused by the Industrial Wear Group
EMPLOYEE TRAINING, DEVELOPMENT AND WELL-BEING	Employee satisfaction and well-being	Positive/Current	Caused by the Industrial Wear Group
	Recruitment of workers from the local community	Positive/Current	
	Training and growth of workers	Positive/Current	
ENERGY CONSUMPTION AND EMISSIONS	Generation of direct and indirect GHG energy emissions	Negative/Current	Caused by the Industrial Wear Group and related to the Group through its commercial relationships
	Energy consumption	Negative/Current	
SUSTAINABLE AND RESPONSIBLE MANAGEMENT OF THE SUPPLY CHAIN	Violation of human rights in the supply chain	Negative/Potential	Caused by the Industrial Wear Group
	Inadequate working conditions and remuneration among suppliers	Negative/Potential	
OCCUPATIONAL HEALTH AND SAFETY	Workplace Accidents	Negative/Potential	Caused by the Industrial Wear Group
ETHICS AND BUSINESS INTEGRITY	Unethical conduct of business	Negative/Potential	Caused by the Industrial Wear Group
DIVERSITY, EQUAL OPPORTUNITIES AND INCLUSION	Discrimination and non-inclusive practices in the workplace	Negative/Potential	Caused by the Industrial Wear Group
ECONOMIC PERFORMANCE	Generation and distribution of economic value	Positive/Current	Caused by the Industrial Wear Group



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