



SUSTAINABILITY REPORT

ZAMASPORT 2022



~ Historical headquarters ~

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~ Our garments ~

Letter to stakeholders

Dear Stakeholders,

We are pleased to share with you our third consecutive Sustainability Report. This Report provides a tangible summary of our values and actions, tracking the progress made, the challenges overcome and the ambitious goals that still lie ahead. In particular, our intention is to provide you with a comprehensive view of our work and the impacts we generate on a social, environmental and economic level.

In these past three years, the world has been marked by a profound sense of uncertainty, starting with the pandemic crisis and its pervasive effects in various sectors, as well as in our own lives, to the emergence of the conflict in Ukraine, which has brought war to Europe's doorstep. In this complex scenario, we reaffirm our commitment to being a stable point of reference for our employees and the communities in which we operate, contributing to the promotion of 360-degree sustainability within our sphere of influence.

Throughout 2022, we continued with our mission: 100% of the electricity we use now comes from renewable sources and, despite the increase in business and the introduction of 40 new collections, we managed to reduce our energy consumption by 13% compared to the previous year. Our commitment to mitigating our environmental impact is expressed through technological innovations in the design and production of our clothing, as well as the adoption of circular practices, as demonstrated by our donation of 125kg of unused fabric and accessories to the Secoli Institute, all while keeping brand and fashion market demands at the forefront.

We acknowledge that we are still at the beginning of a long journey, one characterized by continuous progress and increasing commitments. However, in a constantly evolving world, we remain steadfastly dedicated to promoting positive change and a more sustainable future.

We thank you for your attention and wish you an enjoyable read.

Luigi Greppi Cappa, CEO Zamasport Spa





~ Production department ~

Methodological approach

With our third Sustainability Report (hereinafter the “**Report**” or “**Document**”), we at Zamasport (hereinafter also referred to as the “**Company**”) have set ourselves the goal of presenting our sustainability policies and objectives to our stakeholders in a complete and transparent manner and reporting on the results achieved during the year.

The reporting concerns Zamasport S.p.A. and, in line with our economic and financial reporting, all the information and data contained in the document refer to the period between 1 April 2022 and 31 March 2023 (hereinafter referred to as “**2022**”). In order to allow data comparisons we have, where possible, presented previous years’ data, i.e. 1 April 2020 – 31 March 2021 (hereinafter referred to as “**2020**”) and 1 April 2021 – 31 March 2022 (hereafter referred to as “**2021**”), in order to illustrate the evolution of our performance annually.

The document has been prepared in accordance with the **Global Reporting Initiative Standards** (referred to as “**GRI Standards**”), published by the GRI - Global Reporting Initiative, by adapting to their new 2021 version, following the “In Accordance with” option, which resulted in a revision of the methodology for the Materiality analysis (GRI 3: Material Topics 2021). All content related to the GRI Standards is listed in the GRI Content Index, provided at the end of the document. Where estimates have been used, this is always indicated in the text.

This year, the reporting process has been refined by involving not only the internal management, but also intermediate levels of the company. Furthermore, training has been provided for all mid to high-level company personnel.

The information contained in the “*Human rights and working conditions along the supply chain*” section has been revised to provide better clarity on how subcontractor verification processes are managed. Additionally, certain KPIs in the “Innovation and digitalization” section have been removed as some of them were found to be less meaningful as they were too dependent on the complexity of the project and the quantity of orders received.

All the information in the document has been gathered through specific forms and interviews with department representatives, in line with best practices in non-financial reporting.

For information and clarifications regarding the contents of the Sustainability Report, you can contact us at the following address: **sustainability@zamasport.com**

Our stakeholders

Stakeholders are defined as all individuals, entities or institutions that in some way have an interest in the activities the Company carries out, and who can, at the same time, exert an influence on its operations.



By identifying our stakeholders, we have been able to produce a precise map of the categories with whom we dialogue and interact daily in the course of our business operations. Furthermore,

from this year, we have added to the channels available to listen to and dialogue with our stakeholders by launching a specific stakeholder engagement process on sustainability issues.

STAKEHOLDERS	TOOLS FOR LISTENING AND ENGAGEMENT	INTERACTION WITH STAKEHOLDERS
Customers	Attention to brand requirements Quality assurance Supply chain control Adherence to delivery times	Direct and continuous communication Meetings at the customer's premises Meetings at our headquarters Customized events After-sales services
Shareholders and investors	Growth objectives and strategies	Website Direct contacts Dedicated meetings
Community and local area	Defining critical issues and the related corrective actions to ensure well-being and growth	Direct and continuous communication Events aimed at discussion and improvement
Dipendenti e collaboratori	Growth opportunities Reduction of critical issues Enhancement of corporate well-being	New employee onboarding activities Welfare initiatives Complaint reporting form Personal meetings with management
Altri Fornitori di Servizi	Establishing a relationship of partnership and sustainable growth	Direct communication Audits
Scuole e università	Aligning needs and proposals between schools and the Company Workplace training Technological growth proposals	Participation in workgroups New tailoring specialization school Internship periods
Pubblica amministrazione	Ensuring objectives for the development of a sustainable program	Targeted meetings Newsletters Direct communication
Generazioni future	Workplace training Understanding and welcoming sustainability suggestions	Meeting with youth associations Information through digital channels

Materiality analysis

A seguito dell'aggiornamento dei *GRI Universal Standards* e, in particolare dello *Standard GRI 3 - Material Topics*, è previsto che le organizzazioni rivedano il processo di analisi di materialità al fine di identificare i propri impatti più significativi sull'economia, l'ambiente e le persone, compresi gli impatti sui diritti umani.

Il processo di analisi, sintetizzabili nelle fasi qui sotto riportate, ha previsto anche il coinvolgimento degli stakeholder interni attraverso un'attività di *workshop*.

- **Understanding the context**

An analysis of the Group's activities, business relationships, sustainability context and relevant stakeholders was conducted to gather the information necessary to identify actual and potential impacts. The Company also performed a detailed benchmark analysis of key industry peers, including competitors, comparables and clients, totaling thirty-four players.

- **Identifying the nature of impacts**

Impacts were categorized as actual and potential, negative and positive, direct and generated through business relationships, short-term and medium to long-term, expected and unintentional.

- **Assessing the significance of impacts**

The impact assessment was carried out through a workshop involving senior company management. The assessment was based on the following parameters (on a scale from 1 to 5): scale, scope and level of remediation (only for negative impacts). In the case of potential impacts, the likelihood of their occurrence was taken into account. The combination of these factors determined the level of severity/magnitude.

The table below provides a summary of the analysis output and indicates the extent of the impact type (negative/positive), its connection to Sustainable Development Goals (SDGs), the materiality level (the severity of its actual negatives or the extent of its benefits)

Material topic	Primary impact generated (negative/positive)	SDGs	Level of materiality of the impact
Economic performance	Economic contribution to the local area and stakeholders through the distribution of generated economic value.		●●●
Privacy and security of data and information	Breach of confidentiality in the processing of customer and/or supplier data, information or documents.		●●○
Product quality and customer satisfaction	Customer dissatisfaction due to a decline in product quality (e.g., increase in defective products) and/or failure to meet production and delivery timelines.		●●○
Innovation and digitization	Increase in customer satisfaction through investment in technologies (such as RFID, WMS, 3D platform, etc.) allowing for reduced environmental impact and faster interactions with partners and customers.		●●○
	Reduction of environmental impact through investments in R&D.		●●○
Partnership with suppliers	Improvement in the strength and durability of supplier/subcontractor/supporting facilities relationships, resulting in strengthened partnerships.		●●○
Transparency and traceability of the supply chain	Reduction of negative environmental and/or social impacts generated by the supply chain through the selection of responsible suppliers and the development of a transparent and traceable supply chain.		●●○
Ethics and integrity	Socio-economic harm and market inefficiencies due to corruption and/or inadequate compliance with environmental and tax regulations and/or unethical business practices.		●○○
Employee attraction, development and well-being	Enhancement of employee well-being through welfare solutions, maternity/paternity support, improved work-life balance, fostering a positive work environment and strengthening internal communication.	 	●●●
	Employee development through structured planning and management of training initiatives and career paths.		
Health and safety	Improvement of working conditions through the replacement of outdated machinery and/or introduction of technologies (e.g., replacing ironing tables to reduce noise, air circulation systems, etc).	 	●●○
Respect for human and workers' rights along the supply chain	Violation of human rights and workers' rights by laboratories/subcontractors/supporting facilities.		●●○

Tema materiale	Principale impatto generato (negativo/positivo)	SDGs	Livello di materialità dell'impatto
Diversity, inclusion and equal opportunities	Failure to respect diversity and equality due to different treatment based on factors such as gender, sexual orientation, religion, ethnicity and language.	 	● ○ ○
Empowering local communities and the region	Contribution to the social and economic development of the communities in which the Company operates through investment in projects and initiatives (e.g., Novara Project).		● ○ ○
Energy and emissions	Contribution to climate change due to lack of commitment to reducing the carbon footprint.		● ● ●
Environmental impact of the supply chain	Water pollution by workshops/subcontractors/supporting facilities due to improper management of water discharges.		● ● ● ○
	Waste of water by workshops/subcontractors/supporting facilities.		
	Damage to the environment and health related to the use of harmful chemical substances.		
Responsible management of waste	Environmental pollution due to inadequate waste and residue disposal.		● ● ● ○
	Reduction of environmental impact through the optimization, recycling and reuse of waste materials.		
Sustainability of raw materials	Contribution to the development and dissemination of new eco-design solutions in the sector through investments in R&D (e.g., reducing the quantity of mixed fibers, etc)		● ● ● ○
Sustainable packaging	Reduction of negative environmental impact through the use of more sustainable primary and secondary packaging solutions and their adoption by business partners.		● ● ● ○

Highlights

Our team



195 persons

84% women

91% on permanent contracts

99% on full-time contracts

250 € one-time welfare bonus

792 of training

Highlights

Our performance



41,9 million in turnover
+15% compared to 202

485.897 euro
invested in 2021/2022

15 customers
+3 compared to 2021

66 collections
+40 compared to 2021

4.198 models developed
+2.448 compared to 2021

123.887 garments developed
+14.124 compared to 2021

**Our
supply chain**



+60 of our subcontractors audited
in relation to respect for human and
workers' rights

94% of our subcontractors are based
in Italy

71% of our fabric and accessories
suppliers are Italian companies

77% of our supporting facilities are
Italian companies

Highlights

Our care for the environment



Energy efficient headquarters: NZEB (Near Zero Energy Building) equipped with photovoltaic panels and heat pumps powered by electricity

New 3.700 m2 NZEB premises

100% of electricity from renewable sources

-13% electricity consumption

6 charging stations for electric cars

125 kg donated to the Istituto Secoli, including various fabric compositions: 320.35 meters of various fabric and lining compositions, as well as 235 pieces of accessories such as zips, hooks and shoulder straps.

I. Our Company

I.1 Our history

Our story began in 1966 and Zamasport has, over the years, maintained the family footprint which has characterized its success.

1966



Our company is founded in 1966 following the transformation of the Maglificio Augusto Zanetti family lingerie business.

1968



Our first prêt-à-porter brand, Callaghan, is born under the guidance of designer Walter Albin. It is the first time a designer leaves his atelier to enter the factory floor and understand the dynamics of production.

1971



Albin presents the garments of five labels at the *Circolo del Giardino*, including our Callaghan coordinates in jersey and knitwear.

1972



Callaghan appoints a young man of 26 years as creative director: Gianni Versace. The designer's creativity combined with the skills of our technicians gives rise to numerous innovations.

1985



Romeo Gigli becomes the new creative director of Callaghan. Our brand achieves international recognition for quality and creativity and launches a well received avant-garde line ahead of its time.

1990's



Callaghan appoints Nicolas Ghesquière as art director.

We consolidate our management of production and distribution licences of various brands, such as: Helmut Lang, Norma Kamali, Katharine Hamnett, Romeo Gigli. We are worldwide licensees for the production and distribution of GUCCI women's clothing for seven years from 1993.

Today

We collaborate with the most prestigious ready-to-wear labels in both the development of collections and in industrial production.

We are the international point of reference for design, engineering, development, prototyping and production of apparel for the world's most prestigious brands, both for runway shows and main line collections.



1.2 Who we are and how we work

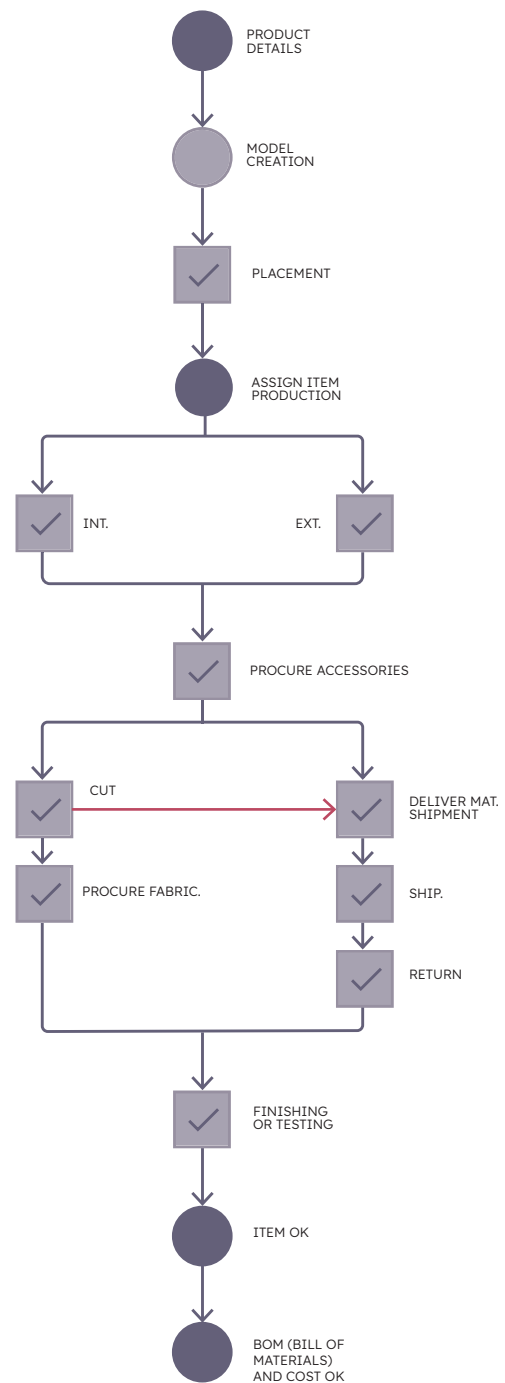
We are a leading company in the management of production and distribution licences for the most prestigious ready-to-wear brands. We offer our clients 360° collaboration, from the purchase of materials, to the development of prototypes and samples, up to delivery of the finished product.

Our support starts right from the Models Department, where we translate a style idea, a sketch, a design received from a designer and turn it into reality. With our know-how and the most advanced 3D design software, we offer a perfect combination of the brand's idea of style and the best workmanship and solutions. The product development manager handles contacts with customers from the earliest stages of the study, monitoring the progress of the prototypes.

Meanwhile, the CAD Area places all the materials and lays out the cutting arrangements. At the same time, the Warehouse prepares the accessory package and the materials necessary for the cutting phase. After cutting, the first prototype is packaged in our internal atelier. Following final approval by the customer, we create samples for the runway shows and begin the actual production of garments for shops.

Thanks to a ten-year collaboration with our contract manufacturers, selected for the quality of their workmanship and compliance with the most stringent ethical-social parameters, the garments are produced externally but are constantly monitored.

By introducing PLM (Product Lifecycle Management), we have created an online platform that allows us to monitor the product at every stage and to share information with customers. By integrating this function, we can manage the flow of activities, information and data along the entire process in an organized and automatic manner, with clear benefits in terms of reduction of communication and execution times of operations and improvement in accuracy and quality control. The RFID (radio frequency identification) system is also integrated into the PLM, enabling



us to automatically identify and memorize, via radio messages, information on all the stages of garment production, including at our subcontractors.

Before production is launched, we usually produce a “pre-production sample” in order to verify the conformity of the finished garment be-

fore production. With permanent supervision, our “Product and Production” Team takes the place of the customer in verifying all the production stages, particularly with regard to the compliance of timings and the quality of each garment and accessory. All phases and suppliers are also supervised through supply chain process certifications using RFID technology.

Finally, we dedicate particular attention to the

final testing phases thanks to our Quality Team and a specific area for customer checks. One of the last stages before delivering the garments to the customer is the passage through x-ray control equipment, through which we check for the presence of any metal residues in the packaging: each individual garment is checked to detect and eliminate any metal contamination present in the finished garment.

1.3 Our philosophy

Creativity is the lifeblood of our business, a strategic asset of fundamental importance. We need new ideas to expand our activities, create new products and address new challenges: we owe much of our success to our collaborators, their creativity and their expertise.

To develop creativity a company needs an internal corporate atmosphere that is positive and fosters the generation of new ideas and initiatives: this is what allows us to be innovative. To grow we must have an open mind that allows

us to learn from mistakes and seek solutions to continuously improve the quality and competitiveness of the products and services we offer.

The involvement of all our human resources is therefore a key element in ensuring that new management strategies are successful. Therefore, it is vital to keep our human resources informed and trained, enhancing their skills, knowledge and professionalism. Our spaces, itineraries and environments are designed to contribute to a better quality of working life for all employees.

1.4 Membership

We are members of Confindustria Novara Vercelli e Valsesia (CNVV), whose mission is to promote the industry by representing common interests to the political, institutional and labour sectors. CNVV, which in turn is a member of Confindustria and Confindustria Piemonte, offers consulting and assistance to members on labour, social security, tax, trade and financial matters, as well as services related to the environment, health and safety, quality, technological innovation, professional training and development, urban planning and industrial construction. CNVV also

collaborates through agreements with general service providers.

We also adhere to the ZDHC (Zero Discharge of Hazardous Chemicals), a program initiated in 2011 in response to the Detox campaign launched by Greenpeace. ZDHC aims to reduce the chemical footprint of the clothing and footwear industry by gradually eliminating hazardous chemicals and promoting the implementation and spread of sustainable textile chemistry.

2. Corporate Governance

At Zamasport we work according to a vision of Corporate Social Responsibility based on values such as integrity, fairness, ethical correctness, responsibility, legality and transparency, in order to generate value and meet our stakeholders' highest expectations.

Our Company's corporate governance system is currently structured as follows:

- **Board of Directors:** vested with the broadest powers to pursue corporate objectives and to carry out ordinary and extraordinary management of the Company, with the sole exception of those acts which, according to the law and the By-laws, are the exclusive responsibility of the **Shareholders**; The Board currently consists of 3 directors: Giuseppina Zanetti, the founder of the company, along with Greppi Cappa Luigi and Greppi Cappa Paolo.
- **Board of Statutory Auditors:** the management of the Company is supervised by a collegial body made up of three standing members and two alternates, which is also responsible for the statutory audit.

The Sustainability Report is shared and approved by the Board of Directors, to which all critical issues related to environmental, social and governance aspects are reported, also in compliance with Legislative Decree 231.

In the next year, the Company plans to improve the reporting process by making it more organized and structured.

2.1 Business ethics and integrity

The Company's corporate governance system includes the "**Organization, Management and Control Model**", drawn up in accordance with Legislative Decree 231/2001, and the Company Procedures which, in addition to preventing the crimes envisaged by the Decree, are aimed at making the control system as efficient as possible. The voluntary adoption of these tools demonstrates the Company's wish to establish a tangible dimension of our integrity.

The 231 Organizational Model has been in effect since 2020 and contains protocols and procedures that provide detailed regulations for each activity within the company, with the aim of protecting the Company and its employees from the risk of committing offences in the execution of the tasks entrusted to them. Over the past three years, there have been no instances of corruption.

For 2023, the Company plans to provide even

more specific training on individual procedures and a thorough review of those related to the operating system, which will undergo a significant change in 2024. The aim of the training sessions is to raise awareness among employees and adapt the procedures to today's reality.

The essential foundation of the Model is our Code of Ethics, which establishes all the ethical principles and values associated with our corporate identity and represents a common basis to guide the behaviour of all our employees and all those who establish permanent or temporary relationships with them.

In fact, these values guide all our corporate decisions, including our compliance and governance strategies, and form the basis for ethical self-regulation aimed at complying with current legislation.

Zamasport therefore clearly believes the path towards a virtuous approach goes well beyond

mere compliance with regulations. The Company must make considerations of a broader nature than mere regulatory compliance, contemplating

strategic actions that can include sustainability as an additional opportunity for our Company.

2.2 Privacy and security of data and information

Zamasport has always been committed to safeguarding the data of our external stakeholders and employees well beyond the minimum legal requirements. To this end, the Company firstly implemented control policies including perimeter access control to prevent unauthorized access to the premises and continuous monitoring of IT systems to maintain a high standard of security.

We believe that security is not a destination but a daily journey.

We regularly update our IT infrastructure and encourage positive habits. The main operating procedures have been explained and shared with employees through precise protocols.

In order to enhance security, several initiatives have been introduced:

- replacement of the corporate firewall and integration of a secondary backup firewall;
- change in the antivirus software, opting for one managed in MDR (Managed Detection & Response) to add an additional level of remote control by the same provider;
- change in the rules for accessing company Wi-Fi networks, introducing a ticket valid only

for the period of stay requested by the visitor;

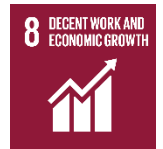
- replacement of the server infrastructure by introducing two hyper-converged appliances that back up to a third device;
- installation of DataCORE software on the new infrastructure, allowing for timed snapshots to enable quick system restoration in the event of a ransomware¹ attack;
- provision of a dedicated UPS (Uninterruptible Power Supply) monitored remotely for each device.

While no data breaches or data theft/loss incidents resulting in complaints have occurred up to 2022, our goal is to introduce additional controls that can be formalized and tracked, such as security verification tests (penetration tests or vulnerability assessments).

In 2023, the company plans to significantly enhance security by changing the infrastructure and conducting a penetration test to provide an accurate or estimated level of protection. Furthermore, in 2023 certain company systems will be migrated to the cloud to ensure a higher standard of protection.

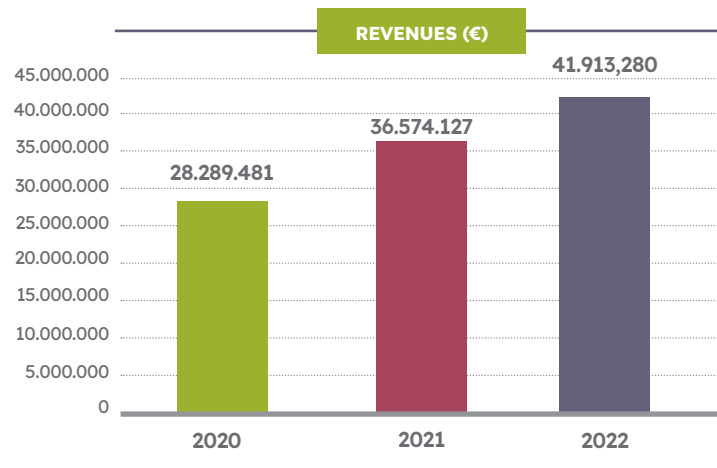
1. Ransomware tipo di malware che limita l'accesso del dispositivo che infetta, richiedendo un riscatto da pagare per rimuovere la limitazione.

3. Economic-financial performance



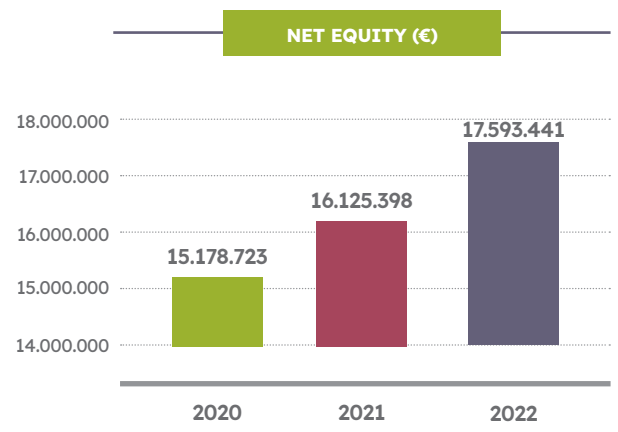
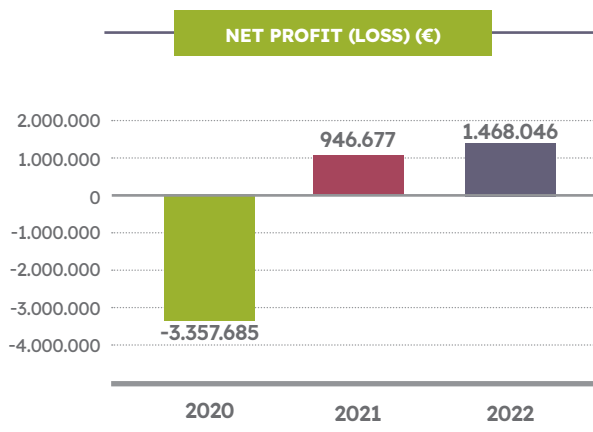
Economic sustainability plays a crucial role as careful and responsible management enables the Company to foster and solidify the trust of its stakeholders. Furthermore, sustainable economic and financial performance has a positive impact on the local area, contributing to generating value within the productive and social ecosystem the Company is an integral part of.

The financial statements of Zamasport for the year ending on 31.03.2023 show a positive result deriving from an increase in revenues from core business, up by 14.6% compared to the previous year, which contributed to a marked improvement in the gross operating margin (from Euro 1.7 million to Euro 2.4 million).



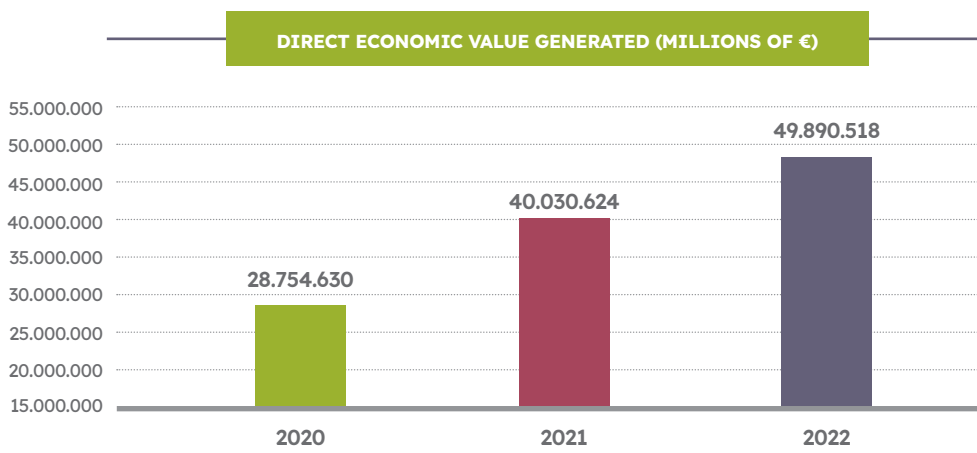
The operating result has also shown improvement, with an increase from 946,677 to 1,468,046. The results for the period have

strengthened the company's financial structure, with Net Equity rising from Euro 16.1 million in March 2022 to Euro 17.6 million in March 2023.

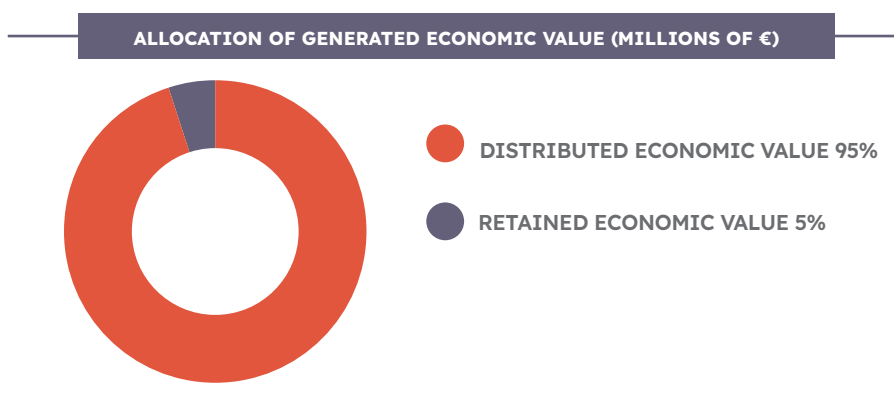


The economic value directly generated by the Company, determined in accordance with the requirements of the GRI Standards reporting standard 201-1, continues to show growth, following the trend of recent years. It has increased from Euro 40 million in 2021 to approximately Euro 50 million in 2022 (Euro 29

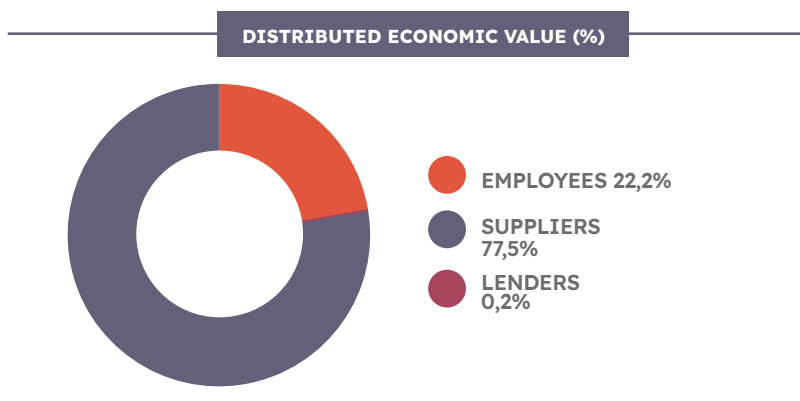
million in 2020). 96% of the economic value generated by the Company has been distributed to internal and external stakeholders with whom Zamasport actively engages, considering them essential partners in achieving the Company's economic success.



The retained economic value in 2022 stands at 5% of the directly generated economic value, an increase on the 4% reported in 2021.



The diagram below showing the determination and distribution of directly-generated economic value illustrates the overall wealth created by Zamasport, which is subsequently divided among the various stakeholders: suppliers, employees (salaries and benefits), lenders and Public Administrations.



Significant investments were made during the financial year ending on 31/03/2023. The principal investments include:

- works to complete the new plant in Novara for renovation and plant installation (Euro 486,327);
- improvements to buildings at Via Belletti 10 and 16 (Euro 261,300);
- acquisition of new software and licenses (Euro 66,813);
- installation of systems and operating machinery (Euro 42,512);
- purchase of new equipment (Euro 29,012);

- purchase of furniture, furnishings and electronic machines (Euro 86,570).

The significant drop in sales in 2020 due to the pandemic has been effectively recovered by the Company through new initiatives in the production area and an increase in fashion brands and the number of customers.

The Company's economic performance has continued to provide encouraging signs this year. For example, the collection of orders for the Autumn/Winter 2023 season ended in April with an increase of 36% compared to the previous 2022 season, which was still suffering the effects of the pandemic.

4. Innovation and quality at our customers' service



4.1 Quality of processes and products

Each of our new collections represents a unique journey that leads, step by step, to the definition of a runway show garment which is later transformed into a quality industrial garment.

Thanks to the know-how of our highly qualified staff, at Zamasport we are committed and dedicated to creating high quality garments that respond to the needs and requirements of our customers and final consumers.

Indeed, the quality of our processes and products is our distinguishing feature for current and potential customers. All the garments we make, from the “pre-production sample” to the actual product, comply with the high quality standards required by the brands, with which we sign protocols defining the specific parameters to be respected at every level of the supply chain.

Furthermore, at Zamasport we work to counter an economic model that has caused the depletion of natural resources, pollution of the environment and damage to biodiversity and the climate. In fact, we collaborate with subcontractors and suppliers to promote greater sustainability in all the production process phases, from procurement to use, including prototyping and packaging, communicating the Company's standards on human rights and environmental protection to all players involved in the production chain.

This is why we pay close attention to every single stage of production, right from the arrival of the raw materials at our headquarters. To ensure the integrity of the materials and to maximize their use, we commission a specialized external company to analyze the fabrics and highlight any defects. The selection and purchase of materials is a decisive step in the success of the creative process and production, which, as well as featuring high

quality levels, must respect strict timings for the production cycle and deliveries.

As far as the quality of the finished product is concerned, the process begins in the garment design phase, with the study and execution of prototypes. The Models Department, the area in which models are studied and designed, is the real nerve centre of our Company, where staff dedicated to each brand have the task of interpreting the customer's stylistic requests and making them feasible on the existing garment. Subsequently, starting from the model, the fabric is placed using CAD software used to create 3D models, which allows the optimization of timing and materials, with a reduction in inventories of 75-76%. This enables us to respond to any design requirement, obtaining immediate feedback to eliminate any flaws that would formerly only be found during the packaging phase, and to adapt the wearability of the garments according to the mechanical characteristics of the different fabrics used.

The models and fabrics are then sent to our subcontractors who, having created a “pre-production sample” which is carefully analyzed by our professionals, start the actual production process under the supervision of our technicians. When the product is packaged, it is delivered to our headquarters for a test on the quality of execution and, if it passes these checks, it is wrapped and packaged.

Throughout the production process, each individual garment is assigned an RFID code which keeps track of the entire production process and the movement of garments. Before shipping, each garment is checked with an X-ray metal detector to eliminate the risk of the presence of metal residues used for the packaging, such as needles and pins.

4.2 Innovation of industrial processes and digitization

Over the years, technological applications in the industrial sector have revolutionized production processes and, at Zamasport, we have taken the opportunity to renew and improve ourselves.

Indeed, the themes of innovation and digitization have always been at the centre of our Company's interest. We recognize the positive value in these aspects as they represent a vehicle to support our business, allowing us to optimize processes and make them more fluid.

The Company invests significant resources in research and development on new technologies for continuous improvement in the quality levels and efficiency of its products, both in terms of materials, modelling and sewing.

One of our principal innovative technological applications is RFID technology (R.F.Id. - Radio-frequency identification), which has been applied at production level since 2015 and for samples since 2017. When applied in the production process, each finished garment is assigned a unique number with a cardboard label with an antenna which is applied to the hangers of the garments. This solution allows us not only to know immediately where the garment is but also to access all the necessary information on its composition and production (material used, subcontractor by which it was produced, size, colour, collection, brand), making the product fully traceable. As far as warehouse management is concerned, in 2018 we launched a project using WMS (Warehouse Management System) technology. In the first phase of the project, which lasted approximately 1 year, we studied and selected the best software to correct and modify it for our specific purposes. The application was launched in June 2020, when the warehouse was transferred to the new building. By collaborating with our warehouse workers, we have managed to create the best solution to handle requests and to map the place where each fabric and accessory is located in the warehouse, facilitating

their work and making material procurement times more efficient.

We have recently invested heavily in three-dimensional prototyping with the introduction of the 3D CAD system in the modelling phase and the acquisition of a new 3D machine which has been added to the two already present in the Company. The software, which passes from 2D simulations to a 3D platform, allows us to create virtual models for faster interaction with our customers and to meet new needs on the fashion market. The 2D and 3D technology, combined with a library of mechanical characteristics of the main fabrics, provides us with a vision that closely resembles the actual finished garment, which, due to the intrinsic characteristics of the material, the canvas would not have given us in the same way. During the prototype design and visualization phase, the effects of the fabric on the model (thickness, print, and more) can be immediately seen to verify the final result of the garment, to calculate the quantity of material necessary to produce it and to establish the placements of cuts. These solutions have brought numerous advantages: the placement software has allowed us to reduce fabric and canvas waste, while the 2D and 3D technologies have reduced the time necessary to design garments and, in the pandemic period, allowed us to continue our business activities for customers.

Furthermore, the 3D simulation of prototypes is gradually replacing traditional paper and cloth models which, once their function is over, become waste that needs to be disposed of. We believe waste reduction should apply not only to production processes, but also to the design phases. We therefore consider this investment even more strategic and aimed at contributing to the sustainability objectives that we have set ourselves.

The Company's goal, through the use of 3D technology, is to significantly reduce the environmental impacts associated with a single fabric, including the electricity used in various processes,

fabric waste and the fabric itself after it has served its final purpose.

Furthermore, with the relocation of part of the production to the new facility, the machinery used for fabric cutting has also been upgraded, bringing speed and efficiency with a substantial

increase in daily cutting capacity. These machines can handle up to 2.5 cm of overlapping fabric, allowing us to cut larger quantities in less time, leading to improved energy efficiency and reduced environmental impacts.

FUTURE GOALS

Introduction of a new section of the operating system to supplement the one already in use in the Company, in order to improve management of the business. The digitization of various processes will also simplify sharing among departments.

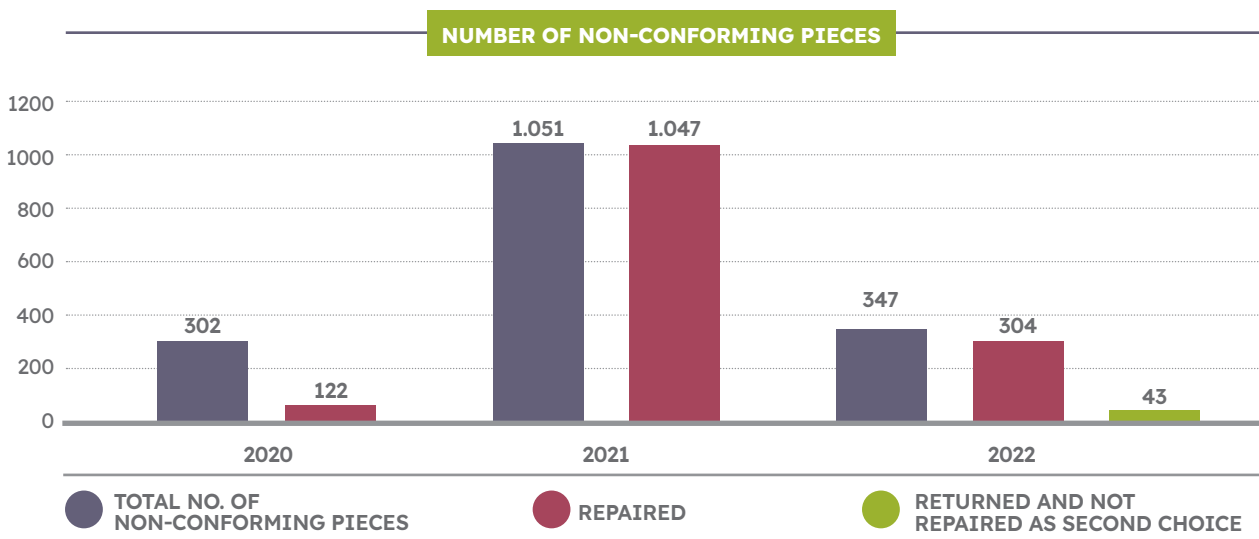
4.3 Customer satisfaction

The pursuit and maintenance of our customers' satisfaction are the basis of our operations and the goal we constantly strive for. Presenting ourselves as a reliable, competent, flexible partner that can satisfy the requests of fashion houses is certainly one of the characteristics that differentiates us from our competitors.

The ability to respond punctually and satisfactorily to customer requests involves the establishment of a virtuous circle that is fundamental for our organization, fuelled by our own corporate know-how, which means we can anticipate the requests themselves: this creates a bond of trust which strengthens partnerships and establishes good practice, both in terms of stylistic initiative, where required, and in terms of problem solving.

We contractually define all the production phases with each customer, from the creation of prototypes to shipment of the product, customizing the items according to their needs. Our Sales Department interfaces directly with the customer, dealing with all administrative and commercial issues.

The requests we receive can sometimes involve our partners, requiring the performance of audits and inspections at their sites, while on other occasions they may concern our own business operations, with reference to the possibility of reducing our environmental impact or improving compliance with customers' Codes of Conduct.



A fundamental component of customer satisfaction lies in the quality of the garments produced; even in the event of non-compliance, our main objective is to respond to every complaint by proposing solutions or repairs that meet the customer's requests.

Thanks to the particular attention we pay to this delicate phase of the production process, in the last two years we have eliminated the highly-polluting and unsustainable practice of destroying non-compliant garments, replacing it with repair and return processes in agreement with the customer. The increase in non-conformities in absolute numbers is less impactful when considering the number of affected items out of

the total production. In fact, when assessing this parameter, there was a defect rate of 0.95% in 2021, which improved to 0.28% in 2022. The only increase observed is in the number of unrepaired items, primarily due to common quality defects in the raw materials and the higher quality standards and stricter parameters required and imposed by the brands.

Furthermore, with the use of technology, operational efficiency and continuous research, we have managed to reduce delivery times, which is an additional factor in maintaining high levels of customer satisfaction.

Several key aspects impact customer satisfaction:

Timeliness in managing needs

Punctual delivery of the prototype and samples is a prerequisite for the subsequent development of the collection.

Effective, timely and responsive communication with the customer

As the entity responsible for satisfying the brand's requests, we are the operational party that must deal with the various needs that arise along the production chain - for example, failures on the part of the material or labour supplier. When such cases occur, experience again allows us to anticipate some solutions - for example by allocating resources to ensure product advances if the garment proves to be particularly difficult to make but is also a flagship product for the client. A shared solution is normally achieved thanks to open and transparent discussions on the issues in question, and thanks to joint work between our departments and the client's company divisions.

Quality guarantee

We respect the quality standard required by our clients and work together with the client to improve it by creating dedicated teams that respond to particular needs.

In recent years we have implemented various actions to meet the principal requests and needs of our customer brands:

- creating consolidated procedures to manage returns and/or complaints;
- collaborating in projects aimed at certifying traceability in the supply chain;
- qualitative monitoring through third parties

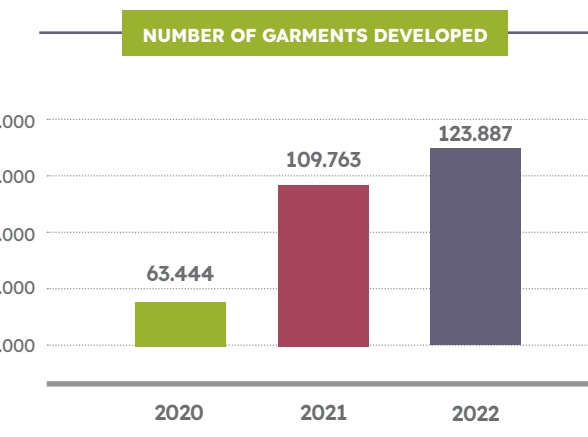
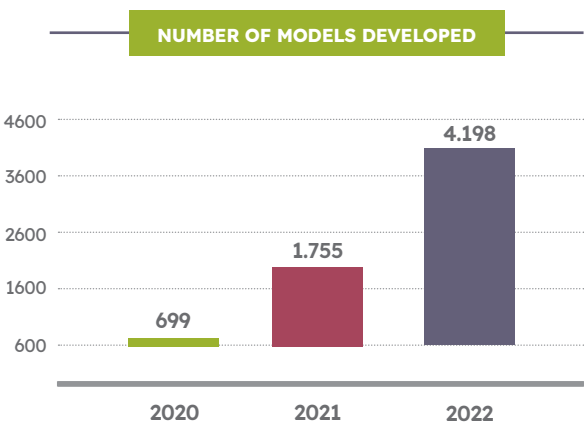
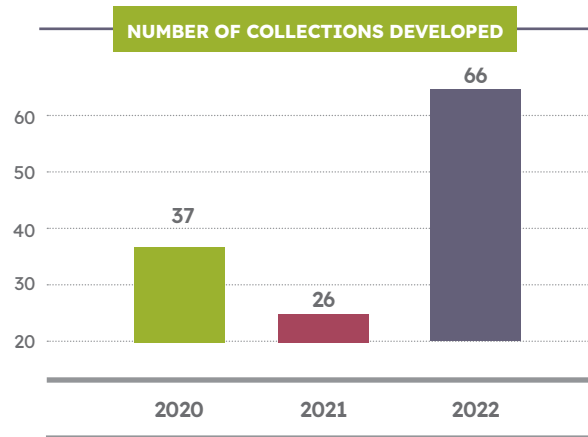
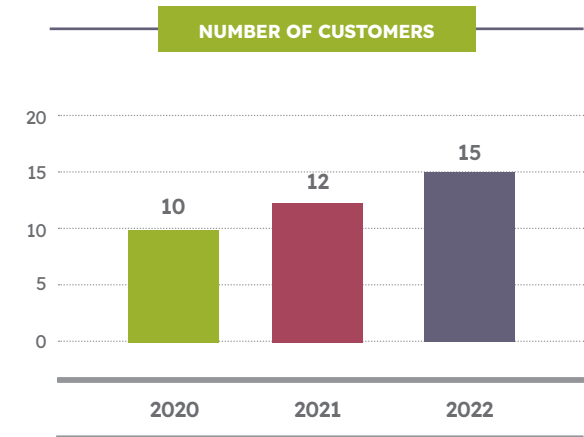
that certify product standards;

- adapting to specific procedures adopted by our customers through investments and technological changes.

Thanks also to these improvements in the management of commercial relationships, in the last three years our total number of customers has increased from **10** in 2020, up to **12** in 2021 and **15** in 2022.

Furthermore, both the number of collections and models developed increased in 2022, driven by a growing diversification of collections by cus-

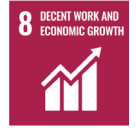
tomers and the addition of new multi-collection customers.



FUTURE GOALS

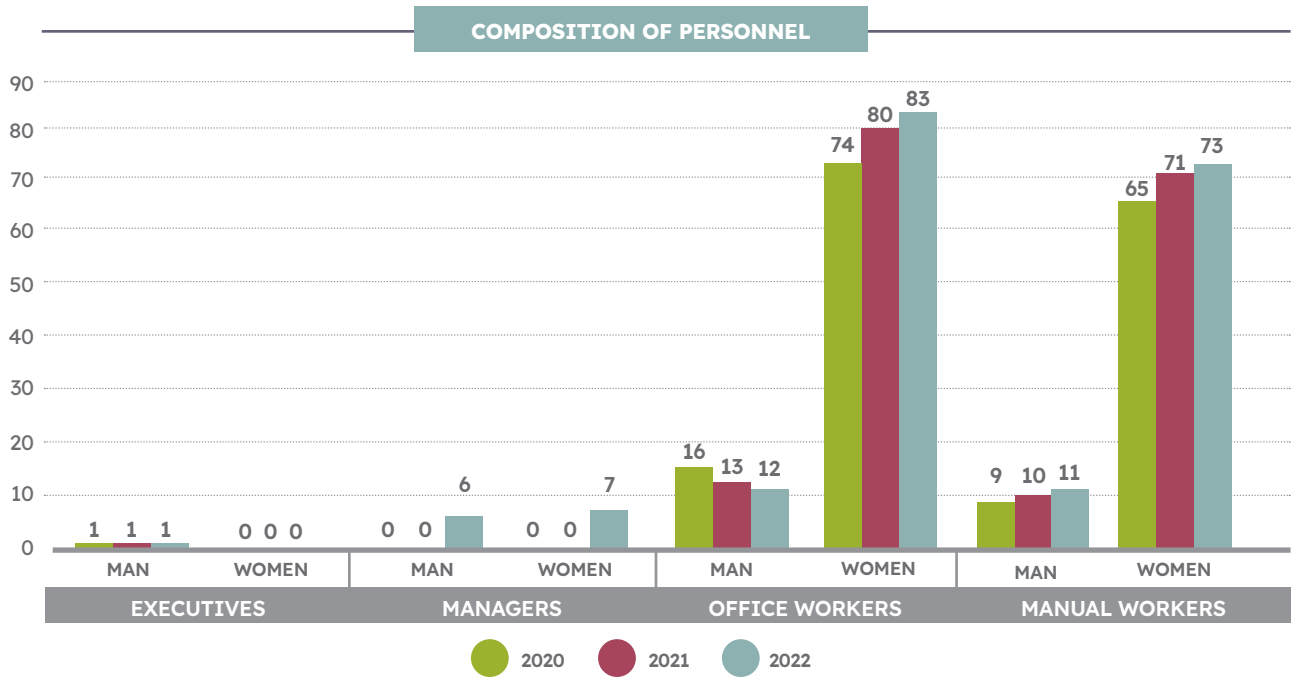
To guarantee the full satisfaction of our customers, our main goal for the next few years is to achieve zero faulty products through constant and timely communication between the Zamasport team and the customer team and by establishing good production practices, e.g. through shared budget calculations.

5. Our team



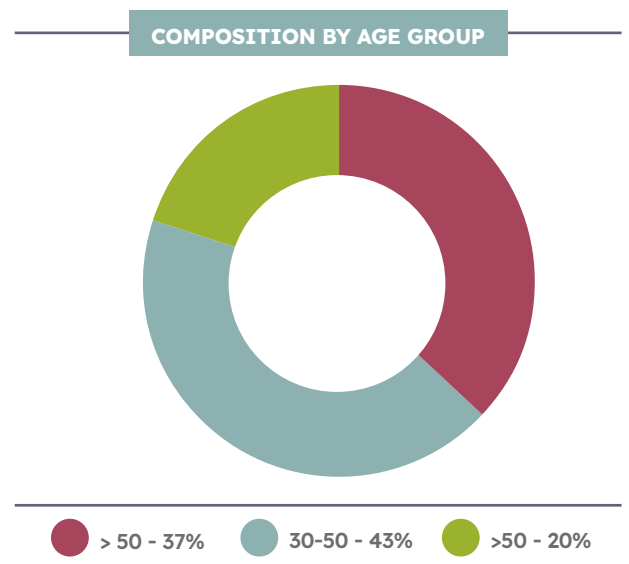
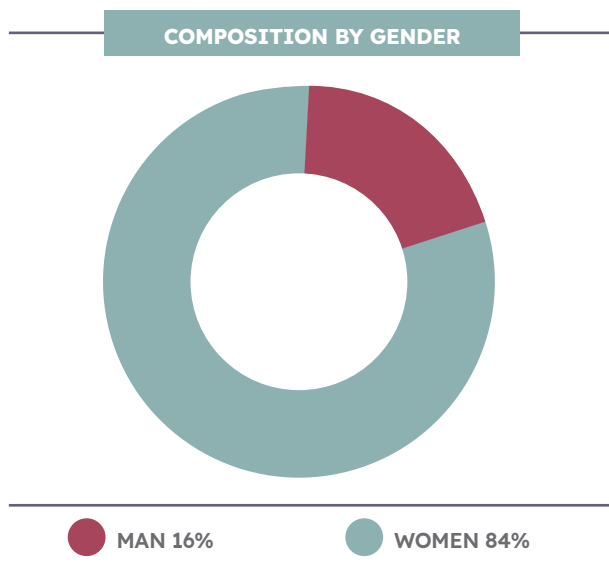
We rely on our team's professionals for each phase of the sample creation process, from the initial sketch to the realization of the prototype:

our team consists of competent individuals with the awareness and experience necessary to best interpret the wishes of our customers.



Our team, which consists of **193** employees, has increased by **10%** since 2021. Most of our staff is hired on full-time (**99%**), permanent (**91%**) contracts, and is **84%** composed of women who are principally employed in areas relating to the

creation of the product, from planning to execution of the models. Furthermore, as we can see from the graph below, the majority of our collaborators (**43%**) belong to the 30-50 age group.



An external company has been introduced into our system to manage the reception, enabling us to provide a reliable and timely welcome to all guests arriving on-site.

In 2022, there were 6 non-employee workers, including 2 interns, 1 temporary worker, and 3 receptionists.

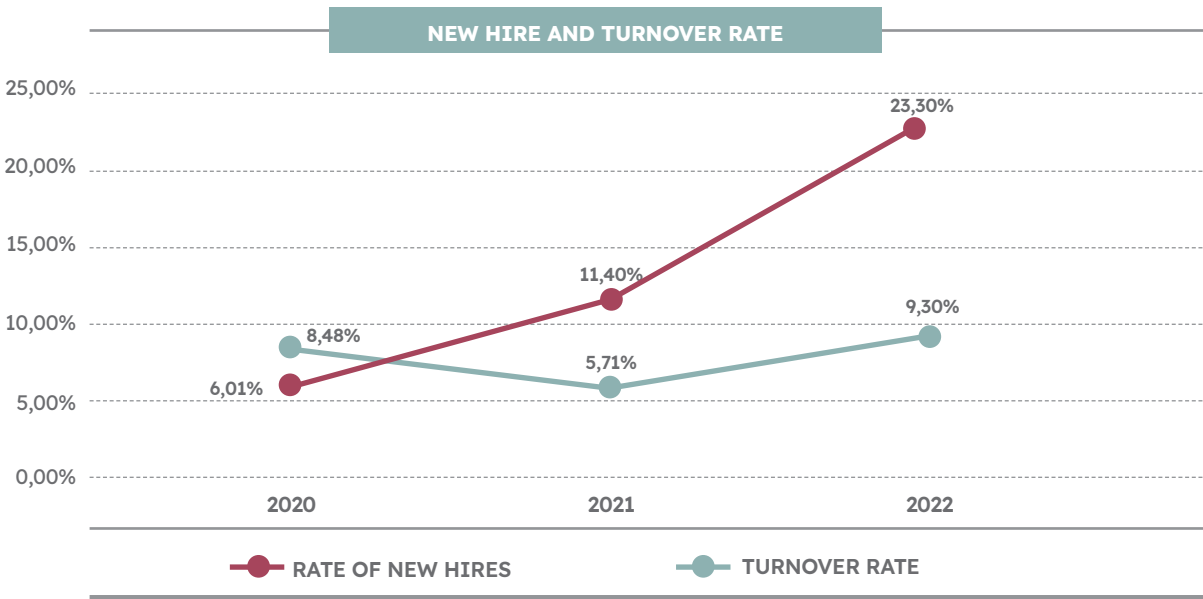
The search for and selection of personnel takes place in compliance with a dedicated company procedure and we rely on open, transparent and meritocratic tools, without any discrimination regarding gender, age or other specific characteristics of the candidates. We also engage in specific recruitment searches for young people, who are hired initially through traineeship and apprenticeship contracts, in the hope of being able to offer

them full stabilization in the Company through permanent contracts, while also promoting generational turnover within the Company's staff.

In 2022, **45 new employees** were hired by the Company, of whom 31% were under 30 and 94% were women. There were 27 departures in total. The overall turnover rate is **9.3%**.

The main reasons for the increase in the rate of new hires and turnover are:

- growth in workforce due to increased workload;
- relationships with schools and universities;
- employees reaching retirement;
- presence of textile industries in the same neighborhood, making it easier to find both incoming and outgoing employment opportunities.



The Company monitors the satisfaction levels of its employees and carefully evaluates each resignation and the reasons behind it. An exit interview is conducted each time to assess the issues and to work towards building an improvement program.

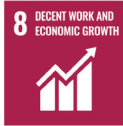
The staff includes one manager who falls under the National Collective Bargaining Agreement (CCNL) for Industry Managers, to whom an additional portion of compensation is added for achieving objectives (MBO).

Objectives are agreed with the management at the beginning of the year, and the results are

assessed at the end of the financial year.

The CCNL for Textiles and Clothing - Industry is applied for the rest of the employees, along with a monthly fixed bonus agreed upon with the Company.

Furthermore, in 2022 the Company maintained contact with temporary employment agencies to discuss and evaluate the possible hiring of disabled personnel. An ongoing collaboration is in place with the employment center, which has already led to job interviews for the possible inclusion of one person.



5.1 Employee attraction, development and wellbeing

We are committed to offering a safe workplace and to evaluating requests from our employees with flexibility. In 2021 we appointed an internal figure to be responsible for Human Resources, to allow us to manage all aspects connected to our employees and their needs in a more structured and effective way.

In 2022, the Company resumed intense union bargaining with the aim of reformulating the second-level agreement for payment of the Performance Bonus (PdR), which is paid to all employees, both fixed-term and permanent. More specifically, the Company disbursed a bonus of €250 in the form of purchase vouchers in December 2022. The Company plans to redefine the agreement for 2023.

To enhance good will and commitment during the more intense periods of work, in addition to paying bonuses and production bonuses, we are evaluating the possibility of including an ad hoc welfare plan for personnel, whose primary aim is to promote their well-being and the balance between family and work life. With the strong female component in our Company workforce, we are also taking steps to offer agreements with facilities catering to infants and pre-school children to encourage mothers to return to work after their maternity leave. At the moment, in such cases we apply the provisions laid down

by the recently-renewed CCNL for the clothing and industry sector. The forms of protection and leave entitlements vary according to the work carried out: in particular, as our model makers are exposed to a greater risk, they are removed early from roles involving the use of machinery or tools that may pose a risk to their condition. With regard to Health and Safety, in 2019 the Company joined the Health Fund established by the CCNL for Textiles, Clothing, Fashion, which benefits all employees hired on permanent contracts or apprenticeships.

As far as career paths are concerned, the continuous attention we pay to individual workers allows us to evaluate each person's performance on a daily basis and to contribute to their professional growth. In recent years, we have focused particularly on training certain figures who are in direct contact with the brands we manage, as well as personnel with IT and managerial skills to support the change of management software in progress.

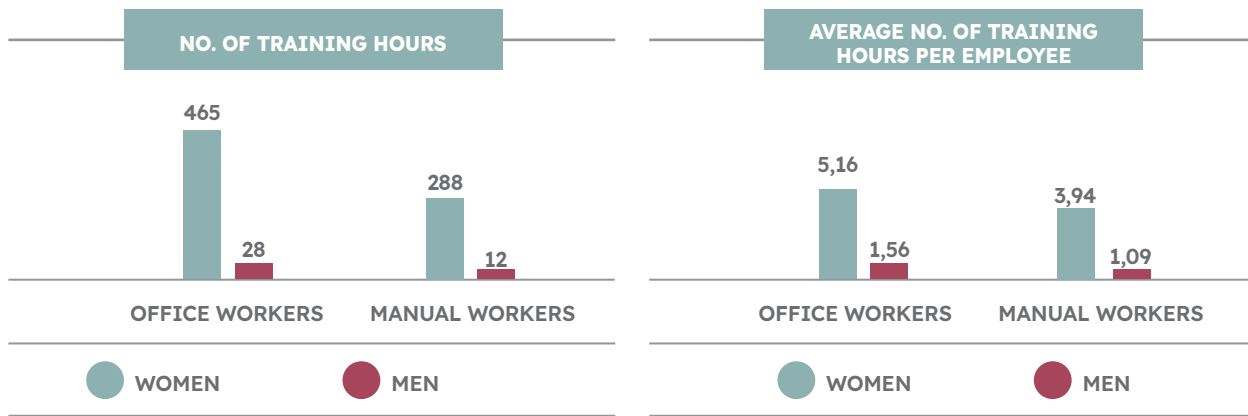
The Company has conducted a survey on a small group of employees to begin analyzing the feelings and perceptions of employees. Given that it was a small sample, the management decided it was essential to expand it to initiate a company-wide improvement plan.



5.2 Employee training

For us, training represents a key development tool, which allows us to keep up to date on new developments with a view to continuous innovation and, at the same time, to give value to our employees and guarantee high quality standards and skills. We invest heavily in the in-

tegration and training of young talents because it allows us to bring new knowledge and skills into the Company that are useful in a sector characterised by continuous innovation.



The Company has for years provided an ongoing training and on-the-job training program, ensuring its employees have a good level of employability on the job market.

In the last year we provided 792 hours of training. This was a lower number than in the previous year as some courses had accumulated and not been delivered due to COVID-19. In particular, in the last year, many hours of training were used for safety courses within the Company. This has raised awareness of workplace safety among employees. For this purpose, the Company has also established a group of individuals responsible for monitoring deadlines and ensuring that everyone has received proper training.

We have also continued to provide English language courses.

Continuous training represents a fundamental aspect in our operations: the skills of our production department personnel are rare and extremely specific. For this reason, the Company decided to embark on a training program for six

interns. Two experienced seamstresses shared their time and knowledge with them, under the careful supervision of our long-standing professionals, transferring the valuable know-how that distinguishes us, in order to ensure and maintain our high quality standards. At the end of this internship program, these six individuals became part of the Company's workforce.

Every year we check which training courses are the most appropriate and necessary to improve the performance of our employees and we periodically check the results to ensure we always select the most effective management methods and tools to implement in the training activities themselves.

THE NOVARA PROJECT – THE FASHION MAKERS’ SCHOOL

Following the generational change that has taken place over time, the fashion sector has suffered from a lack of technical figures who are increasingly sought after and difficult to train. More specifically, we need “prototype makers”, technical figures who require careful training by the Company, with the consequent investment of time and resources.

We have therefore decided, together with other leading luxury companies present in the area, to participate in a project launched by the *Istituto Secoli*, a centre of excellence for training in the fashion sector, to create a high-level school dedicated to the training of prototype makers from the area, with the aim of satisfying the present and future needs of the companies themselves.

We will therefore back this project by supporting the *Istituto Secoli* in analysing the figure of the prototype maker, defining the required basic skills, knowledge and abilities. We have also offered to provide economic support, making materials and models available, and to dedicate part of our time to this project, identifying the figures to be trained every year. This project has proven to be an initiative of great cultural interest and prestige for the city of Novara, creating a unique professional educational opportunity, a result of the Made in Italy concept.

The program, which began in October 2022 and will end in July 2023, is divided into quarters with different objectives. By the end of the year, the students will have the knowledge necessary to start their journey in the Company as a prototype maker. The Company already plans to hire three students.

FUTURE GOALS

Following the implementation of the new computer system, specific training courses will be held for the entire company in 2023/2024 to better understand its use.



5.3 Health and Safety at Work

At Zamasport we attach great importance to aspects of health and safety in the workplace and we try to convey to our team a way of operating that allows us to minimize the risk of accidents at work.

Our Company pays particular attention to safety in the warehouse area, where self-propelled vehicles are used, and in the sewing and cutting departments, in which scissors, sewing machines and sharp objects are used.

All issues relating to health and safety in the workplace are managed with the support of an external RSPP (Head of the Prevention and Protection Service), who is also in charge of periodically monitoring the situation in the departments, warehouses and offices, and of supporting the employer in periodically updating the DVR (Risk Assessment Document), in compliance with Legislative Decree 81/2008.

Before hiring, all employees undergo an initial medical examination by the Company Doctor and, based on the job performed and the specific schedule worked, periodic check-ups are subsequently carried out.

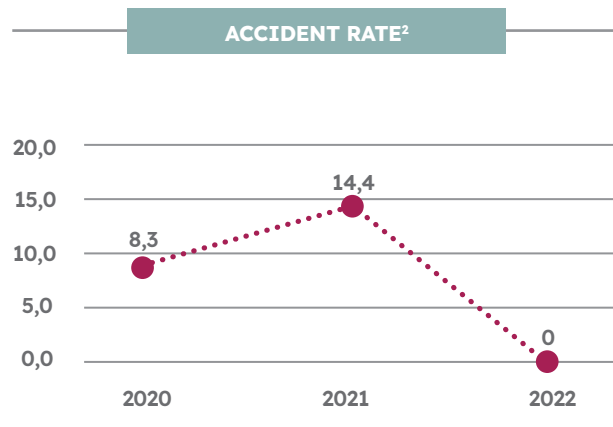
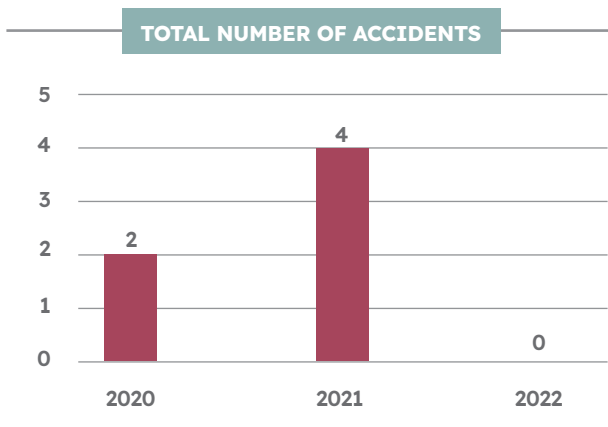
All employees are also given the opportunity to request a meeting with the RSPP and the Company Doctor to discuss any dangerous situations encountered at work.

Another key figure in health and safety man-

agement at Zamasport is the RLS (Workers' Safety Representative) appointed by the employees, who actively participates in the programs established by the RSPP and the Company Doctor with periodic meetings scheduled or requested by the RLS him/herself. In turn, the RLS calls meetings with personnel, as necessary, to listen to any reports or suggestions for improvement, which are subsequently passed on to the appropriate figures.

Workplace hazards are identified and assessed through inspections conducted by the RSPP (Health and Safety at Work Manager) and department supervisors. Each individual workstation is inspected and evaluated for potential risk of accidents, and appropriate measures are taken based on these assessments. For example, in the warehouse department, safety shoes are provided to prevent workers from getting injured while handling pallets, and in the cutting department, protective gloves are issued to prevent cuts when using a band saw.

With regard to mandatory Health and Safety training, upon hiring, each new Zamasport employee is required to present any training certificates previously obtained at other organizations. In the absence of any such certificates, he/she is obliged to participate at 4 hours of general training and 12 hours of specific training provided by external personnel at our premises.



2. Occupational fatality rate = Number of work-related fatalities / Total number of hours worked * 1,000,000

Zamasport takes Health and Safety seriously and has also provided training with certification for first-aid personnel, fire wardens and forklift operators. In recent years, the number of employee injuries has remained consistently at low levels, demonstrating the Company's ongoing commitment to the health and safety of its personnel. There were no reported injuries or occupational illnesses in 2022.

In 2022 we carried out some improvements in health and safety conditions over and above tho-

se required by law.

The main actions taken were:

- surveillance and training on the loads carried and their impact on the musculoskeletal system for warehouse workers;
- replacement of a cardboard roll cutting machine and two ironing tables to reduce noise levels that exceed permitted limits;
- coaching activities for the managers in charge of managing assigned personnel.

6. Our supply chain

We pay particular attention to our supply chain, addressing all issues of particular interest and importance together with the suppliers and subcontractors with whom we collaborate, in order to guarantee transparency and traceability throughout our value chain. Relationships based on mutual trust and support are essential to our operations.

Our external collaborators can be divided into the following categories:

- Subcontractors for light garments
- Subcontractors for heavy garments
- Supporting facilities: companies that operate on semi-finished material
- Material suppliers

All our suppliers are involved, with a view to mutual growth, in a process of continuous improvement aimed at achieving long-lasting performance over time. We work to create and enhance knowledge and initiatives that create competitive value, both for the Company and for the suppliers themselves, increasing the reliability of partnership relationships to the advantage of the final quality of the product.

To ensure all our suppliers are aligned with high ethical standards, particularly with reference to safety and working conditions and the fair and respectful treatment of employees, we require our suppliers to sign our "Supplier Code of Conduct", which also demands compliance with the GOTS (Global Organic Textile Standard) certification expressly requested by one of our strategic customers. The Company is fully aware of its responsibilities towards its customers and partners

and as such has adopted a series of ethical standards that guide it when carrying out its activities and managing relations with its employees and it expects all its suppliers, sub-suppliers, subcontractors and related suppliers to comply with the same ethical standards.

Furthermore, all company processes are directed towards the pursuit of maximum environmental sustainability and the elimination of harmful chemical substances released into the environment.

In fact, in addition to complying with the restrictions laid down by European Regulation no. 1907/2006, known as REACH³, all our suppliers of raw materials are required to sign both the Product Restricted Substances List (PRSL)⁴ of the brands we work for and the ZDHC⁵ Manufacturing Restricted Substances List⁶, confirming their commitment to eliminating from their processes any chemicals that are subject to restrictions, any carcinogenic or mutagenic substances, any chemicals that are harmful to human health or the environment, and any non-biodegradable, dangerous or highly allergic chemical substances.

By signing the above documents, our collaborators demonstrate their commitment to sustainable innovation of all processes and the reduction of environmental and social impacts in their supply chains.

To date, our commitment to responsible and sustainable management of the supply chain translates effectively into:

- solid partnerships with GOTS and Oeko-Tex certified suppliers;

3. This is legislation for the registration, assessment and authorization of chemical substances, which aims to ensure a higher level of protection of human health and the environment, while aspiring to maintain and strengthen the competitiveness and innovative capabilities of the European chemical industry.

4. Each brand can choose to publish and/or share a PRSL, i.e. its own list of prohibited chemicals applicable to the finished product and which require compliance by the brand's partners.

5. The acronym ZDHC stands for Zero Discharge of Hazardous Chemicals. This is an international program that aims to guide the value chains of the textile, clothing and footwear sector towards the use of chemicals that are safer for humans and the environment.

6. The ZDHC Manufacturing Restricted Substances List is a list of chemical substances whose intentional use is prohibited in the production of textile items, natural and synthetic leather, and in finishes for textile products and footwear. Compliance with the ZDHC MRSL is an integral part of a comprehensive approach to chemicals management aimed at promoting sustainability in the fashion industry and reducing the release of hazardous substances into the environment.

- verification and monitoring activities at our most important suppliers's premises;
- joining the "ZDHC-Supplier to Zero" program and reaching "Foundational" level⁷.



6.1 Transparency and traceability of the supply chain

Our supply chain traceability system, which in the past only concerned some brands, today includes all the entities with which we collaborate and allows us to reduce environmental and social risks along the supply chain.

The main driving force comes principally from our most demanding customers who pay attention to issues of transparency and environmental and social sustainability. In fact, through dedicated platforms or special forms, our main customer brands are able to file and keep track of all the players in their supply chain. This requires constant commitment and collaboration from everyone to ensure an increasingly transparent supply chain.

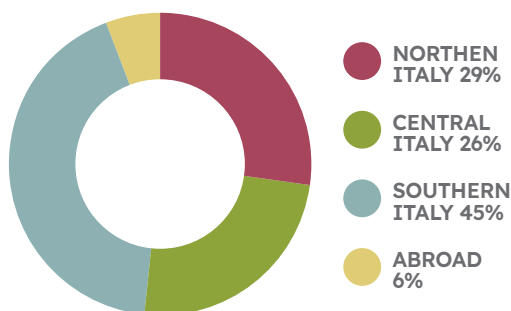
Furthermore, we plan to replace our internal Product Lifecycle Management System with a more structured system in the coming years. This will be capable of efficiently collecting specific data and

ensuring full transparency and traceability of the supply chain under our direct control.

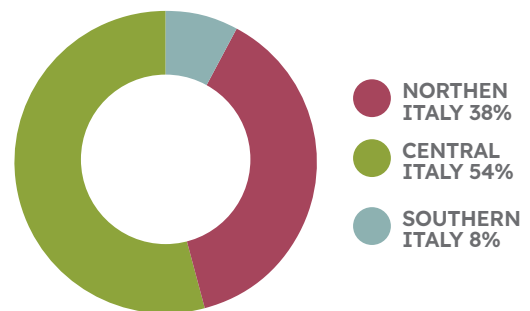
As regards materials, the location of our suppliers varies greatly and depends on the seasonal creativity of our customer brands' collections; the raw material supply chain can therefore be described as highly flexible. In fact, although for some frequently used materials we rely on historical suppliers known for their ability to innovate and their product quality, it is not uncommon for us to use new suppliers who prefer sustainable raw materials.

With reference to our subcontractors, **31** produce light garments and **13** heavy garments. For the production of light garments, **94%** of our subcontractors are located in Italy while for the production of heavy garments all our subcontractors are Italian, with the largest share based in central Italy (**54%**).

TOTAL SUBCONTRACTORS FOR LIGHT GARMENTS 2022 (%)



TOTAL SUBCONTRACTORS FOR HEAVY GARMENTS 2022 (%)

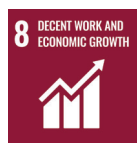
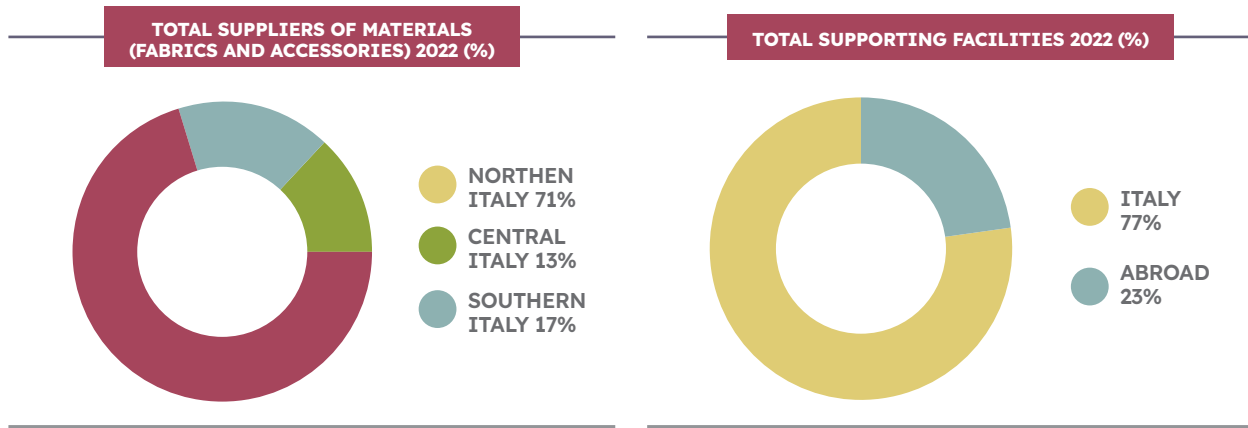


⁷ The "Foundational" level is based on the principles of the chemical management system proposed by the ZDHC. Achieving this level demonstrates awareness and implementation of sustainable management of ZDHC chemicals.

In 2022, out of **512** fabric and accessory suppliers (71 more than the previous year), **71%** are located in Italy, **12%** in Europe and the remaining **17%** outside Europe.

The supporting facilities with which we colla-

borate are monitored by us (in cases where we select the supplier directly) or by customers (if selected by the customers themselves). In the period of reference we collaborated with 13 supporting facilities, of which 10 are located in Italy and 3 abroad.



6.2 Respect for human and workers' rights along the supply chain

At Zamasport we consider labour and craftsmanship to be the key point of our business and a privileged synonym of the quality of our products. All employees, both ours and those of our subcontractors, work to produce high fashion garments and therefore embody a specialized workforce rich in experience and skills to be looked after and protected from all points of view. For this reason, we are committed and work to ensure full respect for workers' rights throughout our supply chain.

Over the years, we have developed a relationship with our subcontractors in which we share social responsibility issues, formalized in codes of ethics and conduct, both our own and those of the brands, which require us to work in full regulatory compliance and to ensure a healthy and safe environment for all workers.

In this respect, our **Supplier Code of Conduct**, which each subcontractor is required to implement and respect, is an important tool. In par-

ticular, our Code of Conduct lays down specific principles and rules of conduct relating to respect for human rights (working conditions, wages and benefits, forced labour, child labour, working hours, freedom of association, diversity, health and safety) and the fight against corruption.

Furthermore, to achieve the highest standards of social responsibility in the sector, we have identified an internal figure responsible for the constant ethical and social monitoring of subcontractors. This activity takes the form of both auditing activities to verify compliance with the rules of conduct and continuous support to subcontractors in their internal implementation.

All our workshops are therefore audited, either with or without notice, depending on the customer's request, both when the commercial relationship is activated and then periodically at different intervals:

Outcome on last audit	Frequency of audit activities on subcontractors			
	every three months	every six months	every year	every two years
Critical	●			
Major		●		
Minor			●	
Excellent				●

The following aspects are generally verified during audits performed throughout the supply chain:

- type of contract (full-time or part-time, temporary or permanent);
- duties appropriate to the job classification level;
- valid residence permits for all foreign workers;
- working hours;
- correct traceability and correspondence of hours worked in the pay slip;
- minimum wage in line with the appropriate CCNL;
- holidays and paid hours of leave;
- remuneration for production downtime;
- traceability and punctual payment of the monthly salary;
- correctness of resignation and redundancy procedures.

The companies we work with are mainly in Italy, with only 5 located abroad in Bulgaria, Romania, and Hungary.

The working conditions in various countries are listed and differentiated in the ITUC (International Trade Union Confederation) **Global Rights Index 2022**.

This report documents violations of internationally recognized labour rights by governments and employers. It uses a classification scale based on the level of respect for workers, ranging from 11 - *Sporadic violations of the law* to 5 - *No guarantee of rights due to the collapse of the rule of law*.

The ranking shows that:

- Italy is in the first group - Sporadic violations of the law
- Bulgaria is in the third group - Regular violations of rights
- Hungary is in the fourth group - Systematic violations of rights

Based on this information, we can see that the situation is more critical in Hungary and Bulgaria because these are countries where the risk of exploitation and rights violations is higher.

The control measure used by the Company is the audit. This type of control allows us to verify whether the subcontractor company respects the rights and conditions of workers.

The corrective actions taken by the Company can vary depending on the non-conformities identified. If significant issues are found, the ultimate action is to terminate the relationship with the subcontractor.

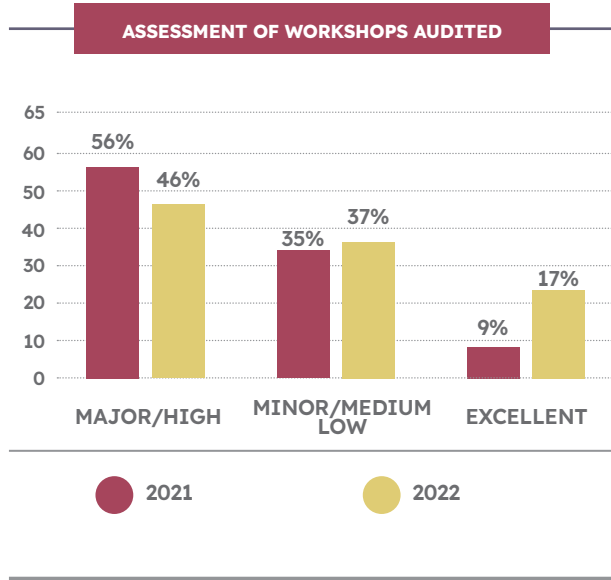
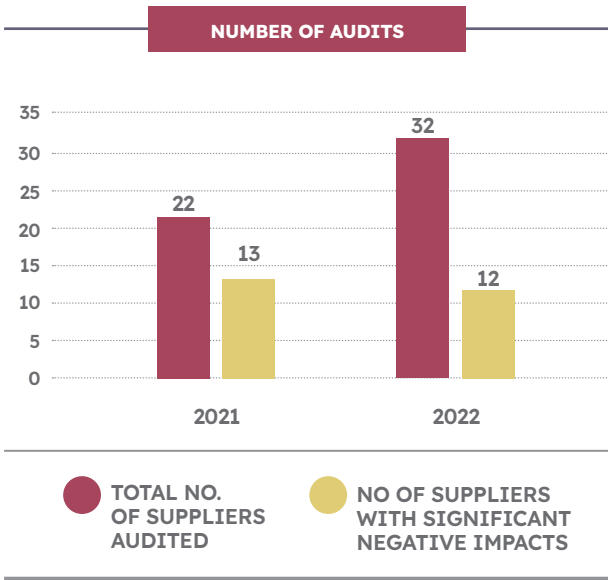
During the audits, the Company also verifies the relevant National Collective Labour Agreement (CCNL) and the employees' payslips to ensure that vacation hours, leave and overtime are respected. In addition to document checks, conducting interviews at the subcontractor's premises is essential to ensure a healthy and safe working environment.

Ethical and social audits, which are the primary means of checking subcontractors' activities, determine the level of risk of subcontractors. Levels are defined as Major, Minor and Excellent based

on the quantity and degree of non-conformities.

In 2022, the premises were audited both by internal staff and third-party organizations. The number of audits conducted was 32, which is 10

more than the previous year. The number of facilities with an Excellent rating increased, while those with a Major/High rating decreased, thanks to years of verification activities that have enabled our partners to improve.



We work in synergy with our subcontractors and encourage them to introduce good practices to support their employees, who consist mostly of women with extensive know-how: the true value of the Made in Italy concept. Thanks to the initiative of some subcontractors, projects have been implemented in the supply chain to support female workers, guaranteeing flexibility in working hours and support in achieving economic empowerment.

Non-conformities can be divided into environmental, social and health and safety-related categories:

- **environmental non-conformities:** these are infrequent and relate mainly to incorrect waste management methods. An area for improvement, especially in laundries, could involve

- developing projects to reduce water waste;
- **social non-conformities:** these are frequent and relate primarily to a high total number of vacation hours, contractual levels not matching experience and inadequate methods for recording employee clock-in and clock-out times;
- **health and safety non-conformities:** these relate mainly to the lack of refresher courses, inadequate maintenance plans and the absence of a chemical risk assessment in the DVR (Document on Health and Safety at Work).

In companies where non-conformities have been identified, corrective actions have been taken to establish improvement plans.

FUTURE GOALS

Our main objectives for the coming years that involve our subcontractors are described below:

- 5% reduction in the number of "Major/High" workshops in the supply chain by 2023 through more frequent, widespread and in-depth monitoring;
- percentage increase in workshops with an "Excellent" rating:
 - 22-25% in 2023
 - 28% in 2024

The Company also plans to introduce a transparent and physical traceability system for each product model by 2024.



6.3 Environmental impact of the supply chain

The classification and assessment of our suppliers is based not only on the existence of technical, economic and organizational quality requirements, but also and above all on compliance with environmental and ethical sustainability criteria.

We carefully evaluate all new suppliers, putting them through an onboarding process at the beginning of our relationship. According to our corporate vision, a supplier can be selected on the basis of the ecological products it offers, the existence of its own environmental management system and/or the obtaining of specific certifications.

The evaluation and selection of suppliers represents a key phase as it allows us to develop collaborations with partners who are able to provide products that:

- are compatible with the production requirements demanded by the market;
- are in line with the corporate objectives of reducing the environmental impact;
- do not represent a risk to the health and safety of any of the workers involved.

Furthermore, we update our supplier list annually, subsequently identifying the most significant in terms of metres purchased in order to

carry out verification and monitoring activities at the production site and on the processes implemented. As far as environmental protection is concerned, we receive specific requests from our customers, including requests to monitor chemical substances and to obtain some of the most common textile certifications (for example the GOTS certification and the Oeko-Tex certification), to which we respond promptly. Our approach involves most of the requests received from individual brands being extended to all our customers, allowing us to transform timely compliance with requests into an organic internal management system.

To reduce the environmental impact of our supply chain, we carry out a due diligence process to verify the compliance of incoming materials with our customers' Product Restricted Substances Lists (PRSL), a list of prohibited substances and acceptable values to which every supplier is called to adhere if he intends to work in the brand's supply chain.

Furthermore, as we are responsible for the raw materials that enter the Company, we have joined the international Zero Discharge of Hazardous Chemicals (ZDHC) initiative and implemented a management system that covers the entire supply chain and is aimed at reducing harmful

chemicals used to produce raw materials, also extending the monitoring to waste water (Wastewater Program).

Ø ZDHC

The ZDHC goes beyond the traditional approaches to chemical restrictions, which apply only to finished products (Product Restricted Sub-

stances List - PRSL) and therefore represents a guarantee of greater protection for workers, local communities and the environment. The ZDHC PRSL represents a list of substances prohibited for use during production processes: a higher level of compliance reflects a greater certainty that the chemical product meets the appropriate requirements and therefore a lower probability that it contains dangerous substances.

FUTURE GOALS

Below are the main objectives we aim to achieve in the coming years and that involve our material suppliers:

- increase the number of GOTS suppliers by 5% by 2030, as requested by one of our customers;
- collaborate with +10% of certified suppliers (GOTS, OEKO-TEX and others) by 2030;
- progressively encourage all our suppliers to join the "ZDHC-Supplier to Zero" program by 2030.



7. Our care for the environment

At Zamasport, our focus on environmental sustainability is strongly integrated into the business, with the aim of creating shared value for the Company and all its stakeholders. We carefully and constantly manage the environmental impacts generated by our plants and processes, measuring their consumption extensively and developing efficiency policies.

Continuous improvement from an environmental perspective therefore represents an indispensable objective for us, effectively implemented through specific environmental analyses.

We also consider the green landscape and harmony with the historical style of the existing buildings to be a fundamental component for our environmental strategy. Therefore, over the years we have implemented important corporate restructuring projects directed towards sustainable projects, placing quality of life and the environment at the centre of our efforts.

7.1 Environmental impact of our premises

Our operations all take place in Novara, at a site covering a total area of 7,700 m² which was further expanded in 2020 with the construction of a new 3,700 m² structure designed to house the production and management areas - offices, creative ateliers, fitting rooms and a part of the production - and conceived following "Slow Architecture" guidelines and indications on reducing the environmental impact.

The new structure, better known as "Delta"⁹, is defined as a NZEB (Near Zero Energy Building) as it is a highly energy efficient building that uses renewable sources, such as solar energy from 50 kW photovoltaic panels.

The exterior design evokes fabric and the combination of technique and creativity that has always characterized Zamasport's work. The spaces, paths and environments are designed to contribute to a better quality of working life for employees, whose well-being is pursued in every aspect of the design: from the use of natural light to the presence of greenery, up to

acoustic comfort and the definition of internal microclimates.

We are also striving to reduce the environmental impact of the other structures at our premises ("Alfa" and "Beta" Buildings) through various solutions: obsolete boilers have been replaced and reduced in number to have fewer entry points for natural gas and the machinery for heating and cooling the premises are all being replaced with solutions powered exclusively by electricity from renewable energy sources.

The aim is to remove the environmental impact of all our offices by eliminating the use of non-renewable sources.

For the lighting, high efficiency and colour rendering LED fixtures were chosen, the number of which has increased since 2020 thanks to new installations at the warehouses, the testing department and in some areas of the production departments.

In terms of energy performance, the purchase of electricity exclusively from renewable sources,

⁹. Our premises are divided into three different structures. Alfa Building: warehouses; Beta Building: canteen and most of the operational departments; Delta Building: company headquarters, creative ateliers, fitting rooms and part of production.

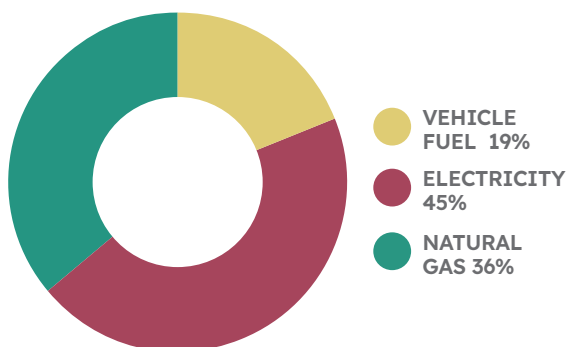
as well as the installation of a latest-generation photovoltaic system and heat pumps for heating, has allowed significant savings on energy costs and a reduction in CO2 emissions.

In 2022¹⁰, our Company's total electricity consumption amounted to **820,877 kWh**. Meanwhile, natural gas consumption, used for heating systems not yet replaced with electric heating, increased by 29%. This increase was due to the Company resuming full production activity this year after the slowdown caused by the COVID-19 pandemic.

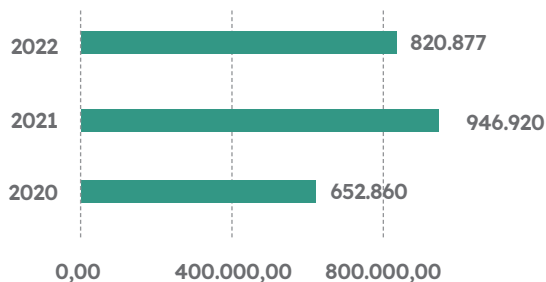
Electricity is the primary type of energy consumed (45%), followed by natural gas (36%) and fuel for powering Company vehicles (19%).



ENERGY CONSUMED - COMPOSITION GJ



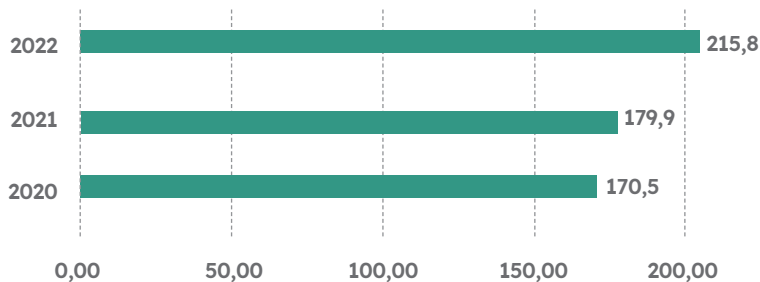
ELECTRICITY CONSUMED (KWH)



In the same year, the direct emissions produced by our Company (Scope 1) linked to the consumption of fuels (natural gas for heating and

diesel for the Company vehicle fleet) amounted to **215,8 tonCO₂**.

DIRECT EMISSIONS SCOPE 1 (TON CO2)



10. The data on energy consumption for 2020 and 2021 have been reviewed using a more precise approach when calculating the litres of fuel consumed by the Company's vehicle fleet.

As regards the emissions associated with the transportation of goods, the Company, in addition to moving towards more sustainable vehicles (hybrid and/or electric), aims to optimize journeys as much as possible, increasing stocks of goods with subcontractors and launching more large-scale transport to the same destinations connected to the logistics system.

There are a total of 8 vehicles owned by and under the responsibility of the Company, of which 6 are company cars. Since we wish to encourage our collaborators to use sustainable means of transport, we have installed 6 charging stations for electric cars that are available to employees and clients visiting our headquarters and we are considering making hybrid company cars available for business travel.

We use water from the public water system

for sanitary and professional use, particularly to produce steam for activities such as ironing or washing, when required. Much of the water used for irrigation comes from an underground well at our Novara headquarters. To avoid waste, we use taps with sensors and, in 2020, we started collaborating with a specialized company to progressively reduce the use of paper in restrooms, replacing it with air dryers.

Furthermore, our premises have been completely plastic free for about two years: in addition to replacing all the plastic in the canteen with biocompostable material, plastic water bottles have been entirely replaced by purified, refrigerated and sparkling water dispensers present in various points of the building, thus contributing to the reduction of plastic consumption in favour of more sustainable access to an important raw material such as water.

FUTURE GOALS

We are working to calculate our carbon footprint, with the aim of becoming carbon neutral by 2024, in order to zero our emissions and further reduce our footprint on the environment.

7.2 Environmental impact of our products

Our Company considers it fundamental to monitor the environmental impact of production materials and packaging, which accompanies the garment in the production process up to the final customer. Nowadays, more and more brands are careful in their choice of ecologically sustainable and recyclable materials.

The selection of raw materials is generally carried out by the customer, which approves their quality and characteristics, but compliance control is the direct responsibility of Zamasport. All

production material is checked and certified by third parties and subjected to a visual inspection at the Company before being sent to subcontractors for processing.

Complying with current regulations is essential but not sufficient. In fact, more and more companies must act individually and on their own initiative, depending on the sector in which they operate, with ad hoc processes and initiatives aimed at sustainable development and production.

7.2.1 Sustainability of raw materials

In recent years, our customers' attention to quality, sustainability and the responsible use of raw materials has increased exponentially. At Zamasport we have always tried to accommodate all requests regarding the sustainability of raw materials: we understand how important it is to move in this direction and we are convinced that this commitment will translate into a future competitive advantage.

We consequently aim to obtain the most relevant sustainability certifications for an ever-increasing number of incoming raw materials, including **GOTS** (Global Organic Textile Standard) on the content of natural fibers from organic farming of products, both intermediate and finished products, and on maintaining traceability throughout the entire production process, **BCI** (Better Cotton Initiative), **Oeko-tex** and **Detox**.

La certificazione GOTS



The **Global Organic Textile Standard (GOTS)** was developed by leading international organizations in organic agriculture to guarantee the consumer that organic textile products are obtained in compliance with stringent environmental and social criteria applied at all levels of production, from the collection of natural fibres in the field to the subsequent manufacturing phases, up to the labelling of the finished product.

The Global Organic Textile Standard, responding to the growing consumption of textile fibres from organic farming and the strong demand for common production criteria from industry and distribution, has obtained vast international recognition. This important result allows those who produce and sell organic textile products to have a certification that is accepted in all the main markets.

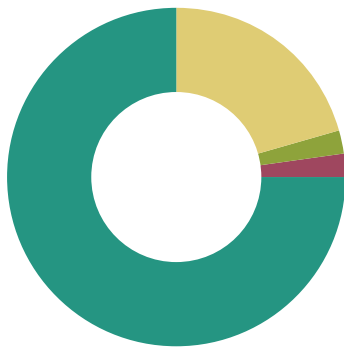
Having been asked by one of our main clients to GOTS certify 100% of its cotton and denim supply chain by 2030, together with 14 of the workshops with which we collaborate, we in turn have obtained the certification ourselves, adapting to the requirements set by the Standard. Furthermore, in compliance with the Global Organic Textile Standard, we have developed our own internal **environmental policy** and a **GOTS certified material management protocol**, as well as a tool for defining operating methods for the management of textile products certified according to this standard.

Even our suppliers are gradually adapting to the request for certifications from the brands. Thanks to this synergistic commitment with our customers and suppliers, we are convinced that we can create an increasingly sustainable supply chain.

The main composition materials of the fabrics purchased and sent to our subcontractors for the creation of garments in the last year can be divided into three categories:

- Fibres of plant origin: 37%
- Fibres of animal origin: 32%
- Synthetic/artificial fibres: 31%

FIBERS OF PLANT ORIGIN 2022 %



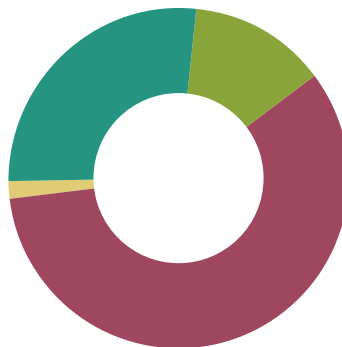
- 100% COTTON 75,10%
- 100% VISCOSE 20,50%
- 100% LINEN 2,20%
- BLEND 2,20%

FIBERS OF ANIMAL ORIGIN 2022 %



- 100% WOOL+ VIRGIN WOOL + CASCHMERE 57,80%
- 100% SILK 42,20%

SYNTHETIC FIBERS 2022 %



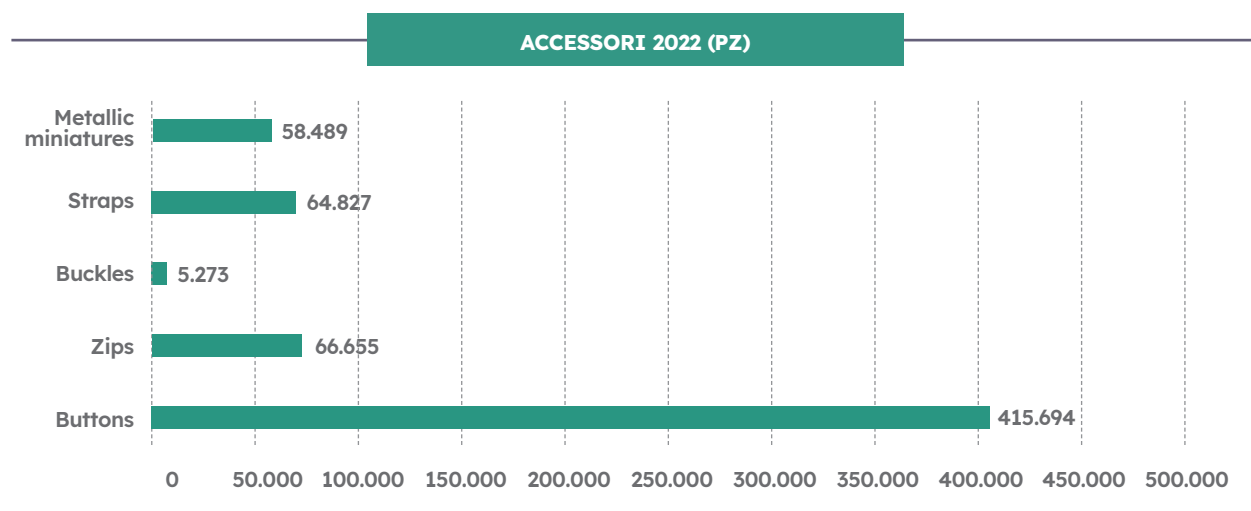
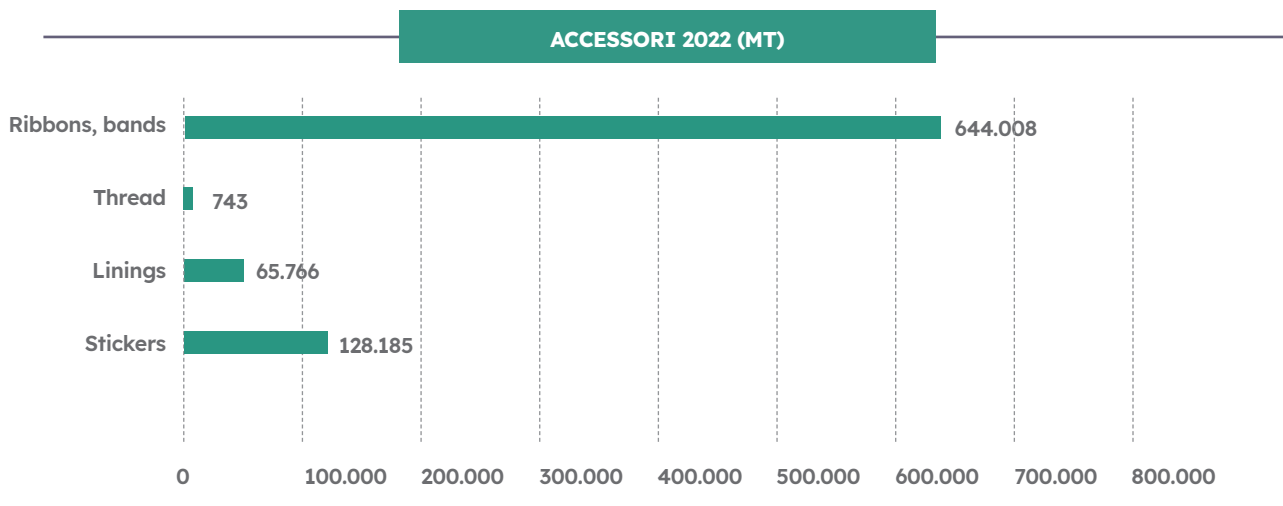
- 100% POLYAMIDE 26,90%
- 100% ACETATE 13,10%
- 100% POLYESTER 58,20 %
- SINTHETIC BLEND 1,90%

The percentage of plant-based composition in fabrics was 43% in 2020, 53% in 2021 and 37% in 2022.

The content of animal-origin fibers continues to decrease, going from 41% in 2020 to 32% in 2021 and 32% in 2022. The percentage of

artificial and synthetic fibers has increased from 16% in 2020 to 15% in 2021 and up to 31% in 2022.

In addition to fabrics, the largest share of our purchases is represented by accessories.



FUTURE GOALS

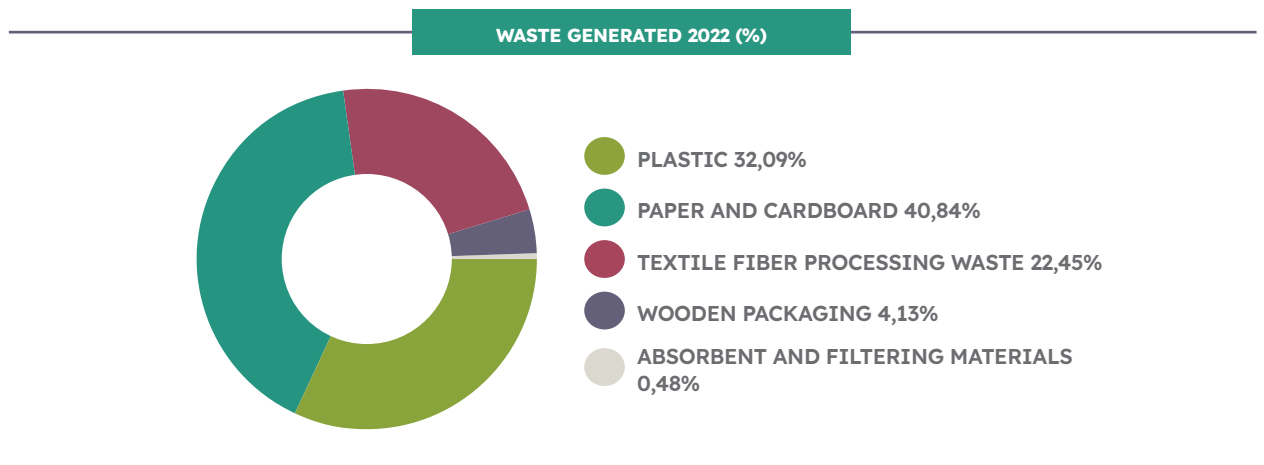
In 2023, in collaboration with one of our customers, we will initiate the Life Cycle Assessment of some products in order to quantify the associated potential impacts on the environment and human health, starting from the consumption of resources and emissions, in order to implement future improvement actions.

7.2.2 Responsible management of waste and scraps

Although each subcontractor or supplier is responsible for the waste generated by its own activity, our primary objective is to contain the production of waste as much as possible, both internally and among our collaborators.

The waste generated by Zamasport consists mainly of packaging material, office waste (paper) and textile processing waste.

In 2022, we generated 42 tons of waste, primarily made up of recyclable materials: paper and cardboard (40%), plastic (32%), textile fiber processing waste (22%), wooden packaging (3.9%) and absorbent and filtering materials (0.1%). All of the waste was earmarked for recovery.



The offices and all production areas are equipped with dedicated bins for separate waste collection. Employees are educated about the importance of correct practices so that waste can be sent for recycling/recovery or, as a last resort, disposal. The following materials are collected separately: paper, cardboard, wood, plastic and absorbent materials.

As regards non-hazardous recyclable waste, we rely on a company specialized in the collection, transport, treatment, processing and recycling of waste. More specifically:

- paper material;
- recyclable plastic materials;
- other non-hazardous recyclable materials (iron, aluminium, copper, metal alloys and wood materials).

Disposal of hazardous special waste is also entrusted to a leading company in the sector,

which uses both special vehicles suitable for transport and high-tech systems for the storage and disposal of waste.

Finally, as far as textile waste is concerned, since 2020, the company we use has been responsible for treating, collecting and recycling the Company's textile waste, which is subsequently selected and processed based on composition and destination.

In 2022 we donated 125 kg of various fabric compositions to the **Istituto Secoli**, including: 320.35 meters of various fabric and lining compositions and 235 pieces of accessories such as zips, hooks and shoulder straps.

All outgoing flows are carefully recorded through specific documentation and loading and unloading registers.

OBIETTIVI FUTURI

Entro il 2023 miriamo al coinvolgimento dell'intera filiera nel recupero dello scarto tessile per attività di riciclo, attraverso la stipula di accordi commerciali che risultino essere vantaggiosi per tutti i fornitori.



7.2.3 Packaging sostenibile

We are also committed to reducing our environmental impact on the packaging front. Although most of the final choices on the garments are made by our customers, we try to support them in finding the best solutions to make their transportation more efficient, while ensuring the final integrity of the garment.

As regards internal transportation of garments, from our suppliers to our premises, the selection of materials to be used for packaging is our responsibility, so we are always looking for the best solution from an environmental point of view, prioritising recyclability and materials originating from recycled sources:

- protective cellophane and plastic bags are completely recyclable and PVC free;
- as well as being recyclable, the hangers we use also come from recycled sources; our supplier is GRS (Global Recycled Standard) certified, an international standard that guarantees origin;
- all the types of tissue paper we use are fully recyclable; moreover, the tissue paper used to

protect finished garments is made up of 50% recycled sources and is OEKO-TEX Standard 100 certified, a certification that guarantees high and effective product safety from the point of view of the consumer;

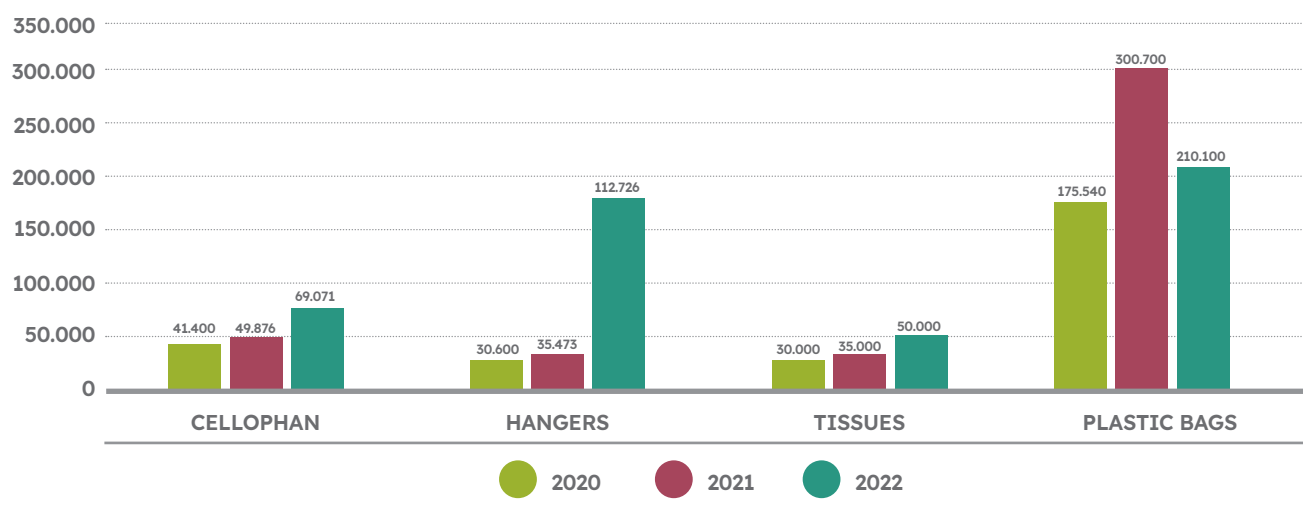
- the cardboard packaging is fully FSC certified (*Forest Stewardship Council*)¹¹;
- the brown paper tape used to seal the packaging is solvent-free, hot-melt tape.

In compliance with current Italian regulations, all property owned by Zamasport meets the appropriate environmental labelling requirements.

The Company aims to enhance and further increase the use of recycled and recyclable products. Our goal for the future is to continue offering innovative and environmentally friendly solutions to our customers.

¹¹. The Forest Stewardship Council is an international non-profit NGO which promotes environmentally friendly, socially useful and economically sustainable forest management worldwide through an internationally recognized certification system.

PACKAGING PURCHASED (PIECES, ESTIMATE) ¹²



12. I dati sul volume di packaging acquistato sono frutto di una stima.

8. Our commitments for the future

SUBJECT	OBJECTIVE	DESCRIPTION	TIMING
TRAINING	Internal training	Continuing relations with the Istituto Secoli to bring trainee students into the prototyping departments, thanks to the support of former specialized personnel	2023
WASTE MANAGEMENT	Involving the entire supply chain in the recovery of textile waste	Transferring textile waste from production of the entire supply chain towards recycling	2023
WASTE AND SCRAP MANAGEMENT	Life Cycle Assessment	Participation in a product Life Cycle Assessment project in collaboration with one of our main customers	2023
ENERGY	Upgrading of all remaining heating systems	Replacement of existing boilers and air conditioners with more efficient, electricity-powered models	2023
EMISSIONS	Significant reduction of CO2 emissions	Improvement in the efficiency of transport along the supply chain to reduce CO2 emissions	2023
TRANSPARENCY AND TRACEABILITY	Supply chain tracking with a blockchain system	Introduction of a physical and transparent outward traceability system for each model produced by Zamasport	2023
HUMAN AND WORKERS' RIGHTS THROUGHOUT THE SUPPLY CHAIN	"Major" and "Critical" rating of our workshops	We aim to reduce the number of workshops rated "Major" by 5% and to eliminate those rated "Critical"	2023
ENVIRONMENTAL IMPACT OF THE COMPANY	Carbon neutral	Measure our carbon footprint in order to zero our emissions and become carbon neutral	2023
GOVERNANCE	Evaluation of the sustainability management system	Self-assessment and validation according to the ECOVADIS framework	2023

INNOVATION AND DIGITIZATION	Replacement and modernization of the computer system	Introduction of an ERP system - Enterprise Resource Planning - which will allow integrated management of company activities, will include some systems currently in use, such as WMS (for logistics and warehouse inventories) and will require the updating of existing systems (PLM)	2024
HUMAN AND WORKERS' RIGHTS THROUGHOUT THE SUPPLY CHAIN	"Excellent" evaluation of our workshops	We aim to increase the number of our workshops rated "Excellent" by 10%, to contribute to more responsible management of workers' conditions and rights along the supply chain	2024
ENVIRONMENTAL IMPACT OF THE SUPPLY CHAIN	Reduction of negative environmental impacts	Eliminate the number of suppliers of materials classified as "RED" (verified negative environmental impacts)	2024
GOVERNANCE	Sustainability report approval process	Make the sustainability report approval process more systematic and documented	2024
	Improvement of the sustainability management process	Improvement activities to make this process more organized, structured and systematic are planned for 2023	
ENVIRONMENTAL IMPACT OF THE SUPPLY CHAIN	Increase in certified suppliers and in take-up of the ZDHC program	We aim to increase the number of our current GOTS certified suppliers by 5% and our collaboration with new certified suppliers (GOTS, OEKO-TEX or other) by 10%. We also aim to encourage participation by all our suppliers in the "ZDHC - Supplier to Zero" program	2030
CUSTOMER SATISFACTION	Zero faulty products	Ensure full satisfaction of our customers by progressively reducing the number of defective products	In the next few years

Detailed information and data

Details of the information and data collected for Zamasport S.p.A. (according to the GRI - Core approach) are provided below.

ANTI-CORRUPTION

GRI 205-1 - Operations assessed for risks related to corruption

FY	2020	2021	2022
Operations assessed for risks related to corruption	15	15	15
% of the total operations assessed	80%	80%	80%

GRI 205-2 - Communication and training about anti-corruption policies

Communication of the 231 Model		2020	2021	2022
Members of governing bodies	Total no.	1	1	1
	%	100%	100%	100%
Executives	Total no.	12	15	15
	%	100%	100%	100%
Office workers*	Total no.	10	15	15
	%	0	0	0
Manual workers	Total no.	0%	0%	0%
	%	-	-	-

Training on the 231 Model		2020	2021	2022
Members of governing bodies	Total no.	0	0	0
	%	-	-	-
Employees	Total no.	0	31	31
	%	-	17%	16%

ECONOMIC PERFORMANCE

GRI 201-1 Economic value generated and distributed

FY	2021	2022
DIRECTLY GENERATED ECONOMIC VALUE	40,035,197	49,899,658
Net sales	40,023,681	49,874,860
Revenues from financial investments	11,516	24,763
Revenues from the sale of goods	-	35
ECONOMIC VALUE DISTRIBUTED	38,494,694	47,463,332
OPERATING COSTS	28,769,479	37,066,616
Operating costs for goods and services	28,769,479	37,066,616
SALARIES AND BENEFITS	9,742,918	10,637,779
Employee salaries	9,611,365	10,481,948
Employee benefits	131,553	155,831
PAYMENTS TO CAPITAL PROVIDERS	101,721	107,866
Payments to banks and financial institutions	101,721	107,866
PAYMENTS TO PUBLIC ADMINISTRATIONS	-119,424	-348,928.93
ECONOMIC VALUE RETAINED	1,540,503	2,431,456
Depreciation and amortisation	593,826	657,684
Profit (loss) for the year	946,677	1,773,772

OUR TEAM

GRI 2-7 Employees

Total number of permanent/temporary employees, broken down by gender and by region

no. employees by employment contract	2020			2021			2022		
	Men	Women	Total	Men	Women	Total	Men	Women	Total
Permanent	31	128	159	29	141	170	29	147	176
Temporary	1	5	6	1	4	5	1	16	17
Total	32	133	165	30	145	175	30	163	193

2022							
no. employees by employment contract	Italy		Europe (excluding Italy)		Outside Europe		Total
	Men	Women	Men	Women	Men	Women	
Permanent	27	131	1	11	1	5	176
Temporary	0	10	0	4	1	2	17
Total	27	141	1	15	2	7	193

Total number of full-time/part-time employees, broken down by gender and by region

no. employees by type of employment	2020			2021			2022		
	Men	Women	Total	Men	Women	Total	Men	Women	Total
Full time	32	131	163	30	143	173	30	162	192
Part time	0	2	2	0	2	2	0	1	1
Total	32	133	165	30	145	175	30	163	193

2022							
no. employees by employment contract	Italy		Europe (excluding Italy)		Outside Europe		Total
	Men	Women	Men	Women	Men	Women	
Permanent	27	131	1	11	1	5	176
Temporary	0	10	0	4	1	2	17
Total	27	141	1	15	2	7	193

GRI 2-8 Workers who are not employees¹³

Total number of other workers by employment category (interns, temporary workers, collaborators), by gender

no. other workers by employment category	2021			2022		
	Men	Women	Total	Men	Women	Total
Interns	0	2	2	0	2	2
Agency workers	0	1	1	0	1	1
Other Collaborators (continuous/specific agreement)	0	0	0	0	0	0
Other categories (specify)	0	0	0	1	2	3
Total	0	3	3	1	5	6

13. In 2020, there were no other workers.

EMPLOYMENT

GRI 401-1 Total number of new hires by age group and gender

Total number and rate of new hires during the reporting period, by age group, gender and geographic area

NEW HIRES									
no. new hires	2020			2021			2022		
	Men	Women	Total	Men	Women	Total	Men	Women	Total
<30	2	7	9	1	10	11	0	14	14
30-50	0	0	0	0	7	7	2	16	18
>50	1	0	1	0	2	2	1	12	13
Total	3	7	10	1	19	20	3	42	45

GRI 401-1 Total number of people who have terminated or interrupted their employment relationship, by age group and gender

Total number and turnover rate during the reporting period, broken down by age group, gender and geographical area

EMPLOYEES LEAVING THE COMPANY									
no. employees leaving the company	2020			2021			2022		
	Men	Women	Total	Men	Women	Total	Men	Women	Total
<30	1	2	3	1	3	4	0	5	5
30-50	3	7	10	1	1	2	1	7	8
>50	0	1	1	1	3	4	2	12	14
Total	4	10	14	3	7	10	3	24	27

GRI 401-1 Overall turnover rate by age group, gender

TOTAL TURNOVER (%) ¹⁴									
% Turnover	2020			2021			2022		
	Men	Women	Total	Men	Women	Total	Men	Women	Total
<30	20.0%	6.3%	8.1%	20.0%	7.9%	9.3%	0,0%	13.5%	12.8%
30-50	25.0%	11.9%	14.1%	10.0%	1.6%	2.8%	5.9%	10.6%	9.6%
>50	0,0%	2.1%	1.8%	11.1%	5.9%	6.7%	18.2%	20.0%	19.7%
Total	15.4%	7.2%	8.5%	12.5%	4.6%	5.7%	10.0%	14,7%	14.0%

¹⁴. The overall turnover rate is calculated as the ratio between: (number of hires in the year + number of departures in the year/permanent and temporary staff at 31/03) *100

DIVERSITY AND EQUAL OPPORTUNITY

GRI 405-1 Diversity in governing bodies and among employees

Percentage of members of the organization's governing bodies by gender, age group and other diversity indicators, if relevant (such as minorities or vulnerable categories)

2022 (%)	AGE GROUP								
	<30			30 - 50			>50		
	Men	Women	Total	Men	Women	Total	Men	Women	Total
Members of governing bodies	-	-	-	-	-	-	67%	33%	100%

Percentage of employees by gender, age group and other diversity indicators, if relevant (such as minorities or vulnerable categories)

2022	AGE GROUP								
	<30			30 - 50			>50		
	Men	Women	Total	Men	Women	Total	Men	Women	Total
Executives	0	0	0	1	0	1	0	0	0
Managers	0	0	0	2	2	4	4	5	9
Office workers	1	27	28	7	39	46	4	17	21
Manual workers	1	10	11	7	25	32	3	38	41
Total	2	37	39	17	66	83	11	60	71

TRAINING AND EDUCATION

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

no. hours of training ⁽¹⁾	2020			2021			2022		
	Men	Women	Total	Men	Women	Total	Men	Women	Total
Executives	0	0	0	2	0	2	0	0	0
Managers	5	0	5	41	50	91	0	0	0
Office workers	3	43	46	104	407	511	28	465	493
Manual workers	3	1	4	72	139	211	12	288	300
Other workers (specify)			0	0	0	0	0	0	0
Total	11	44	55	1,219	596	815	40	752	792

GRI 404-1 Average hours of training provided to employees by professional category and gender

average no. hours of training per year per employee	2020			2021			2022		
	Men	Women	Total	Men	Women	Total	Men	Women	Total
Executives	0,00		0,00	2,00		2,00	0,00		0,00
Managers									
Office workers	0.19	0.58	0.51	8.00	5.09	5.49	1.56	5.16	4.56
Manual workers	0.33	0.02	0.05	7,20	1.96	2.60	1.09	3,94	3.57
Other workers (specify)	0,00	0,00	0,00	0,00	0,00	0,00	0,00	0,00	0,00
Total	0.42	0.32	0.33	9.13	3.95	4.66	1.33	4.61	4.10

HEALTH AND SAFETY IN THE WORKPLACE

GRI 403-9 Work-related injuries

Employee health and safety	2020	2021	2022
Deaths at work	0	0	0
Injuries	2	4	0
<i>Of which serious injuries</i>	0	0	0
Total hours worked	239.691	277.675	324.536
Injury rate	8,34	14,41	0

ENERGY

GRI 302-1 Energy consumed within the organization

Consumi di energia elettrica	u.m.	2020	2021	2022
Electricity consumption	kWh	637.240	895.100	753.609
Total electricity purchased	Gj	2.294	3.222	2.713
<i>Of which from renewable sources</i>	kWh	637.240	895.100	753.609
	Gj	2.294	3.222	2.713
Total self-produced electricity (from photovoltaic panels)	kWh	15.630	51.920	68.184
	Gj	2.350	3.409	2.958
<i>Of which fed into the grid</i>	kWh	10	100	916
	Gj	0,04	0,36	3,30

Total electricity consumption	kWh	652.860	946.920	820.877
	Gj	2.350	3.409	2.955
<i>Of which from renewable sources</i>	kWh	652.860	946.920	820.877
	Gj	2.350	3.409	2.955

Energy consumption from non-renewable fuels	u.m.	2020	2021	2022
Natural gas	smc	56.150	50.639	65.967
	Gj	1.981	1.787	2.327
Vehicle fuel (diesel and gasoline)	litri	23.354	32.078	34.695
	Gj	833	1.141	1.214

Total energy consumption	u.m.	2020	2021	2022
Total energy consumption (electricity, natural gas and fuel)	Gj	5.165	6.337	6.496
Of which from renewable sources	Gj	2.350	3.409	2.955

The Joule is a unit of measurement for work and energy. It is "equal to the work done by a force of 1 newton to move a body 1 meter along its line of action; it is identified with the energy dissipated in 1 second in the form of heat" (Oxford Languages).

Conversion factors sources: Electrical energy ENEA; Methane Ministry of the Environment Italy - National EU ETS Parameters - Italy: News (mi-nambiente.it) Fuels and other emission sources - DEFRA UK - Greenhouse gas reporting: conversion factors 2021 - GOV.UK (www.gov.uk) / DEFRA

EMISSIONS

GRI 305-1 Direct GHG emissions (Scope 1)

Direct emissions from fuel consumption SCOPE 1 (tonCO₂e)	u.m.	2020	2021	2022
Diesel	tonCO ₂ e	57	72	64
Petrol	tonCO ₂ e	2	7	21
Natural Gas	tonCO ₂ e	111	100	131
Total	tonCO₂e	170	180	216

Emission factors sources: Methane Ministry of the Environment Italy - National EU ETS Parameters - Italy: News (minambiente.it) Fuels and other emission sources - DEFRA UK - Greenhouse gas reporting: conversion factors 2021 - GOV.UK (www.gov.uk) / DEFRA

GRI 305-2 Indirect GHG emissions (Scope 2)

Indirect emissions from consumption of purchased electricity – SCOPE 2 (tonCO₂e)	u.m.	2020	2021	2022
From electricity purchased from non-renewable sources	tonCO ₂ e	-	-	-

WASTE

GRI 306-3 Waste generated

Type of waste generated ¹⁵ (Ton)	2020	2021	2022
Plastic	11,80	8,71	13,35
Paper and cardboard packaging	24,86	25,66	16,99
Waste from processed textile fibers	6,92	7,66	9,34
Wood packaging	3,18	-	1,72
Discarded equipment	0,96	-	-
Absorbent filter materials	1,42	3,18	0,20
Iron and steel	1,3	-	-
Mixed material packaging	5,4	-	-
Paints and varnishes	-	0,08	-
Fluorescent tubes	-	0,20	-
Total	56	45	42

MATERIALS

GRI 301-1 Materials used by weight or volume

FABRICS			
Composition raw materials	Purchased quantity (MT)		
	2020	2021	2022
100% Silk	28.822	43.443	47.499
100% Wool, virgin wool, cashmere	24.910	29.092	64.960
Wool, silk blend	7.740	2.754	-
Wool, cotton blend	2.614	909	-
Wool, synthetic blend	12.665	13.627	-
Silk, cotton blend	560	2.322	-
Silk, synthetic blend	6.636	1.817	-
100% Cotton	64.533	87.251.05	124.303
100% Linen	-	500	3.657
100% Viscose	2.432	22.439	33.843
Cotton, linen blend	496	544	-

15. All the waste generated by the Company is non-hazardous. The data has been reviewed for past years as well because the monitoring method has improved.

Cotton, synthetic blend	12.979	24.993	-
Viscose, synthetic blend	6.430	16.008	3.682
Linen, synthetic blend	15.449	8.738	18.795
100% Polyamide	40	0	9.170
100% Acetate	72	550	-
100% Modal	9.142	21.190	40.723
100% Polyester	361	15	-
100% Cupro	8.604	11.789	1311
100% Cupro	28.822	43.443	47.499

ACCESSORIES

Type	u.m.	Purchased quantity	
		2021	2022
Buttons	pcs	454.764	415.694
Zips	pcs	53.901	66.655
Stickers	mt	133.545	128.185,24
Buckles	pcs	7.111	5.273
Linings	mt	60.126	65.766,09
Thread	mt	21.295	743,4
Straps	pcs	75.938	64.827
Ribbons and bands	mt	605.376	644.008
Metallic miniatures	pcs	122.796	58.488,5

PACKAGING¹⁶

Type	Purchased quantity		
	2020	2021	2022
Cellophane	41.400	49.876	69.071
Hangers	30.600	35.473	112.726
Tissues	30.000	35.000	50.000
Plastic bags	175.540	300.700	210.100

¹⁶. The values entered are estimated

SUPPLY CHAIN ASSESSMENT

SUMMARY OF AUDIT RESULTS CONDUCTED AT WORKSHOPS

LEVEL	2021	2022
Major/High	56%	46%
Minor/Medium Low	35%	37%
Excellent	9%	17%

GRI 308-2 / 414-2 Negative environmental and social impacts in the supply chain and actions taken

	Suppliers audited by Zamasport	Suppliers audited by third parties
2020		
Total number of suppliers assessed	2	
No. of suppliers with significant negative impacts		
Significant negative impacts in the supply chain (brief description)		
% of suppliers with significant negative impacts and with whom improvements have been agreed		
% of suppliers with significant negative impacts and with whom relationships have been terminated		
2021		
Total number of suppliers assessed	13	9
No. of suppliers with significant negative impacts	7	6
Significant negative impacts in the supply chain (brief description)	<p>14 MAJOR NON-CONFORMITIES</p> <p>SOCIAL NON-CONFORMITIES:</p> <ol style="list-style-type: none"> inadequate employment contracts for employees accumulation of excessive annual leave hours inadequate personnel entry registration method incorrect payment of overtime <p>SAFETY NON-CONFORMITIES:</p> <p>lack of updates for the emergency response team</p>	<p>3 MAJOR NON-CONFORMITIES</p> <p>SOCIAL NON-CONFORMITIES:</p> <ol style="list-style-type: none"> inadequate monitoring of working hours and vacations <p>SAFETY NON-CONFORMITIES:</p> <ol style="list-style-type: none"> lack of regular safety meetings <p>ENVIRONMENTAL NON-CONFORMITIES:</p> <ol style="list-style-type: none"> inadequate waste disposal monitoring
% of suppliers with significant negative impacts and with whom improvements have been agreed	79%	0%
% of suppliers with significant negative impacts and with whom relationships have been terminated	21%	100%

2022		
Total number of suppliers assessed	20	12
No. of suppliers with significant negative impacts	6	6
Significant negative impacts in the supply chain (brief description)	<p>11 MAJOR NON-CONFORMITIES</p> <p>SOCIAL NON-CONFORMITIES:</p> <ol style="list-style-type: none"> 1. inadequate employment contracts for employees 2. accumulation of excessive annual leave hours 3. inadequate personnel entry registration method 4. incorrect payment of overtime <p>SAFETY NON-CONFORMITIES:</p> <p>lack of updates for the emergency response team</p>	<p>12 MAJOR NON-CONFORMITIES</p> <p>ENVIRONMENTAL NON-CONFORMITIES:</p> <ol style="list-style-type: none"> 1. inadequate waste disposal monitoring 2. incorrect recording of waste in the registers <p>SAFETY NON-CONFORMITIES:</p> <ol style="list-style-type: none"> 1. inadequate training of employees who use potentially hazardous chemical products 2. inadequate storage of chemical materials 3. lack of procedures and training for the storage, transportation and use of chemical materials 4. lack of training on the correct use of PPE (Personal Protective Equipment)
% of suppliers with significant negative impacts and with whom improvements have been agreed	99%	100%
% of suppliers with significant negative impacts and with whom relationships have been terminated	1%	1%

GRI 204-1 Proportion of spending on local suppliers

	2020	2021	2022
Spending on local suppliers* (mln€)	5,48	6,66	10,70
% of spending on local suppliers* (mln€)	53,6%	57,9%	68,5%

*Local suppliers identified in the north of Italy. Data related to materials suppliers and not subcontractors.

GRI Content Index

GRI Standard	Indicators	Reference in the text	Comments
GRI 2 - GENERAL DISCLOSURE (2021)			
THE ORGANIZATION AND ITS REPORTING PRACTICES			
2-1	Organizational details	Methodological approach	
2-2	Entities included in the organization's sustainability reporting	Nota Methodological approach	
2-3	Reporting period, frequency and contact point		Via Belletti 16, 28100 NOVARA - Italia
2-4	Review of information	Methodological approach	
2-5	External assurance		This Report not subject to external assurance
ACTIVITIES AND WORKERS			
2-6	Activities, value chain and other business relationships	1.2 Who we are and how we work	
2-7	Employees	5.Our team; Appendix	
2-8	Workers who are not employees	5.Our team; Appendix	
GOVERNANCE			
2-9	Governance structure and composition	2. Corporate Governance	
2-10	Nomination and selection of the highest governance body		The appointment of the Board of Directors is the responsibility of the Shareholders' meeting, in accordance with art. 2383 of the Italian Civil Code.
2-11	Chair of the highest governance body		The Chairman of the Board of Directors is not a senior executive of the Company.
2-12	Role of the highest governance body in overseeing the management of impacts		The approval and updating of the statements of purpose, values or mission of the Company, as well as the strategies, policies and objectives relating to Sustainable Development, and the management of impacts on the economy, environment and people, are the responsibility of the Board of Directors.
2-13	Delegation of responsibility for managing impacts		Ref. 2-12
2-14	Role of the highest governance body in sustainability reporting		The 2022 Sustainability Report is shared with the Board of Directors and approved by the three directors.
2-15	Conflicts of interest	2.1 Integrity and ethics in business	Conflicts of interest are managed in accordance with the provisions of the Italian Civil Code.
2-16	Communication of critical concerns	2.1 Integrity and ethics in business	
2-17	Collective knowledge of the highest governance body		No measures are currently being taken to develop the knowledge of the Board of Directors.

2-18	Performance evaluation of the highest governance body		The remuneration for members of the highest governance body is determined annually.
2-19	Remuneration policies		<p>The management of the remuneration for the Board of Directors is decided and documented during the Board of Directors meetings.</p> <p>The Company has a single executive for whom the CCNL for Executives in the industry is applied, along with a performance-based remuneration component (MBO).</p> <p>Objectives are agreed with the management at the beginning of the year, and the results are assessed at the end of the financial year.</p>
2-20	Remuneration policies		Ref. 2-19
2-21	Annual total compensation ratio		Confidential

STRATEGY, POLICIES AND PRACTICES

2-22	Statements on sustainable development strategy	Letter to stakeholders	
2-23	Policy commitments	2.1 Integrity and ethics in business	
2-24	Embedding policy commitments		Ref. 2-23
2-25	Processes to remediate negative impacts		No reports were received regarding negative impacts related to the management of ESG issues in 2022.
2-26	Mechanisms for seeking advice and raising concerns		The email address sustainability@zamasport.com can be used to request clarification on the implementation of the organization's policies and practices for responsible conduct.
2-27	Compliance with laws and regulations		During the reporting period, there were no cases of non-compliance with laws and regulations recorded.
2-28	Membership associations	1.4 Membership	

STAKEHOLDER INVOLVEMENT

2-29	Approach to shareholder engagement	Our stakeholders	
2-30	Collective bargaining agreements		<p>All employees are covered by the following National Collective Labour Agreements (CCNL):</p> <ul style="list-style-type: none"> - Textiles and clothing industry - Industrial executives. <p>All contractual documents are stored and available at the Human Resources office.</p>

GRI 3 – GESTIONE DEI TEMI MATERIALI (2021)

3-1	Process of determining material topics	Materiality analysis	
3-2	List of material topics	Materiality analysis	

Material topic: ECONOMIC PERFORMANCE

3-3	Management of material topics	Chapter 3, Economic-financial performance
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GRI 201 ECONOMIC PERFORMANCE

201-1	Direct economic value generated and distributed	Chapter 3, Economic-financial performance; Appendix
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Material topic: SUSTAINABILITY OF RAW MATERIALS

3-3	Management of material topics	Chapter 7.2, Environmental impact of our products
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GRI 301 – MATERIALS

301-1	Materials used by weight or volume	Chapter 7.2.1, Sustainability of raw materials; Sustainable packaging; GRI Content Index
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301-2	Recycled materials used	This data is not currently available; the Company is working to collect it in a timely manner.
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301-3	Recovered products and their packaging materials	This data is not currently available; the Company is working to collect it in a timely manner.
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Material topic: SUSTAINABLE PACKAGING

3-3	Management of material topics	Chapter 7.2.3, Sustainable packaging; GRI Content Index
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GRI 301 MATERIALS

301-2	Recycled materials used	This data is not currently available; the Company is working to collect it in a timely manner.
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301-3	Recovered products and their packaging materials	This data is not currently available; the Company is working to collect it in a timely manner.
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Material topic: ENERGY AND EMISSIONS

3-3	Management of material topics	Chapter 7, Environmental impact of our premises
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GRI 302 ENERGY

302-1	Direct GHG emissions (Scope 1)	Chapter 7.1, Environmental impact of our premises; GRI Content Index
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GRI 305 EMISSIONS

305-1	Emissioni dirette di GHG (Scope 1)	Chapter 7.1, Environmental impact of our premises; GRI Content Index
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305-2	Indirect GHG emissions from energy consumption (Scope 2)	Chapter 7.1, Environmental impact of our premises; GRI Content Index	
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305-3	Other indirect GHG emissions (Scope 3)		Scope 3 emissions are not currently calculated.
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Material topic RESPONSIBLE MANAGEMENT OF WASTE AND SCRAPS

3-3	Management of material topics	Chapter 7.2.2, Responsible management of waste and scraps	
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GRI 306 WASTE

306-1	Waste generation and significant waste-related impacts	Chapter 7.2.2, Responsible management of waste and scraps	
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306-2	Management of the main impacts generated relating to waste	Chapter 7.2.2, Responsible management of waste and scraps	
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306-3	Waste generated	Chapter 7.2.2, Responsible management of waste; GRI Content Index	
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306-4	Waste diverted from disposal		The Company has committed to reporting this indicator starting from 2023.
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306-5	Waste directed to disposal		The Company has committed to reporting this indicator starting from 2023.
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Material topic: EMPLOYEE ATTRACTION, DEVELOPMENT AND WELL-BEING

3-3	Management of material topics	Chapter 5, Our team	
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GRI 401 EMPLOYMENT

401-1	New hires and turnover	Chapter 5 Our team; Appendix	
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401-2	Benefits for full-time employees that are not available for part-time or temporary employees	Chapter 5.1 Employee attraction and well-being	
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401-3	Parental leave		The Company is working to improve data collection methods. Data relating to parental leave will be disclosed in the next report.
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GRI 404 TRAINING AND EDUCATION

404-1	Average hours of training per year per employee	Chapter 5.2, Employee training; Appendix	
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404-3	Percentage of employees who receive regular performance and professional development evaluations		There is no structured performance evaluation process for employees.
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Material topic: DIVERSITY, INCLUSION AND EQUAL OPPORTUNITIES

3-3	Management of material topics	Chapter 5, Our team	
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GRI 405 DIVERSITY AND EQUAL OPPORTUNITIES

405-1	Diversity in governing bodies and among employees	Appendix	
405-2	Ratio between the basic salary and total compensation for women compared to men		The Company is working to improve data collection methods. This information will be disclosed in the next report.

GRI 406 NON-DISCRIMINATION

406-1	Incidents of discrimination and corrective actions taken		No incidents recorded.
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Material topic: HEALTH AND SAFETY IN THE WORKPLACE

3-3	Incidents of discrimination and corrective actions taken	Chapter 5, Health and safety in the workplace	
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GRI 403 HEALTH AND SAFETY IN THE WORKPLACE

403-1	Management of health and safety in the workplace		
403-2	Hazard identification, risk assessment and accident investigation		
403-3	Occupational medicine services		
403-4	Worker participation and consultation and communications on occupational health and safety	Chapter 5.3, Health and safety in the workplace; Appendix	
403-5	Training of workers on health and safety in the workplace		
403-6	Promotion of workers' health		
403-7	Prevention and mitigation of occupational health and safety impacts in commercial relationships		
403-8	Workers covered by an occupational health and safety management system		
403-9	Accidents at work		
403-10	Work-related ill health		

Material topic: PRODUCT QUALITY AND CUSTOMER SATISFACTION

3-3	Management of material topics	Chapter 4, Quality of processes and products; Customer satisfaction	
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Material topic: HUMAN AND WORKERS' RIGHTS THROUGHOUT THE SUPPLY CHAIN

3-3	Management of material topics	Chapter 6.2, Respect for human and workers' rights along the supply chain	
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414-1	New suppliers that have been selected using social criteria		100% (1 workshop)
414-2	Negative social impacts in the supply chain and actions taken	GRI Content Index	
Material topic: INNOVATION AND DIGITIZATION			
3-3	Management of material topics	Chapter 4.2, Innovation of industrial processes and digitization	
Material topic: PRIVACY AND SECURITY OF DATA AND INFORMATION			
3-3	Management of material topics		
418-1	Substantiated complaints concerning breaches of customer privacy and losses of customer data	Chapter 2.2, Privacy and security of data and information	
Material topic: PARTNERSHIPS WITH SUPPLIERS			
3-3	Management of material topics	6. Our supply chain	
204-1	Proportion of spending on local suppliers	GRI Content Index	
Material topic: TRANSPARENCY AND TRACEABILITY OF THE SUPPLY CHAIN			
3-3	Management of material topics	6. Our supply chain	
Tema Materiale: IMPATTO AMBIENTALE DELLA FILIERA			
3-3	Management of material topics	6.3 Environmental impact of the supply chain	
308-1	New suppliers that have been selected using environmental criteria		100% (1 workshop)
308-2	Negative environmental impacts in the supply chain and actions taken	GRI Content Index	
Material topic: ETHICS AND INTEGRITY			
3-3	Management of material topics	2.1 Ethics and integrity	
205-1	Operations assessed for risks related to corruption	Appendix	
205-2	Communication and training about anti-corruption policies	Appendix	
205-3	Confirmed incidents of corruption and actions taken	Appendix	



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