

2024 IMPACT REPORT

/RTKNIT
STUDIOS



TABLE OF CONTENTS

LETTER FROM THE FOUNDER		1
<hr/>		
PREFACE		2
<hr/>		
INTRODUCTION & IMPACT STRATEGY	ABOUT US	4
	OUR TEAM	6
	CODE OF ETHICS	7
	SUSTAINABLE DEVELOPMENT GOALS	8
	SUSTAINABILITY FRAMEWORK	9
<hr/>		
2024 AT A GLANCE		10
<hr/>		
ENVIRONMENTAL RESPONSIBILITY	FOUNDING PRINCIPLE: Bio-based	13
	PREFERRED MATERIAL FRAMEWORK	15
	ENVIRONMENTAL IMPACT ASSESSMENT	17
	PRODUCT FOOTPRINT: LIFE CYCLE ASSESSMENT	18
	2024 ACHIEVEMENTS & 2025 OBJECTIVES	19
	CASE STUDY: Swimming in Wool	21
	CASE STUDY: ReCashmere	22
	CASE STUDY: Botanichrome: Natural Dyes	24
	CASE STUDY: Clean & Care	25
<hr/>		
SOCIAL RESPONSIBILITY	FOUNDING PRINCIPLE: FAIR LABOR	28
	CODE OF CONDUCT	29
	STRATEGIC PRIORITY: Protect Legacy & Craftsmanship	30
	SOCIAL IMPACT ASSESSMENT: Methodology And Direction	31
	FAIR RETURNS FOR OUR MAKERS	37
	2024 ACHIEVEMENTS & 2025 OBJECTIVES	38
	CASE STUDY: Craftsmanship in all its shapes	39

CONSUMER BEHAVIOR RESPONSIBILITY	FOUNDING PRINCIPLE: Traceability and Transparency	43
	OUR TRACEABILITY SYSTEM	45
	STRATEGIC PRIORITY: Drive consumer behavior change	47
	2024 EDUCATIONAL CAMPAIGNS	48
	2024 ACHIEVEMENTS & 2025 OBJECTIVES	49
	CASE STUDY: Artknit Academy	51
CONCLUSIONS		52

Dear all,

This report is a concrete testimony to our commitment in 2024: to reduce our environmental impact, support our supply chain, and promote more conscious consumption. Every year we set ourselves new challenges to push ourselves further, and this year was no exception.

We continued to expand and strengthen our connection with our community, bringing our vision of responsible fashion closer and closer to people. At the same time, we explored new paths, expanding our proposal with projects that enhance Italian craftsmanship and experimenting with innovative applications of natural fibers to reduce waste and improve the impact of our products. Our network of artisans has consolidated and expanded because we believe that their work is the beating heart of Artknit Studios. Our goal is to continue to create strong partnerships and ensure we have the resources to support their savoir-faire, preserving traditions and skills with a view to responsible innovation.

We know that the path to more fashion consciousness is not linear: we do not always achieve all the goals we set, but every obstacle is an opportunity to learn and improve. With this report, we want to share our progress and the challenges that are still open, but above all to involve you in our journey, because we believe that change is only possible together.

Thank you for being part of this journey and for continuing to believe in our vision. Your support allows us to look to the future with determination and continue to build, year after year, a more responsible fashion system.

With gratitude,
Alessandro Lovisetto
CEO e founder of Artknit Studios

2024 was a year of growth and transformation for Artnit Studios.

FOR US, GROWTH MEANS EVOLVING RESPONSIBLY, FINDING NEW WAYS TO IMPROVE OUR IMPACT ON THE PLANET AND PEOPLE.

Responsibility has always been at the core of our choices, and this year we continued to strengthen our commitment through concrete and innovative actions.

We expanded our offline presence with the opening of two new spaces: a pop-up store in Paris and a permanent store in Rome. These new meeting points allow us to get even closer to our community, creating a direct dialogue and promoting a culture of conscious consumption.

In parallel, we have been exploring new product categories, collaborating with Italian artisans to enhance local savoir-faire. New products include our handcrafted pottery set and home fragrances, expressions of the same philosophy of quality and care that distinguishes each of our clothing pieces.

Innovation in materials has been another pillar of our journey. We have experimented with innovative applications of natural fibers, such as the first 100% Merino Wool swimsuit, which combines performance and sustainability. Moreover, we have introduced the ReCashmere project, a selection of garments made exclusively to order using a yarn composed of 65% regenerated Cashmere fibers — a step forward towards a production model that minimizes waste and maximizes the value of existing resources.

Our network of artisans has expanded, now numbering 20 small and medium-sized companies with whom we share values, skills and a common commitment to a more responsible industry. Each step forward is a new starting point for us. Sharing our progress, challenges and our Impact Report is part of our commitment to transparency and continuous improvement, year after year.



Introduction & IMPACT STRATEGY

ABOUT US

Artknit Studios is a platform, a brand, and a community of artisans, designers and innovators who believe in creating less, but in a better way.

Our ambition is to offer superior-quality products at the lowest environmental impact, by sourcing only 100% natural fibers and by working with the best Italian makers to guarantee local and ethical production.

OUR ACTIONS AND DECISIONS STRICTLY FOLLOW OUR VALUES:



- Pursuing a positive impact on the environment.
- Protecting the Italian craftsmanship culture and promoting generational change.
- Building a community of conscious consumers by raising awareness and educating people about the importance of buying less, but better.

OUR VISION

Shape a more sustainable fashion industry through a new generation of Italian makers and a community that promotes a conscious lifestyle.

OUR MANIFESTO

We knit a community of makers together to craft timeless pieces with the planet at heart. We were born in the wool valley, in Biella, the cradle of the Italian textile tradition. From here, we look at the future while not losing sight of the essential:



THE LOVE FOR CRAFTSMANSHIP

by connecting the old and new generations of makers with customers from all around the world.



A BETTER PLANET

through natural and biodegradable fibers, selected raw materials that will go back to nature.



HIGH-QUALITY KNITWEAR

at a fair price for those who make it and those who buy it.

Our supply chain is short and you can follow each step from yarn to you: We create a community of people who want to make conscious choices, towards a better future, one knit at a time.

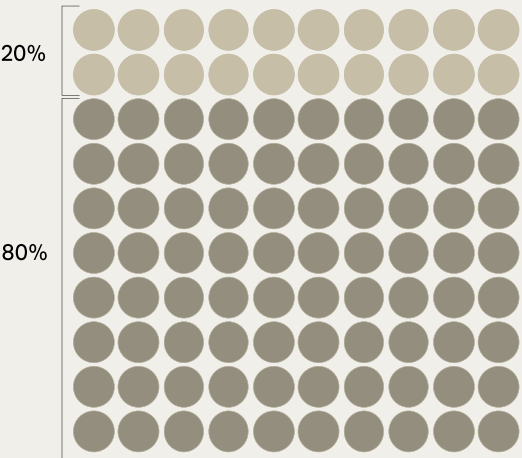
OUR TEAM

We are a young brand formed by a young group of talents, both full-time employees or external collaborators, with unique and diverse experiences from the worlds of tech, finance, and fashion, who have come together with the aim of innovating and protecting the Italian craftsmanship tradition.

It is crucial for us to make sure that our team members are aligned with our values, constantly trained, and updated on the latest innovations. Following our Code of Ethics, we offer equal opportunities for everyone and strive for diversity.

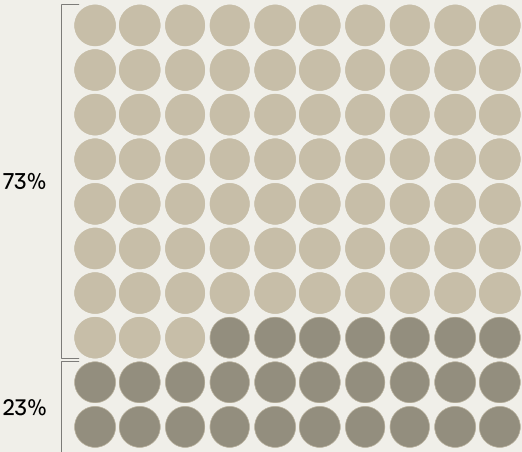
THE EXECUTIVE TEAM

(*INCLUDES BOARD AND CEO)



TEAM COMPOSITION

OVER TOTAL EMPLOYEE COUNT



THE AVERAGE AGE OF THE TEAM IS 30,2 YEARS OLD, excluding the board.
The gender pay gap is 1,02% and is calculated as the difference between the average gross hourly earnings of male paid employees and of female paid employees of the same pay grade.



CODE OF ETHICS

Our code of ethics summarizes the expectations of the behavior of our employees towards other members, customers, stakeholders, and partner companies.

TRANSPARENCY	At Artknit Studios, honesty and transparency are core values that guide our relationships with all of our stakeholders. We believe that relationships should be based on fairness, collaboration, loyalty and mutual respect. We are committed to maintaining open and transparent communication with our employees, partners and customers in order to build strong and lasting relationships.
CENTRALITY OF THE PERSON	Artknit Studios supports and respects human rights in its activities and sphere of influence, provides equal development opportunities to its people, and protects their privacy. We do not tolerate any form of discrimination and/or exclusion with regard to age, culture, ethnicity, nationality, creed, race, political opinion, marital status, pregnancy, veteran status, gender and sexual orientation, gender identity and/or expression, genetic information, health or disability.
COMPLIANCE WITH LAWS, APPLICABLE CODES, AND REGULATIONS	We are committed to complying with national and international regulations and actively work to prevent abuse.
HEALTH AND SAFETY	We are committed to providing a safe and healthy working environment for its employees. We also adopt and maintain appropriate management systems designed to identify, prevent and respond to possible risk situations to ensure the safety and health of all staff.
RESPECT FOR THE ENVIRONMENT AND RESPONSIBILITY TOWARDS THE COMMUNITY	We are committed to promoting awareness about sustainable development among its employees and all stakeholders with whom it works. The company manages its operations responsibly, protecting the environment and seeking to minimize its environmental impact. In addition, we believe that success is closely linked to the well-being of the communities in which we operate. For this reason, the company is committed to improving the economic, social and psychological development of local communities while respecting their culture and traditions.
INTEGRITY	We are committed to acting with integrity and respect for all stakeholders, including clients, partners and employees. Team members are expected to act in good faith at all times and to avoid any conflict of interest that could compromise the quality of work performed. In particular, employees are discouraged from accepting gifts from customers or partners that could be interpreted as attempts to influence their work conduct in favor of third parties. In addition, all team members must avoid any personal, financial, or other interests that might interfere with their duty to act in the best interests of Artknit Studios and its community.

SUSTAINABLE DEVELOPMENT GOALS

We protect the Italian fashion craftsmanship’s legacy and make it future-ready, while lowering our environmental impact, securing our communities’ wellbeing, and driving consumer behavior change

In line with our founding principles, we prioritize the SDGs to which we believe we can make a more meaningful contribution:

<div>GOAL N°8</div> <div>8 DECENT WORK AND ECONOMIC GROWTH</div> <div></div> <div>Decent Work and Economic Growth</div> <div>Fostering a long-lasting, inclusive and sustainable economic growth and decent work for everyone.</div>	<div>GOAL N°9</div> <div>9 INDUSTRY, INNOVATION AND INFRASTRUCTURE</div> <div></div> <div>Industry innovation and infrastructure</div> <div>Encourage innovation while promoting a fair, responsible and sustainable industrialization.</div>	<div>GOAL N°12</div> <div>12 RESPONSIBLE CONSUMPTION AND PRODUCTION</div> <div></div> <div>Responsible consumption and production</div> <div>Guarantee sustainable patterns of production and consumption.</div>
<div>GOAL N°13</div> <div>13 CLIMATE ACTION</div> <div></div> <div>Climate Action</div> <div>Take urgent action to fight climate change and its consequences.</div>	<div>GOAL N°14</div> <div>14 LIFE BELOW WATER</div> <div></div> <div>Life below water</div> <div>Preserve and use marine resources for sustainable development.</div>	<div>GOAL N°15</div> <div>15 LIFE ON LAND</div> <div></div> <div>Life on land</div> <div>Protect, restore and promote sustainable use of terrestrial ecosystems, sustainably manage forests, combat desertification, halt and reverse land degradation and halt biodiversity loss</div>

SUSTAINABILITY FRAMEWORK

Inspired by six sustainable development goals toward which we can make a contribution, defined by the United Nations, we developed Artknit Studios' impact strategy, which provides us with a framework for action and a roadmap.

Our Impact Strategy centers on three strategic priorities derived from our founding principles to achieve our three Common Benefit Purposes.

COMMON BENEFIT PURPOSES	Pursuit of a positive impact on the environment	New business models and introduction of innovative processes in the manufacturing sector	Consumer awareness and education on environmental issues
STRATEGIC PRIORITIES	DECARBONIZE & REGENERATE	PROTECT LEGACY & CRAFTSMANSHIP	DRIVE CONSUMER BEHAVIOR CHANGE
	<p>Pursuit of a positive impact on the environment</p> <p>01. Net Zero (carbon emissions)</p> <p>02. Water consumption reduction & waste minimization</p> <p>03. Circularity across the value chain (design for end of life & innovation in natural & recycled materials)</p>	<p>Support artisans and generational change</p> <p>01. Local artisan know-how protection</p> <p>02. Made in Italy" preservation & re-evaluation</p> <p>03. Collaborate to create new business models & digital tools to optimize production while ensuring fair working conditions</p>	<p>Build a community of conscious consumers</p> <p>01. Contribute to educate & shift towards conscious consumption</p> <p>02. Engage the broader community towards reversing climate change</p> <p>03. Be an inspiration for sustainable fashion best practice</p>
FOUNDING PRINCIPLES	<p>BIO-BASED</p> <p>Only use natural origin materials</p> <div><div>13 CLIMATE ACTION</div><div>14 LIFE BELOW WATER</div><div>15 LIFE ON LAND</div></div>	<p>FAIR LABOR</p> <p>Ethical practices across the value chain Fair working conditions</p> <div><div>8 DECENT WORK AND ECONOMIC GROWTH</div><div>9 INDUSTRY, INNOVATION AND INFRASTRUCTURE</div></div>	<p>TRACEABILITY & TRANSPARENCY</p> <p>Fact based mapping of operations to know our impact Due-diligence to disclose our impact, goals and progress</p> <div><div>12 RESPONSIBLE CONSUMPTION AND PRODUCTION</div></div>



2024
at a glance

100%

of our textile
products are made
from natural
materials



2

innovative materials
added to our
assortment: ExtraDry
Merino Wool and
ReCashmere



2

new stores open: a pop-up in
Paris and a flagship store in
the heart of Rome



110

garments were repaired,
giving them a second life.



20

artisan companies work
with us. In 2024, 7 new
artisans were added.



+530K

views of our awareness
and educational content.



01

ENVIRONMENTAL Responsability

At Artknit, we strive to align with these principles of circularity: durability, non-toxicity, recyclability, and biodegradability.

FOUNDING PRINCIPLE: BIO-BASED	14
PREFERRED MATERIAL FRAMEWORK	17
STRATEGIC PRIORITY: DECARBONIZE AND REGENERATE	19
ENVIRONMENTAL IMPACT ASSESSMENT	20
2024 ACHIEVEMENTS & 2025 OBJECTIVES	22
CASE STUDY: SWIMMING IN WOOL	23
CASE STUDY: RECASHMERE	24
CASE STUDY: BOTANICHROME: NATURAL DYES	26
CASE STUDY: CLEAN & CARE	26

FOUNDING PRINCIPLE: BIO-BASED

We decided to focus exclusively on high-quality natural fibers for our textile products because we take into consideration the entire lifecycle of products and materials.

Unfortunately, the fashion industry is still not circular, so we have to focus on creating products that have a long usage life through high-quality durable pieces and also that, in the case that they would end up in a landfill, have low toxicity and could ultimately biodegrade.

Furthermore, during the processes of extraction and finishing of natural fibers, there are also big environmental impacts to be considered and reduced. For this reason, we strive to find the least impactful natural materials and finishings through certifications and manufacturing methods.

<p>EXTRAFINE MERINO WOOL</p> <p>Our Extrafine Merino Wool is RWS, OEKO-TEX and Woolmark certified. With fibers as fine as 19.5 microns, it comes from Australia and is distinguished by its extraordinary fineness, a guarantee of the highest quality yarn.</p>	<p>CHUNKY WOOL</p> <p>Our Chunky Wool is mulesing-free, is RWS, Woolmark, OEKO-TEX and Sustainawool Standard certified. It is spun in Biella, by the historic Lanecardate spinning mill, with 100% traceable Made in Italy production.</p>	<p>ULTRASOFT WOOL</p> <p>With a pure wool fiber thickness of 17.5 microns, this Ultrasoft yarn from Servizi e Seta in Biella is ultra-fine. In addition, it is RWS certified, OEKO-TEX and Textile and Health Association.</p>
<p>RECASHMERE</p> <p>A yarn composed of 35 percent virgin fibers and 65 percent regenerated fibers, for our made-to-order garments. Spun in Florence, this is a GRS-certified material, ensuring regenerated fiber content, traceability, and compliance with environmental and social criteria during all stages of production.</p>	<p>EXTRADRY MERINO WOOL</p> <p>The innovative 100% ZQ-certified Merino Wool poplin used in our swimwear provides excellent breathability, thermoregulation and water repellency, offering unique comfort and performance.</p>	<p>ORGANIC COTTON</p> <p>Our GOTS- and OEKO-TEX-certified Organic Cotton comes from Egypt, where the finest quality cotton grows, is spun by the Servizi e Seta spinning mill, and its entire journey is traced from seed, through yarn, to final product.</p>
<p>LINEN AND ORGANIC COTTON</p> <p>Our linen is OEKO-TEX, OCS and European Flax certified to ensure maximum quality with minimum impact. The Organic Linen-Cotton blend is composed of 65% Linen and 35% Organic Cotton.</p>	<p>LINEN</p> <p>Our linen selection includes several types of yarns and fabrics: a Masters of Linen certified linen twill, a GRS certified regenerated linen yarn, and a 100% linen fabric dedicated to home accessories.</p>	<p>SUPERIOR CASHMERE</p> <p>Our Superior Cashmere is of the highest quality, as the fibers are long and fine. It comes directly from Mongolia and is spun in certified woolen mills near Biella, Italy.</p>

FOUNDING PRINCIPLE: BIO-BASED

97% of the products made in 2024 were created from certified or traced materials, and all materials used to make our textile products are natural.

Other materials used in the production of garment care accessories (the anti-pilling comb and washing detergents) are not natural, but we are committed to using materials with low environmental impact in this product category as well. To date, all certifications can be viewed on the respective product pages, thus providing transparency to all our customers.

ASSORTMENT DISTRIBUTION BY MATERIAL



PREFERRED MATERIAL FRAMEWORK

Having in mind the principles of circularity and considering the environmental impact of each material we use in our selection, we strive to constantly improve our sourcing and create products with lower-impact materials. We created standards to follow internally in terms of preferred materials*

* The table only considers textile fibers. All other materials used in accessories and packaging are not included but we work towards using the least environmentally impactful materials also in those categories.

MOST PREFERRED ←-----→ LEAST PREFERRED						
MATERIAL CATEGORY	MATERIAL FAMILY	A	B	C	D	E
PLANT BASED FIBERS & MATERIALS	COTTON	Recycled Cotton (GRS) Regenerative Organic Standard	Organic Cotton - OCS, GOTS	Better Cotton (BCI)	Conventional cotton	
	LINEN	Recycled fibres (GRS/RSC) Agricultural residues (RSB)	Organic Linen - OCS, GOTS	Conventional Linen		
	HEMP	Recycled fibres (GRS/RSC) Agricultural residues (RSB)	Organic Hemp - OCS, GOTS	Conventional Hemp		
ANIMAL FIBERS	SHEEP WOOL	Recycled Wool - GRS/RCS	Responsible & Regenerative Wool	Responsible Wool - RWS / SUSTAINAWOOL	Mulesing-free Wool Merino Wool Certified Organic Wool	Conventional/ Uncertified Wool
	MOHAIR	Recycled Wool - GRS/RCS	Responsible & Regenerative Wool	Responsible Mohair STD - RMS	Mulesing-free Mohair Certified Organic Mohair	Conventional/ Uncertified Mohair
	CASHMERE	Recycled Cashmere - GRS/RCS	Responsible & Regenerative Cashmere	The Good Cashmere STD - GCS	Mulesing-free Cashmere Certified Organic Cashmere	Conventional/ Uncertified Cashmere
	SILK	Recycled Silk - GRS/RCS			Organic Silk - GOTS	Conventional Silk
SYNTHETIC FIBERS & MATERIALS	POLYESTER		Recycled Polyester - Textile to Textile, GRS/RCS Biobased Feedstock - RSB	Recycled Polyester from pet bottle - GRS/ RCS	Biobased Feedstock - ISCC	Conventional Virgin Polyester/Acrylic
	ACRYLIC			Post-consumer Recycled - GRS/RCS	Pre-consumer Recycled - GRS/RCS	Conventional Virgin Acrylic
	POLYAMIDE/NYLON			Post-consumer Recycled - GRS/RCS Biobased Feedstock - RSB Regenerated Nylon -Econyl	Pre-consumer Recycled, GRS/RCS, Biobased feedstock, ICSS	Conventional virging polyamide/nylon
	PLASTICS				Post-consumer Recycled - GRS/RCS	Conventional Plastics Pre-consumer Recycled Plastic
MANMADE CELLULOSIC FIBRES	VISCOSE	Next generation fibers (Recycled Cellulosics, Agricultural Residues) - GRS/RCS, RSB	Tencel/Lyocell - FSC Certified feedstock Ecovero Viscose	Modal - FSC Certified Feedstock Viscose - FSC Certified Feedstock	Conventional Man-made Cellulosic Fibres (RAYON, VISCOSE, BAMBOO)	
Units produced in 2024		2.6%	10.5%	80.8%	4.0%	2.1%

PREFERRED MATERIAL FRAMEWORK

The table provided above, concerning the Preferred Material Framework, may not accurately capture the end-of-life impact of materials, as it may not fully consider the lower impact of natural fibers which are known for their biodegradable properties. This limitation could be attributed to the methodology employed in the table, which may not adequately account for the superior performance of natural fibers in specific contexts. Despite this limitation, we believe that the methodology used is comprehensive and effective in providing guidelines for moving towards sustainability.

However, it is important to acknowledge that the end-of-life impact of materials, particularly those derived from natural fibers, may not be fully represented. Thanks to this analysis, we can have a clear direction toward where to focus our efforts in materials procurement for the coming years. We want to move our materials as far as possible toward the "A" category.

WHAT HAS CHANGED IN THE LAST YEAR?

MOST
PREFERRED

↑

↓

LEAST
PREFERRED

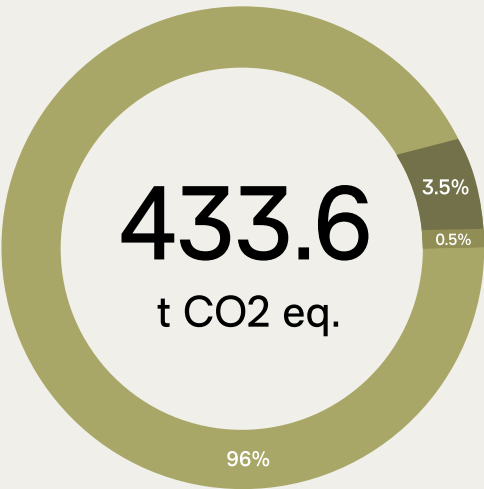
CATEGORY A	With the introduction of our GRS-certified Upcycled Linen, we have increased the use of materials belonging to category A, the most virtuous. Also, thanks to the ReCashmere project, we have increased the use of high-quality regenerated fibers, reducing the use of Virgin Cashmere, which belongs to category E.
CATEGORY B	We have expanded our offer with new patterns made from an Organic Cotton yarn, a certified and traceable material that belongs to category B.
CATEGORY C	As of 2024, all Merino Wool yarns used for knitwear are RWS certified, improving traceability and animal welfare. This has allowed two of our Merino Wool yarns (Merino Wool Extrafine and Chunky Wool) to move from category D to category C.
CATEGORY D	The use of Merino Wool yarns belonging to this category has gradually decreased, thanks to obtaining the RWS certification and which have allowed its transition to Category C.
CATEGORY E	We have almost completely eliminated the use of Virgin Cashmere belonging to this category, focusing on ReCashmere, belonging to category A, to offer a more conscious and circular alternative.



ENVIRONMENTAL IMPACT ASSESSMENT

On the path toward decarbonization and environmental regeneration, the first step is to quantify the impact and precisely identify its sources. For this reason, we measure our CO emissions following the Greenhouse Gas (GHG) Protocol, the leading international standard used by companies worldwide to monitor, quantify, and manage greenhouse gas emissions.

CO2 EMISSIONS IN 2024



SCOPE 1	8.1	t CO2 eq.
SCOPE 2	5.2	t CO2 eq.
SCOPE 3	420.4	t CO2 eq.

SCOPE 1

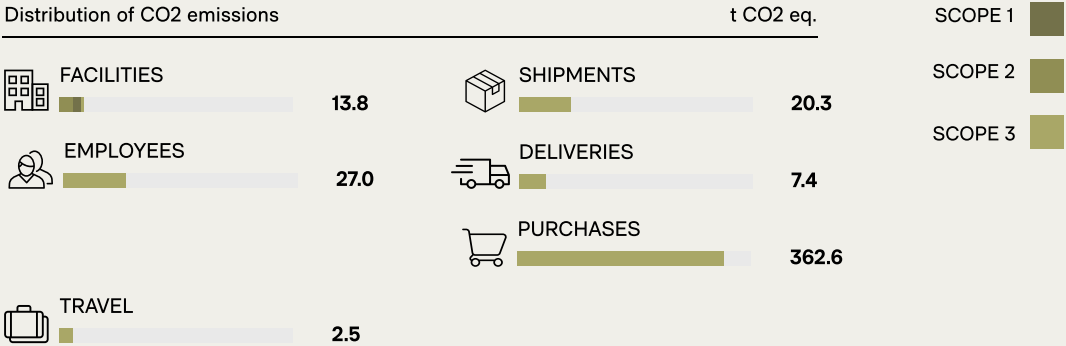
Greenhouse gas emissions directly related to the company's operations. Our impact stems from heating systems in rented facilities.

SCOPE 2

Emissions indirectly related to the company's use of energy. Includes all emissions due to the use of water and electricity generated by third parties that we purchase to supply our sites.

SCOPE 3

Indirect emissions generated along the entire supply chain. Includes emissions generated during the production of our products in the supply chain, product shipment, distribution, employee commuting, and business travel.



SCOPE 3 CAN BE SPLIT BETWEEN:

UPSTREAM

Life Cycle Analysis (LCA) of all our products from cradle to gate: from raw material sourcing to the arrival of the final garment at the warehouse.

DOWNSTREAM

- Mapping of emissions connected to the distribution of our products to our customers.
 - Employee Commuting.
 - Business trips and overnight stays
 - Waste generated in our office or stores.

Compared to the last measurement in 2022, the main increase in emissions concerns Scope 3, meaning indirect emissions generated along the production chain. This increase is due to the natural growth in production volumes but remains under control. In 2024, in line with our commitment, the gas and electricity suppliers we have selected source energy exclusively from renewable sources, helping to reduce our impact in this area.

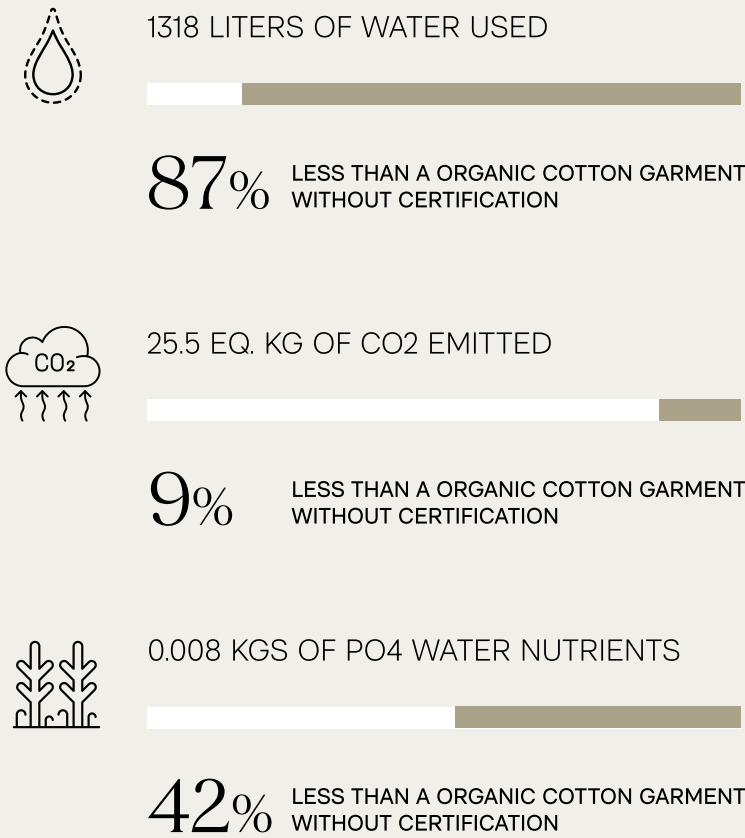
PRODUCT FOOTPRINT: LIFE CYCLE ASSESSMENT

For the past four years we have been measuring the environmental footprint of our products to understand their impact and identify areas for improvement in the supply chain, using life cycle assessment (LCA) methodology.

Life Cycle Assessment is a systematic process used to assess the environmental impacts of a product throughout its life cycle. Using this methodology, we can obtain and share detailed information about the environmental footprint of our garments. In the fashion industry, LCAs are generally cradle-to-gate. This means that the steps evaluated range from the origin of raw materials to the finished product, but they do not consider what happens after the garment is sold.

Post-purchase impacts are difficult to measure because they depend largely on consumer habits and washing practices. However, by using natural fibers, toxic effects on water and soil are significantly reduced compared to synthetic fibers, which release microplastics during washing and take longer to decompose. Below is an example of an LCA of one of our products.

The Organic Cotton Knit T-Shirt



2024 ACHIEVEMENTS & 2025 OBJECTIVES - ENVIRONMENTAL RESPONSIBILITY

2024 ACHIEVEMENTS & 2025 GOALS ENVIRONMENTAL RESPONSIBILITY				
GOAL	2024 RESULTS	COMPLETION STATUS VS 2024 OBJECTIVE	NOTES	2025 OBJECTIVE
Measuring the environmental impact of products	98% OF PRODUCTS PROVIDED WITH IMPACT CALCULATION MEASURED BY LIFE CYCLE ASSESSMENT (LCA)	100% OF THE 2024 OBJECTIVE 2024 OBJECTIVE: 98%	In our ongoing commitment to an increasingly transparent and reduced environmental impact, 98% of our items produced in 2024 have a Life Cycle Assessment (LCA). The 2% of products without an LCA assessment are garment care products, ceramics, and home fragrances that do not have a supply chain controlled by us. Starting in 2025, this KPI will only include products with a controlled supply chain and exclude those that are not under the Artnit brand.	98% of products with a supply chain controlled by us
Reduce the number of products made from higher impact and non-certified materials	0,13% OF MODELS MADE FROM HIGH-IMPACT MATERIALS, BELONGING TO CATEGORY E OF THE MATERIALS SELECTION FRAMEWORK, ARE PRODUCED ONLY IN MADE TO ORDER.	100% OF THE 2024 OBJECTIVE 2024 OBJECTIVE: 0%	We have almost completely eliminated the production of garments from high-impact materials. In 2024, thanks to the ReCashmere project, the number of items in category E of our framework-high-impact materials-was reduced to just 18 pieces, made to order in Superior Cashmere. On the other hand, the ReCashmere yarn we introduced this year, composed of 65% regenerated fibers and certified by the Global Recycled Standard, is in category A, the most virtuous in terms of sustainability. Starting in 2025, this KPI will measure the number of high-impact items produced, regardless of whether they are made-to-order or ready-to-ship.	0%
	91% OF PRODUCTS ARE CRAFTED FROM CERTIFIED MATERIALS	91% OF THE 2024 OBJECTIVE 2024 OBJECTIVE: 100%	We continue to favor certified materials to ensure greater traceability and accountability in production. In addition to the certifications already in place, in 2024 all of our Merino Wool yarns used for knitwear received Responsible Wool Standard (RWS) certification, thus moving from category D to category C in our framework, further improving the sustainability profile of our wool. 9% of our manufactured items still lack certification. We are working steadily on reducing this gap.	95%

2024 ACHIEVEMENTS & 2025 OBJECTIVES - ENVIRONMENTAL RESPONSIBILITY

2024 ACHIEVEMENTS & 2025 GOALS ENVIRONMENTAL RESPONSIBILITY				
GOAL	2024 RESULTS	COMPLETION STATUS VS 2024 OBJECTIVE	NOTES	2025 OBJECTIVE
Packaging-related impact reduction	29% OF COMPONENTS IN PACKAGING ARE RECYCLABLE AND CERTIFIED (2 OUT OF 7)	29% OF THE 2024 OBJECTIVE <div><div></div></div> 2024 OBJECTIVE: 100%	<p>Of the 7 components we have considered in our packaging (canvas bag, polybag, coathanger, cardboard box, paper, label and flyers)</p> <ul style="list-style-type: none">- 2 of 7 are certified: 28.57%- 7 of 7 are recyclable: 100%- 2 of 7 are certified and recyclable: 28.57% <p>Our polybag is not only recyclable, but is a 100% recycled polyethylene (rPE). Since the packaging components are supplied by third parties without our control over the supply chain, from 2025 the KPI for this goal will be changed from "Number of recyclable and certified components" to "Number of recycled or certified components."</p>	100% of recycled or certified components
Calculate our environmental impact by measuring our CO2 emissions according to the Greenhouse Gas (GHG) protocol	PUBLICATION OF CO2 EMISSION DATA FOR 2024	<div><div></div></div>	We measure our company's total emissions on a biennial basis and publish the data in this report. The next measurement is scheduled for 2026.	Publication of our emission data for 2026.
Reduce category D materials in the assortment	4% OF GARMENTS OUT OF TOTAL PRODUCTION ARE MADE FROM CATEGORY D MATERIALS	100% OF THE 2024 OBJECTIVE <div><div></div></div> 2024 OBJECTIVE: 38%	In our ongoing commitment to selecting certified materials with reduced environmental impact, in 2024 all three of our Merino Wool yarns achieved Responsible Wool Standard (RWS) certification. This milestone allowed these materials to move from Category D to Category C of the Textile Exchange framework. , making them an even more responsible and sustainable choice.	4%

CASE STUDY: SWIMMING IN WOOL

Swimwear has traditionally been made from synthetic fibers, but this is not the only option. In our journey toward more responsible fashion, we have developed 100% natural Merino Wool swim shorts, combining innovation and sustainability to offer a natural, high-performance alternative.

Synthetic fibers, commonly used in swimwear, are an environmentally irresponsible choice. With each wash and use in water, they release microplastics that end up in seas and rivers, contributing to the pollution of aquatic ecosystems. Considering that swimsuits are washed frequently and are in close contact with water, their impact can be significant.

The fabric of this swimsuit was developed for Artknit Studios in collaboration with Reda, Italian excellence in wool processing. Produced in the Veneto region of Italy, this special wool poplin is the result of a careful process of research and innovation, aimed at enhancing the extraordinary properties of wool in the unprecedented context of swimwear.



TECHNICAL CHARACTERISTICS AND BENEFITS OF FABRIC

Made of 100% Merino Wool with 17.5-micron fibers sourced from New Zealand, our fabric is ZQ-certified, guaranteeing a mulesing-free and fully traceable supply chain. The dense poplin weave enhances the natural properties of wool, offering:

Natural water repellency

Breathability and thermoregulation, for optimal comfort

Softness and density, with a smooth, glossy finish that gives a sophisticated look

More sustainable alternative to synthetic fibers, free of plastics and oil derivatives

CASE STUDY: RECASHMERE

With the ReCashmere project, we offer a circular and responsible alternative to 100 percent virgin cashmere. Each garment in the ReCashmere selection is produced exclusively to order, reducing overproduction and ensuring that every piece made finds its owner. The yarn comes from discarded garments or production waste, which is collected and transformed into a new yarn without the use of additional primary resources.

Virgin cashmere is a rare and valuable material, but its production has a significant environmental impact, making it one of the least sustainable options according to our Preferred Materials Framework. Intensive cashmere goat farming contributes to desertification and overexploitation of water resources, with serious consequences for Mongolia's ecosystems. In addition, increasing demand has made the production model unsustainable, which also negatively impacts local herding communities.

The material consists of 65% regenerated fibers, carefully hand-selected from discarded garments and production waste, and 35% virgin fibers. The spinning process takes place without retinning to preserve the quality of the material and further reduce environmental impact. Spun in Florence, ReCashmere is GRS certified, guaranteeing regenerated fiber content, supply chain traceability, and compliance with strict environmental and social criteria at every stage of production.



RECASHMERE: A CIRCULAR MODEL THAT REDUCES WASTE

Reducing environmental impact: less water consumption and CO2 emissions than virgin cashmere production.

Preserved quality: the regeneration process preserves the softness and comfort of the fiber.

GRS Certification (Global Recycled Standard): ensuring a responsible and traceable process.

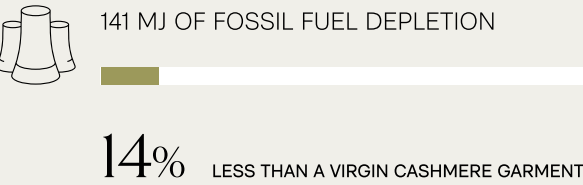
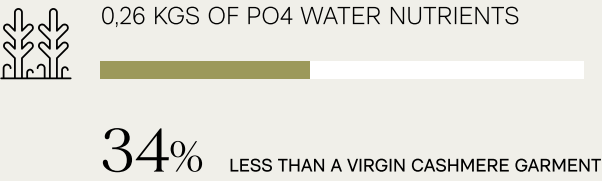
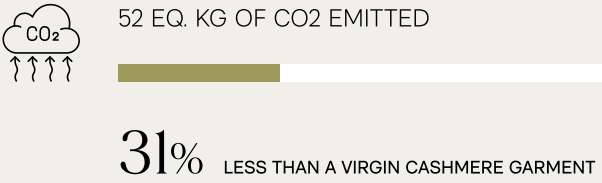
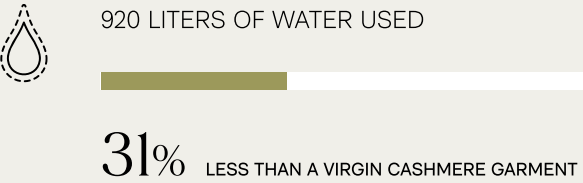
Made-to-order production: to avoid waste and promote more conscious consumption

CASE STUDY: RECASHMERE

The material consists of 65% regenerated fibers, carefully hand-selected from discarded garments and production waste, and 35% virgin fibers. The spinning process takes place without retinning to preserve the quality of the material and further reduce environmental impact.



RECASHMERE VS VIRGIN CASHMERE



CASE STUDY: NATURAL DYES

Botanichrome is our selection of sweaters and polo shirts in Extrafine Merino Wool, naturally dyed with madder, horsetail, indigo and juniper. A process that respects the skin, the environment and enhances the value of the raw material.

In our ongoing commitment to innovation to find more responsible garment production alternatives, we have rediscovered the art of natural dyes. Natural dyes can have a variety of origins: plant, animal, mineral, and some can even be made from fungi, bacteria, lichen or food waste. Ours are of plant origin-they come from leaves, berries and roots that give subtle hues to the yarn. Since dyeing is one of the most polluting steps in garment production, causing about 20% of global water pollution, natural dyes are a responsible choice for the planet because of their renewability and reduced toxicity to the environment. It is an ancient tradition that we have rediscovered in our efforts to find increasingly sustainable alternatives.

The natural dyeing technique at Tintoria Quaregna, in Biella, Italy, is Woolmark certified, a guarantee of quality and performance on wool. The certification ensures that the color will set permanently without compromising its softness and durability.



THE BENEFITS OF NATURAL DYES:

From renewable sources

The plants from which the dyes are obtained are a completely renewable source of color.

Non-toxic to the environment

Waste from natural dyes can be reused as fertilizer or biomass.

Gentle on the skin

Naturally dyed fibers have deodorizing and antimicrobial properties and are not aggressive to the skin.



CASE STUDY: CLEAN & CARE – IN-STORE WASHING AND REPAIR SERVICE

Caring for garments is essential to preserving their quality over time and reducing their environmental impact. Extending its life by as little as nine months can help decrease its annual carbon, water and waste footprint by 20-30 percent, according to WRAP's Valuing Our Clothes Report 2017. A simple but meaningful gesture that extends the life cycle of each garment and enhances its manufacture.

Therefore, in addition to our Repair Program available online, we have extended the service to customers in our Milan store by partnering with local laundries and artisans. In this way, we not only reduce the environmental impact related to shipping, but also support local savoir-faire by offering a more sustainable and affordable alternative for maintenance.

Our Clean&Care service is designed to meet the specific needs of knitted and woven garments, allowing small defects and signs of aging to be worked on with craftsmanship. The range of treatments available is wide and includes:

- Washing
- Repairing pulled threads and small holes
- Mothproofing treatment
- Mending
- Complete reconditioning

Every repair is a way to enhance your wardrobe with awareness, reducing waste and promoting a more thoughtful and respectful approach to fashion.



02

A close-up photograph of a human hand reaching upwards, with fingers slightly curled. The hand is positioned on the right side of the frame. A soft, grey shadow of the hand is cast onto the light blue background to the left. The background is a solid, light blue color with a subtle texture.

SOCIAL Responsibility

We are committed to ensuring that our suppliers respect ethical and safety conditions, such as living wages, non-discrimination, occupational health and safety, and ethical conduct.

FOUNDING PRINCIPLE: FAIR LABOR	14
CODE OF CONDUCT	17
STRATEGIC PRIORITY: PROTECT LEGACY & CRAFTSMANSHIP	19
SOCIAL IMPACT ASSESSMENT: Methodology And Direction	20
FAIR RETURNS FOR OUR MAKERS	22
2024 ACHIEVEMENTS & 2025 OBJECTIVES	23
CASE STUDY: Craftsmanship in all its shapes	24

FOUNDING PRINCIPLE: FAIR LABOR

The fashion industry as a whole is still far from fully respecting human rights and basic labor rights throughout the supply chain.

We take this responsibility consciously so that all our products are made in an ethical and responsible environment.

Our Code of Conduct sets out our rigorous quality and sustainability standards for the entire supply chain. The Code can be accessed on [our website](#) and we encourage our partners to adhere to it to ensure ethical and responsible collaboration. There is still no standardized or regulated measurement for assessing a company's social impact, but we believe it is important to identify a way to measure, monitor and improve it.

We want to ensure that our social impact is positive and beneficial to our artisans and the community in which we operate. To ensure that our company has a positive and meaningful social impact, we have worked on a comprehensive framework to consider all stakeholders involved in our supply chain, including our artisans and the local community.



CODE OF CONDUCT

Our Code of Conduct has been signed by 63% our T1 and T2 suppliers, and requires commitment to the following points:

HEALTH AND SAFETY OF THE WORKFORCE	RESPECT FOR PERSONAL DIGNITY, PRIVACY AND WORKERS' RIGHTS	DECENT PAY (OR LIVING WAGE)
REGULATED EMPLOYMENT IN ACCORDANCE WITH THE LAWS IN FORCE IN EACH TERRITORY	WORKING HOURS IN LINE WITH THE COUNTRY'S LEGISLATION OR THE COLLECTIVE BARGAINING HOURS APPLICABLE IN THE INDUSTRY	FREEDOM OF ASSOCIATION AND COLLECTIVE BARGAINING.
PROHIBITION OF CHILD AND FORCED LABOR	NON-DISCRIMINATION ON THE GROUNDS OF RACE, NATIONALITY, RELIGION, AGE, PREGNANCY, GENDER IDENTITY, SEXUAL ORIENTATION, OR ANY OTHER PERSONAL CHARACTERISTIC.	DIGNIFIED TREATMENT – NOR HARSH OR INHUMANE
ENVIRONMENTAL AWARENESS & PROTECTION TO GO BEYOND COMPLIANCE WITH LOCAL AND INTERNATIONAL LEGISLATION AND IMPLEMENT ACTIONS TO REDUCE THEIR IMPACT.		

STRATEGIC PRIORITY: PROTECT LEGACY & CRAFTSMANSHIP

We are an Italian company and it is important for us to preserve and protect the art of craftsmanship that characterizes and distinguishes Made in Italy. One of our goals is to make sure that this know-how adapts to the new fashion system without losing its essence, and that it is embraced by a new generation of artisans to facilitate generational turnover. This is our positive impact on the community and people.

OUR LONG-TERM GOALS



Protection of local craft know-how.



Preservation and valorization of "Made in Italy."



Working together to create new business models and digital tools to optimize production and ensure fair working conditions.

TO ACHIEVE OUR GOALS, WE'RE WORKING ON THESE AREAS:



Local sourcing of materials: selection of raw materials from local spinning mills to ensure the highest quality at the lowest environmental impact, shortening distances.



Digitization of manufacturing processes: integration of laboratories into internal management systems to optimize processes and support the digital transition of the manufacturing ecosystem.



Communication campaigns: creation of ad hoc campaigns aimed at raising awareness in our community on issues related to the protection of local craftsmanship, sustainability, and the importance of choosing ethical and local production.



Support for the development of projects in the area: conception and implementation of projects in the area that have a high social, cultural, and economic impact on the communities in which we operate.



SOCIAL IMPACT ASSESSMENT: METHODOLOGY AND DIRECTION

As part of our Sustainability Framework, we have developed a methodology to measure our Social impact as well as a direction towards the next steps to mitigate any potential negative impact derived from our business, but also create a positive impact as part of our activity, in accordance with our values and mission.

Our Social Assessment and Direction Plan started by defining our stakeholders and the areas of impact.

- We have defined our stakeholders as:
- Suppliers
 - Our Makers – Local community
 - Team & Employees
 - Local communities
 - Customers – Extended Community

WORKERS' HUMAN RIGHTS

Having safe, secured and fair paid labor is a fundamental human right that must be ens

INCLUSION & NON-DISCRIMINATION

Everyone must be and feel included, valued and heard; granted access to equal opportunities.

EMPLOYEE DEVELOPMENT & WELLBEING

Formazione e sviluppo delle capacità, nonché sicurezza, benessere e retribuzione equa al 100%.

CIVIC ENGAGEMENT & DONATIONS

Reinvest part of revenues for the benefit of the local community in support of development projects for individuals or groups.

LOCAL ECONOMIC DEVELOPMENT:

Actions taken to support the economic well-being and development of the local and regional areas in which the company operates, to ensure synergies beyond only commercial relationships.

VALUE CHAIN/RELATIONSHIP MANAGEMENT

Developing long-lasting trust relationships with suppliers to ensure growth and sustainable development for all parties, as well as transparency and impact reduction.

ACCESS TO AFFORDABLE RESPONSIBLE FASHION

We will strive to make our products as fair and transparent as possible so that they may be as accessible to a wide range of people without discrimination.

CONSCIOUS & RESPONSIBLE CONSUMPTION

Taking responsibility to educate and promote a conscious way of consumption beyond only fashion, extended to all our communities (local, regional and extended), including all our stakeholders.

TRANSPARENCY & DISCLOSURE

Having an honest and transparent communication with all stakeholders about our ways of working, our actions, our plans and our areas to improve.

STAKEHOLDER INVOLVEMENT

Collection of stakeholder feedback to include, engage and action on what matters for them.

SOCIAL IMPACT ASSESSMENT: METHODOLOGY AND DIRECTION

Our Social Impact Framework takes as overarching direction the 3 SDGs defined in our Sustainability Framework, related to Social Responsibility & Consumer Behavior Responsibility.

<div>GOAL N°8</div> <div><div>8</div><div>DECENT WORK AND ECONOMIC GROWTH</div><div></div></div> <div>Decent Work and Economic Growth</div> <div>Fostering a long-lasting, inclusive and sustainable economic growth and decent work for everyone.</div>	<div>GOAL N°9</div> <div><div>9</div><div>INDUSTRY, INNOVATION AND INFRASTRUCTURE</div><div></div></div> <div>Industry innovation and infrastructure</div> <div>Encourage innovation while promoting a fair, responsible and sustainable industrialization.</div>	<div>GOAL N°12</div> <div><div>12</div><div>RESPONSIBLE CONSUMPTION AND PRODUCTION</div><div></div></div> <div>Responsible consumption and production</div> <div>Guarantee sustainable patterns of production and consumption.</div>
--	---	--

We have defined our Long Term Pursuits and clustered what are the areas of impact related to each SDG, Commitment and who the impacted stakeholders are. Also, we understood that as a basis, we must get to know our stakeholders and establish a relationship of trust with them through open, transparent, and meaningful dialogue.

SDGs	<div><div>8</div><div>DECENT WORK AND ECONOMIC GROWTH</div><div></div></div>	<div><div>9</div><div>INDUSTRY, INNOVATION AND INFRASTRUCTURE</div><div></div></div>	<div><div>12</div><div>RESPONSIBLE CONSUMPTION AND PRODUCTION</div><div></div></div>
ARTKNIT'S COMMITMENT	FAIR LABOR	PROTECT THE MAKERS	DRIVE CONSUMER BEHAVIOR CHANGE
LONG TERM PURSUITS	<div>Safety, human wellbeing and 100% fair compensation for all employees and workers at all tiers in the supply chain.</div> <div>Everyone feels included, valued and heard.</div>	<div>Preservation of "Made in Italy" as sign of quality and reliability</div> <div>Protection of local artisan know-how</div>	<div>Drive industry wide change towards true sustainable fashion, focusing on consumer.</div> <div>Democratize sustainable fashion through transparent and fair, honest pricing</div>
ISSUES/ CATEGORIES	<div>1. Workers' Human Rights</div> <div>2. Inclusion & Non-Discrimination</div> <div>3. Employee Development & Wellbeing</div>	<div>4. Civic engagement & Donations</div> <div>5. Local Economic Development</div> <div>6. Value chain and relationship management</div>	<div>7. Access to sustainable fashion</div> <div>8. Conscious & Responsible consumption</div> <div>9. Transparency & Disclosure</div>
STAKEHOLDERS / COMMUNITY	<div>Suppliers</div> <div>The Makers</div> <div>Employees</div> <div>Local Community</div>	<div>Suppliers</div> <div>The Makers</div> <div>Local Community</div>	<div>Customers</div>
BASIS		<div>10. Stakeholder involvement</div> <div>Community of Team & Makers</div> <div>Community of Suppliers</div> <div>Extended Community: Customers</div>	

SOCIAL IMPACT ASSESSMENT: METHODOLOGY AND DIRECTION

For each impact area, we defined actions to be taken to drive our positive impact on Italian craftsmanship and the people involved in our business.

FAIR LABOR		
WORKERS' HUMAN RIGHTS	INCLUSION & NON-DISCRIMINATION	EMPLOYEE DEVELOPMENT & WELLBEING
<ul style="list-style-type: none">• Supplier Code of Conduct.• Adjust contracts with tier 1 and tier 2 suppliers including code of conduct commitments.• Manage and support suppliers to align and reach compliance to code of conduct.• Conduct a social compliance analysis for tier 1 and tier 2 suppliers, based on 3rd party certifications.• Requirement for new suppliers to have social certification.• Launch building workshops and trainings for makers of tier 1 and 2 on social responsibility.	<ul style="list-style-type: none">• Company Ethical Code of Conduct is in place.• Yearly trainings for our team to embrace inclusivity.• More than 50% of employees are women.• All job postings are written to ensure inclusivity and non-discrimination.• All communication addressed to current or future employees is inclusive.• We track our team's demographics and share it openly in our Impact Report.• Yearly Tracking report of salary ranges and adjustments per employee.	<ul style="list-style-type: none">• Employees attend conferences, receive English classes, soft skills trainings and other trainings non-necessarily related to their job.• We make sure everyone gets paid above livable wages and we adjust for inflation. benefits include government health insurance and pension plans, 36+ vacation days, paid parental leave for all parents.• Create an official onboarding program for new employees.• Create an official onboarding program for new employees.• Expand employee annual training program, including guest speakers, workshops or online training.• Create and individual employee development plan for every team member, to help them grow their careers and skills.• Develop a healthy living promotion plan for employees with company sponsored benefits.• Revise code of ethics to include mechanisms for claims and disciplinary measures.

SOCIAL IMPACT ASSESSMENT: METHODOLOGY AND DIRECTION

PROTECT & DEVELOP MAKERS

CIVIC ENGAGEMENT & DONATIONS

- Financial donations to selected charities in 2021.
- Develop a clear monitoring system for project investments and actions to create a positive social impact.
- Create a maker's development program, consisting of grants or co-funding programs and mentorship offerings to assist and guide them.
- Participate in programs to ensure the artisan profession is taught to young talents and craftsmanship remains alive.

LOCAL ECONOMIC DEVELOPMENT

- Almost 50% of sourcing comes from independent italian suppliers.
- Give visibility to artisans by publicly disclosing all manufacturers list and their stories on website and social media.
- At least 2 yearly marketing campaigns dedicated to promote artisans and the value of craftsmanship.
- Enable digital integration of the manufacturing system for direct, faster, and more efficient chain management in made-to-order production.
- Invested in big part into our local (italy) makers (salaries, production, materials, etc.) by monitoring the % of rrp margin that is paid to them.
- Supporting local (if existing) associations that protect and support innovation/ education of craftsmanship.

VALUE CHAIN/ RELATIONSHIP MANAGEMENT

- The average duration of business relationships with suppliers is 12+ months.
- Revise contracts to include social and environmental alignment to artknit's goals and values.
- Create official requirements list for new suppliers.

SOCIAL IMPACT ASSESSMENT: METHODOLOGY AND DIRECTION

CONSUMER BEHAVIOR

ACCESS TO SUSTAINABLE FASHION

- Have a direct relationship with garment manufacturers of tier 1.
- Analyzed retail product price breakdown to understand what is the percentage of benefit for each beneficiary or stakeholder.
- Expand the range of sizes available in our selections.
- Publish supply chain traceability data on the website.
- Monitor & make transparent price breakdown per product and who is the beneficiary party of each part of recommended retail price.

CONSCIOUS & RESPONSIBLE CONSUMPTION

- Creation of 7 annual educational campaigns and content, consisting of blogposts and social media posts.
- Care & repair guideline and repair workshop in store in collaboration with influencer.
- Created an ethical marketing policy and greenwashing avoidance guidelines for internal teams.
- Promote high quality, "Timeless", "Buy less" and "Slow fashion" in comparison with fast fashion, trends and overconsumption.
- Partner with brands, consortiums, and industry panels to amplify impact and drive meaningful change.
- Offer public resources for stakeholders to improve their own social and environmental impact.
- Expand Greenwashing Avoidance training for marketing team and establish a revision process for each communication.

TRANSPARENCY & DISCLOSURE

- Disclosure of impact assessment, strategy plans, kpis and progress in yearly impact report.
- Security measures in place to ensure privacy rights protection.
- Disclosure of product environmental impact, suppliers list at each step of the supply chain and certifications.
- Disclosure of product recommended retail price breakdown, showing the percentage of benefit for each beneficiary or stakeholder.

SOCIAL IMPACT ASSESSMENT: METHODOLOGY AND DIRECTION

STAKEHOLDER INVOLVEMENT				
EMPLOYEES	LOCAL COMMUNITIES/NGOS	MAKERS	CUSTOMERS	SHAREHOLDERS
<ul style="list-style-type: none">• We yearly measure employee satisfaction via Employer Net Promoter Scores questionnaires.• Creation of team bonding engagement plan.• Measure percentage of retention and employee leave annually.• Official process and action plan to improve the areas where there are requests from employees.	<ul style="list-style-type: none">• There is no current formal process to collect local communities' benefits from our actions.• Create a system to measure impact and beneficiary's satisfaction and local economic development through NGO partners.	<ul style="list-style-type: none">• Have a collaborative approach to product development together with the makers.• Minimum bi-yearly visits to suppliers.• Launched a pilot project called artknit connect, for digital and real time communication with makers for product development.• Establish an official communication platform with makers for product development with bi-directional feedback.	<ul style="list-style-type: none">• Publishing product reviews on website.• Customer service resolves issues with 48 hours through email, phone or social media.• Customer feedback collection via informal questionnaires on social media channels.• Formal questionnaire sent after store or pop-up visits.• Create formal mechanisms to collect customer feedback and satisfaction on products activities, based on Trustpilot.• Put in place an official monitoring of customer service based on Trustpilot or Google Reviews.• Create action plans to implement changes and improvements based on customer feedback and identified issues,	<ul style="list-style-type: none">• Monthly reporting to board via newsletter and one quarterly board meeting.• Yearly shareholders meeting.• Collect more formal feedback in person during events with board and shareholders.

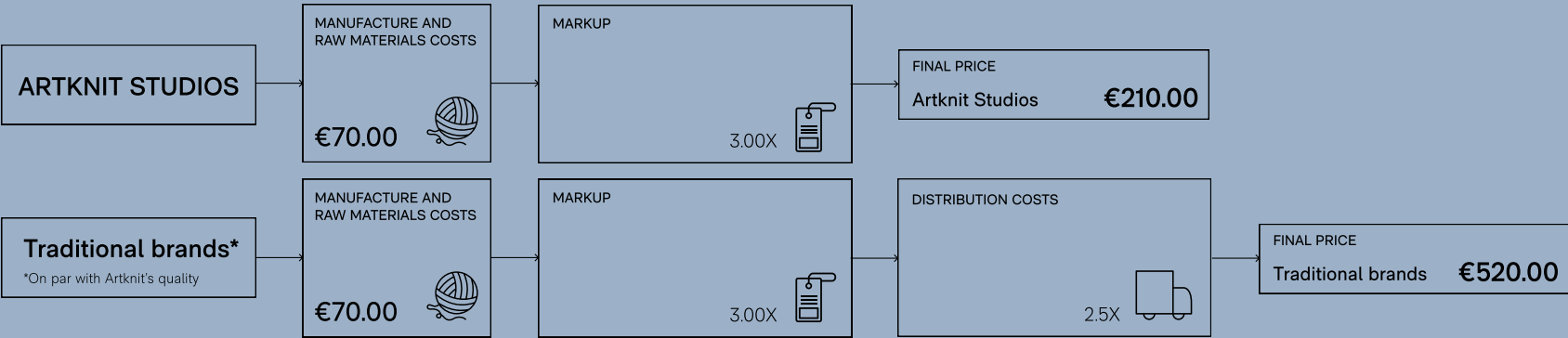
FAIR RETURNS FOR OUR ARTISANS

One of the premises, when Artnit was founded, was to eliminate intermediaries as much as possible in our supply chain and sell our garments to our customers directly from our makers. It is also one of our commitments to protect our makers' sustainable future by partnering with them in their innovation journey while supporting them to stay relevant and active.

Our prices are calculated to ensure that our artisans are paid fairly, and we want to be transparent with our customers to increase awareness of the actual value of the garment they are buying.



OUR PRICES



2024 ACHIEVEMENTS & 2025 GOALS: SOCIAL RESPONSIBILITY

2024 ACHIEVEMENTS & 2025 GOALS SOCIAL RESPONSIBILITY				
GOAL	2024 RESULTS	COMPLETION STATUS VS 2024 OBJECTIVE	NOTES	2025 OBJECTIVE
Digitizing manufacturing processes through a management system used to synchronize and manage real-time orders	100% OF ARTISANAL WORKSHOPS FOR MADE TO ORDER PRODUCTS HAVE BEEN INTEGRATED (3 OUT OF 3)	100% OF THE 2024 OBJECTIVE <div><div></div></div> 2024 OBJECTIVE: 100%	In line with our goal to digitize and optimize made-to-order production, all three of our knitting workshops are now integrated into the portal enabling real-time order management.	100%
	0% OF ARTISANAL WORKSHOPS FOR READY TO SHIP PRODUCTS HAVE BEEN INTEGRATED	ON HOLD <div><div></div></div> 2024 OBJECTIVE: 20%	The project to develop a dedicated portal for real-time order management with artisans who make Ready to Ship pieces has been deprioritized and will remain on hold until new business priorities are defined.	N/A
Signing of Supplier Social Code of Conduct	63% OF T1&T2 SUPPLIERS HAVE SIGNED AN AGREEMENT TO COMMIT TO OUR SUPPLIER CODE OF CONDUCT	100% OF THE 2024 OBJECTIVE <div><div></div></div> 2024 OBJECTIVE: 50% OF T1 & T2 SUPPLIERS	Currently, 63% of our Tier 1 and Tier 2 suppliers have signed our Code of Conduct or hold certifications related to social impact, such as ISO14001, BCI or BCorp. In total, 26 out of 41 Tier 1 and Tier 2 suppliers have formally adhered to our ethical and social responsibility standards. The Code of Conduct can be found in this report and on our website.	70% OF T1 & T2 SUPPLIERS
Social Certifications	0% OF T1 & T2 SUPPLIERS HAVE BEEN INTERNALLY AUDITED TO COMPLIANCE WITH THE CODE OF CONDUCT AND SOCIALLY RESPONSIBLE PRACTICES.	ON HOLD <div><div></div></div> 2024 OBJECTIVE: 0% OF T1&T2 SUPPLIERS	The project to audit our Tier 1 and Tier 2 suppliers has not been initiated due to a change in operational priorities and will remain on hold until conditions are available to implement it.	0% OF T1&T2 SUPPLIERS
	10% OF T1&T2 SUPPLIERS HAVE GIVEN PROOF OF EXTERNAL AND THIRD PARTY SOCIAL CERTIFICATION (BSCI, WRAP, ISO8000, ETC.).	50% OF THE 2024 OBJECTIVE <div><div></div></div> 2024 OBJECTIVE: 20% OF T1&T2 SUPPLIERS	Most of our Tier 2 suppliers, i.e., spinning mills, have certifications related to social impact. In contrast, the artisans who make our garments – often small workshops or small to medium-sized companies – don't have these certifications, as they are not always accessible to smaller entities. However, we are working to support them in the process of obtaining certifications, thus ensuring compliance with ethical standards and appropriate working conditions.	15% OF T1&T2 SUPPLIERS

CASE STUDY: HOME FRAGRANCES IN COLLABORATION WITH FESTINA LENTE

Festina Lente is an artisanal workshop that produces candles and fragrances in Milan with a handcrafted and sustainable approach. Our candles are handmade using soy wax, and the ingredients in our diffusers are all vegan, cruelty-free, and non-toxic.

The fragrance industry is often characterized by the use of harmful substances, including phthalates and potentially carcinogenic compounds, but Festina Lente's creations are completely free of them. Every detail is designed to reduce environmental impact: packaging is entirely plastic-free, replaced by natural materials such as cork, glass and corn bioplastic.

In addition, production is done in small quantities to minimize waste, while Made in Italy is not only a choice of quality, but also a commitment to social and environmental sustainability, enhancing local realities and reducing transport-related emissions.



CASE STUDY: TABLE CERAMICS IN COLLABORATION WITH FRAGILE STUDIO

Our ceramics are born from the meeting of essential design and craftsmanship. Made from clay in Biella, the city that gave birth to Artknit Studios, they are the result of our collaboration with artisan Giulia Chiaberge and our creative direction together with Fragile Studio.

Each piece is created by hand, enhancing the natural characteristics of the material and the charm of handcrafted imperfection. These creations embody the spirit of Artknit Studios in form and substance: essential elements for the table, designed to accompany everyday life with simplicity.

The choice of clay and local production is not accidental: we favor natural materials and sustainable processes, reducing environmental impact and enhancing the know-how of the area. The result is a collection of unique objects that tell the story of the beauty of craftsmanship and the connection with our roots.



03

/RTKNIT
STUDIOS
ORGANIC COTTON
MADE IN ITALY

CONSUMER BEHAVIOR Responsibility

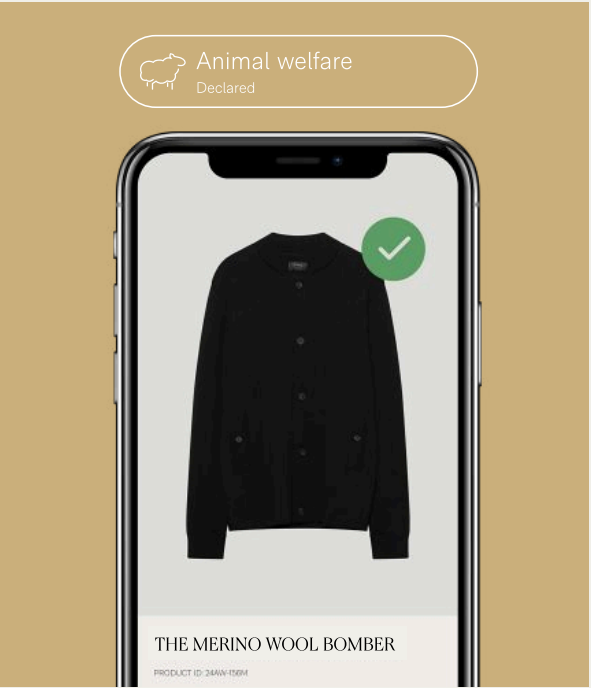
Traceability allows us to make better decisions and be transparent about the origin of our materials and the creation process of our pieces.

FOUNDING PRINCIPLE: Traceability and Transparency	14
OUR TRACEABILITY SYSTEM	17
STRATEGIC PRIORITY: Drive Consumer Behavior Change	19
2024 EDUCATIONAL CAMPAIGNS	20
2024 ACHIEVEMENTS & 2025 OBJECTIVES	22
CASE STUDY: ARTKNIT ACADEMY	23

FOUNDING PRINCIPLE: TRACEABILITY AND TRANSPARENCY

Our supply chains and materials have certifications guaranteeing their ethics and origin. On each product page, you can discover the value of a product and whether it's supported by a certification thanks to the Digital Product Passport.

To minimize risks and reduce impacts throughout our supply chain, it is essential to have detailed knowledge of each step of the production process. For this reason, we engage in monitoring and tracking each and every process to validate and control that all our commitments, values, and actions for impact reduction are met and implemented: traceability allows us to make better decisions.



CERTIFICATIONS GLOSSARY

Textile & Health Association

The certification of the Textile and Health Association guarantees the consumer regarding the origin, traceability and safety of the yarn.

OCS

OCS (Organic Cotton Standard) is an international standard that certifies that a product contains at least 95% certified organic materials. It verifies the presence and amount of organic material in a final product and tracks the flow of the raw material from its source to the final product.

Cottonforlife

Cottonforlife is a project promoted by our supplier Filmar that aims to promote sustainable fashion by creating a transparent textile supply chain, entirely eco-friendly and socially responsible. In fact, the project includes the cultivation of organic and sustainable extra-long lime cotton, protection of workers' rights, education and training throughout the supply chain, promotion of Egyptian cotton and enhancement of the local know-how.

Oeko-Tex

Oeko-Tex is an international system of certification for companies in the textile industry. It tests raw materials, intermediate products and end products. The label "Confidence in Textiles" guarantees that the products are free from harmful substances and that the textile production is safe and transparent.

Ecolabel EU

Recognized across Europe and worldwide, the EU Ecolabel is a label of environmental excellence that is awarded to products that, while meeting high-performance standards, are characterized by a reduction of their environmental impact throughout their life cycle by being upcycled materials.

RWS

The goals of the Responsible Wool Standard are to provide the industry with the best possible tool to recognize the best practices of farmers; ensure that wool comes from farms with a progressive approach to managing their land, and from sheep that have been treated responsibly; create an industry benchmark that will drive improvements in animal care and land management and social welfare where needed; and provide a robust chain of custody system from farm to final product so that consumers are confident that the wool in the products they choose is truly RWS.

European Flax Standard

The European Flax certification guarantees linen's local farming that respects the environment and commits to zero irrigation, zero GMOs, and zero waste. It certifies also the traceability of the fiber at every step of processing and the use of zero chemicals during the fiber extraction.

Sustaina WOOL

Il SustainaWOOL Integrity Scheme garantisce elevati standard all'interno del sistema produttivo della lana in Australia e l'integrità e la tracciabilità lungo tutta la filiera, tenendo in considerazione 6 capisaldi: salute e benessere delle pecore (Mulesing Free), pratiche di gestione degli allevamenti, qualità della lana, responsabilità sociale e tracciabilità.

CERTIFICATIONS GLOSSARY

GRS

The Global Recycled Standard certifies that a product is made with recycled materials, while verifying the traceability, the chemical products usage and the respect of environmental and social criteria in all stages of production.

UL Bio-Based Content

The UL Bio-based content certifies that a product contains bio-based content (material derived from plants and other renewable resources) through testing.

GOTS

The GOTS (Global Organic Textile Standard) certification guarantees the use of natural fibers from crops that do not use chemical pesticides or GMOs and which are treated with non-toxic products for humans.

ZQ merino

he ZQ Merino certification, managed by The New Zealand Merino Company, ensures:
Animal welfare: High standards, ethical treatment of sheep, and mulesing-free practices.
Sustainability: Responsible grazing practices and biodiversity conservation.
Quality: Merino wool selected for its softness, durability, and fine fiber.
Traceability: Transparency regarding the wool's origin, from farm to finished product.

Mulesing Free

The term "Mulesing free" indicates that the yarn comes from an animal that has not undergone the practice of mulesing. It involves the removal of a part of the skin and sometimes also of the tail itself, especially in Merino sheep to prevent spread of infections.

ZDHC

The ZDHC foundation's mission is to allow brands and retailers in the textile implement Sustainable Chemical Management best practices along the supply chain through the collaborative engagement and the definition of standards, to achieve the elimination of toxic and harmful substances from drains and emissions, in order to protect consumers, workers and the environment.

Masters of Linen

The Masters of Linen certification guarantees the excellence of linen textile products, ensuring that the entire production process—from cultivation to weaving—takes place in Europe according to strict quality and sustainability standards.

Woolmark

The Woolmark certification program verifies and guarantees the quality of wool yarns, rigorously tested through fiber analysis, color fastness and yarn strength tests.

NATIVA™

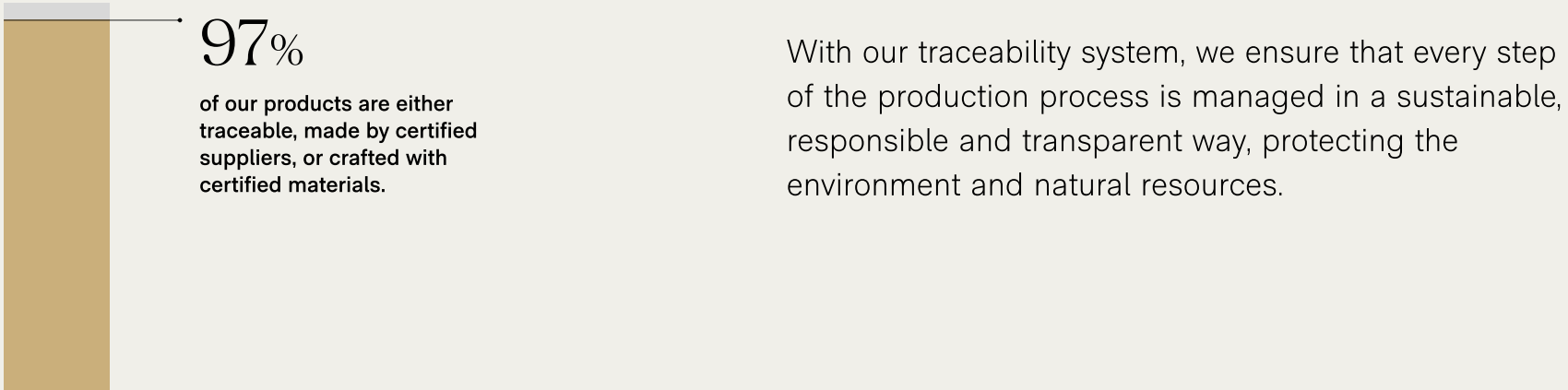
The NATIVA™ certification guarantees traceability and sustainability throughout the textile supply chain, ensuring:

- Animal welfare: Ethical farm management, stress-free shearing, and mulesing-free practices.
- Sustainable management: Environmental protection and reduced industrial impact.
- Social responsibility: Support for farming communities and adherence to global ethical standards.

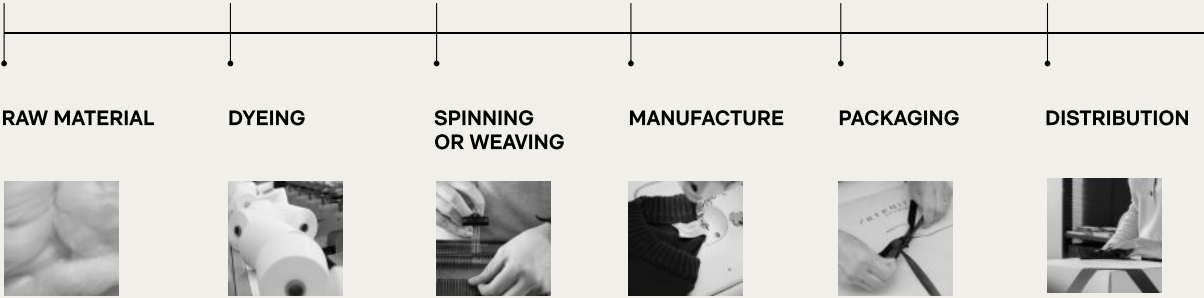
OUR TRACEABILITY SYSTEM

97% of our products are made by certified suppliers, with certified or tracked materials. Even in cases where full traceability or direct identification of the supplier is not possible, third-party certifications-such as RWS, GRS, ZQ Merino, GOTS, Masters of Linen, European Flax, and Nativa-guarantee responsible sourcing and transparency of production processes.

TRACEABILITY INDEX



HOW IS OUR SUPPLY CHAIN STRUCTURED?



Our goal is to have a complete view of the supply chain, from raw material to product realization, so that we can:

- Reduce risks at every stage of production.
- Require certifications that attest to proper environmental and social management.
- Select increasingly sustainable suppliers.
- Collaborate with the supply chain to minimize environmental impact and monitor materials and related subcontractors.
- Build lasting relationships of trust with our partners.
- Convert collected data into concrete tools to improve production processes.
- Take greater responsibility towards our customers.
- Strengthen our commitment to the protection of natural resources.

OUR TRACEABILITY SYSTEM

Our supply chain is composed of different actors, from artisans to yarn and fabric suppliers. In most cases, communication takes place directly with the artisans, who often purchase the yarn themselves. However, for some products we supply the material, working directly with yarn and fabric manufacturers and then distributing it to the artisans.

During the development phase, When a new supplier enters our supply chain or when we introduce new materials, we require the completion of a document stating the origin of the materials and the processes adopted. We approach suppliers directly to obtain information on material traceability and certifications. This approach allows us to collect the necessary documents without intermediaries. We ask them to fill out a document that provides visibility into each stage of production, such as the origin of the raw material, where the yarn is spun and dyed, thus ensuring transparent control of the entire process. Our commitment for the future is to maintain this high standard by continuing to require all necessary information to ensure maximum transparency.



DIGITAL PRODUCT PASSPORT

With total transparency, we want to tell our community the story and impact behind each item so they can make better, informed decisions. In 2023, we partnered with Renoon to integrate the Digital Product Passport into our product pages. This tool makes visible all stages of production of each product, mapping the supply chain, Life Cycle Assessment results, measuring the environmental footprint, and all certifications of the manufacturing process and materials.



STRATEGIC PRIORITY: DRIVE CONSUMER BEHAVIOR CHANGE

Change toward reducing the industry's impact can only be achieved with the cooperation of all actors, and all stakeholders, including our partners, our competitors, and especially our customers, who have the power to make informed choices and contribute to reducing the environmental impact of fashion.

We believe it is the company's responsibility to lead and facilitate change, and we are committed to building a community of conscious consumers, partners, and stakeholders in the fashion industry as a whole.

OUR ETHICAL MARKETING POLICY

In line with our values of transparency, we have developed an ethical marketing policy that outlines the guidelines we follow to fully adhere to our principles in all marketing and communication activities.



We commit to honest and true communication: everything we say and write is backed up by real data sourced by our team, our makers, and/or our suppliers.

We commit to avoiding greenwashing in our communications: we still have a lot to work on, but the goals and results we share with you are genuine and we always make sure that all the data hasn't been manipulated.

Do not create false needs for consumers: we strive to meet a real need — the necessity of finding high-quality, sustainable options, ethically made with a timeless design. We avoid creating a sense of urgency that promotes impulsive purchases.

We are aware that every choice we make doesn't only fall on us, but on every partner we collaborate with and on our community. For this reason, we commit to making every decision by questioning the ethics of each alternative and keeping in mind our social responsibility towards our people.

We commit to giving visibility to the artisans involved in our supply chain and to promoting the heritage of their craftsmanship skills.

2024 EDUCATIONAL CAMPAIGNS

<p>Natural dyes</p> <p>We explored the benefits of natural dyes to reduce the environmental impact of our garments and offer durable colors.</p>	<p>How our knits are made</p> <p>A journey through the creation process, from material selection to craftsmanship, to tell the value behind each of our pieces.</p>	<p>How to store knitwear in summer</p> <p>A video to raise awareness of the importance of storing garments properly, avoiding damage and prolonging their lifespan.</p>
<p>2023 Impact Report</p> <p>A transparent account of our progress, challenges faced and future goals for an increasingly positive impact on the environment and community.</p>	<p>4 False myths about Organic Cotton</p> <p>We have debunked some common beliefs about organic cotton to help you make more informed and conscious choices about the materials you wear.</p>	<p>ExtraDry Merino Wool</p> <p>Our first bio-based 100% merino wool swimsuit, a sustainable revolution combining performance, breathability and comfort.</p>
<p>What's a Life Cycle Assessment?</p> <p>A video to explain Life Cycle Assessment, the methodology we use to measure and reduce the environmental impact of our products.</p>	<p>Makers Matter: meet Monica</p> <p>An interview with our artisan Monica, who with her experience and passion makes our Upcycled Linen pieces.</p>	<p>Our plant-based materials</p> <p>An in-depth look at the plant-based materials we use, such as Organic Cotton and Linen, for more natural and responsible fashion.</p>
<p>Makers Matter: Festina Lente</p> <p>Meeting the founder of Festina Lente, who creates our home fragrances with natural ingredients.</p>	<p>New Clean&Care Service in our Milan Store</p> <p>We have introduced a washing and repair service in our Milan store to take care of your garments and extend their life cycle.</p>	<p>Why we avoid synthetic fibers</p> <p>A video to raise awareness about the impact of synthetic fibers and the natural alternatives we choose to reduce environmental impact.</p>
<p>ReCashmere</p> <p>Our Cashmere for a zero-waste system: Pieces made with upcycled fibers, produced only to order to avoid overproduction.</p>	<p>Knitwear Care Tips</p> <p>A collection of useful tips for keeping your pieces in perfect condition over time while respecting their natural fibers.</p>	<p>Black Friday</p> <p>An initiative to rethink Black Friday, promoting more responsible choice with our Imperfect selection and a more circular approach.</p>

2024 ACHIEVEMENTS & 2025 GOALS: CONSUMER BEHAVIOR RESPONSIBILITY

2023 ACHIEVEMENTS & 2024 GOALS CONSUMER BEHAVIOR RESPONSIBILITY				
GOAL	2024 RESULTS	COMPLETION STATUS VS 2024 OBJECTIVE	NOTES	2025 OBJECTIVE
Creation of ad hoc campaigns aimed at raising awareness among our community on issues related to environmental and social sustainability	12 CAMPAIGNS LAUNCHED	100% OF THE 2024 OBJECTIVE <div><div></div></div> 2024 OBJECTIVE: 10 CAMPAIGNS	We consider content published on at least three platforms including Instagram posts and stories, blogposts, events, landing pages, websites, videos, flyers, newsletters, OOH as campaigns. The goal in 2025 will be to launch 12 educational campaigns.	12
	538.608 IMPRESSIONS OR VIEWS OF THE CAMPAIGNS AS THE SUM OF IMPRESSIONS ON ALL PLATFORMS	100% OF THE 2024 OBJECTIVE <div><div></div></div> 2024 OBJECTIVE: 280.000		340.000
Traceability & Transparency	85% OF PRODUCTS OVER TOTAL ASSORTMENT HAVE CERTIFICATIONS AND TRACED SUPPLY CHAIN	85% OF THE 2024 OBJECTIVE <div><div></div></div> 2024 OBJECTIVE: 100%	85% of the products in our assortment are made from certified and traceable materials throughout the production chain, ensuring that our standards of quality, transparency and sustainability are met. The remaining 15% comprises mainly garment care products purchased from third parties and resold without our brand name or in partnership. For these items, because we do not have full visibility into the production chain, we cannot guarantee the same standards of traceability and certification applied to our garments. In addition, for archival, sample, and reconditioned products, traceability is currently limited to the finished garment level; we are working on a methodology to measure it more thoroughly, in line with our commitment to greater transparency and environmental responsibility.	90%

2024 ACHIEVEMENTS & 2025 GOALS: CONSUMER BEHAVIOR RESPONSIBILITY

2023 ACHIEVEMENTS & 2024 GOALS CONSUMER BEHAVIOR RESPONSIBILITY				
GOAL	2024 RESULTS	COMPLETION STATUS VS 2024 OBJECTIVE	NOTES	2025 OBJECTIVE
Traceability & Transparency	87% OF PRODUCTS OVER THE TOTAL ASSORTMENT HAVE DISCLOSED INFORMATION ON TRACED SUPPLY CHAIN AND CERTIFICATIONS	88% OF THE 2024 OBJECTIVE <div><div></div></div> 2024 OBJECTIVE: 98%	87% of the products on our site provide detailed information on certifications and supply chain directly on the product page, providing maximum transparency to our customers. Archival, sample, and reconditioned garments do not yet have the same level of visibility, as their traceability is currently limited. However, we are actively working to integrate more in-depth data and make our process increasingly transparent and accessible, in line with our commitment to clear and verifiable information.	90%
	100% OF AVAILABLE LCAS HAVE BEEN DISCLOSED	100% OF THE 2024 OBJECTIVE <div><div></div></div> 2024 OBJECTIVE: 100%	In our commitment to transparency, all Life Cycle Assessment (LCA) studies conducted on our products have been published on the relevant product pages, making data on their environmental impact accessible. The goal for 2025 is to ensure that 100% publication is maintained, ensuring that every analysis conducted internally continues to be verifiable and searchable to our community.	100%
	97% OF PRODUCTS HAVE AT LEAST ONE TRACEABILITY CERTIFICATION OR SELF-CERTIFICATION OF RAW MATERIAL TRACEABILITY, CALCULATED ON TOTAL PRODUCTION.		To define a more accurate and representative traceability index, we have introduced a new measurement methodology based on the percentage of models that have at least one traceability certification or self-certification attesting to the traceability of raw materials, calculated on the entire production volume. This KPI will fully replace the previous one, which measured the traced portions by considering the entire supply chain, from stage T1 to T6, as a single line, returning a theoretical figure that did not adequately reflect our real ability to monitor and verify the origin of raw materials.	100%

ARTKNIT ACADEMY: EDUCATING TOWARDS CONSCIOUS CHANGE

Since 2021, with Artknit Academy we have been committed to creating educational content to raise awareness among our community on issues we care about. We believe that having a thorough understanding of materials, production processes and the impact of one's choices is the first step in transforming the way we buy and consume.



Through short videos posted on Instagram, we want to make often complex concepts such as sustainability in textiles, circularity and garment care accessible, offering concrete tools to make more conscious choices.

In 2024 we explored several key topics: we told the story of how our pieces are made, revealing the behind-the-scenes artisanal production. We gave practical advice on how to store sweaters in the summer, a simple but essential gesture to extend the life of garments. With the video 4 false myths about Organic Cotton, we debunked some common beliefs, helping to better understand the real properties of this fiber.

We also delved into more technical topics, such as Life Cycle Assessment, the method we use to measure the environmental impact of a garment throughout its life cycle. And for those looking for more sustainable alternatives, we talked about the plant-based materials we use, such as Linen and Organic Cotton, and the importance of avoiding synthetic fibers, which involve the use of toxic substances during production, are the cause of microplastic pollution and difficult to dispose of.



Finally, we told about our ReCashmere project, a new way of thinking about production: by making Upcycled cashmere garments only to order, we reduce waste and promote a low-impact system. With Academy, our goal is to share knowledge, stimulate change and build a more conscious fashion culture, one video at a time.

Every day in 2024,

we have been committed to improving our processes and finding new solutions for a more conscious future. The support of our community, which shares our values and believes in positive change, has been a continuous source of inspiration.

As we look to the future, we know there will be new challenges to face and new goals to achieve, and we are excited to continue this journey with you. Thank you for being part of this journey and for your continued support.

See you in 2025, ready to write a new chapter.

The Artknit team.