



SUSTAINABLE MANTERO

2022 Sustainability Report

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LETTER TO STAKEHOLDERS

2022 was a year of growth, characterised by revenues of €80.8 million (a 15% increase on the previous year) and EBITDA of €5.6 million.

In spite of the negative effect of the increase in the costs of energy and raw materials, overall positive results were achieved, especially in the second half of the year, in terms of both turnover and volumes.

The great instability that has dominated the economic landscape in the last two years has not prevented Mantero from forging ahead on its strategic path, holding fast to its RESPECT philosophy. The time-honoured way of doing business was therefore supplemented by additional investments in new projects aimed at protecting the environment and people.

Social responsibility, especially in light of the serious consequences of the health emergency and the conflict that is unfolding just a short distance away, has become a key priority for the company.

Mantero follows the guidelines of the United Nations Global Compact (UNGC), in which it is a partner, putting in practice its business values in accordance with the 2030 United Nations Sustainable Development Goals, through the adoption of internationally recognised principles embodying respect for the environment, people and combating climate change.

Our commitment to sustainability is intertwined with our corporate mission: the same creativity that drives production processes for the transformation of yarn into fabric and a finished garment, likewise guides the processes of energy transition and protection of the natural environment – our home – as well as the people who work there.

The third phase of expansion of the photovoltaic system over the last year has enabled internal production of 1,053,322 kWh of electricity (due to increase) which, together with the use of the trivalent cogenerator system working at full power, has enabled us to produce 71% of our energy requirements and to exploit the residual heat of exhaust steam for the production of hot water and steam necessary for the industrial process. The latest investment consisting of the purchase and installation of the new fabric steaming

equipment has also enabled us to significantly reduce the steam used per unit of fabric treated, further improving our environmental results.

Mantero has invested more than ten million euros to ensure the continuity of business development over the last two years, which have been marked by problems and slowdowns. It has installed machines with new technologies for fabric printing, such as central ink-jet printing and front-back printing, which enable the creation of highly innovative products for the current market, as well as being difficult to imitate.

Alongside these investments in new digital technologies, the company has chosen to create an *ad hoc* department wholly dedicated to artisanal printing using special substances, where fabrics are made with original and unique material details, made possible by a combination of chemical and technological research and typical, traditional craftsmanship.

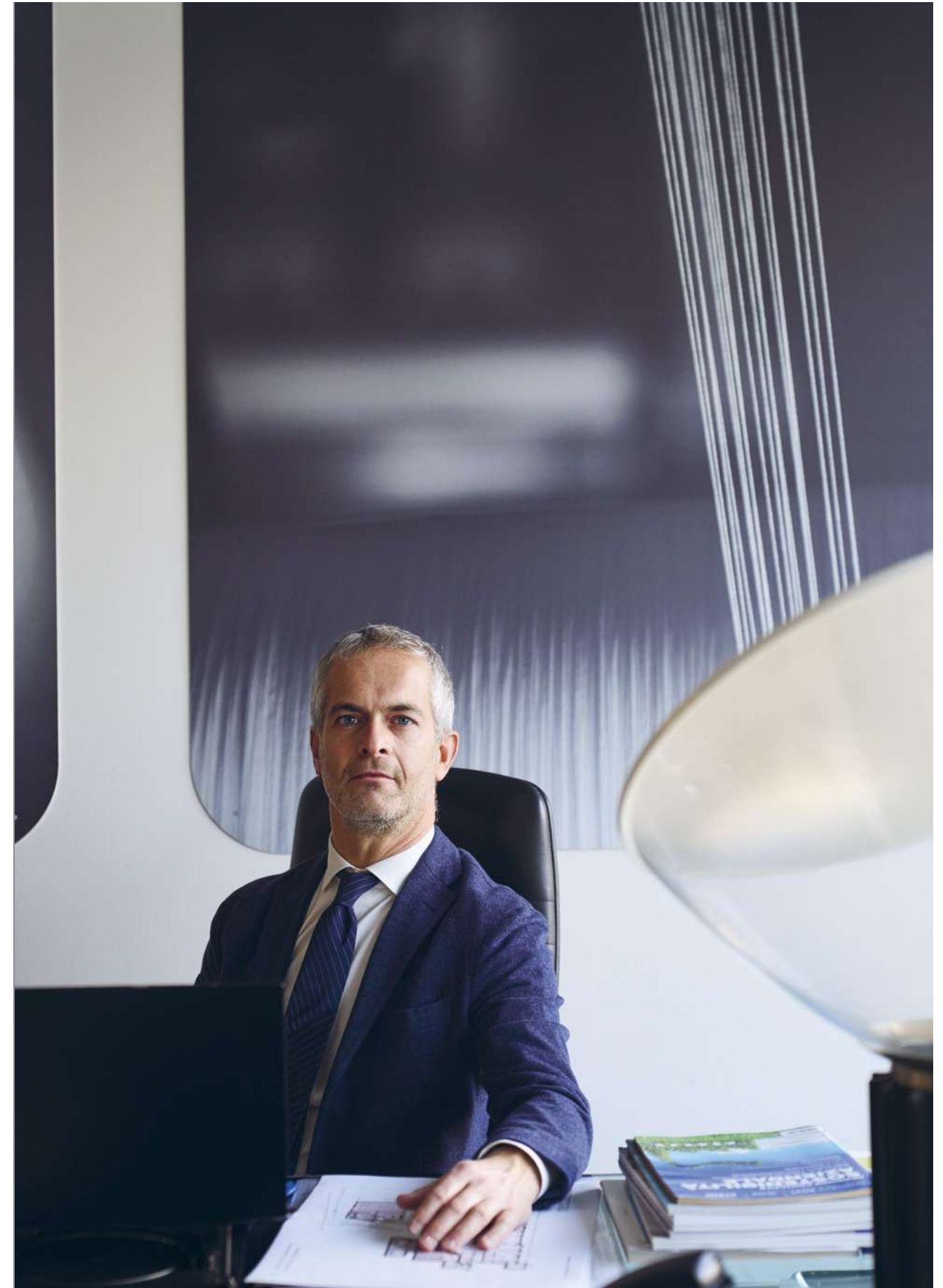
This combination is also the driver behind the rich educational path intended at young people, who are taught creativity, technical training, the most advanced productive technologies, the protection of energy resources and control of the supply chain in support of the social context and the protection of the environment.

Finally, an ambitious project is currently under way to revamp all the IT architecture to support business activities, which will help Mantero in the coming years to optimise creative development, production planning, product traceability and simplify the dialogue with customers and suppliers.

Our cash flow statement is now supplemented by the Sustainability Report, a document that aims to gather data and report on the major investments and the deep commitment made daily to make the future not only of our company, but also of the entire textile district, more sustainable.

December 2022

Franco Mantero
Chairman



OUR NUMBERS FOR 2022

80.8 € MILLION - SALES REVENUES

458 EMPLOYEES

57% WOMEN

3,792 RENEWABLE ENERGY PRODUCED FROM
PHOTOVOLTAIC SOURCES IN GJ
approximately 1 million kWh

- 49% SCOPE 2 EMISSIONS COMPARED WITH 2021,
corresponding to 319.43¹ tonnes of CO₂e

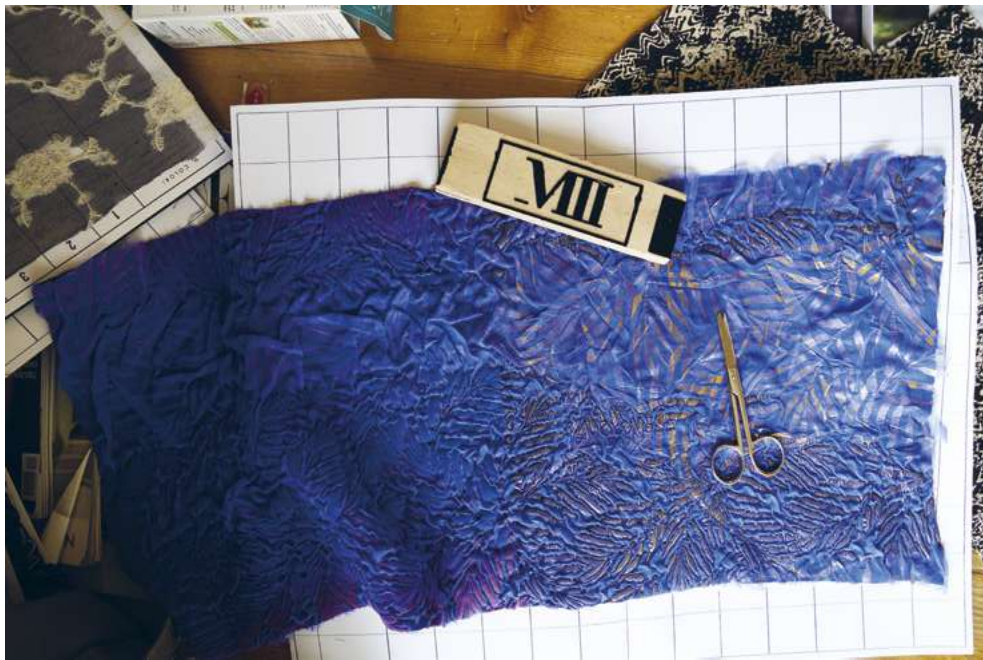
86% OF SUPPLIERS BASED IN ITALY

86% OF THE FABRICS USED ARE RENEWABLE
*100% renewable fabrics
and mixed fabrics with ≥ 50% renewable fibres*

95% OF THE YARNS USED ARE RENEWABLE
*100% renewable yarns
and mixed yarns with ≥ 50% renewable fibres*

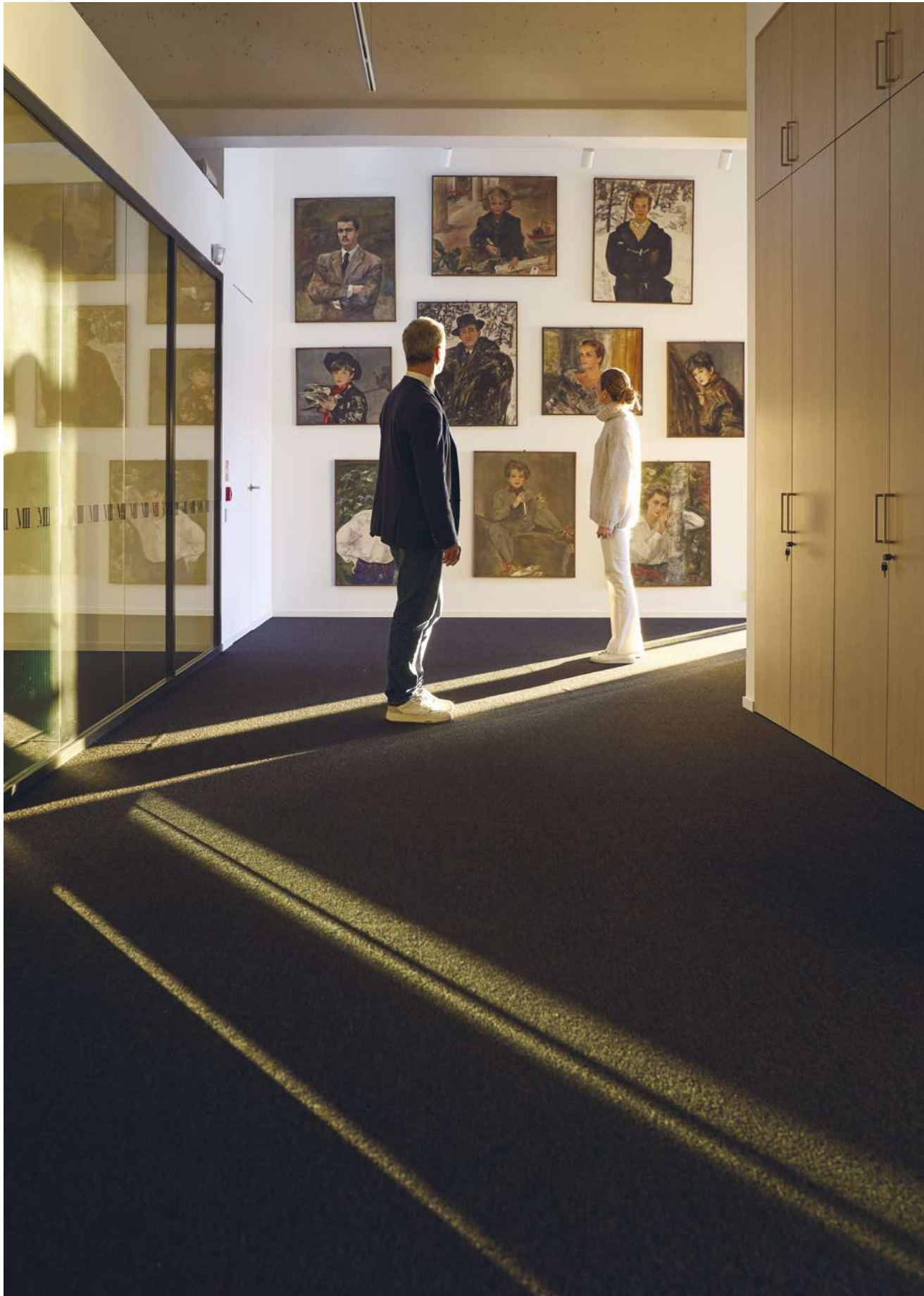
1 - According to the Location-based calculation method.

MANTERO: OUR IDENTITY



MISSION & VISION – OUR STORY – THE MANTERO FAMILY
WHO WE ARE TODAY – MANTERO IN NUMBERS – MANTERO BRANDS





Mission & Vision

We create, weave and print fabrics and accessories for the luxury sector and fashion. Our growth is the growth of our employees, customers and suppliers. We want to meet their expectations through the quality of our products and customer service, while upholding our historical values based on respect for the environment, employee relations and engagement.

Our business aims to enhance the prestige of the textile district of Como, whose standards of quality and refinement have always been the highest in the world.

Our story

1902 is the year when everything begins. The young founder, Riccardo Mantero, leaves Novi Ligure on a bike to try his luck in Como, where the silk sector represents a flourishing and money-making opportunity. It is here that he decides to open a small silk warehouse, creating the “Ditta Riccardo Mantero”, the forerunner of today’s company. In 1923 the house at Via Volta 74 was completed and became the family home, as well as the home of the Mantero company. The industrialisation process begins in the 1940s: Mantero acquires the Menaggio silk works, an integral part of the value chain to optimise the cost structure and marketing times. Its mindset is highly entrepreneurial and growth-oriented.

In 1960, the new Grandate workshop was inaugurated, originally dedicated exclusively to weaving, which would supplement the dye-printing capacity from 1964 onwards. From this moment on, the Mantero Group starts to control the production cycle in its entirety, and to fully meet the growing demand for high quality fabrics. In the second decade of the 2000s, the collection that embodies the corporate DNA was launched: the Mantero 1902 line was created, a collection of ladies’ scarves and clothing made using noble fibres and with a contemporary flavour. Throughout the history of the company, tradition and excellence have remained the company’s firm beliefs, essential for success, without forgetting the importance of technological innovation and artistic contemporaneity.

The Mantero Family

Mantero is a company that was born and continues to grow within the same family. The ability to pass on a wealth of experience and values, combining entrepreneurship and leadership with the spontaneity typical of this type of company, played a key role in its success.

THE FOUNDER

Riccardo Mantero founds the company in the early twentieth century, which is where our story begins. Visionary, enterprising and with a strong entrepreneurial character, in the early years he bravely takes on the risks that the expansion of the company would have entailed. Prior to founding Mantero, Riccardo works as a salesman at the Giuseppe Cattaneo textile company, where he acquires the experience that will allow him to indulge his entrepreneurial character. This is where he develops his reputation and business relationships, creating Mantero’s very first customer portfolio.

THE EIGHT BROTHERS: THE THIRD GENERATION

In the third generation, eight brothers share the reins of the company from the 70s onwards. Continuing the business strategy of grandfather Riccardo and father Beppe, the third generation aims to make the company international. In recent years, offices in New York, Paris, Hong Kong and Hangzhou have opened, allowing the company to strengthen relations with customers and foreign partners, defining a business that serves an increasingly global market.

Family history as a structural principle is equally important for enhancing our company’s sense of belonging, which involves building strong bonds based on trust and mutual support.

THE SECOND GENERATION

Beppe, with his charismatic spirit, already the father of 8 children, takes over the helm of the *Seterie Riccardo Mantero* Factory in the 1950s. His stewardship focuses on the emerging Florentine prêt-à-porter industry, which gives a major boost to the growth of the family business. He begins the process of industrial verticalisation, integrating all the production phases necessary for the production of fabrics intended for the high fashion sector.

THE FOURTH GENERATION

Brother and sister Franco and Lucia have led the company since 2011 under the expert guidance of their father, Moritz. The corporate mission remains unchanged in its objectives, but changed in form: the process of automation is intensified, investments are made in the research and development of products and processes, in order to serve business-to-business customers with an atelier approach, and end customers with high value Made in Italy products.

Our company today

After more than a century of activity in the Italian textile sector, leadership of the company is now in the hands of brother and sister Franco and Lucia. Our company is characterised by its exceptional creativity, its attitude to excellence and innovation, and constant commitment to quality. These are just some of the values that characterise our work and that identify Mantero

as a company that contributes in a fundamental way to the international success of Made in Italy in the luxury sector.

Another characteristic of our company is its ability to combine innovative solutions and tradition, a characteristic that has always differentiated the Italian textile industry. Mantero appears in the National Register of Historical Companies, whose recognition rewards companies present in Italy which are able to transmit to the next generations a rich heritage of experience and entrepreneurial values, as well as the skills and knowledge that differentiate the sector in question. Today, the Mantero company has a staff of 458 employees, who constitute, thanks to the know-how developed and passed down over the years to the new generations, the company’s real wealth.

All our products bear the Made in Italy mark. The creation of products is in fact entirely curated in Italy at the Grandate headquarters, where both activities characterised by an artistic imprint, and those of a technical and operational nature are carried out: designing, weaving, traditional screen printing, digital printing, finishing and quality control.

The artistic excellence of our fabrics is the result of a collaboration between the Mantero creative team and the designers of the Maison, who give birth to projects that allow the combination of technical commitment and artistic passion. The design process involves a wide range of possibilities – manual drawing available in various techniques, computer drawing with specific software, integration of the two systems and more. Once the design is finalised, the pattern is transferred to our colour specialists who, according to the approach or specific requests of the customer, as well as seasonal trends, develop proposals for variants, each of which is the result of a careful study of colour harmonies, combinations and contrasts that give the design the right balance that makes it unique.

After four generations who have led the company through more than a century of activity, today Mantero is a modern, integrated company with a strong managerial structure, a leader in the creation, production and distribution of fabrics and textile accessories, for both men and women. Our customers are international and include the main luxury and fashion houses, whose requirements have increasingly refined Mantero’s ability to offer unique and personalised solutions. For all its customers, Mantero is today a reliable partner that is able to adapt to market developments, keeping pace with the main trends in the sector and, at the same time, preserving traditional quality and artistic excellence.



Mantero in numbers

After two years of uncertainty and challenging circumstances caused by the extraordinary events of the Covid-19 pandemic period, our sector has seen a steady and consistent recovery this year. In fact, 2022 was characterised by significant growth in the turnover of the Italian silk weaving, corresponding to +36.2% in the first half of the year and +34.8% in the following months.

Mantero's turnover is also **up 14%** on the previous year, with consolidated turnover of approximately **€80.8 million**, split between the **various market segments**. The Luxury, Premium and Mass ranges make up the latter. Among these, the Luxury segment targeting customers from the luxury sector represents the majority of Mantero's turnover, as well as its core business. Exemplifying the post-pandemic recovery is the growth of the tie/cravat market, which had slowed sharply during the pandemic period. Clothing fabrics also saw strong performance in the Italian mid-range market. With regard

to the manufacturing divisions, revenues from weaving and printing for third-party accounts are in line with the general market trend and reflect the hypotheses and assumptions made when preparing the business plan.

Turnover by business division



With regard to the main **types of product**, these form part of the fabrics and formal menswear, textile accessories and clothing fabrics.

Turnover by product type



The most important **geographical area** for Mantero's activities has always been Europe, with a 93.1% share of turnover; America (5.1%) and Asia (1.8%) make up the remainder. Italy accounts for 47.4% of total turnover. Compared with the previous year, there was a significant increase in sales in America, mainly concentrated in the second half of the year.

Turnover by geographical area	2022	2021
Europe	93.08%	94.05%
America	5.16%	3.99%
Asia	1.76%	1.96%
Total	100%	100%
including Italy	47.39%	54.17%

From October 2021 and throughout 2022, the economic margin for the year was strongly affected by the increases recorded in the unit cost of gas and electricity, also due to the effects of the conflict in Ukraine. In addition to having a significant effect on internal production costs, these increases were also evident in the increase in costs of industrial processing that the company carries out externally, with obvious effects on margins in the second half. This is why,

despite significant growth in turnover, the Gross Operating Margin stands at the same levels as the previous year. However, it should be noted that the increases in question have been partially contained thanks to the company's increasing energy autonomy, which is substantially reducing the costs associated with purchasing electricity from third parties, emphasising a business strategy that is aiming both to reduce the environmental impact and to reduce costs.

In general, the investment plan with a focus on company innovation and expansion continued during 2022, both in the industrial area and in the restructuring of new areas of the Grandate factory. Mention should be made, for example, of the purchase of new innovative ink-jet printing machines, the restructuring of a large industrial area for the expansion of

the Historical Archive and the signing of a lease agreement for the acquisition of the Villaguardia textile factory property, as well as the implementation of the new Information System, already in operation in various areas of the company, with the development of further significant areas, processes and functions during the year.

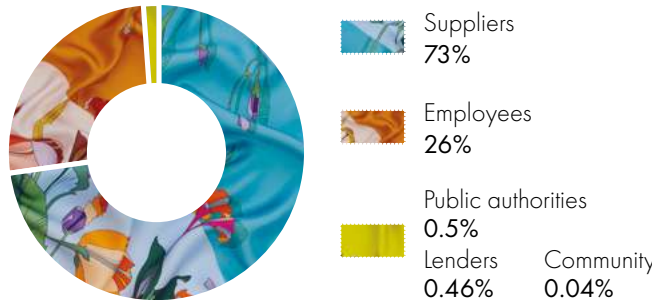
ECONOMIC VALUE GENERATED AND DISTRIBUTED

Mantero considers the generation of economic value to be an essential aspect and an essential demonstration of its ability to properly run its business and activities. The **distribution of economic value** also demonstrates the contribution that Mantero undertakes to make for the development of its stakeholders.

In 2022, the economic value generated by Mantero is almost €89 million, of which **95%** (approximately €84 million) is the economic value distributed to the Group's various categories of stakeholders, including suppliers, employees, lenders, public authorities and the community.

Economic value generated and distributed statement	2022	2021
Economic value generated by the group	88,760,045	68,464,629
Revenues from sales and services	80,826,265	70,668,833
Other revenues and income	2,254,122	1,344,967
Financial income/expense	-790,139	37,549
Value adjustments to financial assets	75,510	78,478
Doubtful accounts	-89,347	-81,847
Foreign exchange gains and losses	404,354	-7,141
Changes in inventories	6,180,677	-3,433,862
Other operating income/expense	-101,397	-142,348
Economic value distributed by the Group	84,029,686	63,274,921
Operating costs	61,721,606	42,840,355
Staff remuneration	21,452,670	19,746,914
Lenders' remuneration	385,755	433,367
Public authorities' remuneration	444,498	234,432
External donations	25,157	19,853
Economic value retained by the Group	4,730,359	5,189,708
Depreciation and amortisation	5,099,900	3,344,448
Provisions	-	5,897
Reserves (profit/loss for the year)	-369,541	1,839,363

Economic value distributed to stakeholders



Economic value distributed in 2022, up 33% compared with 2021, is mostly distributed to its suppliers of raw materials, supplies and services (73%). The value distributed to employees (26%), the value distributed to lenders (0.46%), public authorities (0.5%) and the community (0.04%) can be seen below. Conversely, 5% of the economic value generated is retained in the company to enable its constant growth and development.



A WIDE RANGE OF LOOM-WOVEN
FABRICS, WHICH SET THEMSELVES
APART DUE TO THEIR MANUFACTURING
TECHNIQUE, TYPE OF YARN,
WORKMANSHIP AND COMPOSITION

PRODUCTION DEPARTMENTS

At Mantero, value is created thanks to its 458 employees, its two main sites – one in Grandate and one in Villaguardia – its two branches – Mantero Orient in China and the offices of Mantero USA in New York – a store in Switzerland and

an outlet at the Grandate production site. Mantero also has **four major departments** through which it manufactures its creations at the Grandate headquarters.

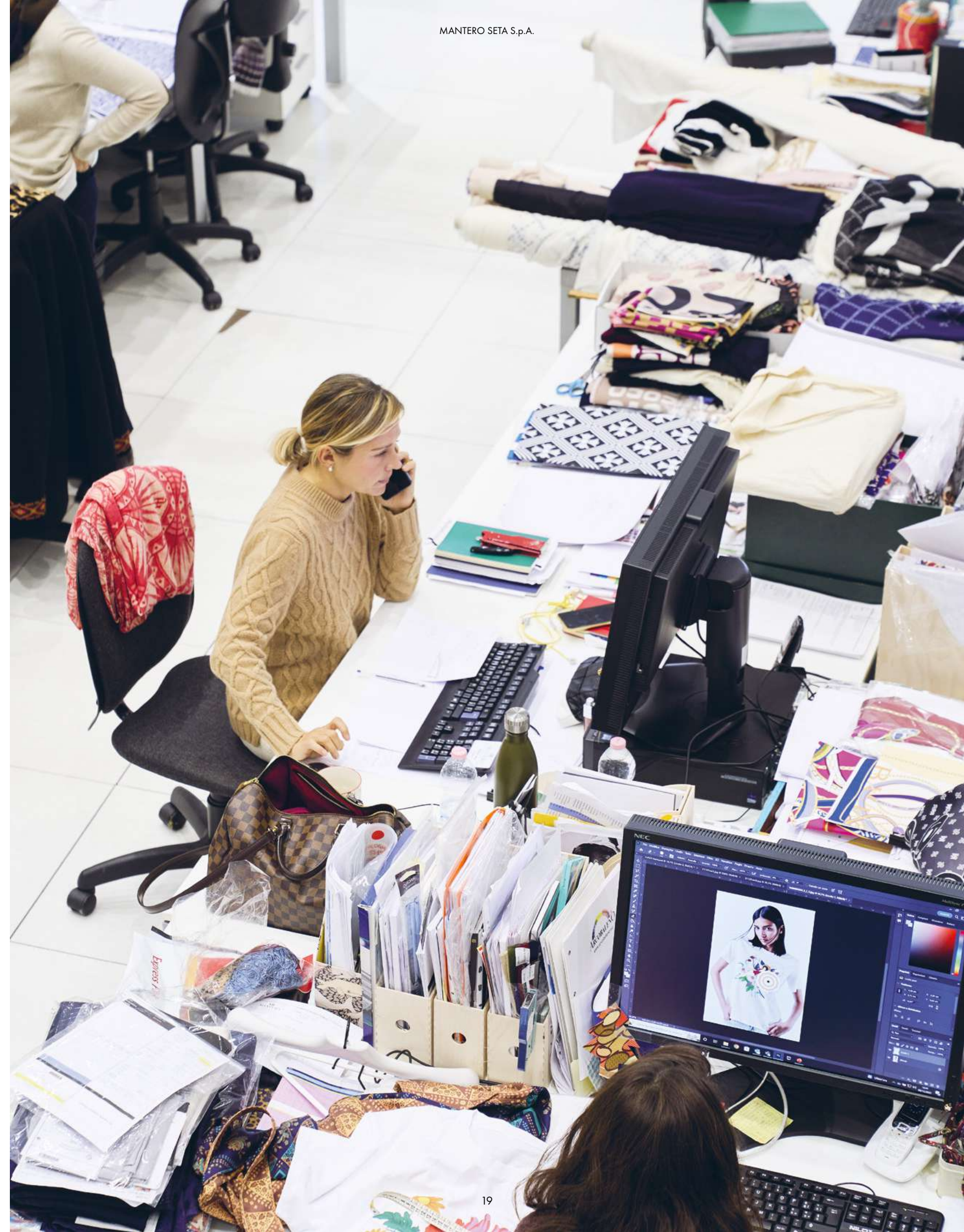
STYLE OFFICE

For creating its designs, Mantero has at its disposal a precious artistic heritage that inspires the creative research of our designers on a daily basis: the **Historical Archive**, an area measuring 2,500 square metres that houses 75,000 printed fabrics, 70,000 scarves from the most prestigious Maisons, 30,000 hand-made designs archived by theme, more than 10,000 volumes and thousands of screen print proofs.

The first stylistic phase takes place within the **Atelier**, the creative heart of Mantero, where the collaboration between **our designers** and the fashion designers of the Maison gives life to projects that combine contemporary and artistic excellence. Our designers are true designers able to interpret with sensitivity and vision the hint of an idea, studying and reworking it according to their creative tendencies, and contextualising to adapt to the requirements of each individual dossier. The **product manager** plays a key role in this initial phase of product creation, as he determines the materials, coordinates with the Atelier for the creation of designs, analyses and suggests the most appropriate printing processes, the choice of yarns and the development of patterns for fabrics made using jacquard frames, garment finishing techniques and the various types of manufacture. Then it's the turn of the **colourists** who, with great skill in the use of colour, can interpret the design and the textile product in accordance with customers' taste, the season and the intended use.



24 DESIGNERS
13 PRODUCT MANAGERS
17 COLOURISTS



TEXTILES

Mantero's textile tradition starts in the Forties with the acquisition of **Menaggio textile mill**, which proved to be a major industrial asset and, during the war period, satisfied military requests for supplies for silk parachutes. In the years that followed a second textile works is added by the company in the centre of Como, while in the Nineties a single large plant is built in Grandate with heddle and jacquard looms where the entire fabric production is carried out. Nowadays, weaving takes place in Villa Guardia and there is a **wide offering** of fabrics made on looms, differentiated by production technique, type of yarns, manufacturing processes and composition. Preparation of the warp can be carried out in a traditional way, on a classic production warping machine, or, in the case of smaller quantities and samples of special fabrics with special yarns, carried out on a special warping machine.

46 EMPLOYEES,
ANNUAL
PRODUCTION
(2022):
605,000 METRES



30 JACQUARD LOOMS,
1 HEDDLE LOOM
2 WARPING MACHINES
AND A 72-HEAD TWISTING FRAME

PRINTING

Mantero uses several printing techniques, including **silk-screen printing** and **digital printing** (or inkjet printing). Silk-screen printing constitutes the real traditional heritage of the company, as it enhances the craftsmanship of fabric manufacture: it consists in the manual laying of white fabric on a long work table and in a slow and detailed process of colour transfer through the use of print screens, one after the other, to arrive at the final composition and design. This technique has recently evolved thanks to **Reverse** printing, which allows two different colour variations, one on the front and one on the back, without detaching the fabric from the printing table, thereby obtaining a real double-sided effect.

Inkjet printing, on the other hand, is a state-of-the-art technique which allows us to combine the **advantages of digital printing** (efficiency and speed) with the **quality of traditional printing**. Moreover, this process allows us to obtain any kind of design with no limits as to colour or shade. The preparation of fabrics, the use of the latest generation dyes and the careful preparation of yarns, in fact, allows us to use digital printing that, in qualitative terms, is in no way inferior to traditional printing. On the contrary, this technique often allows the creation of high resolution patterns which were, until recently, impossible to print.

5 FLAT PRINTING ROTATING TABLES (40-80 M),
9 FLAT PRINT TROLLEY TABLES (40-80 M),
1 SCREEN PRINTER 12 COLOURS,
10 INKJET PRINTERS,
COMPUTERISED COLOUR DYE DOSING
AND MIXING MACHINE,
FINISHING MACHINES – DOWNSTREAM DEPARTMENTS

104 EMPLOYEES,
ANNUAL PRODUCTION (2022)
1.2 MILLION METRES *

** taking into account only internal printing*

FINISHING EQUIPMENT

Printing is followed by a series of essential operations before we can consider the fabric actually ready for the manufacture of garments.

Steaming takes place inside a closed machine where the fabrics are subjected to saturated steam at a temperature of about 100°C for a period of time determined by the fabric itself, a process that allows the colours to permanently attach to the fabric matrix.

Subsequently, in order to remove all impurities, fabrics are **washed in water**, with the use of detergents formulated in relation to the type of dye, in order to prevent the latter from being re-deposited on the fabric at the end of washing.

The **finishing** phase is crucial as it gives the fabric the final strength and resistance characteristics. This can be done through exclusively mechanical processes or with the additional use of chemical additives.

STEAMING, WASHING,
DRYING, FINISHING
AND PREPARATION



Mantero Brands

Mantero owns several brands that have been produced or acquired over the years. The **Mantero 1902** brand, a distinctive mark of our identity, was created in 2015 and was entirely designed and produced in Italy. It embodies the DNA of our company and its essential values, such as creativity, manufacturing excellence, heritage and modernity, accompanied by the use of refined and high quality fabrics.

In addition to Mantero 1902, the company owns brands whose history and relevance to the History of Fashion are unrivalled.

Holliday & Brown Ltd. was founded in London in 1926 and soon became famous for its unmistakable prints and unique and elegant colours, becoming the benchmark brand for gentlemen around the world and lovers of Savile Row tailoring who are extremely demanding in their fastidious and careful choice of accessories. In 2002 Mantero decided to acquire the brand and with it a unique heritage: the historical archive of the brand. It is a source of continuous inspiration and allows the company to combine history and tradition with the evolution of taste and fashion.

George Kenneth Scott – in art **Ken Scott** – was a visionary of Italian and international fashion between the 1950s and 1970s. An undisputed protagonist of avant-garde trends, Ken Scott was a painter, botanist, chef, performer, fashion designer and much more: famous for the creative genius he was able to express in every field. Mantero proudly acquired his brand in 2019, and signed an exclusive agreement to benefit from the brand's immense artistic heritage and historical archive through the **Ken Scott Foundation**, an autonomous non-profit institution that enabled his incredible legacy to find the right home upon the artist's death. The new headquarters of the Ken Scott Foundation has been specially built in a new space at the Mantero headquarters in Grandate.



RESPONSIBLE GOVERNANCE BASED ON SUSTAINABLE DEVELOPMENT



OUR GOVERNANCE – SUSTAINABILITY GOVERNANCE
ETHICS AND INTEGRITY – DATA PROTECTION AND CYBERSECURITY - CERTIFICATION





Our Governance

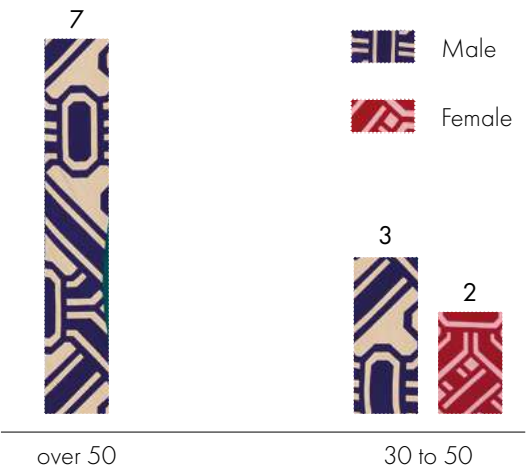
The role of governance is fundamental to ensuring **compliance with corporate principles and values**, as well as to ensuring resilience and long-term value creation, central issues of sustainable management. Our Company is controlled by reliable and conscientious governing bodies, which have demonstrated and continue to demonstrate their commitment through the adoption of principles, models and certification that protect and value corporate and collective assets.

Mantero is a joint-stock company governed by a Board of Directors composed of three Directors who will remain in office until the approval of the financial statements for the year ended 31 August 2024. The Board also appointed two Chief Executive Officers with specific powers, vested with the broadest powers of ordinary and extraordinary management, with the exception of certain powers that are reserved for the Board of Directors. Powers to represent the company and to sign on behalf of the company lie with the Chairman of the Board of Directors and with the Chief Executive Officers.

The Company's Articles of Association also provide for a Board of Statutory Auditors consisting of three standing auditors and two alternate auditors. The Board of Statutory Auditors was appointed on 22 December 2021 and will remain in office until the approval of the financial statements for the year ended 31 August 2024.

The composition of the governing bodies² of the Group companies is generally mainly male.

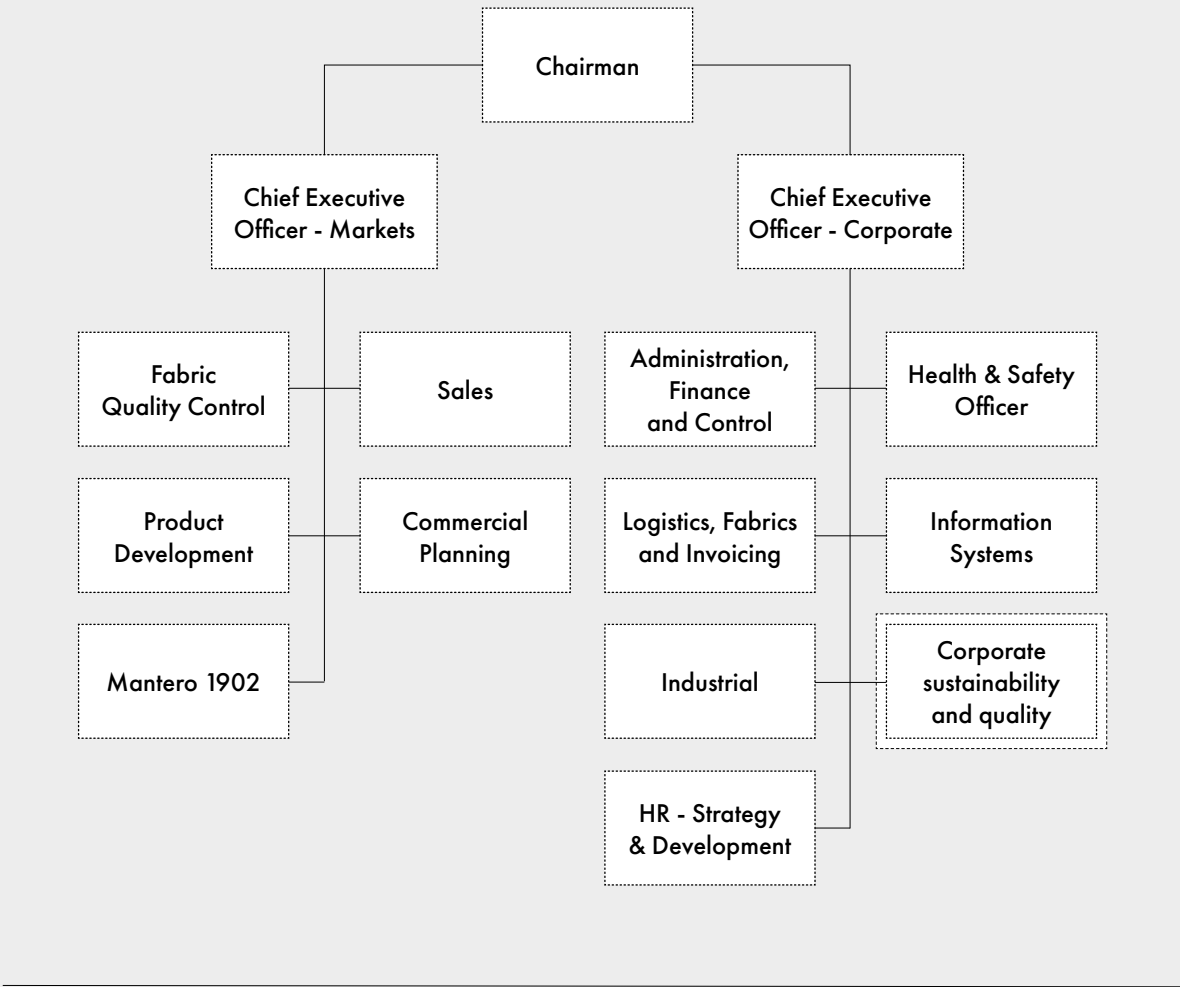
Members of the governing bodies by gender and age



² - It should be noted that "governing bodies" means the Board of Directors of the various Group companies.

Mantero consists of 12 main corporate functions, divided into two macro-areas under the supervision of the two Chief Executive Officers: the markets area and the corporate area. In this latter case, the Sustainability and Corporate Quality function ensures the monitoring and conduct of activities

in line with the highest quality standards, as well as the definition and supervision of ESG issues, and the Strategy and Development function, which is responsible for constantly updating Mantero's strategic guidelines.



Business management closely conforms to the values established in the Code of Business Ethics, thereby ensuring the ethical, transparent and diligent conduct of business in all its aspects. Mantero has also adopted the **Organisation, Management and Control Model** pursuant to Legislative Decree No. 231/2001, appointing a **Supervisory Body** (S.B.) with specific responsibilities, including monitoring compliance with OMCM 231 and the Ethical Code, with a view to reducing

the danger of committing the offences outlined for in the decree and providing interested parties with all clarifications on the Model or the Ethical Code, following and coordinating the updating of the Model and the Ethical Code, including through its own proposals, promoting and monitoring its implementation and reporting any breaches of the Model or the Ethical Code to the competent corporate bodies.

Sustainability governance

Mantero's Senior Management also defines the company's strategic guidelines in terms of sustainability and, in order to ensure proper supervision and management of issues related to ESG topics, has entrusted the internal **Sustainability and Corporate Quality** function with specific tasks of coordination, oversight and monitoring of activities and initiatives undertaken in the area of sustainability, in full collaboration with the other corporate functions. Given the transversal nature of sustainability issues in the various corporate functions, it is our company's objective to ensure ever increasing integration between the Sustainability and Corporate Quality function and all other functions.

Mantero is initiating further processes to strengthen governance on Corporate Social Responsibility themes, in order to meet the expectations of our stakeholders who are increasingly focused on ESG issues, and intends to become a reference model for sustainability, and social and cultural responsibility. In addition, our governance is aware of the importance of disseminating and promoting a business culture focused on ethics, integrity and sustainability, inclusion and non-discrimination. To this end, Mantero has defined procedures and obtained certification to ensure the respect of company values by employees, contractors and suppliers.

Ethics and integrity

The values that we are committed to respecting and constantly disseminating during our activities with the aim of creating a healthy and positive work environment are defined in our **Code of Ethics**. The latter lays down Mantero's guidelines and fundamental principles, which embody ideals such as freedom and dignity of the human person, respect for diversity, the rejection of all discrimination based on sex, ethnic origin, language, personal and social conditions, religious and political beliefs, the desire to ground our success by consolidating a solid image, faithful to values of fairness and loyalty, in every process of our daily work. The Code of Conduct applies to our employees but also extends to our suppliers of goods and services, agents and distributors, as well as to the various actors with whom we interact, who must be appropriately informed of the rules of conduct contained in the Code and align their own conduct with it throughout the contractual relationship.

Among other things, we possess **SA8000 certification**, which ensures respect for human and workers' rights and optimal management of the working conditions of our employees, and **ISO 45001 certification**, which certifies the responsible conduct of occupational health and safety procedures. Management has also established an **Integrated Policy** written in all appropriate languages to inform staff that it has chosen to comply with these standards. This policy includes commitment by an organisation to comply with all requirements of the SA8000 Standard and compliance with

international instruments, and commits the organisation to comply with national laws, other applicable laws and any additional requirements undertaken. In addition, in order to apply the elements and requirements of the SA8000 Standard across all company departments, a **Social Performance Team** has been created, consisting of a balanced mix of workers' representatives and management. A documented procedure on the operation of the SPT has been drawn up, clearly defining the role of its members, as well as time commitments in terms of performing the tasks assigned. The Team regularly develops and writes risk assessments in terms of safety and working conditions, based on information in its possession and that obtained through data collection procedures and significant consultation with stakeholders, to identify and prioritise areas of actual or potential non-compliance with the Standard. Once the risks have been identified, the SPT is responsible for advising management on actions to mitigate such risks. A **Whistleblowing** procedure was also established for the purpose of collecting comments, recommendations, reports or complaints concerning risks in the workplace and/or non-compliance with the SA8000 Standard by workers in a confidential, impartial and non-retaliatory manner. This procedure is based on the collection of forms, including anonymously. Mantero did not record any incidents of discrimination in 2022.

Data protection and cybersecurity

At Mantero, we recognise that protecting a company's sensitive data is critical to ensuring business security and continuity. To protect against external attacks, it is therefore essential to have cybersecurity systems that ensure the confidentiality, integrity and availability of data.

Protecting oneself against cyber attacks is necessary to ensure the optimal conduct of business operations and to maintain the effectiveness of those operations. Therefore, in order to ensure cyber security efficiency, we embarked on a collaboration with our security partner, HWG, at the end of 2020; HWG offers a number of services to prevent potential cyber attacks and/or data leaks. HWG's Security Operation Centre is **ISO 27001 certified**, making its services compliant with the main industry standards. The working team is well qualified and has numerous IT security certificates (GPEN, ISSP, CCIE, PMP, ITIL v3, COBIT). It introduces the most advanced technologies developed in collaboration with universities and research centres worldwide, offering sophisticated and innovative solutions.

The main activities that HWG carries out for Mantero are:

- The implementation of guidelines and procedures for monitoring IT systems;
- The structuring of security *architecture* and definition of specific solutions for company requirements;
- Intercepting potential threats;
- The analysis of any cyber incidents and/or attacks;
- Their response to the latter by implementing an "Incident Response Plan" that provides targeted and timely solutions.

The collaboration with HWG has enabled additional security measures to manage cyber threats in advance, such as the activation of an inbound and outbound email control system, the supervision of access to the corporate network, the adoption of new NGAV and EDR antivirus systems, the implementation of the local security network and the control of internet traffic.

In November 2020, our company underwent a Vulnerability Assessment carried out by HWG to identify the vulnerabilities of our IT systems and subsequently undertake a process of implementation to remedy the flaws intercepted. The analysis process was broken down into three stages:

1. Vulnerability scanning;
2. Identifying and prioritising risks;
3. Issuing a **Security Report** and a **Remediation Plan (WiP)**.

The work carried out together with HWG has enabled the company to develop a robust and structured cybersecurity system, applied across the entire cyber threat lifecycle, including detection, analysis, response and prevention processes. The system is operational 24 days a week, ensuring our data is fully and constantly protected.

From the point of view of data breach, during the reporting period - but also in previous periods - Mantero recorded no incidents involving the loss of sensitive data.



Certification

In Mantero we have numerous certifications and adhere to standards and initiatives that guarantee the safety and quality of products, as well as the protection of values such as respect for the environment, social responsibility and animal welfare.

BETTER COTTON INITIATIVE (BCI)

Since 2021 we have been a member of BCI, the world’s largest cotton sustainability programme, which aims to counter the negative (social and environmental) impacts associated with cotton growing and processing. In particular, BCI requires manufacturers to comply with the following general requirements:



- Cotton growing by implementing practices that minimise the environmental impact;
- No fertilisers and pesticides;
- No carcinogenic or environmentally hazardous chemicals;
- Satisfactory working conditions and improved quality of life for farmers.

Through this initiative, farmers receive training on how to use their water resources and reduce the use of fertilisers and pesticides. In this way, they are less exposed to chemicals, enjoy better working conditions, reduce their environmental impact and save money, increasing overall community welfare. Farmers also receive training on social issues such as gender equality. BCI works with a wide range of stakeholders across the cotton supply chain to promote measurable and continuous improvements for the environment, agricultural communities and the economies of producing areas.

CHEM 4SUSTAINABILITY®



We have implemented the CHEM4sustainability® protocol for the elimination of toxic and harmful substances in production processes through the MRSL ZDHC (Zero Discharge of Hazardous Chemicals) programmes. The ZDHC programme has been launched internationally following various studies on the pollution caused by the textile, leather and footwear industries that supply the leading global brands. It was launched with the Detox campaign, which called on companies to remove certain hazardous chemicals from their supply chain by 2020. In general, the ZDHC programme aims to drastically reduce hazardous chemicals within the sectors mentioned above, in order to minimise adverse impacts on the environment and people. The main objectives of ZDHC are to eliminate or replace hazardous, toxic, harmful and carcinogenic chemicals throughout the supply chain, develop transparent processes to promote the safer use of chemicals, and perform chemical management activities that assess risks and possible alternatives.

RECYCLED CLAIM STANDARD (RCS)



Certified by ICEA
RCS-19-733/01A

This standard relates to the printing, finishing and marketing of recycled polyester. Mantero has this certification applied to products obtained from pre- and post-consumption recycling materials (at least 5%). Our objective is to increase the use of recycled and recyclable materials, as well as to promote a sustainable production and consumption model through the responsible use of resources (raw materials, water and energy).

GLOBAL ORGANIC TEXTILE STANDARD (GOTS)



Certified by ICEA
GOTS 2018-076

This certification was developed by leading international organic farming organisations and is the most important standard for the sustainable production of textile products made from natural fibres. In particular, textile products containing at least 70% natural fibres from organic farming are certified by GOTS. Moreover, this standard also pays particular attention to social and environmental aspects, as well as the use of non-carcinogenic chemicals. GOTS certification is applied to all Mantero silk and cotton yarns that are used in weaving and printing.

SA8000 STANDARD



SA-1632-IT

This international standard drawn up by the CEPAA (now replaced by the SAI – Social Accountability International) guarantees certain aspects of corporate management, with particular reference to respect for human rights, respect for employment law, protection against child exploitation and guarantees of safety and health in the workplace.

ISO 45001 STANDARD



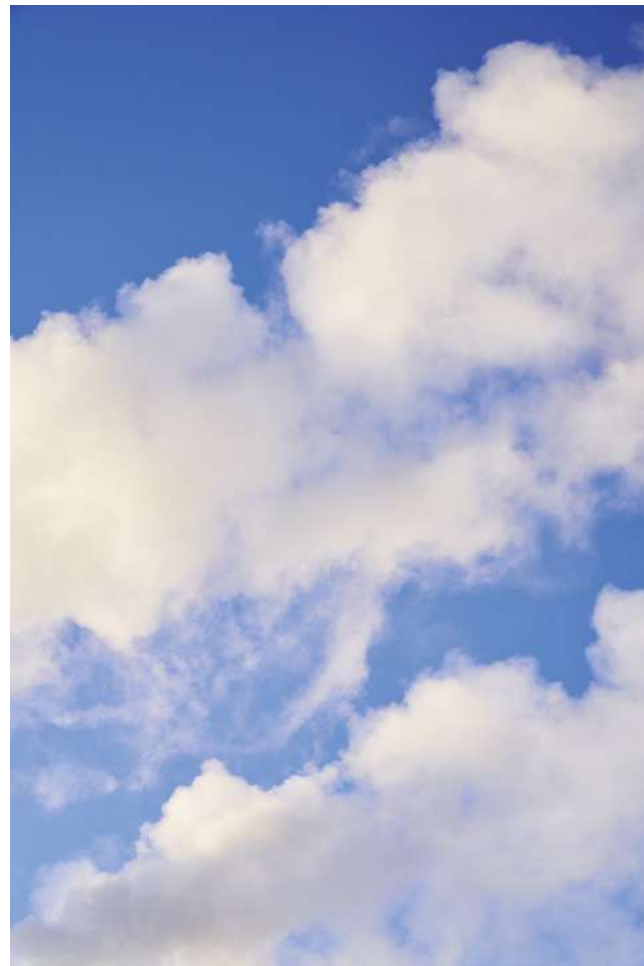
UNI ISO 45001 is the first international standard to set minimum standards of good practice for the health and safety of workers worldwide. It establishes a framework to reduce risk and implement prevention strategies, thereby improving health and safety performance and ensuring procedures are implemented in the most effective way.

ISO 14001 STANDARD

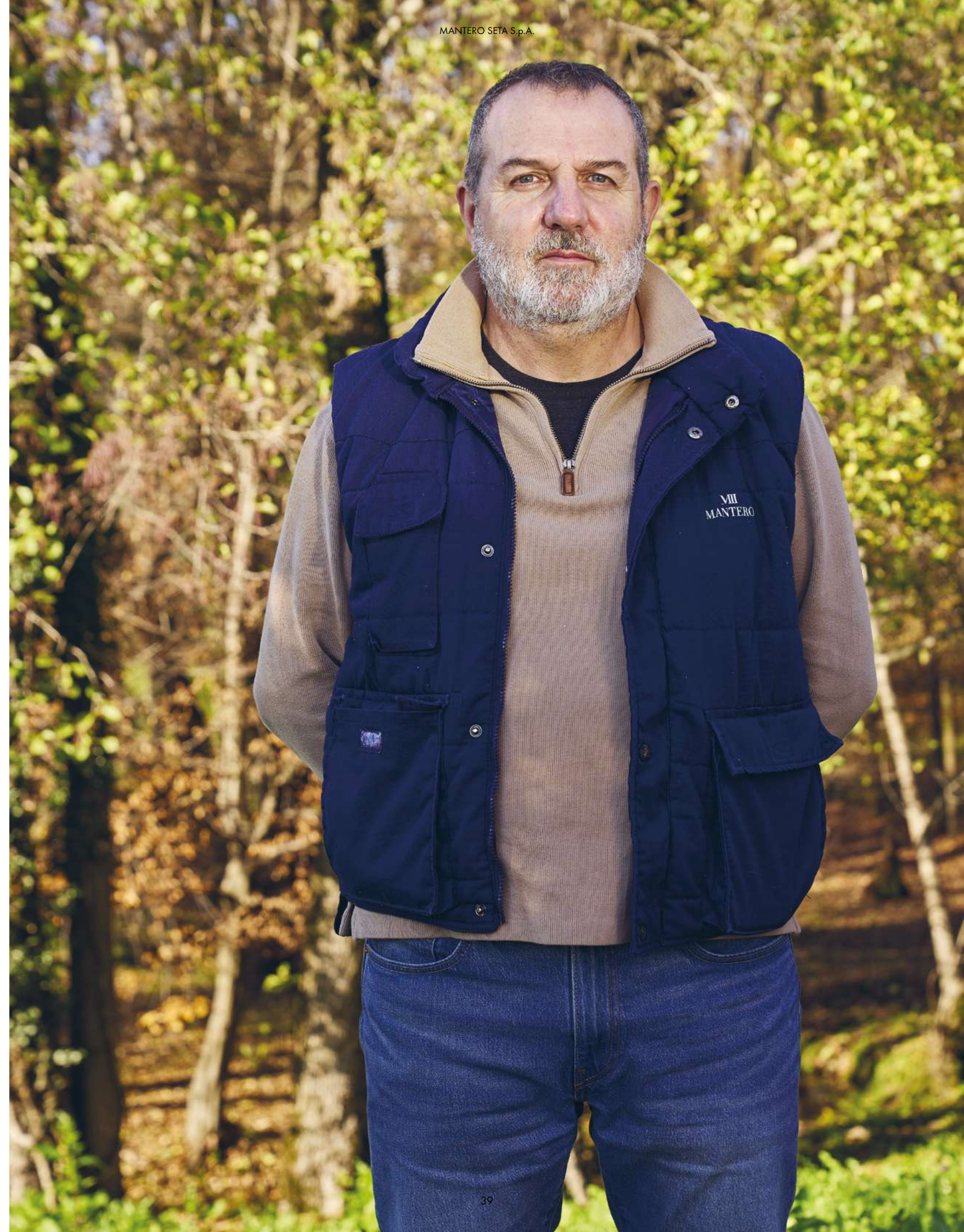


ISO14001 is an international standard that regulates environmental management systems and establishes the requirements that an organisation must adopt to ensure adequate performance, including carrying out environmental analysis, defining specific responsibilities and a corporate environmental policy.

OUR COMMITMENT TO SUSTAINABILITY



MANTERO RESPECT – MATERIALITY ANALYSES – MANTERO STAKEHOLDERS



Mantero Respect

Our image as a sustainable company – the ideal we aspire to – is of a company capable of creating shared value for shareholders and the community, which maintains a competitive position in the market in the long term by enhancing its success through a balanced mix of economic, environmental and social performance. This is the ideal that guides us every day in our sustainability and research projects which, in a synergistic and integrated way, map out a new way of doing business. Our commitment in this regard has translated into a management philosophy that we have called **Mantero RESPECT**, a programme that holistically embraces the economic-financial dimension and non-economic aspects such as respect for the environment and people, integrity, transparency and fairness, which are a fundamental part of our Mission and our way of working. Mantero RESPECT has allowed us to lay solid foundations for the pursuit of our responsible commitment, further stimulating our desire to improve and launch ourselves into new challenges.

Mantero RESPECT is implemented through our Code of Ethics and our Integrated Policy, which express our ongoing commitment to ensuring and improving awareness of issues such as the protection of health and safety in the workplace, respect for the environment and the quality of life of people, as well as the ethics pursued in the performance of our activities. One of the goals of our business is to **contribute to sustainable growth for the environment**, for our employees but also for all players in our economic and social system. This goal is reflected in our approach to customer and worker satisfaction: in our business, people are placed first, through the adoption of virtuous rules and behaviours that allow employees to operate in a safe, positive and stimulating work environment, as well as to meet the quality expectations of our customers.



The 2030 Agenda published by the United Nations in 2015 is an internationally recognised document that provides indispensable guidelines for achieving sustainable goals. This document contains 17 Sustainable Development Goals (SDGs), which Mantero observes as essential reference points for the implementation of ESG-related strategies and initiatives. Mantero specifically selected 12 SDGs to inspire its work and make a concrete contribution to the sector in which it operates and the activities it carries out. Moreover, we at Mantero are aware that corporate and collective development, oriented towards sustainability, is based on the harmonisation of three fundamental dimensions: economic growth, social inclusion and environmental protection, each represented in one or more of the reference goals.

UN SUSTAINABLE DEVELOPMENT GOALS
TO WHICH MANTERO CONTRIBUTES

3

GOOD HEALTH
AND WELL-BEING

4

QUALITY
EDUCATION

5

GENDER
EQUALITY

6

CLEAN WATER
AND SANITATION

7

AFFORDABLE AND
CLEAN ENERGY

8

DECENT WORK AND
ECONOMIC GROWTH

9

INDUSTRY, INNOVATION
AND INFRASTRUCTURE

10

REDUCED
INEQUALITIES

11

SUSTAINABLE CITIES
AND COMMUNITIES

12

RESPONSIBLE
CONSUMPTION
AND PRODUCTION

13

CLIMATE
ACTION

17

PARTNERSHIPS
FOR THE GOALS

Despite 2020 being a challenging and difficult year, we have not abandoned our commitment to social responsibility and in April subscribed to the **United Nations Global Compact (UNGC)**, with the intention of making our ESG effort concrete and continuing to work towards the 10 objectives of the Global Compact in an international context. To better demonstrate our commitment to the Global Compact and its principles, we annually prepare the “*Communication on Progress*” (CoP), whereby we notify our stakeholders of the efforts made in implementing the ten principles of the Global Compact.



Materiality analysis

In order to strategically prioritise, and to report the issues most relevant to Mantero in this document, the Group has carried out a *Materiality Assessment* for the first time. The result of this analysis translates into a list of **material subjects**, i.e. those relating to ESG topics that most closely reflect the priorities of stakeholders and the company’s top management.

In line with the requirements of the *GRI Standard For Sustainability Reporting*, the materiality process was carried out in four main stages:

1. Identification of ESG topics potentially relevant to Mantero, through an internal evaluation of the Group’s characteristics such as corporate identity, business sector, activities carried out, types of stakeholders and an evaluation of the external environment;
2. Consideration of the **current and potential positive and negative impacts** in relation to each of the topics that came to light in the previous stage;
3. Analysis of the topics proposed by members of Mantero’s top management assessing the associated impacts;
4. Identification and prioritisation of material topics.

With regard to the first stage, in addition to an internal analysis of the characteristics of the sector to which it belongs and the specific activities of the Mantero business, an initial overview of the external scenario was carried out that took into account international priorities and evolutionary trends in ESG (e.g., the Sustainable Development Goals of the United Nations, international standards and the regulatory environment). A *benchmark analysis* was then carried out, taking into account the main industry trends, as well as the company’s main customers and some examples of *best practice* in the sector in question. Twenty issues potentially relevant to the assessment were identified on the basis of an internal and external analysis. In order to organise subsequent work, the issues that came to light in this initial screening have been reclassified into six macro-areas: **Governance, Environment, Supply Chain, Society, Product and People**.

At the end of this first step, potentially material topics were subjected to a process of identifying the specific,

associated, positive and negative **impacts** that they generate (or could generate) both for the company and on the external environment. These impacts reflect the materiality of the issues identified, as they give concrete form to and consolidate the link between the ESG issues identified as “material” and the Mantero Group, as well as the environment in which it operates.

The impacts in relation to each material topic were subsequently assessed by members of the Group’s top management. In the Mantero Group’s first year of Materiality Assessment, the opinion of top management provided an internal view of the business, but also took into account the point of view of its main stakeholders – internal and external – in the assessment of impacts. The assessment resulted in an ordered list of material topics for Mantero, which ensures the prioritisation of aspects considered relevant and therefore included in this Document.

The list of material topics for Mantero was therefore drawn up following the analysis described above and taking into account the areas introduced by the pillars of Mantero Respect. The most important material topics for the group include **the protection of human rights, occupational health and safety, product quality and safety, customer satisfaction and business ethics**. What these all have in common is the priority interest that Mantero demonstrates towards people - including employees - customers, contractors and, more generally, the Group’s stakeholders. As subsequently discussed in the report, Mantero’s business pays particular attention to caring for people and the community in which it operates. Alongside the social issue, Mantero’s materiality analysis also includes the environment, placing **water management** in second place and **GHG emissions and climate change** in seventh place, both of which are extremely relevant in the ESG context.

Our sustainability strategy is based on the impacts that have come to light and are deemed relevant to the business and our stakeholders. In order to ensure the full integration of material topics with our strategy, we have combined a pillar of Mantero Respect with each topic. This approach is in fact the first step towards an increasingly defined and structured path towards sustainability for Mantero.

MATERIAL TOPICS FOR MANTERO			
No.	Material topic	Mantero Respect Pillar	SDGs
1	Protection of human rights	People	 
2	Water management	Environment	
3	Health and safety at work	People	
4	Product quality and safety	Product	
5	Customer satisfaction	Customers and community	 
6	Business ethics	Governance topic	
7	GHG emissions and climate change	Environment	 
8	Traceability	Product	
9	Data protection and cybersecurity	Governance topic	
10	Responsible supply chain management	Supply chain	  
11	Employee well-being and engagement	People	 
12	Attracting and developing talent	People	 
13	Responsible disposal	Environment	
14	Sustainable sourcing	Supply chain	
15	Circular economy and waste recycling	Product	
16	Diversity and inclusion	People	  
17	Animal welfare	Environment	
18	Partnership for Sustainable Development	Supply chain	 
19	Social development	Customers and community	 
20	Sustainable packaging	Product	

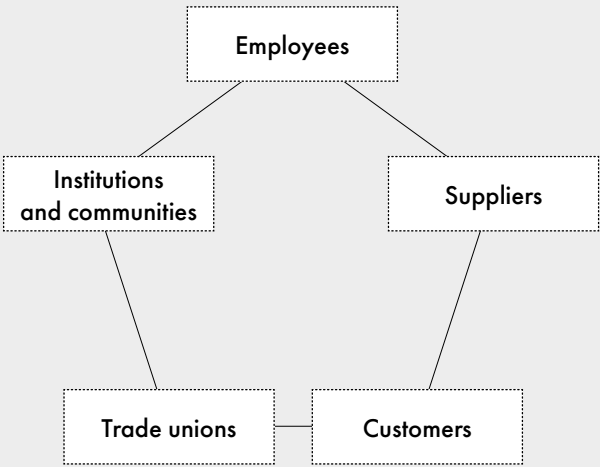
MANTERO IS
GROUNDED IN THREE
FUNDAMENTAL
DIMENSIONS:
ECONOMIC GROWTH,
SOCIAL INCLUSION
AND ENVIRONMENTAL
PROTECTION



Mantero’s stakeholders

Mantero aspires to maintain and develop the **relationship of trust** with its stakeholders, i.e. with the categories of individuals, groups or institutions, whose contribution is required to achieve our mission or who have an interest in the activities of the company. Stakeholders are those who make investments related to Mantero’s activities, i.e., primarily shareholders, employees, contractors, customers, suppliers and partners. In the broader sense, all of those individuals or groups, as well as the organisations and institutions that represent them, whose interests are affected by the direct and indirect effects of our activities, such as local and national communities in which the Company operates, are also stakeholders.

We therefore believe it is essential to build sound and lasting relationships with our stakeholders, based on trust, dialogue and ongoing engagement. Only in this way can we understand the diversity of interests and needs of each stakeholder and capitalise on them by refining our approach and activities on a daily basis. The importance of stakeholders for Mantero translates, *inter alia*, into the company’s commitment to communicating to each of the following categories the fact that it has adopted the social responsibility management system according to the SA8000 standard, requiring them to comply with the principles it contains.



The importance of dialogue and stakeholder engagement is seen in progress made in the activities being formalised for Mantero’s ESG strategy.

STAKEHOLDER CATEGORY	METHOD OF ENGAGEMENT AND DIALOGUE
Employees	<ul style="list-style-type: none">• Periodic company newsletter• Ongoing dialogue through Human Resources• Social media• <i>Ad-hoc</i> meetings• Website• Employee engagement and well-being initiatives
Suppliers	<ul style="list-style-type: none">• Constant dialogue and relationship through the Purchasing and Production Planning function• <i>Ad-hoc</i> meetings• Exchange and involvement during audit activities• Communicating our values during the contract phase and subsequent renewals
Customers	<ul style="list-style-type: none">• Ongoing dialogue and relationship through the sales function• Social media• <i>Ad hoc</i> meetings and workshops• Website
Trade unions	<ul style="list-style-type: none">• Ongoing dialogue through Human Resources• Regular meetings with the Social Performance Team (SPT)
Institutions and communities	<ul style="list-style-type: none">• Specific events and initiatives• Partnerships with universities, schools and institutions• Website

EMPLOYEES

In a competitive scenario in which business and consumer models are undergoing continuous and profound transformation, Mantero is aware that change, necessary to face the challenges of the market, is inseparable from investment in People, the development of their professional skills and an adequate programme of talent *retention*. Mantero considers people to be fundamental assets and an indispensable prerequisite for the Company’s competitiveness. We therefore consider employees a key category of stakeholders.

SUPPLIERS

Mantero considers its suppliers and supply chain participants to be just as fundamental as stakeholders, recognising the importance of establishing and maintaining solid, lasting and relationships focused on precise, high quality standards, as well as ethical, social and environmental standards, for the creation of sustainable and lasting value. To support this objective, we have structured a system for verifying and raising awareness of the work of suppliers by asking them to comply with the rules and principles contained in SA8000, and to extend that, as far as possible, to their own chain of suppliers.

CUSTOMERS

In Mantero, our actions and decisions are directed towards the ultimate satisfaction of our customers, starting with the creation of a high quality product conforming to the most stringent safety standards. Customers are informed of the company’s adoption of the social responsibility management system, in accordance with SA8000, through the company website and its Letter to Stakeholders.

TRADE UNIONS

Mantero promotes dialogue with trade unions and is committed to guaranteeing its employees their rights and also to establishing proper and transparent relationships with them. Trade unions are informed of the adoption of the social responsibility and policy system through the company website and its Letter to Stakeholders.

INSTITUTIONS AND COMMUNITY

Mantero’s focus on people also finds expression in its strong link with the community and institutional bodies, with which it collaborates in the form of multiple initiatives. Institutions and community are involved in the adoption of the social responsibility and policy system through posts published and access to the company website.

PEOPLE AS OUR PRIORITY



BREAKDOWN OF OUR RESOURCES – DIVERSITY, EQUITY AND EQUAL OPPORTUNITY –
ATTRACTING AND DEVELOPING TALENT – RESPECT, WELL-BEING AND
EMPLOYEE ENGAGEMENT – HEALTH AND SAFETY IN OUR WORKPLACES



A breakdown of our resources

At Mantero, we put the people we work with first, with a strong focus on our employees. We believe it is essential to **protect and up-skill the workforce** in order to achieve a successful business and competitive strength. For this reason, in addition to providing a **safe, ethical and inclusive workplace**, Mantero supports and encourages its talents to **improve their technical, personal and relational skills** through structured training paths. The SA8000 and ISO45001 certifications obtained by Mantero guarantee that the company complies with the standards of safety and protection of employment law, as well as our commitment to the protection and enhancement of human resources.

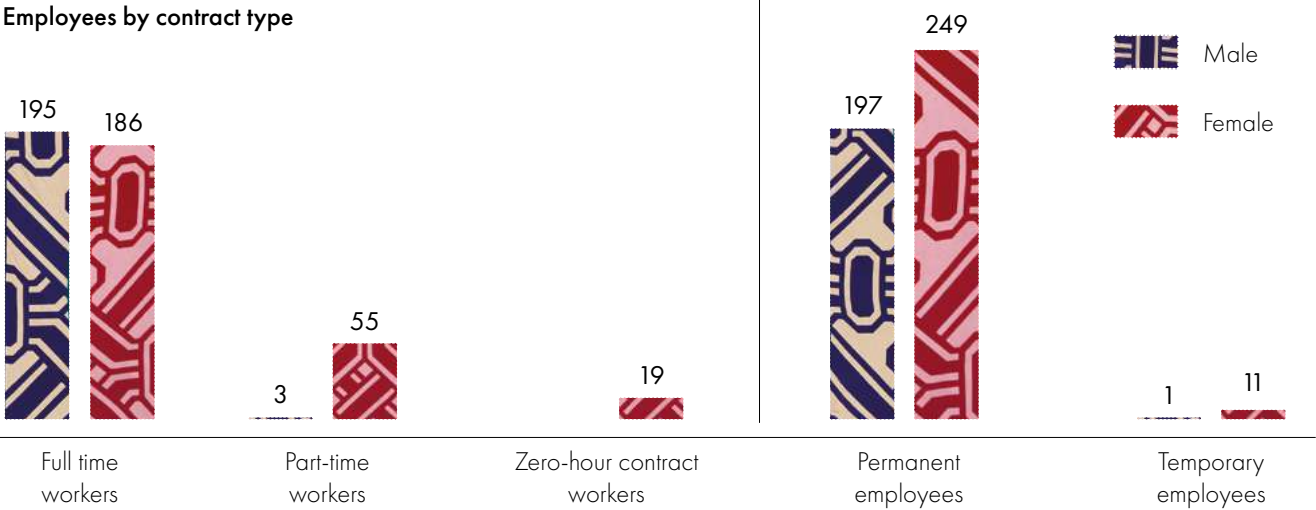
Our People are in fact a strategic asset that plays an essential role in every business decision. Therefore, the search for the best talent, their professional and personal development, retention, well-being and health and safety are priorities in the day-to-day management of our company. Mantero believes that investing in a work environment

that is healthy, inclusive, stimulating and collaborative is of fundamental importance for achieving a quality product that ensures lasting and sustainable growth.

At 31.08.2022, the Mantero Group had **458 employees**, in line with the previous year (457). Most are full-time workers (83%) with permanent contracts (97%). These figures are also almost in line with 2021, and did not undergo any particular changes. Within the category of permanent employees, there is also a number of homeworkers with wages related to piecework namely employees of the Salento Lab subsidiary, which provides hemming and finishing services for Mantero Seta S.p.A.

The composition of our workforce was negatively affected by the Covid-19 pandemic. In fact, the year following the lockdown saw a moderate, but still significant, decrease in the number of our employees; however, in 2022 our workforce grew again with an **essentially positive** balance and a minimal increase in personnel.

Employees by contract type



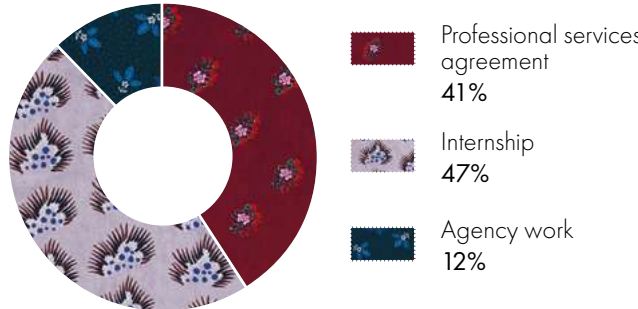
At Mantero employees can be broken down into the following categories: Executives, Managers, Employees and Workers. Most of the 458 employees on the books in 2022 are workers (46%) and employees (46%), with the remaining 6% being executives and 2% managers.

Employees by professional category



Compared with last year **non-employee workers** increased by 31% at Mantero; this figures consists mainly of agency/temporary workers, interns or freelance professionals working under a services agreement. All forms of alternative employment, which related to 17 people in 2022, are managed in accordance with the regulations in force in the various countries of reference (mainly Italy).

Non-employees



Diversity, equity and equal opportunities

Mantero understands that diversity means wealth and is a true resource for the business, starting from the first stages of selection and continuing throughout the employment relationship. For this reason, we are committed to disseminating principles such as **non-discrimination** and the **promotion of diversity** in the company culture. These principles are dealt with in our Code of Ethics, which aims to ensure that they are respected and adopted by all our employees, preventing the occurrence of discrimination based on gender, sexual, religious and/or political orientation, ethnic/racial grounds or related to social and personal conditions. Any person who needs to can submit a report anonymously through a specific grievance procedure available to everyone.

To that end, in 2020 we participated in the ***Stand Up*** initiative, providing all

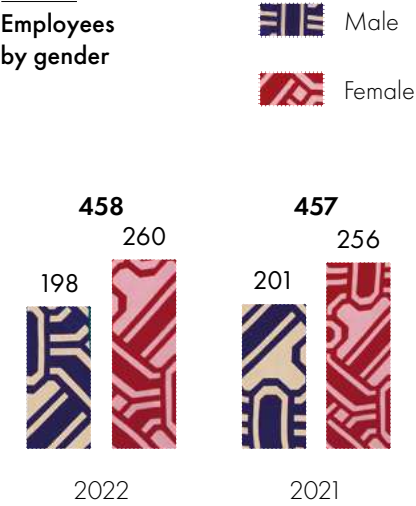
employees with a training day to prevent any kind of harassment in public places, as victims or witnesses, and to build a safe and welcoming space for all.

Diversity and inclusion therefore feature among the values we strive to ensure so that our people feel welcome and valued. There are no negative impacts in terms of this issue. On the contrary, we have seen positive impacts: our employees are aware of their diversity and this is rewarded and emphasised by the company.

Gender equality is one of our goals and one of the most valuable values the company aspires to. It is in fact one of our priority aspirations to achieve and improve initiatives, procedures and policies for promoting **equal opportunities**. The majority of the company's staff are women, who, like men, are involved in training and professional advancement initiatives.

This is indicative of the fact that the company does not discriminate against any gender

Of Mantero's 458 employees at 31.08.2022, more than half are women (57%), compared with men (43%), which generally characterises the sector in which the Company operates.



However, the predominance of women in the company is ensured by the “employees” category, made up 79% women, while in the other professional categories there is a male majority. It is our priority in the future to ensure that women's representation is valued as much as men's in the most senior categories of employment.



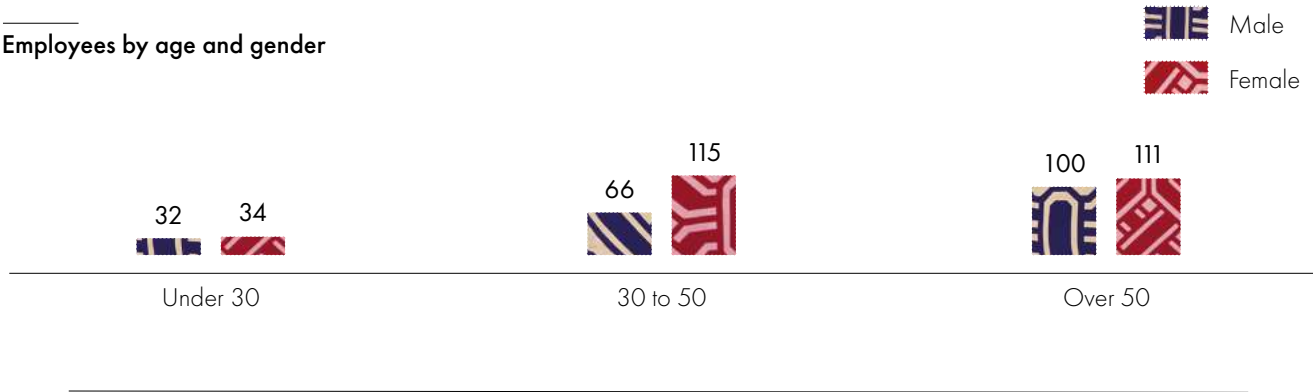
In addition, at Mantero we are committed to offering more and more job opportunities to new talent seeking a young, challenging and inclusive work environment. Inclusivity also means giving space to the new levers of the labour market, without neglecting their worth and satisfying their curiosity and desire to get involved. We are, in fact, very aware of the importance that attractiveness to new generations holds

for our business. At the end of the 2022 financial year, 54% of employees were less than 50 years old (in particular, 40% were between thirty and fifty years old and 14% less than thirty years old), while the remaining 46% were employees over fifty years old.

It should be stressed that the **recruitment of young people** is our preference and has always characterised our business. In fact, we are aware of

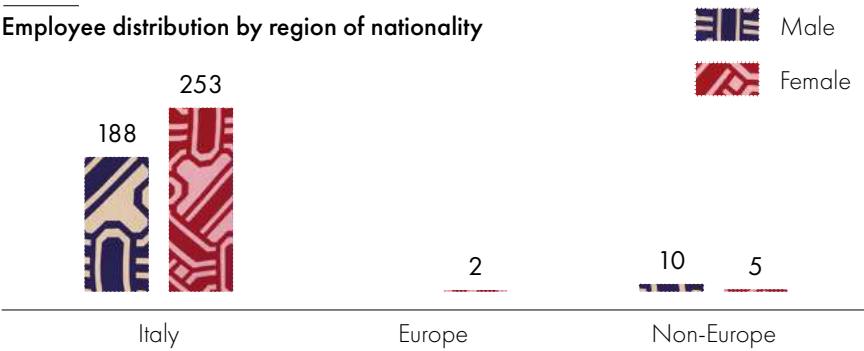
the importance that new generations represent as an interface with the external environment and the added value that they can bring to our business in terms of creativity, ideas, diversity of outlook and intellectual flexibility. In support of this, general staff turnover stands at around 8%, with employees entering mainly the “under-30” and the “between 30 and 50” age groups.

Employees by age and gender



Most of Mantero's employees are located in Italy, proof of the prevalence of Mantero's activities in Italy. 96% of the Group's total employees are Italian citizens, 3% are non-European citizens, while around 0.4% are European citizens.

Employee distribution by region of nationality



The characteristic Italian nature of the brand does not, however, constitute a limit to the promotion of diversity. Mantero has always promoted an inclusive policy by giving priority to protecting ethnic, racial, cultural, religious and political differences.

People of 16 different nationalities work at Mantero, including 5 from high-risk countries. Further proof of our inclusive and supportive nature is the fact that we welcomed a number of political migrants into the company through a project in collaboration with **Promoting Refugees**

Integration, an association linked to UNHCR. Mantero also guarantees the protection of workers' rights and actively works to ensure that all diversity is respected and supported.



Attracting and developing talent

One of the central points of Mantero's corporate philosophy is the **development and retention** of our employees, their creative ideas and technical skills, because we are convinced that they constitute added value that makes the company unique and competitive on the market. Our commitment to our resources is therefore to develop, encourage and reward talent so that we can select and up-promote anyone who is worthy and proactive.

At Mantero we adopt a reward system that encourages career advancement and continuous and cross-department training of employees, so that know-how and technical and creative skills become a shared value of the entire organisation and allow us to combine tradition and innovation and create products that keep up with the demands of the market.

At Mantero, training therefore plays a crucial role in the process of growing our people. We view the hours of training as an essential tool to develop and consolidate individual skills, also ensuring the cultural and organisational development of our company, as well as the quality of our products in the

long term thanks to the presence of trained technical and professional staff.
The training plan was fully implemented until the onset of the Covid-19 emergency, which forced the the company to suspend it, but it also provided an opportunity for reflection before its relaunch and the development of new delivery methods. The following drivers were considered when revising the training plan:

- effectiveness of training times, given the current and foreseeable post-Covid environment;
- focus on training priorities, directing resources to areas where there have been multiple joiners and/or multiple leavers expected in the next few years;
- digitalisation of training content, to allow it to be used at any time and in any place;
- institutionalisation of the company's training commitment, including with a view to marketing and employer branding/retention of employees.

The reshaping of the training programme was based on specific objectives:

AWARENESS COURSE	TECHNICAL TRAINING	TRANSVERSAL TRAINING (SOFT SKILLS)
A “Welcome” process responds to the need to make all new resources aware of the business, the company’s circumstances and its individual functions, positioning the work of the new resources within the company mission. The aim of this course is to motivate and retain the newly hired staff.	This is the strategic asset of the training programme and is aimed at developing and disseminating the skills, know-how and experience required to achieve business goals among younger people, thereby increasing our competitiveness and performance in an increasingly complex market/sector.	This is a training course that enhances inter-personal and relationship skills, together with technical skills, enabling the company to be more resilient, more agile and adaptable to constantly evolving scenarios.

Training and information data are collected and recorded through management software (Esiweb Platform) to monitor workers’ professional skills. The total and average hours of

training undergone during the previous two years by our employees by gender and job categories are set out below.

Number of people involved in training activities	2022			2021		
	Men	Women	Total	Men	Women	Total
Total	46	40	86	35	49	84
Executives	0	1	1	–	–	–
Managers	11	4	15	2	2	4
Employees	11	22	33	14	39	53
Workers	24	13	37	19	8	27

During 2022, our training programmes were delivered to 86 people, 40 of whom were women, most of whom were workers (43%) and employees (38%). We also provided more

than 800 hours of training during the year, mainly language and health and safety courses.

Hours of training by gender and professional level ³	2022			2021		
	Men	Women	Total	Men	Women	Total
Total	417	384	801	377	752	1,129
Executives	–	8	8	–	–	–
Managers	105	32	137	12	13	25
Employees	92	180	272	231	658	889
Workers	220	164	384	134	81	215

However, it is noted that training activity was significantly impaired by the Covid-19 pandemic, which prevented us from providing training as frequently and consistently as in previous years. This activity was partially reinstated in the following two

years, although with some organisational limits caused by the pandemic, which have so far not allowed activities to resume in full. For this reason, the average training hours per capita in 2022 are around 2 hours.

Total hours of training by type of training course (h.)	2022	2021
Language	–	712
Health and safety	724	417
Computer skills	77	–
Total	801	1,129

3 - Data relating to Mantero Seta S.p.A. only.

Mantero also has an appraisal system that, through rewards and promotions, encourages our employees to grow and continue their career path. The performance appraisal process is carried out through the **Salary Review**, which takes place annually and enables the company to single out workers who deserve salary increases and/or promotions on the basis of the results they have achieved. Managers evaluate the performance of their subordinates and put forward any employees who deserve recognition. Subsequently, the Human Resources Department, managers and Chief Executive Officers meet to assess the workers previously singled out at the annual Salary Review meeting, where an appraisal system of an essentially qualitative nature is adopted. On this occasion, the Human Resources Department also endeavours to identify any other persons who deserve recognition. In the event of a positive outcome following the meeting, the salary increase or career progression is formalised with the delivery of a letter by the manager to his/her subordinate, signed and validated by the Human Resources Department, which indicates the reward the employee has earned. Performance appraisals extend to the entire company payroll, without limits on their scope.

The performance review process also includes individual discussion between manager and employee, allowing both to understand which goals are being considered, if any have been achieved and areas for improvement. In general, at Mantero we support **meetings between managers and subordinates**, and in that way the company can learn about and meet the expectations and demands of its employees.

Performance appraisals are also provided for newly hired resources. Any apprentice at the end of his/her training course is assessed by the manager (and confirmed, if necessary) based on an assessment of his/her performance during the learning process over the previous two and a half years. Specifically, at the end of the apprenticeship, the Human Resources Department prepares an **apprentice assessment record** which is then completed and signed by a manager. This lists the main activities performed and the required technical and soft skills, which the Manager evaluates on a scale of 1 to 5.

An analysis of the latest remuneration policies in 2022 reveals a **positive performance** at the company, showing the positive impact of the training and performance review



system adopted. This performance is significant for our goal of developing and retaining talent. The number of workers earning promotions/pay increases rose compared with the 2021 financial year, which was deliberate and weighted on the basis of positive company results. The source of data is accurate and can be verified from letters announcing pay increases sent to formalise a good performance appraisal and are traceable through employee payslips, and in the internal software used by the Human Resources Office.

The percentage of employees, divided by categories of employment, that have been assessed over the last four years can be found below.

Percentage of employees receiving regular performance and career development reviews	2022			2021		
	Men	Women	Total	Men	Women	Total
Total	98%	90%	94%	99%	88%	93%
Executives	88%	100%	89%	88%	0%	88%
Managers	100%	100%	100%	100%	100%	100%
Employees	100%	96%	97%	100%	94%	95%
Workers	98%	77%	90%	98%	74%	90%



Respect, well-being and employee engagement

Convinced of the priority role that our people play in the growth of the company, we at Mantero ensure that there is a positive and welcoming atmosphere in the workplace. In fact, fostering a climate of well-being and involvement is considered a fundamental ingredient in ensuring business success.

Mantero, starting with the onboarding of new employees, engages employees by explaining to them the company policies and values that differentiate us, immediately helping to create a **peaceful and stimulating working environment**. Upon entering their specific area, new employees are introduced to their colleagues and are given an initial overview of the company, seeking to instil in them an immediate feeling of welcome and familiarity. Following the initial stages of joining the company and throughout their employment, the HR Department constantly monitors the well-being of all workers, welcomes requests and finds possible solutions in the event of employee complaints. The company is committed to listening to and supporting all people who work here, so that each person feels understood and supported. The Human Resources Department is also responsible for conducting quantitative audits to assess the well-being of our employees. One of the criteria used to make these estimates is the level of seniority which, in this case, reveals a close attachment to the company, a clear sign of our employees’ satisfaction. Of course, there is no distinction between those who have a high level of seniority and those who have recently joined the company: all workers can count on substantial support from Mantero.

In general, no negative impacts on the well-being of our employees were recorded. Employees can use **various tools** to feel involved and supported in their journey within the company. For example, company information is published on notice boards and on the internal information portal so that all workers are always up to date on company performance and priorities. In terms of workplace comfort, the well-being of our people starts with the architecture of the company itself: in addition to ensuring healthy and always clean working environments, some offices have been specially designed to create a warm and comfortable working atmosphere. A small proportion of workers, namely employees who need this service, have access to company vehicles. In addition, Mantero has introduced initiatives to promote a peaceful and challenging lifestyle that is undoubtedly reflected in job performance, such as a free and open-ended **yoga course** for all and the possibility for employees to benefit from a number**of agreements with local entities**, including an opticians, an academic institution and a gym.

Benefits for our employees include:

- Life Insurance
- Health care
- Invalidity cover
- Parental leave
- Pension funds

All employees of the company have access without distinction to health care, disability cover, parental leave and pension benefits, without any distinction between part-time and full-time workers. Only executives have life insurance as specified in the National Collective Labour Agreement.

Without doubt, part of our employees’ well-being is ensured by **fair and satisfactory remuneration**. The process of defining the remuneration policies involves analysing the previous skills and experience of a new hire and ensuring that they are in line with the precise market value of the position to

be filled. In determining remuneration, the company therefore takes into account multiple factors in order to be competitive in the market and to attract a workforce. No independent committees oversee the remuneration determination process and no consultants are involved in that process. Finally, the Board of Directors approves the appointment of executives and determines their remuneration. Below are details on the average salary ratio and the ratio between the average remuneration of women compared with that of men at Mantero, by professional category.

Average salary ratio ⁴	2022	2021
Executives	60%*	-
Managers	113%	112%
Employees	94%	95%
Workers	91%	91%

Average remuneration ratio ⁴	2022	2021
Executives	49%*	-
Managers	105%	107%
Employees	91%	80%
Workers	77%	82%

The data relating to the ratio between the average salary and the average remuneration of the Executives category is only partial and should not be deemed exhaustive since the single female manager only took on this role in January 2022. The average salary ratio and the average remuneration ratio are significantly influenced both by the rather recent presence of a female within management, and by Mantero’s reporting period. Moreover, the average salary and average remuneration ratio are influenced by the type of contracts whereby Mantero - attentive to the needs of its people - is committed to fostering the career of working mothers.

Our employees can also rely on the support of external bodies to ensure that their rights are protected, so that they can work with peace of mind. The Company has **nine trade union**

representatives, elected by the employees, who represent a total of four trade unions (CGIL, CISL, UIL and UGL), who communicate freely with our employees and provide them with adequate support if needed. Special spaces within the company are, in fact, used for trade union communications and for holding the meetings that employee representatives regularly call. A notice board reserved for employee trade union communications can be found in the building and the relevant National Collective Labour Agreement is always available to employees for consultation at any time.

In 2022, the number of employees at Mantero covered by collective bargaining contracts grew to reach 100%⁵ of the workers, compared with 99% the previous year.

4 - Data relating to Mantero Seta S.p.A. only.

5 - It should be noted that collective bargaining does not apply to Mantero Orient (China); it is therefore done on a market basis. Collective bargaining does not exist for Mantero USA either; however, the same national collective bargaining agreement as Mantero Seta S.p.A. applies.





Health and safety in our workplaces



Recognising the priority importance of our resources, we are committed at Mantero to protecting the health, safety and well-being of our employees. In this regard, we have replaced OHSAS 18001 (Occupational Health and Safety Assessment Series) Health & Safety certification with the new **ISO 45001** standard, which integrates with other ISO standards and defines the most internationally recognised standard for the management of workers' health and safety.

Mantero also takes a preventative approach to **risk management**, thoroughly assessing the health and safety risks that may occur within the company and updating on a continuous basis. A specific **risk assessment** document is prepared by the company which defines the responsibilities, criteria and operating methods for identifying and managing risk. The Risk Assessment also contains a description

of the assessment process and the consequent decisions to be taken based on the nature of the risk (whether or not it can be tolerated by the organisation). In addition, the document provides for the immediate reprocessing of the document in the event of changes to the work process that are significant for the health and safety of employees, as well as accidents or when the results of health monitoring so require. Following the assessment, the company identified chemical risk, material handling risk and fire risk as the main risks to which our workers at the company are exposed. For all the risks identified, a management strategy is effectively defined, allowing our employees to work in peace and safety.

Prevention work is also carried out through the continuous monitoring of **key indicators** in the H&S area; the number and rate of accidents reported below are highly indicative of this work.

Accidents - Employees	2022			2021		
	Men	Women	Total	Men	Women	Total
Total accidents at work	1	1	2	2	2	4
At work	–	–	–	1	1	2
While travelling	1	1	2	1	1	2
Recordable work accident rate ⁶	–	–	–	3.4	3.3	3.3

Specifically, during 2022 there was only one accident while travelling and, fortunately, no accidents in the workplace; the trend is therefore down compared with 2021. In general, the types of injuries that occurred in the company during the two-year period involved abrasions, bruises and trauma. Mantero is committed to constantly monitoring the risks and mitigating the accidents and injuries that occur, by way of example, through specific training courses and information and the implementation of corrective actions.

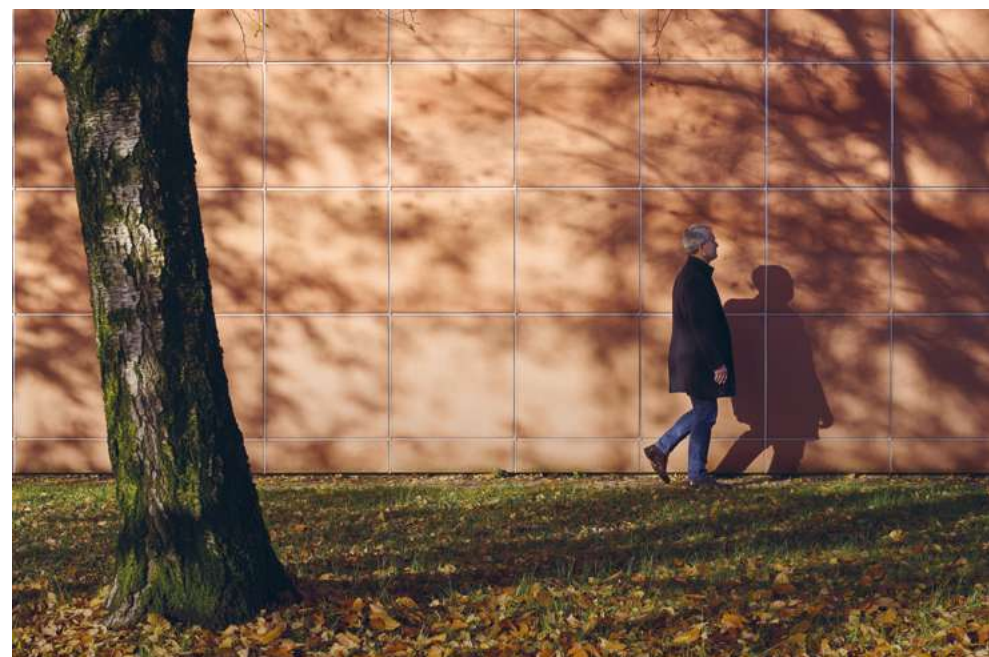
In the last two years, to address the health emergency caused by the spread of **Covid-19**, Mantero has defined specific procedures and measures for the responsible management of work activities, to ensure the safety of Our People and, at the same time, to protect the community. We have set up a **specific committee** - reporting to the employer - to make decisions on company procedures to combat the spread of the infection and a specific task of meeting with trade unions. The **protocols** necessary to contain the spread of the Covid-19 virus in working environments have also been defined and implemented, in line with national regulations and orders. These protocols contain:

- The committee's contact persons and their roles
- The information provided to employees (including the protocol itself)
- How to join the company
- Cleaning, hygiene and sanitary procedures adopted
- Personal hygiene precautions to be observed
- Methods of use of PPE
- The use of *smart working*
- Canteen and common area management
- Management of symptomatic, suspected positive and positive employees



6 - In line with the Global Reporting Initiative Standards, the Recordable Workplace Accident Rate has been calculated considering: (no. of recordable workplace accidents / no. of hours worked) * 1,000,000

THE ENVIRONMENT AS A RESOURCE TO BE PROTECTED



CLIMATE CHANGE: OUR CONTRIBUTION – RESPONSIBLE DISPOSAL –
WATER RESOURCES – ANIMAL WELFARE AND BIODIVERSITY





Climate change: our contribution

Mantero's commitment and attention to the environment are embodied in our way of doing business, supported by a company policy that establishes a framework for defining the objectives to be pursued with regard to the environment and describes the Company's commitment to identifying and assessing environmental aspects related to its business, as well as preventing pollution.

Mantero possesses, *inter alia*, **ISO 14001** certification and Management has established an integrated procedure for identifying, interpreting and disseminating the applicable legal requirements.

The main roles and responsibilities in the environmental field have been formally communicated and the Manager of the Management System has been formally appointed by Senior Management to establish, apply and keep up to date with the requirements of the Integrated Management System. The Organisation has prepared specific documentation (manual, procedures, etc.) on the environmental management system and the training of employees has been integrated with the relevant issues.

Mantero has also completed practical projects that reflect our commitment to **energy transition** with a view to energy saving and reducing emissions: a large photovoltaic system, LED lighting throughout the company, new machinery with low environmental impact, systems for reducing leakage and loss and for promptly monitoring the consumption of gas, electricity and steam.

Although the past two years have witnessed great economic uncertainty and continued extraordinary events, our company has persevered in achieving its priority goals for climate change and made new investments in alternative and sustainable solutions.

A significant portion of our consumption comes from the use of steam for textile processing. For this reason, we have taken action mainly on the energy processes that use it. With a view to combating global warming and protecting the environment, we have installed new energy equipment in our central heating system at the Grandate (CO) plant. This consists of a steam generator equipped with an economiser

and a system for recovery of the heat contained in combustion fumes for greater efficiency. The heat recovered is then used to heat the water used to replenish the boilers and the process water from the washing systems. The system therefore limits our steam requirements, resulting in savings on natural gas consumption. Specifically, the heat recovery unit and the consequent replacement of the old boiler with a new, more efficient unit made it possible to reduce natural gas consumption by16% and, consequently, to **reduce the relative CO₂ emissions into the atmosphere**, as well as to reduce the temperature of the vapour emitted by the thermal power plant by 150°C (from 200° to 50°C). At the same time, a **cogeneration system** powered by natural gas has been installed which, thanks to a 500 kW engine, produces electrical energy, and thermal energy, both as steam and, again, hot water for the washing systems process. The data relating to the production of electricity by the cogenerator, equal to about 50% of our requirements, are shown in the table below. The cogenerator entered into full operation in June 2021 while the precise monitoring of consumption began in December 2021. For this reason, data on natural gas consumption for the operation of the cogenerator are only available for the 2022 reporting year.

In the compressed air and steam system, work was also completed**to reduce leakage and waste**and partially recover the condensates. We have also bought new fabric steaming plant which thanks to a new technology allows us to use less steam per unit of fabric treated. Finally, to ensure the constant monitoring of Mantero's environmental impacts, a sophisticated measuring system has been introduced in order to record the consumption of gas, energy and steam connected with the manufacturing areas. Through this system, in addition to constantly monitoring our direct impacts, we have established accurate detection systems to monitor and possibly determine efficiency and mitigation actions.

Part of our climate commitment consists of the use of renewable energy sources. In 2020, our **photovoltaic system** was expanded by 415 kWp – corresponding to 1,039 new panels installed on the company's roofs. It currently has a power output of 1,204.31 kW and has so far saved 988 tonnes

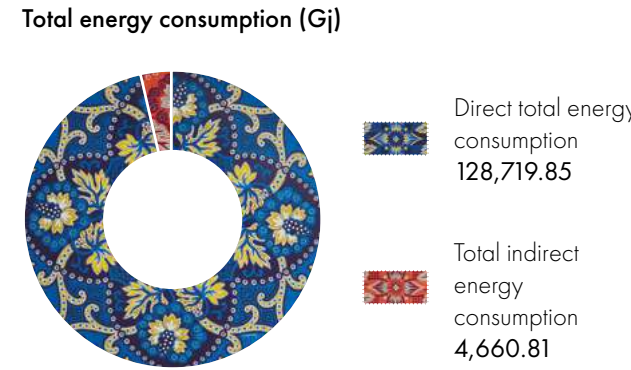
of CO₂ (the equivalent of 3,975 trees). Not only that: in line with the path taken by the Company to promote the adoption of technologies with low energy consumption and environmental impact, as well as the rationale of encouraging the application of circular economy processes, the installation of a heating and cooling power plant with a water-cooled condenser is planned. This plant will use the water used in the production process as an energy source, i.e. industrial water drawn off for technological purposes, which will enable the autonomous production of thermal energy (e.g. air conditioning) for the new staff offices. This process therefore excludes the use of conventional electricity, contributing to our energy transition path.

At the end of 2021, plant revamping was carried out at the Textiles department at the Villaguardia plant, which is expected to provide **energy savings of around 140,000 kW** (estimated over 10 months). In addition, we installed an LED lighting system within the company that has resulted in savings in electricity consumption of around 65% from the day it was commissioned. Mantero has also invested in the fleet of electric vehicles and installed eleven double charging points available to customers, suppliers and employees.

A summary of the data relating to energy consumption at Mantero during the reporting period, compared with energy consumption for the previous financial year, follows.

Direct energy consumption within the organisation, broken down by source (Gj)	2022	2021
Total direct consumption	128,719.85	108,033.96
Consumption from non-renewable sources	126,069.96	105,087.19
Natural gas (e.g. fuel burned for heating)	126,069.96	105,087.19
including natural gas for cogeneration plant	16,719.25	–
Consumption from renewable sources	2,649.89	2,946.78
Self-generated solar energy	3,791.95	3,409.94
including the amount self-consumed	2,649.89	2,946.78
including the amount contributed to the network	1,142.06	463.16
Energy produced by cogenerator	7,015.28	2,317.35
including the amount self-consumed	7,015.28	2,317.35

Indirect energy consumption within the organisation, broken down by source (Gj)	2022	2021
Total indirect consumption	4,660.81	9,075.13
Electricity purchased from non-renewable sources	4,660.81	9,075.13



Mantero’s **total energy consumption** for 2022 is 133,380.66 Gj, equivalent to about 37 million kWh. With regard to our **direct energy consumption** – which accounts for 97% of total consumption, this relates to the use of natural gas, mainly for heating offices and premises, but also for powering the cogeneration plant. 13% of total natural gas consumption is, in fact, used for the cogeneration plant that in 2022 enabled us to produce **more than 7,000 Gj of electricity** (equivalent to just under 2 million kWh). All of the electricity produced by the cogeneration plant was consumed within the company.

Mantero’s growing commitment to seeking to be independent of energy sources means that it is increasingly autonomous in terms of electricity. The **autonomous production of electricity**, deriving from photovoltaic panels and the cogeneration plant, has almost doubled, to all intents and purposes, increasing by 89% from 2021 to 2022, reflecting the sharp decrease in our **indirect energy consumption** : in 2022, our electricity purchases substantially halved, down 49% compared with the previous year. It should also be stressed that our **renewable energy production** from photovoltaic panels increased by 11% compared with the previous year.

Scope 1 emissions (tCO₂e)



Scope 1 and Scope 2 emissions are clearly linked to the performance and characteristics of the direct and indirect energy consumption mentioned above. As already described for indirect energy consumption, **the reduction in indirect Scope 2 emissions** by the company (-48.9%) was due to the reduction in the purchase of electricity from third parties. This decrease concerns both Scope 2 Market-based and Location-based emissions, due to the lack of certified renewable energy in the electricity purchased. This also explains why Scope 2

Scope 2 (Location-based) emissions (tCO₂e)



emissions calculated using the *Market-based* method are higher than *Location-based* emissions.
The approximately 20% increase in **direct emissions (Scope 1)** is due to the increase in consumption of natural gas generated in part by the introduction in 2021 of the cogeneration plant which uses this fuel, but above all to the fact of exiting the pandemic period, and hence to the increase in turnover and production.

Direct and indirect emissions ⁷ (tCO ₂ e)	2022	2021
Total direct emissions (Scope 1)	6,441.02	5,348.58
Natural gas	6,441.02	5,348.58
<i>including natural gas for cogeneration plant</i>	<i>854.2</i>	<i>–</i>
Total indirect emissions (Scope 2) – Market-based	591.11	1,156.00
Total indirect emissions (Scope 2) – Location-based	337.26	656.69

7 - The conversion factors indicated by the UK government’s Department of Environment, Food and Rural Affairs (DEFRA) in 2022 were used to calculate direct emissions (Scope 1).
The emission factors published by Ispra “the efficiency and decarbonisation Indicators of the Italian energy system and the power sector” in 2022 were used to calculate indirect electrical emissions (Scope 2) according to the location-based method, while the emission factors published by the Association of Issuing Bodies (AIB) “European Residual Mixes” 2020 for 2021 data, and “European Residual Mixes” 2021 for 2022 reporting year data were used according to the market-based method.



Responsible disposal

With a view to protecting the environment and reducing pollution of the soil, water and air, at Mantero we are committed to the responsible disposal of waste produced within the company. Responsible production and consumption are part of the SDGs that we have selected as goals to contribute towards sustainable development.

Mantero manages its waste disposal in accordance with applicable regulations and internally reports waste produced

according to the traditional classification of C.E.R. codes. The head of R.S.P.P. (*Health & Safety Officer*) is responsible for the supervision of waste, and is also responsible for relations with intermediaries as defined in the Environmental Code of Legislative Decree No. 152/06. Data collection is recorded in waste registers and forms, as well as through the annual “MUD” – Single Environmental Declaration Form.

Waste (Kg)	2022			2021		
	Generated	Recovered	Disposed of	Generated	Recovered	Disposed of
Total hazardous waste	4,873	2,048	2,825	7,881	3,725	4,156
Total non-hazardous waste	305,378	180,638	124,740	272,645	165,525	107,120
Total waste	310,251	182,686	127,565	280,526	169,250	111,276

Waste breakdown for 2022



During the 2022 financial year, the waste produced increased by 11% compared with the previous year, an increase that should be seen in the context of the increased trend in production since the end of the pandemic period. Most of the waste generated by Matero Seta – mainly non-hazardous (98%) – is derived from the delivery of raw materials in boxes

Waste management in 2022



and cardboard and mixed packaging, respectively 34% and 37% of the total waste generated. The third most significant category is iron or stainless steel scrap, approximately 12% of the total waste generated, which is due to the scrapping of shelving, print screens, machinery that has been discontinued and other various equipment from the company’s operations.

Our company is committed to conscious and responsible waste management, working with reliable partners for the collection and disposal of materials and equipment. In 2022, around **60%** of the waste we produced was destined for **recovery**, and almost all (58.8%) were sent for recycling processes. The company’s objective is to raise awareness of waste issues among our employees and to raise awareness of the actions that each of us can take to have a positive impact on the environment, for example through the sorting of waste and the sorting of fabrics at production sites and offices.

75% of waste destined for disposal – approximately 40% of the total waste generated – is disposed of with **material or energy being recovered** and only approximately 16% is destined for landfill.

Waste recovered (Kg)	2022	2021
Hazardous waste		
Recycling	1,652	3,725
Other recovery operations	396	–
Non-hazardous waste		
Recycling	180,638	165,525
Total waste recovered	182,686	169,250

Waste disposed (Kg)	2022	2021
Hazardous waste		
Incineration without energy recovery	2,225	3,776
Landfill	600	380
Non-hazardous waste		
Incineration with energy recovery	96,195	51,534
Landfill	19,485	55,586
Other disposal operations	9,060	–
Total waste disposed of	127,565	111,276

The **100% of waste from textile fibres** typically linked to our sector are **recycled** and are therefore processed to create new fabrics. Mantero uses the service of Green Line, a company that collects, selects, presses and stores textile waste and then, depending on the type of material, sends it to recovery plants which can process the raw material. This process demonstrates Mantero’s commitment to limiting its impact on the environment, by seeking to ensure that fabric offcuts and waste – where not recoverable internally through our Resilk project – are resubmitted as raw material depending on the type and composition. Finally, all recovery and disposal processes are carried out in external locations.





Water resources

The textile sector is one of the industries most involved in water consumption, especially as regards the activities underpinning the supply chain. Aware of the impact that the industry to which we belong generates on the water footprint at a global level, we at Mantero particularly care about this resource, which was ranked second among the material topics identified by our Materiality Assessment.

One of the tools that Mantero has put in place to mitigate, albeit indirectly, the problem of water resources, is intervention in the supply chain through its participation in the BCI (Better Cotton Initiative) programme. It is well known that cotton production is among the activities mainly responsible for the considerable water impact caused by the textile industry. Participation in the world's leading cotton sustainability programme is a way for us to **help mitigate impacts along the supply chain**, especially in production areas already affected by water stress where poor water supply has a vital impact on the living conditions of workers and local communities.

With regard to our company's own operating processes, water is used for printing, steaming and, above all, fabric washing, as well as for the operation of steam generators. The water used for these operations is taken from the Industrial Aqueduct (the source of which is Lake Como) and then channelled directly to production, or softened to comply with the specific requirements of the certain plants. Some of the water drawn off by the company is destined for steam production through the cogenerator installed at our Grandate site, which is then **transformed into thermal energy**. This recently installed system makes it possible to reduce, on the one hand, the need to purchase electricity and, on the other hand, to limit the need for steam and produce hot water to be used partly for washing and partly for the generators themselves, reincorporating both the energy and water resources.



Aware of the significant water consumption required for the washing processes, Mantero also completed an **efficiency project** for the machinery concerned. In June we conducted a survey to examine the efficiency of our two large-scale washing systems. As two lines were obsolete, it was necessary to bring in certain installations to enable the monitoring of consumption trends. Once the evaluation phase was completed, it was possible to improve the efficiency of both washing systems, which started operating in mid-2022.

During the design phase, our primary objective and reason for the work carried out was to save on water resources; the second, achievable objective was to save energy on both lines. The second washing line, which works at high temperatures (between 70°C and 90°C) and consequently is responsible for higher consumption, was particularly targeted for energy efficiency through the installation of a **heat exchanger**. This allows us to recover a large part of the heat generated by the process, which was previously automatically lost upon discharge. However, the main part of the work involved the interception of all washing supply lines and the subsequent installation of valves that control the water inflow for each tank in the system. This system allows us to regulate the feed to machines in order to save on the use of water resources,

unlike the situation prior to the work when, with the machine on, the flow of water was uncontrolled and continuous. The implementation of this efficiency project has already produced excellent results: just five months after the work on the plant, there was a reduction in water consumption of around **60%**, as well as a consequent reduction in the chemical products necessary for the process.

Below are details of our water withdrawals, discharge and consumption. All the water withdrawn is freshwater⁸. To date, there have been no water withdrawals and discharge from areas suffering water stress⁹.

Water withdrawals, discharge and consumption in Ml	2022	2021
Total water withdrawals	502	472
Total water discharge	478	455
Total water consumption	24	18

Mantero also participated in the **Clean by Design** initiative with the Grandate plant, in partnership with Legambiente and Apparel Impact Institute. The programme is intended as a supply chain intervention to reduce the environmental impacts of textile production, with particular reference to water and energy consumption. It provides **advice, training and assistance** to wet processing plants in the textile industry, so as to inform and raise awareness among companies about the water impacts generated by our sector. Thanks to Clean by Design, our company undertook to develop an action plan that has enabled us to implement certain improvement projects, such as:

- The installation of **water consumption detectors** for water used during the industrial processes, applied to all of the Grandate premises, which ensure constant monitoring of the resource and enable any efficiency strategies to be adopted;
- The purchase of a **new washing system** with a view to improving efficiency and reducing consumption, which will be installed in August 2023.

Participation in this initiative therefore represented an important opportunity for Mantero to **identify opportunities** and implement **efficiency measures** to protect water resources.



8 - ≤ 1,000 mg/l of total dissolved solids.
9 - The reference for assessing areas subject to water stress is the World Resources Institute (WRI) 'Aqueduct Water Risk Atlas'.



Animal welfare and biodiversity

At Mantero, we are aware of the impacts that the textile industry can have on animal welfare and health, because they provide some of the most widely used raw materials in our industry. For this reason, we strive for the principles of **respect, protection and traceability** to be adopted at all levels of the supply chain, in order to guarantee the sustainability and quality of the product.

First of all, we want detailed information about the origin of the raw materials we use, which is why we ask our suppliers to share the information they have about the scientific name, type and method of breeding the animal of origin.

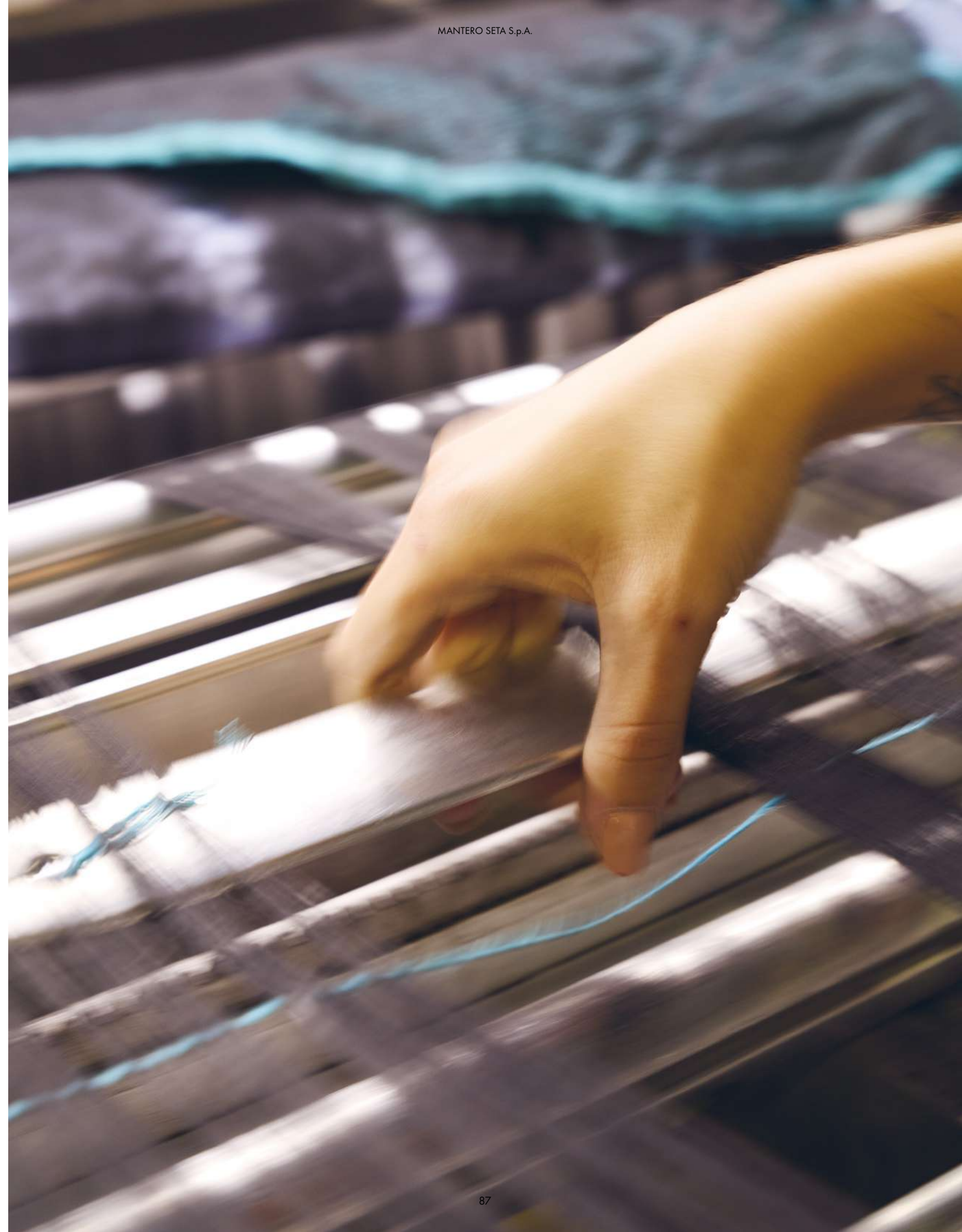
Suppliers are further required to certify the adoption of **animal welfare** rules. For raw materials and finished products from sheep species, a **mulesing-free** declaration is specifically required, which ensures that animals do not undergo invasive surgical procedures, frequently carried out without anaesthetic, which often lead to pain and infections for the animal.

With regard to the leather category, however, Mantero requires suppliers to comply with **CITES**. CITES (Convention on International Trade in Endangered Species) is applied in Italy through Law No. 874 of 19/12/1975 and regulates the marketing of live species of plants and animals. It is a legislative framework that plays a fundamental role **for the protection and welfare of plants and animals**, as capture and commercial exploitation are, together with the destruction of the natural environments in which they live, the main causes of extinction or natural rarefaction of many species. In the textile industry, compliance with the CITES principles is therefore crucial to **mitigate biodiversity loss** and limit the small contribution to this made by our industry.

CONSCIOUS AND SUSTAINABLE PRODUCTION



SUSTAINABLE INNOVATION AND CIRCULAR ECONOMY: THE RESILK® PROJECT –
PRODUCT QUALITY AND CONSUMER SAFETY – OUR RAW MATERIALS AND TRACEABILITY



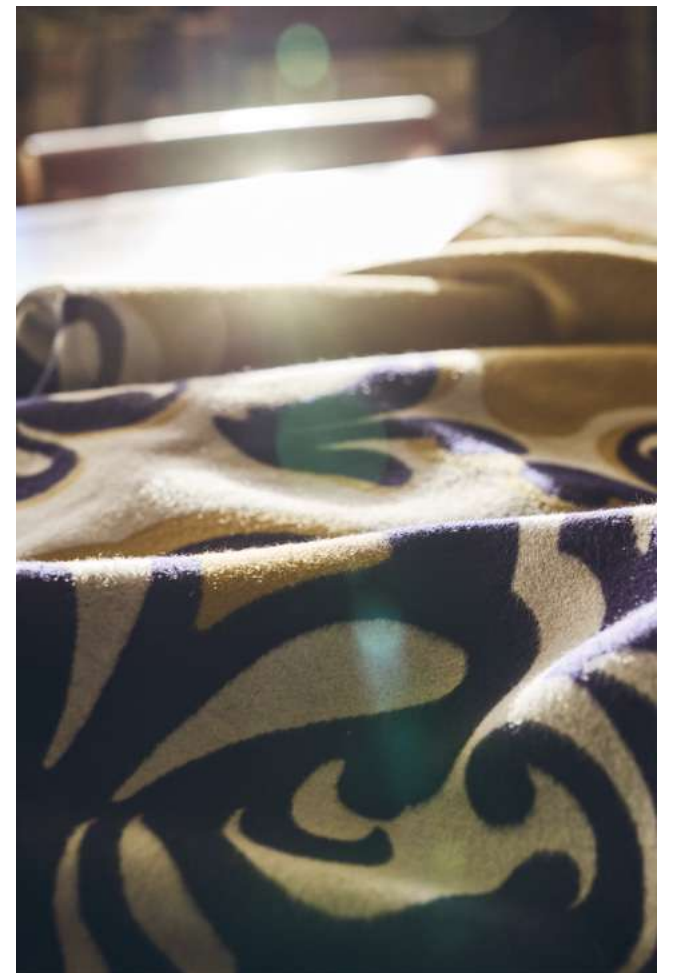
Sustainable innovation and the circular economy: the Resilk® project

Part of the contribution Mantero makes to the implementation of sustainable, corporate and collective development is reflected in the investments incessantly made by the company to adopt innovative and sustainable solutions. Starting in 2015, Mantero began to include circular economy projects among its sustainable development goals and identified silk as the fundamental substrate from which to start, this being the fibre of its core business and soul. The basic idea is to recover all test fabrics, excess production or surplus and those with even minimal defects that threaten the quality of the product. The recovery of these materials, otherwise destined for waste, has been achieved through a circular economy project of which we are proud.

After a four year study, in 2019 we created and presented to our customers **Resilk®**, a 100% silk yarn obtained by recovering manufacturing scrap material, non-conforming fabrics and production surpluses. This has allowed us to inject new value into materials that are traditionally excluded from the production cycle and are, in most cases, destined to be destroyed. The yarn is a high-performance product of aesthetic quality, conforming to the most demanding requirements of our customers. The resulting fabrics therefore combine two of the pillars of our business philosophy: quality excellence and sustainable innovation.

Resilk® is not only an extraordinary fabric and much more than a new yarn: it is a completely traceable Made in Italy process, designed to regenerate the silk thread and create innovative and unique fabrics with unexpected softness and warmth, while fully respecting sustainable ethics. This product has **GRS (Global Recycle Standard)** certification, and is an excellent example of how the circular economy can also be applied to the luxury textile industry, without compromising the fineness of the product. The creation of Resilk® - in partnership with Ecotec® by Marchi & Fildi - involves numerous and very delicate steps: the selection of the raw material from pure silk fabrics, the new spinning, the dyeing of the yarn, the weaving with different weights and weaves and, finally, the decoration that helps to giving a new look to the fabric which will then be transformed into a garment or an accessory. Moreover, this particular yarn is extremely versatile and can be woven in multiple ways with very different looks, weights and finishes: from an extra-fine cashmere gauze effect

to heavier weights made warmer by teaseling. It can be dyed yarn or piece dyed, screen printed or digitally printed and it can even be used for knitwear and also combined and woven together with other yarns: from silk to linen and recycled polyester. The very many developments reflect the needs of the final product.



Confirming our strong commitment to the quality of our products we have the **Mantero Archive**, now considered one of the richest and most extraordinary textile archives in the world: more than 10,000 volumes, 70,000 scarves by the most prestigious fashion houses, thousands of handmade drawings archived by theme, test cards, fabric prints, block colour fabrics and jacquards. An inestimable value developed with Mantero's production and the acquisition of French, English, German and American textile archives. With the specific view that the archive is the beating heart and source of inspiration for new creativity, the company constantly expands and adds to the structure that houses all the Archive materials, so that it can receive new collections, materials, drawings and ideas.



Product quality and consumer safety

It is of crucial importance for Mantero that the finished product meets high **quality and safety standards**.

Our customers can count on fine products and excellent craftsmanship, a product of our creative spirit and our attitude towards excellence. Mantero is in fact one of the brands that contributes to the international celebration of Made in Italy, a certificate worn with pride by each of our products, as well as the traditional excellence of the Italian textile industry. Our ongoing commitment to quality is also demonstrated by our interest in innovative solutions that allow us to both meet customer expectations and keep up with contemporary market trends.

Mantero is proud to be at the forefront of textile technology, which is a fundamental feature of the quality of our products. In 2021, two new latest generation **ink-jet** printers were installed in the digital printing department; these feature a double row of printing heads, which allow us to process the fabric in a particular way: the initial design (or variant) is printed on the back and then in a second step another design (or variant) is printed on the front, ensuring that the designs are perfectly centred on the two different sides of the fabric. With the introduction of this new technology, Mantero has become one of the very few printing shops to offer the “reverse” digital printing technique, which affords more versatility in the printing process by encouraging the creation of eclectic collections and unique pieces. Highly innovative and with attractive solutions, especially with regard to accessories, the new printers are already working on the dossiers of important customers.

In January 2022, another centralised printing technology was introduced, in the form of our **Atexco** printer. This technological innovation allows us to design and produce a jacquard fabric, in which the interweaving of weft and warp threads creates a design, which is then printed by ink-jet. The printing technique used reads the weaving design and prints the colourful patterns in the necessary places with very high accuracy, creating a perfect harmony between the jacquard base and the printed design. These new technologies require a lot of technical expertise, both for textiles and colour management, but at the same time make it possible



to differentiate from the competition by innovating the product with the introduction of previously absent creative properties.

The continuous innovative and creative research that we conduct to create quality products has led us to create an *ad-hoc* department – including the transfer of machinery, samples and skills to our site – dedicated to the **Flock printing** project, a technique characterised by a spirit of craftsmanship that works well with the industrial and digital techniques already found at Mantero. The technique consists in the application of powders of various kinds derived from the fragmentation of fibres into tiny particles, mainly nylon and polyester. The “falling” of the powders is “controlled” by a flocking trolley placed in line on the trolley of the traditional print machine after the latter has printed adhesive onto the design. The suction of excess material, subsequent brushing and final polymerisation give the fabric a three-dimensional material surface, controlled by the print design. The Flock printing process is in addition to other products with the same technique of fibres “falling” onto the fabric, for example by applying glitter for luminescent effects, or beads for a textured effect. Our spirit of differentiating our product to make them more and more unique, our creativity and passion for craftsmanship lead us to conceive and create more complex and artisanal products, combining and mixing silk-screen and/or digital printing techniques with this process, thus obtaining widely bespoke and unique products. In order to nurture and keep the technical know-how about the fabric printing process alive, we have dedicated internal resources entirely to this new project, thereby transferring the experience and expertise of this technique.

In the company, product quality is also attained through the new **PLM - Product Lifecycle Management** software which was specially customised for Mantero. The software is based on shared access to a single common source of data, information and processes available to all departments involved in the design and manufacture of garments and fabrics. This creates an immediate information and communication

network, which aims to facilitate the production process, from the design phase to the packaging of the finished product. With the test phase now completed, more than one hundred employees are currently using it to manage the design records, starting from the creation of the project for the customer up to the relevant information essential for the industrialisation of the product. Completion of the PLM system will take place over the next year, allowing us to manage all product information – technical and cost – in a structured way.

The quality of our products and customer satisfaction can also be seen in Mantero's commitment to ESG issues that have a direct impact on the finished product, seen as crucial by our more careful and aware customers. Mantero participates in a number of initiatives in the pursuit of this commitment, including:

- GOTS (Global Organic Textile Standard) certification, which guarantees the **sustainable provenance** of clothing and textile products made from natural fibres from organic farming.
- The **CHEM 4sustainability®** protocol, which also constitutes an example of **product safety and end consumer protection**, as the main objective is to reduce damage to both the environment and people caused by harmful substances.
- RCS (Recycled Claim Standard) certification also ensures the **traceability of materials** along the production chain to ensure recycled components are effectively identified and not confused or replaced with other materials.
- Mantero's participation in BCI (Better Cotton Initiative), the most important international initiative dedicated to **cotton sustainability**.
- The application of the SA8000 standard for respect for human rights and the ISO 14001 and 45001 standards, which ensure the optimal management of environmental and health and safety aspects.



Our raw materials and traceability

Ensuring the excellence of our products is a Mantero characteristic. The careful selection of raw materials and the possibility of tracing their origin are key ingredients to maintaining our quality standards and meeting the high expectations of our customers.

Mantero is GOTS certified for all silk and cotton products and RCS certified for recycled polyester products. This certification guarantees **traceability throughout the production chain**, from the raw material – whether fabric or yarn – to the finished product.

Our labels currently meet the requirements of various export markets and the specific requirements of our customers and, to date, there have been no cases of non-compliance with regulations and voluntary codes regarding product labelling and service information.

The composition of our materials can be found in the tables below. Among non-renewable raw materials, in 2022 3% of fabrics and 22% of yarns **comes from recycled materials**, and these percentages are up from the previous year. The percentage of 100% renewable yarns from recycling is also up, from 4% in 2021 to 11% in 2022. It is of note that the vast

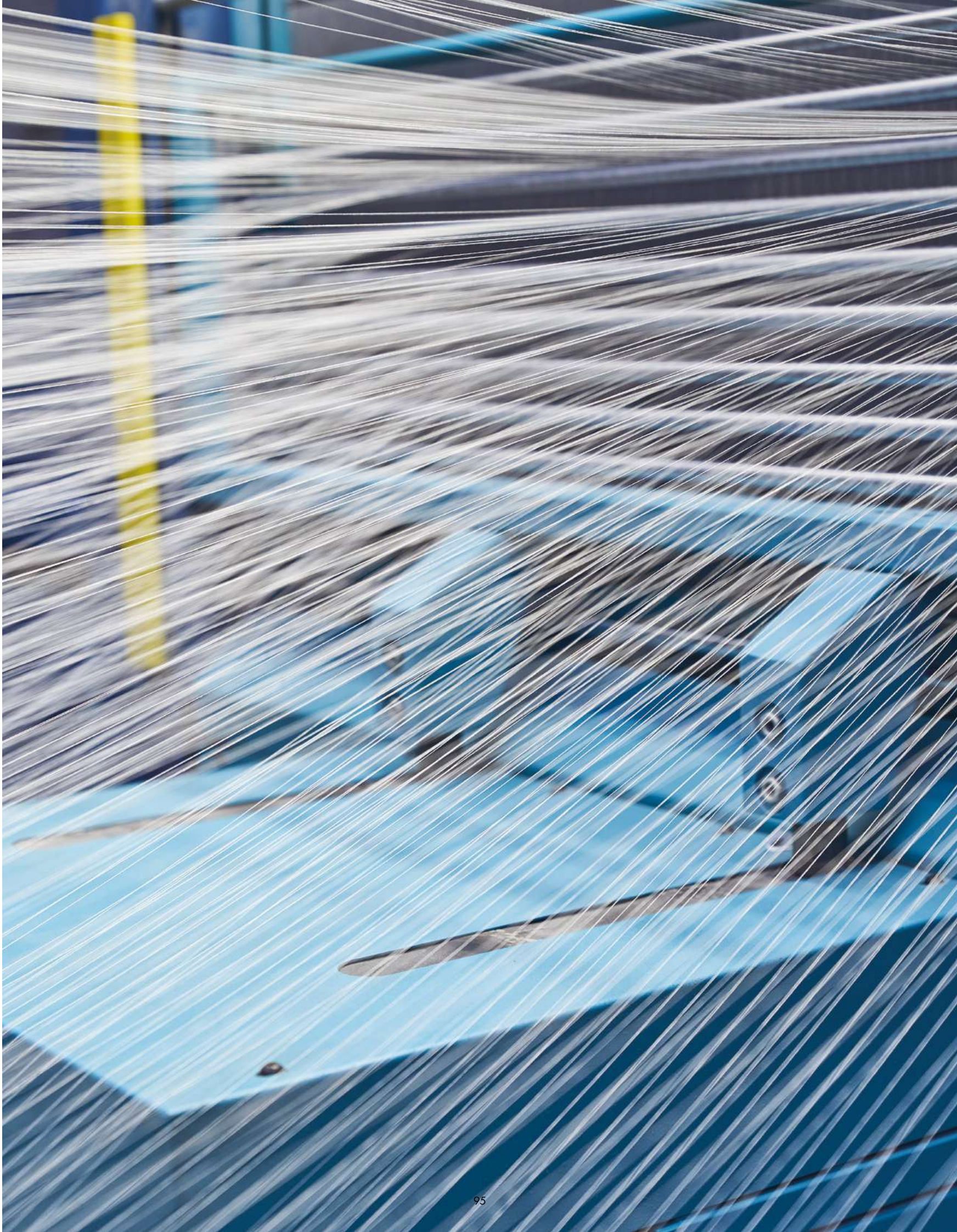
majority of our raw materials, whether fabrics or yarn, are **100% renewable**. Considering all raw materials used in fabrics and yarns, respectively only about 5.5% and 5% of them are 100% non-renewable.

We can therefore say that **86% of the fabrics and 95% of the yarns** we used in 2022 **are renewable** (considering 100% renewable fabrics and yarns and mixed fabrics and yarns with ≥ 50% renewable fibres).

In addition to raw materials, chemicals and dyes also constitute key elements in the various stages of producing our finished products. These process substances are managed according to safety standards, in order to protect both people and the environment.

Among the materials used by Mantero in its activities are packaging, mostly paper and cardboard, as well as plastic packaging. To support our commitment to reduce the environmental impact of our activities, we limit the use of plastic packaging and favour responsible packaging and certificates as much as possible: we use FSC-certified cardboard and use a regenerated and recyclable LDPE film for all cardboard packaging.

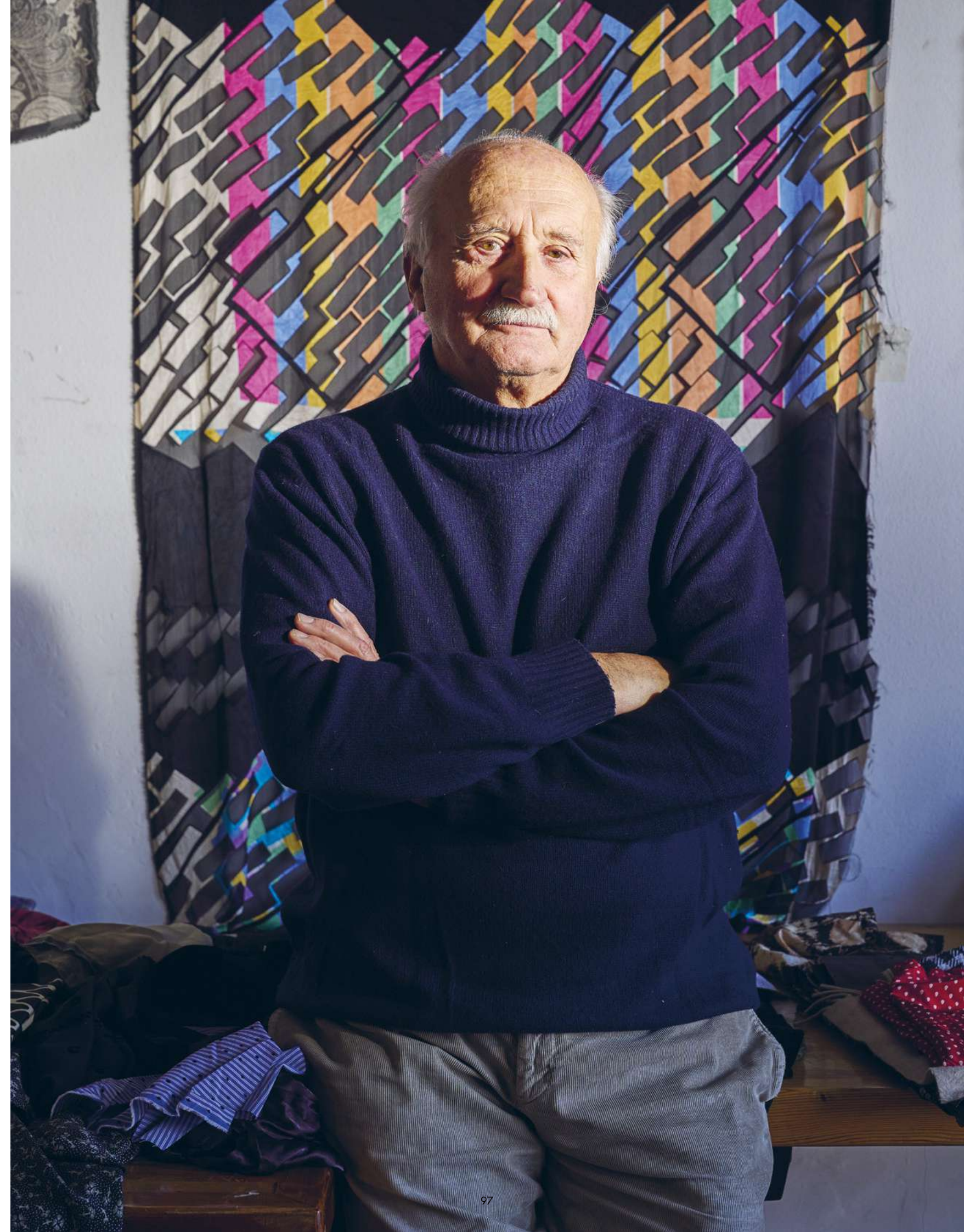
Input materials	U.m.	2022			2021		
		Total	including recycling	% recycling	Total	including recycling	% recycling
Total <u>non-renewable</u> materials used							
Raw materials							
100% non-renewable fabrics	mt	124,282	3,934	3%	77,612	674	1%
100% non-renewable yarns	kg	9,388	2,069	22%	9,712	1,504	16%
Total <u>renewable</u> materials used							
Raw materials							
100% renewable fabrics	mt	1,337,297	1176	0.1%	1,243,227	2,144	0.1%
Mixed fabrics with ≥ 50% renewable fibres	mt	593,320			497,824		
Mixed fabrics with < 50% renewable fibres	mt	184,169			174,277		
100% renewable yarns	kg	141,460	15,114	11%	136,360	5,749	4%
Mixed yarns with ≥ 50% renewable fibres	kg	30,448			98,477		
Mixed yarns with < 50% renewable fibres	kg	491			–		
Total fabrics used	mt	2,239,068	5,110	0.2%	1,992,940	2,818	0.1%
Total yarns used	kg	181,787	17,183	9.5%	244,549	7,253	3.0%



OUR GROWTH AND GROWTH OF OUR PARTNERS



OUR SUPPLY CHAIN – RESPONSIBLE SUPPLY CHAIN MANAGEMENT –
DISSEMINATING SUSTAINABLE PRACTICES



Our supply chain

At Mantero, our supply chain and supplier relationship play a critical role in ensuring the quality which differentiates the brand but also the company’s ethical, social and environmental performance.

Mantero’s supply chain comprises **980 suppliers, mainly Italian (86%)** and with the remaining percentage distributed between EMEA, USA and Asia, highlighting the Italian nature of the business throughout the supply chain. Suppliers¹⁰ are broken down into different types that can be grouped into the following macro-categories: “raw materials”, i.e. suppliers of

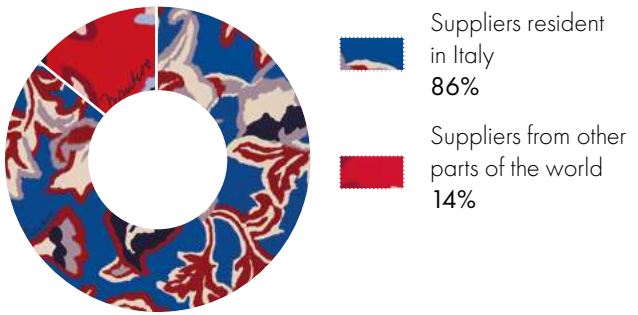
raw fabrics, semi-finished products and yarns, “production” with reference to suppliers of processing, as well as third parties that provide us with dyeing, printing and finishing services, but also finished garments (clothing accessory manufacturing workshops, typically for scarves, stoles, ties) and finished products, and an “other” category including service providers, information systems, transport and other.

Suppliers not resident in Italy are mostly found in China for raw fabrics – mainly silk – and in other European countries for finished fabrics and garments.

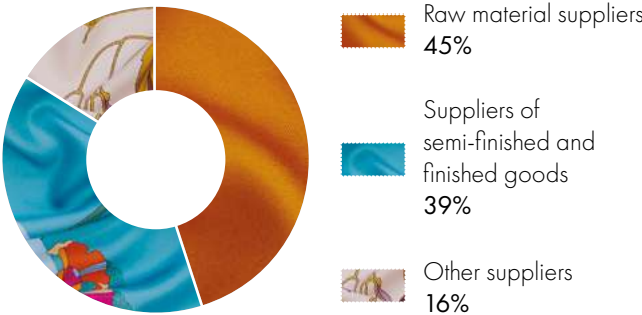
Spending with local suppliers (€ million)	2022	2021
Purchases from suppliers resident in Italy	27,792,070	26,308,478
Purchases from suppliers from other parts of the world	9,092,010	4,569,175
Total purchases	36,884,080	30,877,653
Spend with local suppliers (%)	75%	85%

Number of local suppliers (n.)	2022	2021
Suppliers resident in Italy	845	791
Suppliers from other parts of the world	135	115
Total suppliers	980	906
Percentage of local suppliers (%)	86%	87%

Distribution of suppliers by origin (no.)



Distribution of suppliers by type (€)



10 - The type was considered only for significant suppliers of Mantero

Responsible supply chain management

Responsible sourcing is a key aspect of meeting Mantero’s quality standards and delivering on our Social Responsibility commitment. We have obtained **SA8000** certification, which identifies the international standard for certifying certain aspects of corporate management relating to corporate social responsibility, such as:

- respect for human rights;
- respect for workers’ rights;
- protection against child exploitation;
- guarantees of safety and health in the workplace.

Mantero does not use child labour and the staff currently employed are at least 18 years old. We provide our employees with free work clothing and safety equipment where required for their duties, as otherwise established by the National Collective Labour Agreement. We **insure all our workers against accidents** with the *Istituto Nazionale Assicurazione Infortuni Lavoratori*. All employees are also subject to health monitoring procedures that provide for periodic preventive assessments carried out by the Competent Physician, in order to ensure the necessary prevention for the occurrence of any occupational diseases.

In order to verify compliance with the SA8000 standard by our suppliers, subcontractors and sub-suppliers, we take the necessary action(**due diligence**) to periodically monitor

the performance of all employees. In this regard, a procedure has been defined that, on the basis of an assessment of significant risks of non-compliance, involves **performance monitoring and control activities** to ensure that the standard is met throughout the supply chain. Mantero has also set up an awareness-raising system aimed at suppliers, asking them to comply with the rules and principles contained in the SA8000 standard, which, as far as possible, is extended to their own chain of suppliers. Depending on the type of products and services offered, higher levels of criticality have been defined for circumstances where the risk of non-compliance with SA8000 is higher. In this case, in addition to written confirmation of compliance with the SA8000 principles and the completion of a specific questionnaire, **afield audit** is also envisaged and, if necessary, the adoption of specific agreed actions to contain/eliminate any resulting non-conformity.

Finally, our suppliers are invited to sign up to our Integrated Policy, which sets out our commitment to social and environmental responsibility, as well as our **letter of commitment**, which informs suppliers of the standards adopted by the company and requests their collaboration in accordance with the company’s CSR and environmental protection principles. The signature on these documents is renewed by suppliers every three years.



Disseminating sustainable practices

With the aim of extending the adoption of the SA8000 standard to contractors who have entered into contracts and/or signed supply contracts with us, we have prepared **procedures for assessing suppliers and sub-suppliers** on the basis of their compliance with ethical and social responsibility requirements. The tool Mantero uses is a **Self-Assessment** procedure, which is carried out at the start of each new supplier relationship and every three years for suppliers that have already established a collaboration relationship. As part of the Self-Assessment procedure, suppliers must indicate:

- the minimum age of their employees;
- whether employees receive adequate Health & Safety training
- whether the company makes the necessary PPE available to them;
- the number of accidents in the last three years;
- how overtime is managed;
- whether there are trade union representatives;
- whether suppliers in turn apply monitoring procedures in their own supply chain.

Mantero also evaluates its suppliers based on their environmental performance. The issue of **animal welfare** is of particular interest here. All our suppliers of raw materials and finished products of animal origin (typically sheep and goats) are required to certify the adoption of the rules governing animal welfare, with particular reference to the **mulesing-free** declaration. Our suppliers of raw material of ovine or caprine origin are also required to specify the animal's scientific name, type and method of rearing. These requests are set out in the contract that suppliers are required to sign at the beginning of their collaboration with Mantero, as well as in each individual purchase order. Furthermore, when we purchase leather, our suppliers are always required to have prove **CITES compliance** – the Washington Convention on Species Protection.

As part of the application of MRLS ZDHC (Zero Discharge of Hazardous Chemicals), we adhere to the **CHEM 4sustainability®** protocol for the elimination of toxic and harmful substances. Our suppliers are similarly invited to apply the principles that drive the ZDHC programme, to ensure that the entire supply chain is committed to eliminating the use of chemicals which are hazardous to the environment and to the health of workers and consumers.

In recent years, a procedure has also been established to **mitigate the risk associated with the supply of cotton** from countries where there are no guarantees regarding the protection of human rights, children's rights and animal welfare, which prohibits the purchase of cotton from suppliers resident in the areas concerned. Since 2021 we have been a member of the **Better Cotton Initiative (BCI)**, the world's

leading cotton sustainability programme, which aims to combat the negative (social and environmental) impacts associated with cotton growing and processing.

Mantero evaluates **all suppliers** that provide goods or services that are directly related to the product, such as raw material suppliers, manufacturers and processing services, but for now suppliers that perform activities not closely related to business operations (such as maintenance service suppliers) are thus excluded from the evaluation. As part of Mantero's periodic supplier evaluation programme, in 2022 **92 suppliers** (36% of Mantero's total suppliers) of raw materials and processing were evaluated, thereby ensuring 100% coverage of the supplier register previously listed. These correspond to suppliers who have signed our Integrated Policy and letter of Commitment, which is renewed every three years. We also conducted a more specific assessment of human rights risks and concluded that none of our suppliers were at high risk.



CARING ABOUT OUR CUSTOMERS AND OUR COMMUNITY



A FOCUS ON CUSTOMER RELATIONSHIPS – OUR CONTRIBUTION
TO SOCIAL DEVELOPMENT



Focus on customer relationships

Our relationship with our customers is a prerequisite to our success. Professionalism, competence, availability, fairness and respect for commitments have always been the guiding principles and style of behaviour to follow when dealing with customers.

To protect the company's image, as well as to build strong and lasting relationships with our customers, it is essential that relationships are formed on the basis of principles such as full transparency and fairness, as well as natural compliance with the law.

Our contractual relationships and arrangements with our customers comply with current regulations and are always consistent with the company's commercial policies and the parameters set by them. In addition, at Mantero we pay close attention to **respect for specifications**, which define the methods, rules of implementation, costs and completion times of projects. The diligence we apply to ensure that we meet our commitments is of fundamental importance to customer satisfaction and plays a key role in building strong and lasting relationships. For Mantero, the creation of relationships based on the observance of customer requirements is therefore a priority asset which brings benefits both to our Company and, above all, to the companies with which we work.

Mantero undertakes to ensure that messages and communications with customers (including advertising messages) are **clear and simple**, formulated in language that is as appropriate as possible to that of its interlocutors, so as to ensure effective communication. We believe it is essential that the choice of contact channels and the transmission of content are on each occasion specifically matched to the purposes and recipients of the communications, also avoiding the use of misleading or untruthful advertising tools. At Mantero we also care about the **transparency and completeness of**

information, not wishing to neglect any element that could be important to the customer's opinion and in order to establish a relationship of mutual trust.

Although the vast majority of Mantero's customers are part of the B2B supply chain, a small portion of the products we produce is intended for end consumers. The B2C portion of our customers, although of secondary importance in the corporate business, is nevertheless carefully developed through the creation of an *ad hoc* brand, **Mantero 1902**, which embodies the same principles of transparency and fairness. Communication with end consumers is mainly through our **website** where, in addition to being able to purchase online garments and accessories, including in a dedicated off-price section, customers can find a great amount of information about the company and its values. The site has several sections to explore the world of Mantero, from the history of the company, characterised by tradition and excellence, to the manufacture of the product, where customers can gain valuable insights on our production processes and the innovations we have introduced.

Ample space is reserved within the website for our ESG engagement as reflected in the **Mantero Respect** programme with specific sections dedicated to our Environment and People initiatives. Given the increasing global interest consumers have in ESG issues, the opportunity to communicate via our website how we are addressing such issues as well as the importance they hold for us plays an important role in meeting customer expectations. In compliance with the SA8000 Corporate Social Responsibility standard, persons accessing the site can also find business contacts and certification bodies in this section in order to make suggestions, warnings and/or complaints regarding the information reported.



Our contribution to social development

People have always played a key role in Mantero's business. For this reason, we wish to maintain strong and prolific ties with our community through the implementation of initiatives and projects that generate shared value both for the community and for the company. We pay particular attention to the weakest and most vulnerable categories, as we believe that our support can benefit not only them, but also the Mantero company, nurturing our love for people and our corporate culture. As stated in our Code of Ethics, Mantero can make contributions limited to non-profit entities and associations with proper articles of association and deeds of incorporation that are of high cultural, social and charitable value. In addition, any sponsorship activities relating to social, environmental, sport, entertainment and art themes are exclusively intended for events and/or initiatives that offer quality assurance.

In 2018, we worked with an association of the **United Nations High Commissioner for Refugees (UNHCR)**. During this partnership, we welcomed a **group of refugees** into our company to offer them the opportunity of creating a better life based on education and professional growth, and we are thrilled to have them in our company since we appreciate human and professional qualities coming from cultures and with histories other than our own. The collaboration with UNHCR continued in 2019 through the Migrants project, which saw other refugees admitted to Italy join the company.

Mantero worked with the tailoring workshop in San Patrignano to create *upcycling* projects, a creative process that allows by-products or waste materials to be recovered, creating new products with unique characteristics. In addition to the recovery of materials through the application of a circular economy principle, this project allowed us to come into contact with an extremely delicate issue, where we realised that creativity is a great way to bring a smile to the children of the community.

In 2016, a collaboration between Mantero and *Salute allo Specchio* at the San Raffaele Hospital in Milan created *Dee di Vita*, a joint initiative that offers a pathway of psycho-social support for women in cancer care at the San Raffaele Hospital. Specifically, this project involves the creation and sale of silk turbans with a unique design, whose proceeds, from both the online website and select boutiques that espouse the initiative, are donated to the funding of projects that support cancer patients in their road to recovery.

In September 2021, the collaboration with the **Franciacorta Consortium** allowed us to continue the initiatives associated with the *Dee di Vita* project. On this occasion, a new limited edition of our now famous turban, produced with a wonderful harvest and autumn-themed motif from our archive, was launched on the occasion of the opening of the Franciacorta Festival in Cantina. This project was further enhanced by the collaboration with the young model Nabou Thiam, originally from Gardone Val Trompia (part of the territory where our story begins), now a muse for some of the most prestigious fashion brands. Nabou enthusiastically espoused the initiative and was the only protagonist of a photo shoot by Guido Taroni, who immortalised it in a bucolic portrait that was exhibited both at an event at the Senate Hotel during Milan Fashion Week, and in Brescia from 9 to 23 October 2021 (which we remember is the month of prevention), where the portrait was star feature of the Women With Turbans exhibition. Thanks to the collaboration with Esa (Active Health Education), the exhibition was available for free in Corsia del Gambero; the sales of the turban continued throughout the exhibition period and the proceeds were used to donate turbans to cancer patients in Brescia hospitals.

Mantero is also involved in initiatives to engage young people and facilitate their entry into the workplace. Aware of the importance of young talents, we have always invested in their personal and professional growth: in 2019 alone we provided 4,561 hours of training to new generations. Prior to the pandemic outbreak there were plans to place another 30 young people on a training course designed to teach them a specific trade in the textile sector. However, this project was subsequently shelved as a result of the organisational difficulties that the pandemic brought with it. Mantero has developed many **partnerships with universities, institutes and schools** to create a strong and prolific relationship with new generations, as well as to attract new talent and support them at the start of their career. To date, the Company has a **project with NABA**, including a collaboration for the course on *textile design* taught by the University.

Mantero also extends its support to local communities to initiatives aimed at the enhancement of territorial heritage. In October 2021 we took part in the third edition of the **Lake Como Design Festival**, an initiative created and produced by Wonderlake Como. It offers a unique and immersive experience into the historic centre of the city of Como and its lake, a new format that aims to enhance the history and

culture of Como through the creation of a series of events on the region. Alongside the Ridotto del Teatro Sociale, there are prestigious and novel locations in the city centre, where new exhibition paths, screenings and a talk programme have been set up. However, the great novelty of this third edition was the opening to the public of what everyone recognises as a jewel of the city: our **Palazzo Mantero** on Via Volta. Inside, in the first floor rooms and in the garden, the Lake Como Design Festival presented **Reeditions**, a project that furnished the historic residence and staged a series of reeditions of the 1900's vast design landscape, with an exhibition format in line with the theme of the exhibition at the Ridotto del Teatro Sociale. The event offered the opportunity to buy unique, original pieces and was an inspiration for contemporary designers, as well as an opportunity to appreciate the elegant rooms of the Palazzo Mantero, open for the first time to the general public.

Also in 2021, our company was the location for part of the filming of **the footage of a documentary** on the cultural characteristics of the Italian lakes, broadcast on the German public television channel, ArD. It was in a "People and Countries" format that promotes the people, the characteristics and historical activities of the place and the love of the inhabitants for their land. The documentary consists of several episodes, each dedicated to an Italian lake: Lake Como, Lake Maggiore, Lake Garda. In addition to filming at the Giuseppe Ghislanzoni Aero Club and at Moto Guzzi – the historic company in Mandello del Lario that in 2021 celebrated its 100th anniversary, the episode relating to Lake Como could not fail to include a talk on the textile sector and its history of silk

processing: Mantero was chosen as the protagonist to narrate the story of the creativity, experience and trades behind the regional excellence known all over the world. In a detailed video of the various processes undertaken at our company, views of the archive and interviews with associates, the documentary revealed the behind-the-scenes of the fascinating Larian textile world to viewers.

Since 2019, Mantero has also contributed to the production of the **Como Contemporary Festival**, an artistic event that represents above all else a moment of encounter and reunion, where contemporary music is intertwined with the arts, creating a unique marriage between past and present. While keeping the music of today in the foreground, during the event the musical compositions are supplemented by poetry, theatre, sculpture, painting, fibre art and photography, creating an extraordinary meeting of artistic forms and expressions, as well as unique creative personalities. Many guests from past editions, both local and foreign, contributed to the Comasco event: composers, musicians, painters, poets and art critics, as well as internationally renowned artists. The festival did not take place in 2020 due to the pandemic, but resumed with a new edition in 2021, when our company also had the opportunity to demonstrate its creative expression. Mantero 1902 was responsible for the creation of unique silk garments representing the logo of the festival, a design in collaboration with the architects Bonetti-Gravic and in line with the rationalism of Terragni, the iconic symbol of the city of Como and its lake.



APPENDIX

Employee turnover	2022			2021		
	Men	Women	Total	Men	Women	Total
Mantero Seta S.p.A.	9%	8%	8%	15%	8%	11%

Non-employee workers (no.)	2022	2021
Total	17	13
Freelance services contracts	7	5
Internship	8	4
Agency work	2	4

Employees who left the company (no.)	2022			2021		
	Men	Women	Total	Men	Women	Total
Total	15	17	32	22	28	50
Under 30 years of age	2	5	7	2	6	8
30 to 50 years of age	3	8	11	1	2	3
Over 50 years of age	10	4	14	19	20	39

Total number of new hires (no.)	2022			2021		
	Men	Women	Total	Men	Women	Total
Total	13	23	36	1	4	5
Under 30 years of age	9	6	15	–	–	–
30 to 50 years of age	3	12	15	1	4	5
Over 50 years of age	1	5	6	–	–	–

Employees by category and age (no.)	Men	Women	Total	Age percentage	Men	Women	Total	Age percentage
Executives	8	1	9		8	0	8	
< 30	–	–	–	0%	–	–	–	0%
30 to 50	5	1	6	1%	5	–	5	1%
> 50	3	0	3	1%	3	–	3	1%
Managers	18	9	27		18	11	29	
< 30	–	–	–	–	–	–	–	0%
30 to 50	6	2	8	2%	6	3	9	2%
> 50	12	7	19	4%	12	8	20	4%
Employees	45	168	213		47	173	220	
< 30	6	21	27	6%	4	25	29	6%
30 to 50	16	86	102	22%	19	90	109	24%
> 50	23	61	84	18%	24	58	82	18%
Workers	127	82	209		128	72	200	
< 30	26	13	39	9%	21	14	35	8%
30 to 50	39	26	65	14%	47	22	69	15%
> 50	62	43	105	23%	60	36	96	21%
Total	198	260	458	100%	201	256	457	100%
Gender percentage	43%	57%			44%	56%		

Members of the governing accounting bodies ¹¹ (no.)	2022				2021			
	Men	Women	Total	Age percentage	Men	Women	Total	Age percentage
30 to 50	3	2	5	42%	3	2	5	42%
> 50	7	–	7	58%	7	–	7	58%
Total	10	2	12	100%	10	2	12	100%
Gender percentage	83%	17%			83%	17%		

Employees by contract type	2022			2021		
	Men	Women	Total	Men	Women	Total
Total	198	260	458	201	256	457
Full time workers	195	186	381	198	181	379
Part-time workers	3	55	58	3	56	59
Zero-hour contract workers	–	19	19	–	19	19

Employees by contract type (no.)	2022			2021		
	Men	Women	Total	Men	Women	Total
Total	198	260	458	201	256	457
Permanent employees	197	249	446	200	248	448
Temporary employees	1	11	12	1	8	9

Employees by nationality (no.)	2022			2021		
	Women	Men	Total	Women	Men	Total
Italy	253	188	441	244	189	433
Non-EU	5	10	15	9	12	21
EU	2	–	2	3	–	3
Totals	260	198	458	256	201	457

Average hours of training by gender and professional level (hrs/ no.)	2022			2021		
	Men	Women	Total	Men	Women	Total
Total	2	2	2	2	3	3
Executives	–	8	1	–	–	–
Managers	6	4	5	1	1	1
Employees	2	1	1	5	4	4
Workers	2	3	2	1	2	1

Total consumption of renewable and non-renewable energy	M.u.	2022	2021
Total		133,380.660	117,109.10
Total consumption of non-renewable energy	Gj	130,730.77	114,162.32
Total consumption of renewable energy		2,649.89	2,946.78
% of renewable energy consumption		2%	3%
% self-generated and consumed energy (renewable and non-renewable)	%	7%	4%

Total energy consumption (Gj)	2022	2021
Total	133,380.66	117,109.10
Direct total energy consumption	128,719.85	108,033.96
Total indirect energy consumption	4,660.81	9,075.13

11 - Please note that “members of the governing bodies” means the Board of Directors of the various Group companies.

Waste (Kg)	2022			2021		
	Generated	Recovered	Disposed of	Generated	Recovered	Disposed of
Hazardous waste						
Dyes and pigments containing hazardous substances	–	–	–	1,390	–	1,390
Waste adhesives and sealants	1,305	–	1,305	2,386	–	2,386
Exhaust oil	396	396	–	–	–	–
Contaminated packaging	1,220	1,220	–	2,360	2,360	–
End-of-life equipment	168	168	–	455	455	–
Lead batteries	264	264	–	910	910	–
Hazardous organic waste	920	–	920	–	–	–
Hazardous insulating materials	600	–	600	380	–	380
Total hazardous waste	4,873	2,048	2,825	7,881	3,725	4,156
Non-hazardous waste						
Waste from processed textile fibres	3,880	3,880	–	–	–	–
Discarded ink	9,060	–	9,060	–	–	–
Spent print toner - Solids	832	832	–	795	795	–
Paper and cardboard packaging	104,260	104,260	–	82,150	82,150	–
Plastic packaging	5,800	5,800	–	19,820	19,820	–
Wooden packaging	25,840	25,840	–	19,880	19,880	–
Composite packaging	–	–	–	520	520	–
Mixed materials packaging	114,620	–	114,620	104,880		104,880
End-of-life equipment	1,386	1,386	–	400	400	–
Parts removed from end-of-life equipment	–	–	–	100	100	–
Glass	1,160	1,160	–	–	–	–
Plastic	1,480	1,480	–	–	–	–
Scrap iron or stainless steel	36,000	36,000	–	41,860	41,860	–
Bulky waste	1,060	–	1,060	2,240	–	2,240
Total non-hazardous waste	305,378	180,638	124,740	272,645	165,525	107,120
Total waste	310,251	182,686	127,565	280,526	169,250	111,276

Spending with local suppliers (€ million)	2022	2021
Purchases from suppliers resident in Italy	27,792,070	26,308,478
Raw material suppliers	14,043,216	8,350,721
Suppliers of semi-finished and finished goods	5,855,640	8,187,103
Other suppliers (e.g. services, information systems, transportation, etc.)	7,893,214	9,770,654
Purchases from suppliers from other parts of the world	9,092,010	4,569,175
Raw material suppliers	4,060,377	1,674,450
Suppliers of semi-finished and finished goods	3,594,729	2,199,789
Other suppliers (e.g. services, information systems, transportation, etc.)	1,436,904	694,936
Total purchases	36,884,080	30,877,653
Raw material suppliers	18,103,593	10,025,171
Suppliers of semi-finished and finished goods	9,450,369	10,386,892
Other suppliers (e.g. services, information systems, transportation, etc.)	9,330,118	10,465,590
Spend with local suppliers (%)	75%	85%

Number of local suppliers (no.)	2022	2021
Suppliers resident in Italy	845	791
Raw material suppliers	136	128
Suppliers of semi-finished and finished goods	104	92
Other suppliers (e.g. services, information systems, transportation, etc.)	605	571
Suppliers from other parts of the world	135	115
Raw material suppliers	24	24
Suppliers of semi-finished and finished goods	13	10
Other suppliers (e.g. services, information systems, transportation, etc.)	98	81
Total suppliers	980	906
Raw material suppliers	160	152
Suppliers of semi-finished and finished goods	117	102
Other suppliers (e.g. services, information systems, transportation, etc.)	703	652
Percentage of local suppliers (%)	86%	87%

METHODOLOGICAL NOTE

REPORTING PRINCIPLES

This 2022 Sustainability Report by Mantero - hereinafter also the Document - represents the first year of reporting on sustainability information and data. The document was prepared voluntarily and aims to demonstrate Mantero's strong commitment to issues relating to the environment, people, society and ethical management, highlighting the numerous commitments pursued and the results achieved.

The 2022 Sustainability Report was prepared with reference to the 2021 Global Reporting Initiative Sustainability Reporting Standards (2021 GRI Standards) disclosures defined by the Global Reporting Initiative (GRI). The disclosures used as a reference are set out in the relevant “GRI Content Index” chapter of this document. The GRIs Standards identify a set of ESG issues, as well as data and associated information, that have been used as a basis for reporting Mantero's sustainability performance. To be able to select the relevant topics to be reported, a specific materiality analysis was conducted with the involvement of company management. The analysis, conducted

with positive and negative impacts - both potential and current associated with each topic - being taken into account, has led to the identification of material aspects for Mantero and its stakeholders.

The reporting principles adopted in preparing this document enable consistency and comparability on the external side and also provide a solid starting point for Mantero's reporting on ESG, with the intention of providing stakeholders with concise, clear and easy-to-apply information.

The content discussed therein also develops based on the United Nations Sustainable Development Goals (SDGs) pursued and supported by Mantero.

The information and data reported in this document should be considered descriptive for the period from 1.09.2021 to 31.08.2022. For greater clarity and as a first step towards comparability, the descriptive data for the period from 1.09.2020 to 31.08.2021 are also reported.

REPORTING METHODS

All company departments contribute to the drafting of the Document which, via the collection of the data and information within their competence using specific data collection sheets, work closely and continuously in coordination with the Corporate Sustainability and Quality department for the approval and publication of the document.

The Board of Directors approved this Sustainability Report on 25 November 2022.

REPORTING SCOPE

The reporting scope includes Mantero Seta S.p.A., Mantero Finanziaria S.p.A., Mantero Suisse, Mantero Orient, Mantero Usa and Salento Lab.

GRI CONTENT INDEX

DECLARATION OF USE

Mantero Seta reported the information cited in this GRI Content Index for the reporting period from 1.09.2021 to 31.08.2022, with reference to (“with reference to”) the GRI Standards.

GRI 1 USED

GRI 1: GRI Foundation 2021

GRI indicator		Disclosure	Reference
GRI 2-1	Organisation details		Pages 12-18, 112
GRI 2-2	Entities included in the organisation's Sustainability Report		Page 112
GRI 2-3	Reporting period, frequency and contacts		Pages 112, 116
GRI 2-4	Reprocessing of information		This is the first Sustainability Report produced by Mantero Seta.
GRI 2-5	External certification		The Report is not currently subject to external assurance.
GRI 2-6	Business activity, value chain and other business relationships		Pages 11-15, 98, 104
GRI 2-7	Employees		Pages 50-51, 53, 109
GRI 2-8	Non-employees		Pages 51, 108
GRI 2-9	Governance structure and composition		Pages 31-33, 109
GRI 2-12	Role of the most senior governance body in overseeing impact management		Pages 31-33, 42
GRI 2-13	Delegation of responsibility for managing impacts		Pages 31-33
GRI 2-14	Most senior governance body's role in sustainability reporting		Pages 4, 31-33, 42, 112
GRI 2-22	Declaration on Sustainable Development Strategy		Page 4
GRI 2-23	Commitments and policies for responsible business management		Pages 33, 36-37, 40-41, 50, 66, 72, 93, 99-100, 104
GRI 2-24	Integrating policy commitments		Pages 33, 36-37, 40-41, 43, 46, 50, 66, 72, 93, 99-100, 104
GRI 2-26	Mechanisms for seeking advice and raising concerns		Page 33
GRI 2-27	Compliance with laws and regulations		In 2022 there were no recorded incidents of non-compliance with laws and regulations.
GRI 2-29	Approach to stakeholder engagement		Pages 46-47
GRI 2-30	Collective bargaining agreements		Page 61
GRI 3-1	Process for determining material topics		Page 42
GRI 3-2	List of material topics		Page 43
GRI 3-3	Material topics management		Pages 33-34, 50, 52-53, 56, 60-61, 66-67, 72-73, 76-77, 80-81, 85, 89-93, 94, 99-100, 104, 106-107

GRI indicator	Disclosure	Reference
GRI 201-1	Direct economic value generated and distributed	Page 15
GRI 204-1	Proportion of spend with local suppliers	Pages 7-98, 111
GRI 205-3	Incidents of confirmed corruption and actions undertaken	There were no incidents of corruption in 2022.
GRI 301-1	Materials used by weight or volume	Page 94
GRI 301-2	Recycled materials used	Page 94
GRI 302-1	Energy consumed within the organisation	Pages 72-73, 109
GRI 303-1	Interaction with water as a shared resource	Pages 80-81
GRI 303-2	Management of impacts related to water discharge	Pages 80-81
GRI 303-3	Water off-take	Pages 81
GRI 303-4	Water effluent	Pages 81
GRI 303-5	Water consumption	Pages 80-81
GRI 305-1	Direct GHG emissions (Scope 1)	Pages 74
GRI 305-2	Indirect GHG emissions from energy consumption (Scope 2)	Pages 74
GRI 305-5	Reducing GHG emissions	Pages 72-74
GRI 306-1	Waste production and significant impacts related to waste	Pages 76-77
GRI 306-2	Management of significant impacts related to waste	Pages 76-77
GRI 306-3	Waste products	Pages 76-77, 110
GRI 306-4	Waste not intended for disposal	Pages 76-77, 110
GRI 306-5	Waste intended for disposal	Pages 76-77, 110
GRI 308-1	New suppliers that have been screened using environmental criteria	Page 100
GRI 401-1	New recruitment and turnover	Pages 53, 108
GRI 401-2	Benefits for full-time employees, but not part-time or fixed-term employees	Pages 60-61
GRI 403-1	Occupational health and safety management system	Pages 66-67, 99
GRI 403-2	Hazard identification, risk assessment and incident investigation	Pages 66-67
GRI 403-3	Occupational medicine services	Pages 66-67, 99
GRI 403-5	Training of workers in occupational health and safety	Page 57
GRI 403-6	Promotion of workers' health	Pages 60-61
GRI 403-7	Prevention and mitigation of occupational health and safety impacts within business relationships	Pages 66-67, 99
GRI 403-9	Work-related accidents	Pages 66-67

GRI indicator	Disclosure	Reference
GRI 404-1	Average hours of annual training per employee	Pages 57, 109
GRI 404-2	Employee skills update and transition assistance programmes	Pages 56-58
GRI 404-3	Percentage of employees receiving periodic performance and career development reviews	Page 58
GRI 405-1	Diversity in governing bodies and among employees	Pages 31, 50, 52-53, 108-109
GRI 405-2	Ratio of women's base salary and earnings to men's	Page 61
GRI 406-1	Incidents of discrimination and corrective measures taken	No incidents of discrimination occurred in 2022.
GRI 413-1	Activities involving local communities, impact assessments and development programmes	Pages 15, 46-47, 106-107
GRI 414-1	New suppliers that have been screened through the use of social criteria	Page 100
GRI 418-1	Proven reports of customer privacy breaches and loss of customer data	There were no privacy violations or complaints in 2022.

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