




IMPRIMA
05/05/2022



IMPRIMA

ESG REPORT 2021

Strictly confidential

ESG Report

Introduction



MISSION

Born to be the leading global, creative, innovative and sustainable textile business partner

VALUES

Smartness & Effectiveness – Innovation & Sustainability – Efficiency & Immediacy

MAIN HIGHLIGHTS



Sector:

Printing and Textile Manufacturing



Products:

Printing and textile finishing services



Companies of the Group as of 31.12.2021:

- Imprima S.p.A. (IT)
- KBC Fashion Holding GmbH (DE)
- Guarisco s.r.l. (IT)
- Set S.p.A. (IT)
- Imprima North America Inc. (US)*
- Imprima Industrial s.r.l. (IT)
- Imprima Platform Morocco SA (MA)
- Imprima Industrial Lonate (IT)



Employees:

446 (as of 31.12.2021)



Operating sites:

- 5 plants (2 in Italy, Morocco in JV)
- 2 branches (USA, China)



Main Countries of operations and sales:

Europe, USA, China

* In the 2021 reporting, the data of the subsidiary Imprima North America Inc. (US) will not be included since it is not considered significant in terms of sustainability impacts potentially caused.

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Materiality analysis

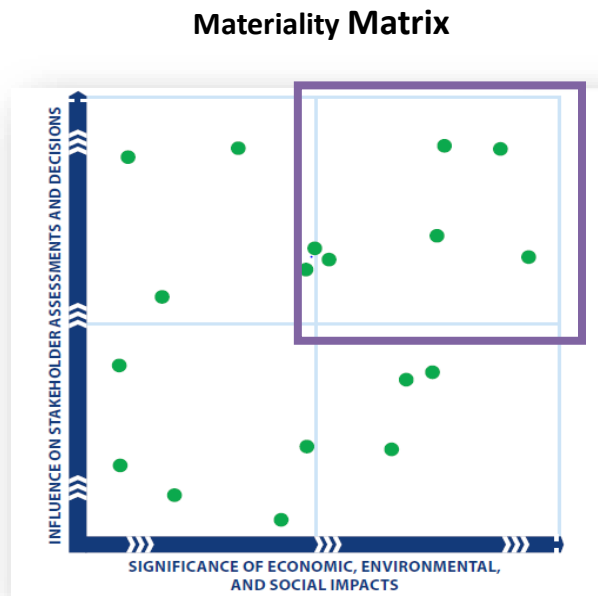


Imprima Group relevant ESG topics have been identified through the implementation of the materiality analysis process, which enables the Group to determine the material topics, i.e. those economic, social and environmental aspects on which a Group has a significant effect (positive or negative) and which could substantially influence stakeholders assessments and decisions.

This analysis has been carried out in line with the "Global Reporting Initiative Sustainability Reporting Standards", defined by the Global Reporting Initiative (GRI), an international standard for sustainability reporting which constitutes a universally accepted reporting model.

Moreover, the analysis has been integrated with a benchmarking activity on sustainability issues reported by the main sector peers.

The following materiality matrix is the outcome of the process:



ESG topics



Environmental

- Energy, emissions and water consumption
- Effluent and waste management
- Sustainable materials



Social

- Health and safety at work
- Diversity, inclusion and equal opportunities
- Quality and safety of products
- Responsible sourcing



Governance

- Business ethics and anti-corruption

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ESG Key Performance Indicators Identification: Environmental (1/2)



Below are reported the ESG Key Performance Indicators related to the ESG issues identified within the materiality matrix:

ESG TOPIC	TOPIC GRI	ESG KPI
Energy, emission and water consumption	<ul style="list-style-type: none">➤ GRI 302: Energy➤ GRI 303: Water and Effluents➤ GRI 305: Emissions	<ul style="list-style-type: none">• GRI 302-1: Energy consumption within the organization★ • GRI 303-3: Water withdrawal• GRI 305-1: Direct (Scope 1) GHG emissions• GRI 305-2: Energy indirect (Scope 2) GHG emissions
Effluent and waste management	<ul style="list-style-type: none">➤ GRI 303: Water and Effluents➤ GRI 306: Waste	<ul style="list-style-type: none">★ • GRI 303-4: Water discharge★ • GRI 306-3: Waste generated

Legenda:

★ Company-specific KPI

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ESG Key Performance Indicators Identification: Environmental (2/2)



Below are reported the ESG Key Performance Indicators related to the ESG issues identified within the materiality matrix:

ESG TOPIC	TOPIC GRI	ESG KPI
Sustainable materials	➤ GRI 301: Materials	<ul style="list-style-type: none">★ GRI 301-1: Materials used by weight or volume★ GRI 301-2: Recycled input materials used

Legenda:
★ Company-specific KPI

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ESG Key Performance Indicators Identification: Social (1/2)



Below are reported the ESG Key Performance Indicators related to the ESG issues identified within the materiality matrix:

ESG TOPIC	TOPIC GRI	ESG KPI
Health and safety at work	<ul style="list-style-type: none">➤ GRI 403: Occupational Health and Safety	<ul style="list-style-type: none">• GRI 403-9: Work-related injuries• GRI 403-10: Work-related ill health
Diversity, inclusion and equal opportunities	<ul style="list-style-type: none">➤ GRI 401: Employment➤ GRI 405: Diversity and Equal Opportunity➤ GRI 406: Non-discrimination	<ul style="list-style-type: none">• GRI 102-8: Information on employees and other workers• GRI 401-1: New employee hires and employee turnover• GRI 405-1: Diversity of employees• GRI 406-1: Incidents of discrimination and corrective actions taken
Quality and safety of products	<ul style="list-style-type: none">➤ GRI 416: Customer Health and Safety	<ul style="list-style-type: none">★ GRI 416-2: Incidents of non-compliance concerning the health and safety impacts of products and services

Legenda:

★ Company-specific KPI

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ESG Key Performance Indicators Identification: Social (2/2)



Below are reported the ESG Key Performance Indicators related to the ESG issues identified within the materiality matrix:

ESG TOPIC	TOPIC GRI	ESG KPI
Responsible sourcing	<ul style="list-style-type: none">➤ GRI 308: Supplier Environmental Assessment➤ GRI 412: Human Rights Assessment➤ GRI 414: Supplier Social Assessment	<ul style="list-style-type: none">★ GRI 308-1: New suppliers that were screened using environmental criteria
		<ul style="list-style-type: none">★ GRI 412-1: Operations that have been subject to human rights reviews or impact assessments
		<ul style="list-style-type: none">★ GRI 414-1: New suppliers that were screened using social criteria

Legenda:

★ Company-specific KPI

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ESG Key Performance Indicators Identification: Governance



Below are reported the ESG Key Performance Indicators related to the ESG issues identified within the materiality matrix:

ESG TOPIC	TOPIC GRI	ESG KPI
Business ethics and anti-corruption	<ul style="list-style-type: none">➤ GRI 205: Anti-corruption➤ GRI 307: Environmental Compliance➤ GRI 405: Diversity and Equal Opportunity➤ GRI 419: Socioeconomic Compliance	<ul style="list-style-type: none">★ GRI 205-2: Communication and training about anti-corruption policies and proceduresGRI 205-3: Confirmed incidents of corruption and actions taken★ GRI 307-1: Non-compliance with environmental laws and regulationsGRI 405-1: Diversity of governance bodies (parent company)GRI 419-1: Non-compliance with laws and regulations in the social and economic area

Legenda:

★ Company-specific KPI

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ESG Key Performance Indicators (1/3)



ENVIRONMENTAL¹

GRI	KPI	UoM	2021	2020	2019
GRI 301-1*	Materials used by weight	t	5,891	5,239	-
	➤ of which, renewable materials	%	13%	7%	-
GRI 301-2*	Recycled input materials used (recycled polyester) ²	t	1,772	427	-
GRI 302-1	Energy consumption within the organization	GJ	253,172	243,387	280,413
GRI 302-3*	Energy intensity	GJ/thousands meters of textiles produced ³	14.04	13.99	-
GRI 303-3	Water withdrawal	ML	397	391	459
GRI 303-4	Water discharge	ML	351	340	n/a
GRI 305-1	Direct GHG emissions (Scope 1)	tCO ₂ eq	12,342	11,775	13,707
GRI 305-2	Energy indirect GHG emissions (Scope 2 Location Based) ⁴	tCO ₂	3,169	3,663	4,190
GRI 305-4*	GHG emissions intensity (Scope 1 + Scope 2 Location Based)	tCO ₂ eq/thousands meters of textiles produced ³	0.86	0.89	-
GRI 306-3	Waste generated	t	1,882	1,885	1,029
	➤ of which, non-hazardous	%	100%	100%	90%

¹ Environmental data for December 2021, except for waste generated (GRI 306-3), has been estimated.

² 54% of the raw fabrics used in 2021 comes from recycling, while this value was 15% in 2020.

³ Production volumes in meters at the plants in Italy and Germany.

⁴ Following a process of improvement of the reporting system, the value of the Scope 2 energy indirect GHG emissions has been restated for 2020.

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ESG Key Performance Indicators (2/3)



SOCIAL⁵

GRI	KPI	UoM	2021	2020	2019
GRI 102-8	Information on employees as of 31.12	n.	446	484	571
	➤ of which with permanent contract	%	94%	99%	99%
GRI 308-1*	New suppliers screened using environmental criteria ⁶	%	0%	-	-
GRI 401-1	Rate of new employee hires	%	20%	15%	n/a
	Rate of employee turnover	%	28%	30%	n/a
GRI 403-9	Rate of employees work-related injuries	n.	0.9	1.8	4.2
GRI 403-10	Work-related ill health	n.	0	0	0
	Diversity of employees as of 31.12				
GRI 405-1	➤ women	%	35%	35%	34%
	➤ <30 years old	%	15%	11%	n/a
	➤ 30-50 years old	%	54%	61%	n/a
GRI 406-1	Incidents of discrimination	n.	0	0	0
GRI 412-1*	Operations that have been subject to human rights reviews or impact assessments	n.	0	-	-
GRI 416-2	Incidents of non-compliance concerning the health and safety impacts of products and services	n.	0	0	0

⁵ Following a process of improvement of the reporting system, some values in the GRI 102-8 and GRI 405-1 have been restated for 2020.

⁶ Following the introduction of ISO 14001 certification at the Bulgarograsso plant (Imprima Industrial S.r.l.), Imprima has begun to qualify and monitor suppliers of this plant based on environmental criteria. Although data on new suppliers is not available, in 2020, 83 suppliers of the Bulgarograsso plant were qualified according to environmental criteria.

* New KPI reported starting from financial year 2021.

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ESG Key Performance Indicators (3/3)



























GOVERNANCE					
GRI	KPI	UoM	2021	2020	2019
GRI 205-2	Governance body members that received anti-corruption communications	%	100%	0%	-
GRI 205-3	Confirmed incidents of corruption	n.	0	0	0
GRI 307-1	Non-compliance with environmental laws and regulations	n.	0	0	0
Diversity of governance bodies as of 31.12 ⁷					
GRI 405-1	➤ women on the Board of the parent company	%	40%	40%	n/a
	➤ 30-50 years old	%	40%	40%	n/a
GRI 419-1	Non-compliance with socio-economic laws and regulations	n.	0	0	0

⁷ Following a process of improvement of the reporting system, the percentages in the GRI 405-1 (Governance bodies) have been restated for 2020 and 2019.

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Main policies and initiatives in place



-   Organizational Model ex D.Lgs. 231/2001 (all Italian subsidiaries)
-   Code of Ethics (Group)
-  ISO 14001:2015 (Imprima Industrial srl)
-   OEKO-TEX Standard 100 (Group)
-   Global Organic Textile Standard (Group)
-   Organic Content Standard (Group)
-  Global Recycle Standard (Group)
-  RCS 100 - Recycled Claim Standard (Group)
-  FSC (SET, Guarisco)
-  Ecovero/Lenzing (all Italian subsidiaries, KBC)
-   Better Cotton Initiative (all Italian subsidiaries)
-  Inditex Social Audit - A (Imprima Industrial Bulgarograsso, Imprima Industrial Lonate)
-  Inditex GTW 2.0 - B (Imprima Industrial Bulgarograsso, Imprima Industrial Lonate)
-  ICS Social Audit (Imprima Industrial Bulgarograsso, Imprima Industrial Lonate)
-   Compliance with REACH (Imprima Industrial Lonate, Imprima Industrial Bulgarograsso)
-   Compliance with ZDHC and Manufacturing restricted substances list, presence on Gateway ZDHC (Imprima Industrial Lonate, Imprima Industrial Bulgarograsso)

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Action Plan: Environmental



ESG topics	Targets	Timeline	Progress
Energy, emission and water consumption Effluent and waste management	Development of an Environmental Policy for Imprima Industrial S.r.l (by 2021), to be extended at a Group level (by 2022)	By 2021 and By 2022	In progress
	Adoption of an environmental management systems certified ISO 14001 for Imprima Industrial S.r.l. (by 2021) and for Imprima Industrial Lonate (by 2022)	By 2021 and By 2022	In progress
	Adoption of an energy management systems certified ISO 50001 for Imprima Industrial S.r.l	By 2023	In progress
	Update of the Group car policy with the inclusion of hybrid models up to 30% of cars proposed	By 2022	Not confirmed
	Implementation of a photovoltaic system in Imprima Industrial's plant (to cover 20% to 30% of the total energy consumption of the plant)	By 2022*	In progress
	Implementation of a cogeneration system in Imprima Industrial's plant	By 2022*	In progress
	Electricity supply only from renewable and certified sources, for all the companies of the Group (market-based Scope 2 GHG emissions = 0)	By 2023	In progress
	Definition of emission compensation projects regarding Scope 1 GHG emissions. Target: zero net emission for all the companies of the Group	By 2023	In progress
Sustainable materials	Achievement of score «A - Best in class» in the Green To Wear (GTW 2.0), compliance scheme for environmental performances required by Inditex , for Imprima Industrial S.r.l . and Imprima Industrial Lonate	By 2022	In progress
	Adoption of the standards required by Better Cotton Initiative (BCI) for sustainable cotton farms and FSC to all the Italian subsidiaries	By 2021	
	Selection and use of eco-responsible viscose (i.e. Ecovero) in all the Italian subsidiaries	By 2021	
	Use of 100% certified chemical products (e.g. ZDHC, GOTS, Bluesign) or approved by clients (e.g. Inditex List) for Imprima Industrial S.r.l. operations	By 2022*	In progress
	Purchasing of only sustainable or recycled fabrics	By 2023	In progress

* The timeline for reaching the target has been postponed by one year compared to what was communicated in the ESG Report 2020. *CONFIDENTIAL DOCUMENT*

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Action Plan: Social




ESG topics	Targets	Timeline	Progress
Health and safety at work	Adoption of an occupational health and safety management systems certified ISO 45001 for Imprima Industrial S.r.l. and Imprima Industrial Lonate Srl	By 2023*	In progress
Diversity, inclusion and equal opportunities	Adoption of the SA8000 certification (Social Accountability) at all the Italian companies	By 2023*	In progress
Quality and safety of products	Adoption a quality management systems certified ISO 9001 for Imprima Industrial S.r.l. and Imprima Industrial Lonate	By 2022	! Not confirmed
Responsible sourcing	Adoption of a Group Code of Commercial Conduct for the selection and management of suppliers, which defines procedures for selecting and monitoring suppliers according to ESG criteria	By 2022	! Not confirmed

* The timeline for reaching the target has been postponed by one year compared to what was communicated in the ESG Report 2020.

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Action Plan: Governance



ESG topics	Targets	Timeline	Progress
Business ethics and anti-corruption	Implementation of the Model of Organization ex. Legislative Decree 231/2001 to all the Group's Italian subsidiaries	By 2021	
	Implementation and communication to all employees of the Group Code of Ethics	By 2021	