



UN Global Compact

Communication On Progress 2021

QUALITY THAT WORKS

COMMUNICATION
ON PROGRESS



This is our **Communication on Progress** in implementing the Ten Principles of the **United Nations Global Compact** and supporting broader UN goals.

We welcome feedback on its contents.



Our Statement of Continued Support FY 2021/22

With over 5 decades of success in the workwear textile industry Klopman has embraced what it truly means to be sustainable, as well as the challenges it presents.

We continuously align our goals and initiatives with global and national priorities to ensure we are working on the issues which are relevant to our business and to sustainable development.

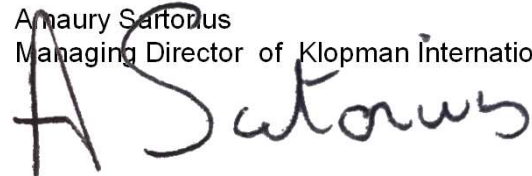
We are pleased to confirm that Klopman International Srl affirms its support of the Ten Principles of the United Nations Global Compact in the areas of Human Rights, Labour, Environment and Anti-Corruption.

We are constantly involved in collaborative projects, integrating the Sustainable Development Goals of the United Nations into all our activities, aiming to enhance and to build a future of sustainable growth.

With this Communication on Progress, we describe our actions to continually improve the integration of the Global Compact UN and its principles into our business strategy, culture and daily operations.

We also commit to sharing this information with our stakeholders using our primary channels of communication.

Anaury Sartorius
Managing Director of Klopman International Srl



Company overview

We understand the role our products play in the markets we serve, as well as the impact that the **manufacturing, distribution, and processing** of our products can have on the environment.

We have a longstanding commitment to conduct **business responsibly, built on trust, transparency and integrity.**

These values are reflected in **our approach to sustainability**, as evidenced by our commitment to operating all elements of our business in a manner that advantageously serves the needs and expectations of future generations to live with clean water and air, responsibly managed forests and oceans, and a habitable climate.

Responsible sourcing, occupational health and safety, environmental management, anti-corruption, human rights and other areas are covered by various Klopman policies, directives and processes.

Since the company began in 1967, Klopman International has been committed to producing high-performance fabrics to guarantee protection, comfort and durability to its wearers.



Company overview

Klopman is actively involved in the production process, from selection of the raw material through spinning, weaving, dyeing and finishing, to ensure the best quality at every stage. Our goal is to always deliver ultimate satisfaction to all our customers.

Our fabrics, produced in **over 500 different styles and 650 active colours**, can also be custom-developed according to customer requests. They offer durability with outstanding colour performance, even when subjected to industrial laundry processes. These fabrics are designed for use in the most demanding working environments, offering versatility and fitness for purpose.

Klopman produces poly/cotton fabrics and cotton-rich fabrics with additional characteristics to be chosen such as antibacterial, antistatic, water and oil repellent, stain removal and flame-retardant.

For the PPE market Klopman is using inherent flame retardant fibres, fibres for better comfort, high visibility function in the high demanding PPE market. We work with well-known partners for the fibres, dyestuff and chemicals to make their fibres and finishes available on our fabrics and our company one of the world's most respected textile producers. We also offer laminated and softshell solutions in our collection.



Our goals

Klopman is proud to announce a step forward within its commitment to sustainable growth by joining the **UN Global Compact** to integrate the **Sustainable Development Goals (SDG's)** into our core business and performance management.

In this way we are determined to drive environmental and social improvement in line with business growth, addressing global challenges and delivering deeper value to our stakeholders.

Economy



Society



Biosphere



Our actions to promote human rights

Our human rights obligation is particularly evident in our management approach.

In our Code of Conduct we commit ourselves to respecting human rights in all our actions and activities.

Klopman upholds and promotes human rights in every context in which it operates, by creating equal opportunities for its people and fair treatment for all - regardless of race, nationality, political creed, religion, gender, age, minority status, disability, sexual orientation, personal or social condition – and always respecting the dignity of each individual and each employee.

Klopman has its own **Code of Ethics** which covers respect for Human Rights and applies to all our employees as well as to external stakeholders to ensure we respect fundamental human rights in every country. This helps to create a control environment ensuring that our business activities are always based on the principles of fairness and transparency and reducing the risk of the crimes mentioned in Italian Legislative Decree 231/2001.

Klopman offers equal opportunities, ensuring fair treatment on the basis of individual expertise and abilities, and hiring people under legal employment contracts, mainly on an open-ended basis, in accordance with laws, national labour agreements, company agreements and current regulations.

In addition to the existing wellness projects that we are carrying on and welfare plan for our employees we have promoted smart working and continue with specific activities to reduce the risk of infection in the workplace.



Measurements of the outcomes

Over the period considered Klopman has not been involved in any trial for Human Rights violation.

The update of the existing Code of Conduct and Code of Ethics is completed

Fair treatment for all regardless of race, gender, age, sexual orientation, union membership or political affiliation is an ongoing process.

Within gender equality we have increased the number of women in managerial positions

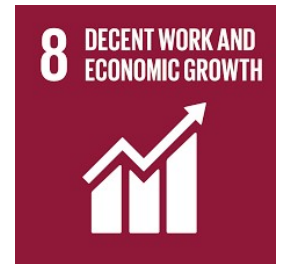
Training to staff members and employees on the implementation measures of the Organizational Model ex Italian Legislative Decree 231/2001 is completed.

Employer growth strategy, training and awareness programs on Human Rights is an ongoing process. Our employees have access to all relevant details to their rights, duties and resources within the organisation through personnel policy and/or HR department designated person.

Several campaigns and initiatives are planned for the second half of 2022 involving the Health aspects of our people and ranging from Anti-smoking and prevention campaigns for major pathologies to sporting activities.



Our actions to promote fair labour practices



Our people are the key to our success, and our achievements are a result of their engagement and commitment. Offering good working conditions and keeping our people safe, healthy and engaged is always a top priority.

Klopman fully complies to the principles set in Italian Legislative Decree 81/2008 on prevention and surveillance of a healthy and safe workplace to all workers. Within this framework **we have our own Risks Assessment document** and have appointed an HSE manager to monitor its application.

Commitment to protect the health and safety of all workers are guaranteed also through the high safety standards according to **UNI EN ISO 45001**. H&S regulations require also to provide training on H&S procedures to all employees.

Our workers are **free to join trade unions**, and the company sees that its relationships with the unions are cooperative and friendly, so that workers may report their opinions to Human Resources directly or via delegates.

Until the pandemic situation is over Klopman continues to ensure access to the offices and to the plant in total safety in line with the existing national dispositions. Our offices are provided with hand sanitizing gel at the entrance and in each area of the plant. Safety distance between each workstation is guaranteed and instructions to be followed were distributed to all.

Klopman does not allow and does not tolerate employment situations that violate current regulations on child, women and immigrant labour. This also applies to its external contractors, suppliers and business partners. In fact, we comply with minimum age standards and national collective labour agreement in each country where our staff is employed.

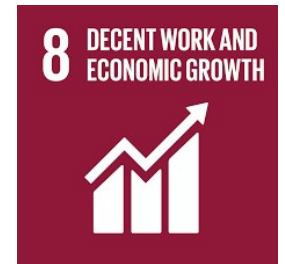
Furthermore, all colleagues - regardless of their position, nationality, gender, age - are equally treated and supported by the executives.



Measurements of the outcomes

- Klopman International has not been involved in any trial regarding violations of Labour Rights
- During the period considered there have been no complaints from employees regarding violations of Labour Rights. A dedicated mail box was put into place where the employees can post complaints anonymously.
- Klopman has an Integrated Quality Management System that meets the requirements of the ISO standard 9001:2015, ISO 14001:2015 and ISO 45001. This IQMS provides a framework, a set of procedures, standard documents and a monitoring system for a proper and effective management of work processes in full respect of all applicable laws and international standards

- STeP by Oeko-Tex certification was renewed and excellent scoring achieved. We pursue an active personnel and environmental policy to ensure a healthy and safe workplace in all areas of the plant
- Internal audits are carried out on a standard basis and we have increased the number to monitor and constantly improve internal safety, to prevent and reduce work related accidents
- We work actively to address Labour rights across our supply chain through a constant contact with our suppliers.
- We started a categorization of sustainable raw materials with the aim to always look at better splotions.



Our actions to promote Environmental principles

Responsible environmental stewardship helps to create a healthy and sustainable planet.

Dealing responsibly with people and the environment has become a key factor in doing business successfully.

Klopman have learned how important it is to make it clear and transparent to any interested audience that we take our corporate responsibility seriously. We carry out all activities in compliance with strict environmental criteria in accordance with the principles undertaken in our environmental policy.

Environmental issues are increasingly shaping the context of our business. The cost, availability, utilization and management of energy and water, and the use of chemicals in the manufacturing and processing of our products all have implications for operations throughout the value chain from the cotton farmer through the end user.

Our aim each year is to assess our impact on these issues and 2021 clearly represents for Klopman a milestone to environmental sustainability and energy innovation.

Day by day, we look at our manufacturing practices, product life cycle and supply chain to assess our net impacts and what we can do to reduce them. This has led us to seek even greater efficiencies and develop entirely new technologies to avoid using harmful materials altogether.

Klopman has always devoted ongoing attention to research and development in order to identify and create innovative technical solutions and develop products of the very highest quality, safety and environmental standards.

The new Greenwear™ Range is based on environmentally-friendly products fostering our commitment to quality and safety of the wearers by operating sustainably and responsibly.



Our actions to promote Environmental principles

Our approach is to integrate environmental strategy into core operations. Therefore, we focus our efforts on the continuous improvement of the environmental performance of our operations, developing products with a positive environmental record, and working with our customers to ensure that these benefits are communicated to the end user.

In doing so we expect to reduce our emissions, despite our continued growth.

Such attention to detail and commitment has helped our manufacturing facilities to achieve **Level 3** (the highest one) in **STeP by Oeko-Tex® certification** and reconfirm the ISO 14001 certificate.

Climate Change is one of the major challenges of our time. We believe that we all have a responsibility to meet climate change challenges. We want to be as climate smart as possible by optimizing energy efficiency and reducing CO₂ emissions.

Waste management is a key strategy to ensure Klopman operates as a responsible corporate citizen.

We are striving for a **goal of zero waste to landfill**. This goal will guide the conduct of our manufacturing operations, the development of new products and our interaction with our suppliers and customers.

Recycling of materials is an integral part of this ongoing effort and challenging recycling projects are in the pipeline to offer sustainable solutions for the workwear industry.



Measurements of outcomes (1)

■ Improve education and awareness to integrate climate change measures into company policies, strategies and planning.

■ Finalized calculation of company carbon footprint 2021.

■ Target to be compliant with EU strategy reducing carbon footprint by 50% until 2030 and being carbon neutral in 2050

■ Internal energy management system working to continuously improve our CO2 strategy. The evaluation of alternative energy sources are in progress

■ Research and investments in energy-efficient equipment and energy reduction continue to be in progress. **We recently installed 24 new looms and 2 new finishing lines** in our facility with a considerable improvement in efficiency and a reduction in CO2 emissions.

■ The Greenwear range has lead to an increase of sustainable fibres based on cotton and recycled polyester. **We have achieved the transformation of 15 mio plastic bottles/year featuring into our workwear fabric** far exceeding in this year our target set for 2023 that was to reach the transformation of 10 mio plastic bottles/year

■ We are heavily investing in Circular economy projects. **SBM Circular, one of our best selling fabrics with a percentage of recycled fabrics** (out of post-consumer garments) was launched in June 2022.



Measurements of outcomes (2)

■ We are working on issuing the product carbon footprint calculation of our fabrics to target best solutions with lowest environmental impact.

■ Traceability of the supply chain is a mandatory step in our market. To do so we have issued fiber-to-gate documents for each fabric in our collection showing country of origin of each fabric component. The work is still in progress.

■ Achieved renewal of STeP by Oeko-Tex® certification with ZDHC, Made in Green by Oeko-Tex® as well as ISO 14001 certificate

■ Zero waste to landfill in progress. Goal is set for 2025

■ The use of certified FSC paper (and process) has been extended to all our marketing material to ensure paper is coming from a responsible source and that forestry practices are taking place.

■ We are studying the impact of microplastics of our fabrics. Studies according to the new standard will be released shortly.



Our actions to promote the Anti-Corruption principles



To achieve its growth objectives and maintain its leadership in the textile industry, Klopman bases its business on solid values and principles through the **Code of Conduct and Code of Ethics**.

Being ethical is about doing the right thing. This means respecting human rights, taking a clear stance against corruption and embracing diversity and inclusion. It also means, of course, respecting the laws and regulations wherever we operate and paying taxes accordingly.

Klopman has adopted an organizational model ex Italian Legislative Decree 231/2001 on a voluntary basis. This organizational, management and control model promotes prevention of a large number (174 as of Dec 2018) of offences and principles envisaged by Italian law.

Legislative Decree 231/2001 is a flagship piece of anti-corruption legislation, recognised worldwide. The decree establishes the responsibility of corporations, in addition to individual responsibility, for corruptive action or attempts and related crimes. We interact with millions of people across various countries and cultures. Whether you are a customer, colleague, business partner or any other stakeholder, we believe that mutual respect, integrity, transparency and honesty are essential to our business.

As a requirement for participation in public tenders, Klopman is required to provide certifications attesting the absence of professional and criminal records and subject to checks done via the **National Anti-corruption Authority (ANAC)**.

The **Code of Ethics** outlines the mission and values of our business, how we are supposed to approach problems and the ethical principles of operation, based on the organisation's core values.

We work actively to address human rights across our supply chain, where our zero-tolerance approach to bribery and corruption is equally applicable. Our approach to responsible sourcing goes beyond monitoring to engage our suppliers in continuous improvement.



Measurements of outcomes

■ Klopman reports zero number of complaints in relation to the application of the ex Italian Legislative Decree 231/2001

■ The company reports zero number of penalties due to violations of the Code of Ethics regarding corruption

■ Social auditing of suppliers through a dedicated platform is under evaluation

■ Increased attention of the top and middle management to corruption risks and preventive actions.

■ Training on update of the ex Italian Legislative Decree 231/2001 is completed





THANK YOU

