

S U S T A I N A B I L I T Y R E P O R T
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Message from the CEO

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Message from the CEO

Dear Reader,

2020 was certainly the most challenging year we have faced, due to the pandemic that has hit us all worldwide, creating instability, uncertainty and imposing a radical change in how we live, work and interact.

Our first priority on helping to fight COVID-19 was to guarantee the safety of our people: a dedicated task force was established to coordinate and direct initiatives to act promptly to keep our workers safe, take preventive measures and manage any type of emergency.

We then aimed to guarantee the same production capacity as always to all our customers and healthcare staff. With great pride, our company, put itself at the service of the emergency effort to make face masks with the fabrics produced compliant with the healthcare directives.

Lastly, we strengthened our solidarity and support for the local communities in which we operate by donating face masks to our community hospital and healthcare associations.

We have worked with commitment and dedication to develop high-quality products that offer reliability, safeness, protection to workers, and with the aim of minimising our environmental impact.

Now, more than ever, we have embraced what it truly means to be sustainable, as well as the challenges it presents.

In 2020 we have learned that staying united, looking forward with resilience and acting rapidly and proactively are the key pillars for change and development.

Our attention is focused on building a future of sustainable growth, through our products, our service and closeness to our people.

We firmly believe that we have the experience, skills, culture and strength to face new challenges and redesign the future ahead.

All this is made possible thanks to the passion and faith our employees put in our brand, and that makes Klopman so unique.



Alfonso Verdoliva
Chief Executive Officer

A handwritten signature in blue ink that reads "Alfonso Verdoliva".

Message from Managing Director / Group Sales Director

Dear Reader,

We are proud to be publishing our 6th Sustainability Report. Six years in which the world is changed like never before, marked by the pandemic, and consequently by the need for a more reactive supply chain but also by an increasing attention to sustainability and to new technologies.

Six years in which eco-circularity has become a critical need in every sector and industry 4.0 is become a must in an increasingly competitive scenario.

And these are exactly the challenges we face, exactly where we are investing all our efforts for the future.

We strongly believe this is the right road to take and that is confirmed, for example, by the great results that our Greenwear™ range has reached. We think that reducing environmental impact through circular economy is one of the most important challenges for textiles sector. This is why we are investing in many related projects.

In addition, our R&D department and our production engineers constantly work towards the minimisation of toxic substances, identifying alternatives for existing raw materials, waste reduction, reduction of energy use and switching to renewable energies. You will see all of this in the pages of this report.

The voluntary application to the United Nations Global Compact is another step forward toward the future we want to develop. Toward our commitment on sustainability, as we intend not only to produce economic results but, above all, to be a social actor capable of improving lives in the communities in which we operate.

The future will also be driven by the ability companies have to build trust in the market, thanks to transparency, traceability through all our processes and ability to lower our carbon footprint.

We are ready for these challenges, we are ready to build the future.



Amaury Sartorius

Managing Director / Group Sales Director

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01



Highlights

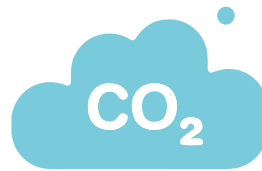
Highlights

Environmental Management



Zero Waste

program implementation



Emissions decreased

by 3%



STeP by Oeko-tex®

certification achieved at Klopman Argo International
Klopman's production facility in Indonesia

Product Responsibility



Over **3.5 million metres** **of fabrics**

last year were produced with

sustainable raw materials:

recycled polyester,
Fairtrade certified cotton or
organic cotton and TENCEL™
Lyocell fibres



10% of fabrics manufactured
in FY 2020/21 belong to the
Greenwear™ range:

8.543.645 plastic bottles recycled

thanks to the use of
recycled polyester



Anti-viral and
antimicrobial protection
on garments with

Klopman's Viroff-tex antiviral finish

Launch of new sustainable
fabric solutions:

Vitalys manufactured with
the recycling of cotton scraps
Hydrogreen finish, a new
eco-friendly water-repellent finish
without perfluorinated
chemical products

Luminex C50 RPES,
high visibility and recycled
polyester combined



Social Commitment & Human Rights



Face masks
donated to support
our local community



6% of our investments
and **860** training hours
were allocated to the Health,
Safety and Wellbeing
of our people

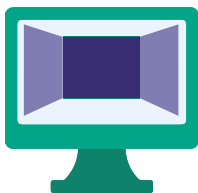


In 2020 Klopman
donated a
**library for
children**

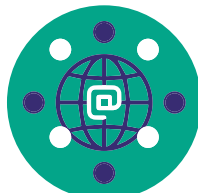


Christmas charity
**fundraising
initiative**

Communication & Customer care



Launch of Klopman's first
virtual showroom
to maintain a constant
dialogue with our customers
and stakeholders, even in
lock-down periods



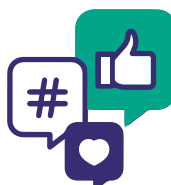
Promotion of traceability
and Interaction with our
suppliers through the
launch of an innovative
"Supplier Portal"



Over
530
customers
linked to our
Customer Portal



4.5 out of 5
achieved in our
**Customer
Service Survey**



Intensive communication through our
social channels ensures clients
and stakeholders are always informed
of all our relevant news and updates.

02

Who we are / Company overview

A strong commitment to Sustainability focusing on quality, comfort and safety.

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.

Timeline

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.



1967

Klopman is founded by Bill Klopman, Burlington Industries, USA.



1970

Klopman's Indestructible and Superbandmaster fabrics become firmly established.



1974

The presidency of Klopman is passed from the US to London.



1988

Klopman in Europe, acquired by Dominion Textile Group, continues its growth.



1995

Company achieves the ISO 9002 (today 9001) certification



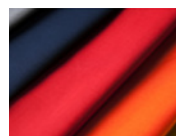
2012

Expansion in Asia. Jointventure with Argo Manunggal Textile.



2013

Opening of a new branch office in UAE



2015

Launch of K-flame. Klopman's new Inherent FR fabric range. Bangkok Branch Office opens



2016

Klopman achieves the STeP certification by Oeko-Tex.



2020

Klopman is 100% acquired by Coisne e Lambert families. TDV Industries parent company of Klopman international

WHO WE ARE / 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.

Klopman fabrics, produced in over 500 different styles and 600 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.

You can choose from poly/cotton fabrics and cotton-rich fabrics with characteristics such as antibacterial, antistatic, flame-retardant and high-visibility for PPE applications.

Klopman works with well-known chemical fibre suppliers, like Cordura, Lycra, Kermel, Nega-Stat, Proban, Sanitized, Teflon and Epic, to make their 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.



EXPERTISE & CREDIBILITY

Over 50 years of experience



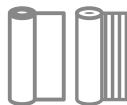
ADVANCED TECHNOLOGY

State of the art machinery



UNRIVALLED PRODUCTION CAPACITY

40 millions metres annually



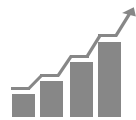
EXTENSIVE RANGE

Over 170 styles



QUALITY CONTROL

4,000 machine control stitches



CONSISTENCY & CONTINUITY

High-performance fabrics



CUSTOMER SERVICE

Unrivalled support



CORPORATE SOCIAL RESPONSIBILITY

Environmental & social transparency

Headquarters and Countries of operations

Klopman is the biggest player in the production and commercialisation of technical fabrics for the protectivewear, workwear and corporatewear markets. One in three of today's workwear garments in Europe is made with Klopman fabrics, with over 40 million metres produced annually.

Klopman's Frosinone plant is one of the most important industrial locations in the Lazio region.

Klopman maintains its headquarters in Frosinone, Italy and has commercial branch offices in Düsseldorf, Lyon, Moscow, Borås (Sweden), Dubai and Bangkok.



WORLDWIDE PRESENCE



Frosinone Headquarters and Production Plant



Jakarta Production Plant



Commercial branch offices



Sales representatives and distributors

Covid 19 Our Response

COVID-19 has devastated communities and economies across the world.

To deal with the emergency linked to COVID-19, Klopman responded quickly and in a determined way to minimise the spread of the infection while at the same time guaranteeing the operation and provision of services within the countries in which it operates.

Our priority was employee and customer health and safety, and we cooperated closely with the relevant authorities in all markets.

We have worked from the beginning to support our local communities, our customers, our people, and all those who work with us, to contribute to the economic and social recovery and the creation of shared value with all our stakeholders.

This pandemic has seen Klopman at the front line, responding to the needs of the international, national and local communities with the creation of an Italian supply chain dedicated to the production of face masks which are reusable up to 70 times. We have produced up to 700,000 face masks per month, all compliant with the relevant healthcare directives.

Klopman has been producing fabrics for hospitals throughout Europe. Now, more than ever, the company is proud to support medical staff on the front line with the help of high-quality fabrics.

A large number of face masks were donated to the Municipality of Frosinone, to the local health authority and

to our local community hospital to support healthcare workers in their daily duties.

A dedicated task force was established to coordinate and direct initiatives to act promptly to keep our workers safe, take preventive measures and manage any type of emergency.

Free masks were distributed to our workers and sanitising gel dispensers located in all areas of the plant to further strengthen anti-Covid measures.

Klopman employees had to adapt to the new way of working from home, while ensuring the efficiency and effectiveness of the relationship between Klopman and its customers.

Thanks to a globally coordinated effort based on promoting digital channels, various measures were successfully taken to meet the growing needs of customers while complying with travel restrictions and social distancing requirements.

Activities that would require physical interaction between Klopman and suppliers were conducted remotely (e.g., site inspections at the company) and safety measures for contractors' staff were strengthened.

Many events have been postponed because of COVID-19 but the Klopman team has done its best to assure the same commitment as in normal conditions.



Supply Chain

KLOPMAN BELIEVES ACTING ETHICALLY MEANS PARTNERING ONLY WITH SUPPLIERS WHO HOLD AND ADHERE TO SIMILAR ETHICAL BELIEFS

Maintaining a resilient supply chain in support of Klopman's sales and operations depends on our suppliers operating in an ethical manner with respect to human rights, workers' safety and environmental practices. In 2020, more than 1000 suppliers were engaged by Klopman; they represent key partners with whom the company had a commercial relationship during the year. Klopman gathers information on their compliance with quality, hygiene, health and safety in the workplace standards and their environmental policies, by requiring ISO 9001, ISO 14001, and ISO 45001 certification. This is enforced through contact terms, purchasing terms and conditions, and on-site social compliance visits. Furthermore, we make sure our suppliers meet the standards of our company's Code of Conduct through a qualification questionnaire and ensure that the principles are strictly adhered to.

We focus on building strong, long-term relationships characterised by trust and transparency. We are committed to working together with our suppliers on improvements rather than terminating relationships.

Our organisation does not have a policy that favours locally based suppliers but, although there is no state company policy to do so, we currently give them preference where appropriate.

Ensuring our suppliers meet high social, ethical, human rights and environmental standards is a fundamental part of our responsible business approach.

We work actively to uphold human rights across our value chain; our zero-tolerance approach to bribery and corruption is equally applicable to our value chain.

Our approach to responsible sourcing goes beyond monitoring to engage our suppliers in continuous improvement.

PROMOTING TRANSPARENCY ALONG THE SUPPLY CHAIN

Business depends more and more on information, its accuracy and the timing with which it is received, and these standards are at the heart of the proper functioning of the supply chain. The importance of this concept has been amplified by the crisis generated worldwide by the COVID-19 pandemic.

Klopman is working on a Supplier Portal to communicate with suppliers and which allows a quicker information flow from Klopman to its suppliers and vice versa.

The platform enables a shared end-to-end vision of our supply chain process, generating interaction with our suppliers and promoting transparency along the supply chain.



Klopman has obtained the AEOF certification (Authorized Economic Operator – Full).

This certification is the highest level achievable in the EU programme for AEO and comprises 'Customs Simplifications and Security'.

An AEO is a party involved in the international movement of goods that has been approved by or on behalf of a national customs administration as complying with World Customs Organization chain security standards.

Ethics and Integrity

Our commitment to be ethical throughout our operations is firmly rooted in our corporate values.

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.

There are regular training courses covering values, principles and standards of conduct and norms for members of the governance board and our employees. New stakeholders are required to read and sign our principles, standards of conduct and norms.

Being ethical is about doing the right thing. This means respecting human rights, taking a clear position against corruption, and embracing diversity and inclusion.

It also means, of course, respecting the laws and regulations wherever we operate and paying taxes accordingly.

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.

The Code of Conduct has been developed to define the key labour standards that Klopman is committed to respecting in our workplace. Our employees understand that complying with this policy is no less important than meeting our existing high-quality standards in terms of product and service.

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.

In addition to this, Klopman has implemented measures to prevent and avoid corruption and bribery by adopting the Organisational Model 231.



[Code of conduct](#)



[Code of ethics](#)

03

Economic

04

Environment

Our approach

As a major textile producer, Klopman believes it is important to take responsibility for our actions.

Our customers have always demanded high standards from us when it comes to products and services and, quite rightly, they expect high standards in terms of corporate social responsibility and trust us to work ethically.

We aim to pioneer new solutions for sustainable development, while continuing to shape our business responsibly and increase our economic success.

We believe that a responsible approach to business contributes to our commercial success in the marketplace. Responsible business practice is about making money in a way that minimises negative impact and maximises

the positive benefits of our business for people and the planet.

Our commitment to leadership in sustainability is embedded in our values. Maintaining a balance between economic success, protection of the environment, and social responsibility has been fundamental to our corporate culture for decades.

This approach applies to every business function, and our employees all over the world have embraced the principles of sustainable development in their daily work, and think and act accordingly.

We see excellent economic performance and sustainable management growth as an investment in our future capability.



ENVIRONMENT

Our commitment to sustainability

At Klopman, we understand that a commitment to sustainability today provides a healthy world for future generations.

We are proud of our environmental stewardship over our 54-year history, but we recognise that we can, and should, continue to evolve with goals that protect, preserve and improve our planet.

We have learned how important it is to make it clear and transparent to any interested audience that we take our corporate responsibility seriously.

Klopman carries out all its activities in compliance with strict environmental criteria, in accordance with the principles set out in its environmental policy.

Day by day, we look at our manufacturing practices, product lifecycle 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.

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, for their reassurance and to encourage ethical purchasing.

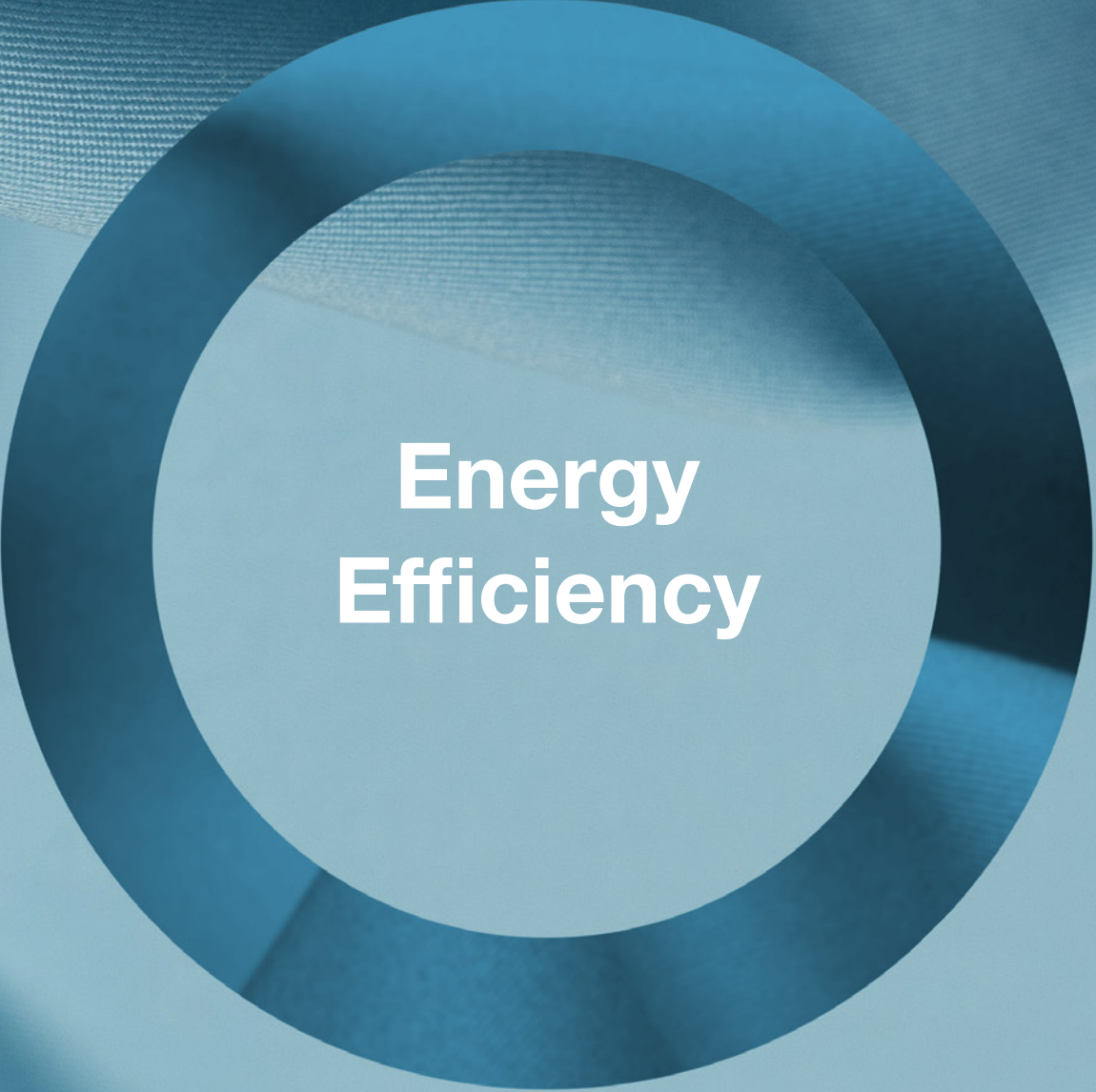
Such attention to detail and commitment is confirmed through our ISO 14001 certification — the highest global standard for environmental responsibility. This standard incorporates both internal and external audit.



We are proud to have confirmed Level 3 within the re-certification of the STeP by Oeko-Tex® and Detox to Zero Performance.

SCORING RESULT STeP			LEVEL 3
CHEMICAL MANAGEMENT			
ENVIRONMENTAL PERFORMANCE			
ENVIRONMENTAL MANAGEMENT			
SOCIAL RESPONSIBILITY			
QUALITY MANAGEMENT			
SAFETY			
DETOX TO ZERO PERFORMANCE			100%
WASTEWATER AND SLUDGE			
MRSL			

05



Energy Efficiency

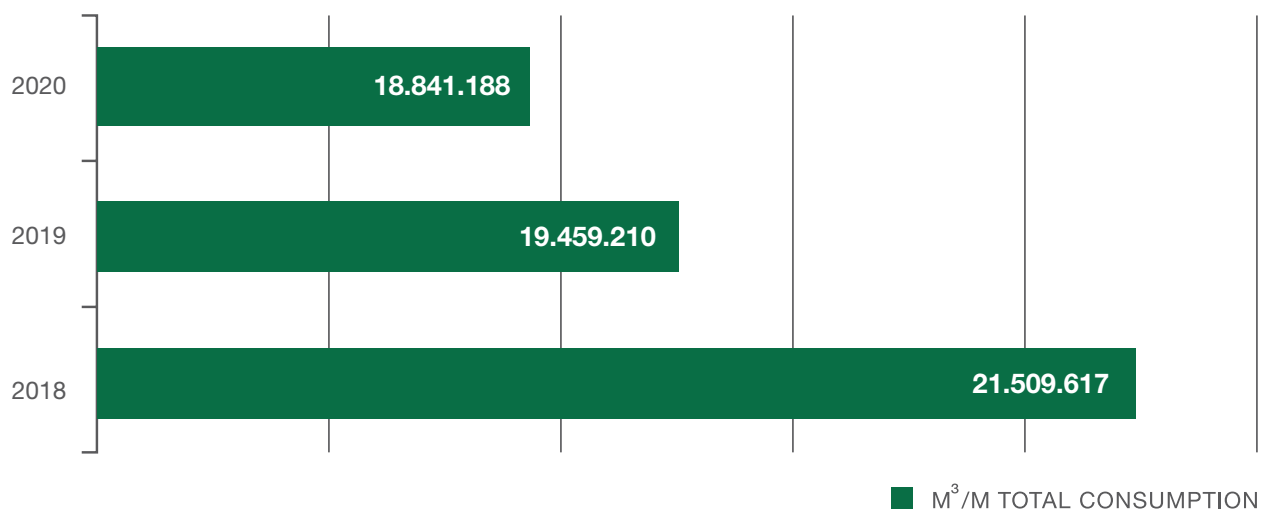
ENERGY EFFICIENCY

Using natural resources responsibly

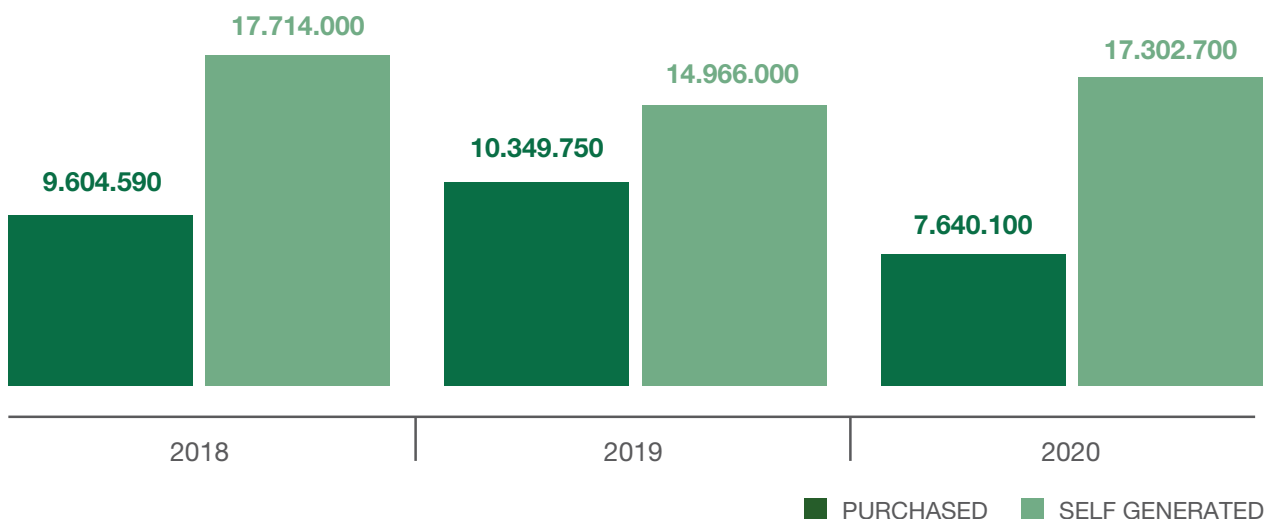
Our drive to improve energy efficiency and minimise our CO₂ emissions is unwavering at Klopman and it's one that continues as we meet new challenges and show results through investments in technology and innovation.

ENERGY CONSUMPTION WITHIN THE ORGANISATION

In line with our commitment to using natural resources responsibly, we are proud to have achieved a great goal: our energy consumptions remain consistent.



TOTAL ENERGY CONSUMPTION KW/h



ENERGY EFFICIENCY

Water Stewardship is about more than just saving water

Water is an important resource in textile production and therefore responsible water management is vital for future communities, the environment and a sustainable business.

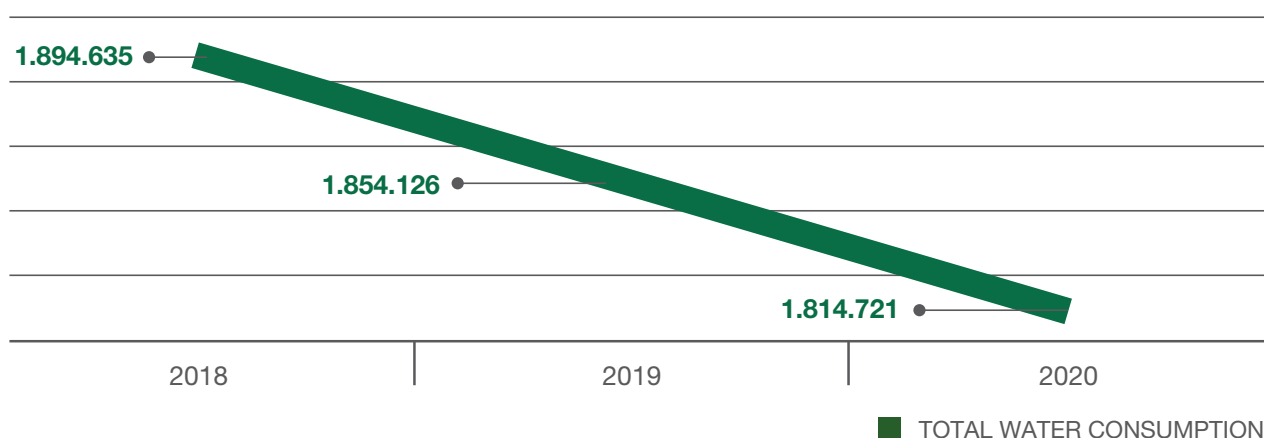
Water is an important component throughout the manufacturing process. Any water containing residual dyes and other organic and inorganic compounds must be treated properly so as not to affect the communities in

which we operate.

Klopman takes this obligation seriously and has invested significant capital in water recycling systems and resources to train and equip our wastewater treatment operators to run the systems efficiently and effectively. Responsible water management is a fundamental challenge for the future of humanity, and we are all called to contribute.

The measures adopted by Klopman in our production process have made it possible to biologically treat 34,900 m³ of wastewater per week and recycle 229,973 m³ of water a year.

WATER CONSUMPTION M³



VOLUME OF RECYCLED AND REUSED WATER

Name of water source	Type of water recycling or reuse	Volume of water recycled and reused m ³	Measuring method	Used measuring standards and assumptions
Cold water recovery	Wastewater recycled and reused in a different process, but within the same facility	141049.00	Water meter	Foxboro system
Hot water recovery	Wastewater recycled into the same process or another part of the process cycle	88924.00	Water meter	Foxboro system
Total of water reused		229973.00		

ENERGY EFFICIENCY

Greenhouse gas (GHG) emissions

Climate change is one of the major challenges of our time. Over the last few years, we have been witnessing the first real effects of climate change: temperatures are generally rising, rainfall is changing, ice and snow are melting, and the average sea level is rising globally.

We believe that we all have a responsibility to meet climate change challenges.

Our organisation is a typically energy-intensive one, subject to special CO₂ regulations with statutory emission limits.

To minimise GHG emissions related to our operations, Klopman assesses energy use and optimises processes, reducing emissions and reducing cost.

We research and invest in energy-efficient equipment and energy reduction measures.

Klopman installed a new cogeneration system to enhance the quality and reliability of the power supply coming to the plant. The main factors that led us to invest

in this innovative solution were significant reduction of CO₂ emissions, lower energy consumption and greater plant efficiency.

Emissions produced during 2020 were 37,379 tons (scope 1 and 2).

Directive 2003/87/EC sets limits of greenhouse gas emissions for companies operating within the EU.

Klopman is not only compliant with the directive, but is performing far more effectively than required.

Reducing our emissions is an important goal, but it is not enough.

The calculation of the company carbon footprint (including scope 3) is the next step in our efforts to reduce GHG emissions. Only by measuring our carbon footprint can we set up a climate action strategy, including reduction measures or calculating the carbon balance of each product.



ENERGY EFFICIENCY

Waste Management

Effective waste management is a priority for our business and for the planet. It improves operating efficiency, reduces costs and cuts demand for virgin resources, reducing our environmental impact.

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

Klopman is committed to operating its plant and facilities in complete compliance with all applicable environmental regulations and to operate in a manner that protects the quality of our environment and the health and safety of our people.

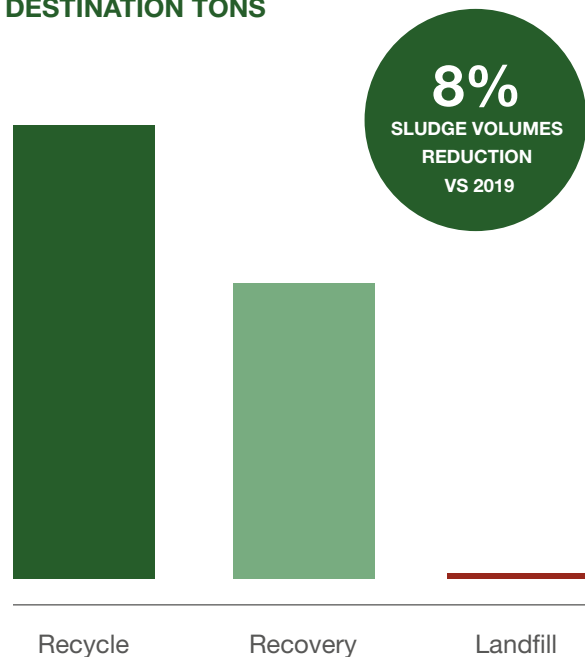
We are striving for a goal of zero waste to landfill. This goal will guide the conduct of our manufacturing operations, the development of new products and our interaction with our suppliers and customers. Recycling of materials is an integral part of this ongoing effort.

We also reaffirm our commitment to work with local, state and federal authorities to develop effective environmental solutions that meet tests of practicality and feasibility.

In 2020 alone, we redirected 3497 tons of waste from landfill due to our efforts to recover, reuse and recycle

The chart indicates the waste reduction achieved in 2020 compared to 2019, mainly due to a reduction of sludge volumes in our wastewater treatment area.

WASTE MANAGEMENT DESTINATION TONS



ZERO WASTE PROGRAM

At the end of 2020 we started a program called zero waste. The program is still in development and is already bringing very considerable value to the company waste policy and the environment around us.

The precise results will be presented in the coming months, some figures can be highlighted below:

- Reuse of waste material for a total of 19200 kg of cardboard saved
- Recycling plastic from processing for a total of 36000 kg of recycled plastic
- Reuse on pallets for a total of 6500 kg of wood saved
- Use of new compacting systems for a total of 3000km saved every year

ENVIRONMENTALLY FRIENDLY PACKAGING

Klopman uses various packaging materials - plastic, cardboard, paper and wood - of which 100% is totally recyclable.

Packaging matters and paper is a valuable resource.

All Klopman paper and cardboard packaging is recyclable because it helps to preserve forests, conserving resources

and generating less pollution during the manufacturing process, as well as reducing solid waste.

All our printed communications are made using FSC (Forest Stewardship Council) certified paper, to ensure paper is coming from a responsible source that supports sustainable forestry practices.

06



Social

SOCIAL



On 25 September 2015, the United Nations approved the Global Agenda for sustainable development and defined 17 Sustainable Development Goals (SDGs) structured in 169 targets to be reached by 2030.

The Agenda requires significant engagement from all members of society, including businesses, civil companies, the public sector, philanthropic institutions, universities, research centres, news operators and cultural organisations.

Klopman is proud to announce a step forward within its commitment to sustainable growth by joining - as

a signatory - the UN Global Compact to integrate the Sustainable Development Goals into our core business and performance management.

Our 2030 sustainability goals support 7 of the 17 United Nations Sustainable Development Goals that will be updated year by year to contribute to the United Nations 2030 Agenda.

Klopman has identified the teams, governance structure and strategies needed to meet them.

Our goals:

- GOOD HEALTH AND WELL-BEING
- GENDER QUALITY
- DECENT WORK AND ECONOMIC GROWTH

- INDUSTRY, INNOVATION AND INFRASTRUCTURE
- RESPONSIBLE CONSUMPTION AND PRODUCTION
- CLIMATE ACTION
- PARTNERSHIPS FOR THE GOALS

Labour practices and decent work

In the same way we take pride in being responsible producers of high-quality fabrics, solutions and services on a worldwide scale, we place the highest value on the safety and wellbeing of our employees, our customers and shareholders.

Our products are manufactured by people, used by people, and serve people within their daily duties. That is why human rights are so important to Klopman.

We make sure that our activities are in line with our Code of Conduct, based on the declaration of the ILO convention. We respect and recognise the unique role of each employee and their contribution to the success of the company.

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

For our employees:

- offer training and career development opportunities
- have efficient communications, information and co-determination systems
- pay appropriate salaries and wages
- provide safe and hygienic working environments, with adequate ventilation, lighting and temperature control.

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



Human Rights

Our commitment to meeting our human rights obligations is particularly evident in our management approach.

In our Code of Conduct, based on the rights of the ILO Declaration on the Fundamental Principles and Rights, 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. Please see our Code of Ethics for more information.

Klopman offers equal opportunities, ensuring fair treatment based on 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.

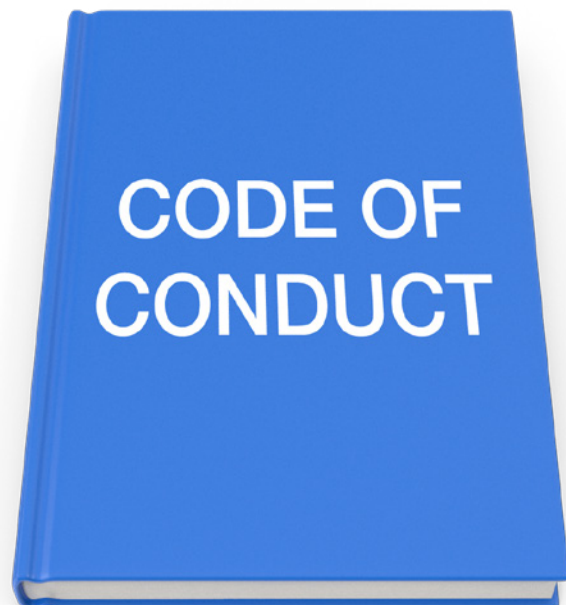
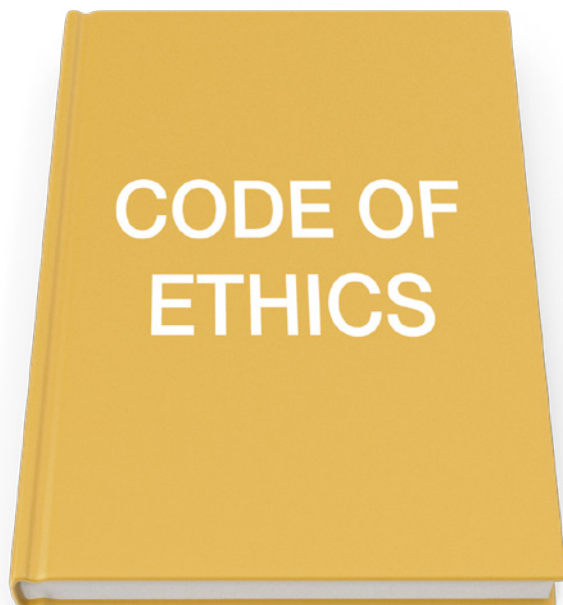
Klopman believes that if the company is to achieve its business objectives, we really need support and cooperation from all of our people.

We believe that achieving a gender balance at leadership level can aid business strategy; to this end, and to help guide our strategic choices, we recently hired four female managers to work on various aspects of product development and marketing.

Klopman's 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.

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.



Training on aspects of human rights and compliance



The main vehicle to ensure that all workers and employees are fully aware of the required standards and principles on human rights and fully understand the Code of Conduct is training programmes.

Klopman's headquarters in Italy is also examined regarding human rights and potential impacts.

We have adopted various measures to avoid negative impacts on human rights.

As a company with employees from different nationalities, there are neither cultural nor language barriers.

All employees at Klopman are supported, challenged, and treated equally. Our training concepts are provided to the entire workforce.

In this context, Klopman's employees agree in their employment contract to respect each country's local traditions.

This includes avoiding any interference in political and religious affairs of the host countries.

Our aim is to make sure that neither the host, nor the home country, nor Klopman, are depicted negatively.

Employee overview, development and training

SMART WORKING



As a result of the pandemic, 2020 was an exceptional year, which highlighted how the increase in the individual responsibility of our people has made it possible to guarantee operations and continuity in a crisis, and a new, shared way of working.

Our employees started working remotely within a few days, experimenting with a new routine, profoundly different from how things used to be, and showing great adaptability and a deep sense of responsibility.

To sustain their performance in this new way of working, a dedicated “smartworker” platform was put in place.

INVESTING IN THE PROFESSIONAL VALUE OF OUR EMPLOYEES

Helping people achieve their potential is one of our HR goals.

Within this philosophy our company has been working on competency model development and over the past year has started a new project named People Strategy to respond to changes in the business that require more specialised professional figures, skills and competencies.

The goal of this project is to design and implement a new human resource model to:

- support corporate strategic policies defined in the Business Plan
- contribute to the spread of organisational behaviour consistent with the desired corporate culture
- identify and develop the managerial and technical skills, current and future, necessary for the implementation of corporate strategies.

Despite the pandemic prompting limitations in the way

we work, with social distancing perhaps most significant among them, the company was able to fulfil its commitment to support and promote employees’ professional growth through an exceptional amount of training hours.

- 90 training hours provided through webinars connected to implementing the “new culture” deployment program, covering the following subjects:

Leadership
SMART goal setting
SMART communication

- More than 300 training hours dedicated to the improvement of language skills
- 320 hours dedicated to the training of new internal auditors
- 48 hours ISO procedures update for existing auditors.

After the renewal of our ISO 9001: 2015, ISO 14001: 2015 and ISO 45001 certifications, it is important that we proceed along the path of continuous improvement with the proactive involvement of the entire company.

07



Occupational Health and Safety

Occupational Health and Safety

The commitment to making health and safety an integral part of daily operations is strong across management levels. We have appointed a Health & Safety Committee at facility level.

Klopman's assurance to the highest level of health and safety performance is demonstrated by its international certification to the standards of ISO 45001.

This demonstrates that the company has adopted the strong, risk-based and data-driven management systems needed to identify and control health and safety risks, reduce the potential for accidents and proactively improve overall health and safety performance, year on year.

Klopman undertakes to:

- ensure and maintain a safe and healthy workplace environment and prevent injuries, illnesses or damage to the health of employees, suppliers, customers and visitors.

- continuously improve the management system's performance, not only with respect to the prevention of injuries and work-related illnesses, but also in terms of more general employee wellbeing
- adopt risk assessment criteria for all dangers relating to work activities, in compliance with national and international legislation, and aim to introduce best practices
- increase the training and updating of all employees to make them more aware of the risks related to their activities and working environment
- continue developing activities to spread a culture of safety to all suppliers and concerned parties.

This policy is shared with all Klopman personnel and all concerned parties online and via the company communication tools.

Our organisation has formal agreements with trade unions concerning safety and health issues at the workplace.

HEALTH AND SAFETY PERFORMANCE

The health and safety of our people and our customers is a number one priority. The consistent focus on improving workplace safety is measured through the high investments carried out in 2020 – over 250,000 euro in equipment, training, safety measures etc – to maintain our high standards and go beyond legal compliance.

In confirmation of Klopman's constant commitment to implement health and safety strategies and practices, and continuous work to better assess and manage risk, we have reported only one accident in 2020.

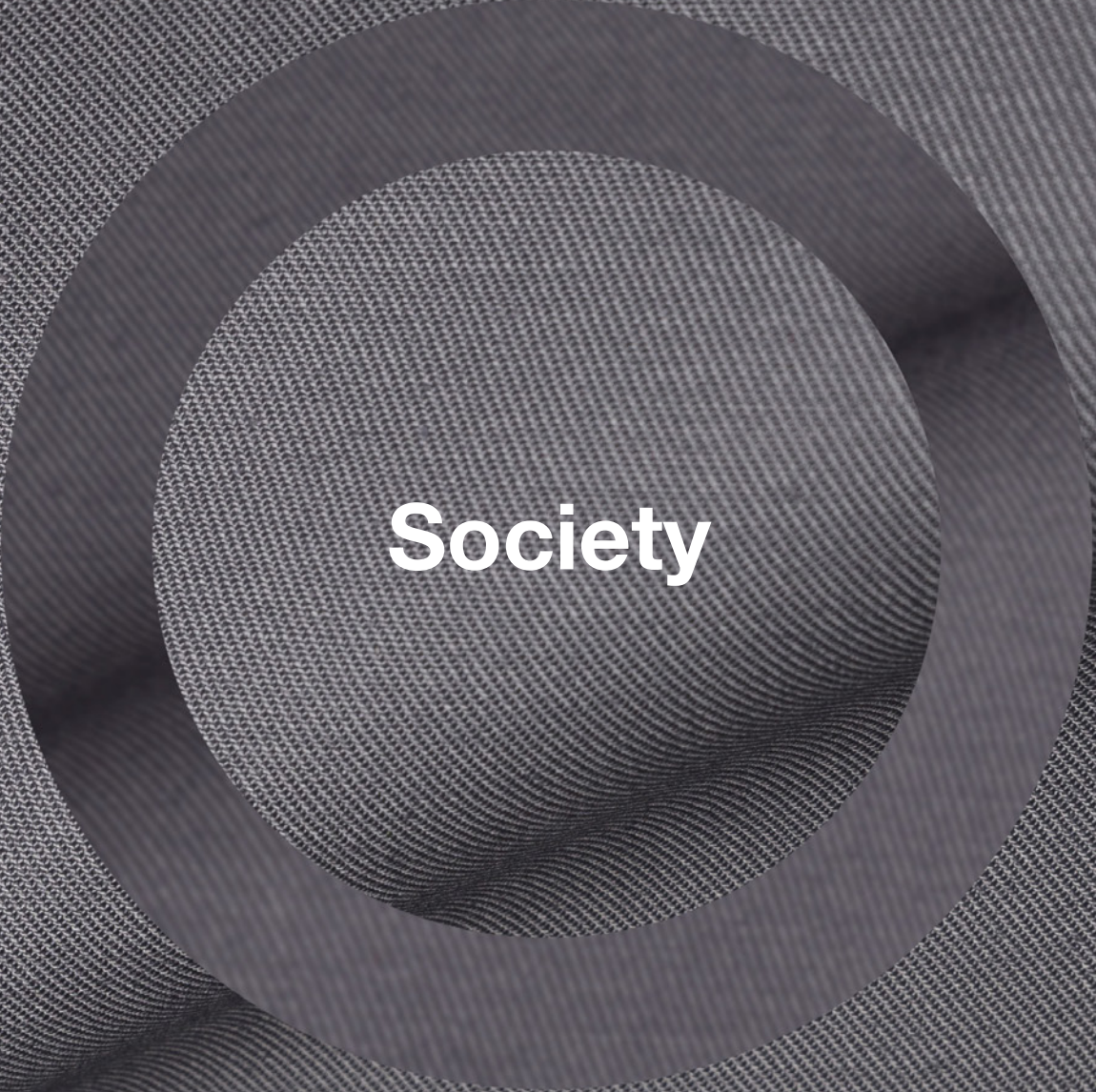
The main initiatives for the prevention of injuries and accidents are:

- latest safety measures on machinery (e.g., fixed platforms with handrails for the maintenance of various production machines)
- warehouse racks totally inspected and overhauled
- 860 training hours for H & S
- increased number of internal auditors to further monitor compliance to ISO procedures, H&S rules and risk reduction
- certification renewal ISO 45001

Klopman is serious about safety!



08



Society

Society

Social commitment is firmly anchored in our corporate identity.

One of the keys to sustained success and a sustainable future is having the right partners - partners as dedicated to responsible practices and innovative ways to improve performance on every level as we are.

This pandemic has seen Klopman at the front line,

responding to the needs of the international and local communities with the creation of an Italian supply chain dedicated to the production of masks which are reusable up to 70 times, many of which have been donated to the Municipality of Frosinone, to the local health authority and to our local community hospital to support healthcare workers in their daily duties.

LOCAL COMMUNITIES

Despite many activities in our territory being reduced and suspended during 2020 due to the pandemic, Klopman did not fail to pursue its commitment geared towards promoting sustainability, supporting local and regional communities, and contributing to cultural and educational projects.

Solidarity for Caritas

As per tradition, Klopman's Christmas Celebration stands in solidarity.

The company produced Christmas cards for purchase by employees, with the money collected from the sale to be donated to the local Caritas Diocesana of Frosinone, to help people in need.

An initiative to further strengthen the company's closeness to the local community!



Society

A library for children

To further consolidate its loyalty towards the territory and attention to small children - who represent the future of the communities in which the company operates - Klopman decided to donate to the paediatric division of the San Benedetto Hospital in Alatri (Frosinone) a library for children. The initiative was carried out in collaboration with Giunti al Punto bookshop in Frosinone, which is part of the foremost chain of bookstores in Italy in terms of number of shops. The initiative was carried out in collaboration with “Giunti al Punto” bookshop in Frosinone, which is part of the first chain of bookstores in Italy in terms of presence in the Country.

For 2020 the activities and projects involving students, schools and universities were not promoted due to COVID 19.

However, although social distancing rules, Klopman supports the more vulnerable organizations as follows:

- donation for charitable purposes and for non-profit associations
- our day-to-day work requires us to use sophisticated technology. Once equipment becomes outdated for our exacting needs, it does not end its useful life in landfill; we donate refurbished equipment to non-profit organisations and company employees where it can still be put to very good use.

These organisations are usually schools and foundations we have come into contact with during our community work.



International events & awards

Assessments of our sustainability performance also include awards by local and national environmental, business or governmental organisations, as well as international and national recognition.

Geist - Groupement des Entreprises Industrielles de Services Textiles

With great pleasure, from 9th to 11th June 2021 Klopman took part in the Journées d'Études in Annecy in France, an event organised by Geist - Groupement des Entreprises Industrielles de Services Textiles.

The focus this year was on digitisation, an integral part of Klopman's culture and something which has already implemented in many sectors' initiatives for developing digital and technology, to create new growth opportunities.



“Uniform Trends - Flame resistant Developments and Innovations”

This webinar was organised by the North-American Association of Uniform Manufacturers & Distributors, in cooperation with Klopman International. What is happening and what does the future hold for arc-rated (AR) and flame-resistant (FR) manufacturing and styles? The past 60 years have evolved from cotton-treated to aramid to blends in FR. What is next? Will more public safety bodies and other sectors adopt AR and FR, and to what extent, in their uniform specifications? What are the updates in the regulations being issued?

This was the focus of Uniform Trends - Flame resistant Developments and Innovations.



Local recognition – Klopman wins the “Industria Felix” Award

The “Industria Felix Award” at its third edition awarded Klopman as the best company in the Fashion Textile Sector of the Lazio Region selected for management performance and financial reliability after an analysis of the 2018 financial statements (the latest available on the whole for the purposes of the analysis) which involved around thirty thousand companies between Lazio and Tuscany.

Klopman was announced as the winner by a scientific committee made up of high-profile economists, entrepreneurs and managers from various organisations

and companies that sponsor Industria Felix. The committee used as an objective financial algorithm as an evaluation criterion, compared to the Cerved Group Score, the indicator of financial reliability of Italian companies developed by the most important rating agency in Italy and the fifth largest in Europe, which specializes in evaluating companies' economic and financial performances.

The initiative was organized to enhance Italian regional excellence by Industria Felix Magazine under the national patronage of Confindustria.

09



Product Responsibility

Product Responsibility

Our products are manufactured by people, used by people, and serve people in their daily duties. We aim to contribute to society through the advanced fabrics we develop.

While focusing on product innovation, Klopman never forgets its purpose: high ethical standards, market leadership and safe products for the wearer. Klopman products are intended to help reduce energy and resource consumption, promote recycling and prevent global warming.

Our commitment to fabric performance and continuous development in advanced technologies, together with our respect for the environment, runs through all aspects of our manufacturing process - from fibre selection, weaving and dyeing through to finishing.

Our R&D departments and our production engineers constantly work towards the minimisation of toxic substances, exploring alternatives for existing raw materials, waste reduction, reduction of energy use and increasing our use of renewable energies.



THE GREENWEAR™ RANGE

Greenwear™ is a registered Klopman trademark that promotes a wide range of fabrics based on environmentally friendly raw materials made with such sustainable solutions as organic cotton, recycled polyester, Fairtrade certified cotton, Tencel and Better Cotton. With these offerings, the company is committed to saving millions of plastic bottles from landfills and eliminating the use of pesticides in cotton production, while ensuring just pay for farmers. "Be the change you want to see in the world"



Product Responsibility

The Greenwear™ range this year was enriched with:

Vitalys 195 and Vitalys 235 Klopman's latest Greenwear™ products, made from wood pulp and cotton scraps using REFIBRA™ technology.

A comfortable fabric that contributes to the planet's protection and its future.

To have an idea of the recycled polyester used to produce the fabrics featuring in the Greenwear™ range, we should consider it the equivalent to **8.543.645 plastic bottles**.



Fabric	Weight	Blend
Vitalys 195	195 g/m²	50% Lyocell (TENCEL™) - 50% Recycled Polyester REFIBRA™ Technology
Vitalys 235	235 g/m²	50% Lyocell (TENCEL™) - 50% Recycled Polyester REFIBRA™ Technology

Our Greenwear™ range recycled over 8 million plastic bottles last year.

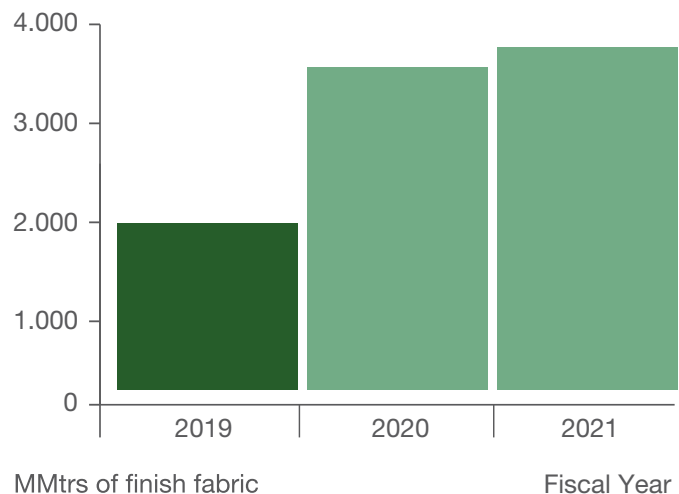


Klopman has also reached the goal to change to Oeko-Tex® OC1 finish all products involving our new Stretch line, Tencel™ fabric range and styles produced with Fairtrade Cotton, BCI, Organic Cotton and recycled PES.

As a result, 10% of Klopman's production in 2020 was represented by the Greenwear™ range.

This is a significant achievement that confirms our commitment to environmentally friendly practices.

GREENWEAR FABRIC COLLECTION



Klopman fabrics now "Made in Green"

We know how important social responsibility and sustainability are for our customers and the Made in Green by Oeko-Tex® label ensures our sustainability initiatives are visible to our clients.

The label shows the consumer that the textiles concerned are tested for harmful substances and sustainably produced and the unique product ID provides full traceability.

Workwear Range

During the reporting period, we introduced new innovations to enhance the versatility of our finished products.

To meet the market demand of a lighter and more flexible fabric to fulfil various working conditions, Klopman has developed K-Flex 150, the lightest stretchable fabric in our K-Flex family, and a complete range of FOUR-WAY STRETCH fabrics, Weavex and Twiflex. Weavex and Twiflex are the latest arrivals in Klopman's stretch family of fabrics. They can be stretched in all directions and have been specifically conceived to give extra comfort and freedom of movement to the wearer. The superior stretch and recover qualities of these fabrics make them ideal for all kinds of physically active occupations and garments can be washed industrially at 75°C.



WEAVEX AND TWIFLEX

4-WAY STRETCH FABRICS

Fabric	Weight	Blend
Weavex 130	130 g/m ²	100% Polyester
Weavex 175	175 g/m ²	100% Polyester
Twiflex 275	275 g/m ²	47% Cotton - 47% Polyester - 6% EOL (XLANCE)

NEW FINISHES

Viroff-Tex

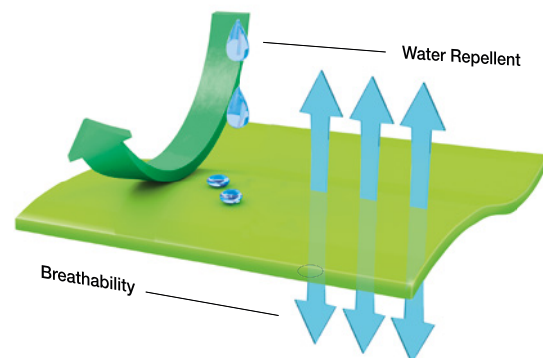
Klopman's new antiviral treatment is available for all workwear fabrics.

It is an innovative and high-performance finish which offers exceptional levels of antiviral and antibacterial protection to fabrics and safety to the wearer.



Hydrogreen

#Hydrogreen is a new eco-friendly, water-repellent finish without perfluorinated chemical products. The life of the finish can be further increased with re-proofing using paraffin-based substances during washing, guaranteeing the treatment's durability.



Protectivewear range

Luminex C50 RPES & Luminex 10CL

Our first Protectivewear style with recycled PES, composed of 50% recycled polyester and 50% cotton.

Luminex 10CL is composed of 50% polyester and 50% TENCEL™ Lyocell –fibres, guaranteeing a double advantage: outstanding performance and superior sustainability.

This new styles integrate sustainable fibres within our Protectivewear range without affecting performance in terms of visibility and protection of the fabric.



K-Flame new fabrics

K-Flame Pro Flex 320 is the new high-performance flame-retardant fabric with stretch properties. The fabric includes the XLANCE fibre in the blend, an innovative and advanced elastomeric fibre that bring new levels of performance, guaranteeing the wearer maximum protection together with superb comfort and freedom of movement. With a medium weight of 320 g/m2, this fabric's characteristics make it suitable for many industry applications. K-Flame Pro Flex 320 combines efficiency and performance with exceptional comfort.



K FLAME PRO 140	→	lightweight inherent flame-retardant fabric, to be used as lining
K FLAME XTRA 245 softshell	→	softshell for heat and flame and electric arc protection
Luminex FLEX 280	→	first high-visibility stretch fabric.

10

**Customer
Health
and Safety**

Customer Health and Safety

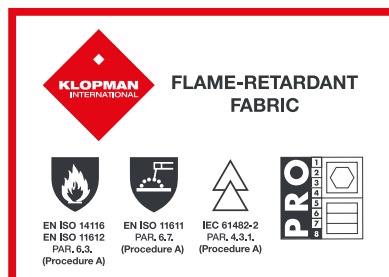
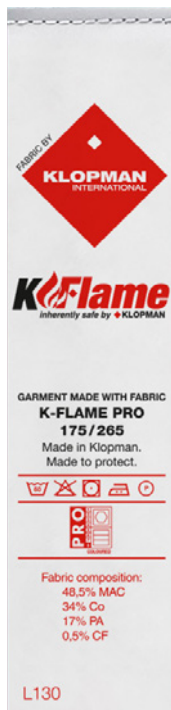
OUR CONTRIBUTION TO SUSTAINABLE TEXTILES

We have been complying with the specifications and guidelines of the OEKO-TEX® Standard 100 for many years. We are also committed to avoiding the use of certain chemicals in our production.

In addition, we also comply strictly with the European chemicals' regulation REACH and to the MRSL list, performing Detox to Zero analysis.



PRODUCT AND SERVICE LABELLING AND INFORMATION



Klopman ensures that the products which it develops and delivers are:

- Safe, in compliance with Italian and international laws applicable to the textile industry.
- Reliable, pursuant to its customers' needs and its internal quality standards.

Each product has a technical data sheet (TDS) that summarises its performance and other technical characteristics useful to the customer/end user.

The TDS also reports compliances to standard norms and the Oeko-Tex® classification.

Klopman has developed a new labelling/hangtag system to strengthen the informative message for the end user, following the belief that garment makers choose Klopman fabric because it's the best on the market to protect you.

The structure of our new website provides visitors with an easier way to learn about our products and services.

Customer Health and Safety

EXCELLENT CUSTOMER SERVICE

Business growth runs parallel with customer satisfaction. The world is changing, and customer demands are changing even more rapidly, which is why at Klopman we consider customer satisfaction one of the main aspects of our management system.

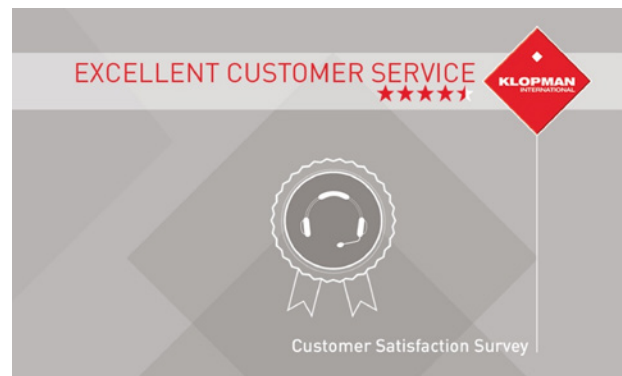
It is seen as a key performance indicator within business and has become a key element of business strategy.

Markets evolve and customers change, so it's vital to investigate whether our products and services offer the right solutions.

Klopman has launched a Customer Satisfaction Survey to learn about the level of satisfaction of its customers.

In the Customer Service category the company achieved **4.5 out of 5**.

The results obtained confirm overall customer satisfaction and demonstrate the importance of continuous improvement.



Corporate and product communication

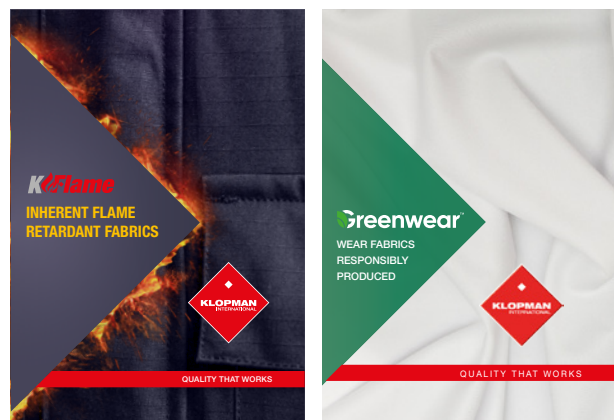
Responsible marketing is an important aspect of being a responsible company. We take it into consideration right from the start, when planning our communication

campaigns and advertising our products, as we believe that responsible marketing builds trust between the company and its customers.

Product Marketing

New communication material has been created to showcase our products for our customers and end users, and to communicate our fabrics' effectiveness and benefits.

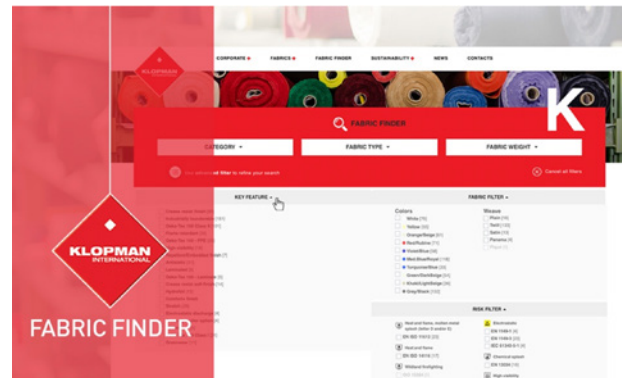
The material includes new labels, swatch cards, hangtags and brochures.



The Klopman Fabric Finder

The company website now features a new way of presenting our products: the smart “Klopman Fabric Finder”. This is a search function that helps customers identify fabrics that best meet their needs.

A variety of filters, which can be selected according to specific criteria (risk, standard, colour etc), can quickly sort and recommend the right mix of fabric properties for a perfect combination of style and functionality.



Marketing & Communication activities

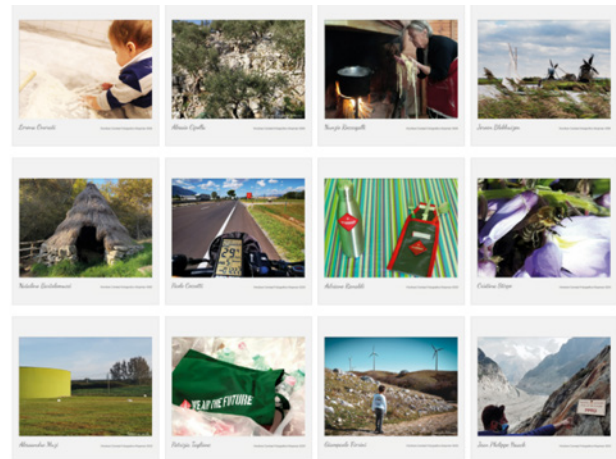
Launch of new Klopman virtual showroom

Klopman due to the health emergency, decided not to participate at annual trade fairs and to move to an online activity. So, Klopman with a specialized agency, designed and realized a new online platform in 3D animation with the aim to **reproduce as much as possible the touchpoints** of a fair in a virtual way. The result was an immersive space, simulating the exhibition stand, where the user had the chance to see new products, videos, surf and interact with Klopman experts.



Biot virtual fair

An online platform, organized by the BIOT fair, replaced the annual expo held in Russia. Klopman booked its space on the platform showcasing its product news, publishing marketing material and having meetings with customers and potentials.



Internal initiative – christmas photo contest

Klopman launched an internal photo contest for Christmas related to sustainability. The photos of the winners were included in the yearly Klopman calendar.

Videos

Two new videos realized to easily explain to our target our commitment to sustainability

- Greenwear
- CSR Video



E-mail marketing

A dedicated service has been booked to send communication to customers, for

- The customer satisfaction survey
- The launch of the new Klopman virtual showroom



VOTRE OPINION EST IMPORTANTE POUR NOUS!



Social Activity

We also communicate to our stakeholders through press releases published on national and international media and by posting news on our social media feeds: LinkedIn, Twitter and Facebook.



In 2020 our digital activity intensified, gaining high engagement and a significant increase in followers, thanks to our campaigns aimed at supporting our “Green” approach.

Significant attention was given to posts highlighting our commitment to sustainable initiatives, such as

World Earth day

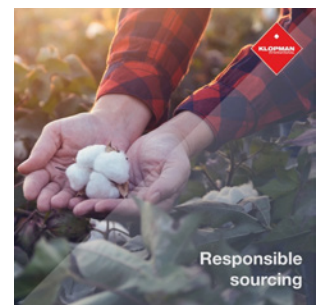
An international event to demonstrate support for environmental protection. Reducing our impact on the environment is an integral part of Klopman’s culture



Responsible sourcing

Klopman chooses its suppliers carefully to check the origin of raw materials, particularly cotton.

The company ensures that partners respect the environment, diversity, human rights and do not exploit child labour. Every little bit counts to ensure a fairer and more sustainable planet for future generations.



World Environment Day Wear fabrics responsibly produced

Reducing environmental impact is an integral part of Klopman’s culture and business activities. Every year Klopman produces millions of metres of fabrics using sustainable raw materials, through MORE AND MORE EFFICIENT PRODUCTION systems and SUSTAINABLE PRODUCTION PROCESSES, reducing waste and energy use and employing renewable energy.



Fairtrade Pratima Organic Grower Group

Klopman chooses its suppliers carefully to check the origin of raw materials, particularly cotton.

The company ensures that partners respect the environment, diversity, human rights and do not exploit child labour.

Every little bit counts to ensure a fairer and more sustainable planet for future generations.



Klopman International

VIA ARMANDO VONA, 34
03100 FROSINONE
Italy

www.klopman.com
giovanna_caprara@klopman.com

0039 0775 298564

