

DEDAR

MILANO

SUSTAINABILITY REPORT 2022

Letter to the stakeholders

Despite the uncertainty and complexity of the context that have characterized the last years, Dedar has shown constant economic growth and has resolutely pursued its sustainability path.

We are convinced that an effort at a systemic level is needed to successfully realize the transition towards low impact and circular production models. That is why in 2022 we focused on our supply chain, undertaking activities to analyze and engage our suppliers with the aim of understanding best practices and new opportunities for collaboration. This process will lead us to define and consolidate guidelines for sustainable products, in which we will identify criteria for the strategic development of our next collections. For a comprehensive and meaningful picture, we intend to integrate the information and insights collected from the dialog with suppliers with Life Cycle Assessment analyses of our products, to understand their impact for ecodesign purposes.

The engagement and collaboration with the supply chain aim also at promoting and increasingly improving the safety standards of the textiles we offer, thanks to the reduction of dangerous chemicals and product certification. In fact, this year we expanded the range of products with Oeko Tex® certification, achieving 36 articles, share that will continue to increase during 2023.

Beside working on the product, we commit to increasingly reduce our direct and indirect environmental impacts. In fact, we have completed a feasibility study for the installation of a photovoltaic system at the Appiano Gentile facility, so that the self-produced electricity may cover part of our energy consumption and thus limit our dependence on the grid. The system's entry into operation is expected by the end of 2023.

Furthermore, we conducted analyses to investigate the carbon impact associated to our shipping activities. Recently, we have implemented measures to optimize the routes and reduce the number of kilometers traveled, for example organizing the shipment from our supplier directly to the client without the need to transit through Dedar's premises.

Lastly, we have not overlooked the commitment to our people and local communities. For our employees, this year we expanded the training offer and more than tripled the hours of training provided. Thanks to the collaborations with FAI, AIRC, Cometa Association, and as donor of the Italian Pavillion at the Biennale di Venezia 2022, instead, we could offer our support to the territory for the development of services dedicated to culture, health, and young people.

We are aware of the extensive and complex transition underway in our sector and commit to continue our path towards sustainability, collaborating with partners and stakeholders to contribute to a responsible, ethical, and low-impact future for the textile industry.

For the wellbeing of people, of communities, and of the planet that is our home.

Caterina and Raffaele Fabrizio
Chief Executive Officer and Creative Director

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READER'S GUIDE

This fourth edition of the Dedar S.p.A. Sustainability Report (hereinafter "Dedar", "company" or "firm") refers to the period between January 1 and December 31, 2022 and represents a tool for transparently communicating, to its stakeholders, the impacts of the company in the main areas of sustainability.

The reporting scope of this document only includes the company Dedar S.p.A., which has its operational headquarters in Appiano Gentile (Como) in Piazza della Repubblica 1/A and its registered office in Milan, in Via Solari 12. Therefore, subsidiaries are excluded from the reporting scope. Dedar France S.a.s., Dedar Asia Pacific, Dedar Middle East Fzco, Dedar UK Ltd, Dedar GmbH and Brio Immobiliare S.r.l. and Dedar Inc: since these are commercial offices of very limited size or non-operating companies, as a whole their overall responsibility for social and environmental impacts is not material.

The 2022 Sustainability Report was prepared by adopting the "Global Reporting Initiative Sustainability Reporting Standards" defined in 2021 by the Global Reporting Initiative (GRI), according to the "with reference to the GRI Standards" option. The GRI is the most widespread international reference for sustainability reporting; it is an independent international association that promotes the development of voluntary reporting of economic, environmental, and social performance. The "GRI content index" is attached to the document, with details of the qualitative and quantitative information reported in accordance with the guidelines mentioned above.

The contents of this Report were identified through a materiality analysis process, which made it possible to determine the most relevant sustainability issues for Dedar and its stakeholders.

It should be noted that the restatements of comparative data previously published within the 2021 Sustainability Report are clearly indicated as such within this document.

A participatory process was at the basis of the drafting of the document, involving the Head of Strategic Marketing and the Head of Communications. The Sustainability Report has been evaluated by the corporate ownership.

This Report has not been audited by an independent third party.

 For information and communications on the Sustainability Report (available on the website www.dedar.com), refer to the email info@dedar.com



1
A passion between
tradition and a glimpse
into the future

1.1 A story of excellence

Italian textile company, Dedar creates furnishing fabrics and wall coverings since 1976.

Combining the tradition of Italian excellence with a distinctly contemporary sensibility, Dedar explores the vast universe of yarns, weaves, and colors free from preconceived stylistic codes, always with an eye to the future.

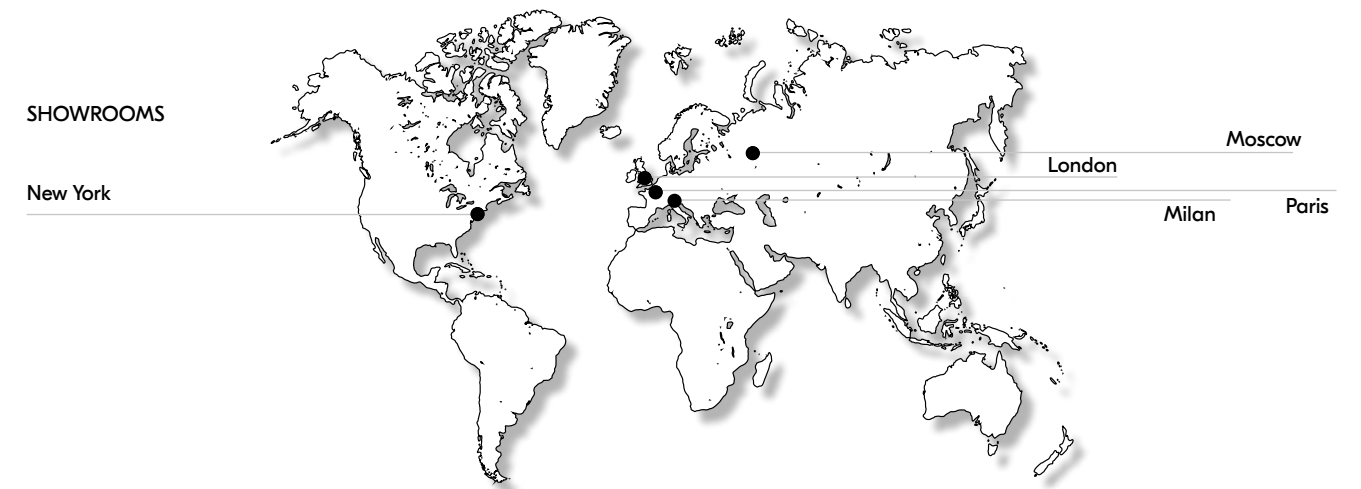
Within Dedar, creativity and experimentation are two aspects of a single process, driven by curiosity and the search for new perspectives. Production know-how and a careful selection of the best raw materials make it possible to convert sources of inspiration from heterogeneous worlds into meticulously crafted products, which remain faithful to their function of use.

Located in Italy, Dedar experiments through a continuous dialogue with artisans and textile specialists, drawing mainly on the know-how of the historic silk district in Como and the surrounding area, where a consolidated textile tradition has been handed down over time. The company employs carefully selected spinners and weavers specialized in the various processing techniques and raw materials, entrusting each phase of the product creation process to the most suited specialists. In addition to developing fabrics with its brand, the company markets third-party fabrics that are characterized by values similar to those of Dedar, to complete its offer.

The company reaches customers from all over the world through five single-brand showrooms in Milan, London, Paris, Moscow, and New York, and a carefully selected distribution network. Accurately decorated spaces and a consultancy experience with attention to the smallest detail guarantee a real closeness to the community of interior designers and architects, who share Dedar's passion for quality and beauty. Dedar fabrics and wall coverings decorate residential and public spaces around the world, from the most important hotel chains, boutique hotels, and restaurants to private yachts and exclusive boutiques, determining the identity and uniqueness of the environments.

Over the last decade, Dedar has shown constant economic growth. This is the result of its ability to interpret textiles and the solidity of management. In 2022, Dedar achieved a consolidated turnover of 52.7 million euros, up by 21% compared to 2021, making a profit of 6.9 million euros.

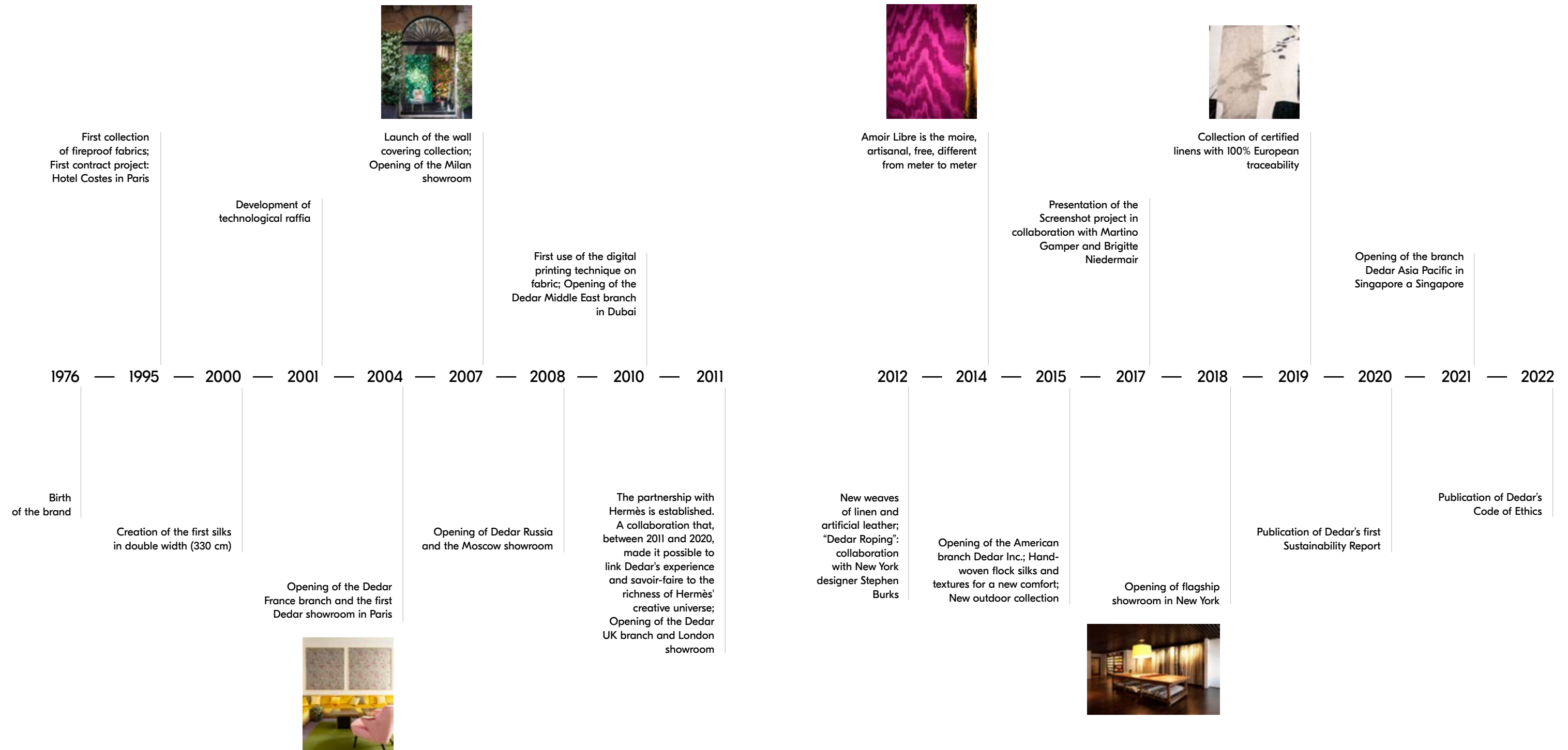
80+
n° Countries of distribution



52,7 milioni euros
turnover in 2022

6,9 milioni euros
net profit in 2022

A history of products, projects, and collaborations



A family company

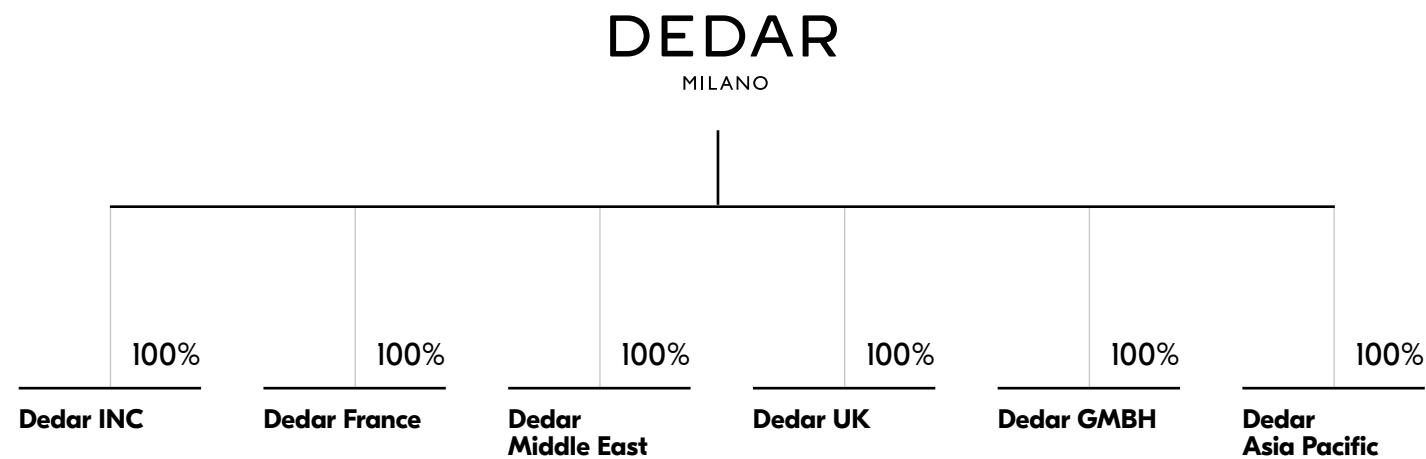
Dedar was founded in 1976 by Nicola Fabrizio and his wife Elda, starting with the production of hand-made fabrics and purchasing ancient tribal rugs from all over the world. Since 1997, Caterina and Raffaele have supported their parents in the management of the company, sharing the same passion and making their contribution, with a gaze to the future and a further innovative drive. They also strengthened the organizational structure by setting up a strong managerial framework assisted by a management committee.

The family nature of the company is reflected in the shareholding structure. The share capital of Dedar S.p.A. is owned by Caterina and Raffaele Fabrizio, and by their mother Elda Perotta. Caterina Fabrizio is currently the company's CEO and Chairperson, while Raffaele Fabrizio holds the role of Creative Director.

The company structure of Dedar

Dedar S.p.A. is the parent company and controls with 100% Dedar France S.a.s. (France), Dedar Inc (United States), Dedar Middle East Fzco (United Arab Emirates), Dedar UK Ltd (United Kingdom), Dedar GmbH (Germany), and Brio Immobiliare S.r.l. (which groups corporate real estate). In 2021 the Group established its new branch Dedar Asia Pacific Pte Ltd in Singapore, of which the share capital is entirely owned by Dedar S.p.A. The Asian branch became operative in 2022.

DEDAR'S OPERATING SUBSIDIARIES



The administration and control system of Dedar S.p.A. is structured according to the traditional model. The administrative body, responsible for determining and pursuing the strategic objectives of the company, is represented by a board of directors made up of four members of the Fabrizio family, of which Caterina Fabrizio is Chairperson. The Board also oversees the management of the impacts that the company generates on the economy, the environment, and people, and approves the information presented in the Sustainability Report. The Board of Statutory Auditors is made up of five members, three standing auditors, and two alternate auditors, who supervise compliance with the law, the Articles of Association as well as compliance with the principles of proper administration.

Philosophy and values

Dedar has always pursued the mission of providing excellent and high-quality products and services, acting with responsibility and meeting the expectations of stakeholders. Dedar strongly believes that growth and sustainable development in the long term are not possible without integrating the principles of honesty, reliability, respect, fairness, and transparency in the business.

Dedar's Code of Ethics, published at the beginning of 2022, translates these principles in behavioral norms to guide the actions of all those who contribute every day to fulfill the corporate mission. In defining and regulating the corporate conduct, the Code of Ethics draws inspiration from the most recognized international standards and guidelines regarding human rights and corporate social responsibility, among which the Universal Declaration of Human Rights of the United Nations, the 10 Principles of the Global Compact, and the Conventions of the International Labor Organization.

Dedar bases its philosophy and its corporate culture on the values of integrity, responsibility, sharing, excellence, passion and style, and creativity. These are the virtues that inspire and guide the commitment of the company to spread beauty and improve the quality of the environments in which people and communities live, filling them with harmony and art.

1.2 TOWARDS A SUSTAINABLE FUTURE

In the last years the global effects of climate change and the related consequences have become increasingly evident, further accelerating the need to act on the issue, also as a result of the growing sensitivity of consumers and all stakeholders in general.

Not only are consumers more responsible in their behavior: the general international context is changing thanks to the pressure of the institutions. In this regard, the UN has for decades been committed to promoting the sustainable development of countries, with inevitable consequences on the stakeholders who are part of the country systems. In 2015, 193 UN member countries signed up to the 2030 Agenda for Sustainable Development, an action program for people, the planet, and prosperity based on 17 Sustainable Development Goals of economic, social, and environmental nature. All countries are called to contribute to the achievement of these objectives, involving all actors, including companies.

Sustainability requires corporations not only to recognize the common problems the world is facing but also to **innovate and take action to make their contribution to a better future from an environmental and social point of view.**

For companies to be part of the change, it becomes essential to identify, among the many, the main challenges they are called to respond to concerning their sector, their business, and the objectives that can be set to generate long-term value.

The reference context

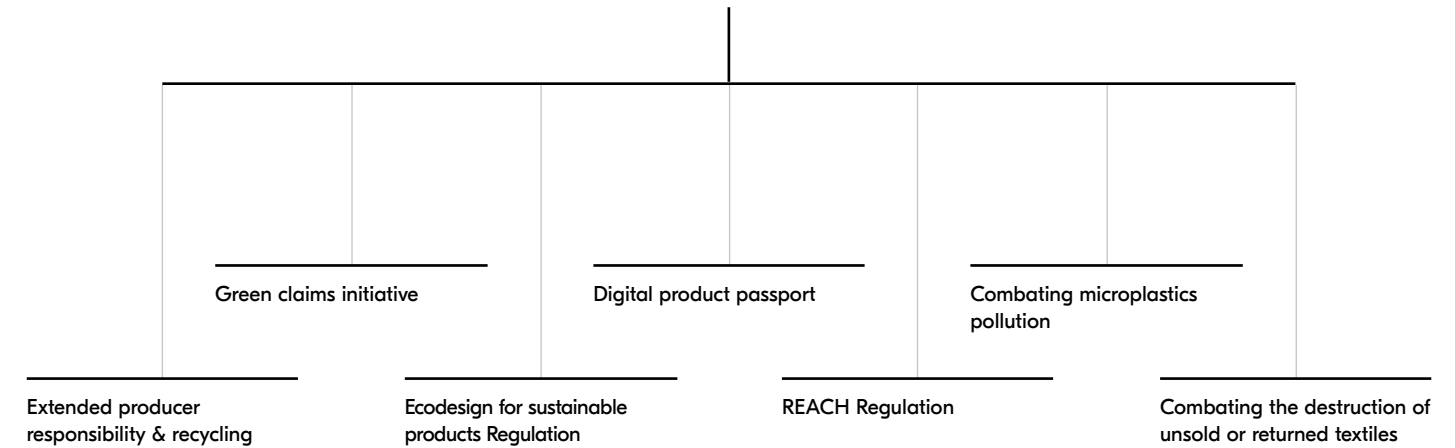
Although characterized by a very specific offer, **Dedar's business is part of the largest textile sector**, one of the industries with the most significant environmental impacts globally.

Between 2000 and 2015, the global production of textiles has almost doubled. The manufacturing and use of textile products generate major negative impacts on the environment: at European level the textile sector is considered the fourth most impacting industry for water and soil consumption, and ranks among the first five in terms of production of greenhouse gas emissions and depletion of raw materials. Furthermore, every year about 5.8 million tons of textile products are discarded only in the EU, equivalent to 11 kg per person¹. It is estimated that only 30-35% of total textile waste was destined to waste sorting in 2020².

¹ European Commission, 30.03.2022. Communication – EU Strategy for Sustainable and Circular Textiles.

² Mauro Scalia, EURATEX Director Sustainable Businesses, 14.12.2022. Creating a more circular textiles sector: including the EcoDesign Regulation.

KEY ACTIONS OF THE EU STRATEGY



EXTENDED PRODUCER RESPONSIBILITY (EPR) AND RECYCLING: With the introduction of the EPR scheme, the producer will be expected to take charge of the financing and organization of textile waste collection and its preparation for reuse and recycling. Charges should be modulated based on the sustainability characteristics and recyclability of products. The use of natural and recycled materials is encouraged.

GREEN CLAIMS INITIATIVE: As it is more and more difficult for consumers to verify the truthfulness of the great number of environmental claims to which they are exposed, in 2022 the European Union proposed the introduction of clear normative standards regulating green claims. This will ensure access for consumers to reliable information on products' sustainability characteristics. On March 22, 2023, the European Commission published the proposal for a directive requiring such claims to be supported by metrics and analysis on the products' environmental impacts based on scientific criteria and verifiable methods.

ECODESIGN FOR SUSTAINABLE PRODUCTS REGULATION: The proposal for this Regulation, that is expected to be approved by 2024, will be a key pillar of the European Commission approach in matters of sustainable and circular products. The norm aims at defining the ecodesign requirements for textiles that may be placed in the European market by 2030. The requirements will concern, for example, durability, recyclability, recycled fiber content, chemical substances, and standards for ethical production. The first category of products addressed by the Commission will be home textile.

DIGITAL PRODUCT PASSPORT: In the Ecodesign for sustainable products Regulation, the Commission will introduce the obligation of a digital passport containing information on the products' environmental characteristics, like durability and circularity, its dimension, and the Countries in which it is manufactured.

REACH REGULATION: The Ecodesign Regulation intends also to revise the legislation regarding management of chemicals and raise attention to the elimination of dangerous chemicals by introducing additional restrictions to the framework defined by the REACH Regulation in 2007.

COMBATING MICROPLASTICS POLLUTION: Fabrics made of synthetic fibers, like polyester, are one of the main responsible for the involuntary release of microplastics during washing. The EU Commission plans to mitigate their impact acting on manufacturing processes, industrial pre-washing, labels, and innovative materials.

COMBATING THE DESTRUCTION OF UNSOLD OR RETURNED TEXTILES: To deter a practice that leads to a considerable waste of resources and value, the EU Commission proposed an obligation of transparency on the practices for managing unsold or returned products. With this regard, together with the industry, the EU is assessing how the digital transition could contribute to reduce the environmental impacts of the textile sector.

Dedar's path

Dedar continues the path started in 2019 aimed at becoming increasingly aware of the social and environmental impacts associated with its business and implementing the necessary systems and actions to effectively manage them.

Stakeholder consultation and materiality analysis conducted in 2021 represent an important stage of this process. The company, in fact, through an online survey, engaged a representative group of employees, suppliers, and corporate clients in assessing the relevance of a set of sustainability topics related to the industry and the business. This activity was integrated with individual interviews with a selected number of suppliers and clients to further investigate their perceptions related to emerging sustainability trends.

From the evidence collected during stakeholder engagement and the assessment conducted by the corporate ownership, 11 material topics were defined. These represent the economic, social, and environmental aspects that are most relevant to the company and its stakeholders and that influence the capacity of the business to create value over time.

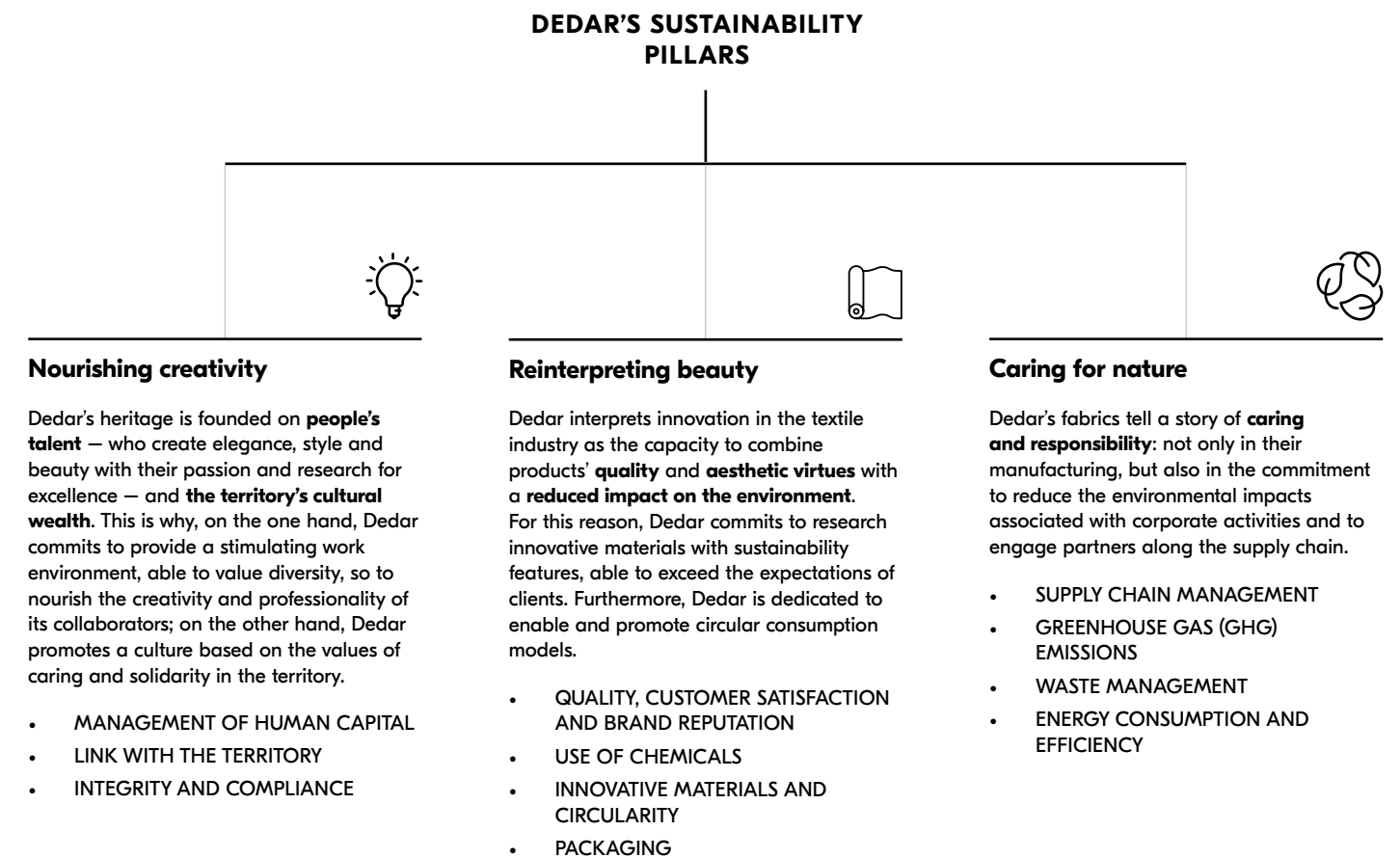
In 2022, aligning with the methodology introduced by the new release of the GRI Standards 2021, materiality analysis was improved through the analysis of the impacts associated to the material topics previously defined: for each topic Dedar identified the related impacts, namely the effects that the company produces on the economy, the environment, people and their human rights. Such effects can be positive or negative, actual or potential, directly or indirectly caused by business activities. The analysis, conducted with the support of external consultants with sustainability expertise, is available in Appendix.

Subsequently, the 11 material topics were organized in a list and ranked according to their level of priority, determined on the basis of the assessment conducted by stakeholders in 2021 and by the company, updated in light of the evolution of the context.

Material topics

1. QUALITY, CUSTOMER SATISFACTION AND BRAND REPUTATION
2. MANAGEMENT OF HUMAN CAPITAL
3. SUPPLY CHAIN MANAGEMENT
4. GREENHOUSE GAS (GHG) EMISSIONS
5. USE OF CHEMICALS
6. WASTE MANAGEMENT
7. INNOVATIVE MATERIALS AND CIRCULARITY
8. INTEGRITY AND COMPLIANCE
9. PACKAGING
10. LINK WITH THE TERRITORY
11. ENERGY CONSUMPTION AND EFFICIENCY



Based on the analysis of the business impacts and the expectations emerged during the dialogue with stakeholders, Dedar started laying the foundation for the definition of a strategic vision that can lead the sustainable development of the business in a structured way.



After identifying the Sustainability Pillars and material topics, in 2021 Dedar defined a **plan of short- and medium-term actions** that will support the business strategy integrating social and environmental objectives.

Action plan 2022-2024

| Pillars | Material topics | Actions | Timeframe | Completion |
|--|--|---|-------------|------------|
|  Nourishing creativity | Integrity and compliance | Publication of Dedar's Code of Ethics | 2022 | ✓ |
| | | Monitoring clients' requests with the aim of mapping and assessing the adoption of relevant policies | 2022 | ✓ |
| | | Enhancing the communication of sustainability initiatives through the website in order to spread a culture of awareness and responsibility | 2022 | ✓ |
| | | Implementation of a risk analysis and management system | 2024 | + |
| | | Start of the certification process for the 231/2001 Organizational Model | 2023 | + |
| | Management of human capital | Implementation of initiatives to improve wellbeing at work and the employees' sense of belonging to the company | 2022 | ✓ |
| | | Development of onboarding programs for new hires | 2022 | ✓ |
| | | Training program for the management | 2022 | ✓ |
| | Link with the territory | Definition and implementation of individual and collective training programs | 2023 | ○ |
| | | Support to organizations that act for the benefit of local communities | 2022 e 2023 | ○ |
| Donation of textile scraps and textiles withdrawn from sale to social tailoring projects aimed at supporting vulnerable groups | | 2022 | ⌚ | |
| Use of chemicals | Involvement of employees in corporate volunteering activities, for the support of local nonprofit associations | 2022 | ✓ | |
| | Renewal of the Oeko-Tex® certification for the items already certified and increase of the number of items certified | 2022 | ✓ | |
|  Reinterpreting beauty | Innovative materials and circularity | Awareness raising among suppliers about the reduction of hazardous chemical substances | 2023 | ○ |
| | | Development of new products made of recycled material | 2022 | ✓ |
| | | Development and communication of guidelines for sustainable product design | 2023 | ○ |
| | Packaging | Mapping and evaluating relevant product certifications | 2022 | ✓ |
| | | Start of an information collection process related to the origin of yarns composing new products that will be launched from 2024 | 2023 | + |
| | | Definition of targets for increasing the share of products made with sustainable materials (recycled, regenerated, and coming from organic yarns) | 2023 | ○ |
| | Comparative LCA analysis of a product made of virgin Trevira and one made of recycled Trevira | 2024 | + | |

| Pillars | Material topics | Actions | Timeframe | Completion |
|---|---|---|-----------|------------|
|  Reinterpreting beauty | Packaging | Increase of the share of recycled polythene for packaging | 2022 | ✓ |
| | | Substitution of plastic sleeves for samples with sleeves made of recycled plastics | 2022 | ✓ |
| | | Research and evaluation of alternatives to bubble wrap made of recycled material | 2022 | ⌚ |
| | | Installation of water dispensers at the Appiano Gentile premises to eliminate the consumption of plastic bottles | 2022 | ✓ |
|  Caring for nature | Supply chain management | Sharing of Dedar's Code of Ethics with suppliers | 2022 | ✓ |
| | | Analysis of a strategic cluster of suppliers through a qualitative and quantitative questionnaire | 2022 | ✓ |
| | | Evaluation of adequate instruments and interventions to promote the sustainable development of the supply chain, on the basis of the analysis results | 2023 | ○ |
| | Energy consumption and efficiency | Elaboration of a system of data collection and analysis related to energy efficiency | 2022 | ✓ |
| | | Publication of the Policy for a sustainable fleet | 2022 | ✓ |
| | | Installation of charging stations for electric cars in the company parking area | 2023 | ○ |
| | GHG emissions | Installation of a photovoltaic system | 2023 | + |
| | | Calculation of GHG emissions derived from shipping activities | 2022 | ✓ |
| | Evaluation of measures to reduce emissions related to Dedar's shipping activities | 2023 | + | |

LEGENDA

- ✓ Completed
- Ongoing
- ⌚ Delayed
- ⊕ New action

Relations with stakeholders

Dedar has a continuous and direct relationship with its **clients**, a dialogue that takes place, mainly, in sales. In particular, in 2022 Dedar met its clients in occasion of the Fuorisalone of the Milan Design Week, the Maison&Objet fair and the Paris Déco Off, taking the opportunity to talk about the evolution of its sustainability path and new products. In addition to this, clients have at their disposal a dedicated Customer Service to which they can address specific questions. Communication with **suppliers** is also ongoing, especially with fabric manufacturers, with whom collaboration for the development of new products is constant. **Employees**, on the other hand, benefit from the small size of the family organization which allows fluid communication with the top management. In addition, individual performance evaluation represents a further opportunity for dialogue. Finally, Dedar also boasts a strong relationship with the **media**, managed by the Communications Office in collaboration with the Press Offices: the company regularly meets the relevant media and organizes at least one press conference a year, as well as individual meetings with the various newspapers.

An important touch point for Dedar to interact with its stakeholders are the **digital channels**. In particular, Instagram is Dedar's social media channel on which clients and fans engage the most with the company. The website is also a fundamental platform where users can appreciate the wide range of products and collections in all their variants and accompanied by all the technical information. Moreover, it is a means through which stakeholders have the possibility to enter into contact with the identity and the values of the company. In 2021 the website underwent a restyling in order to provide clients and enthusiasts with the best user experience.

Dedar's presence on social media and digital channels

| Channel | Unit of measurement | 2022 |
|-----------|---------------------|-----------|
| Facebook | Fans | 20.300 |
| Instagram | Followers | 141.900 |
| Youtube | Video views | 20.300 |
| LinkedIn | Followers | 14.946 |
| Website | Page-views | 3.496.992 |
| | Users | 648.929 |

Thanks to the stakeholder engagement activities conducted in 2021, Dedar had the opportunity to deepen the relations with key stakeholders, and to initiate discussions about common goals and specific topics. Organic and recycle yarns, product certifications, traceability of raw materials and the need to raise awareness along the entire value chain were among the several issues discussed. In 2022 the company continued to engage its stakeholders, focusing on the supply chain. Through a questionnaire distributed to a group of 29 suppliers, Dedar assessed its partners' management practices and trends related to sustainable innovation. This represented a preliminary analysis, that will be followed by a dialogue with strategic suppliers on the most relevant issues for the supply chain, like materials, traceability, and circularity, with the aim of defining guidelines for sustainable product design and identifying opportunities for collaboration.





2 Production's quality and responsibility

2.1 QUALITY AND INTERNATIONALITY

Dedar bases its identity and raison d'être on its stylistic component, the constant innovative research of new products and the creation of a relationship of quality and trust with clients.

Over time, Dedar has perfected its ability to interpret the expectations of its clients, combining innovative techniques with artisan processes, by mixing natural fibers with technological yarns. The technical and stylistic research consequentially translates into visual and tactile pleasure, allowing to create environments that arouse emotions in the lives of the people who live in them.

The collection

The essence of Dedar's fabric, wall covering and trimming collection are the freedom of inspiration, a taste for experimentation, the love for precious qualities and a wide color range combined with the greatest attention to technical and functional aspects.

The numerous products in the collection can be divided into different categories:

PLAIN CLASSICS

Plain fabrics such as velvets, satins, silks, wools, linens that reveal great research in the art of weaving and color, thus becoming new classics;

CONTEMPORARY ARCHIVES

Jacquard or printed fabrics with wide-ranging geometric patterns, small-scale geometries and contemporary interpretations of archival designs;

WALLCOVERINGS

Wallpapers and wall coverings that bring creativity and texture to walls;

TEXTUROLOGIE

Textural fabrics, where the intertwining of different fibers animates fabrics as its texture enhances variations and irregularities;

ENJOYABLE OUTDOORS

Highly versatile outdoor fabrics. Classified as outdoor for their characteristics, they are also suitable for any interior setting requiring durability, practicality and ease of maintenance;

TRANSPARENCIES

Light veils, the result of a delicate combination of material and transparency;

FIRE-RETARDANT

Functional and easy-care fabrics, which embody the richness and variety of textures, intense colors and designs in a fire-retardant version.

The collection brings together **520 products and 3,600 color variations**; the 500,000 meters of fabric in stock allow the prompt lead-time of 97% of orders.

In addition to the extent of its collection, Dedar's versatility is also reflected in the ability to satisfy the most demanding expectations, by modifying a fabric in the collection to adapt to the particular requests of a design project or by creating ad hoc fabrics, fireproof or not, to meet every single creative idea.

520
products

3,600
color variations

Materials

Dedar uses many yarns in order to meet different needs and expectations, both aesthetic and technical. That is why Dedar's offer encompasses natural, artificial and synthetic fibers.

Silk, cotton, linen and wool are among the main **natural fibers** used to realize Dedar's collections and they make up about 65% of sales³. These are fibers that come from the animal or vegetable world.

SILK

Is made from the cocoons that the silkworms produce by feeding on mulberry leaves. Sericulture and, in particular, the cultivation of silkworms was exclusive to China for many centuries, until the production of silk was introduced to Europe from the East. In the 15th century silk art developed in the Como area, becoming, in the international luxury and fashion scene, an area of excellence. Silk is characterized by being a light, soft, thin, elastic and luminous fiber, all qualities that contribute to making it an elegant fiber;

COTTON

The most used textile fiber in the world, is derived from the homonymous plant cultivated and processed since ancient times. The yarn is obtained from the processing of cotton wool, that is the material that wraps the seeds produced by the fruits of the plant. Cotton is a resistant and breathable fabric;

LINEN

Is an ancient natural fiber of great beauty. Already used by the ancient Egyptians, it was introduced in Europe thanks to the Phoenician trade. The fiber is obtained from the stem of *Linum usitatissimum*, a plant that does not require irrigation and fertilizers. For this reason, linen is also an ecological fiber, as well as being resistant to wear as clothing, hypoallergenic, of great beauty, luminous and capable of enhancing colors and chromatic effects;

WOOL

Its processing dates back to prehistoric times. Wool is obtained from the fleece of some animals, including sheep and camelids, and when it comes from living animals, it is defined as "virgin wool". After shearing, washing, and degreasing, the fiber takes on a more or less defined color that can vary from ivory, to white, or black or brown, depending on the animal from which it was produced. This fiber is characterized by its shiny appearance, hygroscopicity, elasticity, unmistakable softness, and fire-retardant properties. Its pride is also embodied in the almost total waste free production.

Artificial fibers of natural origin, on the other hand, are the result of particular processes that combine natural fibers with some chemical components, to obtain a yarn with particular characteristics. These include **viscose**, produced from the wood pulp of trees dissolved in lye, to which carbon sulphide is added. The resulting fiber imitates the softness of plant fibers and the brightness of silk.

Finally, **synthetic fibers** are obtained by processing materials from the petrochemical industry. They are particularly durable, elastic, resistant to heat, humidity, and chemicals. Among the most common synthetic fibers in the Dedar collection are polypropylene and solution-dyed acrylic, ideal for outdoor use, resistant to stains and easy to wash, and FR polyester (flame retardant polyester). FR polyester fabrics are inherently flame retardant by virtue of their composition and structure: among these is **Trevira CS®**.

³ Products made of at least 50% of natural fibers.

To better understand its impact on natural resources and the purchasing trends of customers, Dedar started accounting the proportion of materials deriving from renewable and non-renewable sources used in its products. With reference to Dedar collection only⁴, in 2022, 23.5% of sold fabrics, trimmings, and wallcoverings is composed of 100% renewable fibers. Adding products composed of mixed textiles made of at least 50% of renewable fibers, the amount of mainly renewable fabrics sold increases to 64.1%. The Collection fabrics is the product category in which the highest share of pure renewable fabrics is produced; in fact, the Collection includes all the curtains and furnishing textiles made of silk, wool, linen, cotton, viscose, and other artificial fibers not mixed with any synthetic fibers. As for trimmings and textile wall coverings, most of products sold are composed of mixed materials with at least 50% of renewable fibers.

Renewable and non-renewable fabrics⁵

| Meters | U.m. | 2022 | 2021 | 2020 |
|--|------|------------|------------|------------|
| Collection fabrics | % | 100 | 100 | 100 |
| of which 100% renewable | % | 25.4 | 41.1 | 41.2 |
| of which mixed composition of renewable fibers ≥ 50% | % | 38.9 | 24.4 | 22.9 |
| of which mixed composition of renewable fibers < 50% | % | 4.7 | 4.7 | 4.6 |
| of which 100% non-renewable | % | 31.0 | 29.8 | 31.4 |
| Trimmings | % | 100 | 100 | 100 |
| of which 100% renewable | % | 4.8 | 4.5 | 4.9 |
| of which mixed composition of renewable fibers ≥ 50% | % | 62.7 | 65.1 | 69.3 |
| of which mixed composition of renewable fibers < 50% | % | 1.6 | 1.0 | 0.7 |
| of which 100% non-renewable | % | 30.8 | 29.4 | 25.1 |
| Textile wall coverings | % | 100 | 100 | 100 |
| of which 100% renewable | % | 0.0 | 0.0 | 1.0 |
| of which mixed composition of renewable fibers ≥ 50% | % | 59.3 | 38.1 | 36.2 |
| of which mixed composition of renewable fibers < 50% | % | 5.4 | 11.0 | 14.9 |
| of which 100% non-renewable | % | 35.4 | 50.8 | 47.9 |

Dedar also sold wallpaper rolls to be considered non-renewable being made of vinyl on non-woven fabric.

⁴ Excluding ad hoc creations and third-party products.

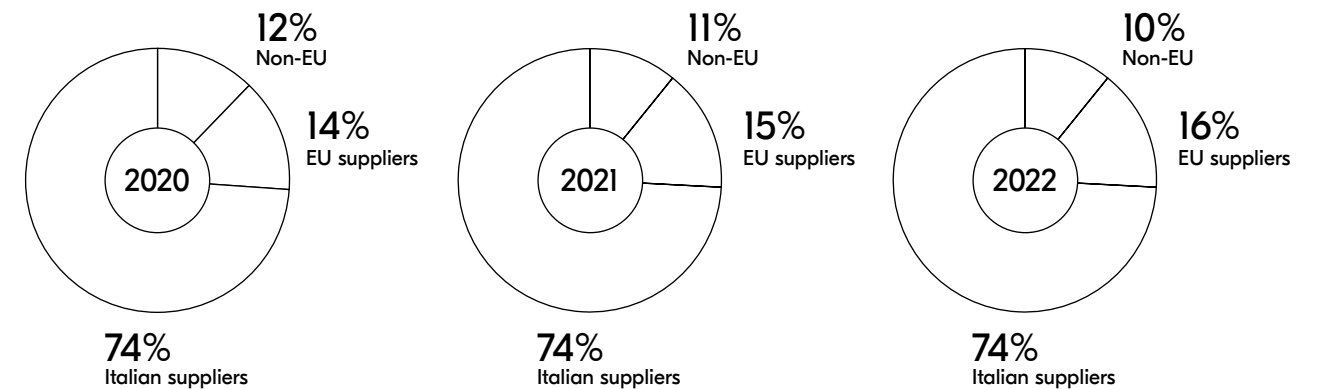
⁵ 100% renewable fabrics include, among others, 100% cotton, 100% silk, 100% viscose, 100% linen, 100% wool, 100% modal and 100% mohair. The second category includes all articles which have a percentage composition of renewable fibers equal to or higher than 50%. The third category includes articles with a percentage composition of renewable fibers which is lower than 50%, while the last category includes non-renewable fabrics (e.g.: 100% FR polyester).

Supply chain

Once the expectations, the customer's requirements, and the products to be made have been identified, the weaving activities are entrusted to Dedar's qualified suppliers, chosen on the basis of their skills, their reliability, and the quality of their service.

While choosing its suppliers, Dedar maintains its strong calling for Made in Italy, but not without keeping in mind the rest of the world, especially those areas known for the presence of manufacturing companies with a strong artisan heritage in the textile field. 74% of Dedar's spending⁶ is on Italian suppliers and of this share 35% amounts on suppliers based in the province of Como. European suppliers amount to 16% of the spending, while the remainder is made up of non-EU suppliers located in areas characterized by a historical textile tradition.

Proportion of spending on local suppliers



In order to be qualified, all Dedar suppliers are required to sign a declaration of compliance with the **REACH Regulation** in reference to the chemicals, dyes, articles and processes that may come with producing fabrics, which have harmful properties towards human health and the environment. REACH (Registration, Evaluation, Authorization and Restriction of Chemicals) is a regulation of the European Union that governs numerous chemical substances, with the aim of improving knowledge of the dangers and risks arising from them.

In regard to the topic of chemicals, the company has certified some of its Dedar brand products according to **Standard 100 by Oeko-Tex®**, an independent and uniform international control and certification system that certifies the absence of harmful substances. In 2022 the range of Dedar's Oeko-Tex® certified articles was broadened, achieving 36 items. Some products are also **Masters of Linen** certified: the brand certifies linen fabrics when these are entirely grown and processed in Western Europe, wanting to give total transparency towards customers on product traceability. Furthermore, Dedar manufactures IMO⁷ certified fabrics and supplies the maritime sector with IMO approved fire-retardant fabrics.

⁶ Value.

⁷ Fire protection requirements of Marine Equipment Directive (MED) 96/98/CE.

By wanting to make the supply chain increasingly transparent and responsible, since 2021 Dedar has been adopting a **purchase specification**, a set of guidelines requiring suppliers to align to the principles of social responsibility, environmental sustainability, and ethical responsibility. Dedar also invites suppliers to share the guidelines with their own suppliers and report on non-compliance cases, as a means to enhance sustainability along the entire value chain.

The theme of products and processes' **traceability** is gaining more and more relevance. However, ensuring traceability requires the implementation of sophisticated and integrated systems and a deep understanding of the supply chain, which is particularly complex in the case of the textile industry. Nevertheless, Dedar is analysing possible solutions to improve traceability of raw materials and yarns. In this regard, stakeholder engagement activities conducted in 2022 with main suppliers aim at raising awareness about this issue, sharing best practices, and identifying potential opportunities for collaboration, also considering obtaining specific certifications.

Quality

In order to offer a product of excellence, Dedar focuses on the chosen fabric's high quality and style, together with maximum service efficiency to guarantee customer satisfaction. In pursuit of this goal, Dedar has implemented precise and detailed quality control procedures that allow for a correct identification, storage, and management of the product.

At Dedar, the responsibilities of coordinating quality control procedures are carried out by the **Quality Control Manager**, who performs the following functions:

- release the quality system documentation, involving the relevant functions, providing for its updating and storing;
- organize the monitoring and measurement of processes by collecting and managing data relating to product quality, referring to quality indicators where possible;
- coordinate the operational functions involved in the management of product non-conformities and corrective actions that may be necessary in order to keep the quality system efficient and effective;
- verify the conformity of the quality system with what is described in the Quality Manual and in the procedures, making sure it is in compliance with the applicable standard, with the requirements for continuous improvement, with the quality policy and with the improvement objectives;
- monitor the quality objectives, assessing the need for resources in terms of personnel, infrastructures, and means necessary for the intended purposes;
- coordinate, with the necessary departments, the maintenance and / or calibration of the equipment and measuring instruments, ensuring that these activities are recorded on the required documentation.

Quality management is intrinsic in every phase of the production process: from the identification and transmission of specific customer requirements to suppliers, to the careful monitoring of the design phases by the Product Manager, up to the quality control of all inbound products to ensure their complete compliance with production requirements. The fabrics under development are all tested by external laboratories to verify the technical characteristics such as abrasion, pilling, light fastness, color fastness and fire resistance.

Dedar in the world

Thanks to its versatility and its continuous pursuit of excellence, Dedar proves to be an ambassador of luxury furniture design in **over 80 countries** around the world, which in 2022 accounted for **81% of turnover**.

The company's internationality began to assert itself from the very beginning, when in 1995 the first contract project was realized for the Hotel Costes in Paris. Since then, the notoriety of Dedar in Italy and abroad has grown continuously and today fabrics, wall coverings and trimmings are present in large hotel chains, international boutique hotels, cruise boats, private yachts and renowned boutiques including the JK Place Hotels in Rome, Florence and Paris, the Hotel Four Season in Rome, the Nomad Hotel in Las Vegas, the Loulou restaurant at the Palais du Louvre and the Bvlgari Hotel in Paris, Palazzo Fendi in Rome, the Boutique of the Redemption brand in New York, and the Mandarin Oriental Ritz in Madrid. In 2021 Dedar took part in the project "Arcimboldo Face to Face", exhibition opened at the Centre Pompidou-Metz, supplying fabric to the Campana brothers for the production of a 12-metre wide and 5-metre-high curtain which greets visitors at the Great Nave.

Dedar's internationality is also measured through important collaborations. Over the last few years, Caterina and Raffaele Fabrizio met with **some designers and stylists on the international scene**. Then, creative collaborations were born and gave life to unique objects and accessories: a synthesis of the spirit of the designer and of the creative universe of Dedar that inspired them. The designer Bruno Frisoni, the New York designer Stephen Burks, Michele Bönan, the designer Martino Gamper and the artist Brigitte Niedermair are the first to have started a creative path that continues year after year with the research, discovery, and experimentation of new insights. In 2021, the collaboration with an iconic Italian brand gave rise to Dedar X Persol, with the reinterpretation of the Persol 649 sunglasses inspired by the unique colors and patterns of Dedar's fabric "Campus".

In 2022, on the occasion of the Milan Design Week, Dedar presented a special edition of the Bucket hat by Borsalino, the most ancient Italian brand specialized in the production of hats, entirely made of Dedar fabric. The hats, only 400 pieces available, were produced using two fabrics of the Contemporary Archives collection: Be Bop A Lula, a vibrant jacquard with a palm tree pattern, and Tiger Silk, eclectic reinterpretation of a design inspired by Tibetan mats. The entire proceeds from sales of the hats produced in partnership with Borsalino was given to AIRC Foundation, to support cancer research.

After the opening of the branch in Singapore, strategic for strengthening its presence in the Asian market, in the next few years, Dedar aims to increase its presence in the **United States**, where it already has a branch.

2.2 INNOVATION AND SUSTAINABILITY

Dedar's success is based on the elevated craftsmanship and fabric production technique, but also on investments in research and development, with the aim of being able to respond to the demands of an ever-changing market. Particularly, the company invests 2% of its turnover in research and development. **Research and development**, together with savoir faire, helps to create an intrinsic value of high-quality furnishing fabric that makes it a product destined to last over time.

The function Style and Development, which designs and develops new fabrics and papers together with the supply chain, is the heart of the organization. This function, supported by the Technical Office, has the ability to combine textile art and beauty and to transform ideas into fabrics thanks to its stylists and designers' education, trained in the best schools and academies in Europe. The process of developing new textiles also involves clients and the market. In fact, Dedar is attentive to capture emerging trends and requests. Indeed, through its latest activities of stakeholder engagement the company detected a new interest for sustainable characteristics that will be taken into consideration to elaborate guidelines for the development of the next collection.

In 2022 9 new items in 74 variants were launched, of which:

- 6 items made of recycled polyester, in 42 variants;
- 2 items made of cotton with recycled content, in 31 variants;
- 1 item in silk with recycled content.

During 2022, 5 of Dedar's great classics have been redesigned with a renewed chromatic sensitivity, expression of quality, technical excellence, and timeless beauty. Moreover, a new white variant was introduced for two woolen veils, products already present in the collection, with the aim of focusing on the purity of color. The constant creative research of Dedar is expressed in the new Contemporary Archives that mix a great technical knowhow with a distinct character that determines its charming traits. Each fabric has a defined expressive vocation given by the skillful use of the art of jacquard, or the chromatic precision and intensity of the digital print. Thanks to such technique, it was possible to present in the new collection textile documents dated back to the XVII and XVIII centuries.

The collection also includes natural textiles of exceptional beauty like silk, wool, and linen, in addition to articles made of fire-retardant fibers. To further extend the collection, a new range of tussah silk, two new woolen veils and two new metallic linen sheers were presented.

Lastly, the extension of the wall covering range was a remarkable novelty. These were conceived to create warm and comfortable living environments.

Product sustainability

Sustainability is a value and an ethical choice entailing that social and environmental responsibility plays a fundamental role in the development and growth of a company, where the use of innovative materials and respect for the environment can coexist, in favor of a business model that appreciates and respects stakeholders' expectations.

In this regard, Dedar has embarked on a process aimed at analyzing the different materials that make up its products with the objective of identifying possible alternatives with a lower environmental impact. The company has set itself the goal of approaching and making its own contribution to the theme of **circular economy** through the recycling of discarded materials in the textile supply chain.

In particular, the company has identified the opportunity to replace Trevira CS with recycled Trevira, obtained through the processing of factory waste, thus limiting the production of the petrochemical components from which it derives. In 2022 Dedar extended the number of collection fabrics made of recycled Trevira to 19 items in 73 variants. In the meantime, Dedar is continuing to invest in research in order to explore the potential of other types of fibers and develop new circular solutions. In fact, the use of recycled fibers is being tested also on fabrics of plant origin in order to reduce Dedar's impacts on land and water, as evidenced by the introduction of the new items in cotton and silk with recycled content.

Dedar's environmental responsibility

For Dedar, technical and aesthetic excellence and elegance, are values that cannot be separated from ethical standards and respect for the environment: each product has a story to tell, which is not just about beauty and craftsmanship, but also about Dedar's way of doing business.

In this regard, as part of its sustainability path, in 2019 Dedar has begun **to gain awareness of the direct environmental impacts** of its activities, namely the activities carried out at the Appiano Gentile headquarters. In this sense, the company continues to monitor its energy consumption, the production of the related greenhouse gas emissions, the consumption of packaging materials and the production of waste.

As for **energy consumption**, this is mainly related to the consumption of methane gas for the operation of the thermal plant and electricity purchased from the national grid for lighting and, to a lesser extent, for heating and cooling systems. In 2022, the consumption of methane gas was 43,259 m³. The 22.9% decrease registered compared to 2021 was mainly due to a warmer winter, that reduced the need for space heating. Considering both the Appiano Gentile premises and the Milan showroom, the total consumption of electricity was 428,151 kWh, with an increase of 4.4% compared to the consumption of the previous year, that was interested by the temporary closure of the premises and the showroom during the peak of the Covid-19 emergency. Since September 2020, Dedar has powered the Appiano Gentile premises with electricity derived exclusively from renewable sources, in order to reduce its indirect emissions. Likewise, since 2021 the supply of electricity derived from renewable sources has been activated also for the Milan showroom. Furthermore, from 2020 Dedar started monitoring fuel consumption associated to its car fleet, that in 2022 was equal to 19,838 liters of diesel and 14,376 liters of petrol. The introduction of the Policy for a sustainable fleet defines a transition towards a hybrid and electric vehicle fleet. This determined a decrease of diesel consumption in 2022 compared to 2021, but an increase in petrol consumption due to the gradual phase out of diesel cars. Overall, fuel consumption grew by 21.3% compared to 2021. Among the reasons, in 2022 a significant increase in the number of new hires was registered, leading to an expansion of the car fleet that had an impact on total consumption.

Direct and indirect energy consumption

| GI | 2022 | 2021 | 2020 |
|--|--------------|--------------|--------------|
| Methane gas | 1,687 | 2,187 | 1,800 |
| Diesel for car fleet | 758 | 955 | 801 |
| Petrol for car fleet | 492 | 110 | 51 |
| Electricity purchased | 1,541 | 1,477 | 1,334 |
| of which for Appiano Gentile premises | 1,505 | 1,446 | 1,306 |
| of which for the Milan showroom | 36 | 31 | 28 |
| Consumption of energy from renewable sources | 1,541 | 1,477 | 444 |
| Consumption of energy from non-renewable sources | 2,937 | 3,252 | 3,543 |
| Energy intensity (kWh/meter) ⁸ | 1.839 | 2.211 | 2.172 |

Greenhouse gas emissions deriving from the consumption described above were equal to 169 tons of CO₂ equivalent with regard to the consumption of methane gas, diesel and petrol, down by 31% compared to 2021. As for the electricity consumption, emissions were equal to 114.7 tons of CO₂ equivalent according to the location-based calculation method. The decision of purchasing electricity exclusively from renewable sources (and with Guarantee of Origin) allowed to maintain Scope 2 emissions calculated according to the market-based method⁹ equal to zero, as in 2021.

The circuits of the company's cooling systems use R410a refrigerant gas. Every six months, a certified company does a maintenance check of the cooling systems and records the interventions performed in the equipment register, including leak checks and any refilling of the quantities of gas dispersed. In 2021 a 29 kg leak of R410a gas was registered, resulting in the release of 61 tons of CO₂ equivalent. Whereas, in 2022 no leaks occurred and consequently no GHG emissions were reported.

⁸ Considering the volume of sold fabric, in meters.

⁹ The first method reflects the average intensity of emissions related to the networks from which the energy is supplied, while the second reports the emissions related to electricity that the company has decided to purchase.



Direct and indirect emissions (Scope 1 and 2)¹⁰

| t CO ₂ e | 2022 | 2021 | 2020 |
|--|-------|-------|-------|
| Emissions Scope 1 ¹¹ | 169 | 243.8 | 150.2 |
| Emissions Scope 2 - Location-based ¹² | 114.7 | 106.7 | 96.4 |
| Emissions Scope 2 - Market-based ¹³ | 0 | 0 | 113.5 |
| Emission intensity Scope 1 (kgCO ₂ e/meter) | 0.250 | 0.410 | 0.294 |
| Emission intensity Scope 2- Location-based (kgCO ₂ e/meter) | 0.170 | 0.180 | 0.189 |
| Emission intensity Scope 2- Market-based (kgCO ₂ e/meter) | 0 | 0 | 0.223 |

With regard to scope 3 emissions, Dedar has recently started analyzing the environmental implications linked to **logistics**. In fact, shipments generate an impact that cannot be overlooked, considering that the company sells its products globally. In 2022, Dedar estimated¹⁴ that the emissions associated with the shipments sent during the year were equal to 1,787 tons of CO₂. Based on this analysis, possible actions for shipment optimization have been assessed, in addition to measures already implemented in the last years, in order to reduce the carbon impact of transport. For example, in some cases, for significant quantities of products the shipment leaves Dedar's supplier premises and proceed directly to the client, to optimize routes and consequently limit its impact. Another recently introduced initiative is the reorganization of logistics flows between the central and the secondary warehouse and of the routes directed to the premises where quality control is performed. In this way it is possible to reduce the number of kilometers travelled every day and contain the associated GHG emissions. Apart from these measures, the opportunities to achieve a further improvement seem limited, given Dedar's business model. Nevertheless, the company remains committed to look for new shipment solutions, also in collaboration with its clients. Meanwhile, it is assessing the possibility of offsetting the share of emissions generated by the transport of Dedar's products by purchasing certified carbon credits.

Another important aspect of Dedar's direct environmental impacts concerns the **packaging materials**, the characteristics of which must be such as to guarantee the safety of the products transported.

The main materials used for packaging are cardboard and polyethylene.

The cardboard boxes are made up of three layers, namely an external cover, an internal one and an additional internal corrugated core. Currently, the outer cover of the boxes is made from cellulose, while the internal parts are made from recycled cardboard. In percentage terms, the recycled cardboard represents 80% of the weight of the box. The cardboard used for the boxes is purchased from an FSC certified supplier, which guarantees the correct and responsible management according to strict environmental, social and economic standards of the

forests from which the cardboard is supplied. As the supplier agreed to Dedar's request, from 2020 the FSC logo is printed on all Dedar's boxes for the benefit of transparency and awareness towards customers.

Polyethylene is the most common of the plastics and, given its aesthetic characteristics and its excellent insulating properties and chemical stability, it lends itself efficiently to wrap Dedar products. The company, aware of the impacts that plastic has on the environment, intervened on the gradual reduction of the film, from 200 to 170 micron, to use a smaller amount of plastic without compromising the mechanical strength of protection necessary for the correct transport of the articles. Moreover, Dedar in 2021 started a gradual substitution of virgin polythene with polythene composed of 50% recycled material, covering 47% of total consumption. In 2022 this share doubled, covering 94% of total consumption of polythene. As for bubble wrap, in 2021 Dedar tested the introduction of a share made of recycled polymers. However, performances were disappointing: the material proved to be too soft and thin, compromising the adequate protection of delicate fabrics, like velvet.

Overall, in 2022 Dedar procured approximately 110,200 kg of boxes, corrugated cardboard, paper and blanks (die-cutting components), 17,176 kg of polythene, and 2,155 kg of bubble wrap. On the one hand, consumption of paper and cardboard for packaging increased by 5% consistently with the sales growth; on the other hand, consumption of polythene decreased by 2.2%. Bubble wrap, instead, registered a 61.4% increase in consumption.

Among the other materials mainly employed by Dedar there is also the paper used for office activities. In 2022, Dedar consumed 3,189 kg of paper, down by 25.6% compared to 2021. In fact, with the aim of reducing the quantity of printing paper, the company decided to stop including a paper copy of the sales invoice for clients in the shipments and to send only a digital copy.

Materials

| Kg | 2022 | 2021 | 2020 |
|---------------------------------|---------|---------|--------|
| Cardboard | 110,200 | 105,000 | 88,000 |
| Polyethylene | 17,176 | 17,556 | 19,500 |
| of which 50% recycled | 16,152 | 8,320 | 0 |
| Bubble wrap | 2,155 | 1,335 | 2,100 |
| of which from recycled polymers | 0 | 300 | 0 |
| Office paper ¹⁵ | 3,189 | 4,284 | 3,094 |

¹⁰ Data expressed in tons of CO₂ equivalent. For the calculation, the following GHG gases were considered: CO₂, CH₄, N₂O e HFC (R410A). Data on emissions related to 2020 have been restated following a refinement of the calculation method.

¹¹ Source of the emission factors for methane gas: DEFRA 2022, 2021, 2020.

¹² Source of the emission factors: Ispra, Italian Greenhouse Gas Inventory 1990 – 2021 National Inventory Report 2023; Italian Greenhouse Gas Inventory 1990 – 2020 National Inventory 2022.

¹³ Source of the emission factors: Association of Issuing Bodies (AIB), European Residual Mixes 2022, 2021, 2020.

¹⁴ Considering the large number of shipments and the variety of destinations, estimates were performed to establish the average distance of the routes traveled by the carriers, adopting a conservative approach.

¹⁵ Weight of office paper was estimated on the basis of the number of sheets used and the average weight of a ream, equal to 2.38 kg.

As for waste, all waste paper and cardboard produced within the Appiano Gentile plant are recovered and sent to specialized platforms, which select the waste paper. Once selected, these materials are pressed, tied into bales, and made available to the paper mills that do the actual recycling. The polythene waste, on the other hand, is kept separate from the rest of the plastic waste and is entrusted every two weeks to an authorized disposer who delivers them to a treatment platform for recycling. In 2022, the cardboard and paper waste amounted to 63,860 kg, while discarded polythene to 12,940 kg, recording a decrease of waste volumes produced respectively of 13.5% and 2.2%.

In 2022, at the Appiano Gentile premises a water dispenser was installed. This allowed to reduce the quantity of plastics to be disposed of, registering a decrease of 33.3% compared to 2021.

Other waste produced by the company includes mixed materials (such as fabrics, obsolete samples, and defective wallpaper rolls), wooden pallets, waste similar to urban waste, recyclable plastic other than polythene and used toner. Only the latter are classified as “hazardous waste”, thus representing a very limited part of the total waste; the remaining types of waste, on the other hand, can be considered as “non-hazardous waste”. With the aim of optimizing the recovering and treatment of scraps, with the exception of urban waste and plastics which are delivered to the municipal collection and disposal service, other waste categories are sent to certified disposal companies in charge of their recycling or disposal.

In 2022 fabric scraps amounted to 10,200 kg. Aware of the fact that the issue of textile waste is becoming a critical matter, from 2022 Dedar does not dispose of fabric scraps with the other mixed waste but collects them separately and delivers them to an external provider specialized in their collection and disposal. Furthermore, Dedar is working for establishing partnerships with non-profit associations to donate scrap material, taking the opportunity to generate a double benefit, both in environmental and social terms.

In 2022 there was an exceptional disposal of outdated laptops, printers, and monitors (equal to 2,256 kg) intended for recycling, and of unused shelving (equal to a 410 kg) sent to landfill.

Waste production

| Tons | 2022 | 2021 | 2020 |
|--------------------------------|---------|---------|---------|
| Cardboard and paper packaging | 63.86 | 65.28 | 54.60 |
| Polythene for packaging | 12.94 | 12.72 | 9.38 |
| Fabric scraps | 10.20 | 19.21 | 12.06 |
| Wooden pallets | 0 | 5.48 | 4.60 |
| Scrap iron | 1.91 | 0.20 | 0 |
| Mixed waste and residual waste | 2.18 | 1.90 | 0 |
| Used toner | 2.26 | 0.04 | 0.06 |
| Waste similar to urban waste | ca 4.20 | ca 5.00 | ca 4.50 |
| Recyclable plastic | ca 1 | ca 1.50 | ca 1.50 |





3

Territory and people:
the origins of our
creativity

3.1 A LEGACY TO BE PRESERVED AND VALUED

The mastery with which Dedar combines textile interpretation and the search for new perspectives represents the legacy that the company proudly preserves, which will always be intertwined with the **handcraft and cultural heritage** of the Como area. Dedar entrusts this area to the creation of a significant part of its collections, which is also rooted in the Milan area, a reference point in the world of design and fashion.

The Como area is in fact dedicated to manufacturing, a district of competence and professionalism entrenched in the territory, which continues to contribute to the growth of Dedar thanks to the significant number of skilled craftsmen and textile experts.

Como is a **reference point for the luxury international market and the beauty industry**, and **silk** is its flagship product. The total turnover of the Como supply chain was equal to 1.7 billion euros in 2021, with an increase of 21.2% compared to 2020. Only in the first 9 months of 2022, the export of the Como textile district generated a value of about 966 million euros, up by 34% compared to the same period of the previous year. Even though pre-Covid levels have not yet been achieved, the trend is positive, also led by the growing interest in sustainability. In perspective, it will be crucial to direct investments to the development of Made in Italy and the transition towards more social and environmentally sustainable production processes¹⁶.

The entrepreneurial fabric in Como is mainly made up of small and medium-sized enterprises, **artisan groups specialized in one phase of production**: precisely, this specialization, together with the flexibility guaranteed by their small size, has been the element of success of the area for decades. It has also been an important element for the production of Dedar's collections.

The structure of the Como area itself has fostered an environment of mutual growth, determining the exchange of knowledge and technologies and making it possible to develop high qualitative and technological **specific know-how** content, which represents the area's main asset.

Strengthened by this know-how, the textile companies in Como have been able to develop and anticipate the emergence of new trends, without compromising their competitiveness, but rather by innovating techniques and procedures to create high quality products.

Although Dedar naturally has a strong vocation for Made in Italy, the company also acts as an ambassador of foreign traditions, enhancing artisan techniques from other peoples and cultures. Dedar has turned to India, for their deep tradition linked to the artisan production of wild silk and matka silk.

Dedar products thus combine **ancient techniques and innovative methods**, fused together to create a fabric that lasts, and bears witness to beauty over time.

The conservation of culture, art and beauty in Italy is also substantiated by the support that Dedar gives to FAI - Fondo Ambiente Italiano, of which it is Golden Donor, for the maintenance of the artistic and textile heritage of the territory.

In 2022 Dedar supported AIRC Foundation sponsoring a scholarship for cancer research and realizing a special edition of a hat made of Dedar's fabrics in partnership with Borsalino. The proceeds from sales were donated to the Foundation. The collaboration with AIRC continued also with the support to the chocolates sales to fundraise research, in occasion of the AIRC event held in November.

Furthermore, Dedar donated one of its product to a charity auction organized by the Cometa association, which welcomes children and young people and promotes their development and encourage the expression of their capacities and talents.

¹⁶ XXXII edition of the Osservatorio del Distretto Tessile di Como.



3.2 A COMPANY OF TALENTED PEOPLE

According to Lev Tolstoy “One can live magnificently in this world if one knows how to work and how to love: work for those we love and love what we work for”. The inspiration for Dedar’s way of working is its passion for the pursuit of beauty, a quality that is continuously enhanced and nurtured through the inclusion of young talent from schools, academies and universities of design and fashion.

Dedar is committed to offering its personnel a work environment where they can develop their skills, fully reach their potential, and fulfill individual expectations, preserving tradition and at the same time contributing to improve and be innovative to achieve excellence.

Dedar guarantees equal job opportunities and professional growth to all employees based on their specific professional qualifications and performance capabilities, without discrimination, as the managers ensure the development path of employees considering exclusively criteria of competence and merit, starting from the recruiting phase.

The people of dedar

On December 31, 2022, Dedar employed 136 people, of whom 77 were women, with a slight prevalence (56.6%) compared to men over the total staff. 88% of people employed has a permanent contract, and almost everyone has a full-time contract (98.5%), while only 2 workers were hired on a part-time basis. Furthermore, on December 31, Dedar had 19 active internships, bringing the total number of Dedar employees and collaborators to 155.

Employees by employment contract, type of employment and gender

| N. employees and collaborators | 2022 | 2021 | 2020 |
|--------------------------------|------|------|------|
| Total employees | 136 | 119 | 122 |
| Total women | 77 | 65 | 65 |
| Total men | 59 | 54 | 57 |
| Permanent contract | 120 | 112 | 121 |
| Women | 65 | 59 | 64 |
| Men | 55 | 53 | 57 |
| Fixed-term contract | 16 | 7 | 1 |
| Women | 12 | 6 | 1 |
| Men | 4 | 1 | - |
| Full-time contract | 134 | 118 | 121 |
| Women | 75 | 65 | 64 |
| Men | 59 | 53 | 57 |
| Part-time contract | 2 | 1 | 1 |
| Women | 2 | - | 1 |
| Men | - | 1 | - |
| Internships and temps | 19 | 16 | 5 |
| Total collaborators | 155 | 135 | 127 |

Dedar employees mainly belong to the 30-50 age group (56.7%); the under 30s represent 17.6% of the total, while the over 50s represent 25.7%.

Employees by professional category, gender and age

| N. of employees | 2022 | | | | | | 2021 | | | | | | 2020 | | | | | |
|-------------------|-------|-------|-----|-----|-------|-----|-------|-------|-----|-----|-------|-----|-------|-------|-----|-----|-------|-----|
| | Women | | | Men | | | Women | | | Men | | | Women | | | Men | | |
| | <30 | 30-50 | >50 | <30 | 30-50 | >50 | <30 | 30-50 | >50 | <30 | 30-50 | >50 | <30 | 30-50 | >50 | <30 | 30-50 | >50 |
| Senior executives | | 2 | | | 4 | | | 2 | | 1 | 2 | | | 2 | | 2 | | 1 |
| Middle Management | 4 | 5 | | 5 | 1 | | 4 | 2 | | 3 | 1 | | 8 | 2 | | 5 | | 3 |
| Employees | 18 | 40 | 7 | 4 | 15 | 4 | 13 | 33 | 9 | 3 | 13 | 4 | 8 | 36 | 7 | 3 | | 13 |
| Workers | | 1 | | 2 | 12 | 12 | | 1 | 1 | | 14 | 13 | | 1 | 1 | | 16 | 14 |
| Total | 18 | 45 | 14 | 6 | 32 | 21 | 13 | 38 | 14 | 3 | 31 | 20 | 8 | 45 | 12 | - | 26 | 31 |

Passion and pursuit of excellence are values that distinguish Dedar and, therefore, are characteristics sought as an essential trait in the recruitment phase by the qualified management. The selection process for candidates is based on the assessment of their roles and experience, which therefore guarantees equal admission opportunities.

Dedar's **capacity to attract** employees is leveraged particularly by its **reputation** and **brand image**, which represents a reference point for the area, as demonstrated by the 33% of employees who come from the province of Como. With the brand's development and internationalization, attracting highly qualified professionals able to respond to the company's expectation of sustainable growth becomes an increasingly crucial challenge. Therefore, Dedar commits to implement new strategies and programs to attract and retain talents.

For the search and selection of new staff, Dedar collaborates with professional schools and universities, bringing young people closer to the labor market by offering internships to university students. Dedar also resorts to social networks and specialized external companies. Furthermore, the company started an Employer Branding process aimed at promoting Dedar among interested communities, like textile schools, specialization programs, and master's degrees. In particular, during 2022 several initiatives to make Dedar known among young graduates were launched, by offering internships, delivering talks and lectures, and participating to recruiting days. The Scuola Professionale of the Associazione Cometa, the Marangoni institute, and the Accademia di Belle Arti of Brera were involved. In addition, other Technical Institutes were engaged thanks to our partnership with the recruitment agency Adecco.

In 2022, 53 employees were hired while 36 people terminated their employment due to the natural conclusion of fixed-term contracts, voluntary termination, dismissals, and retirement. 2022 was characterized by the widespread phenomenon of resignations, from which Dedar was not immune, entailing challenges in the research of specific professional figures to introduce into the company.

Nevertheless, in 2022 the number of new hires was rather significant, consistent with the upward trend that followed the slowdown of the pandemic emergency. Started in 2021 and continued in 2022, Dedar developed group onboarding activities for new hires, involving them in meetings with managers who presented the corporate history and identity and explained the main notions related to Dedar's products and clients.

Number of hires and terminations by gender and age group

| N. of employees | 2022 | | 2021 | | 2020 | |
|--------------------|------|------|------|-------|------|------|
| | N. | % | N. | % | N. | % |
| Total hires | 53 | | 21 | | 5 | |
| <30 | 21 | 87.5 | 10 | 62.5 | - | - |
| Women | 16 | 88.9 | 7 | 53.8 | - | - |
| Men | 5 | 83.3 | 3 | 100.0 | - | - |
| 30-50 | 27 | 35.1 | 10 | 14.5 | 5 | 7.0 |
| Women | 12 | 26.7 | 6 | 15.8 | 2 | 4.4 |
| Men | 15 | 46.9 | 4 | 12.9 | 3 | 11.5 |
| >50 | 5 | 14.3 | 1 | 2.9 | - | - |
| Women | 4 | 28.6 | 1 | 7.1 | - | - |
| Men | 1 | 4.8 | - | - | - | - |
| Total terminations | 36 | | 24 | | 16 | |
| <30 | 7 | 29.2 | 1 | 6.3 | 4 | 50.0 |
| Women | 5 | 27.8 | 1 | 7.7 | 2 | 25.0 |
| Men | 2 | 33.3 | - | - | 2 | - |
| 30-50 | 15 | 19.5 | 13 | 18.8 | 9 | 13.0 |
| Women | 7 | 15.6 | 10 | 26.3 | 3 | 7.0 |
| Men | 8 | 25.0 | 3 | 9.7 | 6 | 23.0 |
| >50 | 14 | 40.0 | 10 | 29.4 | 3 | 7.0 |
| Women | 8 | 57.1 | 3 | 21.4 | 1 | 8.0 |
| Men | 6 | 28.6 | 7 | 35.0 | 2 | 6.0 |

The company is committed to recognizing and enhancing the talent of the people who contribute with their passion and dedication every day to bring the elegance of Dedar fabrics to the world. In this regard, there is an **employee personnel evaluation system**, that in 2022 was applied to the entire company population, with regular feedback meetings aimed at periodically verifying the performance of each role based on the technical and transversal skills required, with recognition of the people who demonstrate a high potential for growth. Career paths are built ad hoc and according to the identified potential. During 2022, new analytic systems were introduced to investigate in depth the relationship between each manager and its team. In particular, results are analyzed in relation to the performances that the team could potentially achieve, in order to value everyone's contribution, the use of resources, and synergies between managers and employees. Based on these analyses, the company started assessing the possibility of formalizing succession plans aimed at guaranteeing business continuity in the future.

The annual performance evaluation also represents an opportunity to identify any training needs. Except for compulsory training, additional training, coaching, and mentoring is being activated when individual needs related to specific technical skills arise. In 2021 Dedar established a monitoring system of training hours provided, in order to favor the assessment of training results and improve activity planning for the following years. In total, in 2022 Dedar provided 591 training hours, with a significant increase compared to the 170 hours provided the previous year. Courses for administrative staff focused on the development of digital skills and the use of software, such as Microsoft Excel e Dynamics 365. Instead, new managers were involved in coaching activities to support the transition to their new role and specific courses provided by a specialized external agency.

Lastly, further training sessions for employees have been planned for the first quarter of 2023. Trainings will focus on the use of digital tools and soft skills, like communication skills.

Average yearly hours of training per employee, by gender and by professional category

| N. of employees | 2022 | | | 2021 | | |
|-------------------|-------|------|-------|-------|-----|-------|
| | Women | Men | Total | Women | Men | Total |
| Senior executives | 24.0 | 30.0 | 28.0 | - | - | - |
| Middle management | 13.3 | 16.0 | 14.4 | - | - | - |
| Employees | 1.7 | 4.2 | 2.4 | 1.9 | 1.3 | 1.7 |
| Workers | - | - | - | - | 1.6 | 1.5 |
| Total | 3.6 | 5.3 | 4.3 | 1.6 | 1.3 | 1.4 |

In 2022 the number of average hours of training per employee significantly increased, rising by 247.6% compared to 2021. In particular, an increase of 63% was recorded compared to 2021 with regard to training involving employees.

In addition to training programs and career development assessment, every day Dedar is committed to improve relations with its employees, through constant **communication**. In a periodic newsletter, Dedar shares with staff the main news regarding projects, events, and acknowledgments. From 2022, the content of the newsletter was expanded with the introduction of a specific section that describe the main activities directly addressed to employees. Moreover, every year, at Christmas, employees are involved in a celebrating event and a photo contest. In 2022, the company launched the new project "Sharing Lunch", aimed at promoting the engagement of employees and acquaintance among colleagues. In fact, the activity provides an informal occasion for people to share information with their colleagues regarding their experience at Dedar's, projects, and achievements, encouraging the exchange of opinions and ideas useful to professional and personal development.

Health & safety

Health and safety in the workplace are of fundamental importance for Dedar, which acts in the belief that all those who access the workplace must be able to operate in a **comfortable, quality, and safe environment**. In compliance with the provisions in force concerning health and safety in the workplace, Dedar is committed to implement the culture of safety, promoting awareness of risks and responsible behavior.

As required by the Consolidated Law on Safety at Work (T.U.S.L. - Legislative Decree 81/2008), Dedar has implemented an occupational health and safety management system, which covers all the people working at the Appiano Gentile premises and at the showroom in Milan. The company identified the people responsible for the Prevention and Protection Service and prepared a risk assessment document in order to identify and prevent work-related hazards. Adequate training and periodic meetings between the workers' safety representative, the head of the prevention and protection service, the company safety manager, and a qualified doctor guarantee general monitoring of the situation in terms of health and safety. In particular, updates regarding the risk assessment document, the suitability of individual protection equipment, the planning of the training and information programs, and other specific matters are being discussed during the meetings.

To minimize risks to employees' health, the qualified doctor is also responsible for the provision of specific occupational health services, which consist of assessing whether each worker is fit for his or her specific job duties, keeping a medical record of every worker exposed to particular risks (in compliance with privacy laws), conducting periodic medical checks on the employees to ensure they are still fit for their work, and informing them about the results of the assessment.

Training and information sessions on health and safety are organized by the Prevention and Protection Service with the help of personnel or entities outside the company. The workers in charge of first aid, firefighting and evacuation activities undergo specific training activities related to their appointed tasks. Following the suspension of training activities in 2020 as a measure to prevent the spread of Covid-19, in 2021 health and safety training was started again regularly. During 2022 Dedar provided 324 hours of training on health and safety matters.

In 2021 Dedar reached an important achievement, reducing the number of work-related injuries to zero. This positive trend continued in 2022. Any accident is recorded on a specific register and examined during the periodic meetings in order to discuss possible preventive actions. Moreover, Dedar's workers can refer to the appointed qualified doctor to report any situations or circumstances they believe could cause injury or danger to their health.

Injury indexes

| Health and safety indicators regarding employees | 2022 | 2021 | 2020 |
|--|---------|---------|---------|
| Total worked hours | 240,515 | 210,264 | 180,347 |
| Number of high-consequence work-related injuries | - | - | - |
| Number of recordable work-related injuries | - | - | 1 |
| Rate of high-consequence work-related injuries ¹⁷ | - | - | - |
| Rate of recordable work-related injuries | - | - | 1.11 |

In addition to the provisions of the legislation, Dedar usually provides its employees with the possibility of carrying out the flu vaccine. However, in 2021 the service was suspended due to the unavailability of the vaccine. It was resumed in 2022.

To face the pandemic, since 2020 Dedar has adopted the national protocol for the reduction of the risk of contagion and the safeguard of people's health. A **Covid Committee** was created to inform and monitor about the implementation of preventive measures in the company, like the distribution of equipment for individual protection, and the possibility to do Covid tests to early detect and track suspected positive cases. Furthermore, during 2021 Dedar resorted to remote working to limit the presence of people at the company's premises: employee's work was reorganized in shifts, introducing the possibility of working from home for two days a week. At the beginning of 2022, remote working was regulated through the adoption of a specific policy allowing employees to work from home up to one day a week.

¹⁷The accident frequency rate is calculated as the ratio between the number of accidents and the total hours worked in the same period, multiplied by 200,000.

APPENDIX

Reconciliation between material topics and impacts

The following table shows the impacts associated to each material topic, specifying whether they are positive or negative, directly or indirectly caused by Dedar’s activities. Impacts were identified regardless of the actions already implemented by the company for their management.

| Material topics | Impacts | Positive/ Negative | Direct/ Indirect | Stakeholder involved |
|---|--|-----------------------|---------------------|---|
| Quality, customer satisfaction and brand reputation | Hazards to human health related to the use of products: effects derived from contact with or inhalation of hazardous substances present in the fabrics (chemical residues) | Negative | Indirect | Clients Consumers |
| | Client and consumer dissatisfaction | Negative | Direct | Clients Consumers |
| | Incorrect, ambiguous, or unverified communication that may influence clients and consumers’ choices | Negative | Direct | Clients Consumers |
| | Increase of consumers, employees, and other stakeholders’ awareness about environmental issues | Positive | Direct | Employees Suppliers and partners Clients Consumers |
| Management of human capital | Working environment and practices that do not favor the psychophysical wellbeing and the career development of employees | Negative | Direct | Employees and collaborators |
| | Violation of workers’ rights related to working practices, participation, freedom of association and expression | Negative | Direct | Employees and collaborators |
| | Inadequate or unequal remuneration of employees | Negative | Direct | Employees and collaborators |
| | Increase of professional and personal competencies of employees and collaborators | Positive | Direct | Employees and collaborators |
| | Accidents at work and occupational diseases that compromise workers’ health | Negative | Direct | Employees and collaborators |
| Supply chain management | Violation of workers’ rights and human rights along the supply chain | Negative | Indirect | Workers of the supply chain |
| | Hazards to the health and safety of workers along the supply chain | Negative | Indirect | Workers of the supply chain |
| | Land use and loss of biodiversity due to the production of natural raw materials | Negative | Indirect | Local communities Society |
| | Water consumption due to the procurement of raw materials and their processing | Negative | Indirect | Local communities Society |
| | Water pollution and release of microplastics due to upstream manufacturing processes | Negative | Indirect | Local communities Society |
| | Creation of opportunities for economic development for the industry and sector (e.g. job creation along the supply chain, partnerships for innovative projects, etc.) | Positive | Indirect | Workers of the supply chain Other businesses Local communities Society |
| | Direct release of greenhouse gases due to the consumption of fossil fuels for the execution of business activities | Negative | Direct | Society |
| GHG emissions | Indirect release of greenhouse gases due to upstream and downstream phases of the value chain | Negative | Indirect | Society |

| Material topics | Impacts | Positive/ Negative | Direct/ Indirect | Stakeholder involved |
|--------------------------------------|--|-----------------------|---------------------|--|
| Use of chemicals | Ecosystem pollution due to the use of chemicals in the production processes of fibers and yarns | Negative | Indirect | Local communities Society |
| | Workers and consumers’ exposure to hazardous substances with consequent risks to human health | Negative | Indirect | Workers of the supply chain Employees Clients Consumers |
| Waste management | Soil, air, and water pollution due to the disposal of waste generated by office, warehouse, and showroom management activities | Negative | Direct | Society |
| Innovative materials and circularity | Release of microplastics in the water due to the washing of synthetic fabrics in the use phase | Negative | Indirect | Society |
| | Waste of resources and materials associated to lost sales due to product damage/defect or to product withdrawal from sale | Negative | Direct | Society |
| | Contribution to the creation of a collection and recycling system for end-of-life textiles | Positive | Indirect | Clients Consumers Society |
| Integrity and compliance | Damage to third parties or the Public Administration resulting from unethical conduct or offences in the management of the business | Negative | Direct | Public administration Competitors Suppliers Society |
| | Privacy breaches and improper use of sensitive data, also due to inadequate protection of information systems and procedures | Negative | Direct | Consumers Suppliers Clients Employees and collaborators |
| | Economic losses and/or lost earnings due to organisational inefficiencies or to reputational risks | Negative | Direct | Employees and collaborators Suppliers Corporate ownership |
| Packaging | Consumption of renewable and non-renewable materials for product packaging and secondary packaging | Negative | Indirect | Society |
| | Ecosystem pollution due to downstream dispersion of packaging waste | Negative | Indirect | Society |
| Link with the territory | Long-term economic value creation | Positive | Direct | Employees Suppliers Other businesses Local communities |
| | Contribution to the integration of young people into the labor market and to the development of their professional competencies, through collaboration with schools and universities | Positive | Direct | Young people of local communities |
| | Support to non-profit initiatives to the benefit of vulnerable groups or for the development of the territory through donations, sponsorships, collaborations, and social projects | Positive | Direct | Vulnerable groups Local communities Society |
| | Promotion of the artisan and cultural heritage of the territory | Positive | Direct | Workers of the supply chain Local communities |
| Energy consumption and efficiency | Consumption of energy resources/fossil fuels for the execution of business activities | Negative | Direct | Society |
| | Contribution to the energy transition thanks to self-production of renewable energy | Positive | Direct | Society |

GRI content index

Dedar's 2022 Sustainability Report was prepared by adopting the GRI Standards according to the option "with reference to the GRI Standards". The table below shows the company information based on the GRI Standards with reference to the GRI indicators used. For all information provided, reference is made to the page of the Sustainability Report.

| GRI Standard | Disclosure | Page Number |
|---------------------------------|--|--|
| General disclosure | | |
| | 2-1 Organizational details | p. 5 |
| | 2-2 Entities included in the organization's sustainability reporting | p. 5 |
| | 2-3 Reporting period, frequency and contact point | p. 5 |
| | 2-4 Restatements of information | p. 5 |
| | 2-5 External assurance | p. 5 |
| | 2-6 Activities, value chain and other business relationships | In the period 2020-2022 no significant changes occurred in the supply chain. |
| | 2-7 Employees | p. 43 |
| | 2-8 Workers who are not employees | The company resorts also to the collaboration of workers who are not employees, in particular trainees and temporary workers. The total number of trainees and temporary workers was 5 in 2020, 16 in 2021, and 19 in 2022. |
| GRI 2: General Disclosures 2021 | 2-9 Governance structure and composition | a. Dedar established a steering committee to which Caterina Fabrizio, as CEO and President, and Raffaele Fabrizio, as Creative Director, take part, together with the directors of the other business areas. b. The highest governance body is responsible for decision making and overseeing the management of the organization's impacts. c. The three members of the highest governance body are also executive, independent, and do not belong to under-represented social groups. |
| | 2-10 Nomination and selection of the highest governance body | Considered the family character of the corporate ownership and the dimension of the business, this disclosure is not applicable. |
| | 2-11 Chair of the highest governance body | The President of the Board is also a Senior executive of the organization. |
| | 2-12 Role of the highest governance body in overseeing the management of impacts | Corporate strategy is overseen and approved by the CEO and President and Creative Director. The Board assesses and approves the processes to identify and manage the organization's impacts conducted by the business functions and can directly intervene in the management of the relations with stakeholders, also with regard to environmental issues. |
| | 2-13 Delegation of responsibility for managing impacts | The Board delegates to the business functions the task of engaging the stakeholders and identifying the impacts. |

| GRI Standard | Disclosure | Page Number |
|---------------------------------|--|--|
| General disclosure | | |
| | 2-14 Role of the highest governance body in sustainability reporting | p. 12 |
| | 2-15 Conflicts of interest | Given the dimension and the family character of the business, it was not considered necessary to formalize specific procedures for the management of conflicts of interests at the highest governance body level. The Code of Ethics of the organization, among its principles, refers to the prevention of conflicts of interests. |
| | 2-16 Communication of critical concerns | a. Dedar collects and analyze each piece of information received through its communication channels and, if any critical concern arises with regard to actual or potential negative impacts, these are reported to the highest governance body. b. No critical concerns to be reported to the highest governance body were registered during the reporting period. |
| | 2-17 Collective knowledge of the highest governance body | Collective knowledge of the highest governance body on sustainability topics is updated through regular dialogue with consultants and other business enterprises and by participating to academic conferences. |
| GRI 2: General Disclosures 2021 | 2-18 Evaluation of the performance of the highest governance body | Currently no formalized measures for the assessment of the performance of the highest governance bodies in overseeing the management of the organization's impacts on the economy, environment, and people are in place. |
| | 2-19 Remuneration policies | Upon appointment, the shareholders' meeting establishes the remuneration for the members of the Board and the severance pay. The remuneration of senior executives is defined at the time of hiring and may be subject to subsequent variations with the Board's approval. Variable remuneration is delivered upon the achievement of objectives, not related to environmental targets. |
| | 2-21 Annual total compensation ratio | The ratio of the annual total compensation for the organization's highest-paid individual (provided to the CEO and the Creative Director) to the median annual total compensation for all employees was equal to 5.10 in 2022, 5.22 in 2021 and 4.99 in 2020. The ratio of the percentage increase of the two remuneration levels is equal to zero, as the annual total compensation of the individual that receives the highest pay has remained constant over the last three years. |

| GRI Standard | Disclosure | Page Number |
|---------------------------------|---|--|
| General disclosure | | |
| | 2-22 Statement on sustainable development strategy | p. 3 |
| | 2-25 Processes to remediate negative impacts | Different procedures and mechanisms are designed to remediate negative impacts. Information regarding the management of the various impacts is included in the appropriate sections of the Report, where applicable. |
| | 2-26 Mechanisms for seeking advice and raising concerns | Stakeholders can seek clarification on the implementation of policies and raise concerns on business conduct through the reporting system described in the Code of Ethics. |
| | 2-27 Compliance with laws and regulations | In the period 2020-2022 no instances of non-compliance with laws and regulations were reported. |
| GRI 2: General Disclosures 2021 | 2-28 Membership associations | Associazione Italiana Commercio Estero, AIDAF - Italian Family Business, Confindustria Como, Sistema Moda Italia. |
| | 2-29 Approach to stakeholder engagement | p. 20-21 |
| | 2-30 Collective bargaining agreements | All Dedar's employees are covered by collective bargaining agreements, namely the National Collective Labor Agreement in commercial sector. Directors are covered by the National Collective Labor Agreement in tertiary sector. In 2022 a second level trade union agreement was signed for the recognition of a performance bonus to all employees who do not already have a variable remuneration. |

| Material topics | | |
|---|---|---|
| GRI 3: Material Topics 2021 | 3-1 Process to determine material topics | p. 16 |
| | 3-2 List of material topics | p. 17 |
| Use of chemicals | | |
| GRI 3: Material Topics 2021 | 3-3 Management of material topics | p. 27 |
| | 416-1 Assessment of the health and safety impacts of product and service categories | All Dedar fabrics comply with the European REACH regulation with regard to harmful chemicals. Therefore, from the customer's point of view, there are no risks associated with the chemical nature of the fabrics, whether natural or synthetic. There is a residual risk linked to the flammability of the product, a risk that is reduced in the case of fireproof fabrics. |
| GRI 416: Customer health and safety 2016 | 416-2 Incidents of non-compliance concerning the health and safety impacts of products and services | In the period 2020-2022 the company was not reported for any incident of non-compliance concerning the health and safety impacts of products. |
| | Supply chain management | |
| GRI 3: Material Topics 2021 | 3-3 Management of material topics | p. 27-28 |
| GRI 204: Procurement practices 2016 | 204-1 Proportion of spending on local suppliers | p. 27 |
| Innovative materials and circularity | | |
| GRI 3: Material Topics 2021 | 3-3 Management of material topics | p. 25-26, 30 |
| Packaging | | |
| GRI 3: Material Topics 2021 | 3-3 Management of material topics | p. 34-35 |
| GRI 301: Materials 2016 | 301-1 Materials used by weight or volume | p. 35 |

| Management of human capital | | |
|---|---|--|
| GRI 3: Material Topics 2021 | 3-3 Management of material topics | p. 43-47 |
| GRI 401: Employment 2016 | 401-1 New employee hires and employee turnover | p. 45 |
| | 403-1 Occupational health and safety management system | p. 48 |
| GRI 403: Occupational health and safety 2018 | 403-2 Hazard identification, risk assessment, and incident investigation | p. 48 |
| | 403-3 Occupational health services | p. 48 |
| | 403-4 Worker participation, consultation, and communication on occupational health and safety | p. 48 |
| | 403-5 Worker training on occupational health and safety | p. 48 |
| | 403-6 Promotion of worker health | p. 49 |
| GRI 404: Training and education 2016 | 403-9 Work-related injuries | p. 49 |
| | 404-1 Average hours of training per year per employee | p. 47 |
| GRI 405: Diversity and equal opportunity 2016 | 404-1 Diversity of governance bodies and employees | p. 12, 43-44 |
| GRI 406: Non-discrimination 2016 | 406-1 Incidents of discrimination and corrective actions taken | In the period 2020-2022 no incidents of discrimination within the company were registered. |
| Energy consumption and efficiency | | |
| GRI 3: Material Topics 2021 | 3-3 Management of material topics | p. 31-32 |
| GRI 302: Energy 2016 | 302-1 Energy consumption within the organization | p. 32 |
| | 302-3 Energy intensity | p. 32 |
| GHG emissions | | |
| GRI 3: Material Topics 2021 | 3-3 Management of material topics | p. 32-34 |
| GRI 305: Emissions 2016 | 305-1 Direct (Scope 1) GHG emissions | p. 34 |
| | 305-2 Indirect (Scope 2) GHG emissions | p. 34 |
| | 305-4 GHG emissions intensity | p. 34 |
| Waste management | | |
| GRI 3: Material Topics 2021 | 3-3 Management of material topics | p. 36 |
| GRI 306: Waste 2020 | 306-1 Waste generation and significant waste-related impacts | p. 36 |
| | 306-2 Management of significant waste-related impacts | p. 36 |
| | 306-3 Waste generated | p. 36 |

| Link with the territory | | |
|--|---|--|
| GRI 3: Material Topics 2021 | 3-3 Management of material topics | p. 40-41 |
| Integrity and compliance | | |
| GRI 3: Material Topics 2021 | 3-3 Management of material topics | p. 13 |
| Quality, customer satisfaction and brand reputation | | |
| GRI 3: Material Topics 2021 | 3-3 Management of material topics | p. 20, 28 |
| GRI 417: Marketing and labeling 2016 | 417-1 Requirements for product and service information and labeling | Dedar products are accompanied by commercial documents in compliance with Regulation 1007/2011 / EU. Moreover, products are accompanied by information on the composition, height, use, maintenance, functional technical characteristics and main values, aimed at informing the customer as comprehensively as possible. The information is available in the price list, on the sample and on the website next to the product. |
| | 417-3 Incidents of non-compliance concerning marketing communications | In the period 2020-2022 the company was not reported for any non-compliance with marketing communication regulations. |

DEDAR

MILANO

Sustainability Report 2022

Via della Resistenza 3
22070 Appiano Gentile
t +39 031 2287511
f +39 031 2287533
info@dedar.com

Consulting, editing, communication
and layout project by LifeGate
LifeGate - www.lifegate.it

dedar.com

DEDAR
MILANO