



SUSTAINABILITY REPORT 2022

 **BLIZZARD**

LOWA

MOON BOOT

NORDICA

 **Rollerblade**

 **TECNICA**



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#1 THE FIGURES

FOOTWEAR

3.880.000 pairs



SKI BOOTS

885.000 pairs



INLINE SKATES

706.000 pairs



SKIS

458.000 pairs

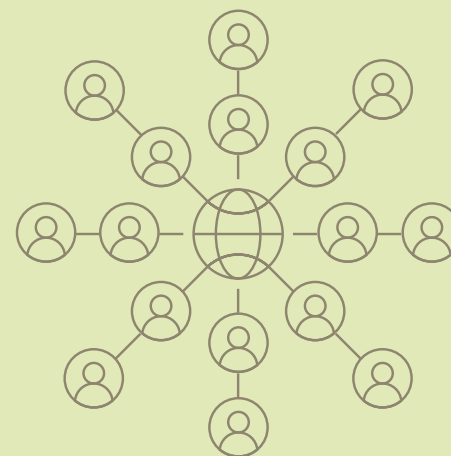


561

2022 Turnover (Million €)

3.891

Our team has 3,891 colleagues across the globe.



#2 LETTERS TO STAKEHOLDERS

Dear readers,

Considering that **2022** was marked by a series of challenging international geopolitical developments in the wake of the pandemic, with impacts on economic and social circumstances, **Tecnica Group's results can really be considered quite extraordinary.**

The global context, with uncertainty continuing this year, has not prevented us from looking towards the future with our characteristic **conviction and optimism**, even in the absence of widespread prosperity. In 2022, our Group continued to demonstrate its true, enduring nature.

It is the dynamic approach and global outlook of our company that has enabled these commendable results; results that have not only consolidated but significantly strengthened our position in markets the world over.

In this spirit, infused with the passion that has always set us apart, we will **continue to grow** and to combine this growth with **increasing awareness of the impacts of our business.** These regard the environment and the context in which our own emotions and those of the people who believe in our brands, our products and our company are brought to life; they regard all of these people and our local communities, and our business itself, with its results intrinsically tied to **transparent and ethical practices.**

ALBERTO ZANATTA



Alberto Zanatta
Chairman
Tecnica Group S.p.A.

GIOVANNI ZOPPAS

Dear readers,

This year we have seen the best results in our history, in a period of global uncertainty, and we **move closer to the goals that we have committed to** under the United Nations Global Compact.

An outstanding ability to adapt to contingent challenges, and to swiftly and effectively capitalise on market opportunities has defined Tecnica Group's growth. This growth has been achieved alongside **constant attention to the sustainability goals** set out in the first report, in a period which saw the start of trends that have continued in 2022, both in terms of economic-financial performance and above all structurally.

For an ever-clearer picture of our global impact and the actions to plan and implement in order to improve, **we have extended the scope of our reporting** to include LOWA—the headquarters, production sites and R&D—and our North American sites. Alignment of reporting, strategies and operations of the Company is achieved through constant structuring of procedures and governance, drafting and sharing policies to be rolled out globally. **Projects dedicated to people** are constantly growing and evolving, in order to improve communication between departments, colleagues and management, and to increase employment and personal well-being for those driving the Group's growth every day with their hard work, through welfare, incentives, flexibility and training.

Generally speaking, **every strategic objective of our Group**—from digitalisation through to those regarding the company control and management system—**relies on harmonisation with sustainable development** and our commitment in this regard, driven by appropriate economic-financial and human support, for coherent and concrete action.

We work to **maintain, improve and increase our commitment** based on our stated goals, fine-tuning our capability to focus on advanced approaches and the measures required to minimise our impact. This is done whilst also placing the utmost importance on cultural development of our organisation and the well-being of everybody who is part of it.

We maintain an objective, and therefore optimistic, view of our Company's growth, now and in coming years, certain that **we are on the right path and that we should continue in this direction.**



Giovanni Zoppas
CEO
Tecnica Group S.p.A.

#3 TECNICA GROUP

Tecnica Group, a leader in the world of outdoor footwear and ski equipment, is the home of several historic industry brands: **Blizzard, LOWA, Moon Boot®, Nordica, Rollerblade® and Tecnica.**

ABOUT US

Founded in **1963** by **Giancarlo Zanatta**, it has always been a highly innovative company. Today, this international group has **10 subsidiaries and direct agencies, and more than 40 distribution partners**, covering over 80 countries around the world. There are **3891 employees**, 300 of them in Italy, almost all located at the headquarters in Gaiavara del Montello (Treviso).



OUR STORY

In 1930, Oreste Zanatta opened an artisan workshop specialised in the production of working footwear. Thanks to the efforts and artisan and entrepreneurial expertise of his son, Giancarlo, this officially became Calzaturificio Tecnica SpA in 1963.



In 1985, Tecnica made its debut in the world of outdoor footwear, introducing its innovative spirit with a new range of products and quickly becoming a key player.



In 2002, with acquisition of one of the most famous ski brands, Nordica, founded in 1939, Tecnica Group became the leading manufacturer of ski boots in the world.



The most recent name to join the group, in 2006, was the historic Austrian brand Blizzard. This legend in the skiing world further strengthened Tecnica Group's international leadership in the sector.

ITALMOBILIARE
INVESTMENT HOLDING

In 2019, the Group acquired Riko Sport, the main supplier of LOWA.



1963

1969

1985

1993

2002

2003

2006

2017

2019

2023



In the Sixties, Tecnica expanded its business with the production and innovation of ski boots and through creation of the first Moon Boot®, that became a twentieth-century icon and a huge success with over twenty-five million pairs sold.



This was also fuelled by acquisition of the historic brand LOWA, in 1993, a benchmark in Germany and across Europe for outdoor footwear.



In 2003, the product portfolio was further expanded when Rollerblade joined the Group, the brand that invented inline skates, and a leading manufacturer and distributor in the sector. The brand has become synonymous with the sport itself.



Originally owned by the Zanatta family, since 2017 the Group opened up its structure to Italmobiliare, which purchased a 40% stake, further broadening the company's horizons in terms of internationalisation.



The Chairman of Tecnica Group is Alberto Zanatta, son of the founder Giancarlo, who is member of the board of directors.

SHAREHOLDING AND JOINT INVESTMENTS



60%

**ZANATTA FAMILY
AND COMPANIES
OWNED BY IT**

ITALMOBILIARE
INVESTMENT HOLDING

40% JOINT OWNERSHIP

In **2017**, **Italmobiliare Investment Holding S.p.A.**, a leading Italian investment holding company, owned by **Efiparind (Pesenti family)**, joined the Group with a joint-ownership stake of **40%**.



OUR ORGANISATION

The Company has the following governance structure:

- **The board of directors**, which may be composed of five or seven members, depending on the number established by the general meeting of shareholders at the time of appointment.

The BoD is currently composed of executive and non-executive directors, totalling seven individuals. Specifically, there are two executive directors with delegated powers who have an operational role in the Company, and five non-executive directors, providing an independent perspective and strategic consulting. In addition, there are two independent directors, one male and one female, selected on the basis of the independence requirements established by law, including article 184, section 3 of the TUF (Consolidated Law on Finance), subject to periodic amendments.

- **The Chief Executive Officer**, whose time in office is established on appointment and cannot exceed three business years. His appointment ends on the date of the general meeting of shareholders called for approval of the financial statements for the previous business year. Directors can be re-elected.

- **The Audit Committee**, which is responsible for accounting and legal audits, it composed of three statutory auditors and two substitute auditors, all appointed by the general meeting of shareholders.
- The general meeting of shareholders represents all shareholders and its resolutions, in accordance with law and the by-laws, are binding for all shareholders, included those who are absent or who disagree.

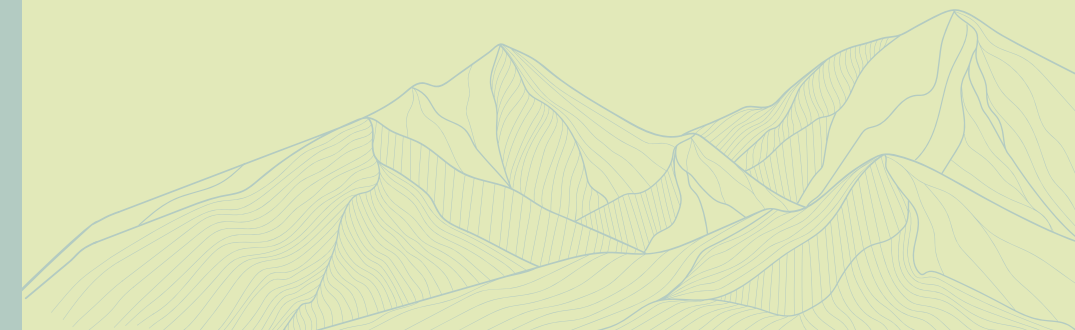
Appointment of **the members of the Board of Directors** occurs in compliance with the established rules.

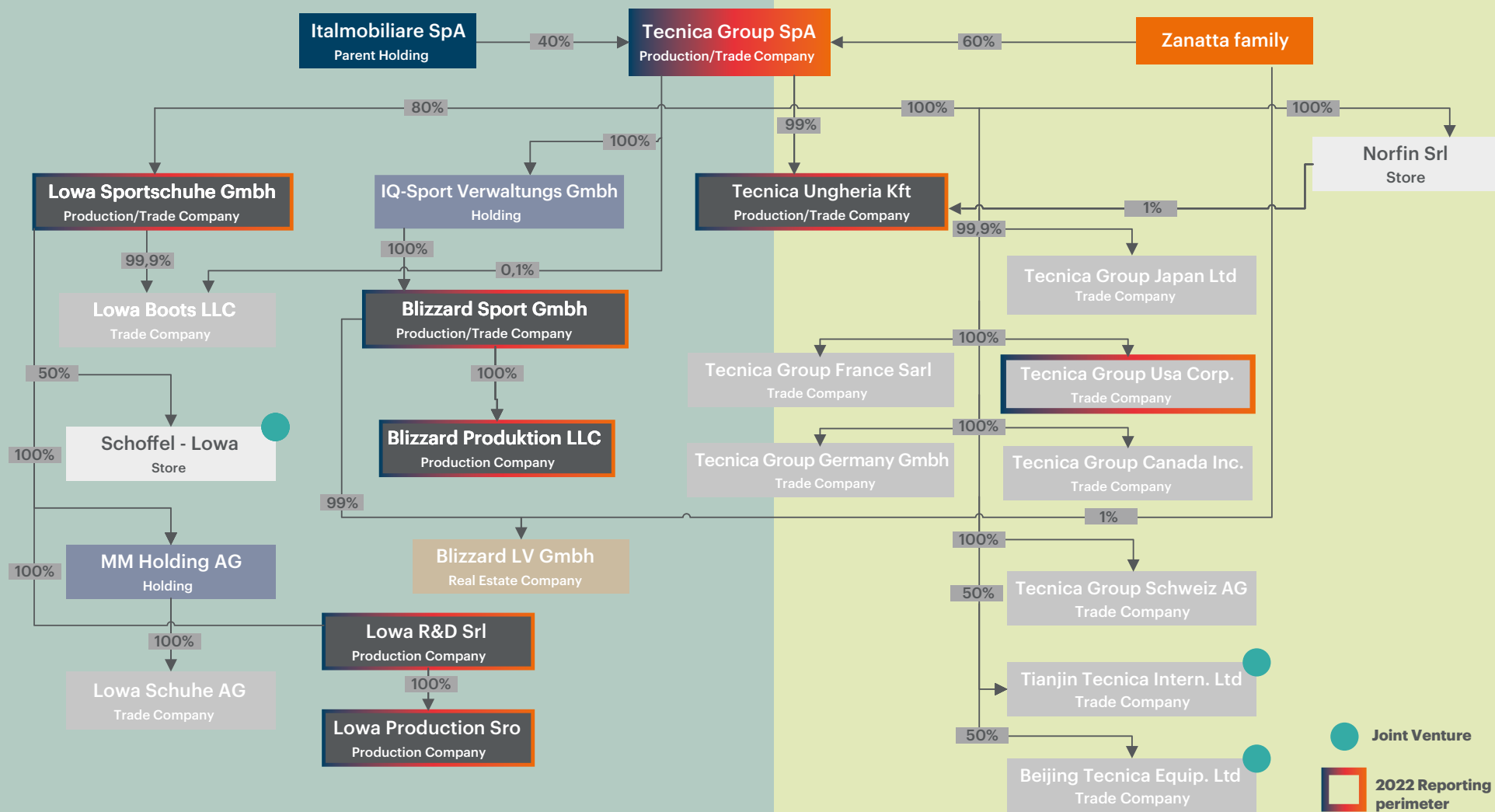
For example, if the BoD is composed of seven members, the directors are appointed by the annual general meeting of shareholders as follows:

- 4 members (including the Chair) are appointed based on the indications of majority shareholders, with at least one director meeting independence requirements.
- 3 members are appointed based on the indications of minority shareholders, with at least one director meeting independence requirements.

The Board of Directors has the power to appoint a Chairman from its members and, where necessary a Deputy-Chairman, defining their respective powers. In addition, the Board of Directors can appoint a secretary, including from outside the Board, on a temporary or permanent basis.

In compliance with article 2381 of the Italian Civil Code, the Board of Directors has the power to appoint a Chief Executive Officer, who can be selected from the members of the Board or externally. The Chief Executive Officer is assigned specific responsibilities and powers for the operational management of the organisation.





VISION

**INSPIRE AN ACTIVE
OUTDOOR LIFE**



MISSION

**TO CREATE AMAZING
EXPERIENCES THROUGH
OUTSTANDING PRODUCTS**



VALUES



HUMANITY

We believe that relationships inspired by long-term, transparency and reciprocity are the secret for happiness.

Our happiness depends on ourselves and the relationships that we build with others. A shared path, rooted in an open and nurturing environment, with mutual respect and support, is the optimal way to achieve our objective.

PASSION

We take the field, always giving our best. The dynamic business activity on which our story is built has instilled us with a desire to excel in all areas. Driven by our passion, day after day, we accept the challenge to continuously improve our products, the world we live in and ourselves, as colleagues and individuals.

INNOVATION

We believe that it is essential to take risks in order to improve.

Innovation is a pillar of the company's culture, but stepping off the well-trodden path and going beyond is an approach involving a certain element of risk. We are willing to accept this risk, with the experience to know how to manage it, and this helps us to move closer towards our goals, day by day.

ROOTS

We look ahead, inspired by our past. Our company is the product of its solid foundations, but we are not afraid to look ahead, towards the future. Improvement, growth and innovation are pillars of our business, and the work we do now consolidates our foundations enabling us to reach ever higher.

COMMITMENT

Our actions trigger dynamics that go beyond business.

A company is not a self-sufficient ecosystem. Its existence depends on its interaction with the local communities and environment where it operates. With this awareness, we strive to ensure that our growth benefits our people, who grow with us, and our planet.

#4 OUR BUSINESS

DISTRIBUTION NETWORK



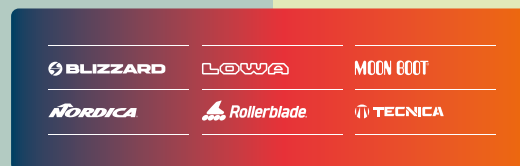
HEADQUARTERS

Brands, R&D and central functions



TECNICA GROUP SUBSIDIARIES

Local Sales & Marketing: France, Switzerland, China, Japan, North America (USA & Canada)

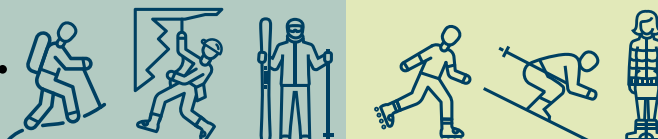


NATIONAL AND AREA DISTRIBUTION

More than 40 distribution and importation partners



E-COMMERCE



CONSUMERS



RETAIL

More than 11,000 independent retailers served around the world

PORTFOLIO BRAND



Acquisition
2006

Founded in **Mittersill, Austria** in **1945**, Blizzard supported the greatest **victories** in all **skiing competitions**. Today, the brand sees constant **evolution** of styles and disciplines and distinguishes itself as a solid **benchmark** in the worlds of freeriding and touring.



Acquisition
1993

Founded in **Jetzendorf, Bavaria**, in **1923**, this brand is the result of a perfect fusion of **German precision** and **Italian reactivity**. Its products are synonymous with **comfort** and **quality**.



Foundation
1969

The perfect **après-ski boot**, inspired by the equipment of the first **astronauts** to set foot on the Moon, it is a **unique design icon**, recognised from mountainsides to **fashion catwalks**.



Acquisition
2002

Specialists in the manufacture of skis and **ski boots** for **downhill** disciplines, since 1939 they have been renowned for **innovation** and outstanding **performance**.



Acquisition
2003

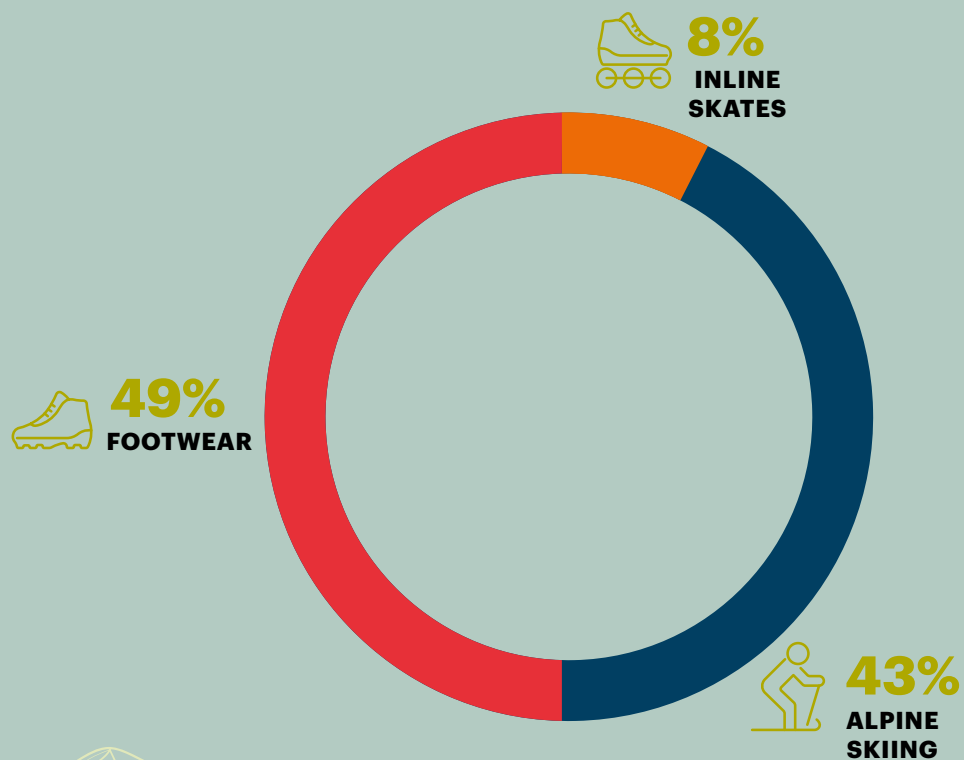
Founded in **1980** in the **United States** through the ingenuity of the **Olsen brothers**, this is now one of the leading brands of **inline skates** in the world, whatever the discipline.



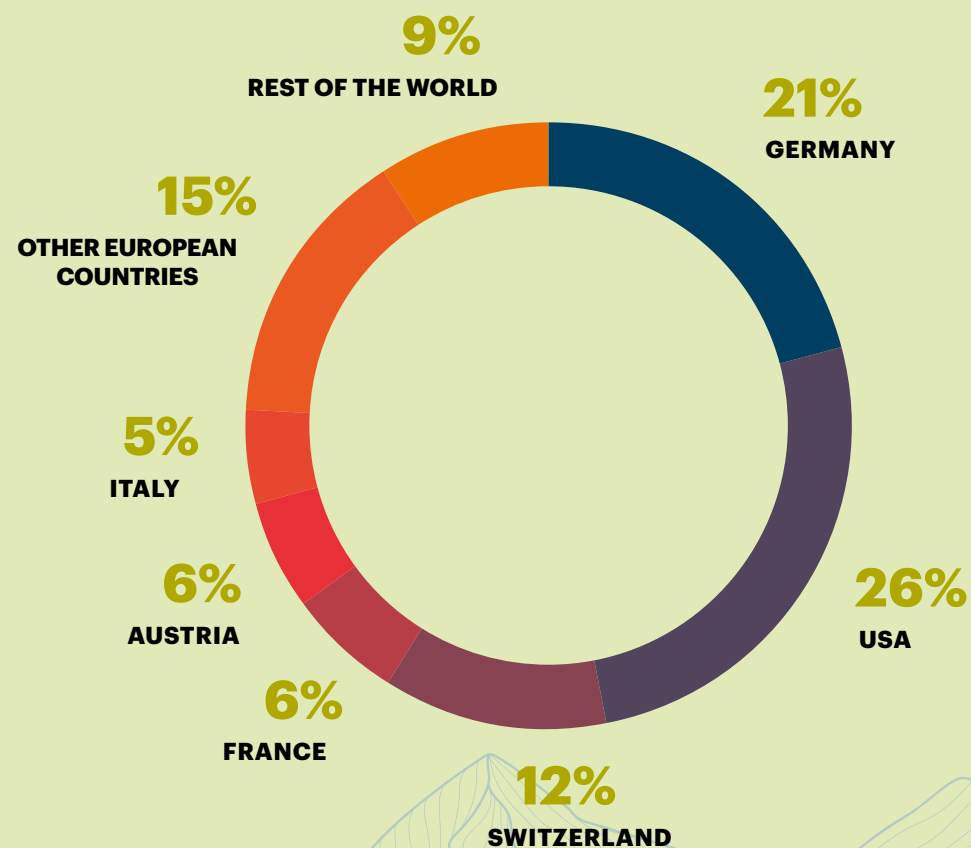
Foundation
1963

The first brand of Mr Zanatta manufactures and sells **sports footwear**, **outdoor footwear** and **ski boots** all around the world. These products stand out in terms of **quality** and the **development** of **highly innovative technology**.

OUR PRODUCTS



OUR MARKETS



#5 OUR SUSTAINABILITY STRATEGY

For our Group, sustainability, is a route with various milestones, beginning with careful planning and solid preparation. We are a Group made up of people who, working closely together, move towards a shared goal, that of sustainability, a challenge that is compelling enough to build our future. Each of us play a fundamentally important role and the contribution of each individual is essential for success. We must all walk this path together, each with a different function and expertise. Every milestone reached becomes a starting point from which to pursue new goals for improvement, but to get started it is important to clearly define the steps already taken and the objectives to be achieved in coming years.

THE ROUTE TO SUSTAINABILITY

The term “sustainability” has been increasingly widespread in recent years, to the point of becoming a necessary buzzword in business strategy and communications. For Tecnica Group it has had a clear and concrete meaning since its first introduction, without being tied only to its most visible aspects, such as environmental considerations.

In our vision, the heart of any path towards sustainability lies in the balance and interconnection of three distinct elements: profit, people and the planet, for the generation of social and environmental value. Sustainability means maintaining the harmony and balance of all three of these areas, in all actions. **Every decision made by the company in its approach to business must target the generation of prosperity for people and the planet.**





PEOPLE

The social aspect is the key to understanding sustainability. This means we must **focus on people and their well-being**. Team spirit, relationships of value, and initiatives aimed at improving the working life of every single one of us. At Tecnica Group, this means placing members of the organisation, our consumers and the communities living in environments where we operate at the centre of our plans.



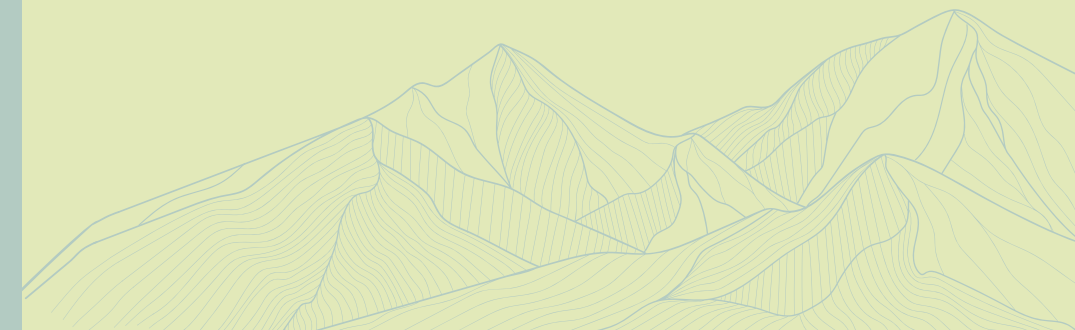
PLANET

Our environment is the backdrop for every instant of our lives, and every one of us has a responsibility to respect it and consider every type of action that may have an impact on it. Anyone who belongs to Tecnica Group learns, both as an individual and an employee, to build an approach rooted in this awareness, **adopting the values of our company to promote respect and conservation of natural assets**.



PROFIT

Profit, which is the nature of any business, cannot be pursued without respect for the environment and communities, otherwise we risk a lack of long-term sustainability that would spell downfall. **Ethics, transparency, responsibility and flexibility** imply a harmonious relationship with the context in which our Group operates, and support for parties that enable the company to grow.



We work for people like us, who combine their sporting passion with a love of nature, and the pursuit of an active, outdoor life. Users of our products often have an intimate relationship with the natural environment; a unique and exclusive bond.

Therefore, we have an essential role to play, both regarding people and our planet, and **it is important to structure our path, integrating it with corporate strategy and communicating it transparently and effectively to the outside world**. Being sustainable is the only path we can take.

WHY ARE WE DOING THIS?

Maintaining a constant focus on the environment, in all our plans is essential, but this is not enough on its own. There are many different aspects that we must all work on.

The cultural and structural evolution of our company must lead us to develop and improve these aspects, step by step, but with a structured, methodical approach.



SUSTAINABLE DEVELOPMENT GOALS: OUR FOCUS

By supporting the **United Nations Global Compact**, Tecnica Group has undertaken to actively contribute towards achievement of the **17 UN Sustainable Development Goals**. Creation of **shared value** is directly or indirectly linked to all of the SDGs, through governance and responsible management of all activities. Tecnica Group's sustainability strategy is directly focused on **the following six goals**.

COMMUNICATION
ON PROGRESS



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

We welcome feedback on its contents.

SOCIETY



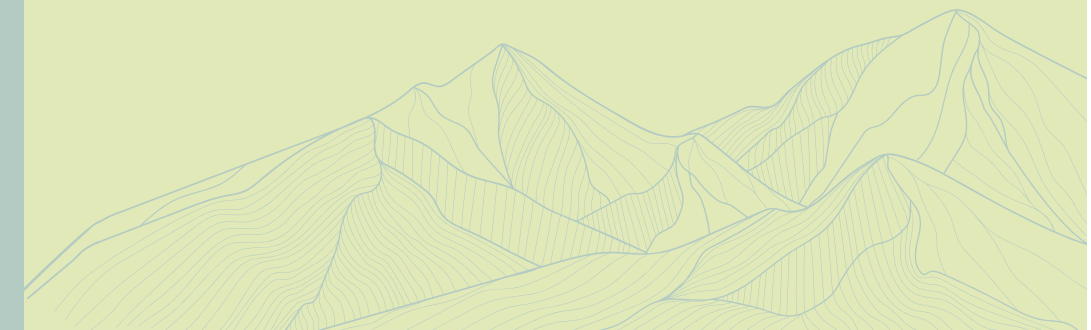
Ensure the health and well-being of all individuals of all ages, inspiring them to live an active lifestyle, respecting all people and nature and adopting these values within communities, including the consumers and end users of extraordinary products capable of creating amazing experiences.

Centred around health and well-being, SDG 3 is well aligned with the Vision and Mission of Tecnica Group, “Inspiring an active, outdoor life” and “To create amazing experiences through outstanding products”. Human physical and psychological conditions are perfectly interconnected and interdependent. Promoting sport and an outdoor lifestyle, while guaranteeing safety and technical quality during participation in these activities, at Tecnica Group we are committed to people’s well-being.



Achieve gender equality and empower all women and girls, for operational efficiency and social inclusiveness.

Inclusion is an unquestionable and essential global driver in current social strategy and will continue to be in years to come. Sustainability cannot exist without a focus on gender equality and inclusion in direct operations, supply chains and the design, distribution and usage of products. Tecnica Group has endorsed the Women’s Empowerment Principles, the seven principles established in collaboration with UN Women aimed at promoting equal conditions for women in the world of work.





Promote sustained, inclusive and sustainable economic growth, full and productive employment and decent work for all, through diversification, innovation, safe and secure work environments, and social and professional growth.

Decent work, working conditions, contracts, safe and secure working environments, social and professional growth, but also the disconnection of results from negative impacts on society and the environment. These are all essential conditions, both for direct operations and the entire value chain, particularly for the manufacturing industry that the Group belongs to. Observing the rules implemented by Tecnica Group represents a necessary condition for innovation, growth and economic development.



ENVIRONMENT



Ensure sustainable consumption and production patterns, through the responsible use of resources, implementation of regenerative production cycles, product stewardship and the promotion of conservation-oriented lifestyles and consumption.

Efficient use of resources, materials and energy, regenerative production cycles, product stewardship, limitation of emissions, management of waste and selection of suppliers are all essential in order to promote a circular economy and conservation-oriented lifestyles and consumption, in harmony with the type of manufacturing carried out by the Group.

Tecnica Group's mission highlights how one of the primary business goals is to create high-performance, high-quality products. For this reason, the Group recognises the durability of our products as a further guarantee of manufacturing that respects the environment and avoids over-production. Raising awareness amongst customers and consumers around the world is a necessary step for widespread understanding of the importance of adopting more sustainable lifestyles, to protect the planet and its different communities.



Take urgent action to combat climate change and its impacts, fostering the low- carbon transition and implementing monitoring, mitigation and adaptation activities for resilient value chains.

The fight against climate change is the most important global objective. Tecnica Group is currently focused on direct operations but will immediately move on to those regarding the supply chain and the design, distribution and use of products by consumers.

The commitment to combatting climate change is recorded and shared through its participation in the Global Compact, and the future official Communication on Progress report will present the actions taken by the Group. The company's efforts are also aimed at raising awareness amongst all of its members regarding climate change, right now, and this will enable optimised future planning and management of efforts to tackle climate issues in countries and communities involved indirectly with the Group through supply chains.



INSTITUTIONS



Promote peaceful and inclusive societies for sustainable development, provide access to justice for all and build effective, accountable and inclusive institutions at all levels, starting from sustainable governance and business integrity.

Tecnica Group exists and operates in compliance with laws, technical regulations, internal standards and codes of governance, also for direct operations along the entire value chain, constantly monitoring and fulfilling business integrity requirements.

The new Code of Ethics adopted by Tecnica Group endorses and adopts the principles of the UN Global Compact regarding human rights, labour standards, environmental protection and the fight against corruption. Tecnica Group supports laws and regulations that guarantee fair access to justice, eliminating all forms of discrimination.

#6 OUR GOALS



COHERENCE

OUR COMMITMENT TO PROCEDURAL STRUCTURING OF THE COMPANY IN ALL ITS REALITIES AND FUNCTIONS CONTINUES, INSPIRED BY OUR VALUES.

WE BELIEVE THAT THE ADOPTION OF COMMON ETHICAL PRINCIPLES AND PROCEDURES FOR EVERY LEGAL ENTITY OF THE GROUP HAS TO BE A FOUNDING PILLAR FOR THESE ACTIONS AND FOR THE NEXT ONES RELATED TO THE EVOLUTION OF OUR BUSINESS.



SHARING BEST PRACTICES

TECNICA GROUP IS FOLLOWING THE PATH TOWARDS AN INCREASINGLY PRECISE STRATEGIC DEFINITION OF ITS OBJECTIVES, THROUGH MEASUREMENT AND INFORMATION COLLECTION.

THE IMPLEMENTATION OF OUR METHODS AND THE ENLARGEMENT OF THE MEASUREMENT PERIMETER TO ALL OUR OWNED PRODUCTION SITES HAVE ALLOWED US TO START SETTING CONCRETE GOALS OF EXTENSION OF ENERGY SELF-PRODUCTION OF THE GROUP.



AN IDEAL WORKING ENVIRONMENT



A COMPANY LIKE OURS WANTS TO INSEPARABLY TIE ITS NAME TO THE UTMOST ATTENTION FOR HEALTH AND SAFETY, EQUALITY AND THE WELL-BEING OF THE PEOPLE WHO ARE PART OF IT.

FOR THIS REASON, AMONG THE MANY ACTIONS AND INITIATIVES DEDICATED TO THOSE WHO EVERY DAY PUT THEIR COMMITMENT AND PASSION AT THE SERVICE OF THE OUR GROUP, WE BELIEVE THAT THE ADOPTION OF CORPORATE WELFARE SYSTEMS FOR EMPLOYEES – AS ALREADY HAPPENING IN SOME LEGAL ENTITIES – HAS TO BECOME A COMMON REALITY AT GLOBAL LEVEL.



#7 MATERIALITY ASSESSMENT

OUR STAKEHOLDERS

The various initiatives can be grouped into different key areas, which intersect the three pillars of sustainable development (People, Planet and Profit) and the 2030 Agenda goals.

These areas of interest are based on the people inside and outside our Group who contribute to the generation of value: **our stakeholders.**





Tecnica Group's precious human capital includes all of us, the people that make up the company.

We are the champions and ambassadors of our company's values out in the world, in our different spheres of relationships. It is our shared mission to drive growth of the Group through professional development. We are the beating heart of the organisation. Each individual has a specific role, and each is an essential part of the whole, in a mutually complementary relationship with the other members of the company.

We feel an affinity with the Company's vocation to inspire people to enjoy the outdoors, and we experience the same emotions that we aim to share through our work. This commitment and dedication are balanced with our personal sphere, enriching our lives and giving us a sense of engagement through these emotions.

This feeds into our promotion of well-being and our contribution to the creation of a positive and constructive environment within the organisation.



Our **customers** see Tecnica Group as a partner for their business and their expectations are high.

They recognise the value of our products and demand particular attention to the service provided in terms of punctuality, logistics, precision and constant quality. However, the high standards of quality that our Group has always been able to guarantee are not enough alone. Our customers are also seeking strong brand identities to place their faith in, and an even stronger Group identity, offering them an absolute benchmark.

Tecnica Group offers a whole system of unique values that only we can guarantee: our character, our history and our core principles are intangible yet represent pillars guiding customers to choose us.

We must not forget this in our daily operations, and we must work to constantly strengthen our position.



The **people** who use our products believe in our principles.

They are passionate and want to enjoy every aspect of the world around them when they step outside their homes. They are enthusiastic, with an eye for detail and dedicated to caring for the environment in any way they can.

They are explorers, searching for innovative solutions to live experiences in nature to the fullest, approaching it with total respect. They are followers, supporting the brands that represent their lifestyle, and selecting products based on the values that distinguish them.



Our **suppliers** play a fundamental role in the value chain.

Together we are stronger: the Group firmly believes in the enormous potential of cooperation between companies, working as one to generate shared value.

Selecting suppliers is therefore a delicate process. We seek partners with whom we can establish lasting relationships, and who share the values underlying our day-to-day operations.



Increasingly solid relations with **universities**, research groups and certification bodies enable us to collaborate and further our sector-specific knowledge every single day.

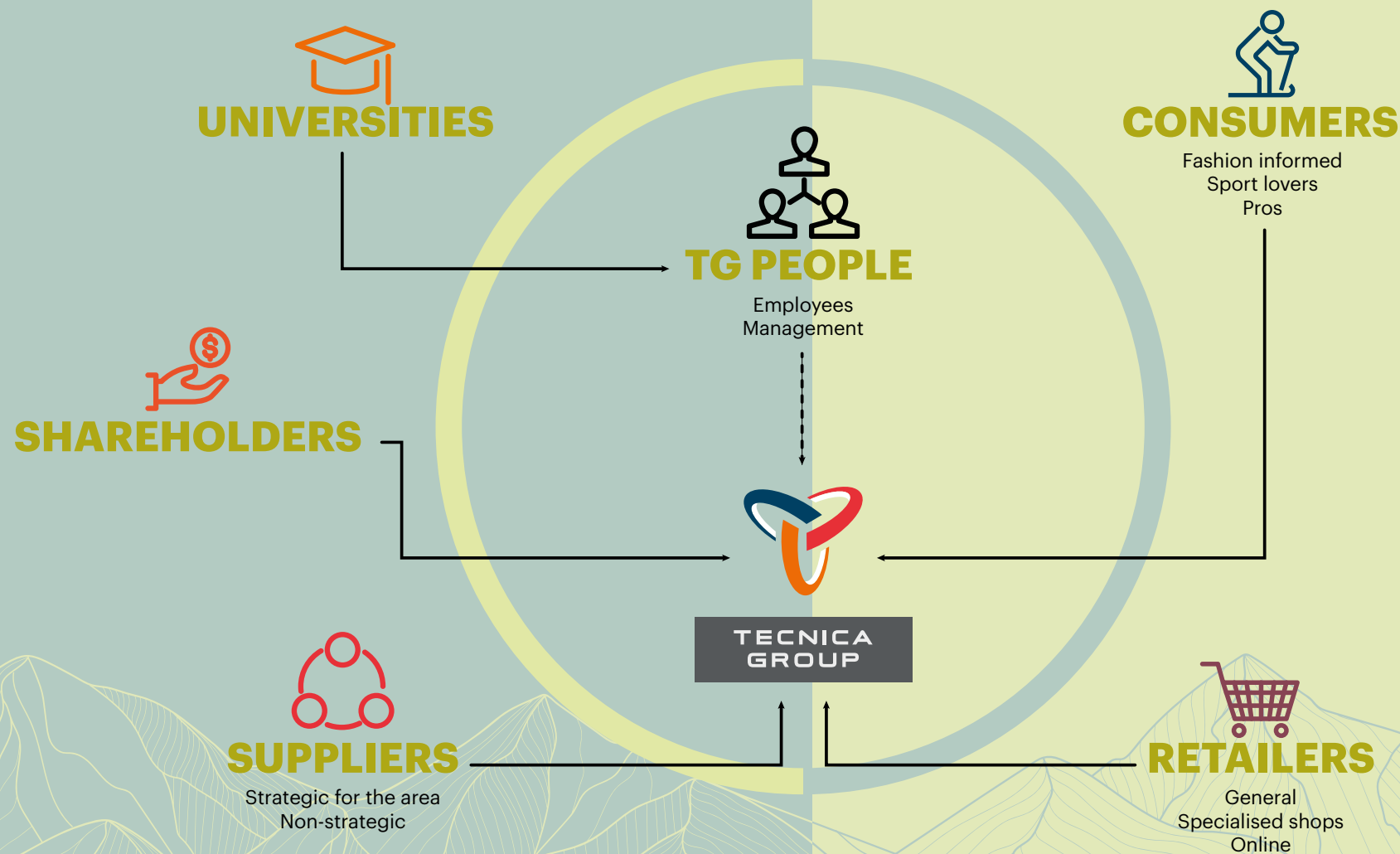
Relationships with these organisations are fundamental because they allow us to become a real benchmark for the industry, not only as manufacturers but also as a centre of expertise.



We place a great focus on all of our **shareholders**, who have believed in us and invested in our Group. Sustainability is viewed as a core value, recognised in Tecnica Group's operations.



The path taken so far has included the mapping of stakeholders in relation to Tecnica Group and analysis of their requirements and how these intersect with actions and initiatives implemented in the field of sustainability.



OUR BUSINESS MODEL

POSITIVE IMPACTS

We are committed to a model built around positive inspiration through fundamental sporting values, such as honesty and fairness. Our products are designed to allow end consumers to enjoy a healthier and more active lifestyle. Our goal is to generate a positive impact on communities, especially in mountain areas, generating employment opportunities in what is a reliable and familiar company. Additionally, we establish lasting partnerships with suppliers and local distributors.

We promote adoption of an increasingly circular model in our processes, managing products at the end of their life, promoting the use of second-hand products and developing projects aimed at reuse of raw materials. The "Recycle Your Boots" initiative is an excellent example.

Within the Company, we promote solid and widely recognised professional ethics. We value human resources and promote an appropriate work/life balance for our employees.

NEGATIVE IMPACTS

The negative impacts of our business model derive directly from the use of raw materials and resources such as oil, wood, water, fabrics and glue, and the emissions deriving primarily from production and distribution processes. In addition, we identify the potential negative impacts on human rights in our supply chain, along with risks due to workers' contact with raw materials.

We recognise our impacts as a manufacturing business and we constantly strive to mitigate them, adopting new solutions and informed decisions. On top of this, we handle the issue of emissions and energy use through targeted actions along the entire value chain and a project for the installation of photovoltaic systems.

KEY PARTNERS

Tecnica Group has three different types of key partners: suppliers, distributors and ecommerce partners. The former provide raw materials and semi-finished materials, particularly for footwear. Our distributors help us to reach the end consumer with our high-quality products. Ecommerce partners have an essential role, as they enable us to engage with a global market and broaden our sales opportunities.

KEY ACTIVITIES

Our core business is the manufacture of ski equipment and footwear. To enable this, we also consider research and development of new products a core activity, constantly working to introduce new and innovative methods. We also manage part of the distribution for the products we create.

KEY RESOURCES

The important resources for our business are found throughout the value chain. Underlying the business is brand recognition, an essential resource, synonymous with reliability and iconic products. The raw materials we use and our workers also represent crucial and essential resources. Our distributors and stores are key resources as they represent the bridge between the Company and consumers.

VALUE PROPOSAL

We offer a range of products designed to offer end consumers well-being, supported by our extensive history and expertise as Tecnica Group.

Our history and consolidated experience equip our brands and the entire Company with a solid reputation for reliability and iconic products. Consumers buying our products know that they can count on our quality and our ability to provide excellent performance. Many years of experience has enabled us to perfect our products, bringing together tradition and innovation in a way that differentiates us in the market.

We know that our consumers are not only looking for high-quality products, but also for an experience guaranteeing authenticity and excellence. Our brands meet these expectations, and we not only offer functional products, but a sense of belonging to a community of peers that are passionate about what they do, and who share our core values.

CONSUMER RELATIONS

One of the ways we engage and communicate our value to consumers is through social networks. We also support them in the after-sales phase, maintaining the relationship with prompt and ongoing assistance.

At Tecnica Group we constantly strive to improve and grow. This is why one of our future goals is to build even closer and more solid relationships with users of our products.

DISTRIBUTION CHANNELS

The main distribution channels are stores and distributors. Our ecommerce platforms also represent an important distribution channel. Finally, there are our commercial agents, who enable networked distribution rooted in professionalism and care.

CUSTOMER CATEGORIES

End consumers are our primary customer category. Our target audience are sporty people, whether amateurs or athletes, who want reliable, durable and fashionable sports equipment.

COST STRUCTURE

The costs incurred by the Company can essentially be divided into personnel costs and costs for raw materials.

REVENUE FLOWS

Our revenues derive from the sale of products. 49% of revenue comes from brands dedicated to alpine skiing, and 43% footwear, primarily the LOWA brand, due to the quality and innovation that we offer. Specifically, sales in physical stores represent our main source of revenue.

IMPACTS OF OUR BUSINESS

In 2022, we began structuring the process for double materiality assessment, carrying out research and interviews with internal stakeholders.

Within the company, members of the sustainability team, the executive board, heads of division and heads of market areas were involved. The task was to classify the impacts and relevance of certain sustainability themes on the business success of the Tecnica Group and the impact of the company on people and the environment, in relation to these same themes.

The list of impacts was analysed and reviewed by figures appointed internally for oversight of company activity.

The following table presents the most significant positive and negative impacts, both current and potential, along with a brief description of Tecnica Group's context.

Each has been linked to an ESG macrotrend and the corresponding material topic. In addition, the degree of the impact has been specified, whether it is current or potential, and the theme's significance for the Company.

NEGATIVE IMPACTS				
ESG TREND	MATERIAL TOPIC	IMPACT	ACTION ASSESSED	TYPE AND SIGNIFICANCE
ENVIRONMENTAL	Resource preservation	Environmental damage deriving from use of non-renewable resources as raw materials	Use of non-renewable resources as raw materials (e.g. oil and wood)	●●●● Potential
	Climate change	Failure to contribute to combatting climate change due to an increase in CO2 emissions deriving from use of non-renewable raw materials, transport, non-renewable energy, overuse of energy during the production process and use of chemical substances with negative impacts	CO2 deriving from transport	●●●● Potential
			Use of non-renewable energy influencing CO2 emissions	●●● Potential
			CO2 emissions deriving from energy consumption during production	●● Potential
			CO2 emissions deriving from energy use during usage phase of ski products	● Potential
			Use of chemical substances with a negative impact in terms of CO2 emissions for their production and at the end of their life cycle	●●● Potential
	Waste management and circular economy	Increase in the quantity of waste caused by a failure to implement circular-economy practices	Products that are not fully recyclable at the end of their useful life, which do not support the circular-economy model	●●● Potential
			Generation of waste during the production process	●● Potential
	Water management	Environmental damage and waste of water resources deriving from inadequate water management	Closed-cycle production of process water generating waste	●● Potential
			Use of water resources	● Potential

NEGATIVE IMPACTS				
ESG TREND	MATERIAL TOPIC	IMPACT	ACTION ASSESSED	TYPE AND SIGNIFICANCE
SOCIAL	Safety	Increase in the number of accidents in the workplace involving workers due to failed safety management and monitoring	Damage to the health of workers operating in contact with chemical substances	●● Potential
			Damage to the health of workers using machinery	●●●● Potential
	Welfare/ Employment	Reduced capacity to retain talent within the company due to a lack of equal opportunities and a failure to consider diversity as a strength	Loss of expertise amongst human capital due to not properly responding to needs	●●● Potential
			Failure to recognise diversity as a strength	●● Potential
	Diversity and Gender equality		Loss of economic growth and business development due to a lack of equal opportunities	●● Potential
			Suppliers assessment & selection	Violation of human rights in the supply chain
	Damage to certain business lines due to interruption of relationships in the supply of finished products	●●● Potential		
	Impacts of employment on suppliers following growth or shrinking of the organisation	●● Potential		

NEGATIVE IMPACTS				
ESG TREND	MATERIAL TOPIC	IMPACT	ACTION ASSESSED	TYPE AND SIGNIFICANCE
GOVERNANCE	Governance & Sustainability Management System	Loss of business ethics due to incomplete handling of management best practices	Existence of possible actions that may lead to instances of corruption	• Potential
			Existence of possible actions that may lead to instances of anti-competitive phenomena	•• Potential
			Introduction to market of products with product quality and safety defects	•• Potential
	Brand reputation and awareness	Failed opportunity to contribute to the development of local communities because the company does not take an active role	Responsibility and social role in transfer of values within local communities	•• Potential

POSITIVE IMPACTS				
ESG TREND	MATERIAL TOPIC	IMPACT	DESCRIPTION OF IMPACT	TYPE AND SIGNIFICANCE
ENVIRONMENTAL	Climate change	Promotion and contribution to combatting climate change through reduction of emissions from company processes	Reduction of emissions deriving from processes actions	•••• Current
	Waste management and circular economy	Improved management of waste through implementation of a circular-economy model	"Recycle Your Boots" initiative supporting the circular-economy model	•••• Current
			Reduction in non-recyclable products at end of useful life, starting from the design phase	•• Current
SOCIAL	Suppliers assessment & selection	Economic and social development (including respect for human rights) of the local area through the company's relationships with suppliers	Generation of lasting, ethical relationships with suppliers	•••• Current
			Development of local suppliers by building lasting economic relationships in the local area	••• Current
GOVERNANCE	Brand reputation and awareness	Improvement of company reputation through recognition of values such as honesty, fairness and health by stakeholders	Contribution to the transfer of values recognised in sport, such as honesty, fairness and health	•• Current
			Increase in opportunities to attract new collaborations (with employees, partners, suppliers, organisations and institutions)	••• Current

SIGNIFICANCE SCALE	
•	Negligible
••	Moderate
•••	Significant
••••	Remarkable

SIGNIFICANCE OF PRIORITIES

Through the due diligence process, as required by GRI standards, we have identified the ESG themes of significance considering the positive and negative, current and potential impacts. This has enabled us to identify, in line with our business strategy, our strategic priorities in the social and environmental spheres.

DOUBLE MATERIALITY

This is our materiality assessment process:

1. ASSESSMENT OF CONTEXT

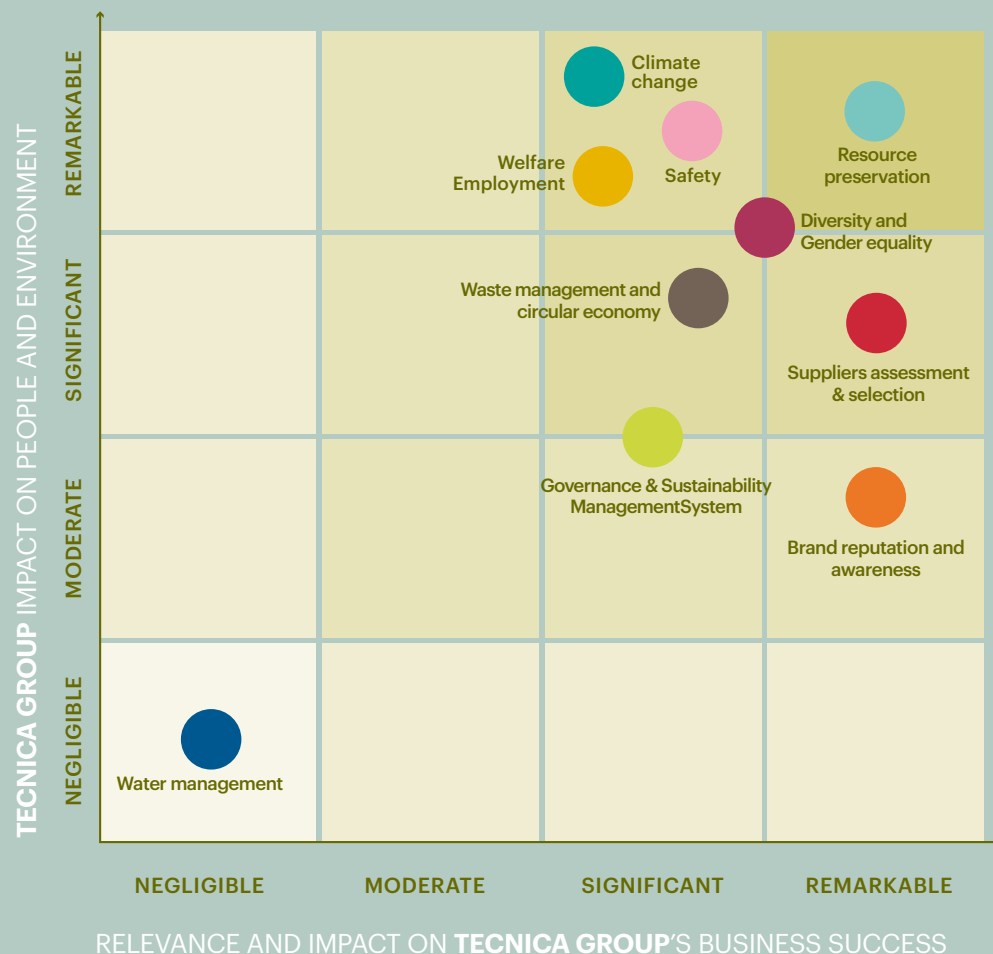
2. REVIEW AND UPDATING OF MATERIAL TOPICS IDENTIFIED

IN THE PREVIOUS YEAR

3. CLASSIFICATION AND PRIORITISATION OF IMPACTS

4. DEFINITION OF THE DOUBLE MATERIALITY MATRIX FOR TECNICA GROUP

DOUBLE MATERIALITY MATRIX



TOPICS IDENTIFIED

The results of this initial materiality assessment enable us to target our strategic sustainability decisions towards the most significant areas. We have integrated our materiality assessment with the corporate risk assessment methodology.

This has given us a complete picture of which themes are of most significance for Tecnica Group:

- **RESOURCE PRESERVATION**
- **CLIMATE CHANGE**
- **WASTE MANAGEMENT AND CIRCULAR ECONOMY**
- **SAFETY**
- **WELFARE/EMPLOYMENT**
- **DIVERSITY AND GENDER EQUALITY**
- **SUPPLIERS ASSESSMENT & SELECTION**
- **GOVERNANCE & SUSTAINABILITY MANAGEMENT SYSTEM**
- **BRAND REPUTATION AND AWARENESS**

We will continue to monitor and evaluate the impact of our operations, adopting corrective measures and constantly improving our sustainability performance.

We remain committed to making a positive contribution to people's well-being and safeguarding the environment, in line with the sustainability topics we have identified as significant and priority areas for our Company.

#8 CORPORATE GOVERNANCE

Tecnica Group promotes a healthy global economy that is inclusive and sustainable, upholding human rights and labour rights, capable of safeguarding the environment and actively engaged in promoting integrity in every aspect of business.

Achieving sustainable economic development for the company requires compliance with the operational standards established for environmental, social and governance criteria, on the basis of shared and standardised parameters to measure company performance in these spheres. The ability to generate economic value while also meeting human requirements and respecting the balance of the ecosystems that support life is the combined goal of every business that claims to be sustainable, taking on the responsibility of improving and aligning its results, its processes and the set of values that inspire them.

WE SUPPORT



Participation in UN Global Compact

On this basis, Tecnica Group has endorsed and adopted values within its business that are aligned with the most advanced international best practices in the sphere of governance. These include the United Nations Global Compact, the leading strategic initiative for corporate responsibility, with the Group sharing, supporting and implementing the Ten Principles within its sphere of influence.



**GENERATE
ECONOMIC VALUE**



**RESPECT THE BALANCE
OF LIFE**



**HELP MEET
HUMAN NEEDS**

**GROUP COMMUNICATION
& SUSTAINABILITY
DIRECTOR**

+

**THREE OTHER FIGURES
IN THE COMMUNICATION
DEPARTMENT**



SUSTAINABILITY TEAM



**TECNICA GROUP
SUSTAINABILITY
INITIATIVES (SOCIETY,
ENVIRONMENT AND
GOVERNANCE)**

Sustainability team

The operational team handling coordination of sustainability initiatives at Tecnica Group and related internal and external communications fall under the responsibility of the Group Communication & Sustainability division.

The team is composed of the Group Communication & Sustainability Director and three other figures in the Communication Department who are specialised in sustainability. Following a strategic process conducted by a project team in collaboration with selected consulting partners, the team is responsible for managing and coordinating sustainability initiatives regarding environmental, social and governance themes, with a view to broadening them as far as possible to all aspects of the Group that can be included.

Existing initiatives have been grouped and added to an organisation and control process by the team, and possible future developments are coordinated and assessed by it. These processes are aimed at inclusion of sustainability issues in global Group strategy. The team also works to build awareness within the company around sustainability and actions for improvement.

The primary needs leading to these organisational choices are connected to the Group's desire to review its impact and define its corporate responsibility with a view to improvement, for the environment and the communities in which it operates, as a global leader in the sector.

CREATION AND DISTRIBUTION OF VALUE

Information regarding the creation and distribution of economic value offers an essential indication of the **generation of wealth by Tecnica Group for stakeholders**. This information is useful to provide direct monetary value to local economies. Economic value is calculated using the GBS (Sustainability Report Work Group) structure, which considers the net global added value, deriving from core, secondary and non-recurring activities of the Company.

From this value, it is possible to assess the wealth distributed during the reporting year to different areas:

- 1. Donations and contributions to associations:** this category includes donations and sponsoring of non-profit organisations and associations promoting social, cultural and environmental causes. Through these donations, the Company makes a contribution to the community and supports initiatives generating social value.
- 2. Remuneration of risk capital:** this indicates the yield obtained by investors who have provided risk capital to the Company. It represents the remuneration for investor risk associated with financing company operations.
- 3. Remuneration of debt capital:** this refers to the interest paid to financial institutions or lenders who provided funds to the company in the form of loans or other forms of debt.

4. Outgoings to the public administration: this category refers to the contributions and taxes paid to the public administration, including revenue tax, VAT and local taxes. Through these forms of remuneration, the Company contributes to public revenue, which is used to fund public services and develop local communities.

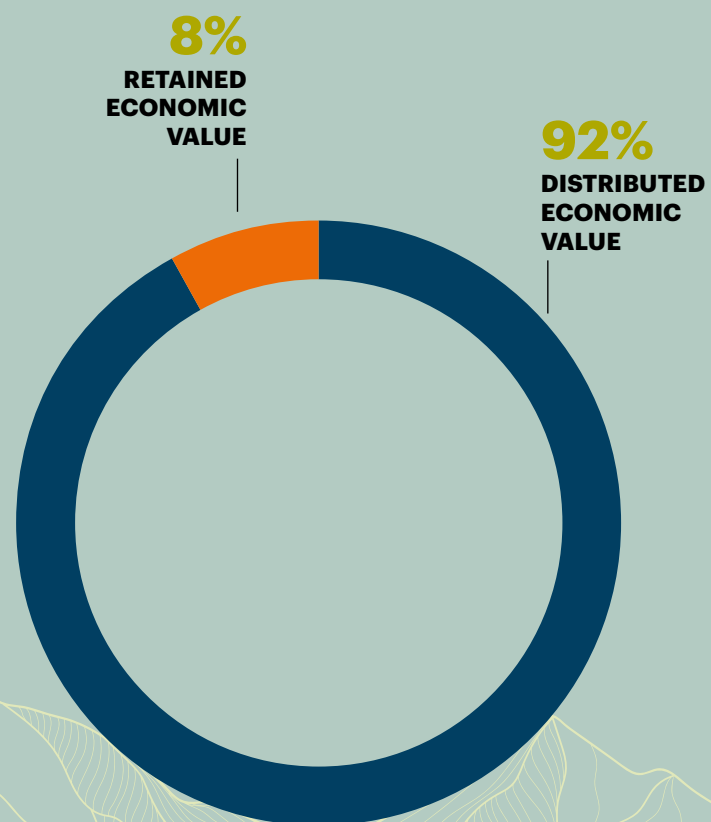
5. Suppliers: this category indicates the payment made to suppliers of goods and services for the Company's operations. Supplier remuneration is an important component of economic value distributed, supporting the entire ecosystem of commercial partners.

6. Remuneration of personnel: this refers to remuneration, including pay, salaries, bonuses and benefits to Company employees. Remuneration of personnel is an important form of distribution of wealth and contributes to the well-being and economic stability of employees.

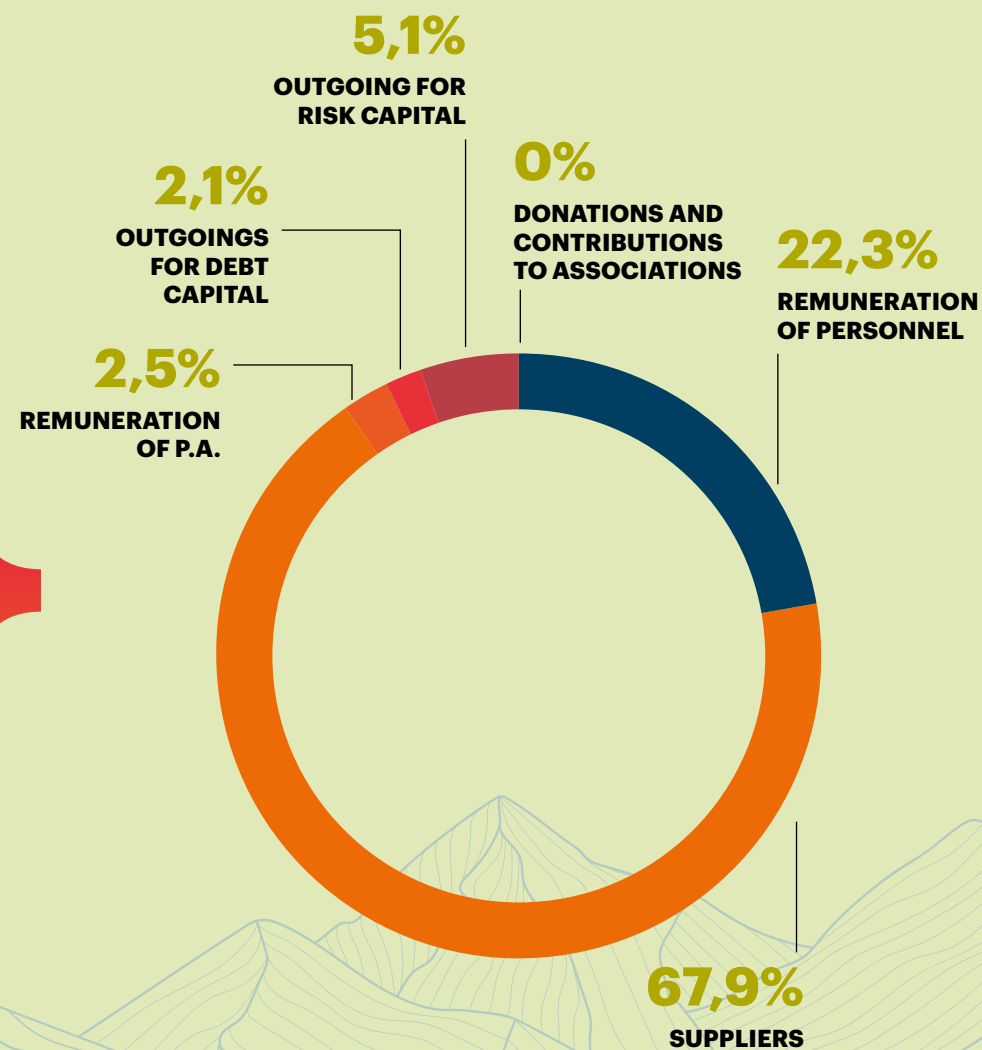
These categories **highlight how Tecnica Group creates economic value and how this value is distributed amongst the different key players within and outside the Company**. This distribution reflects the Company's commitment to supporting the local community, investors, suppliers, the public administration and its own personnel, contributing to general well-being and sustainable progress.



Tecnica Group Economic Value 2022



Distributed Economic Value



CODE OF ETHICS

At Tecnica Group, we firmly believe that the Company's well-being is reliant on the well-being of the people who work here. On this basis, we place our faith in the Code of Ethics, which **sets out the guidelines and principles that we adopt in the day-to-day management of operations**. It is our goal to promote sustainable growth and uphold the company's reputation.

Everyone working with us undertakes to comply and promote compliance with these principles in the context of their functions and responsibilities. Nothing justifies conduct that goes against these principles.

Our ethical vision is aimed at harmoniously improving the lives of our customers and personnel. We openly state the central importance we place on people and our desire to pursue the common good in the context of our economic activity. We declare our respect for all parties involved in the business, without discrimination or privileges of any kind.

All of our operations are conducted in compliance with the law, protecting the legitimate interests of customers, employees, commercial and financial partners and the communities in which we operate. To promote the dissemination and observance of these principles, we have established a best-practice **whistleblowing** policy, structured at the Group level and involving our branches around the world.

Internal personnel receive ongoing information about the platform, which guides company values and principles.

The channels provided for reports enable anonymity or, where reports are not anonymous, guarantee privacy and confidentiality. For the head office, the following methods have been implemented, which have then been adapted for the individual foreign branches:

- email sent to the Supervisory Body and/or registered letter;
- appointment with the Group Internal Audit or HR Division;
- written letter sent to the Company's registered address;
- IT platform for management of reports, which can be accessed online, via QR code or through a call centre, managed in compliance with the GDPR and encrypted.

A dedicated team is appointed for receipt and examination of reports, identified by the BoD. This system also enables us to increase the sense of responsibility amongst all individuals involved and contributes to maintaining an ethical and transparent working environment. In 2022, no significant reports were received.

Any reports that are critical or, in any case, considered worthy of further investigation, are communicated to the BoD and the Supervisory Body, through ongoing and reliable processes.

Whistleblowing is a key feature of the sustainability strategy of any company, disseminating an advanced corporate culture, which enables employees—and in future also external stakeholders—to contribute to transparent and credible growth. It also facilitates sharing of environmental, social and governance policies, mitigating the risks posed by conduct that works against the goals of the Company.

Over time, the Company has also equipped itself with **a policy on the definition and management of internal regulations, an anticorruption policy**, which it started to distribute to foreign branches in 2022, and a procedure governing related-party transactions.

For this reason too, as in previous years, **training courses** were issued to employees in 2022 on these topics.

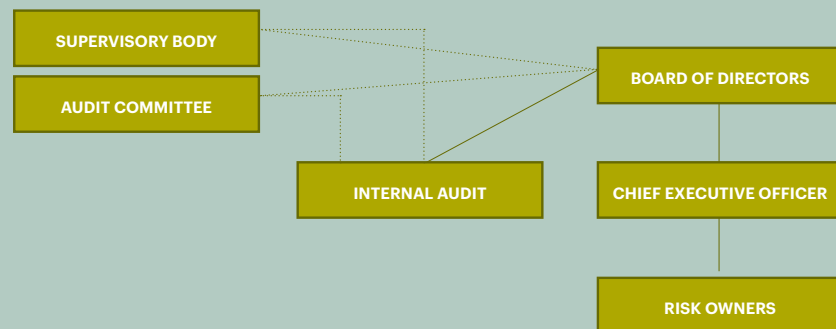
In 2022, Tecnica Group did not identify any significant cases of non-compliance with laws or regulations, cases of corruption or violations of the Organisational, Management and Control Model or Code of Ethics.

RISK MANAGEMENT

Tecnica Group **has established a function dedicated to Company risk assessment and reporting**, with the goal of constantly integrating and monitoring company risk management with business and management processes. This approach is based on the Enterprise Risk Management (ERM) methodology of the Committee of Sponsoring Organizations of the Treadway Commission (COSO), and also draws from other international frameworks.

Risk assessment activity involves all Company structures, whether internal (including Finance, Legal and HR) or business focused (sales departments and business units), **and includes detailed analysis of the most significant critical issues, associated controls and mitigation plans**.

Numerous corporate bodies and company divisions are involved in this constantly evolving process, including the Board of Directors, the Internal Audit division, the Audit Committee, the Supervisory Body, the Auditing Firm and Risk Owners.



Specifically, the Head of the Internal Audit Division is hierarchically below the BoD and reports on its activity to the CEO, as well as the Audit Committee and Supervisory Body in the applicable situations. These latter two bodies, both of which have a collective decision-making structure, and which must both contain one female figure and two male figures, have supervisory and auditing powers in accordance with applicable legislation.

This risk assessment approach contributes to business management aligned with the company goals defined by the administrative bodies, facilitating informed decision-making and dissemination of a positive culture around risk and auditing throughout the organisation. The process is based on a **risk-based and process-based approach**, enabling identification, measurement, management, and monitoring of the main company risk areas in the context of corporate procedures.

The analysis of risks conducted is part of a direction set in 2021 and maintained in 2022 with a standard review of the metrics applied (updated on the basis of changes to the internal and external context) on which quantitative (e.g. financial) and qualitative parameters are always evaluated. This activity led to updating of the risk assessment, with a HQ focus, involving 11 internal managers identified as risk owners.

Following the activity described above, the level of attention to risk rose, and this has naturally led the company to strengthen mitigation and prevention measures. In 2022, solid foundations were laid for the creation of a **vendor register** based on analysis of data drawn from certain internal software applications, implemented by the Group. It is important to underline that the Group's **suppliers are a precious resource** and, also through dedicated contractual clauses, they are learning to understand the direction taken by the Company and its attention to the values underlying our day-to-day operations.

There was also an **update of the risk-to-crime mapping** in line with Italian Legislative Decree 231/2001 and, in the context of evolution and continuous updating, this important task lays the foundation for updating of the Organisational, Management and Control Model and the Code of Ethics already adopted by the Company.

Another important development in the sphere of risk, which will continue to be the subject of analysis and attention over the coming years, is the world of cybersecurity. The basis has been outlined for creation of a Business Continuity Plan and for ongoing interaction between cyber and privacy spheres.

With a view to improving and raising awareness on issues that the Company considers relevant, an internal committee has been set up as best practice to deal with issues related to the world of data protection. The **Privacy Committee** meets monthly and is composed of executives and managers of the functions mainly impacted: HR, IT, Legal, Marketing, HSE. Within this system, a DPO has been inserted, as a body of advice and control with respect to the Data Controller.

These measures are aimed at creating an informed company culture that is committed to sustainability. This was clearly demonstrated again in 2022, with interaction and constant integration of risk mapping connected with ESG topics and teams involved operationally, in addition to the identification of new opportunities.

REPUTATION OF COMPANY BRANDS

The long history and tradition of Tecnica Group equip the Company and its brands with a solid reputation and an image rooted in **reliability, iconic products and connection with popular culture**. Customers know that they can count on our **quality** and our ability to provide **excellent performance**.

In addition to the high-quality craftsmanship and knowledge applied to raw materials, which are constant features of all products from our different brands, there is a distinctive element making them an integral part of history and culture.

It is not merely a question of advanced technology or unique style, but a fondness amongst consumers for all of our products, giving them that special “spark” so that they are remembered over the years.

Extensive experience over many years has enabled us to perfect our products, **bringing together tradition, innovation and passion** in a way that uniquely distinguishes our Company in the market.



THE SUPPLY CHAIN

Our supply chain is extremely important for our business. Assessment and selection of suppliers are crucial from both a strategic and operational perspective.



1. Our supply chain begins with **selection and purchasing of the best raw materials**, whether plastic, metal or other materials. For many years, we have worked closely with suppliers of high-quality raw materials, guaranteeing the selection of lasting and high-performance resources for our products.



2. Next, **production** begins: our systems are equipped with cutting-edge technology and specialised machinery managed by highly qualified personnel. Every step of the production process is carefully monitored to guarantee the accuracy and precision required to produce excellent skis, ski boots and footwear.



3. We work with **reliable logistics partners** to ensure that our products are delivered on time to retailers and customers the world over. We are committed to an efficiency and secure delivery service.

Our supply chain is a robust system based on cooperation and built primarily on **long-standing relationships** with suppliers, manufacturers and logistics partners, guaranteeing high-quality, sustainable products that meet the needs of our customers.

As explained above, the vendor register process launched in 2022 is perfectly aligned with the relationships of trust and transparency with our partners that have always distinguished us, and which we continue to pursue and implement.

#9 INITIATIVES AND PARTNERSHIPS

Internships with schools and universities

Partnerships with universities and teaching institutions are valued very highly by us. We place great importance on these relationships, with a firm belief in the creative power of young people and their ability to see things from innovative new perspectives. We are inspired by their commitment to issues around people and the environment.

On this basis, we actively **support education and introduction** of students to the world of work. We believe it is important to offer them tangible opportunities to apply knowledge acquired through education and develop practical skills. **We work closely with academic institutions** in order to support the introduction of young people into professional contexts and promote a fluid transition from the academic sphere to the world of work.

In line with these values, in 2022, we consolidated our support for a new organisation formed in the local area, the IMI Academy, which our Chair is the co-founder and director of. The academy aims to educate young people about digital culture and the engaging topic of augmented reality. Through dedicated training programmes, we provide students with the skills required to understand and apply augmented reality in company settings.

Sustainability Ambassador Program

In 2022 we involved about twenty employees of various departments of the Giavera HQ in a path of growth and training on sustainability and cultural change deriving from it. The participants, as "Sustainability Ambassadors", had the opportunity to discuss the general principles of sustainability and the initiatives put in place by the Group, and chances for sharing, exchange, and empowerment: the Ambassadors became collectors of potential ideas, suggestions and curiosities from all the other colleagues, triggering a process of positive collaboration on the topic.

Partnership with the Sportsystem Foundation

We consider **engagement with the local area** to be highly important and it is a source of great pride for us. Playing an active role in this initiative lets us establish a meaningful connection with the local community.

The **Museum of Boots and Sports Footwear**, a symbol of the area, plays a central role in this respect. It is a centre for nurturing and promoting business culture. The Museum represents the heart of the manufacturing district, acting as a hub, and providing a key point of reference for the promotion of traditions, expertise, and entrepreneurial excellence in the footwear industry. Our active participation in the activities of the Sportsystem Foundation enable us to support and promote the great tradition of the area and local culture, helping to keep its roots alive and encourage economic and social development of our community.

Participation in the Sviluppo Filiere programme

Tecnica Group is a member of Intesa Sanpaolo's Sviluppo Filiere programme, which supports the growth of small and medium-sized Italian enterprises. Our consolidated reputation as a solid and reliable company has enabled us to capture this valuable opportunity.

Through the Confirming platform, we are able to offer our suppliers the certainty of on-time payment, optimising circulating capital within our chain of production. This solution allows us to improve financial management and strengthen relationships with commercial partners.

This part of the Sviluppo Filiere programme has enabled further consolidation of our production within the market, providing a competitive advantage and contributing to the growth and success of the small and medium-sized Italian business we work with.

#10 TECNICA GROUP USA

At our United States commercial office, projects are focused on three main areas: **social sustainability, environmental sustainability and implementation of internal and external communication and cooperation.**

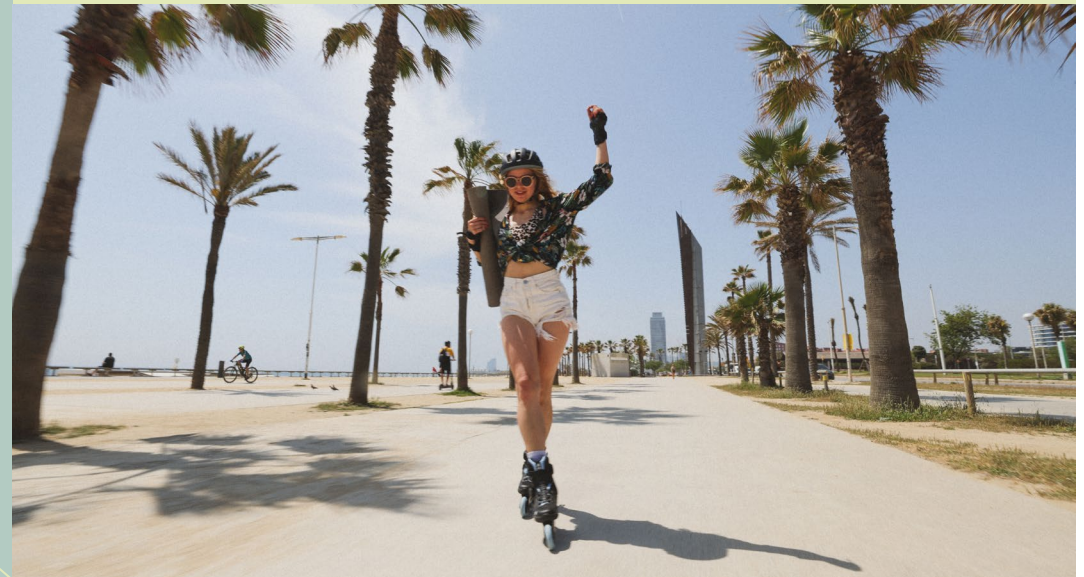
First of all, we work to ensure that our company, the industry in which we operate, and the world of sport are a welcoming environment for all. To achieve this, through the **IDEA** programme (Inclusion, Diversity, Equity and Action), we work actively on cultural development, promoting an inclusive and diversified culture within the organisation. We believe in the importance of valuing and respecting individual differences, creating an open, fair and respectful working environment.

Best practices shared amongst human resources are a key component of projects underway within the branch. We focus on improving policies and procedures regarding employee well-being, work-life balance, training and professional development. By adopting innovative practices in the field of human resources, we aim to guarantee a stimulating and gratifying working environment for all of our employees.

Finally, we work actively with partnership programmes to promote social sustainability. We join forces with other organisations and institutions to implement initiatives with a positive impact on the local community. Through these partnerships, we aim to contribute to social development, education, health and other important causes for the well-being of society.

These three areas—cultural development, human-resources practices and programme partnerships—are the pillars of our projects at the US site. These projects are guided by our desire to promote social and environmental sustainability, and to communicate effectively with all stakeholders.

From the point of view of environmental sustainability, our focus of our specific activities in the US market, through **ACT** (Action, Climate and Transparency) initiatives, is on climate impacts and waste management. We reduce greenhouse-gas emissions, promote energy efficiency and raise awareness about climate change. We responsibly manage waste, encouraging recycling and the use of recycled materials. We work with suppliers and partners to promote sustainability practices along the entire supply chain. Our goal is to guarantee a health and sustainable environment for everybody that shares our passion.



#11 THE WORLD OF LOWA

LOWA is a brand based in Bavaria, an area well-known for its attention to quality and care for the environment, and its primary focus is on the **durability of products**.

Our long-standing **repair and resoling** service, available not only in Germany but also from the Swiss branch of the brand and globally through approved external workshops, meets the need to extend the life cycle of products that are already very long lasting and well-known for their durability and quality.

The long lifetime of products is an essential feature of the LOWA brand. The footwear is widely recognised for its high level of quality and robust construction, and many models can be repaired in various ways when components exposed to heavy wear no longer meet functional requirements, replacing the sole or other elements such as lacings. This commitment to repairability makes an active contribution to the protection of resources and the environment.

The LOWA lab plays a key role in **guaranteeing the quality** of our products before they go to market, enabling extensive testing with a range of equipment. We believe that the longer a product lasts, the more environmentally sustainable it is. The quality of materials used to manufacture our footwear is hugely important for this process.

In addition, we plan to establish labs at the Italian R&D facility and production sites in Slovakia, making it possible to guarantee quality throughout the entire production chain.

These changes will enable quick and efficient removal of low-quality shipments from the production cycle, helping to guarantee the production of high-quality footwear and reduce waste.



#12 OUR PEOPLE

COMPOSITION OF THE GROUP

One of Tecnica Group's founding values is the importance of the people that make up our vast yet cohesive organisation. Every individual brings unique characteristics, specific skills and personal talents, and is an important component for the development of the Group and achievement of its goals.

PERMANENT

	HQ ITA	LOWA R&D	TG GER	LOWA GER	TG FR	HU	AT	TG SUI	LOWA SUI	LOWA SK	UKR	TG JPN	TG CA	TG CHN	TG USA	LOWA USA
M	155	44	6	127	20	270	225	16	30	389	290	4	5	5	43	13
W	93	26	1	114	10	264	81	6	20	1023	137	2	6	11	30	9
TOT.	248	70	7	241	30	534	306	22	50	1412	427	6	11	16	73	22

FULL TIME

	HQ ITA	LOWA R&D	TG GER	LOWA GER	TG FR	HU	AT	TG SUI	LOWA SUI	LOWA SK	UKR	TG JPN	TG CA	TG CHN	TG USA	LOWA USA
M	162	45	7	138	17	283	252	13	24	450	287	5	5	5	46	14
W	88	17	0	72	8	274	90	1	6	1200	134	2	6	11	24	9
TOT.	250	62	7	210	25	557	342	14	30	1650	421	7	11	16	70	23

TEMPORARY

	HQ ITA	LOWA R&D	TG GER	LOWA GER	TG FR	HU	AT	TG SUI	LOWA SUI	LOWA SK	UKR	TG JPN	TG CA	TG CHN	TG USA	LOWA USA
M	9	1	1	24	2	13	30	0	1	63	0	1	0	0	0	1
W	9	0	0	20	1	11	16	0	0	180	0	1	0	0	0	1
TOT.	18	1	1	44	3	24	46	0	1	243	0	2	0	0	0	2

PART TIME

	HQ ITA	LOWA R&D	TG GER	LOWA GER	TG FR	HU	AT	TG SUI	LOWA SUI	LOWA SK	UKR	TG JPN	TG CA	TG CHN	TG USA	LOWA USA
M	2	0	0	13	5	0	3	3	7	2	3	0	0	0	0	0
W	14	9	1	62	3	1	7	5	14	3	3	1	0	0	3	1
TOT.	16	9	1	75	8	1	10	8	21	5	6	1	0	0	3	1

In relation to Tecnica Group, the most common type of non-employed workers are footwear factory and warehouse personnel. The principal type of contract for these figures is the temporary supply contract, often used to manage peaks in workload and seasonal variations in factory and warehousing activity. This type of contract makes it possible to guarantee adequate operational flexibility for fluctuations in demand and production activity, enabling the company to adapt as efficiently as possible to market demand.

REMUNERATION

Rules on the remuneration of members of the highest governance body, such as the CEO and Chairman, are established by the BoD. Remuneration is formed of a fixed component and a variable component tied to achievement of targets.

Rules on remuneration of top management are strictly tied to the targets and results achieved in management of the organisation's impacts on the economy, environment and people, including sustainability KPIs. These rules establish a fixed component and a variable component, with an MBO (management by objectives) approach for all management.

Benchmarks levels in the market are generally observed when establishing remuneration figures. Benchmarks enable Tecnica Group to assess how competitive its remuneration levels are in relation to the rest of the sector.

All Tecnica Group personnel in Italy are fully covered by the National Collective Bargaining Agreement (CCNL) for the footwear sector.

PERSONNEL WELL-BEING

Tecnica Group's primary aim is to find a balance between the well-being of its employees and the generation of positive economic results. This has already enabled significant progress, but there are still various goals to be achieved, which we intend to drive towards and develop.

Another important goal for the Company is to strengthen the sense of belonging to the Group through approaches focused on the organisation's common values.

In this context, we aim to give a voice to every member of the Tecnica Group, enabling the entire Company to provide feedback on improvements and upgrades to processes. Listening to the ideas of those working for the organisation is fundamental for a more efficient and pleasant working environment.

In addition to this approach, Tecnica Group is focusing on various aspects to create an environment enabling workers to fully express themselves.

Tecnica Group organises **training and coaching programmes** to strengthen expertise within the company in various areas, including goal-oriented working, definition of KPIs, time management, and clear and effective communication.

The **team building** activities organised by the Company are very important for promoting cooperation between colleagues and enable teams to grow, work better together and get to know one another outside the working environment.

All Group information is available through the Intranet platform. This **sharing** platform makes it possible to remain constantly up to date on current initiatives, new hires, birthdays and important Company news. It also acts as a central document hub for access to all policies and official communications. The platform is also a key resource for anybody looking for further information on the Company's values, mission and vision, and it is constantly evolving to ensure the most user-friendly access possible for all employees.

To **promote employee well-being**, the organisation aims to establish a pleasant and calm working environment, offering subsidised services and areas for relaxation that enable employees to enjoy breaks and socialise. Following a trial period, the company introduced a flexible-working policy, introducing this hybrid form of working to support a healthy work-life balance.

Tecnica Group recognises that onboarding of new hires in the Company is essential, both for those starting work and those responsible for their integration. Onboarding is supported with a welcome kit containing key information about the company and colleagues, and a detailed onboarding plan is defined with identification of points of contact in each department who can present teams and tasks, immediately activating the necessary synergies.

It continued in 2022 too - with the spirit of offering those who work with our Group additional benefits and reconciling work commitment with well-being in private life - the agreement with Tre Cuori, valid at headquarters level. This Benefit company of the Veneto territory has provided - and will provide for the company agreement 2023-24 - its support to the **corporate welfare program**, allowing every employee entitled to a credit for access to fringe benefits (shopping vouchers) and useful services to the person and his family, in the health, educational, welfare fields and recreational.

The Group's commitment is to extend this practice to all its locations, in accordance with local legislation and opportunities, also thanks to feedback of appreciation for this form of concrete, useful and beneficial from employees already involved.

Tecnica Group recognizes that the insertion in the company for newcomers is crucial, both for those who have to start and for those who have the responsibility for the integration of the new **resource**. To facilitate the welcome, a welcome kit is delivered with the main information about the company and colleagues, and a detailed Introduction plan with the reference figures of each department, who can present the teams and tasks, immediately activating the necessary synergies.

Tecnica Group places great importance on **training** as a driver of the business. Being a market leader means representing a benchmark, sharing knowledge and offering inspiration to the whole sector. On this basis, the Company is committed to developing training plans covering both general skills and with a specific, personalised structure to suite each individual on the basis of their path of professional growth within the Tecnica Group and their role and responsibilities.



The S.O.F.T. project

Communication and collaboration between departments are essential for Tecnica Group's success. The **SOFT (Shaping Our Future Together)** project, launched in 2022 at our headquarters and already being extended to other Company sites (Hungary and Austria) is headed by the Human Resources department in cooperation with the other company areas. The goal is to create an environment in which departments can communicate effectively, share knowledge, align activities and cooperate to achieve shared goals. Through implementation of structured communication processes, cooperation tools and team-building sessions, the project aims to create synergies between departments and improve overall organisational efficiency.

The core objective of the SOFT project is to **promote people**. Tecnica Group recognises that its success depends on the talent and commitment of its employees. Therefore, the project aims to establish a working environment that nurtures development of expertise, promotes employee well-being and encourages their active involvement. Through training and development programmes, programmes to incentivise employees and human resources management policies focused on people, the project aims to create a positive working environment and enhance the organisation's human capital.

Improvement of working environments is another key aspect of the SOFT Project. The goal is to create physical and digital spaces that nurture productivity, well-being and employee inspiration. This may include the redistribution of offices, updating of equipment and implementation of innovative technological solutions. Through optimisation of working environments, the project aims to create a stimulating and comfortable setting that nurtures creativity and individual and collective success.

Finally, the SOFT Project is working to **support and promote digital transformation** of the Tecnica Group. This goal aims to use digital technology to optimise internal processes, improving operational efficiency and promoting innovation. Through the adoption of advanced digital tools, process automation and implementation of cutting-edge technological solutions, the project aims to make the organisation more competitive and ready to adapt to the challenges and opportunities of the digital age.

NEW HIRES

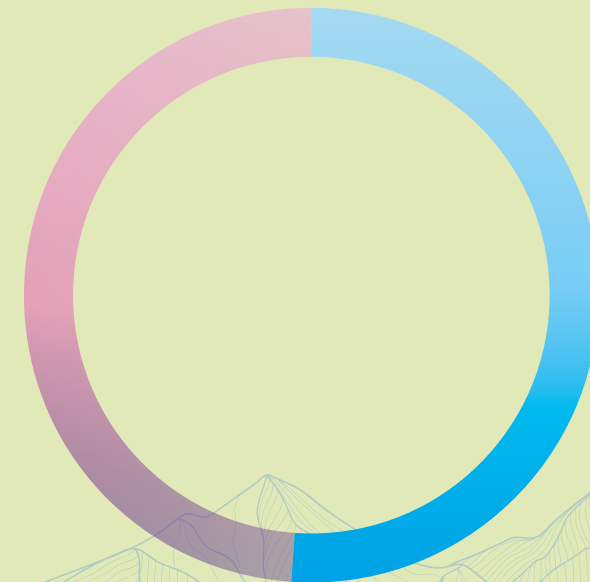
The increase in personnel at the end of 2022 compared to the previous year, considering the difference between the figures at 31.12, was 462 employees, primarily attributable to the production companies located in Ukraine, Hungary and Slovakia, due to an increase in production volumes compared to the previous season.



TOTAL NEW HIRES DIVIDED BY GENDER



660
WOMEN



685
MEN

Total new hires in the reporting period divided by age and gender

Site	AGE			GENDER	
	<30	30-50	>50	Women	Men
Italy HQ	28	25	5	28	30
LOWA R&D Italy	1	5	1	0	7
Hungary	147	129	44	197	123
Austria	3	5	0	1	7
Ukraine	176	265	55	138	358
LOWA HQ GER	10	18	4	14	18
Slovakia	126	215	65	275	131
USA	6	8	4	7	11
Total	497	670	178	660	685

Rate of new hires in the reporting period divided by age and gender

Site	AGE			GENDER	
	<30	30-50	>50	Women	Men
Italy HQ	164.7	24.75	4.64	32.94	20.68
LOWA R&D Italy	1.4	7.04	1.4	0	9.85
Hungary	46	40	14	62	38
Austria	16.7	11.63	0	4.76	11.29
Ukraine	35	53	11	28	72
LOWA HQ GER	4	6	1	5	6
Slovakia	7.6	12.97	3.92	16.59	7.9
USA	28.2	52.7	19	39	61

Total employee turnover in the reporting period divided by age and gender

Site	AGE			GENDER	
	<30	30-50	>50	Women	Men
Italy HQ	3	10	9	11	11
LOWA R&D Italy	0	0	1	0	1
Hungary	67	52	20	79	60
Austria	3	3	0	1	5
Ukraine	124	169	54	97	250
LOWA HQ GER	27	8	5	16	24
Slovakia	113	157	99	253	116
USA	5	9	6	8	12
Total	342	408	194	440	257

Rate of employee turnover in the reporting period divided by age and gender

Site	AGE			GENDER	
	<30	30-50	>50	Women	Men
Italy HQ	17.64	9.9	8.03	12.94	7.58
LOWA R&D Italy	0	0	1.4	0	1.4
Hungary	48	38	14	57	43
Austria	16.7	6.97	0	4.76	8.06
Ukraine	36	49	16	21	79
LOWA HQ GER	9	3	2	6	8
Slovakia	6.81	9.47	5.97	15.26	7
USA	26	47	32	42	63

OCCUPATIONAL HEALTH AND SAFETY

The safety of personnel in the workplace is a priority for Tecnica Group. In fact, the materiality assessment identified that the potential negative impacts due to the risk of accidents in the workplace are significant. Mandatory safety rules are strictly followed by the Company throughout Italy, applying to all workers. **Training activity** is primarily assigned to an external consultant.

The Ukrainian factory has introduced a new occupational health and safety management system for all employees, which includes processes for identification of hazards in the workplace and risk assessment. In addition, training is provided to employees to provide important information on the key goals and practices of the management system.

At the German site, there is a management system for all employees and a company Safety Manager. The system will be ISO 45001 certified from 2023. The Safety Manager provides ongoing training to all workers, particularly managers, regarding their obligations. There is also a manager in each Company area and an external company doctor.

The Slovakian factory has introduced an occupational health and safety management system for all employees, although this is not certified. Checks on company safety devices and safety training sessions are regularly take place regularly.

The US factory has implemented a management system for all employees. All accidents and illness occurring in the workplace are monitored annually with a specific document. Processes for identification and management of risks are present in the Company and feedback is encouraged in this regard. There is constant company safety training.

At the Italian headquarters, the health surveillance unit provides occupational health services, safeguarding the employee health. Implementation and assessment of the occupational health and safety management system is supported by the participation and consultation of workers through involvement of the Worker's Health and Safety Representative and appointed officers. Personnel health and safety training adheres to applicable regulations, ensuring they have the necessary skills to work safely. Employee health is also promoted through the company welfare system and Intranet, providing resources and information supporting a healthy lifestyle and general well-being. Important policies and procedures have also been progressively implemented focused on management of key resources and on accidents, incidents and dangerous conduct.

At the Hungarian site, a specific occupational health and safety management system has not yet been implemented. However, mandatory national regulations applying to all employees are observed. These regulations provide guidelines and legal obligations that must be followed to guarantee a safe and healthy working environment for all employees.

The Austrian site has implemented an occupational health and safety management system in compliance with the risk management system. All employees are subject to the provisions of the Austrian Worker Protection Act (ASchG). The safety management process involves identification of hazards, distancing from dangerous situations and investigation of situations of risk. Workers participate through questionnaires that invite reasoned responses and workshops on health and safety. The goal is to guarantee a safe working environment and involve all employees in safety management, in compliance with applicable regulations.

Tecnica Group constantly strives to improve quality levels at its production sites, with a particular focus on lighting and air-conditioning.

The Company is actively working to optimise these areas, to create a more comfortable and healthier working environment for employees.

Number and rate of accidents in the workplace reported and with serious consequences (employees and non-employees)

Site	WITH SERIOUS CONSEQUENCE		REPORTED	
	Number	Rate	Number	Rate
Italy HQ	0	0	0	0
LOWA R&D Italy	n/a	n/a	n/a	n/a
Hungary	0	0	11	0.02
Austria	0	0	22	14.64
Ukraine	0	0	1	0.26
LOWA HQ GER	0	0	8	22.17
Slovakia	0	0	25	9.72
USA	0	0	0	0

DIVERSITY AND GENDER EQUALITY

Gender equality is of central importance for Tecnica Group. Adopting a specific organisational structure and culture, the company is committed to creating the conditions required to guarantee fair treatment of human capital. These principles of equality are clearly expressed and established by our Code of Ethics.

Percentage of employees by age and gender.

Site	AGE			GENDER	
	<30	30-50	>50	Women	Men
Italy HQ	13	42	45	38	62
LOWA R&D Italy	7	51	42	37	63
Hungary	55	36	9	58	42
Austria	28	50	22	27	73
Ukraine	28	57	15	32	68
LOWA HQ GER	12	46	42	47	53
Slovakia	10	55	35	73	27
USA	24	32	44	49	51
Media	22	46	32	45	55
2021 Perimeter Avg.	20	53	27	39	61

Percentage of members of the organisation's governance bodies by age and gender.

	AGE			GENDER	
	<30	30-50	>50	Women	Men
Board of Directors	0	0	100	14	86

Percentage of employees by category and gender.

Site	BLUE COLLARS		CLERKS		SUPERVISORS		EXECUTIVES	
	Women	Men	Women	Men	Women	Men	Women	Men
Italy HQ	6	14	28	31	3	12	1	4
LOWA R&D Italy	17	27	20	21	0	13	0	3
Hungary	40	41	7	5	1	3	1	1
Austria	23	50	4	18	0	3	0	2
Ukraine	31	61	2	3	0	2	0	0
LOWA HQ GER	29	38	18	13	0	2	0	1
Slovakia	68	23	2	3	2	2	0	0
USA	1	18	23	18	14	16	3	7
Average	27	34	13	14	3	7	1	2

#13 ENVIRONMENTAL FOCUS

Focusing on the environment is crucial for Tecnica Group. The Company is keenly aware that its production activity uses huge quantities of raw materials, and also generates environmentally damaging outputs, from hazardous and non-hazardous waste to atmospheric emissions.

In this knowledge, the organisation intends to **take action on multiple fronts to mitigate and contain environmental impacts.**

As an integral part of the Group's environmental strategy, 2022 saw definition of an action plans enabling us to set a clear path towards our goals for reduction of the Company's environmental footprint. The need for a specific strategy is dictated by the following aspects: Tecnica group, the cornerstone of the Italian Sportssystem tradition around the world, has always been at the cutting edge in terms of innovation, and identifies a moral obligation in this area, safeguarding this globally recognised heritage. In fact, every step of the supply chain will be affected by European Union legislation coming into force in 2024. We cannot ignore the common trends set by markets for all players in the sector—and which we hope will lead to cooperation and synergies even between competitors—which drive us to take informed action as soon as possible, along with our suppliers and through detailed analysis and the establishment of tangible programmes.



Work has begun with the value chains of alpine ski equipment (boots and skis), through complete control of production.

The environmental sustainability strategy is rooted in three programmes, ideally applied to every value chain of the Group:

- **End of Life:** focus on recycling processes. This programme includes the Recycle Your Boots project and future strategic developments linked to this theme, such as digital product passports.

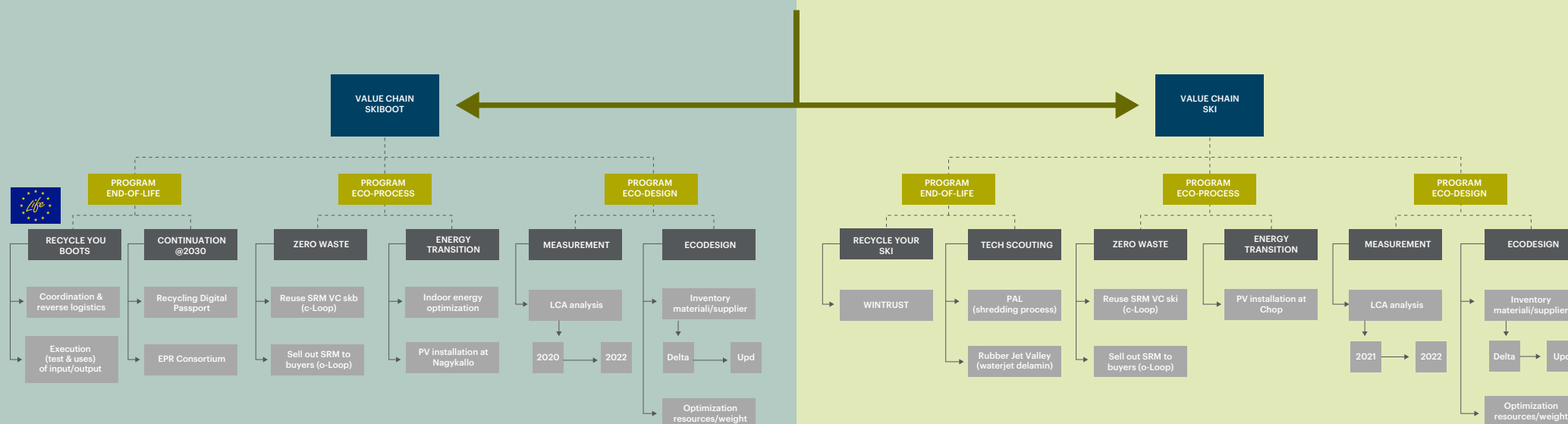
- **Eco Process:** optimisation of efficiency.

This optimisation of efficiency must be achieved by minimising and reusing offcuts from production processes, both in a closed cycle with reuse within our manufacturing and an open cycle involving the sale of materials. Alongside this, it is necessary to take action for the energy transition across all of our production sites and all Group structures.

- **Eco Design:** beginning with Life Cycle Assessment (LCA), our research and development departments achieve increasingly high levels of awareness of which choices can reduce environmental impacts in the product-design phase, both in terms of materials (involving suppliers) and structure.



ENVIRONMENTAL SUSTAINABILITY PROGRAMME OF TECNICA GROUP



RECYCLE YOUR BOOTS

Since 2021, first with the Tecnica brand and later with addition of Nordica, Tecnica Group has implemented a **circular-economy project** called Recycle Your Boots, involving various partners working together to achieve the project's aims.

The programme is honoured to have received **funding from the EU LIFE project**. This recognition is not only a source of great pride and satisfaction for the Group after much work, but a starting point from which to extend the project and develop other circular-economy initiatives.

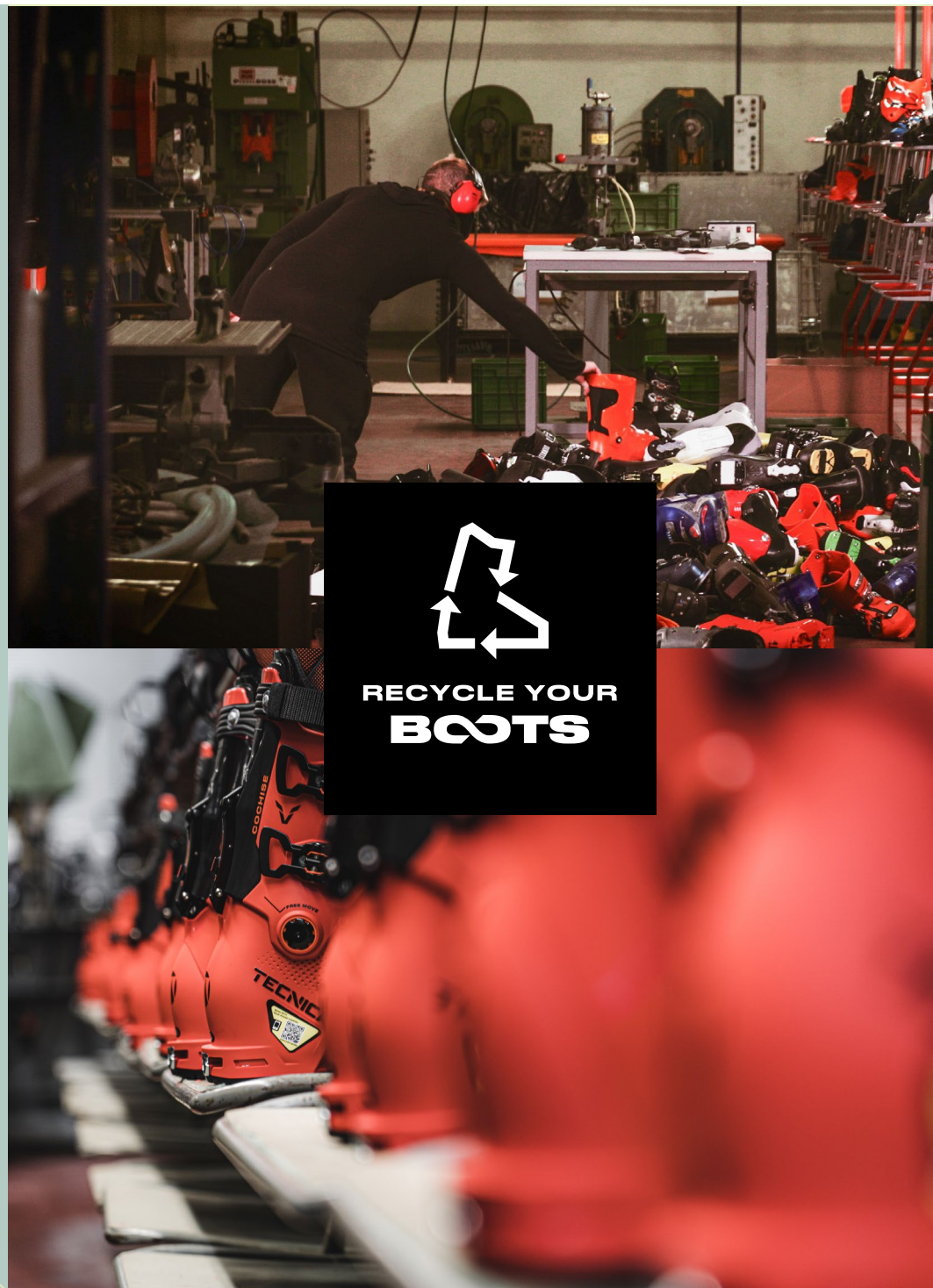
This is a business model aimed at disrupting traditional models, reusing product manufacturing materials, with various benefits on a range of fronts.

Specifically, Tecnica Group organises pick-ups from sales points or from specific events, optimising processes and minimising CO2 emissions. This enables skiers to return used boots of any brand, ready to start a new life.

FECAM, a close partner of the Group, is involved in the project for the disassembly of boots and recovery of individual materials. Meanwhile, LAPRIMA PLASTIC recovers plastic parts and transforms them into second-generation materials to be used in other production contexts.



The LIFE-Recycle Your Boots project has received funding from the LIFE Programme of the European Union



Engagement, awareness and mutual benefits

- **PRODUCT.** Due to the complex nature of the process, Tecnica Group guarantees the correct disassembly, transformation and reuse of materials. Partnerships with retail and businesses enable support in key phases, i.e. those at the end of the product life cycle. One action supporting development of the programme is the adoption of a multifunctional QR system working in synergy with IT solutions partner Temera. This system has the dual purpose of offering quick and functional availability of information on production flows, quality controls, structural composition and other specifications for Tecnica Group and its partners, as well as providing end consumers with a range of useful product information, also on recycling and disposal.
- **SUPPLIERS.** Partners were essential to identify the best process solutions for selection of raw materials and components to be used in the project.
- **RETAIL and HIRE OPERATORS.** These parties have enabled greater customer footfall in sales points and more effective roll-out of the initiative to strengthen the profile of stores.
- **USERS.** The project enables skiers to make a responsible choice, in the knowledge that they can offset a new purchase against the sustainable disposal of the previously used product, placing their trust in Tecnica Group and its partners.
- **LOGISTICS.** Logistics play a key role in the recovery of products to be disassembled from collection points.
- **PARTNERS.** Strategic cooperation is key, both for processing products for recycling and in the use of recycled material. One example is the use by LISKI, a leader in the production of sports equipment, of boot liners inside special protective mats for slopes and ski resorts.
- **UNIVERSITIES AND CERTIFICATION BODIES.** These parties provide support for project analyses, checking the quality of recycled input materials and environmental impacts.

The Recycle Your Boots project is not only a recycling system but a programme bringing together multiple phases of the value chain, and one that is fully integrated in company processes, involving various parties. On this basis, it can be considered a new business model.

This project has a positive impact in the following areas of sustainability:

- **Planet:** the Recycle Your Boots project represents an opportunity to protect the environment, aimed at reducing the production of waste at the end of the product life cycle and promoting prudent use of resources. The project also contributes to the production of renewable resources and plays an important role in the reduction of CO2 emissions.
- **People:** the project has the power to bring significant benefits for retailers as well, generating increased customer footfall in stores with positive consequences on visibility of the brand and sales.



PACKAGING

Constant evolution of the Group's product packaging—working with various company departments and divisions, from R&D to marketing and logistics—must go hand in hand with a decrease in the environmental footprint and increased efficiency.

Although product life cycle assessment has identified that the impact of packing is essentially limited, it is nevertheless necessary to make a commitment in this regard. This is done through the correct choice of materials (e.g. FSC certified boxes), optimisation of formats and compliance with EU regulations on communication for the correct management of packaging.

This project enables us to make a positive impact in the following areas of sustainability:

- **Planet:** through a reduction in packaging variety, the Company is able to minimise waste and consequently minimise its environmental impact.
- **Profit:** optimisation of boxes enables savings on procurement and warehousing of these materials.



SUSTAINABLE PRODUCTS: OUR APPROACH

Design and production of sustainable products requires a comprehensive commitment involving various processes and many different market players.

This process is constantly evolving: it is important to never view it as complete, but to move forward with tangible, achievable and measurable targets.

Tecnica Group clearly distances itself from the approach commonly referred to as greenwashing. Sustainability is not merely a label to place alongside the Tecnica Group brands or the Group as a whole, but a complete business model built first and foremost on upholding our values and our mission.

100% quality is a primary driver of all of our decisions.

This means that all company processes are guided by high standards of performance and the safety of end customers.

As previously highlighted, Tecnica Group sets itself the goal of designing products that marry quality with a reduced impact. In this context the Company is committed to assessment of environmental impacts along the entire value chain. Various studies have been performed throughout the product life cycle (**Life Cycle Assessment, LCA**). In 2022, these have been extended to ski boots and skis, to calculate impacts accurately and objectively, and reduce them as far as possible. The Group's goal is to extend these studies to include all products in our portfolio. This project would not be possible without the Company's strong and fruitful relationships with its suppliers.



Co-design with suppliers

The Group's excellent relationships with its suppliers enables co-design projects that strengthen the connection between parties and allow sharing of expertise and improvement of the network for all parties.

In addition, all Group suppliers sign the company Code of Ethics, observing Tecnica Group's principles and model of conduct.

Raw materials

The choice of raw materials used for our products is guided by various factors, including environmental impact, product performance, cost and safety of end customers.

To continue on this path, the goal is to identify more and more secondary raw materials, derived from recycling processes like those launched by the Group itself, and raw materials with low environmental impacts.

Total weight of renewable and non-renewable materials used by production sites.

Site	RENEWABLE (tons)	NON-RENEWABLE (tons)
Hungary	581	4304
Austria	651	1438
Ukraine	924	414
LOWA HQ GER	442	813
Slovakia	n/a	n/a
TOTAL	2598	6969

Raw materials for the Hungarian site

MATERIALS	QUANTITY (tons)
Thermoplastics	2562
Thermosetting materials	1262
Paper/cardboard	581
Aluminium	178
Steel	253
Plastic packaging	38
Miscellaneous	11

Raw materials for Austrian and Ukrainian sites

MATERIALS	QUANTITY (tons)
Wood	635
Plastics	624
Pre-treated fibres	389
Metals	240
Chemical substances	129
Plastics/metals	60
Fibres	8
Paper/cardboard	2
Carbon	0.6

Eco-Design

Design, a key phase in the creation of a sustainable product, is guided by certain functional principles.

Design with a view to disposal

The end of the product life cycle, i.e. disposal, is considered right from the start. Wherever feasible, this phase is guided by the following principle: during disposal, it should be possible to separate every component, for correct processing of individual materials.

This approach, which the Company has adopted for a number of years, is a constant challenge, balancing performance, security and costs.

Design to extend the life of products

The development and design of products must take into account the growing need for easily replacement of as many secondary components as possible, thus extending the life of products—already designed to guarantee optimal quality, durability and safety—avoiding their disposal.

Design to reduce offcuts

An aspect closely tied to the separation of materials in the disposal phase is the use of raw materials, which must be reduced as far as possible to minimise the generation of waste.

Reuse of offcuts in the production phase is also important for the Group's vision for maximisation of economic and environmental benefits.



ENERGY EFFICIENCY OF COMPANY SITES

The Group has already launched a path to improve energy efficiency of production sites, aware of the **ongoing need to improve performance and reduce energy use**. This process requires time and significant investments, largely already planned if not yet directly incurred to support financial operations currently underway. The Company knows how important this challenge is and the steps to take to guarantee reduced environmental impacts and obtain long-term benefits. The solutions already adopted have generated very positive results, and the Group continues to work hard to gradually align all structures. Various specific feasibility studies have already been launched for each site, aimed at the implementation, where this is not yet complete, of the optimal measures for each.

Initiatives to improve energy efficiency have been launched at some sites, optimising the use of electricity. Installation of new LED lamps in areas of the global logistics hub located in Giavera del Montello, for example, has enabled a reduction in energy consumption, and has also led to a significant improvement in lighting levels in work areas. The next step in the relamping process is its extension to all spaces of the headquarters in Giavera and the Hungarian production site.

Another key area where the Company is focusing its efforts is the optimisation of heating and air-conditioning systems. **Energy efficiency** in Groups structures can be improved through appropriate architectural actions involving various sector specialists. Tecnica Group is committed to extending and completing this process as quickly as possible, with the majority of works already planned for 2023 and 2024.

Use of renewable energy: a photovoltaic system has already been installed at the Austrian site. Investment in the creation of a photovoltaic system at the Italian headquarters and the global logistics centre was confirmed in 2022 and works are underway, planned for final completion by 2024. Feasibility analyses are also continuing at the other Group sites.

Tecnica Group's energy consumption in production process derives from heating site buildings, cooling, electricity required for the use of machinery and lighting and use of the company vehicle fleet.

Consumption of electricity, energy for heating and company fleet (kWh)

Site	Electricity (kWh)	Heating (kWh)	Company fleet (kWh) **	Total consumption (kWh)
Italy HQ	1520000	3158000	3810000	8488000
LOWA R&D Italy	303807	250984	n/a	554791
Hungary	4712110	3373656	236430	8322196
Austria	4596706 *	6478810	526390	11601906
Ukraine	3107751	3189248	361600	6658599
LOWA HQ GER	904532	1438960	n/a	2343492
Slovakia	5738060	3511326	n/a	9249386
USA	238000	0	437733	675733
Total	21120966	21400984	5372153	47894103
2021 Perimeter Total	11742788	12510941	1758290	26012019

* from certified renewable network and from self-generation

** Generic conversion factors were used to convert fuels to kWh

Tecnica Group's strategy offers multiple benefits:

- **Profit:** energy efficiency has a clear positive impact on consumption and consequently on company results.
- **People:** better lighting and heating systems improve conditions and well-being in the workplace.
- **Planet:** the goal regarding the use of renewable energy is a large-scale plan that enables a considerable reduction in environmental impacts.

OUR CO2 EMISSIONS

Based on the actions planned and implemented, the Group continues its efforts to calculate CO2 emissions and its environmental footprint, taking into account its size and structural complexity.

Life cycle assessments are key to this, providing us with an ever-clearer picture of which phases of production need to be adapted in order to reduce our impact. Assessments for the optimisation of logistics and distribution processes are equally important, as are energy-efficiency measures.

GROUP CO2 EMISSIONS***

SCOPE 1
2.837 tons

SCOPE 2
4.564 tons

2021 PERIMETER CO2 EMISSIONS***

SCOPE 1
1.905 tons

SCOPE 2
3.078 tons

*** Generic conversion factors were used to calculate CO2 emissions



WASTE MANAGEMENT

Daily habits aimed at protecting the environment, even with simple actions, can make a difference through a shared effort.

On this basis, at Tecnica Group separated waste collection is a key part of our environmental commitment, on top of many other small initiatives aimed at raising awareness amongst employees and reducing waste, for example with water dispensers and personal water bottles.

In a broader context, the waste management of a company like Tecnica Group is implemented through the control and disposal of hazardous waste deriving from production activity.

Group waste: hazardous and destination.

Site	QUANTITY (tons)	OF WHICH HAZARDOUS	OF WHICH RECYCLED
Italy HQ	381.47	9.31 (2.44%)	371.23 ton (97.31%)
LOWA R&D Italy	13.43	1.7 (12.66%)	11.7 ton (87.11%)
Hungary	367.56	31.05 (8.45%)	86.09 ton (23.42%)
Austria	998	104 (10.42%)	171 ton (17.1%)
Ukraine	388.12	n/a	n/a
LOWA HQ GER	149.23	4.04 (2.7%)	80.94 ton (54.23%)
Slovakia	961.85	54.6 (5.67%)	106.42 ton (11.06%)
USA	69.44	0 (0%)	55.32 ton (79.67%)
TOTAL	3329.1	204.7 (6.15%)	882.7 (26.5%)



#14 APPENDIX

METHODOLOGICAL NOTE

Tecnica Group presents its **second sustainability report**, highlighting its commitment to the sustainable development plan and providing clear and transparent information for all stakeholders.

Reporting is based on the principles of the Global Reporting Initiative Standards (**GRI Standards**) published in 2016 by the Global Reporting Initiative (GRI), adopting the “in reference” option. The GRI Standards promote sustainability reporting based setting out contributions towards sustainable development goals.

Tecnica Group has also been guided by the action plan of the SDGs, the 17 **Sustainable Development Goals** agreed in 2015 by the governments of 193 UN member states. This enables to Group to identify significant impacts on the economy, on the environment and on society, communicating them to all stakeholders.

The reporting period analysed in the second sustainability report is 2022, corresponding to the financial reporting period. Data is updated annually. The report is not subject to third-party assessment.

Material topics identified regard the Group structures in Italy, Austria, Slovakia, the United States, Germany, Ukraine and Hungary. However, sustainability reporting does not include the same entities as financial reporting. Despite this, Tecnica Group has decided to continue reporting data from the sites with the greatest impacts, including the commercial branch in the US and LOWA sites in Germany, Italy and Slovakia in the 2022 report.

For further information on targets, indicators and results or to submit comments on this document, please contact:

Arianna Colombari
Group Communication & Sustainability Director
arianna.colombari@tecnicagroup.com

GRI INDEX

Statement of use	Tecnica Group SpA has reported the information mentioned in this GRI content index for the period 1/01/2022 to 31/12/2022 with reference to GRI Standards.
GRI 1 used	GRI 1 - Foundation 2021

STANDARD GRI	INFORMATIVE	REPORT SECTION	PAGE NUMBER
GRI 2: General Disclosures 2021	2-1 Organizational details	About us	7
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