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Strategy and Analysis

STATEMENT FROM THE MOST SENIOR DECISION-MAKER IN THE ORGANISATION

[G4-1]

Dear Reader,

With over five decades of success in the workwear textile industry, Klopman has gained a particular appreciation for sustainability and what it takes to achieve it.

Our history brings with it a great responsibility to our people, our clients and business partners. Every aspect of our operation impacts our stakeholders and the environment. That's why it is so important for us to be at the forefront of sustainability.

Preparing our annual report gives us an opportunity to examine the ways we operate, and we are proud to publish it for the fourth time this year.

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

Our aim each year is to assess our impact on these issues and 2018 clearly represents for Klopman a milestone in environmental sustainability and energy innovation. We have installed a new cogeneration plant, representing an important investment from an environmental point of view. The main factors that inspired us to invest in this innovative solution are significant reduction of CO2 emissions, lower energy consumption and greater plant efficiency, and the drive to continue on a path marked by the sustainability of the entire production process.

With the new power plant, energy production will meet the most advanced criteria of efficiency and environmental sustainability, a mark of respect for the territory that hosts us.

Klopman has always devoted ongoing attention to research and development to identify and create innovative technical solutions and develop products of the very highest quality, safety and environmental standards. The new Greenwear Range – launched at EXPO PROTECTION 2018 - features environmentally-friendly products, signalling our commitment to quality and safety of the wearers by operating sustainably and responsibly.

As we look toward the future, social and environmental issues will be increasingly important and Klopman's strategy continues to be consistent with our mission to improve the quality of life and protection of the people through innovative and sustainable fabrics.

Alfonso Marra
Chief Executive Officer.



Chapter 2

Highlights

Highlights

Environmental Management



60% REDUCTION IN CO₂ EMISSIONS

with new co-generation
power station



17% REDUCTION IN ELECTRICITY CONSUMPTION

plus new investments
next year



99% WASTE DIVERSION

Recover, reuse, recycle waste.



-12% OF WATER CONSUMPTION

(from 0.049 m³/m to 0.043 m³/m)



NATURAL GAS CONSUMPTION REDUCTION

from 0.492 m³/m in 2017 to 0.487 m³/m in 2018

Highlights

Product Responsibility



2.3 MILLION MT OF SUSTAINABLE FABRICS

produced from recycled or sustainable sources

ACHIEVED THE MADE IN GREEN LABEL BY OEKO-TEX



100% OEKO-TEX AND MRSL LIST COMPLIANT

all our products and service examined for their effects on Health and Safety



Communication & Customer Care



CUSTOMER PORTAL LAUNCHED

to give customers easy access
to their documents



CHILDREN'S LIBRARY DONATION

to the local paediatric vaccination
centre in Frosinone



NEW SOCIAL MEDIA STRATEGY

Intensive communication of Klopman
corporate and product news.



DEGREE AWARD CREATED

for the best thesis on
environmental sustainability

Highlights

Social Commitment & Responsible Business Practice



CODE OF CONDUCT AND CODE OF ETHICS

to summarize our social responsibility
and respect for people



OVER €4.5 MILLION

for new investments and maintenance.



INVESTING IN THE PROFESSIONAL VALUE OF OUR EMPLOYEES

through training and teamwork



450 LOCAL SUPPLIERS

out of 659 Italian suppliers,
in support of local economic growth.

Chapter 3

Organisational Profile



Organisational Profile

[G4-3]

A STRONG COMMITMENT TO SUSTAINABILITY, QUALITY AND CUSTOMER SATISFACTION

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

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

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

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

Our approach is about demonstrating respect; more than 50 years of success on the market mean we have the utmost respect for our business, our employees, our customers and for the wider society.





Primary Brands, Products and/or Service

[G4-4]

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

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

Klopman fabrics, in **over 500 different styles and 650 active colours**, can also be custom-developed according to customer requests. They offer durability with outstanding colour performance, even when subjected to industrial laundry processes.

These fabrics are designed for use in the most demanding working environments, offering versatility and fitness-for-purpose.

You can choose from **poly/cotton fabrics and cotton-rich fabrics** with characteristics such as antibacterial, antistatic, flame-retardant and high-visibility for PPE applications. Klopman works with well-known chemical fibre suppliers like Cordura, Lycra, Kermel, Nega-Stat, Proban, Sanitized, Teflon and Epic, to make their finishes available on our fabrics and our company one of the world's most respected textile producers.

We also offer laminated and softshell solutions in our collection.



WORKWEAR FABRICS

Klopman works closely with Europe's largest garment manufacturers and rental laundries: a unique position that enables the company to monitor trends and analyse feedback from wearer trials and end users.

Universally recognised for the quality, performance, durability, consistency and colour retention of their fabrics, Klopman also has a well-deserved reputation for innovation and has been responsible for many of the most exciting developments in the world of workwear fabrics.

We've developed a new collection of poly/cotton stretch fabrics to meet the specific requirements of medium and heavy industries.

PROTECTIVEWEAR FABRICS

Keeping people safe in hazardous working situations, in accordance with clients' needs and local weather conditions, is Klopman's mission in the Protectivewear sector.

Klopman offers a complete range of Protectivewear products, including:

Multifunctional (antistatic, chemical repellent, welding protection, etc)

Inherent Flame Retardant fabrics

Treated Flame Retardant fabrics

Barrier fabrics

Antistatic

Laminates for foul weather protection

High Visibility.

CORPORATEWEAR FABRIC

Corporatewear fabrics emphasise comfort and long-lasting performance. From denim to outdoor fabrics, from apparel to casual work-fashion, our collection of fabrics is specially developed to meet each style's needs in terms of comfort, elasticity and garment design, in line with the highest standards required.

CAREERWEAR & APPAREL FABRICS guarantee easy care combined with comfort and freedom of movement.

CASUAL FABRICS offer comfort, elasticity and garment design flexibility.

OUTDOOR to keep the wearer warm and dry.

DENIM: the professional alternative to traditional cotton denim, offering a choice of intense colours.

With superior stretch and recover qualities, our stretch fabrics guarantee superb comfort and enhance the wearer's confidence, morale and sense of wellbeing.



Trade Fairs

TRADE FAIRS SERVE AS A BUSINESS AND INFORMATION PLATFORM FOR MANUFACTURERS, RETAILERS AND DESIGNERS FROM AROUND THE WORLD AND IN 2018 KLOPMAN PRODUCTS WERE DISPLAYED AT SEVERAL TEXTILE EXHIBITIONS.

EXPO PROTECTION

At Expoprotection 2018, Klopman presented its complete range of Workwear, Protectivewear and Corporatewear fabrics and the new Greenwear collection developed with sustainable fibres. The Greenwear line includes fabrics made with recycled polyester, organic cotton, BCI cotton and/or Fairtrade-certified cotton. These fabrics maintain Klopman's high quality standards in terms of comfort, image and durability, while increasing sustainability and respect for the environment.



ADIPEC

The Abu Dhabi International Petroleum Exhibition and Conference (ADIPEC) is an international event for the oil and gas industry. As a premium exhibition and conference platform, ADIPEC hosts hundreds of speakers, thousands of exhibiting companies and tens of thousands of trade professionals from around the world.



OSEA

The OSEA is another international exhibition for the oil and gas industry, held in Singapore. It is a knowledge platform that brings together trade professionals to share ideas and tackle industry-pertinent concerns and challenges in the region. Klopman presented its range of inherent and treated flame-retardant fabrics, conceived to offer resistance to heat, flame and welding, as well supplying antistatic and electric arc protection.



BIOT

Biot was a four-day event held in December 2018 at the VDNH Expo in Moscow, Russia. This event showcases products like garments, textiles and shoes, personal and collective protective equipment, measurement instruments, fire prevention and fire-fighting equipment and accessories.





Headquarters and Countries of Operations

[G4-5/6]

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

Its vast network of sales representatives, agents and distributors in Europe and the rest of the world - active in 60 countries - are a significant component of the company's commitment to continuous growth.

	Address
Street	VIA ARMANDO VONA NO. 34
Postcode	03100
City	FROSINONE
Country	Italy

Country	Main operations
Italy	<p>PREPARATION TO WEAVING - WEAVING - DYEING AND FINISHING - QUALITY CONTROL</p> <p>In Italy, the 70,000 square-metre plant employs 400 people and produces approximately 40 million metres of fabric every year. It is a technologically advanced manufacturing facility with a continuous-processing operation, from the selection of fibres through to finished product, providing a 100% guarantee of fabric continuity and consistency of performance.</p>
Indonesia	<p>Klopman Argo International (KAI) is our new production facility located in Jakarta, Indonesia, to supply Asia-Pacific garment producers with fabric made to the highest European quality and technical standards. The company can now serve customers in the region directly and more efficiently, giving guaranteed quality with significant cost savings on logistics. The KAI facility in Jakarta guarantees the same processes, and therefore the same product, as at the Italian plant of Frosinone. This is possible thanks to local replication of machinery, people's training and constantly controlled operations. The plant employs 70 workers and has a production capacity of 15 million metres/year.</p>



Nature of Ownership and Legal Form

[G4-7]

Klopman is the biggest player in the production and commercialisation of technical fabrics for the protective wear, workwear and corporate wear markets.

One in three of today's workwear garments in Europe is made with Klopman fabrics, with over 40 million metres produced annually. Klopman's Frosinone plant is one of the most important industrial locations in the Lazio region.

In December 2016, the French textile company TDV Industries became the new owner of Klopman International.

Thanks to their various complementary strengths, the two companies are developing strategies guaranteed to benefit the personal protective equipment and professional clothing markets with a more complete, flexible and competitive range of products for professional, civil and military clothing. This goal will be achieved by reinforcing the research and development departments and through the combination of the companies' advanced expertise.

The market will also benefit from the efficiency that the collaboration between the companies can bring in terms of purchasing, management of industrial tools, share of know-how and through the development of a multicultural marketing group which will lead the business forward by studying, understanding and interpreting all different customers' needs.

Owner	Share (in %)
TDV INDUSTRIES S.A.	60.00
MANAGEMENT REPRESENTATIVES KLOPMAN INTERNATIONAL SRL	40.00





Scale of the Organisation and Organisational Structure

[G4-9/10/17]

Criteria	Values	Category	Number of employees
Total number of operations	1	Female	40
Net sales / revenue (in Euro)	141,500,000	Male	387
Equity (in Euro)	32,563,000	Total number of employees	427
Loan financing (in Euro)	35,304,000		
Number of products / services provided	530		

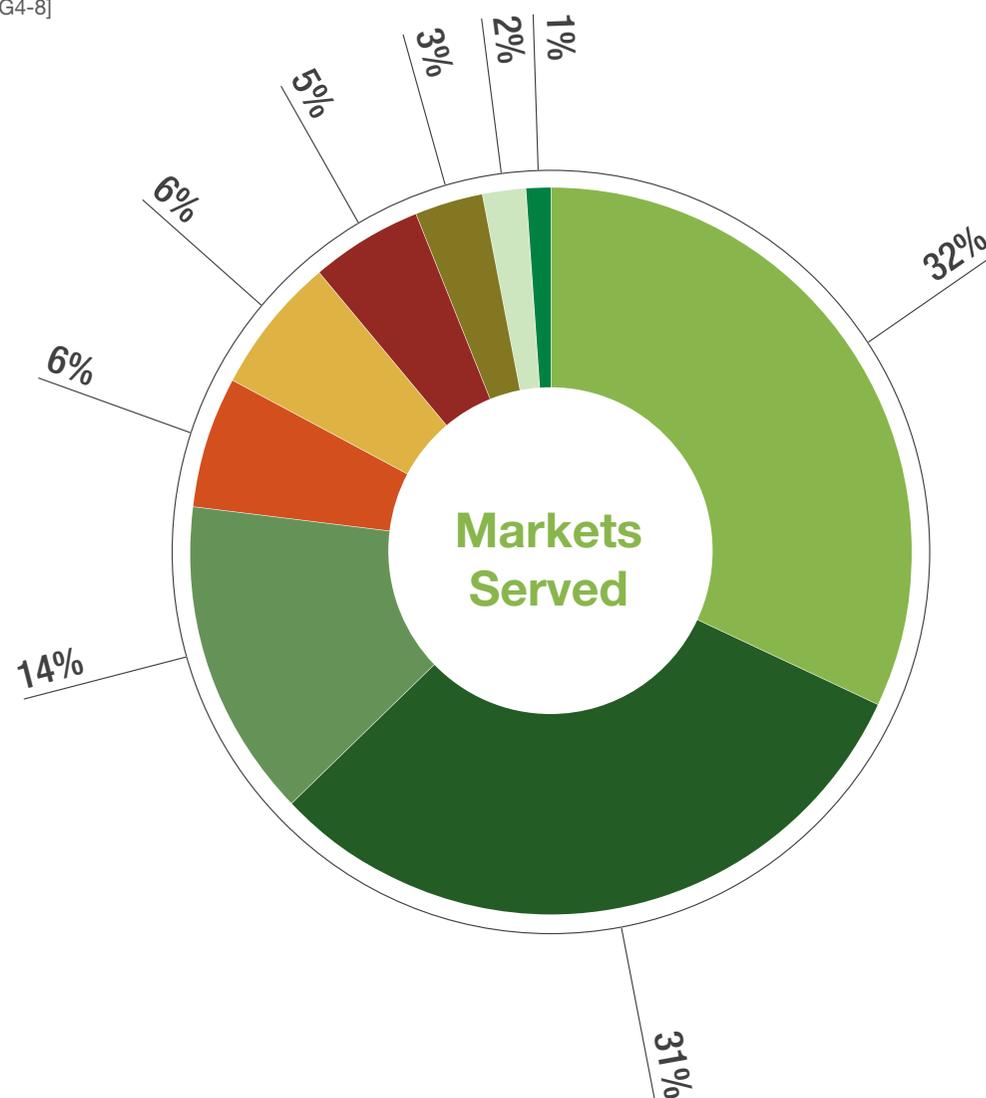


Markets Served

We understand the role our products play in the markets we serve as well as the impact that the manufacturing, distribution, and processing of our products can have on the environment. We strive to continuously conduct our business with the highest level of honesty, integrity and respect. These values are reflected in our approach to sustainability, as evidenced by our commitment to operating all elements of our business in a manner that advantageously serves the needs and expectations of our customers.

- Germany, Austria & Switzerland
- France & Belgium
- Scandinavia
- Italy
- Russia
- Poland, Hungary & Slovenia
- Uk & Holland
- Spain & Portugal
- Asia

[G4-8]





The Organisation's Supply Chain

[G4-12]

Klopman maintains an extensive global supply chain consisting of more than 1100 suppliers of production materials, chemicals, packaging, supplies, capital equipment and other equipment and services. Maintaining a resilient supply chain in support of Klopman's sales and operations depends on our suppliers operating in an ethical manner with respect to human rights, worker's safety and environmental practices. This is enforced through contact terms, purchasing terms and conditions, and on-site social compliance visits.

Furthermore, we make sure our suppliers are aware of our company's Code of Conduct through a qualification questionnaire and ensure that the principles are strictly adhered to.

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

Compliance with environmental standards by our suppliers is also being monitored more rigorously.

The good news is that suppliers are also monitoring their manufacturing processes and working to fit the relevant ISO standards, such as ISO 14001.

Klopman will encourage its suppliers to move towards energy- and resource-saving production and to take concrete measures to ensure sustainable structuring of the supply chain.

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

Fibres – Yarns - Greige fabric - Chemicals and dyestuffs - Spare parts - Packaging material – Energy - Gas



Country/Region	Number of major suppliers	Type
INDONESIA	2	Contractor
INDIA	3	Contractor
THAILAND	1	Contractor
PAKISTAN	2	Contractor
CHINA	1	Contractor
EUROPE	200	Contractor
ITALY	450	Contractor



Addressing Of the Precautionary Principle

[G4-14]

All strategic and overarching goals of our sustainability activities are defined by company management. The definition of objectives and implementation of sustainable corporate processes are therefore borne, accompanied and supported by the very highest levels of management within Klopman.

Based on the standards defined by management, divisional and departmental heads develop sustainability programmes and submit proposals as to how the company's objectives can be met.

Each goal and measure is signed off by the relevant member of management, committing the company to its achievement.

It is implemented in our Code of Conduct, which establishes basic standards to ensure that executives and employees of the company shall act in accordance with social ethics and in full compliance with the law and in-company regulations.

Memberships and Partnerships

[G4-16]

OUR ORGANISATION IS A MEMBER OF THE ASSOCIATIONS AND INTEREST GROUPS LISTED IN THE TABLE BELOW.

Name of the Association

E.T.S.A EUROPEAN TEXTILE ASSOCIATION

EUROCOTON

FAIRTRADE

BETTER COTTON INITIATIVE

HOHENSTEIN INSTITUTE

DIN EUROPEAN STANDARDS COMMITTEE

STFI

AITEX

CENTEXBEL

FINNISH INST. OF OCCUPATIONAL HEALTH

UNINDUSTRIA

CENTRO TESSILE COTONIERO

UNI ENTE NAZIONALE DI CERTIFICAZIONE

AIRI



Method for defining report content and differentiation of aspects

[G4-18]

Corporate responsibility and the reporting of our corporate responsibility strategies and programmes at Klopman continues to be a work in progress. While we discuss initiatives and programmes, as well as progress from year to year, we recognise the need to report quantifiable metrics and targets, in particular as they relate to our social performance and economic impact. Using external standards, such as the Global Reporting Initiative (GRI), helps us ask questions within our organisation that are important to improving our performance.

Klopman defines the content of the Sustainability Report by asking company management and its stakeholders for their opinion on the different aspects to be considered. This enables the company to more thoroughly report on sustainability issues that affect its stakeholders' judgements and decisions.

Our starting point is to report on topics where we have the largest impact. In defining material interests, we identify our economic, social and environmental impacts and the aspects that have the greatest influence on stakeholder assessment and decisions. The aspects identified as material to our stakeholders provide the basis for the selection of indicators that we measure our performance against and for our sustainability reporting.

The reporting principles for defining content were selected in close collaboration with internal stakeholders (mid-level and senior executives from Human Resources, Finance, Purchasing and Procurement, Manufacturing, Product and Sales, as well as other staff) and feedback from external stakeholders, with whom we evaluated topics with regards to their business value, significance to our value chain and relevance to stakeholder expectations. A project to expand and introduce new indicators to support the most material aspects to Klopman's business is planned for the next report.



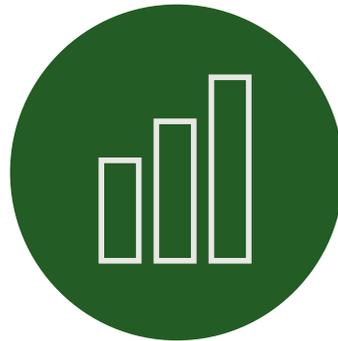


Material Aspect and Aspects Boundaries Within and Outside the Organisation

[G4-20/21]

We work actively to address human rights across our value chain; our zero-tolerance approach against bribery and corruption is applicable to our value chain. Our approach to responsible sourcing goes beyond monitoring to engage our suppliers in continuous

improvement. We have an inclusive approach to occupational health and safety (OHS), including all persons who are employed by or working on behalf of Klopman, i.e. suppliers.





Stakeholder Engagement

[G4-25/26/27]

ECONOMIC PERFORMANCE – ENVIRONMENT – HUMAN RIGHTS/LABOUR PRACTICES – PRODUCT RESPONSIBILITY



Our stakeholder engagement aims to create meaningful dialogue and build relationships that can help achieve shared goals. A number of employees from management, human resources, accounting, manufacturing and sales areas have been involved in the preparation of this report. The involvement concerned different aspects that are presented in the materiality matrix G4-G19.

Klopman is committed to understanding the needs and expectations of its people and involving them in projects to develop skills and expertise. We are focused on constantly monitoring our customers' satisfaction and play an active part in handling relations with local communities, be they municipal authorities, citizen associations, companies or local labourers. We also participate in research and training projects with institutions and universities.

Internal stakeholders: The CEO and management are the driving force associated with subject sustainability. During discussions about the material aspects and indicators, additional employees were introduced gradually into the process.

External stakeholders: Customers and suppliers, through on-site audits, surveys and feedback in general, trade associations, digital users, social networks, media.

Stakeholder involvement occurred not only as part of the report preparation process but also independently.



Report Profile

[G4-28/29/31]

THE INFORMATION SHOWN IN THIS REPORT COVERS THE FISCAL YEAR FROM APR 1, 2018 TO MAR 30, 2019. OUR LAST SUSTAINABILITY REPORT WAS PUBLISHED IN THE YEAR 2017.

CONTACT POINT FOR QUESTIONS REGARDING THE REPORT OR ITS CONTENTS

Title	Full Name	Department	E-Mail
Product Manager	Elke Bissdorf	Product Management	elke_bissdorf@klopman.com
Human Resources Director	Alessandro Musto	Human Resources	alessandro_musto@klopman.com
Sales Director	Amaury Sartorius	Sales	amaury_sartorius@klopman.com
Sales Director	Holger Beule	Sales	holger_beule@klopman.com
Purchasing & Procurement Manager	Manlio Ferragni	Purchasing & Procurement	manlio_ferragni@klopman.com
Manufacturing Director	Alfonso Verdoliva	Manufacturing Director	alfonso_verdoliva@klopman.com
Financial Manager	Giampaolo Rossi	Administration and Finance	giampaolo_rossi@klopman.com

For questions in general regarding the report and contents, you may contact:
Mrs Giovanna Caprara - CSR Assistant - giovanna_caprara@klopman.com - tel. +39.0775.298564



Governance Structure

[G4-34]

Our Chief Executive and our Board are ultimately accountable for everything we do as a company. It is the Board's responsibility to develop and measure the company's long-term strategy, performance and value. Klopman's corporate governance structure is based on a traditional model:

- the Board of Directors, consisting of six members
- the Board of Statutory Auditors
- the Surveillance Board, according to Law 231.

Ethics and Integrity

CODE OF CONDUCT AND CODE OF ETHICS

[G4-56]

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

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

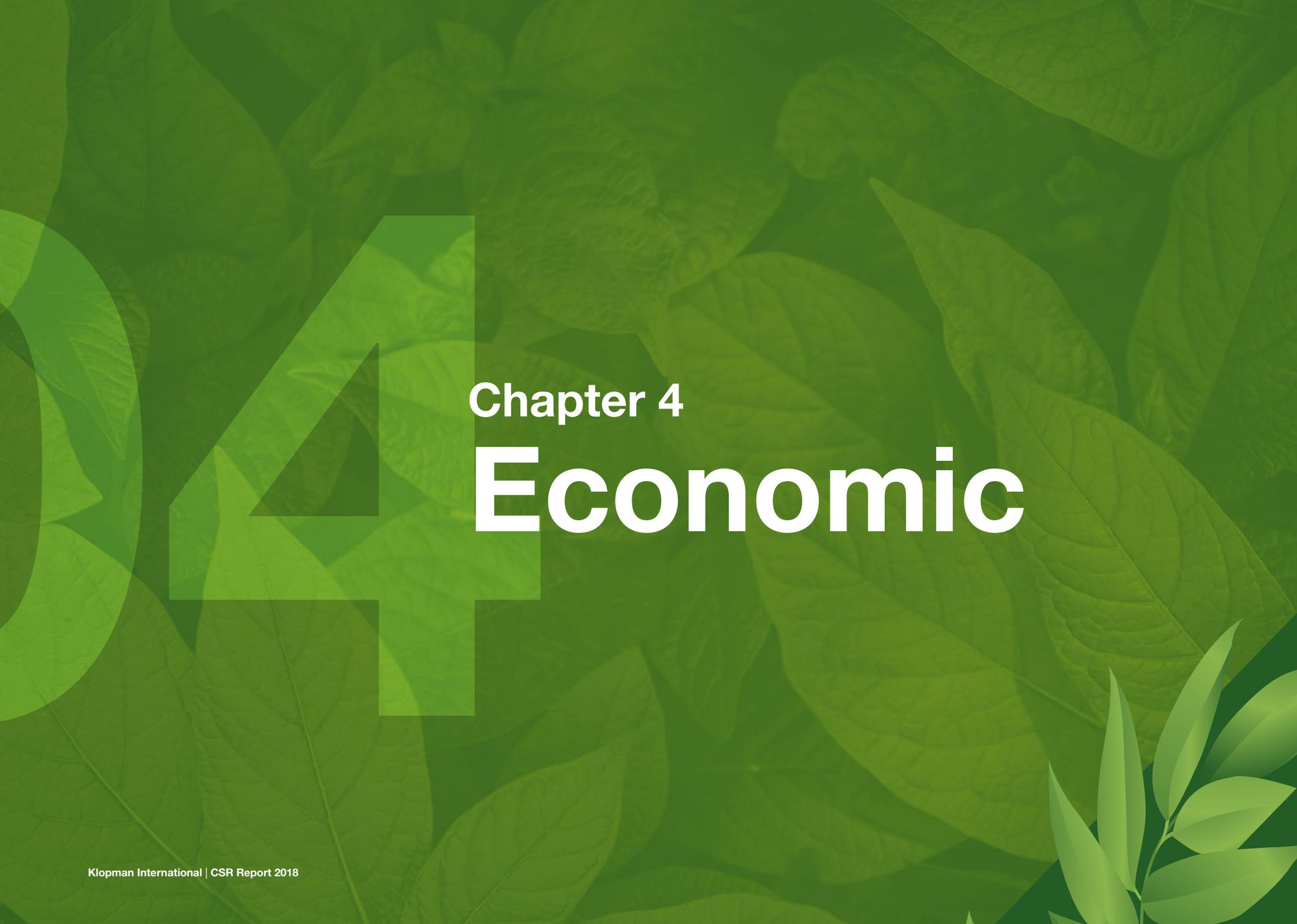
All of this documentation is available in different languages, so that they reach all members of senior management, employees, business partners and other stakeholders.

Being ethical is about doing the right thing. This means respecting human rights, taking a clear stance against corruption and embracing diversity and inclusion. It also means, of course, respecting the laws and regulations wherever we operate and paying taxes accordingly. We interact with millions of people across various countries and cultures. Whether you are a customer, colleague, business partner or any other stakeholder, we believe that mutual respect, integrity, transparency and honesty are essential to our business.

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

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

Klopman has also developed the Code of Ethics, approved by the Governance Board and distributed to all of our workers. This document outlines the mission and values of our business, how we are supposed to approach problems and the ethical principles of operation, based on the organisation's core values.

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Chapter 4

Economic



Economic

[G4-DMA]

As a major textile producer, Klopman believes it is important to take responsibility for our actions. Our customers have always demanded high standards from us when it comes to products and services and, quite rightly, they expect high standards in terms of corporate social responsibility and trust us to work ethically.

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

We believe that a responsible approach to business contributes to our commercial success in the marketplace.

Responsible business practice is about making money in a way that minimises negative

impact and maximises the positive benefits of our business for people and the planet. Our commitment to leadership in sustainability is embedded in our values; maintaining a balance between economic success, protection of the environment, and social responsibility has been fundamental to our corporate culture for decades. This approach applies to every business function and our employees, all over the world, have embraced the principles of sustainable development in their daily work, and think and act accordingly.

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

Economic Performance

[G4-EC2]

CHANCES AND RISKS DUE TO CLIMATE CHANGE

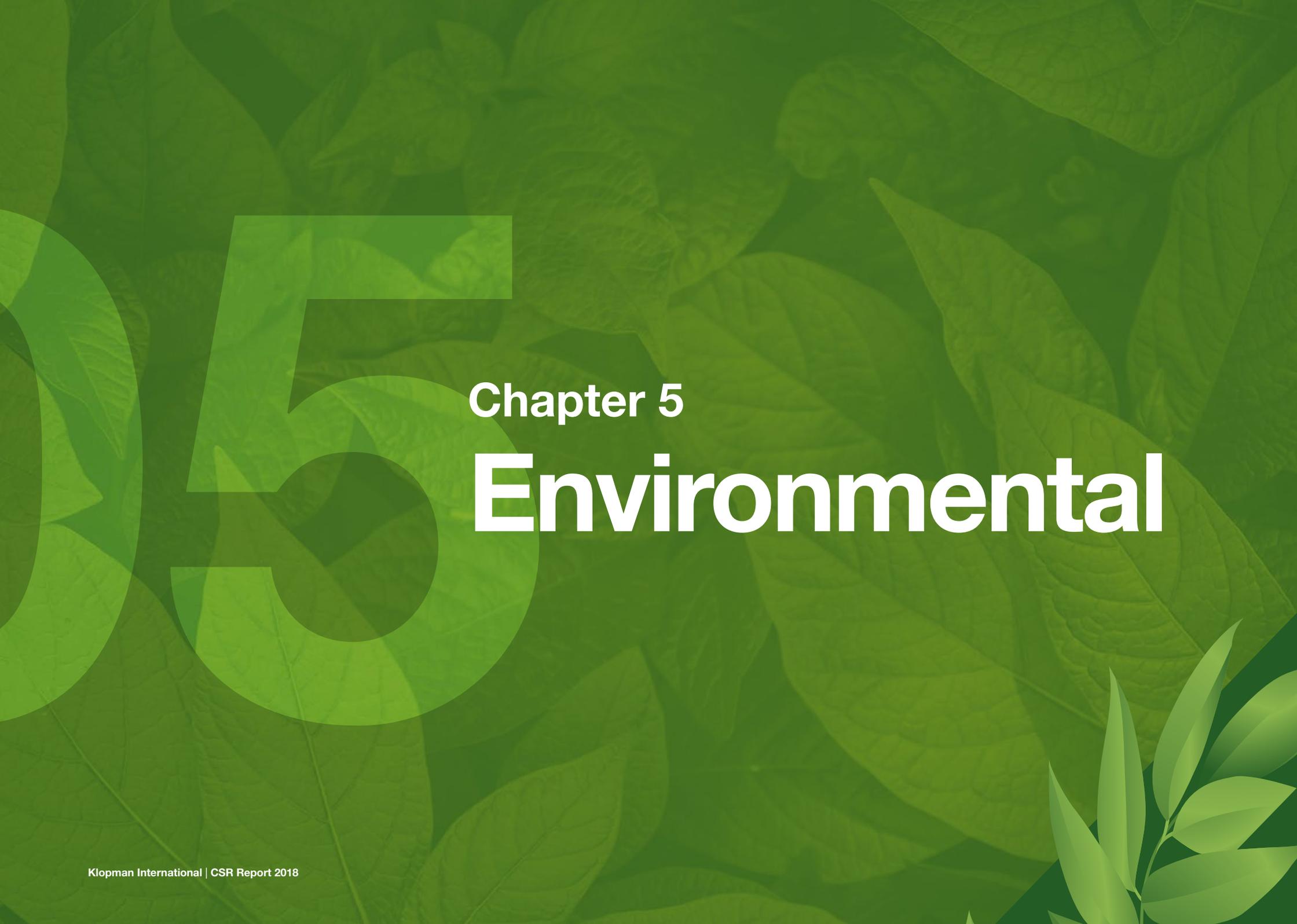
Climate change is one of the major challenges of our time. We believe that we all have a responsibility to meet climate change challenges. So, we want to be as climate smart as possible, for example, by optimising energy efficiency and reducing air extraction and fugitive emissions.

In doing so, we expect to reduce our emissions, despite our continued growth. Our organisation is a typically energy-intensive one, subject to special CO₂ regulations with statutory emission limits.

Because of climate change, we are indirectly affected by higher energy and raw material costs and increased requirements for energy management. We have an internal energy management system working to continuously improve our CO₂ strategy.

Any possible consequences of climate change are fully covered by insurance. The opportunities and risks of climate change for our organisation have been estimated and the risk to our organisation from natural disaster arising from climate change is considered average.

Cause	Type	Description
Physical	Risk	Earthquake Flooding Fires Scarcity of water
Regulatory	Risk	Compliance with laws Reporting obligations

The background features a dense pattern of green leaves in various shades, creating a natural and organic feel. A large, semi-transparent number '5' is positioned on the left side of the page, serving as a visual anchor for the chapter number.

Chapter 5

Environmental



Environmental

DISCLOSURES ON MANAGEMENT APPROACH EN (ENVIRONMENT)

[G4-DMA]

Responsible environmental stewardship helps to create a healthy and sustainable planet. Dealing responsibly with people and the environment has become a key factor in doing business successfully. We have learned how important it is to make it clear and transparent to any interested audience that we take our corporate responsibility seriously. Klopman carries out all its activities in compliance with strict environmental criteria, in accordance with the principles set out in its environmental policy. Day by day, we look at our manufacturing practices, product lifecycle and supply chain to assess our net impacts and what we can do to reduce them. This has led us to seek even greater efficiencies and develop entirely new technologies to avoid using harmful materials altogether. Our approach is to integrate environmental strategy into core operations. Therefore we focus our efforts on the continuous improvement of

the environmental performance of our operations, developing products with a positive environmental record, and working with our customers to ensure that these benefits are communicated to the end user. Such attention to detail and commitment has helped our manufacturing facilities to obtain the ISO 14001 certification – the highest global standard for environmental responsibility. This standard incorporates both internal and external audit.

WE ARE PROUD TO HAVE CONFIRMED LEVEL 3 WITHIN THE RE-CERTIFICATION OF THE STEP BY OEKO-TEX®



Using natural resources efficiently and minimising waste is Klopman’s everyday commitment.



Clean Air

Advanced air extraction systems are installed throughout our plant to constantly filter and purify the air that is expelled. This ensures that no potentially harmful substances are released into the outside environment.



Clean Water

All liquid by-products used in the manufacturing process are neutralised before being discharged into our own on-site effluent treatment plant. Clean water is recycled to reduce wastage wherever possible. Our continuous dye range uses state-of-the-art technology, which ensures lower energy consumption and less waste of dyestuff. Programme for biological wastewater: 33,620 m3/week



Reducing greenhouse emissions

Directive 2003/87/EC sets limits of greenhouse gas emissions for companies operating within the EU. Klopman is not only compliant with this, but is actually performing far more effectively than required.

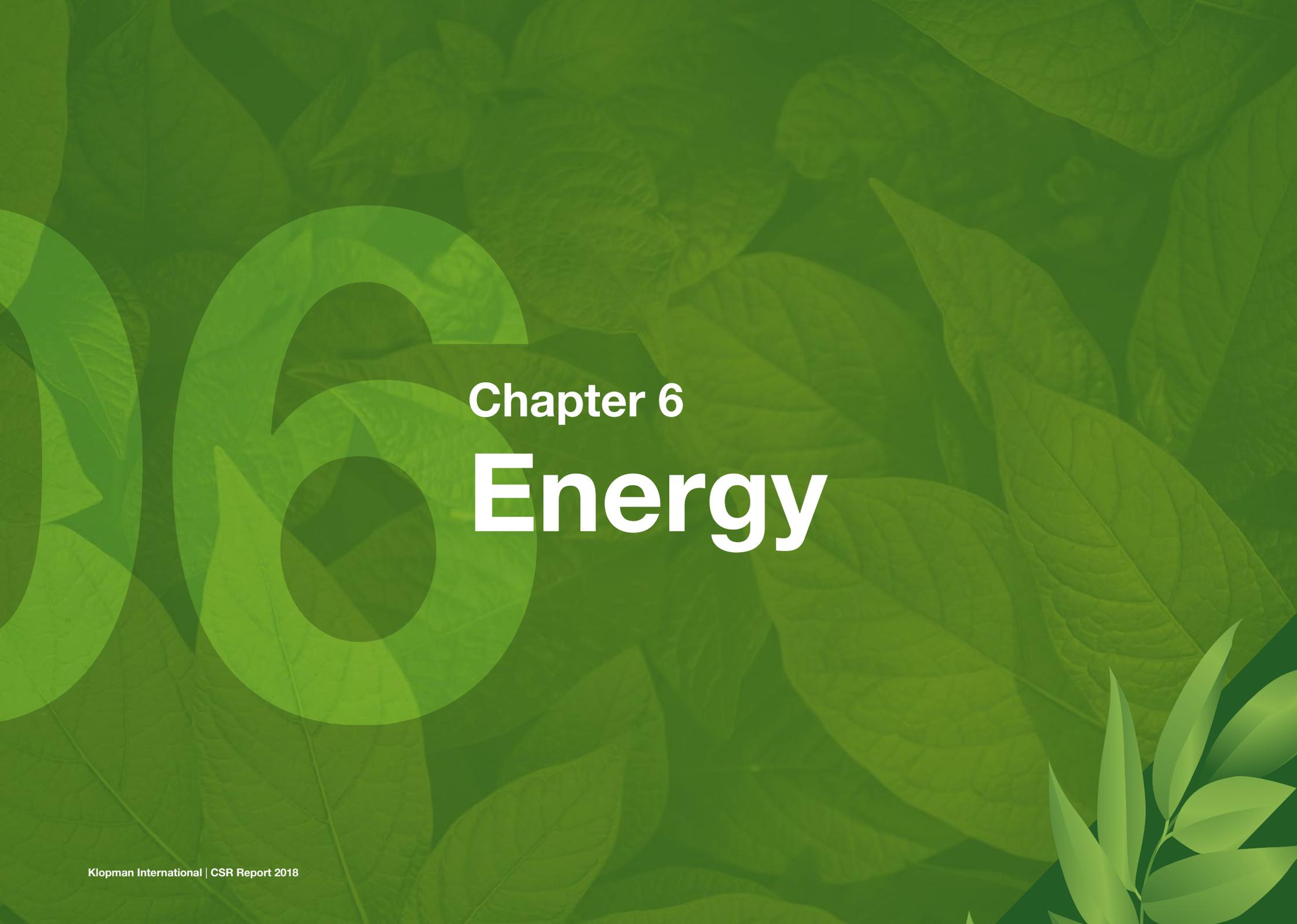
Emissions produced during 2018 were 42,863 tons/year = 0.97 kg/mt.



Environmentally friendly packaging

Klopman uses various mixes of packaging: plastic, cardboard and wood (crates). All packaging made of mixed materials are completely recycled.

To strengthen our sustainability practice, we have also decided to use certified FSC paper to ensure paper is coming from a responsible source and that best forestry practices are taking place.

The background features a dense pattern of green leaves in various shades, from light to dark. Overlaid on this are several large, semi-transparent green circles of varying sizes, some of which are partially overlapping each other. The overall aesthetic is clean, modern, and nature-inspired.

Chapter 6

Energy



Energy

KEEPING FOCUS ON ENERGY EFFICIENCY

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

In 2018, our major investment in this regard was the installation of a new co-generation power station.

The main factors that led us to invest in this innovative solution were: significant reduction of CO₂ emissions, lower energy consumption and greater plant efficiency.

With the new power plant, energy production will meet the most advanced criteria of efficiency and environmental sustainability, a mark of respect for the territory that hosts us.

As a process for producing both heat and power, cogeneration is one of the cleaner and most innovative options available, achieving high efficiency by using one fuel to generate two types of energy.

A “POWERFUL” INVESTMENT IN SUSTAINABILITY





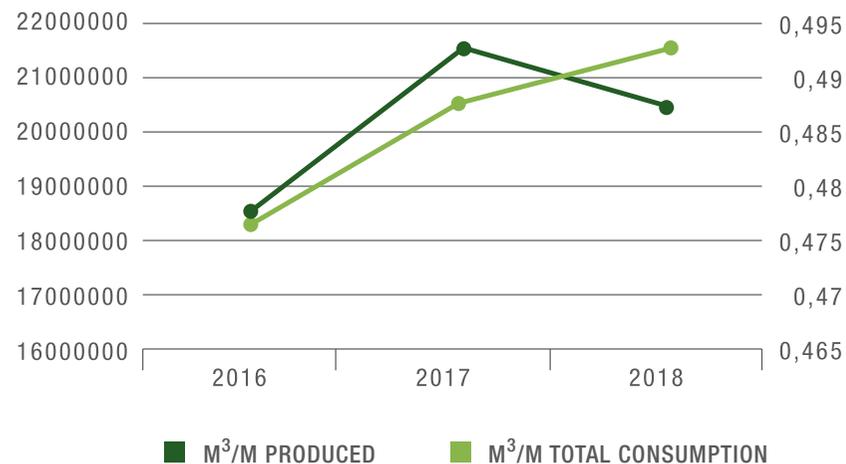
Energy Consumption within the Organisation

[G4-EN3]

In line with our commitment to using natural resources responsibly, we are proud to have achieved a great goal: despite the increase in production volumes, our energy consumption remains consistent and in many cases has been reduced.

NATURAL GAS CONSUMPTION PER METRE PRODUCED DECREASED FROM 0.492 M³/M IN 2017 TO 0.487 M³/M IN 2018.

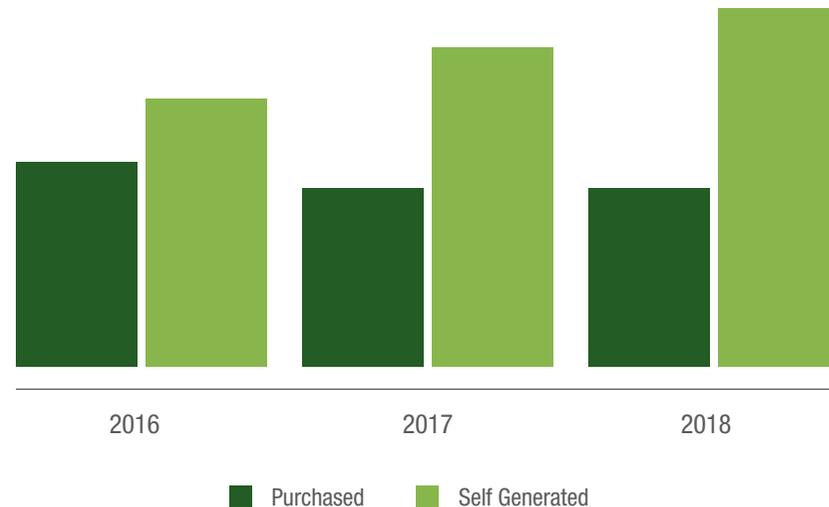
Energy Source Natural Gas **M³ 2018** 21,737,623



Energy type: Electricity

Total kWh 2018

Purchased	9,604,590
Self-generated	17,715,200
Total energy consumption within the organisation	27,318,590





Reduction of Energy Consumption

[G4-EN6]

The initiatives carried out last year continue to follow best practise while we indicate new activities in place:

Initiative	Reduction	Types of energy affected	Base year / reference size	Standards, methods and assumptions
Reduction of sludge volume in wastewater treatment	223 tons	/	year	waste reduction
Power station thermal recovery from wastewater treatment	1,334,579.00	kWt Thermal Energy	year	recovery thermal energy to reduce gas consumption necessary for steam production
Thermal energy recovery (production departments)	1,850,600.00	kWt Thermal energy	year	recovery of thermal energy from production processes

New initiatives and activities are under study to further reduce energy consumption within the production facility.

Initiatives in progress	Estimated Reduction	Types of energy affected	Reference size	Standards, methods and assumptions
Installation of centrifuge for sludge dewatering treatment	10%	/	Year	Waste reduction
Mechanical agitator for homogenisation storage basins Wastewater treatment	126,000 kWh	Electricity	year	Higher efficiency, less consumption
Blowers Wastewater treatment	525,000 kWh	Electricity	Year	Higher efficiency, less consumption

The efficiency of the new machinery above will allow a saving of 17% on total electricity consumption.



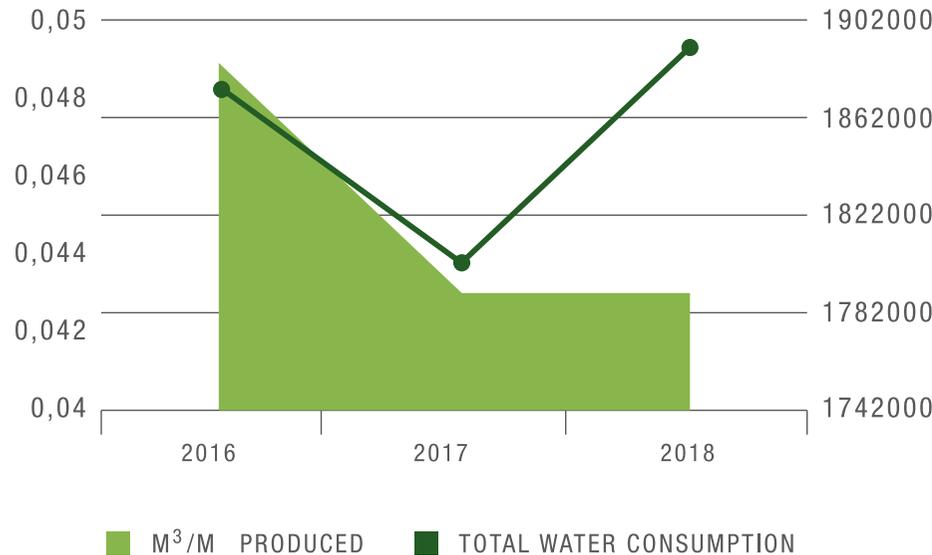
Water

TOTAL WATER USAGE

[G4-EN8]

Water is an important resource in textile production and therefore responsible water management is vital for future communities, the environment and a sustainable business. In line with our commitment to use natural resources responsibly, despite the increase in production volumes, our water consumption has been reduced.

Water consumption marks a reduction in terms of water used per metre produced from 0.049 m³/m to 0.043 m³/m.



VOLUME OF RECYCLED AND REUSED WATER

[G4-EN10]

Our organisation processes service water and wastewater through a further cycle before its final treatment or before it is redirected back into the environment.

Name of water source	Type of water recycling or reuse	Volume of water recycled and reused m ³	Measuring method	Used measuring standards and assumptions
Cold water recovery	Wastewater recycled and reused in a different process, but within the same facility	216,787.00	Water meter	Foxboro system
Hot water recovery	Wastewater recycled into the same process or another part of the process cycle	181,033.00	Water meter	Foxboro system
Total of water reused		397,820.00		



Emissions

GREENHOUSE GAS (GHG) EMISSIONS

[G4-EN15]

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

Klopman is not only compliant with this but is performing far more effectively than required. Reducing our emissions is an important goal and despite the increase in production volumes the incidence per metre of fabric remains consistent.

Emissions produced during 2018 were 42,863 tons year = 0.97 kg/mt.

Please note that the calculation of the CO₂, as per law, is based on the solar year 2018.

EFFLUENTS AND WASTE

WATER DISCHARGE

[G4-EN22]

Location	Volume (in m ³)	Treatment	Destination	Method of volume estimation	Reuse by another organisation
Total of all wastewater discharges	1,882,696	Complete treatment in its own sewage treatment plant	Container collected and disposed of by a specialist company	Measurement	No

Location	Wastewater parameter	Value	Unit
Frosinone	BOD (biochemical oxygen demand)	35	mg / l



Waste

[G4-EN23]

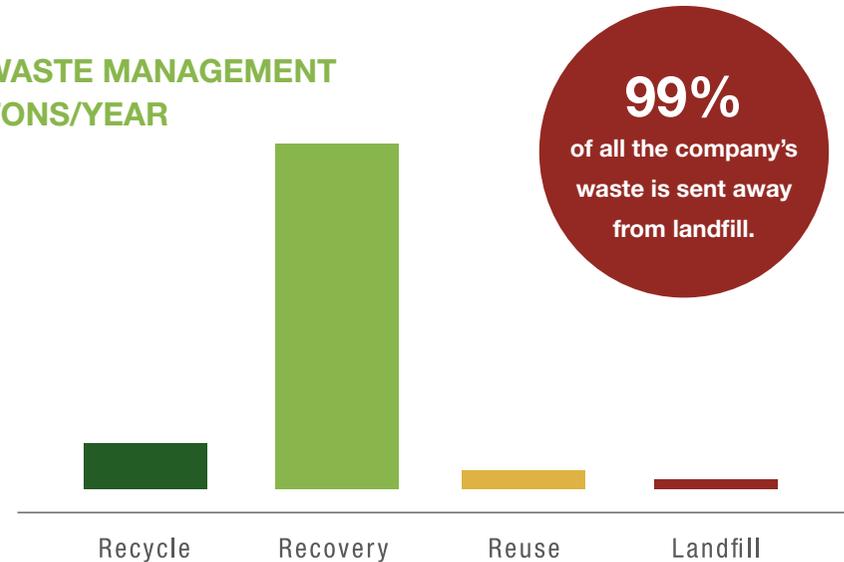
Effective waste management is a priority for our business and for the planet. It improves operating efficiency, reduces costs and cuts demand for virgin resources, reducing our environmental impact. Waste management is a key strategy to ensure Klopman operates as a responsible corporate citizen. Klopman is committed to operating its plant and facilities in complete compliance with all applicable environmental regulations and to operate in a manner that protects the quality of our environment and the health and safety of our people. We are striving for a goal of zero waste to landfill. This goal will guide the conduct of our manufacturing operations, the development of new products and our interaction with our suppliers and customers.

Recycling of materials is an integral part of this ongoing effort. We are committed to encouraging our families, our associates and our communities, through education and leadership, to conserve our natural resources and protect the environment in our daily lives. We also reaffirm our commitment to work with local, state and federal authorities to develop effective environmental solutions that meet tests of practicality and feasibility.

To date, **Klopman diverts 99% of all the company's waste away from landfills and to places where it could be recovered, reused or recycled.**

Our goal is to reach 100% over the coming years.

WASTE MANAGEMENT TONS/YEAR



ENVIRONMENTALLY FRIENDLY PACKAGING

[G4-EN28]

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

Packaging matters and paper is a valuable resource. All Klopman paper and cardboard packaging is recyclable because it helps to preserve forests, conserving resources and generating less pollution during the manufacturing process, as well as reducing solid waste.

To strengthen our sustainability practices, for our marketing material we have also decided to use paper made of agro-industrial corn waste and certified FSC resources.

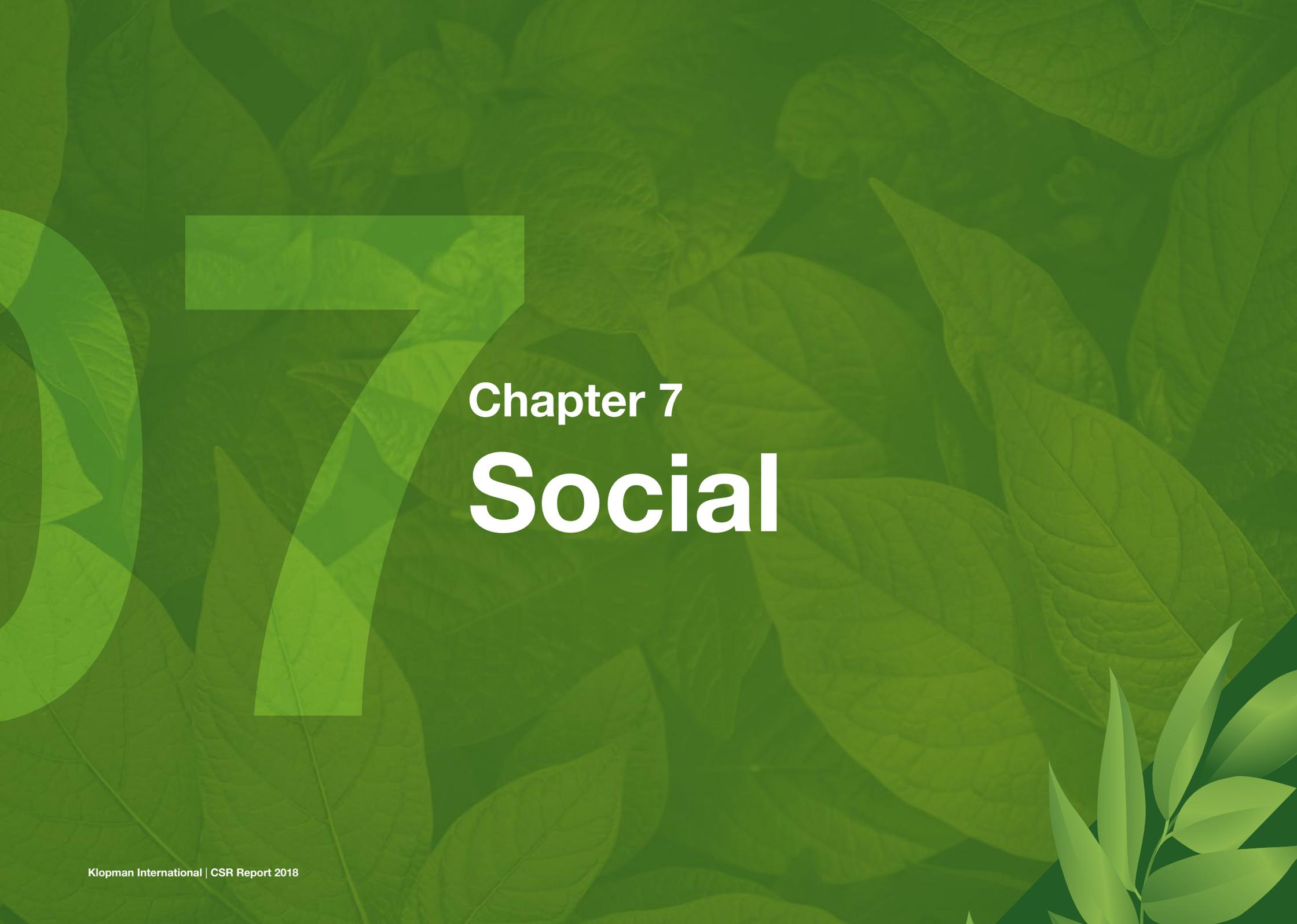
ENVIRONMENTAL IMPACTS OF TRANSPORT

[G4-EN30]

Next to product and packaging optimisation, improving our logistics structures helps us to reduce transport emissions.

Reducing our emissions is an important goal within our transport and logistics departments.

We focus on expanding intermodal transport, on improving our warehouse network and on transportation optimisation (consolidated shipments).

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Chapter 7

Social



Social

[G4-DMA]

LABOUR PRACTICES AND DECENT WORK

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

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

We make sure that our activities are in line with our Code of Conduct, based on the declaration of the ILO convention.

We respect and recognise the unique role of each employee and his/her contribution to the success of the company.

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

For our employees:

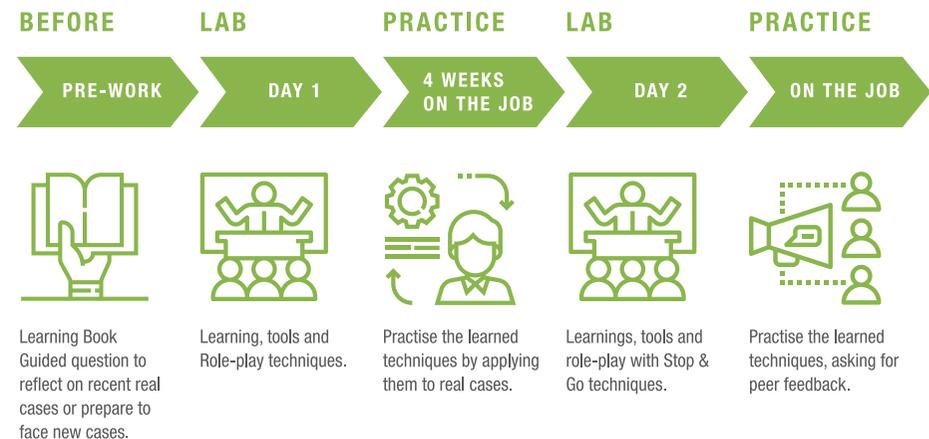
- We offer training and career development opportunities
- We have an efficient communications, information and co-determination system
- We pay appropriate salaries and wages
- We provide safe and hygienic working environment, with adequate ventilation, lighting and temperature control.

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

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

Within this philosophy our company has been working on competency model development and implementation and over the past year has been working on the competency lab methodology.

OUR JOURNEY THE COMPETENCY LAB METHODOLOGY



A more complete way of approaching this is to link individual performance to the goals of the business. To do this our company will use 'competencies.'

These are the integrated knowledge, skills, judgment, and attributes that people need to perform a job effectively. Having a defined set of competencies for each role in our business shows workers the kind of behaviours we value, and which it we require to help achieve our objectives.

Not only can team members work more effectively and achieve their potential, but there are many business benefits to be had from linking personal performance with corporate goals and values.



Never Stop Improving

After the renewal of our ISO 9001: 2015, ISO 14001: 2015 and OHSAS 18001 (moving soon to ISO 45000) certifications, it is important that we proceed along the path of continuous improvement with the proactive involvement of the entire company.

As the main monitoring and control instruments in the implementation of the Integrated Management System are internal audits, Klopman thought it appropriate to increase the Internal Auditing Team with new, trained employees able to maintain high levels of engagement and involve all personnel in a systematic way.



BENEFITS PROVIDED

[G4-LA2/3]

Klopman provides employees with the following company benefits.

- Sunday night and public holiday surcharges
- International health insurance and accident insurance
- Monthly financial support for the purchase of one daily meal
- An annual bonus equal to one month's salary as well as a production premium
- Production workers receive a uniform and personal protective equipment.

Employees who travel abroad receive travel reimbursements by filling out expense notes.

Klopman offers its employees supplementary health insurance.

These policies cover a wide range of medical needs (e.g. specialist examinations, hospitalisation, medical services etc.)

We also have partnerships with special rates related to car insurance, banks, shops and pharmacies.

As per our country's legislation our employees can take parental leave and return to work to the same or a comparable position.

Chapter 8

Occupational Health and Safety



Occupational Health and Safety

[G4-LA5]

TOTAL WORKFORCE REPRESENTED IN FORMAL JOINT MANAGEMENT-WORKER HEALTH AND SAFETY COMMITTEES

The commitment to making health and safety an integral part of daily operations is strong all across management levels. We have appointed a Health & Safety Committee at facility level. Klopman's health and safety in the workplace policy is based on the application of the requirements of relevant standards, namely OHSAS 18001 (moving to ISO 45000), in compliance with national and international regulations.

Klopman undertakes to:

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

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

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

G4-LA6 Injuries, occupational diseases, lost days and absenteeism

Criterion	Total
Illness-related absenteeism	
Hours lost due to sickness	51,600
Reportable accidents	
Number of reportable accidents	11
Number of lost days per reportable accident	206

SUPPLIERS THAT WERE SCREENED FOR IMPACT ON LABOUR PRACTICES CRITERIA

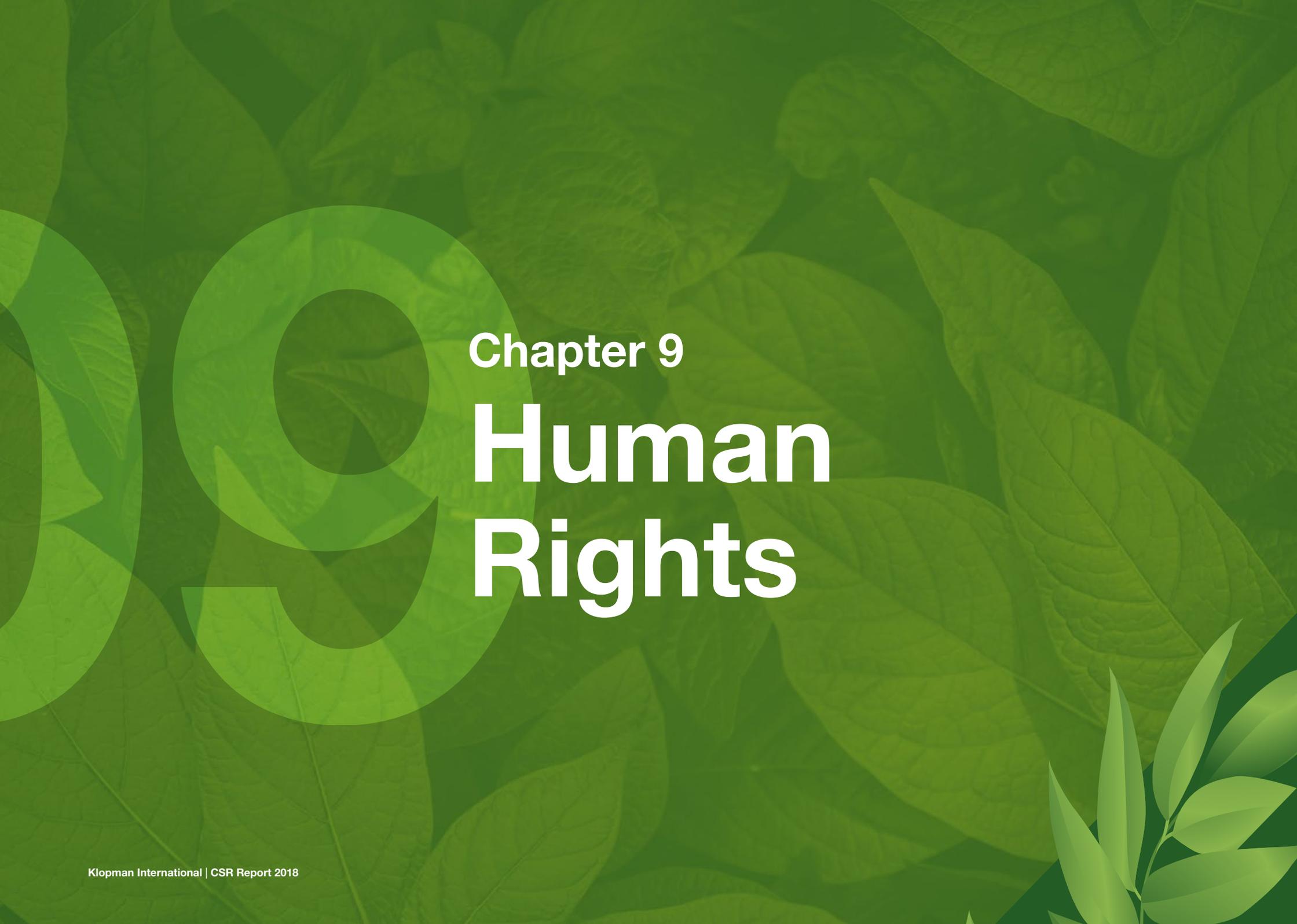
[G4-LA14]

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

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

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

Our major suppliers were screened through a supplier practice questionnaire in order to determine if they are in line with our company Code of Conduct.

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Chapter 9

Human Rights



Human Rights

DISCLOSURES ON MANAGEMENT APPROACH FOR HUMAN RIGHTS

[G4-DMA]

Human rights obligation is particularly evident in our management approach.

In our Code of Conduct, based on the rights of the ILO Declaration on the Fundamental Principles and Rights, we commit ourselves to respecting human rights in all our actions and activities.

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

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

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

Klopman does not allow and does not tolerate employment situations that violate current regulations on child, women's and immigrant labour. This also applies to its external contractors, suppliers and business partners.

TRAINING ON ASPECTS OF HUMAN RIGHTS AND COMPLIANCE

[G4-HR2/HR7]

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

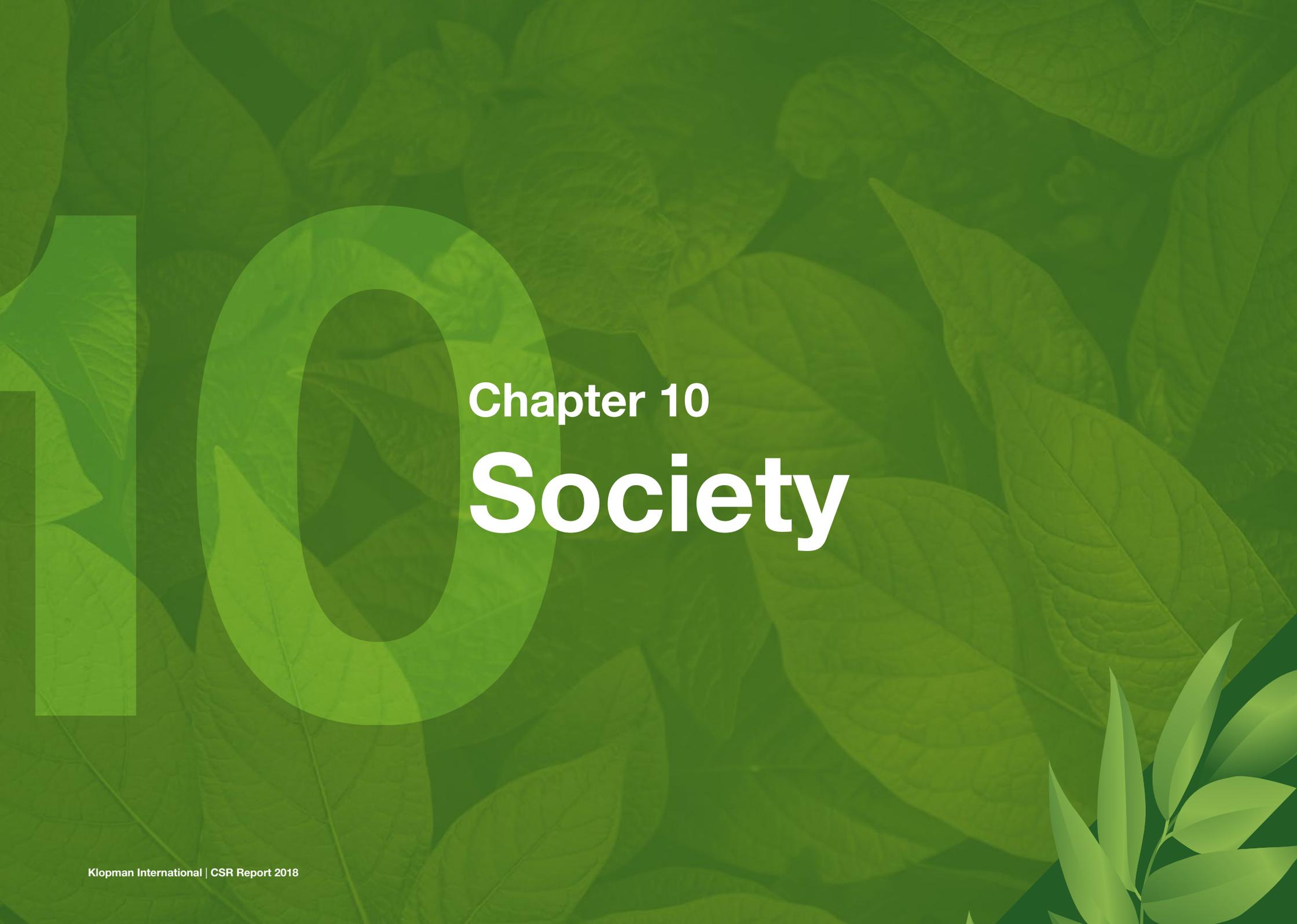
The implementation of the training hours on this issue is one of the goals set on a short- to mid-term basis.

Klopman's headquarters in Italy is also examined with regard to human rights and potential impacts.

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

As a company with employees from different nationalities, there are neither cultural nor language barriers. All employees at Klopman are supported, challenged and treated equally. Our training concepts are provided to the entire workforce.

In this context Klopman's employees agree in their employment contract to respect each country's local tradition. This includes avoiding any interference in political and religious affairs of the host countries. Our aim is to make sure that neither the host, nor the home country, nor Klopman is depicted negatively.

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Chapter 10

Society



Society

DISCLOSURES ON MANAGEMENT APPROACH “SO (SOCIETY)”

[G4-DMA]

Social commitment is firmly embedded in our corporate identity. This open and participatory strategy aims to establish relationships based on trust and collaboration that integrate the company within the social, environmental and institutional networks of the local territories where our projects and programmes are implemented through collaboration agreements.

Projects and programmes carried out in 2018 include actions geared towards promoting sustainability, supporting local and regional communities, and contributing to cultural and educational projects.

National and international events partnered by Klopman:

MILAN Textile evolution - TEXCLUBTEC

The exhibition was held in Milan and its purpose is to enhance the close relationships in the Italian production chains between research, design creativity, sustainability and technology, as well as promoting the synergy between technological innovation represented by the manufacturing sector of technical textiles and the creativity of Made in Italy.



SPAIN AITEX

AITEX is Spain’s leading research and innovation centre and provider of advanced technical services to the textile industry. In January 2019, Klopman’s sales force, together with its research & development team, attended a three-day technical training course at Alcoy, covering several categories based on technical textiles and innovations, mainly for standards and certifications on PPE.





Local Communities

ENGAGEMENT WITH LOCAL COMMUNITIES

[G4-S01]

Within the scope of social commitment, our major activities were concentrated on two important initiatives:

DEGREE AWARDS

In collaboration with the CRUI (Conference of Italian University Rectors) and the Department of Chemical Sciences and Materials Technologies of the CNR (Council of National Research), Klopman launched the first edition of a degree award for the best thesis on “Environmental sustainability and/or circular economy in the textile sector” within the engineering and chemistry departments of Italian universities.

A panel made up of company managers and members designated by CRUI and CNR will assign the award to the best project in terms of validity, feasibility and replicability. Klopman will offer the winner a six-month paid internship, inclusive of room and board, with a value of around 15,000 euros and the opportunity to see their project realised. Theses must have been produced during the period between Jan 1st, 2018 and July 26, 2019 and sent to the email address hr@klopman.com. The call was open to all Italian universities and addressed to all graduates and undergraduates of specified courses who were interested in pursuing a career in the textile industry with a leading company in the sector and with a strong and long-standing presence in the global markets.

“Klopman is extremely mindful of its impact on the environment, committed to innovation and sensitive to the needs of the younger generation, and the award is a very important initiative for us because it perfectly puts together these characteristics of our company,” said Alfonso Marra, CEO of Klopman. “The old model of linear economy based on consumption and waste is no longer sustainable from both an environmental and an economic point of view and the conversion to a circular economy model calls all companies, especially those in the textile sector, to a strong commitment in terms of innovation and planning. As a leader in its field, Klopman is setting out the path and we hope that our example will be followed by a growing number of actors.”





Local Communities

A LIBRARY FOR CHILDREN

To further consolidate its loyalty towards the territory and attention to small children who represent the future of the communities in which the company operates, Klopman has decided to donate to the local Paediatric Vaccination Centre in Frosinone a complete library of texts for children and teenagers. This initiative was carried out in collaboration with the bookstore GIUNTI, which is the leading bookshop chain in Italy by number of outlets, with 200 stores located throughout the national territory.

The library will serve to help parents to entertain children while waiting for vaccinations, a time that can be a source of anxiety and stress for them all.

In 2018, Klopman undertook several actions to promote events and projects within the educational scope.

- Co-sponsors of the annual exhibition organised by the local music conservatory, involving more than 300 students coming from all over Italy
- Actively involved with Project Alternation between school and work, allowing students to accumulate valuable experience at Klopman's headquarters
- Open doors to several high schools and universities interested in visiting our company facilities
- Donations to local institutions have been made to promote innovation and sustain scholarships
- Charity donation to the Foundation Telethon to support research on genetic diseases
- Our day-to-day work requires us to use sophisticated technology. Once equipment becomes outdated, it does not end its useful life in a landfill: we donate refurbished equipment to non-profit organisations and company employees where it can still be put to very good use.

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



Chapter 11

Product Responsibility



Product Responsibility

DISCLOSURES ON MANAGEMENT APPROACH “PR (PRODUCT RESPONSIBILITY)”

[G4-DMA]

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

While focusing on product innovation, Klopman never forgets its purpose: high ethical standards, market leadership and safe products for the wearer.

Klopman products are intended to help reduce energy and resource consumption, promote recycling, and prevent global warming. Our commitment to fabric performance and continuous development in advanced technologies, together with our respect for the environment, run through all aspects of our manufacturing process - from fibre selection, weaving and dyeing through to finishing.

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

In terms of safety eco-friendly products Klopman's Product Management has set a clear goal to change to Oeko-Tex OC1 finish all products involving our new Stretch line, Tencel® fabric range and styles produced with Fairtrade Cotton, BCI, Organic Cotton and recycled polyester.

As a result of our strategy of promoting our Greenwear products and our commitment to environmentally friendly practices, our customers have requested more and more fabric made with with Fairtrade cotton, BCI cotton, organic cotton, recycled PES and Tencel®.

2018 showed a significant increase in production of Greenwear : Tencel® fabrics, fabrics from the workwear as well as the protectivewear range with Fairtrade cotton and organic cotton, while we have tripled (300%) the production of fabrics with recycled PES.





TWO IMPORTANT PRODUCT INNOVATIONS WERE PRESENTED THIS YEAR:

The Greenwear Range

Based on environmentally and people-friendly raw materials – polyester fibre from recycled plastic or wood pulp, cotton certified according to Fairtrade standards, the BCI (Better Cotton Initiative) which takes into account the conditions of cotton producers in developing countries, and organic cotton which is cultivated in the absence of chemicals.

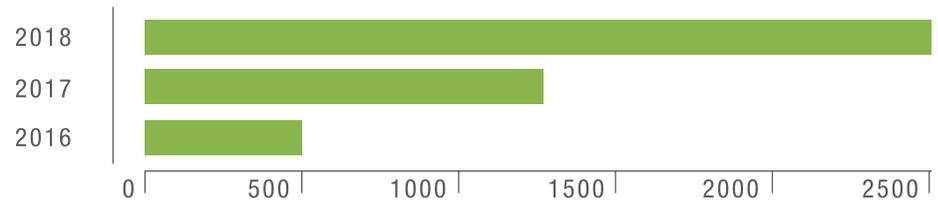
In 2018 we produced more than two million metres of fabrics with sustainable raw material. Our aim for 2020 is to double shipments based on sustainable fabrics.

Recycled polyester is gaining lots of attention from workwear garment manufacturers, especially in markets with a more environmentally sensitive outlook.

We've successfully incorporated this more sustainable material into our range while maintaining our consistently high standards of comfort, image and durability.



GREENWEAR FABRIC COLLECTION



Klopman fabrics now “Made in Green” We know how important social responsibility and sustainability are for our customers and the Made in Green by Oeko-Tex® label ensures our sustainability initiatives are visible to our clients. The label shows the consumer that the textiles concerned are tested for harmful substances and sustainably produced and the unique product ID provides full traceability.





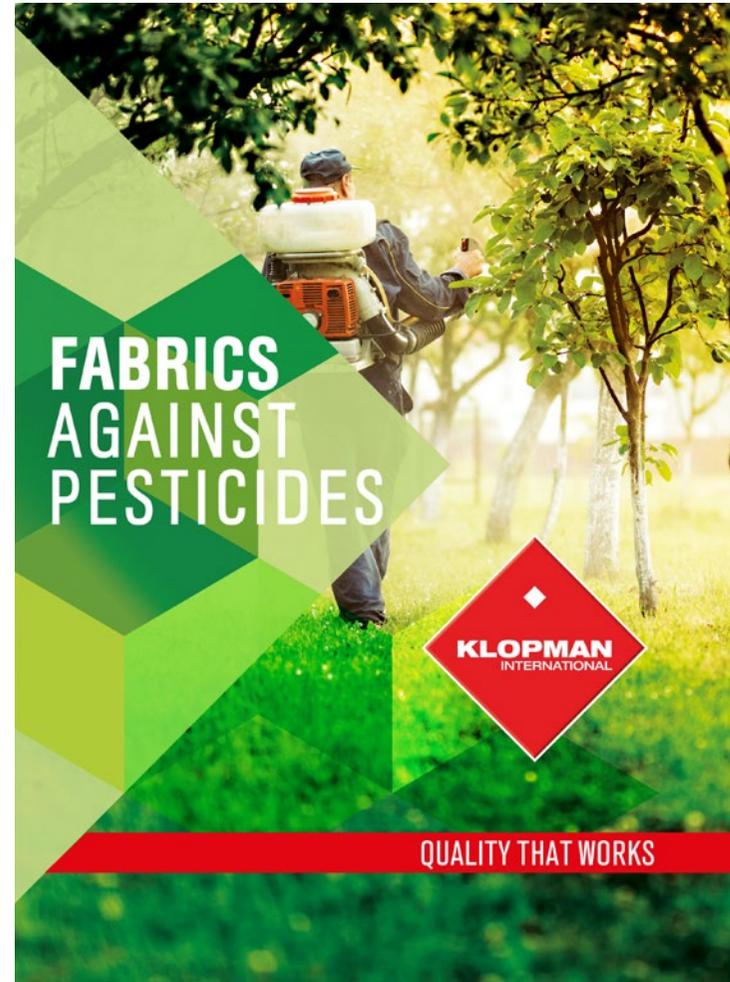
Fabrics for Protection Against Pesticides

The second product innovation launched at Expoprotection is represented by New Arena, Indestructible Hydrofoil and Superbandmaster Hydrofoil, all compliant to ISO 27065 and developed to protect the wearer from agricultural pesticides.

The agriculture sector in Europe employs almost nine million people, with only 12% of them being fully protected from pesticides by appropriate PPE, according to research carried out by Klopman.

The aforementioned product range is divided into different levels based on the type of risk workers are exposed to. New Arena has been developed to offer level 1 protection, made of a 60% cotton and 40% polyester blend.

Level 2 protection is offered by Indestructible Hydrofoil and Superbandmaster Hydrofoil, both of which are composed of 65% polyester and 35% cotton.



Chapter 12

Customer Health and Safety



Customer Health and Safety

IMPACT OF PRODUCTS AND SERVICES ON HEALTH AND SAFETY

[G4-PR1/PR2]

Klopman has been responsible for many of the most exciting developments in the world of workwear and protectivewear fabrics.

We follow strict requirements and procedures to ensure that all materials in our products are safe for end users, employees and the environment.

Research & Development

An important objective of our strategy is promoting sustainable consumption that conserves resources. Our products are the key here.

They are used by millions of workers and industrial laundries every day. This is why we concentrate on developing products that enable the efficient use of resources such as energy and water. Through targeted communication, we additionally strive to encourage responsible-minded behaviour while using our products.

Our R&D departments and our production engineers constantly work towards the minimisation of toxic substances, alternatives for existing raw materials, waste reduction, reduction of energy use and renewable energies. It is imperative for us to offer safe and sustainable products, socially responsible and respectful to the planet.

Chemicals

We use the right chemicals judiciously and responsibly. We make a constant effort to find suitable substitutes that have a smaller environmental impact.

The chemicals used in the production process are managed under strict controls, and potential exposure to employees, customers and the environment is thoroughly evaluated. Only chemicals that meet Klopman's stringent safety requirements and comply to the REACH regulation are chosen. 100% of our product and service categories were examined with regard to their effects on health and safety, through the entire lifecycle. It is no coincidence that all our products are certified Oeko-Tex 100 and comply to the **MRSL list**(Manufacturing Restricted Substance List MRSL is used worldwide to regulate the safety of chemical formulations used in the manufacturing processes).

Klopman monitors the development of all relevant regulations and ensures the environmental and human safety of all its products.

Oeko-Tex® Certification

Klopman fabrics are certified to Oeko-Tex® class 1 and class 2. These standards regulate and control the use of harmful substances in textile production.

Approval under this standard ensures fabric poses no risk to human health and will provide skin-friendly clothing.



STeP by Oeko-Tex®

STeP stands for "Sustainable Textile Production". Production facilities along the textile value creation chain show that they are mastering the growing market requirements for sustainable production. Through the achievement of this important certification, our company proves its continuous improvement in environmental performance and socially responsible working conditions, and can communicate this to its stakeholder groups in a transparent way.

**KLOPMAN HAS ACHIEVED LEVEL 3,
THE MAXIMUM RANKING LEVEL OF STEP.**



Customer Health and Safety

PRODUCT AND SERVICE LABELLING AND INFORMATION

[G4-PR3]

Klopman ensures the products which it develops and delivers are:

- * **safe**, in compliance with Italian and international laws applicable to the textile industry;
- * **reliable**, pursuant to its customers' needs and its internal quality standards.

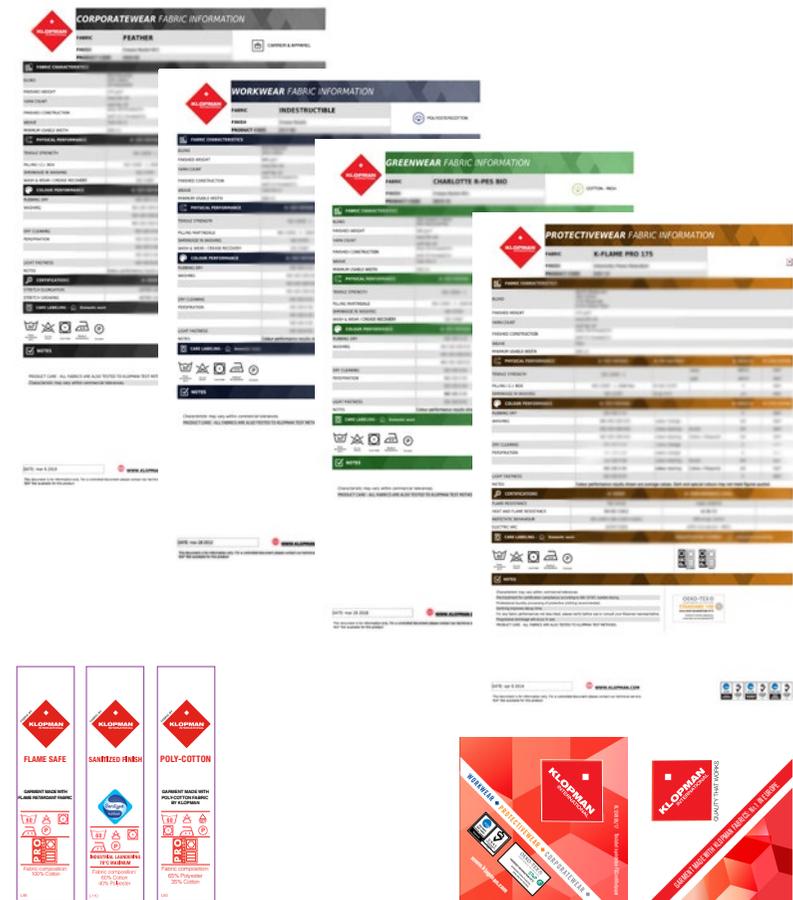
Each product has a technical data sheet (TDS) that summarises its performance and other technical characteristics useful to the customer/end user.

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

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

A literature review was performed across different topics, as well as the introduction of literature specifically dedicated to the launch of new fabric lines such as Stretch fabrics and Laminates.

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





Customer Satisfaction

[G4-PR5]

Business growth runs parallel with customer satisfaction.

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

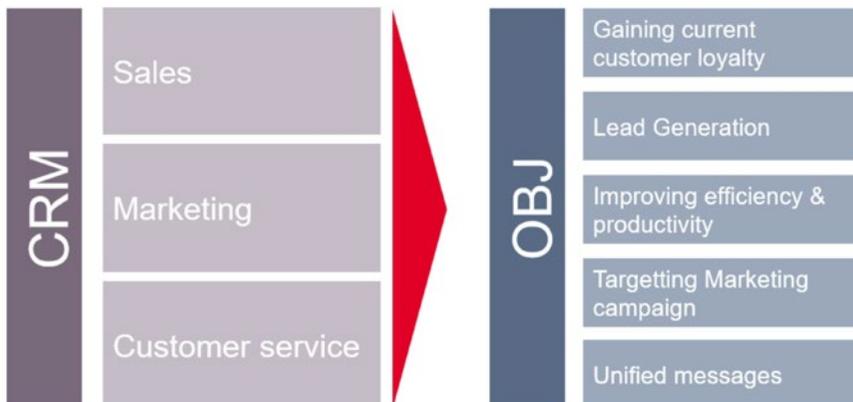
It is seen as a key performance indicator within business and increasingly has become a key element of business strategy.

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

Klopman personnel work closely with customers to understand and support the challenges they are facing.

CRM - Customer Relationship Management

We have integrated this application with several more processes to further increase customer satisfaction.



KLOPMAN'S CUSTOMER PORTAL



As part of our continuous commitment to customer care we have launched the online Customer Portal, with four important objectives in mind:

1. improve collaboration
2. increase flexibility
3. provide easy access to information
4. enable secure file sharing.

The portal provides customers with a wide range of documents and information, including:

- order confirmations
- open orders report
- invoices
- shipping lists
- Ascii files
- late notices
- certificates of conformity for PPE class 3 products
- lab dip reports
- COC
- courier tracking numbers
- price lists.

With over 320 customers already linked to our portal, this new service has definitely improved flexibility and responsiveness between Klopman and our customers.



Marketing and Communications

[G4-PR6]

Responsible marketing is an important aspect of being a responsible company. We take it into consideration right from the start when planning our communication campaigns and advertising our products, as we believe that responsible marketing builds trust between the company and its customers.

PRODUCT MARKETING

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

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

LAUNCH OF THE GREENWEAR RANGE

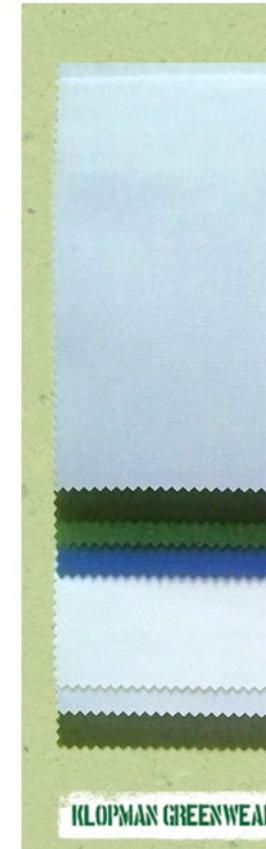
The Greenwear fabric range has been conceived as a separate, distinct fabric collection because it can be applied across our entire collection: Workwear, Protectivewear and Corporatewear.

Klopman Greenwear fabrics maintain our high quality standards in terms of comfort, image and durability, while increasing sustainability and respect for the environment.

GREENWEAR BROCHURE

The Greenwear brochure has been created to showcase the Klopman range of fabrics made with sustainable and/or recycled raw materials.

Printed on an eco-friendly paper made using process residues from organic products, the brochure aims to explain the benefits of making a conscientious choice when buying fabrics.





Marketing and Communications

[G4-PR6]

SWATCH CARDS

Swatchcards are becoming increasingly popular with our customers because they provide all the relevant information as well as the opportunity to touch and feel the quality and texture of each fabric. **Swatchcards optimise resources (less fabric sampling) and create a more complete customer experience.**

The quantity produced in 2018 is reported below.

SWATCHCARDS PRODUCED

QUANTITY

KL1333	K-Flame Pro	658
KL1334	K-Flame Xtra	645
KL1343	K-Flex	1000
KL1342	Star-Line	447
KL1344	Cool stretch	389
KL1341	Starfield 2L Laminate	267
L1340	Megatec	250
KL1355	Multifunctional	220
KL1353	Tencel	450
KL1354	High Visibility	400
KL1356	Indigostar	450
TOTAL		5176

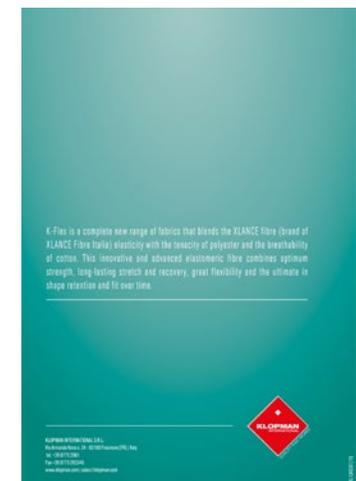


Code	Color	Weight	Stretch	Wash	Iron	Dry Clean	Shrinkage	Wrinkle	Slip	Wear	UV	Flame	Static	Other
KL1333	Black	200 gsm	10%	W	W	W	0%	W	W	W	W	W	W	W
KL1334	Black	200 gsm	10%	W	W	W	0%	W	W	W	W	W	W	W
KL1343	Black	200 gsm	10%	W	W	W	0%	W	W	W	W	W	W	W
KL1342	Black	200 gsm	10%	W	W	W	0%	W	W	W	W	W	W	W
KL1344	Black	200 gsm	10%	W	W	W	0%	W	W	W	W	W	W	W
KL1341	Black	200 gsm	10%	W	W	W	0%	W	W	W	W	W	W	W
L1340	Black	200 gsm	10%	W	W	W	0%	W	W	W	W	W	W	W
KL1355	Black	200 gsm	10%	W	W	W	0%	W	W	W	W	W	W	W
KL1353	Black	200 gsm	10%	W	W	W	0%	W	W	W	W	W	W	W
KL1354	Black	200 gsm	10%	W	W	W	0%	W	W	W	W	W	W	W
KL1356	Black	200 gsm	10%	W	W	W	0%	W	W	W	W	W	W	W



Code	Color	Weight	Stretch	Wash	Iron	Dry Clean	Shrinkage	Wrinkle	Slip	Wear	UV	Flame	Static	Other
KL1343	Black	200 gsm	10%	W	W	W	0%	W	W	W	W	W	W	W
KL1342	Black	200 gsm	10%	W	W	W	0%	W	W	W	W	W	W	W
KL1344	Black	200 gsm	10%	W	W	W	0%	W	W	W	W	W	W	W
KL1341	Black	200 gsm	10%	W	W	W	0%	W	W	W	W	W	W	W
L1340	Black	200 gsm	10%	W	W	W	0%	W	W	W	W	W	W	W

Code	Color	Weight	Stretch	Wash	Iron	Dry Clean	Shrinkage	Wrinkle	Slip	Wear	UV	Flame	Static	Other
KL1355	Black	200 gsm	10%	W	W	W	0%	W	W	W	W	W	W	W
KL1353	Black	200 gsm	10%	W	W	W	0%	W	W	W	W	W	W	W
KL1354	Black	200 gsm	10%	W	W	W	0%	W	W	W	W	W	W	W
KL1356	Black	200 gsm	10%	W	W	W	0%	W	W	W	W	W	W	W





Marketing and Communications

[G4-PR6]

HANGTAGS

New **hangtags** have been developed to better communicate Klopman products in terms of fabric performance, certification and quality control. This is a very important tool to inform the wearer in an immediate and iconic way of the benefits and advantages of the fabric they are wearing.



PRODUCT BROCHURE

To inform customers of new products available on our collection we have developed new brochures for particular fabric types, for example, a brochure dedicated to our fabrics offering protection from electrostatic discharge and the brochure for Kendurion fabrics, which protect the wearer from abrasion risks.



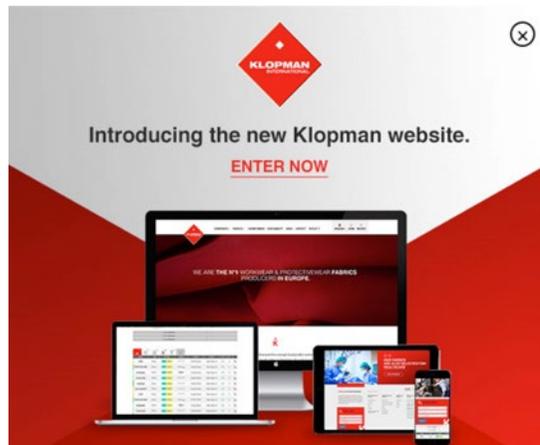


Marketing and Communications

[G4-PR6]

THE NEW WEBSITE

In May 2019, Klopman launched its new website, entirely responsive and designed to improve user experience. New functionalities, like product zoom for images, fabric finder, more accessible certifications and the fabric comparison tool, make the new Klopman website the most advanced in the industry. With a new way of presenting our products, the website includes a section dedicated to our commitment to sustainability. It focuses more on products, featuring an advanced fabric range search to filter products by colour, weight, certifications, risks etc. The site provides a clear message of who we are, what we stand for and where our values lie when developing, manufacturing and delivering our products.

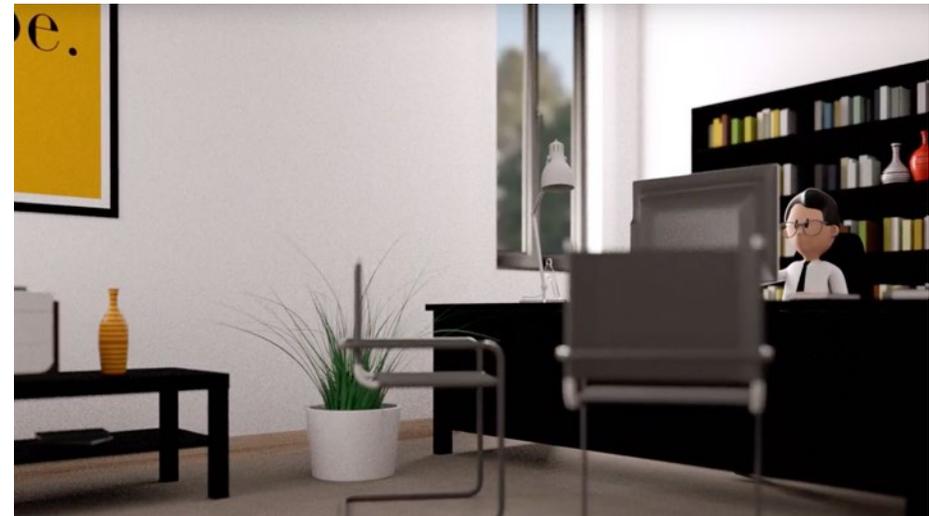


A completely new SEO strategy has also been implemented in 7 languages, in order to optimise the website for browsers and to help web users find what they are searching online more easily.

VIDEO CUSTOMER PORTAL

We have released a new video to launch the new customer portal, which was created to simplify the exchange of documents and information with our customers. The video has been published in 4 languages and with infographics.

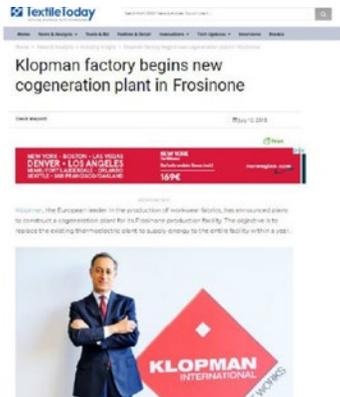
<https://www.youtube.com/watch?v=Sz5IsTMKk9Y>



PR Activity

As one of our communication streams to external stakeholders, we have an intensive programme of press releases, issued to national generalist media and international trade magazines.

We have achieved important coverage in major Italian newspapers and well-known magazines.





Social Activity

We also communicate on a regular basis (twice a week) to our stakeholders through our social media feeds: LinkedIn, Twitter and Facebook. In 2018 we began more intensive digital activity, gaining a very high engagement and a significant increase in followers, thanks to our campaigns aimed at communicating our commitment to sustainability.



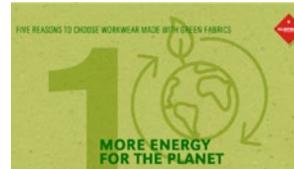
CERTIFICATION

Significant attention was given to posts highlighting our commitment to such sustainable initiatives as certification for Oeko-Tex OC1.



KLOPMAN AWARDS

Award for university thesis on environmental sustainability and circular economy.



5 REASONS TO CHOOSE ECO-FRIENDLY FABRICS FOR WORKWEAR

Reason 5: Everyone wins. Advanced production processes mean that garments made of green fabrics guarantee – for companies and the workers who wear them - comfort, quality and, above all, durability with substantial cost savings.



GREENWEAR

At Klopman, we promote fabrics made with more sustainable materials. Our Greenwear fabrics are created with recycled polyester and sustainable cotton, offering the same high-quality standards and performance customers expect from our products.



CLEAN WATER PROGRAM

In our production plant, all liquid by-products used in the manufacturing process are neutralised before discharge into an on-site effluent treatment plant and water is #recycled to reduce wastage. Biological wastewater treatment comes to a total of 48000 m³/week



HAPPY NATIONAL TREE DAY

Today is National Tree Day. All our printed communications are made using FSC (Forest Stewardship Council) certified paper, to ensure paper is coming from a responsible source and that responsible forestry practices are taking place.



FAIRTRADE

Klopman's products made with Fairtrade-certified cotton guarantee that cotton-based products have been certified in accordance with Fairtrade standards. They offers that high same level of quality and performance our customers have come to expect.



Social Activity



RECYCLING

Klopman's everyday commitment to the environment goes from minimising the use of plastic and recycling waste in all working areas, to the recent installation of trash compactors to make waste management easier and more efficient.



SOCIAL INITIATIVES

Donation of a children's library to the vaccination service of Frosinone hospital, participating in bookstore chain Giunti al Punto's reading awareness initiative.



FABRIC WITH RECYCLE POLYESTER

Focus on recycled polyester fabrics.



ENGLISH CLASS

Klopman was proud to organize an English course to satisfy the employees' request for language training, following our continuing investment in people skills and professional expertise.



SCHOOL JOB ALTERNATION PROGRAMME

Last June four students were here in Klopman to attend the school/job alternation programme, which gave them the chance to gain valuable work experience to help start their careers.



NATALE

The most wonderful time of the year with our wonderful colleagues.

**Wear
the
Future**



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