



**THE SOCIAL RESPONSIBILITY
REPORT
OF
LUBE Srl**



Date	Drawn up by	Verified by	Approved by
26.06.24	RSG	SPT	General Direction



INDEX

1. Introduction.....	3
2. The company.....	3
3. History and programs.....	3
4. Policies and values.....	5
4.1 Social responsibility policy.....	5
4.2 Social responsibility policy for Employment Agencies.....	6
4.3 Policy for quality, environment and safety.....	6
4.4 Chemical safety policy.....	8
4.5 Code of conduct.....	9
5. Stakeholder.....	9
6. Organizational structure.....	12
7. Responsible management of business.....	14
8. The value of people.....	14
8.1 Child labour ban.....	14
8.2 Forced labour ban.....	16
8.4 Health and safety.....	17
8.5 Collaborators.....	21
8.6 Staff selection and turnover.....	21
8.7 Training and skills development.....	21
8.8 Well being of employees.....	21
8.9 Fight against discrimination.....	22
8.10 Disciplinary practices.....	24
8.11 Working hours and salary.....	25
9. Communicating is the key of sharing.....	26
10. A complete management to guarantee quality.....	26
10.1 Supply chain control.....	26
11. A commitment to advanced certification standards.....	27
12. User safety always in the forefront.....	31
13. The commitment to the environment.....	31



1. Introduction

LUBE S.r.l. is pleased to present the Social Responsibility report for the year 2023.

This document aims to disseminate the objectives that LUBE srl intends to pursue in a transparent, clear and complete way, to employees, collaborators, suppliers, customers, institutions and all the people with whom the company comes into contact. Our goals have the purpose to:

- A socially responsible work environment and professional growth of personnel in full compliance with the requirements of the SA8000: 2014 standard;
- Controlled management of environmental aspects with a view to awareness and improvement of one's performance, both for the reduction of consumption and for the development of environmental sustainability projects.

LUBE Srl has already started a coherent and aware route on both social and environmental issues since 2009 with the desire to stand out as a socially responsible company, pursuing policies aimed to:

- the observance of the fundamental rights of workers and at the health and safety of workplace condition;
- attention to environmental aspects;
- ensure the highest quality of its products through the systematic control of manufacturing process;
- guarantee the safety of its products from a chemical point of view.

This report intends to provide the means and tools to verify observance with its corporate policies to stakeholders and anyone interested. Specifically, the Social Responsibility Report is drawn up annually and is the result of the collaboration and involvement of the management itself and of the members of Social Performance Team (SPT), of the Management System Manager and of all corporate functions. Its diffusion is guaranteed through the publication of the document on the website of the organization www.lubesrl.it and through its distribution within the organization itself.

2. The Company

Denomination	LUBE Srl established in 1983
Head quarter	7, Via Catalani Alfredo - 50050 Cerreto Guidi (FI)
Contatti	tel 0571 581182 fax 0571 581183 email lubesrl@lubesrl.it web site www.lubesrl.it
Subscription	Numero REA FI 361930
C.F./P.IVA	03388310488
Corporate purpose	Design and manufacture of knitwear accessories

3. History and products

LUBE was founded in 1962 by the parents of the current owner, **Claudio Lunardi**. For about 25 years, the production went in parallel: knitwear, finished women's products, accessories for the clothing industries.

Over time, the company has undergone a clear transformation with the only specialization in accessories and with a service of yarns ready in stock. Today LUBE focuses its attention on quality and trendy products; in fact, it is no coincidence that the existing customer is made up of the best international brands.



The production includes the use of the following worsted and carded yarns: pure cashmere, cashmere blend, pure wool, merino, extra merino with angora, pure cotton, silk, silk and cashmere, polyester, nylon, acrylic wool blend, viscose, superkid mohair, etc... for all these yarns LUBE has a good stock service in



various colors in its warehouse. During the production, all yarns are mixed with a special type of elastic. Furthermore, LUBE uses the latest generation of electronic machinery in the manufacturing process, in all gauges.

Following a growing investment, especially in recent years, LUBE has gradually led to almost 100% of its production being carried out within the company, without making use of external laboratories: even the fulling of the carded yarns is carried out by LUBE. All this works in order to improve quality and service.

LUBE's manufacturing consists of collars, cuffs, inserts, bands, ribs, polo collars, t-shirt cuffs and modeling of fabrics lowered according to customer requests.

LUBE has been working for years in compliance with the principles of social and environmental responsibility, already since 2009, through an important photovoltaic system of approximately 100 kw which produces clean energy and work in a total independent way from the point of view of energy consumption.

In 2019 it obtained the SA8000:2014 certification which represents the first important certified milestone. Since 2009 it has started a process of analysis and application STeP standard of OEKO-TEX® and of the international standard of UNI EN ISO 9001:2015., with the achievement of both certifications between June and September 2020.

Over the years, LUBE has developed its mission with the utmost attention to customer needs and through an increasingly targeted and timely response service.

LUBE's MISSION:



LUBE Srl

**Quality and excellence of products and services,
attention and timeliness in responses to the
customer,
guided by principles of environmental sustainability
and social responsibility**



4. Policies and values

4.1 Social Responsibility Policy

LUBE Srl considers the social aspect of the company and the resulting responsibility to be very important. The choice to adopt a **SA8000: 2014 management system** and then to certify it fits coherently into this path, representing a further element of strengthening the policies and objectives of social responsibility towards workers and helping to fuel the widespread sensitivity towards a management socially responsible.

For these reasons LUBE Srl intends to:

- **Increase the company's social responsibility** through the assumption of precise commitments aimed at the workers;
- **Ensure transparency in the management of human resources** through new ways of involving workers;
- **Control ethics and social correctness** in the chain of suppliers and contractors.



The expected advantages of this choice are:

- **Increase the level of monitoring of risks** relating to compliance with social responsibility requirements (and the related Italian laws) in particular in the supply chain;
- **Always represent for its customers a reliable partner** committed to ensure compliance with the principles of social responsibility and attention to quality and occupational safety of both hits employees and those of suppliers;
- **Further attention to equal opportunities** and the enhancement of diversity;
- **Opening of a further channel of dialogue with workers**, both towards individuals and towards trade union organizations.

LUBE Srl undertakes to:

- Comply with current national legislation, international conventions and recommendations, including the resolutions of international bodies such as the ILO - International Labor Organization and the UN - United Nations Organization regarding all the requirements of the standard;
- Ban on the use of child labour (ILO Conventions 182, 138 and Recommendation 146);
- Ban on the use of forced labour (ILO Conventions 29 and 105);
- Respect the freedom of association and the right to collective bargaining (ILO Convention 87, 98, 135);
- Combat all forms of discrimination and unequal treatment (in recruitment, pay, access to training, career promotions, termination of employment or retirement) based on issues of ethnicity, territorial or social affiliation, nationality, religion, disability, gender, sexual preferences, family responsibilities union membership, political opinions and age or any other condition that could give rise to discrimination (ILO Convention 100, 111, 159, 169, 177, 181, 183);
- Condemn all illegal conduct likely to come into conflict with dignity or physical and/or moral integrity;
- Completely and impartially apply the national collective labour agreement to all employees, punctually paying the established salary and paying all the related social security, welfare and insurance contributions (ILO Convention 131);
- Respect working hours by meeting the needs of workers (ILO Convention 1 and Recommendation 116);
- Guarantee the protection of maternity and paternity, as well as disadvantaged people (ILO Convention 183 and 159);
- Promote and improve the conditions of safety and physical and mental well-being of its



collaborators with improvement and corrective actions (ILO Convention 102, 155 and Recommendation 164);

- Involve all suppliers of goods, activities and services and their commitment to social responsibility by complying with all the requirements of the reference standard;
- Develop and extend information, communication, education and training processes and promote dialogue with interested parties, to ensure efficient and effective application of the company's integrated system.

LUBE Srl believes that all of this can make a decisive contribution to improve the general conditions of management and enhancement of human assets and, to this end, undertakes to send all interested parties (employees, suppliers, customers, public opinion, trade unions, public authorities and NGOs) a strong message aimed at awareness, compliance and application of the requirements set out in the SA8000 standard.

To ensure that this policy is understood, implemented and supported at all company levels and by all collaborators of the organization, the company management has implemented the following initiatives:

- Display a copy of this Policy for inspection by all staff;
- Publication on the company website (in Italian and English) to facilitate viewing by all interested parties;
- Training and meeting with all staff on social responsibility.

Periodically, at least every six months, the management evaluates the continued suitability and adequacy of this policy and verify the achievement of the improvement objectives issued for the application of the principles set out above.

Below are the references of the certification body that we have chosen, of SAI, the body that developed the standard, and of SAAS, the accreditation body of certification bodies in the SA8000 area:

Certification body for SA8000, ISO 9001 schemes

RINA Services S.p.A. | Via Corsica, 12 - 16128 Genova, P. +39 010 53851

crt.accreditation@rina.org

SA8000 standardization and accreditation body

SAI - Social Accountability International

15 West 44th Street | New York, NY 10036 Phone: 212-684-1414 | Fax: 212-684-1515 Email: info@sa-intl.org

SAAS - Social Accountability Accreditation Services 15 West 44th Street, 6th Floor New York, NY 10036

tel: (212) 391-2106 fax: (212) 684-1515 saas@saasaccreditation.org

Step By Oeko Tex certification body

Centro Tessile Cotoniero e Abbigliamento S.p.A. I - Piazza S. Anna, 2 · 21052 Busto Arsizio (VA)

info@centrocot.it · www.centrocot.it

4.2 Social responsibility policy for Employment Agencies

LUBE Srl undertakes to contact only private employment agencies operating with a license/authorization for the activity valid according to the relevant law.

LUBE srl undertakes also to guarantee compliance with the following requirements which we ask you to approve at the bottom of the document:

- No expenses or costs for recruitment are borne in whole or in part by workers;
- Job offers must not include any costs to be paid by workers;





- In the event that LUBE Srl becomes aware that the workers have incurred all or part of the expenses or costs, the agency will have to reimburse the workers in full;
- The working conditions must not differ from those envisaged at LUBE Srl as defined at the time of hiring;
- Prior to employment (including, if applicable, before leaving their home country/region) workers are informed of the basic terms and conditions of employment, either verbally or in writing, via a letter of employment in their local language as required by law;
- Migrant workers have contracts and treatment equal to that of their colleagues.

The Management of Lube undertakes to establish monitoring activities and to keep track of the performance of private employment agencies to ensure that the aforementioned elements are respected. Acceptance of the above and of the declaration of Commitment to Compliance with the requirements of the Standard is a fundamental and essential requirement for collaboration with LUBE Srl.

4.3 Policy for quality, environment and safety

Qualità

Sicurezza

Ambiente

The management of LUBE srl has decided to implement an integrated management system in compliance with the principles of quality, sustainability of textile processes, the environment, health and safety and social responsibility, undertaking a certification process in compliance with the SA8000, UNI EN ISO 9001 standards StEP by OEKO-TEX®.

The management of Lube srl intends to guarantee, within its organization, the controlled management of all the aspects and requisites envisaged by the standards indicated above and in particular:

- Controlled management of its production processes in order to meet customer needs and product safety;
- Management of chemical products of both in reference to the health and safety of workers and the external environment and to the content of dangerous or prohibits substances in the articles produced. This objective is pursued in particular through a careful selection and evaluation of suppliers of raw material (yarns) and third-party processing (in particular dyes) in order to verify compliance with the regulations in force envisaged and in the continuous awareness and training of personnel and collaborators on the correct use of all chemical products during production and/or manufacturing processes (see Chemical Safety Policy Document);
- Management of environmental aspects both in terms of compliance with current legislation and in reference to the possibility of improving the environmental performance of the plant in term of activities carried out, production and articles made above all in the fields of energy saving and in reduction, separation and recycling of waste;
- Management on health and safety aspects in the workplace both as regards compliance with current legislation and the possibilities for improvement, in particular with reference to risk assessment, the use of collective and individual protective equipment and staff training personal.

The integrated quality-safety-environment management system is based on the following fundamental points:

- Risk assessment for the health and safety of workers and products;
- Assessment of significant environmental aspects;
- Evaluation of the implicit and explicit expectations of customers and all interested parties both from the point of view of product and service quality;
- Provision of financial, human and instrumental resources to achieve the objectives;
- Formalization from procedures for keeping the most critical aspects and company practices under control;
- Assessment, qualification and periodic monitoring of suppliers;
- Staff training and awareness so that they are aware of their role in the company both from the point of view of environmental protection and their own and colleague's health and safety;



- Definition of control plans and periodic internal checks (audit) in order to verify compliance with the binding and signed legislation and compliance with the procedures and achievement of the improvement objectives;
- Periodic review by the management of the non-conformities detected, of the accidents and incidents, of the complaints of customers and of all the parties of this policy and of the objectives and programs implemented;
- Pursuit of continuous improvement of the environmental and health and safety performance of according to feasibility and economic sustainability criteria;
- Maintaining active internal and external information channels regarding environmental problems and the protection of worker's health and safety;
- Use of system compliant with the most up-to-date technologies, both for the protection of environment and of workers;
- Preventive evaluation of both new materials/production processes and for the modification of existing ones, in order to identify and keep the environmental, safety and performance aspects under control, trying where possible to reduce their negative effects;
- Checks and maintenance on existing system by progressively adopting the most suitable safeguard measures through improvement interventions;
- Issues and application of an emergency plan to manage any environmental incidents Emissione e applicazione di un piano di emergenza per gestire eventuali incidenti ambientali e/o infortuni
- Information and continuous awareness of its suppliers of goods and services regarding the general principles of this policy so that a relationship of effective collaboration can be established;
- Periodically review this policy, objectives and programs.

To maintain and improve the results achieved on issues of environmental protection, safety and customer satisfaction, the participation of all staff and their representatives is required. Therefore everyone, within the scope of their respective duties and responsibility, must consider the topics indicated in this policy as topics of primary importance, integral and inseparable from their work activity, and are also called to suggest improvement proposals pertaining to their own area of activity.

The management of LUBE srl is available for an open and constructive dialogue with each employee/collaborator, supplier and with all the bodies institutionally responsible for monitoring their work activities.

This policy is drawn up and signed by the Management which undertakes, also through its representatives, to apply it and disseminate its principles to company personnel, suppliers, customers and all interested parties, by means of the communication tools available.

4.4 Chemical Safety Policy



LUBE SRL through this policy intends to offer safety and trust to its reference stakeholders and in particular to customers, consumers and workers on the conscious use of chemical substances.

LUBE srl undertakes on an ongoing basis to fully understand the risks associated with chemical substances and to prevent accidents from occurring by keeping workplaces healthy while respecting ecosystems and the environment.

LUBE srl is always attentive in the changes in the market and to those that occur in the legislative and regulatory environment on prohibitions and limitations on the use of harmful substances to the environment and

to people.

The founding principles regarding the management of chemicals are as follows:

- **Offer maximum peace of mind regarding the chemical compositions of the items** supplied which are always safe and healthy for the community and the environment. To this end, LUBE has implemented procedures for the management of chemical substances by intervening on all processes, from purchases to production, up to distribution. At the request of its customers, it promptly provides information on the chemical substances contained in its products. Furthermore, LUBE periodically carries out tests and laboratory analyses to verify the compliance of the products



with the legal and contractual requirements stipulated with its customers. In guaranteeing this principle, it involves and raises the awareness of its suppliers of yarns and outsourced processes (including dyers) by requesting the signing of commitments and laboratory tests (when deemed necessary).

- **Provide peace of mind for all employees.** LUBE srl has created and maintains a healthy and safe work environment, identifying the dangers associated with the use of chemical substances and constantly carrying out activities to reduce the chemical risk, through the constant search for products that have lower levels of danger. LUBE Srl prevents possible injuries or illnesses to the detriment of employees during the handling and use of chemicals, guaranteeing the necessary training and providing suitable personal protective equipment required by the chemical risk assessment.
- **Ensure commitment to integrity and corporate social responsibility awareness.** LUBE srl, knowing the impact of the chemical substances used on health and the environment, manages them accordingly, using the chemical substances in the most efficient way possible, to reduce the quantities used to a minimum. It constantly verifies the possibility of choosing chemical products on the market with a lower environmental impact and/or the development of alternative technologies that could allow the substitution of substances dangerous for the environment.

4.5 Code of conduct



LUBE Srl takes care to ensure that its products are manufactured in compliance with this code of conduct. To this end, it undertakes to share the common goal and commitment to ensure high social, ethical and environmental standards with its partners/customers and suppliers in compliance with all applicable legal and mandatory requirements the main international conventions on human rights (ILO) and voluntary standards (e. g. SA8000 Standard, OEKO-TEX® STeP Standard).

LUBE SRL considers essential to involve its entire supply chain in the application of the principles contained in this Code of Conduct, requiring its suppliers to comply with the principles set out below both in the selection of new suppliers and in the continuation of commercial relation.

In particular, LUBE undertakes to comply with the following requirements:

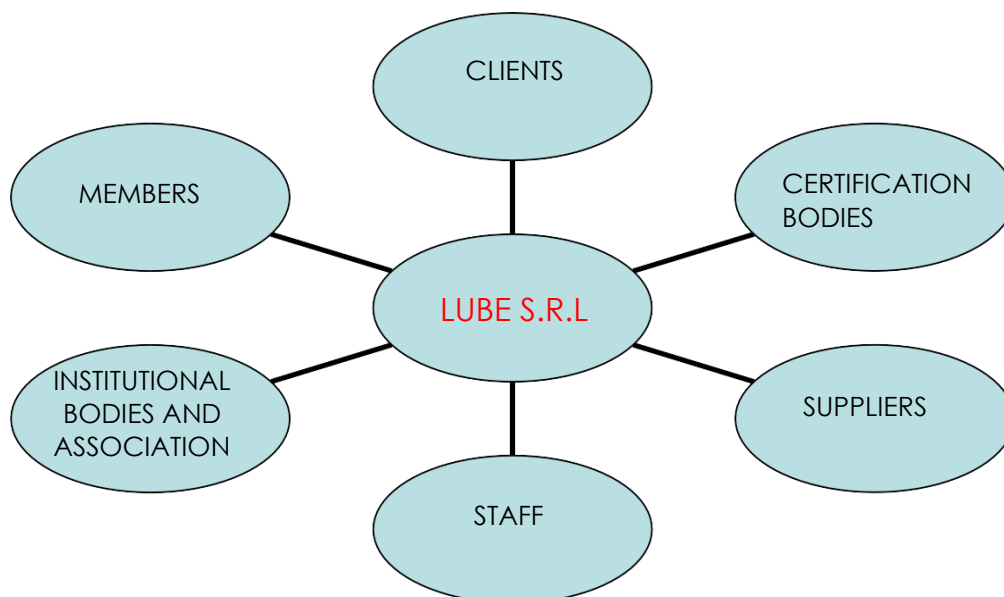
- Fair and respectful treatment of personnel
- Dignified and ethical working conditions for personnel
- Respect for the freedom of association and the right to collective bargaining
- Absence of child labour and compulsory in all its forms and expressions
- Existence of measures to ensure working conditions of personnel in compliance with health and safety
- Absence of any form of discrimination against staff
- Non-use or support of forms of coercion or punishment
- Respect of working hours (included overtime) and of the remuneration agreed with its workers in order to cover all the needs and expenses necessary for workers
- Measures to ensure that finished products are safe and not harmful to health
- Development and use of environmentally friendly technologies and chemical products
- Measures for efficient use of resources and progress towards green chemistry
- Responsible waste disposal and a precautionary approach to environmental challenges
- Fair business behaviour and practices through the prevention of corruption and possible lawsuits
- Working attitudes guided by the values of integrity, honesty contractual correctness and full compliance with all legal requirements as well as the criteria OEKO-TEX® STeP requirements. ®.

5. Stakeholder

The term "stakeholders" refers to people inside and outside of the company who have an interest of



any kind towards the company itself, which takes the form of a series expectations in the form of information needs, economic interests, etc. the following chart shows the main stakeholders identify by Lube to verify the ability to respond to the needs and requests of each through an open, transparent and trust-based dialogue.



Members

Social responsibility towards the mis expressed through respect for principles such as equal treatment and valorisation of the company.

Staff

Their involvement, participation in the definition of the human resources system, together with the company's top management, is fundamental for the successful implementation and application of the system. The involvement of the staff of Lube srl is made possible through moment of information, meeting, awareness and training. The number of employees/collaborators at 31/12/2022 is 28.

Suppliers

The stakeholders "suppliers" includes all the subjects from which the company purchases goods or services necessary for the realization of business activities. Lube srl is committed to sensitize its suppliers on issues of social responsibility, in order to extend the application of these principles to the entire supply chain.

The company has structured a system for the selection and qualification, monitoring and awareness of its suppliers, asking them to comply with the rules and commitments that the SA8000 standard requires them to fulfil.

The suppliers used by the company must guarantee, similarly to the management system adopted by Lube srl, compliance with following requirements:

- Not to use or encourage the use of child labour in the cycle of activities;
- Not to use or encourage the employment of staff against their will and to resort to all forms of work under threat or punishment;
- Ensure a safe and healthy workplace for all workers and develop a careful risk assessment and management and an appropriate training program in compliance with the current legislation;
- Respect the right to freedom of trade unions or membership of trade unions by its employees, not discriminating against trade union representatives and promoting collective bargaining;
- Do not exceed the weekly hours provided for by the National Collective Labour Agreement ensuring at least one day off per week;



- Prohibit any form of discrimination;
- Not to use or facilitate corporal punishment, mental or physical coercion and verbal violence against workers;
- Ensure that the salary is not lower than the minimum wage established by the National Collective Labour Agreement.

Clients

They are the subjects for whom the products and services provided by our company are designed and manufacturing.

The attention that customers increasingly pay to the constant commitment to quality and corporate social responsibility is considered fundamental, values to which the market recognizes ever greater importance.

Institutional bodies and associations

This category includes all those entities (ASL, INPS, INAIL, Ispettorato del Lavoro, Comune di Firenze, Regione, ARPAT, Vigili del Fuoco, Organizzazioni sindacali, Istituti di credito and others) which come into contact with the company and with whom Lube can develop a fruitful working relationship, considering them important subjects interested in the growth, in their territory, of a company strongly devoted to technological and social development.

Full compliance with current legislation, maximum management and procedure transparency, willingness to collaborate are the fundamental guidelines for carrying out company activities.

Certification bodies

To obtain the certification of its social responsibility system Lube srl has chosen Rina Services S.p.a and Ente Centrocot.

Through the drafting of the Social Responsibility and Environmental Report, Lube srl wants to put all the stakeholders in a position to evaluate the company's performance from a social point of view in the light of the objectives and planned actions.

Regarding the form of communication of the principles, including ethical ones, of its management system, Lube makes use of:

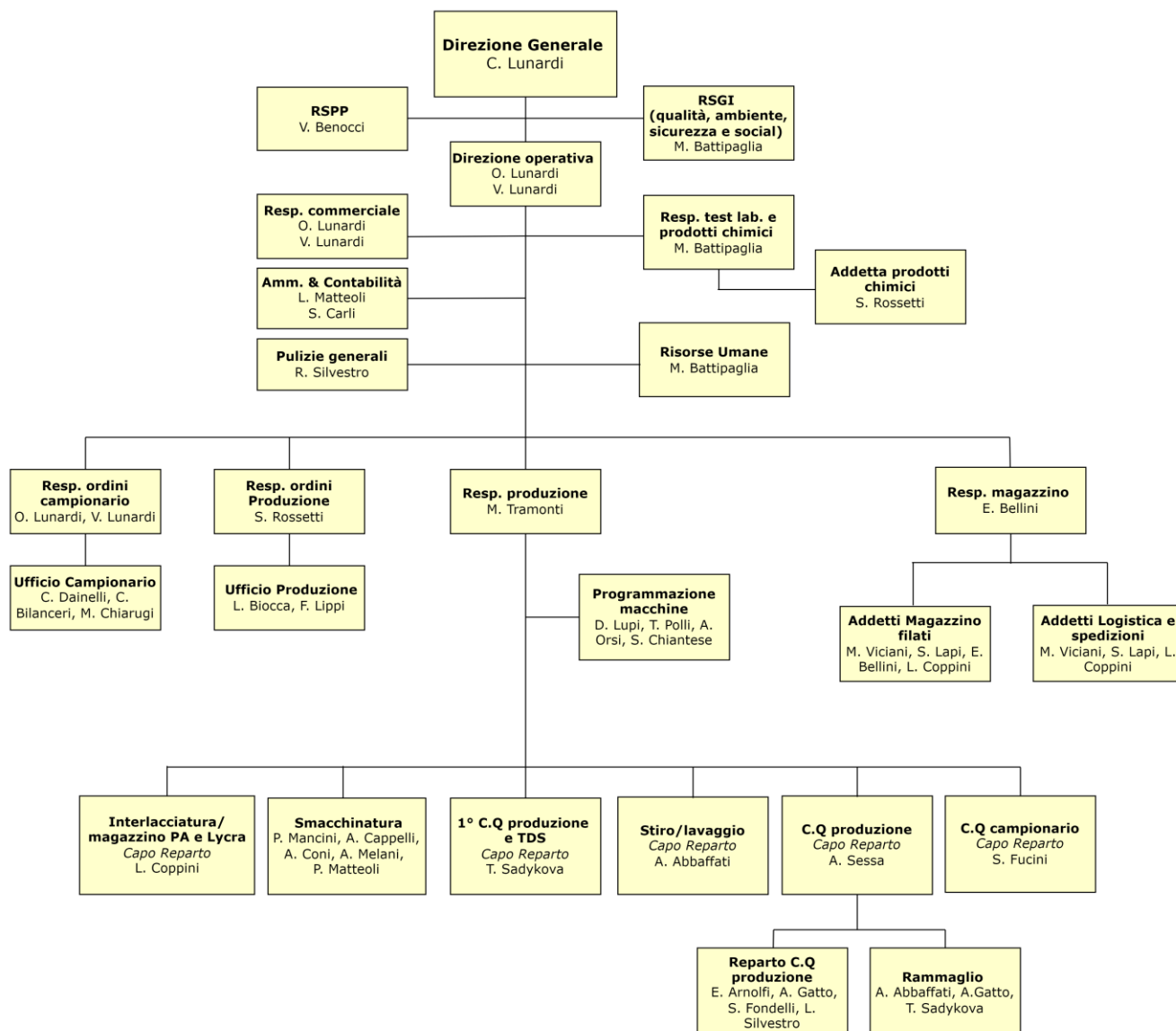
- ◆ website: www.lubesrl.it
- ◆ dissemination of disclosure documentation to customers and suppliers;
- ◆ e-mail service for communications to external stakeholders;
- ◆ company bulletin boards;
- ◆ 1 suggestion and complaint box located near the stamping area;
- ◆ Meetings and calls for internal communications to its staff.





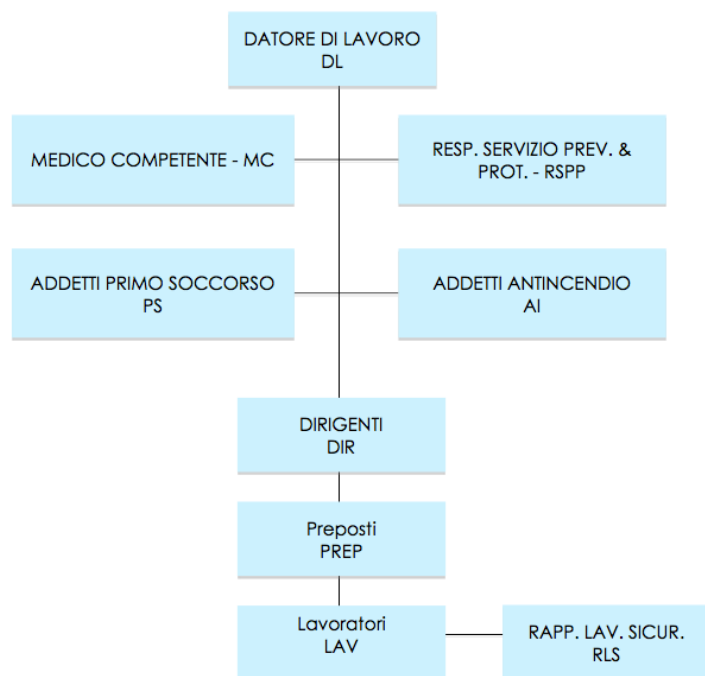
6. Organizational structure

The internal organizational structure of Lube srl is defined in the chart below:

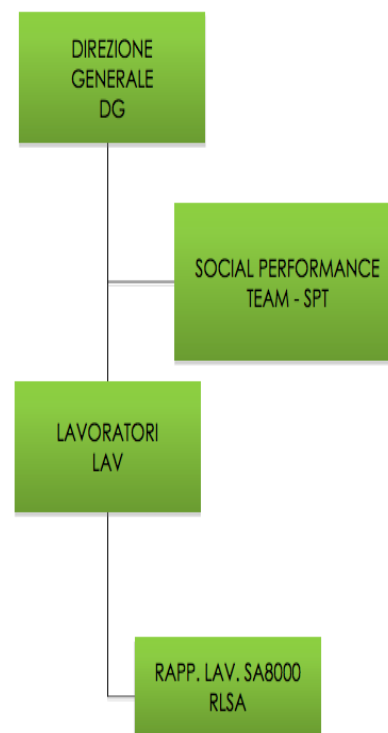




ORGANIGRAMMA SICUREZZA



ORGANIGRAMMA RESPONSABILITÀ SOCIALE





7. Responsible management of business

In recent years, our company has had an increase in turnover and a steady growth in the number of customers compared to the last years.

Indicators	2021	2022	2023		
TURNOVER GROWTH	+42%	+49%	+17%		
CUSTOMER GROWTH	Costant	Costant	Costant		

8. The value of people

Our company has always focused on the strength of a product of excellence, skilfully calculated yarn knitwear, with solutions that reveal the preciousness of the compositions, unexpected colour effects and a lightness taken to extremes. To achieve levels of excellence in our productions, we are aware that the people who work with us represent a value to be protected, precisely because they have experience and expertise that is difficult to find on the market.

Our work is based on the following values that we always place at the centre of our activities and our business.

8.1 Child labour ban

2023 goals

We intend to continue the work of raising awareness and monitoring suppliers against child labour.

Participation in voluntary initiatives in support of children with the provision of a contribution to associations that support disadvantaged children.

LUBE Srl undertakes not to employ workers whose age falls within the definition of a child and young worker. However, the company has drawn up a specific procedure, P04 "Procedure against child labour" in which it



identifies the interventions to be implemented in the event that the presence of a minor worker is ascertained within the company or in the chain of suppliers and/or sub-suppliers.

It is the company's custom to hire only adult personnel and to ensure that, even erroneously, recruitment practices are carried out or initiated that do not comply with the conditions and regulations relating to the employee's age, it is requested by the company, at the time of recruitment, copy of an identity document in compliance with the provisions of the European Regulation on the processing of personal data GDPR679/2016.

Our goals achieved

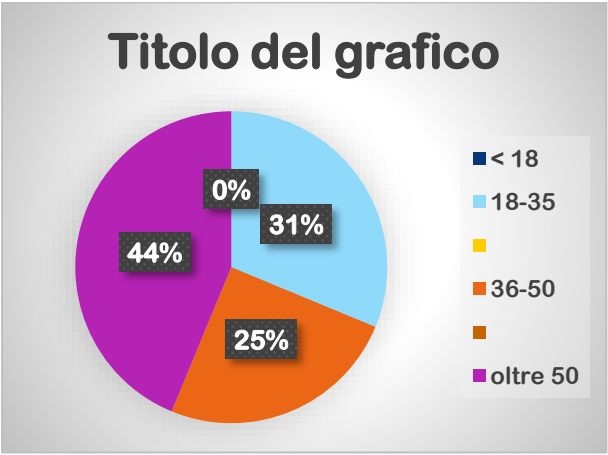
2023 goal	Indicators	Resources and responsibility	Times	Results
Suppliers awareness and supply chain monitoring	Declaration of commitment signed by suppliers	General direction	31.12.2023	No suppliers critical of these requirements



The average age of the staff is about 40 years-old. Below is the composition of the workforce by age group on January 2024.

COMPOSITION OF WORKERS BY AGE

< 18	0
18-35	10
36-50	8
oltre 50	14



As can be seen in the chart above, the highest age group is over 50 years; although Lube relies heavily on the training of young personnel to work alongside the historical personnel who have now been present in the company for years so as to be able to pass on to them the business skills necessary to grow and be able to replace colleagues very well during the generation change.



8.2 Forced labour ban

2023 goals

We work for the continuous improvement of the relational aspects of the relations between workers through the continuous monitoring of the satisfaction of workers and management of eventual signalling.

We provide continuous awareness of these issues.



the
threats or
their

The work carried out by all the personnel employed in company is absolutely voluntary, no one is the victim of other intimidations which force them in any way to lend services.

Our company applies the rules established by the legislation in force and by the C.C.N.L. for all its personnel. Any form of undeclared work, illegal employment or employment relationship in violation of the law is rejected.

At the start of the employment relationship, the responsible departments require the worker to provide the documentation necessary for ordinary fulfilment (identity card, tax code, family status, residence permit, bank details, tax deduction form, form for TFR destination, application for family unit allowance, etc.) and keeps only one copy in full compliance with European Regulation 679:2016 (GDPR). In fact, the staff is provided with detailed information on the purposes and methods of processing personal data.

The administrative office, which also deals with personnel management together with an external consultant, is available at any time to provide information and explanations regarding the employment relationship, pay slips and the CCNL applied and allows you to directly consult the contents.

Within LUBE Srl each worker is fully aware of their rights and duties; during the personnel selection phase, the same is informed about the tasks, the type of contract, the classification and any difficulties related to this task. At the time of hiring, workers receive a signed copy of the employment contract, are instructed on how to read the pay slip and are informed on how to withdraw as provided for by the CCNL applied.

In the company there are no security guards or audio-visual systems for the control of the workers and they are free to leave at the end of the working shift. The video surveillance system is installed in compliance with the legal requirements and for the exclusive purposes of guaranteeing security.

In compliance with the provisions of the binding and contractual legislation on the matter, we provide advances on the severance pay in the cases granted and when this request is formally executed, but we never use cash loans to "bind" employees.

Our goals achieved

2023 goals	Indicators	Resources and responsibility	Time	Results
Continuous improvement of working conditions	Number of alerts (if any)	RSG	31.12.23	No complaints/ reports



Raise workers awareness about SA8000 standards	Meetings with the SPT and training – awareness meetings	RSG	31-12-2023	During 2021 meetings were held with the SPT and meetings with staff on the SA8000 standards
--	---	-----	------------	---

8.3 Freedom of association and right to collective bargaining

2023 goals

We will continue to raise staff awareness about issues relating to the employment contract

Our company respects the right of all personnel to freely join trade unions and the right to collective bargaining in full compliance with current legislation on the subject and the C.C.N.L. and the prevention of any form of discrimination against union members or representatives.

In the event that union representatives are elected, they will not be subject to any type of discrimination and will be able to communicate freely with workers in the workplace. Company spaces are available for trade union communications and for any trade union meetings. To date, only one worker is registered with trade union association.



8.4 Healthy and safety

2023 goals

We are working to expand the plant and improve the lighting system in production and the ergonomics of the workplaces.

We are creating new spaces available to staff for breaks, toilets and changing rooms.

We continue to continuously raise staff awareness of correct working procedures in safety.



Our commitment is to ensure safe and healthy workplaces.



To this end, our company undertakes not only to respond to the obligations established by Legislative Decree 81/08 and subsequent amendments, but also to implement continuous projects for the improvement of safety.

We are in the process to update the general risk assessment document and the chemical risks assessment, with a careful analysis of all the activities carried out within the places where the work is carried out, analysing the risks and danger factors for the safety and health of the personnel and identifying the relating preventive and protective measures and the corrective actions to be carried out.

We work with our consultants and with our RSPP to ensure that workplaces always comply with the hygienic-sanitary conditions required by the regulations and ensuring adequate environmental conditions for personnel to carry out their duties.

From 2019, the Employer has decided to appoint an external RSPP, a qualified professional supported by the consultancy firm in charge of managing all the obligations on the subject in order to guarantee maximum attention even with external professionals in such matters.

On an annual basis, a Periodic Meeting is held in the presence of the RLS, the MC and the RSPP in which the health report of the Competent Doctor is analysed, the observations of the RSPP and the RLS and the evolution of the improvement plan planning the objectives for the future.

The company ensures the detection and monitoring of accidents and occupational diseases in order to activate appropriate corrective and improvement actions and ensures its employees basic, specific and periodic information and training relating to the risks present.

A register of accidents and near misses is also envisaged in order to preventively monitor actions and situations that could be a source of accidents.

There have been no occupational diseases in the last 3 years, there was only one injury in 2021

INJURIES		
YEAR	Infortuni < 3 gg.	Infortuni > 3 gg.
2021	/	2
2022	/	/
2023	/	/

TYPES OF INJURIES	YEARS		
	2021	2022	2023
Fractures	1	-	-
Wounds	-	-	-
Distortions	-	-	-
Muscle problems	-	-	-
Trauma	-	-	-
Bruises	1	-	-
Others	-	-	-

The absence of occupational diseases is closely linked to prevention and awareness-raising activities, and also to the organisation of training courses and the purchase and distribution of personal protective equipment delivered to workers.

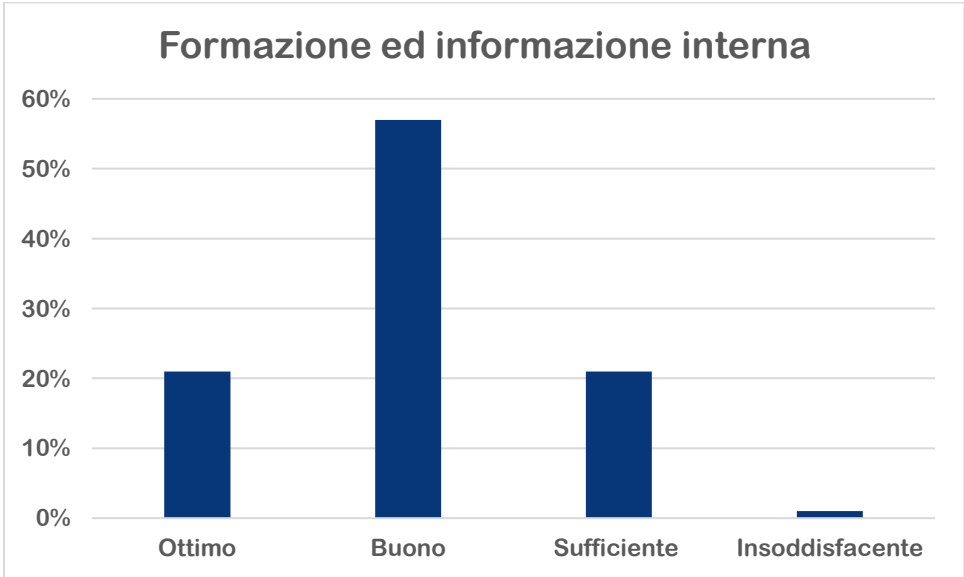
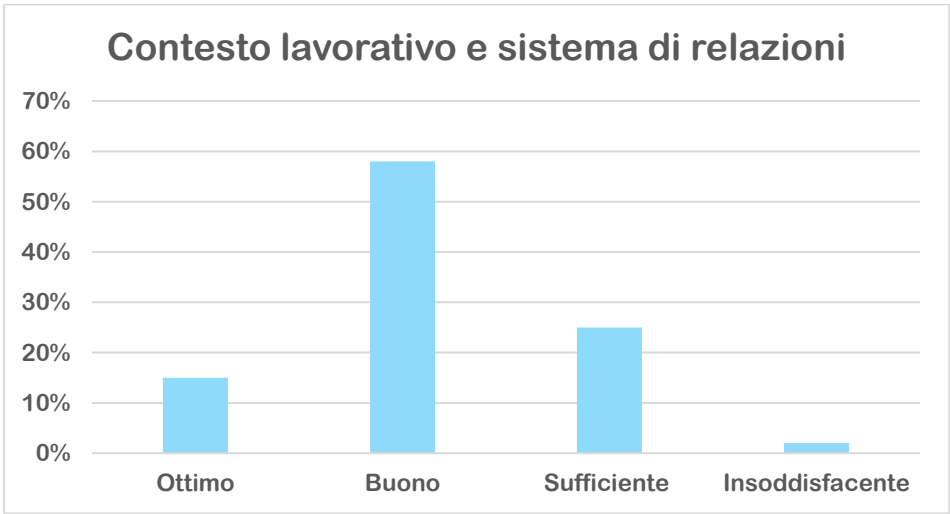
Below is a summary of the safety training provided in 2023

Type of training	Total hours	Recipients
Worker safety Agreement State regions high risk	118	Employees and workers



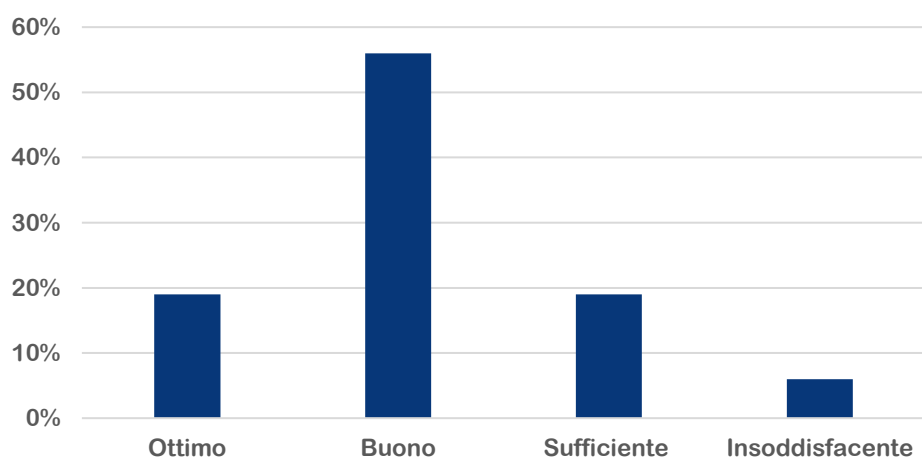
First aid	0	First aid workers
Firefighting	0	Fire-prevention officers
RLS training	4	Representative of workers for safety

In april 2024, a climate survey was carried out for staff. The findings on health and safety aspects are set out below.

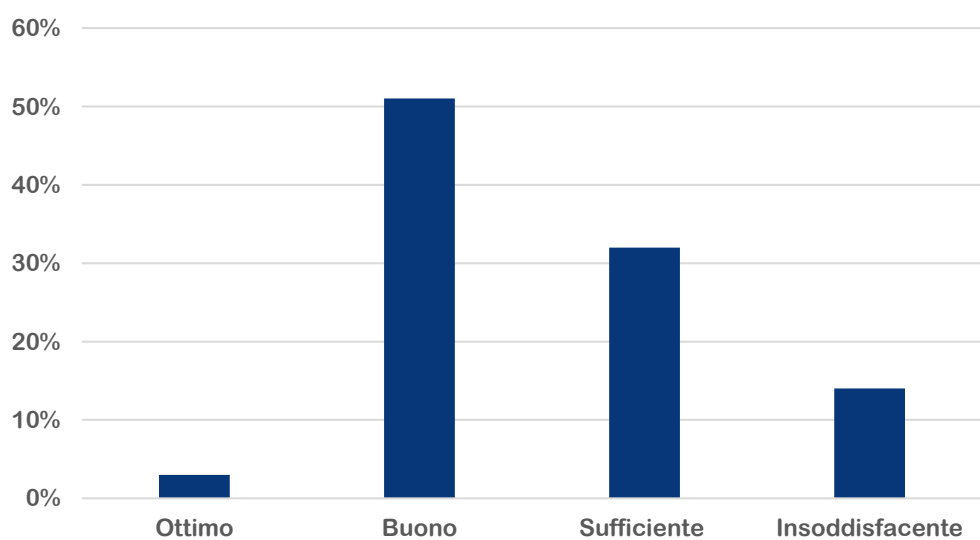




Organizzazione salute e sicurezza



Ambiente di lavoro



Our goals achieved

2023 goals	Indicators	Resources and responsibility	Time	Results
Training and updates for workers	Total hours of training	RSG	31.12.2023	The staff is trained in health and safety (to complete training for new recruits)
0 injuries	Injury frequency rate and injury severity rate	RSPP	31-12-2023	No injuries and no professional diseases



8.5 Collaborators

The human factor and the experience of our collaborators represent the strengths of our company and the element that has allowed to continue to grow throughout these years of activity.

For this reason, in Lube srl, the enhancement of the individual and the protection of equal opportunities begins with the recruitment process, to then continue along the path of individual growth thanks to constant investments in training. Our policies help to create an environment in which each employee can find an effective response to their particular needs both in terms of family management and mental and physical well-being.

8.6 Staff selection and turnover

Personnel selection and management policies are defined on the basis of principles and practices defined by the General Management. As indicated in its policies and in the Code of Conduct, the selection of personnel to be hired is carried out by the competent functions and takes place in compliance with the corporate values, the ethical principles of the Code and all applicable laws, both at European and national level. Personnel selection and management are based exclusively on criteria of competence and merit and are carried out in compliance with people's rights, condemning all forms of discrimination. In application of the principles and values contained in the Code of Conduct, LUBE srl has its own personnel selection policy. In line with the principle of valuing talents and skills and in the face of a job request or a need to manage turnover, a search is first of all carried out through external selection channels such as advertisements on specialized sites, direct deposits or examination from the CV database.

Every new hire has an established induction path. At the end of the induction process, an assessment of the process is carried out, which normally coincides with the end of the contractual trial period.

8.7 Training and skills development

Lube Srl implements personnel development and training methods. On an annual basis, the LUBE Srl General Management in collaboration with the responsible functions carries out an analysis of training needs in various areas. Managers report the training needs of the staff, sharing them with the Management. From the collection, the training plan is created and issued. Where possible, training is financed through recourse to company funds. The training plan implements courses aimed at continuous updating and at accompanying role or organizational changes. The plan envisages specific moments for the introduction of new resources who, through courses and on-the-job training, help and facilitate the handover. All internal SA8000 and Health and Safety training courses are subject to an assessment at the end of the event.

The training activities carried out by LUBE during 2023 are shown below:

- Work procedures and company rules
- Application of the Covid-19 Protocol and new legal obligations
- Analysis and discussion on organizational aspects and management of employment relationships
- Quality training
- Training on new Stoll machinery
- Training on the new accounting program
- Training and insights into the SA8000:2014 standard
- Training on the Step by Oekotex

Since 2019 LUBE has started and continues some agreements with educational institutions and has started internship courses within it.

8.8 The well-being of workers

Our company carries out periodic monitoring of personnel satisfaction through climate surveys in order to



evaluate all aspects, including relational ones, and to intervene with improvement actions. Our primary objective in the field of labour relations is to combat any type of discrimination.

8.9 Fight against discrimination

2023 goals

- **Maintaining the existing situation of non-discrimination**
- **Periodic monitoring of staff satisfaction also through survey questionnaires**



We fight any type of personnel discrimination in hiring, salaries, access to training, career promotions, termination of employment or retirement, based on issues of ethnicity, territorial or social affiliation, nationality, religion, disability, gender, sexual preferences, family responsibilities, trade union membership, political opinions and age or any other condition that could give rise to discrimination.

In order to ensure that no discrimination is made, we undertake to:

- Carry out the selection of personnel considering objective elements such as experience, skills, professionalism, education in relation to the functions to be held;
- Pay each employee according to the duties performed in accordance with the CCNL;
- Carry out the level promotions according to the capacity of the individual and the necessities of the company;
- Train everyone according to organisational and development needs, the possibilities for individuals and the organisational needs of the company;
- Make retirements according to current legislations;
- Make dismissals in cases permitted by law and in no case for discriminatory grounds.

In order to prevent any form of discrimination at work, we have set up an anonymous complaints mechanism (alert box) which allows workers to register any discrimination suffered, and the company to put in place all necessary measures to prevent the recurrence of the event. At the moment this tool has never been used by workers.

The table below shows the roles held within the organisation. There is an equal distribution between female and male personnel. In addition to the three directors of the Company, at the moment there are no employees who hold the role of Executive and Manager.

Level by gender year 2023

Level	Men	Women
Dirigente	0	0
Quadri	0	0
Impiegati	1	8
Operai	13	10



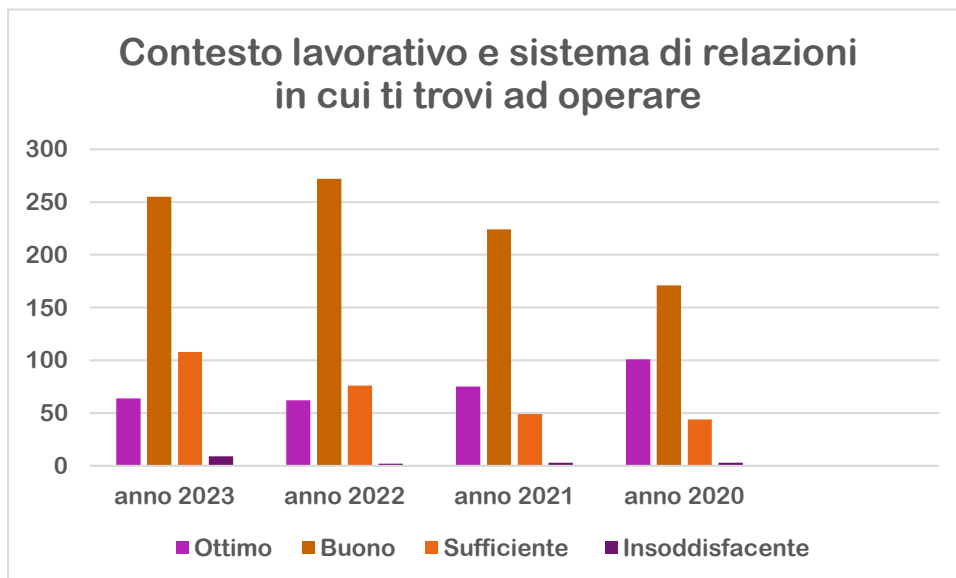
Workforce composition by type of contract for the year 2022

Tipologia di contratto	Uomo	Donna
T.I	12	14
T.D	2	2
OTHERS		2

Our goals achieved

2023 goals	Indicators	Resources and responsibility	Times	Results
Maintaining the existing situation of absence of discrimination	Number of complaints/reports	SA8000 workers representative	31-12-2022	Analysis of company climate questionnaires

The results of workers climate survey carried out in January 2023 are shown below, compared with previous years





8.10 Disciplinary practices

2023 goals

- Maintenance of the absence of disciplinary practices
- Continuous awareness of staff on the correct behaviour to keep at work



We have always fought against any form of coercion, including verbal ones, towards personnel and we believe dialogue and a constructive approach to solve problems, in line with our ethics and corporate culture are fundamental.

Our organization has never made use of the tools provided by the CCNL for disciplinary procedures against personnel even if we believe that they can be effective tools if the need arises.

To take preventive action in this area we have issued a Company Regulation in compliance with art. 2106 c.c., art. 7 of the Workers' Statute and the applicable CCNL.

The company regulations are signed by the staff at the time of recruitment in order to share the obligations and rights of workers while defining the company rules.

During the last 3 years 2 disciplinary actions have been taken against workers.

Disciplinary actions	2021	2022	2023
Written reminders	2	0	0
Fines	2	0	0
Suspensions	0	0	0
Dismissals	0	1	0

Our goals achieved

2023 goal	Indicators	Resources and responsibility	Time	Results
Awareness raising and information to personnel on the correct behaviour to adopt at work	Absence of disciplinary procedures against personnel	SA8000 workers representative and General Direction	31-12-2023	In 2023, meetings were held with staff to continuously raise awareness on company rules



8.11 Working hours and salary

2023 GOALS

Monthly monitoring of overtime hours performed by staff in order to ensure compliance with the legal limits and the SA8000 standard



2023 GOALS

More information and training for workers on the composition of payslip



We strictly comply with the provisions of the CCNL regarding working hours and pay and workers have been duly informed of the expected working hours and contractual conditions. In correspondence with periods of production peaks, workers can work overtime, duly paid.

In any case, the company guarantees that overtime work does not exceed the provisions of the relevant CCNL.

Any changes in the distribution of hours throughout the week are agreed with the workers, as are the planning of holidays, leaves and permits. Holidays are agreed between the employer and the employee taking into account the needs of both. The procedure to be followed for requesting holidays and permits is explained in detail in the company regulations.

YEAR	OVERTIME HOURS	TOTAL HOURS WORKED
2021	1272	52.432
2022	3101	57.787
2023	2724	57.787

Our goals achieved

2023 goals	Indicators	Resources and responsibility	Time	Results
Control the use of overtime work	Not exceeding the legal limits established by the reference CCNL	General direction	31-12-2023	Monitoring of the number of overtime hours. Overtime is only done extremely occasionally

Our company applies the CCNL regulations for all employees guaranteeing every one fair and dignified salaries according to their abilities and to their levels.

The contractual form most used in the company is the open-ended and fixed-term full-time contract. The company does not have project contracts while some temporary workers work in the company.

We undertake every day to guarantee our employees all the guarantees regarding family allowances, deductions and other forms of integration to the minimum income set at the time of the contract and



we try to provide, if necessary, advances and loans to its workers and we are available to personnel, through the personnel administration office or directly the labour consultant, for any clarification regarding payroll.

Our goals achieved

2023 goals	Indicators	Resources and responsibility	Time	Results
Punctual monitoring on the levels and tasks assigned to personnel	Compliance with the provisions of the applicable CCNL	Direzione Generale	31-12-2023	Detailed analysis of the tasks and the new definition of the company organization chart and contractual levels

9. Communicating is the key to share

Internal communication becomes a fundamental tool to ensure harmony among all employees with principles, values and objectives.

We are working to encourage both bottom-up and top-down communication through periodic meetings with job representatives thanks also to the establishment of the Social Performance Team, a body set up following the SA8000 certification which plays an important role in our company for comparison, exchange and reporting to the Management of the problems and proposed by the staff.

In 2019 we consolidated the role of the department head and we saw a significant improvement in the transfer of information and internal communication flows.

Another important aspect is represented by external communication with our stakeholders. For this reason, Lube has revolutionized its corporate website by modifying it "entirely" precisely to allow a quick and safe understanding by the stakeholders.

10. A complete management to guarantee quality



10.1 Control of the supply chain

The quality of a product begins with raw materials. For this reason, Lube srl establishes consolidated relationships with leading companies in the market for the supply of yarns.

The selection of suppliers and the management of the supply chain represent an opportunity to generate a new value in the complex textile-fashion supply chain, guaranteeing an optimal level of service and full customer satisfaction through an end-to-end supply chain model. From 2019 we began to share with our suppliers new General Condition of Supply including the Code of Ethics and the commitment to respect our

values. The reliability of the suppliers and their ability to meet the requirements are fundamental elements in order to be able to guarantee the quality of the products and services offered. Wishing to enhance sustainability in relations with suppliers, we have already been working since 2018 to develop a selection procedure in which, in addition to quality, service and competitiveness criteria, parameters in the field of environmental sustainability and social responsibility are also considered.



In addition, we have issued a procedure on the management of chemicals in order to verify and ensure that the yarns we buy and/or dyeing process that we have our suppliers perform also comply with current regulations and voluntary standards of greater relevance in the fashion industry. Chemical compliance checks are a crucial factor for us. With regard to the supply of goods and services from critical countries, a procedure was agreed to verify the reliability of the suppliers and the quality of products and activities were launched to deepen the aspects related to social responsibility. Implementation of the SA8000:2014 Social Responsibility Management System our company has carried out a careful assessment of the potential risks of all categories of suppliers, subsequently evaluated individual suppliers by acquiring information and self-certification of compliance with the requirements.

The main categories of suppliers and the relative criticality regarding the aspects of social and environmental responsibility are outlined below.

Supply category	Social risks/environmental sustainability	Supply conformity risks	Chemical safety risk of the product
<i>Suppliers of raw materials (yarns)</i>	Medium	High	High
<i>Analysis laboratories</i>	Medium	High	High
<i>External processing (dyeing)</i>	Medium	High	High
<i>Employment agencies</i>	High	Low	N.A
<i>Various consultancy services (e.g., professional and IT)</i>	Medium	Low	N.A
<i>Couriers</i>	Medium	High	Low
<i>Suppliers of equipment and machines</i>	Medium	High	N.A
<i>Infrastructure, plant and machinery maintenance</i>	High	Medium	Low

11. A commitment to advanced certification standards

In line with the strategic decision to develop an integrated management system that ensure total control of all aspects related to its business processes and contributes to their consolidation, our company has undertaken since 2018 a path that led it to achieve the SA8000:2014 certification and in 2020 first the step certification By OEKO TEX and then UNI EN ISO 9001:2015.

Among the next objectives there is certainly the process for obtaining the Gots certification, Lube has begun to open up to the market of natural fibers of organic farming and we intend to continue along this path.



SA8000:2014 certification



During 2021 LUBE SRL consolidated the SA8000 certified Social Responsibility system in full compliance with regional, national and international human rights laws as well as with the SA8000:2014 standard which includes:

- Company organisation chart and job description which provide for the division of roles and responsibility;



- The Social Responsibility Policy;
- The procedures developed in order to provide a detailed and documented description of the methods of carrying out the activities that must be carried out for the purposes of compliance with the SA 8000 standard;
- Company regulations;
- Records that give evidence that the system is correctly managed (non-compliance, corrective actions, complaints, supplier monitoring plan, etc);
- Risk assessment extended to all regulatory requirements, identifying the aspects that most likely involve risks of violation of these requirements and/or loss of social responsibility performance.

Social Responsibility Policy

The Management has drawn up a document containing the Social Responsibility Policy, so that its desire to create products that ensure the satisfaction of its customers and the company's economic result is made clear, but in compliance with the requirements of the SA8000 standard and collective well-being. The social responsibility policy has been disseminated to workers and all stakeholders and is available by clicking on the website www.lubesrl.it

Representative of Lube srl

The General Management of LUBE SRL has appointed a member of the company management as manager of the management system, while the staff has proceeded to appoint a representative of the SA8000 workers elected by vote by the workers with the commitment to interface with the Management with regard to issues related to social responsibility. During 2021, 2 meetings were held with the SPT. The team includes a balanced representation of members of management and SA8000 worker representatives (RLSA8000 and RLS).

Planning and implementation

In the drafting and/or updating of documents, all existing legal provisions applicable to our organization are taken into account; in the rare cases in which two legal prescriptions deal with the same topic and provide different prescriptions, we have always considered the one more restrictive for the company and more in favour of the staff.

The Social Performance Team also implements the following activities:

- Prepare the risk assessment on the various points of the standard;
- Carry out periodic meetings between representatives and staff;
- Facilitate the performance of the audits by verifying the results and promoting any requests for Corrective Actions and improvements.

Internal and external audit

As part of the social Accountability System, to examine the adequacy of the activities to the requirements of the SA8000 standard, internal audits, monitoring activities are carried out by LUBE Srl aimed at ensuring the suitability of the system itself.

The SPT effectively monitors activities in the workplace to monitor compliance with the standard, the implementation of planned actions to address the risks identified by the SPT and the effectiveness of the methods adopted to meet the organization's policies and requirements of the standard.

During 2023, internal audits were carried out by our consultant Miss. Valentina Poli of the consulting company TRECON Srl in order to assess compliance with the SA8000 standard. During the audit, some findings on health and safety emerged, LUBE Srl promptly took charge of the findings by opening appropriate corrective actions.

During 2023, the certification body RINA carried out 2 audits, in which some recommendations emerged that were promptly managed and implemented by the organization.

Staff and training

Through training and information, personnel are involved in the requirements of the SA8000 standard, in the objectives and policy of the Social Accountability Management System.

The managers are supported by specialist consultants who provide training and ideas for the implementation of the system. Appropriate training sessions were held for all employees in which



participation and sharing of social responsibility objectives were sought.
For the year 2022 a detailed training plan has been issued for all staff.

Management review and external communication

The management, in collaboration with the Social Accountability System Manager, reviews the management system at least once a year in order to verify its adequacy, appropriateness and continued effectiveness of the company policy, procedures and results in compliance with the requirements of the standard and other requirements subscribed by the company.

To facilitate the review, a series of significant and relevant indicators have been defined, able to highlight the achievement of the objectives set and the definition of further objectives.

Per facilitare il riesame, sono stati definiti una serie di indicatori, significativi e rilevanti, in grado di evidenziare il raggiungimento degli obiettivi fissati e la definizione di ulteriori obiettivi. The positions and interests of the workers are defended by the SA8000 representative who plays a valuable role of mediation between the needs of the workers and those of the company management.

Lube srl undertakes to disclose to interested parties information regarding its Social Responsibility Policy and the SA8000 report; for this purpose the company has chosen the corporate website www.lubesrl.it as a communication tool with all interested parties and in particular with customers, suppliers and the Public Administrations. Following the achievement of the Step by Oeko-tex and Iso9001 certification, Lube decided to carry out an SA8000 management review, integrated quality and environment.

Problems and corrective actions

LUBE Srl has established a written procedure for the management of complaints and reports for the management of non-compliance and compliants and has activated a compliant collection and management system that allows workers and interested parties to report the situations that do not comply with the SA8000.

The workers were informed of the possibilities of submitting complaints in various ways:

- Anonymously using the communication box
- Through its SA8000 representative;
- Directly to the management;
- Directly to the certification body.

LUBE Srl does not apply disciplinary actions, dismissals or in any way discriminates against personnel or interested parties who have provided information on SA8000 compliance or who have filed complaints at the workplace.

Access to verification and recording

LUBE Srl is available to provide information and allow access to interested parties to verify the actual compliance with SA8000 requirements. The administrative office, upon appointment, is able to illustrate the functioning of the system to the interested parties and to carry out a visit to the production site. The company has asked also to its suppliers the same disponibility to have the access to the same information. Nowadays we didn't receive the request to have the access to this information.

STeP by OEKO-TEX® Certification

In 2020, our organization obtained the important STeP by OEKO-TEX®. The prerequisite for the STeP certification is the regard of certain minimum requirements in the individual business area. In particular, our company has regulated the following aspects through effective control and management procedures:



- Chemical Management;
- Environmental performance and monitoring of environmental compliance;
- Implementation of an environmental management system;
- Principles of social responsibility already regulated by the SA8000 standard;
- Quality system management and production process control requirements;
- Health and safety requirements.





UNI EN ISO 9001 Certification

Our organization has defined and is implementing UNI EN ISO 9001 quality management system through a system of procedures aimed at guaranteeing the controlled execution of internal processes from activities aimed at customers (commercial processes), purchases and all works. In September 2020 Lube srl obtained the ISO 9001 certification.

12. User safety always in the forefront

In the textile sector, user safety is primarily linked to production compliance with environmental and chemical regulations. In this context, the primary policy of Lube srl for consumer protection is represented by the guarantee that all products are in line with environmental and chemical compliance regulations: quality control and product safety, constant request for compliance from its suppliers – raw materials, processes and chemical products- and analytical checks carried out in accredited external laboratories.

In this regard, in the reporting area, there were no cases of non-compliance with regulations and voluntary codes concerning the impacts on the health and safety of products during their life cycle.

13. Commitment to the environment



LUBE Srl has launched a research process for materials, products and new processes that can guarantee greater respect for the environment. Our choice is in line with the requests of our customers and moves in harmony with the certifications that Lube has acquired and still acquires, pay ever greater attention in the production phases to minimize the environmental impact. In particular, in carrying out its business, as already highlighted in the Code of Ethics, Lube srl undertakes to promote

environmental protection and guarantee the environmental sustainability of its activities. The process involves raising the awareness of those who come into contact with Lube, for the management and reduction of environmental impacts associated with the use of energy and water resources and waste management. The environmental policies of Lube aim to direct company processes towards solutions of greater environmental protection and reduction of consumption with a view to sustainable development.

Environmental policies promote the following actions:

- Select and use equipment, resources, materials and substances rationally, taking into consideration their impact on the environment and their potential risks for healthy and safety, in particular mechanical, chemical and manual handling risks;
- Prefer the use of technologies, products and services with a lower environmental impact whenever available;
- Operate according to a circular economy logic by limiting the use of natural resources and the production of waste for the benefit of the reused and/or recovery of materials;
- Select suppliers/subcontractors, based on their ability to supply goods and services that comply with the requirements and in compliance with the principles of the management system;
- Promote the growth of the organization and direct company processes towards solutions for



greater environmental protection, reduction of energy and water consumption, reduction of waste products and responsible waste management;

- Develop and extend employee information communication and training processes in order to raise awareness of environmental sustainability and promote dialogue with internal and external interested parties, to ensure efficient and effective application of the company management system;
- Develop and update risks assessment criteria for occupational health and safety and for the environment and procedures for managing emergency situation.

Every year Lube sets new goals and carefully analyses which ones have been achieved and which ones have not yet been achieved.

Goals	Aspects	Activities/programs	Times	Responsibles
Expansion of the factory and production areas	Health and safety	Creation of new production and warehouse environments	31.12.23	General direction
Reorganization of the changing rooms, toilets and the refreshments room	Health and safety	Organization of toilets divided between men and women and improvement of equipment	31.12.23	General direction
Company's benefit	Social responsible	Reward system based on the economic result and the worker's diligence	31.12.23	Direction
Information about warehouse management	Quality	Warehouse management through the accounting program: computerization of the warehouse loading/unloading process	31.12.23	Direction
Information about loading/unloading system	Quality	Loading/unloading system with barcode reader	31.12.23	Direction
Reduction of water consumption	Environmental	Bought a special machinery that recycles water	31.12.23	Direction

Goals and environmental programs

Our organization is constantly working on specific environmental objectives, in particular our results already achieved in 2023 are the following:



ENVIRONMENTAL GOALS ABOUT THE YEAR 2023

ENVIRONMENTAL ASPECTS	PROJECT EXPLICATION	INTERNAL AND EXTERNAL RESOURCES	TIMES	MONITORING
Reduction of environmental impact	Purchase of silicone-free and/or totally organic softeners	Management is evaluating the use of silicone-free and/or totally organic softeners on the feel of the yarns	31.12.2023	September 2023
Reduction of water consumption	Environmental	Purchase of a special machinery that recycles water	31.12.23	Direction