



Madex Srl

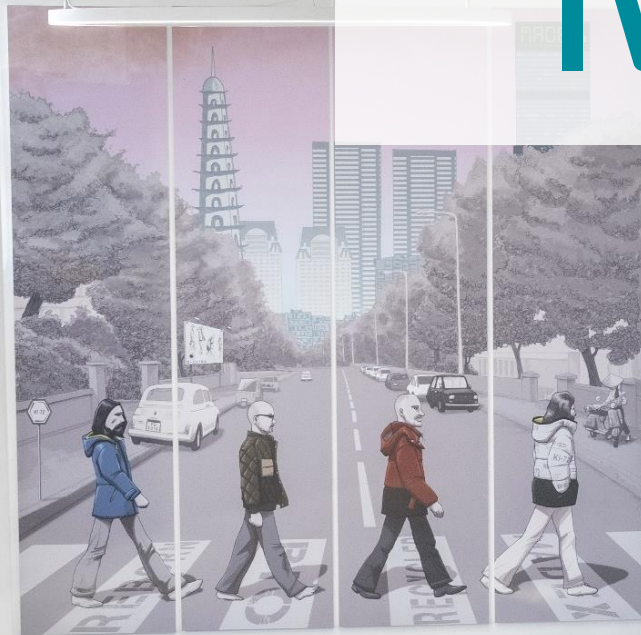
Social Responsibility Report SA8000

The evolution in the
outerwear industry
2022

MADEX

www.madexsrl.com

MADEX



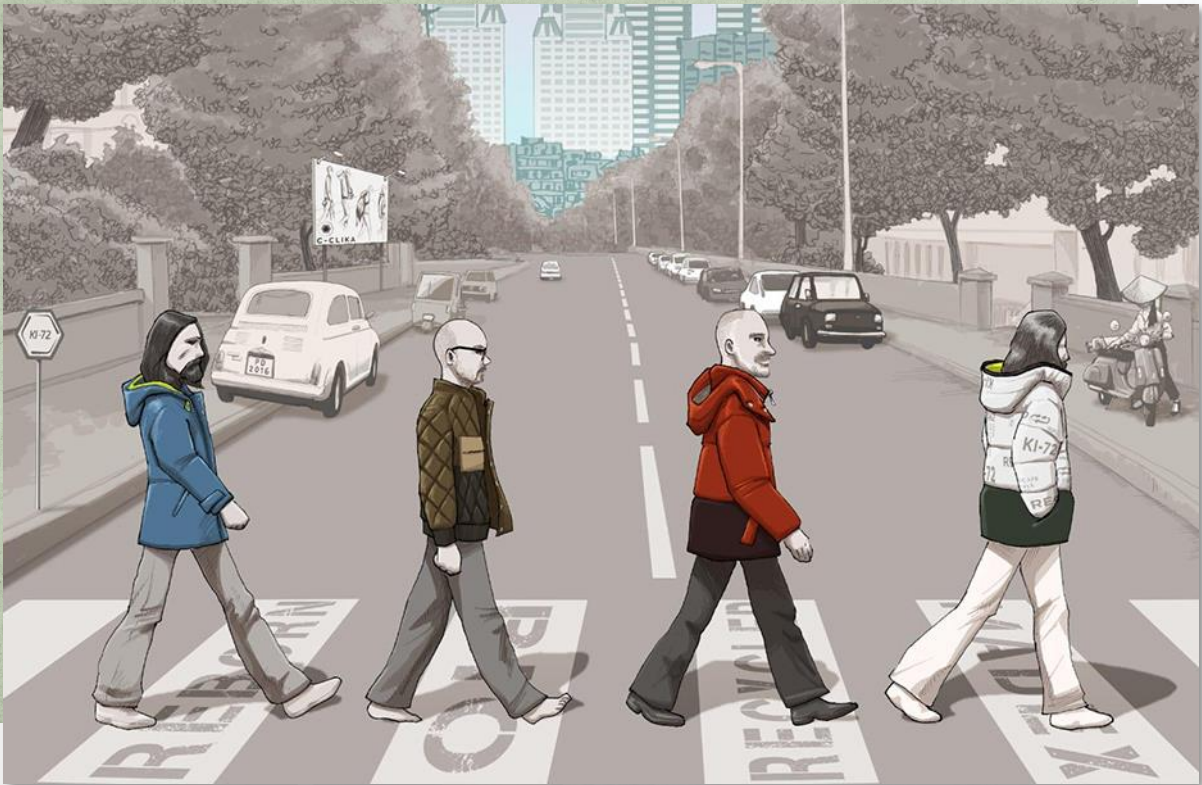
CONTENTS

The words of the Founders	05	Chapter 5	25
Introduction	07	Madex Company Policy	26
0.1 The concepts of sustainability	08	5.1 Company Policy	26
0.2 Our Stakeholders	09	<i>History of padding – part second</i>	
Chapter 1	10	Chapter 6	29
Madex introduces itself		Sustainability	
1.1 A Team made in Italy	11	6.1 KI-72 Project	30
1.2 R&D	12	6.2 Reborn // BIO // Recycle	32
1.3 The three winning Keys	13	<i>History of padding – part three</i>	
<i>History of outerwear – part one</i>			
Chapter 2	14	Chapter 7	33
Madex Vietnam		Social and Business Performance	
2.1 An important operating entity	15	7.1 The Madex economic performance	34
<i>History of outerwear – part second</i>		7.2 Performance indicators	35
2.2 A European-Rooted Team Leadership	16	7.3 Flexibility	35
2.3 Efficient Outerwear production	16	7.4 The Madex stability	35
		7.5 Company Key Resources	36
		7.6 Turnover rate	36
		<i>Recycled down – part one</i>	
		7.7 Working Hours	37
		7.8 Business organization	37
		7.9 Vacations and holidays	37
Chapter 3	17	Responsible Materials	
Outerwear Production		7.10 Certifications	39
3.1 Global Benefits	18	7.11 Madex's commitment	39
<i>History of outerwear – part three</i>		7.12 SA8000	39
3.2 Maximum efficiency of the productive process	19	7.13 Responsible materials indicators	40
3.3 Why Madex?	19	7.14 Down padding	40
3.4 The Madex Supply Chain	20	7.15 Polyester padding	41
		7.16 Fabric	41
Chapter 4	21	Employee Benefits	
The team and its values		7.17 Daily commitment	43
4.1 Vision and Mission	22	7.18 Madex believes in Work-Life balance	43
4.2 The Madex Teams	23	<i>Recycled down – part second</i>	
<i>History of padding – part one</i>		7.19 Bonuses and insurance	44
		7.20 The desire to create a sustainable environment	44
		7.21 Shipping reception service	44

CONTENTS

7.22	New Headquarters	45
7.23	Office Advantages	45
7.24	Flexibility and Smart Working	46
Involvement in the Community and External Communication		
7.25	Community Initiatives	48
7.26	Mitocon	48
7.27	Solidarity transport	48
7.28	School-to-Work Program	49
	<i>An increasingly sustainability padding – part one</i>	
7.29	ITSCosmo Certificate	50
7.30	Association law	51
	<i>An increasingly sustainability padding – part second</i>	
The Madex people		
7.31	Cultivate talents	53
7.32	Training in Italy	54
7.33	Training Goals for 2023	54
	<i>An increasingly sustainability padding – part three</i>	
7.34	Communication	55
7.35	Whistleblowing	55
7.36	Respect	55

Chapter 8		56
Risk Assessments		
8.1	Responsible Supply Chain Management	57
8.2	The supply chain inspection	57
8.3	Social and Environmental Audits	58
8.4	2023: enhanced supply chain oversight	58
8.5	Supplier Code of Conduct	59
Chapter 9		60
Performance Improvement		
9.1	The Importance of Social Sustainability for Companies	61
9.2	Responsible Research	61
9.3	Madex's goals for the future years	61
9.4	Social sustainability as a strategic driver	62



THE WORDS OF THE FOUNDERS

From a production and organizational perspective, 2022 has been an extremely challenging yet stimulating year for Madex. The exceptional increase in production volumes compared to 2021, along with the lingering effects of the COVID-19 pandemic that hindered supply chain performance, prompted our production, procurement, and logistics teams to review organizational and planning procedures.

At Madex, the phrase "work in progress" has been part of our daily vocabulary since the company's inception in 2016. Our way of operating has evolved in parallel with the new challenges of an increasingly demanding and complex market. To be honest, it was this proactive attitude that allowed us to face three extremely tough years head-on. In complete contrast to the global economic trend, our positivity has led us to exponential growth.

I want to emphasize that, even in an unfavorable market context, the drive for innovation in our products has continued unabated. Our KI-72 project is gradually evolving into a refined research collection, aimed at inspiring our customers to include increasingly sustainable products in their sample collections. We are investing more and more resources in researching and testing materials with responsible characteristics because we believe this is the best contribution that Madex can make to future generations.

We are strongly motivated to pursue continuous improvement: we are implementing our internal procedures with the aim of becoming a more flexible and efficient company at every stage of the production process.

At Madex, there is never a dull moment, so... here's to a good "work in progress" to everyone!

Andrea Galante



The tragic events that have marked our recent past and are shaping the present, involving the existential dimensions of all of us on a broad scale, have led us to a new and different way of designing and facing our daily existence. Personally, I have come to realize that the priority to pursue from now on is the concept of protection. This concept should be understood in the broadest sense possible, meaning protection towards the environment as well as towards the individual.

What I aspire to do is to concretely implement this type of protection through the business I am called to lead and over which I can exert my influence. I believe that the goal for entrepreneurs today is not only to lead the company towards sound economic growth but also, and above all, to develop specific tools of protection towards the environment through sustainable production processes and towards the individual by increasingly safeguarding their rights and enhancing the welfare system they can enjoy.

These are the principles that have inspired me in designing the strategy and corporate policies of Madex, as detailed in the social responsibility report that I have the honor of sharing with you, our stakeholders. It is my firm conviction that doing business means enriching society and the environment in which individuals operate and live, not only with material goods but also with values that can make the world a better place, where opportunities outweigh difficulties.

Filippo Pierangelo





INTRODUCTION

The present social responsibility report is a voluntary tool used by Madex Srl to communicate its corporate performance and conduct a periodic review dedicated to the ethical aspects of the company.

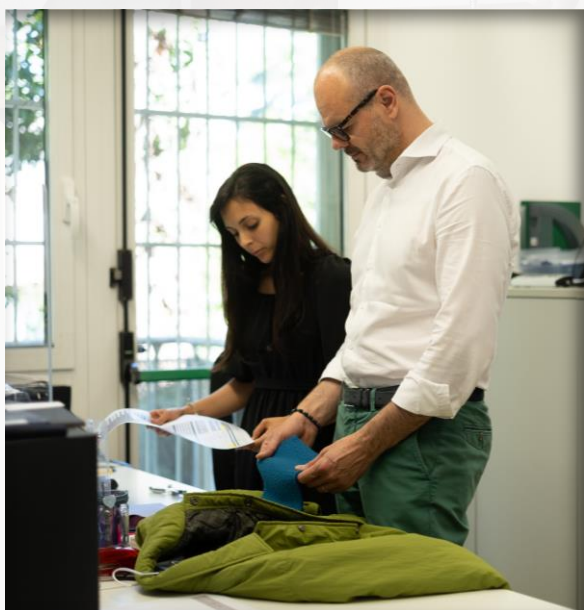
The purpose is to provide evidence of compliance with the individual requirements of the SA8000 standard that have been adopted and to report on the company's «social» performance and its continuous improvement.

With this document, Madex Srl aims to provide a quantitative and qualitative measure of the organization's performance against the criteria established by the SA8000 standard. These criteria encompass various aspects of corporate management, including workers' rights, workplace safety, environmental protection, business ethics, and transparency in corporate governance.



All of this is in the perspective of establishing a collaborative relationship with stakeholders that can lead to constructive criticism and suggestions for the continuous improvement of the company's systems.

For Madex Srl, this social responsibility report is an important communication tool with its stakeholders to demonstrate the organization's commitment to increasing social responsibility. The preparation of the SA8000 social responsibility report is done annually to highlight the temporal trends of the internal parameters under consideration.



0.1 The concepts of sustainability

Madex has identified five fundamental concepts related to its corporate policy and ethical code. The Compliance & Sustainability department monitors all processes to ensure a progressively more sustainable future.

Responsible management across the entire supply chain

The entire supply chain must manage its employees in full compliance with regulations and ethical standards.

R&D activities related to the search for more sustainable outerwear

As a manufacturing company, we have the opportunity to experiment with increasingly eco-friendly techniques and materials. We want this to become a duty to demonstrate to brands that the end result is equally valid compared to products made in a more traditional manner.

The Importance of Work-Life Balance

Our employees should feel like part of a family and, above all, should feel professionally fulfilled and personally satisfied. We believe in the growth of the individuals who work with us.

Focus on customers

Our purpose is to ensure a perfect product for our customers, meaning excellent service that places the customer at the center of our attention.

Closer to the Community

Madex is a young company that is structuring itself with initiatives related to the territory. It increasingly aims to become an added value both in the Italian and Vietnamese areas.

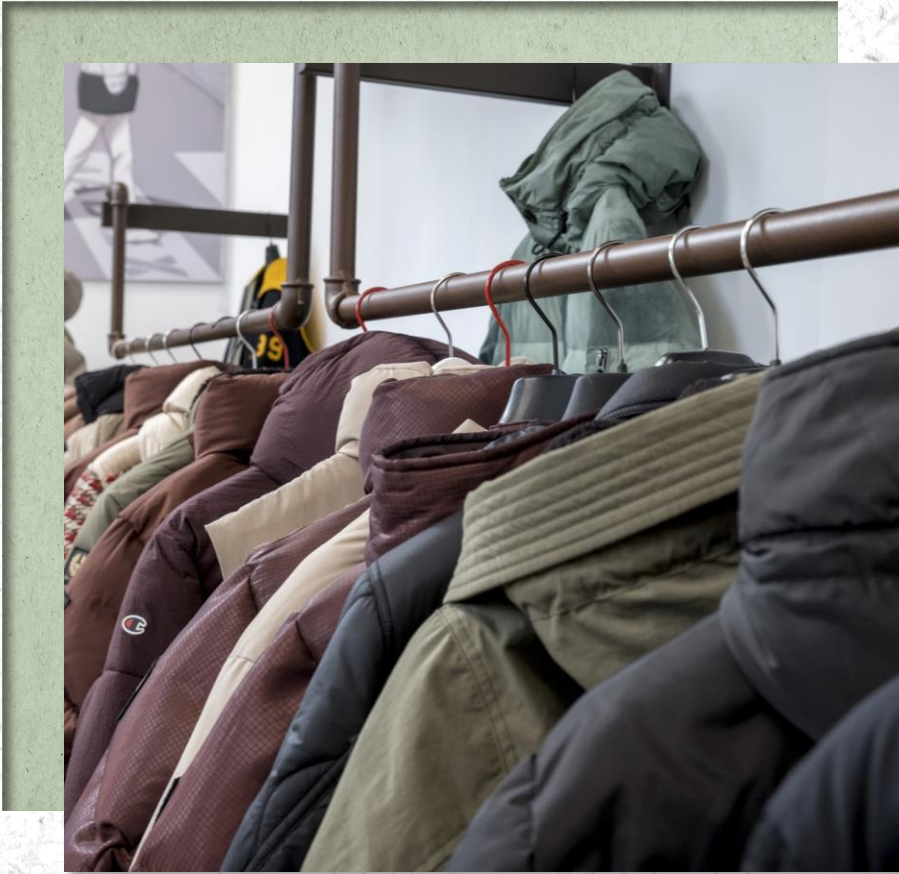


0.2 Our Stakeholders

As this is Madex Srl's first social responsibility report, the company aims to introduce itself to its stakeholders by providing detailed information about its key activities, strengths, and its way of operating throughout the entire supply chain.

The company has identified the five core concepts mentioned earlier as the key themes for establishing a presence with its audience and, most importantly, for fostering an active dialogue with them.





Chapter 1

Madex introduces itself



1.1 A Team made in Italy

In 2016, the goal set by two friends, Andrea Galante and Filippo Pierangelo, was realized: they are two dreamers who had anticipated the changes in the commercial assets of the clothing production world.

Madex founders have twenty years proven experience with excellent turn out in outerwear and sportswear production management.

Their desire to create something unique drove them to harness their experience in a concrete and focused way, resulting in a company capable of supporting important brands and names in the fashion world.

Madex Srl is a business service comprised of a dynamic and highly skilled, compact team specialized in the production management of outerwear and sportswear garments. The operational offices of the Madex Group are located in Padua, Italy, and they coordinate the international locations in Vietnam and Korea.

The Madex Group is distinguished by a strong Italian identity that is conveyed in the outerwear garments designed by the company. All phases of outerwear garment development, from pattern design to prototype creation, production planning to logistics, are characterized by highly qualified European expertise.

1.2 R&D

The company coordinates product development in Italy with design proposals, leveraging two decades of know-how.

It also manages production planning along with product industrialization. Meanwhile, the industrialization and quality control phases are located in Asia at the production sites.



Madex Srl, by exercising direct control over all production processes, can provide higher assurance of quality reliability and adherence to delivery timelines.

The goal is to respond to the new market demands by offering player all the production, logistical, and organizational know-how, assisting the customer throughout every stage of the supply chain.

The common denominator of the Madex Group is research and Italian spirit:

- The Italian offices follow and supervise all the activities concerning the product development
- Focus on the development of an outerwear that expresses the Italian quality knowledge
- Thanks to their experience, our managers carefully coordinate the international teams to achieve an outerwear that fully meets the Brand's guide lines



1.3 The three winning Keys

At the core of Madex Srl's success, there are three very important and stable elements:

- Firstly, the people who work in the company are asked to express their experience and knowledge of the sector to ensure that customers can always feel satisfied
- The second element is the commitment to constantly pursue up-to-date know-how regarding the latest market trends, resulting in innovation in garment style and meticulous material research.
- The third factor: thanks to both the materials and the advanced machinery used in the manufacturing process, Madex is able to provide a product that stands out for its high performance features: each factory part of the productive structure applies the most advanced techniques for the realization of the outerwear and sportswear's product.



History of outerwear – part one

Outerwear, designed to be worn over other garments to protect against cold and inclement weather, has a long and rich history dating back many centuries.

The earliest examples of outerwear can be traced back to ancient Rome, where soldiers wore heavy woolen cloaks to shield themselves from harsh climates during military campaigns. However, it was only in the Middle Ages that outerwear began to spread among the common populace.

Initially, outerwear was simple and functional, primarily serving the purpose of keeping warm. Over time, though, outerwear began to evolve, becoming increasingly sophisticated and refined.

In the 18th century, outerwear gained more prominence in fashion with the popularity of leather jackets and wool coats. In the 19th century, the trench coat was born, originally designed for the military but soon adopted by civilian fashion as well.



Chapter 2

Madex Vietnam

2.1 An important operating entity

In 2019, Madex srl established Madex Vietnam, an operation reality combining Italian and European style with the high technology level that the Vietnamese fashion industry has achieved thus far.

Madex's competitive advantage is based on the excellent organization of the Vietnamese productive structure and on the direct supervision of each step in the supply chain.

Madex's strength lies in the direct relationship with the productive sources without any intervention from intermediaries that weigh down the supply chain.

This is due to the ability of the founders who have built direct relationships with the local factories within over twenty years of activity in the Asian countries.



History of outerwear – part second

In the 20th century, outerwear became a significant element of women's fashion with the proliferation of fur coats, tweed jackets, and down jackets.

In the 1950s and 1960s, outerwear reached its zenith as a symbol of fashion and style, thanks to the popularity of leather jackets, which quickly became an icon of youth culture.

In the 1980s and 1990s, outerwear became even more important, thanks to the emergence of brands that were soon recognized for their technical and innovative materials used in the production of jackets ideal for outdoor sports and winter activities.

Today, outerwear continues to evolve with the introduction of new materials and technologies, such as Core-Tex and Thinsulate, allowing the production of even more durable, functional, and stylish outerwear garments.



2.2 A European-Rooted Team Leadership

In Madex Vietnam there are integrated pattern-making and prototyping departments that support the Italian office in developing the customer's collection. Madex Vietnam is a strategic office as it provides the opportunity to search for increasingly high-performing production sources to meet the needs of each brand.

The Madex Vietnam's office strategic importance lies above all in a team leadership and know-how that rely on a European origin. Technicians and experts with Northern Europe extraction, skilled in the outerwear sector, contribute to support Madex Italy's activities through key planning for customer management.



2.3 Efficient Outerwear production

The Madex Vietnam contribution gives multiple operational and productive advantages throughout the supply chain:

- Widespread presence on the territory without intermediaries
- Increased monitoring of the manufacturing process steps
- Increased control of quality processes
- Reduction of defectiveness





Chapter 3

Outerwear Production

History of outerwear – part three

Many famous personalities have contributed to making outerwear an iconic and trendy garment. For example, Humphrey Bogart's trench coat in Casablanca has become a timeless symbol of male style, while Marlon Brando's leather jacket in The Wild One inspired entire generations of rebels and motorcyclists.

The production of outerwear is an art in itself, requiring a high level of expertise and attention to detail. Fur coats, for example, are still hand-sewn today, while down jackets require special attention to the choice of filling material and weight distribution.

Outerwear is an essential garment that has undergone many centuries of evolution and change, becoming an icon of style and functionality. From the heavy woolen cloaks of ancient Rome to the leather jackets of the rebels in the 1950s, outerwear has accompanied people through the ages, becoming an important element of the collective imagination. We are confident that in the future, outerwear will continue to surprise and amaze us, remaining an indispensable element of winter clothing.

3.1 Global Benefits

Madex SRL main goal is to offer to our customers a series of benefits derived from our unique range of services: every player has the chance to express their know how and expertise in order to achieve the best results in the outerwear production.

At Madex we follow our customers step by step through the product development.

We take care of the whole creation process: starting from design service, research and proposal of the materials, up to prototype creation and approval of the final product.

After designing and developing the prototypes Madex works into the product industrialization phase.

Madex's production service covers the entire supply chain, from purchasing the materials to the logistics to deliver the products to the customers' warehouse.



3.2 Maximum efficiency of the productive process

Madex establishes strong partnerships with its suppliers throughout all the development process with particular attention to international regulations regarding employees and the respect of the environment.

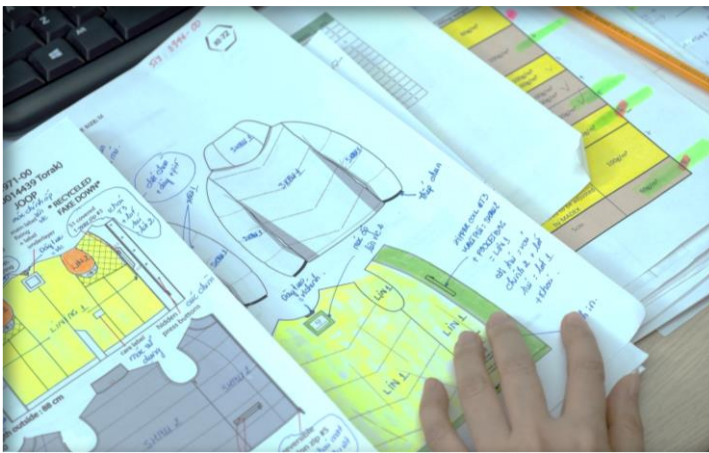
Madex provides a complete turnkey service where product development costs are results-oriented:

- Design, creation and development
- Prototyping and fitting
- Research, proposal and purchase of raw materials
- Industrialization and Finishing
- Quality control
- Logistics and Shipping

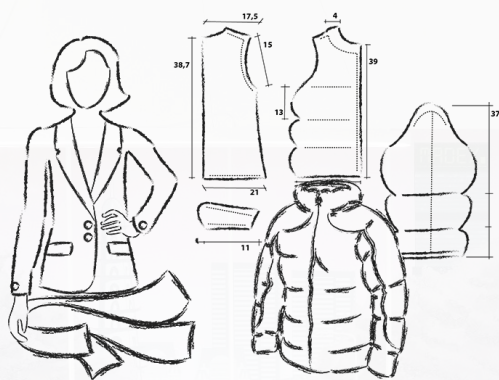
3.3 Why Madex?

«Thanks to a transparent and dynamic production model, Madex is able to provide a turnkey service to the apparel industry, which is guaranteed by a twenty year know how.»

- Complete costs transparency and clear dynamic of the whole production process
- Twenty-years experience in creating dynamic solutions for customers
- Quantity flexibility according to the customers' needs
- Always looking for the best solution for every type of order and customer



3.4 The Madex Supply Chain



Design Proposals: creation of the product

Madex SRL coordinates in Italy all the stages necessary To create the prototypes of the customer's Outerwear collection



Product Development: proto engineering

The prototype that will be created will be engineered and defined through a series of fitting sessions with the support of expert pattern makers and wearers

Madex coordinates product development activity and manages all the supply chain stages

Madex manages the progress of production with the support of the Madex Vietnam offices in order to have total control of every stage

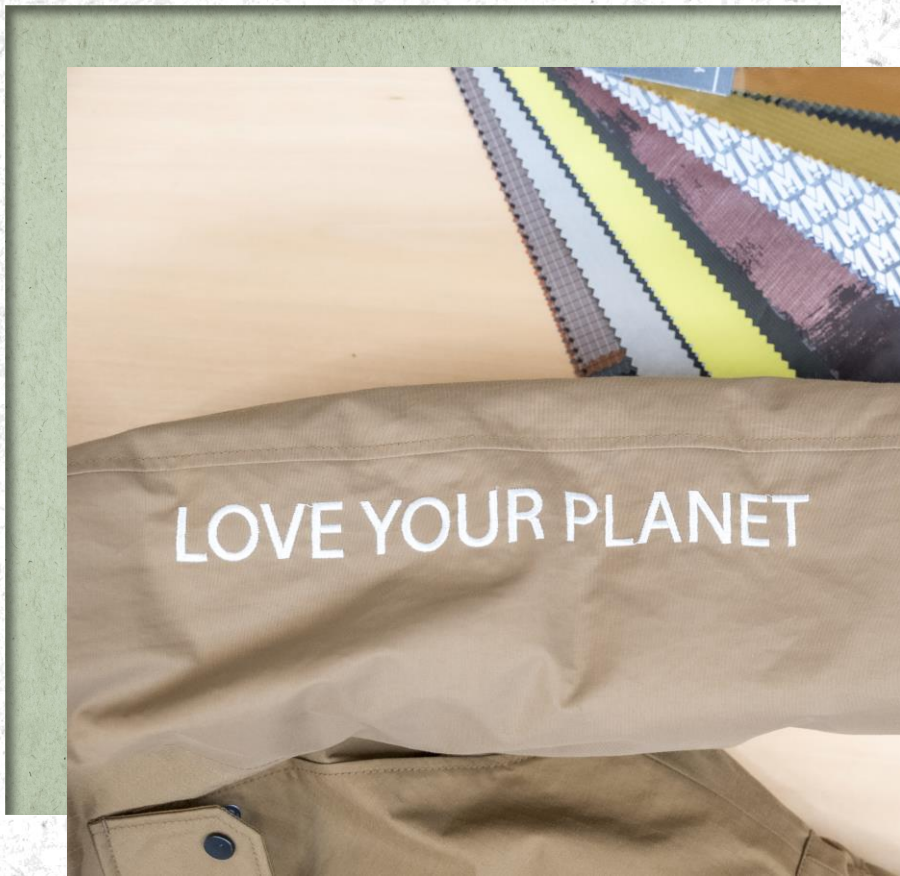
Industrialization: productive process



After monitoring the quality processes, Madex takes care of all the logistical phases of the finished products assuring production and delivery lead times

Logistics: on time delivery





Chapter 4

The team and its values

A woman with blonde hair, wearing a beige hooded jacket with black accents on the sleeves and hem, stands in front of a modern building with a curved facade and many windows. She is looking towards the camera with her hand near her face.

Vision

Madex's goal is to provide global benefits throughout the production process.

Through the company policy of Madex Srl, customers and suppliers will have more advantages in the production and in social level.

«Our goal is to fulfill the new market necessities by offering the brands our know how in logistics and production management and supporting our customers throughout all the stages of the production chain.»

Mission

Madex aims to build an operative working network based on economic and social advantages.

Madex's goal is to ensure fairer compensation in developing markets and promote the use of responsible materials.



4.2 The Madex Teams

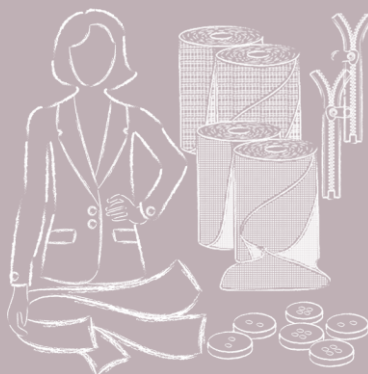
Based in Padua (Italy), the operations office of Madex SRL is made up of professional people who have several years of valuable experience in outerwear and sportswear sector.

In Madex offices our co-operating teams plan and supervise all the activities that regards design, development and industrialization of the outerwear.



Team Design

Reflecting the customer's concepts and ideas Madex design team will develop their collection. Research for innovation and quality is our key to meet the needs that distinguish each brand.



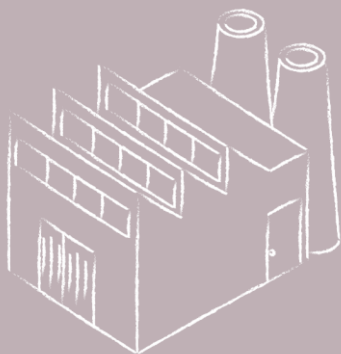
R&D Team

Using a wide supply network spacing from Europe to Asia Madex offers an R&D service which is always up-to-date with the latest market trends.



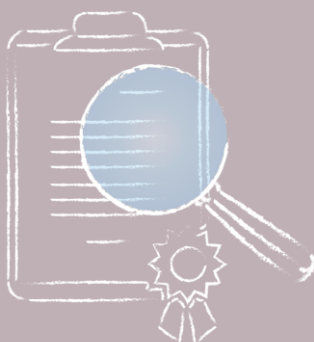
Production Team

Madex Product Managers work side by side with our customers in order to provide support through all the developing process, from prototyping to garment fitting.



Industrialization Team

Madex Vietnam is the Vietnamese branch of Madex SRL. The team is in charge of modeling, prototyping, giving support throughout the product industrialization and supervising the quality progress through the production process.



Quality Team

Madex Vietnam quality control technicians are in charge of monitoring the production process and guaranteeing compliance with the customer quality guidelines.



Logistics Team

Madex Italian Office directly controls all the logistic (in & out) and administrative aspects of its productions. This allows Madex to manage all processes within the supply chain without any intermediaries.

History of padding – part one

Padding is an essential element of outerwear, providing warmth and protection from the elements. The history of outerwear padding dates back many centuries and has undergone numerous changes over time.

In the past, padding for outerwear was primarily composed of natural materials such as wool and cotton. Wool, in particular, was widely used for its ability to retain heat and absorb moisture.

However, over time, other materials for padding were introduced, including duck and goose down and synthetic materials. Goose down became particularly popular in the 19th century when it was introduced in Europe from North America.

Duck and goose down proved to be very useful for padding jackets and coats due to their lightweight, warm, and breathable qualities.



Chapter 5

Madex Company Policy

5.1 Company Policy

Madex Management has defined the general principles on which the Company Policy is based and annually evaluates its content in order to determine the appropriateness of the objectives in relation to their achievement within the set timeframe.

This document is the result of a careful and objective analysis of the internal situation and the context in which we operate, the results we have achieved and the future objectives we wish to achieve.

With this in mind, the company has identified in the SA8000 standard the guidelines to which the management must refer when making choices and decisions regarding quality and social responsibility.

Madex embraces ethical principles, rejects the employment of children and demands clear rules from its partners for young workers, is opposed to forced labour, violent disciplinary practices, and any form of discrimination against workers, and is committed to safe and healthy workplaces, freedom of association and the right to collective bargaining, fair and adequate working hours and remuneration; these convictions must be promoted not only internally, but also in Madex supply chain.

It is also committed to pursuing a policy of continuous improvement of its environmental and occupational safety performance, eliminating or minimizing, where technically possible and economically viable, any risks arising from its activities.

The inspiring principles consider the company structure and its relations with the internal and external environment, referring primarily to the currently certified management systems, thus committing the company to:

- **Analyzing the customer's** expressed or implicit **needs** and collaborating with it for a complete definition of the design and executive requirements of the products, maintaining and improving this relationship over time in order to obtain its full satisfaction
- **Respecting the quality standards** set in advance and, at the same time, improving them in accordance with the customer's requirements in terms of cost, reliability and availability
- **Analyzing and monitoring the company's processes**, both production and service, to identify inefficiencies and potential causes of non-conformity and plan the necessary improvement actions
- **Activating** a process of **continuous improvement of the service** rendered to the customer through constructive and continuous action by all its employees
- **Constantly monitoring the market** and its variations, and operating through effective profitability and cost control in order to increase the company's profits and market competitiveness
- **Detecting and optimizing** aspects and factors that customers consider appropriate for product and service improvement

Ensuring compliance with applicable labour legislation, ensuring that service delivery methods and activities are carried out in accordance with applicable mandatory regulations, technical standards and operational procedures for safety, environmental, social and product quality

Involving suppliers as an integral part of the company in the achievement of set safety, environmental, social and product quality standards and holding them accountable for full assurance

Not to using or supporting **child labour**

Not to using forced labour

Guaranteeing staff the right to collective bargaining and full freedom to join trade unions

Not to implementing or supporting **any form of discrimination** or coercion at work

Not to using or supporting **corporal punishment, mental or physical coercion, or verbal abuse**

Complying with the provisions of the applicable C.C.N.L. concerning **working hours**

Guaranteeing the payment of the **salary provided** for in the C.C.N.L.

Allowing meetings to be held to assess compliance with the requirements of the SA 8000 standard

Improving communication processes with users, entities, suppliers, and all stakeholders, making its commitments and achievements visible to the outside world

Involving the human resources with which it is in contact, in a concrete and lasting way, so that they may tangibly participate in the continuous improvement of the company and be its promoters, providing the necessary notions to face their role with the right awareness and preparation; developing the personnel through education, information and training, involving them in the company's choices, because human resources are considered the real engine of the company's growth

Limiting waste production, favouring its recovery where possible and ensuring that its management is carried out in accordance with mandatory legislation

Improving its environmental performance, limiting as far as possible its consumption of natural resources (electricity, methane gas, water) and raw materials (plastic, metal, oils, solvents, etc.) and favouring green resources from renewable sources and recycled materials

Constantly **seeking the cooperation of public authorities** and local communities in order to **prevent any possible accidents, injuries and occupational diseases** and effectively and efficiently managing any possible emergency, in order to reduce any related risk, also favouring a codified and systematic external communication process

Identifying, assessing and constantly monitoring all health and safety **risks** related to its activities, also with the support of a specific health and safety committee

Ensuring safe and healthy workplaces for workers by adopting appropriate prevention and protection measures, minimizing the possibility of accidents occurring in the workplace

Protecting workers from any toxic substances used or produced, identifying and managing the associated risks in order to ensure an appropriate level of safety

Implementing every effort in organizational, operational and technological terms to **reduce risks, prevent accidents, injuries and occupational diseases**, and protecting workers from such events

Managing aspects relating to health and safety in the workplace

Ensuring that the **company policy** set out herein and the related **management system** are **understood, implemented and maintained** at all levels of the organization and that the system is supported by periodic and systematic training, instruction, involvement and awareness-raising activities for all employees

Ensuring that this document is **available to the interested parties**

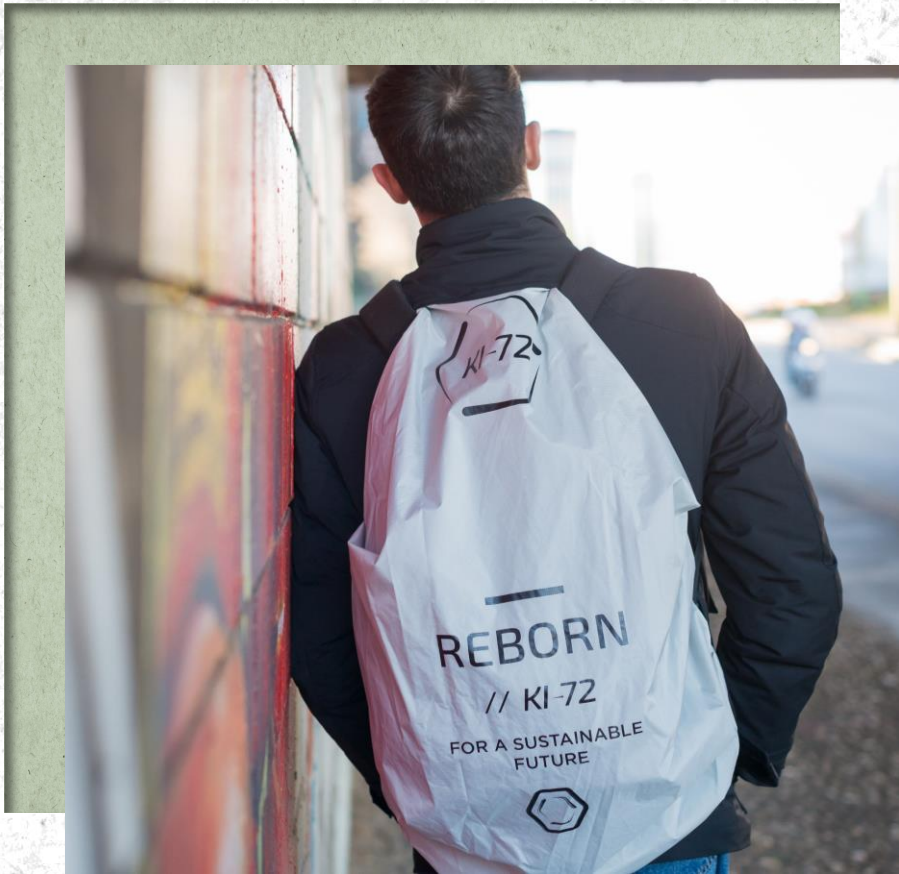
Implementing and maintaining an effective Management System according to the requirements of the voluntary reference standards.

History of padding – part second

In the 1950s and 1960s, the first synthetic materials for padding, such as polyester, were introduced. These materials were more affordable than down and offered greater resistance to water and wind. However, the use of synthetic materials for outerwear padding soon became the subject of criticism because they were considered environmentally unfriendly.

In the 1980s and 1990s, new materials for outerwear garments were introduced, such as Thinsulate and Gore-Tex. Thinsulate is a synthetic padding developed by 3M, while Gore-Tex brought significant innovation to the concept of waterproof and breathable fabrics for outdoor activities.





Chapter 6

Sustainability

6.1 KI-72 Project

Using the KI-72 Project innovations, Madex wants to show its customers that it is possible to be engaged in lowering the final environmental impact of the outerwear production process, either by looking for recycled and innovative materials or by endorsing the circular use of resources.

KI-72 it's the first pilot study that concentrates the attention on the effort that are being made at a global level in order to lower the polluting processes. KI-72 name origins from a series of microorganisms that have been catalogued as «nylon eater» and discovered during the 70's.

Ethics and transparency are the two keywords for KI-72 Project: all raw materials and the processes involved in the collection are granted by the most important international certifications on the sustainable fashion field.

«We look around and we can clearly see we are not treating our world with the necessary and due respect.»

All raw materials involved in the process are aligned with KI-72 claim:

Reborn // Bio // Recycle



KI-72



Reborn // Bio // Recycle





«Madex, with KI-72 Project, aims to give its contribution through the choice of “wearing the sustainable” which brings also the outerwear garment to be in line with the more ethical behaviours that nowadays society is asking us to adopt.»

The styles of the Reborn outerwear collection are realized exclusively with materials deriving from stock of past production processes. Every garment is unique and encloses a soul linked to the circular economy principal that reduces the wastefulness of resources and the fabric left over.

Reborn

The Bio outerwear collection it's the first collection 100% biodegradable in every details, from the fabric to each accessory used on the garments. Every style has been realized with the aim of reducing the final harmful impact on the environment.

BIO

This Recycle outerwear collection's styles have been realized through the use of recycled materials. The proposed shapes and the quality result are linked to the material research and to the application of the more up-to-date technology in the outerwear field, with a conscious attention in lowering the final wastage.

Recycle

History of padding – part three

Today, outerwear padding consists of a wide range of materials, from natural to synthetic. Some high-fashion brands use animal-derived padding such as duck and goose down, while others use synthetic padding such as PrimaLoft or Thermore.

The history of outerwear padding has undergone many evolutions and changes over time. From the early wool padding to modern synthetic technologies, padding has been a crucial element for both the functionality and fashion of outerwear. Today, the choice of padding materials has become extremely relevant, as many people are increasingly aware of the importance of sustainability and ethics in clothing production.



Chapter 7

Social and Business Performance

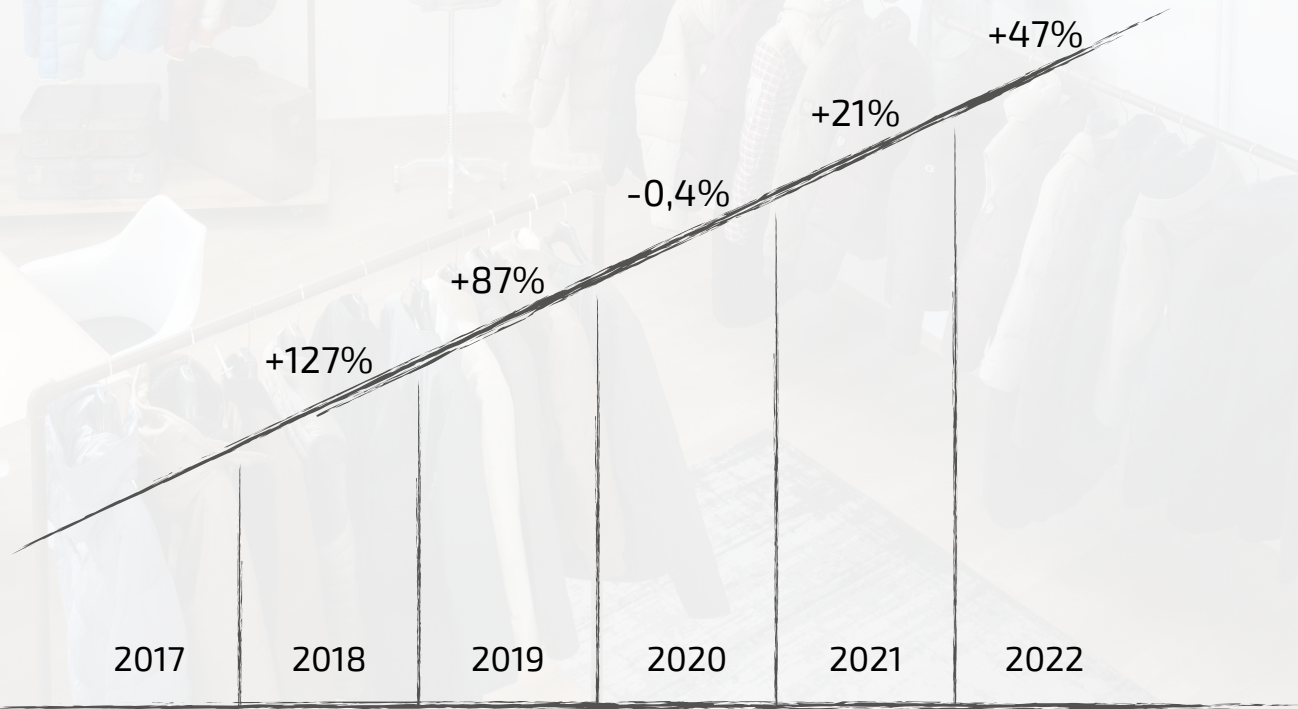
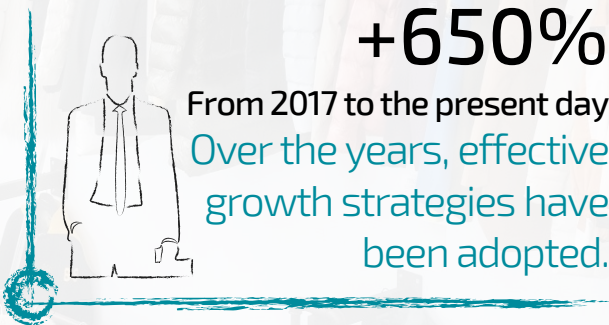
7.1 The Madex economic performance

Since its founding in 2016, Madex has consistently seen positive revenue growth, with almost constant increases over time, reaching nearly 18 million euros in revenue in 2022. This growth has translated into benefits for employees and, more importantly, into projects aimed at further enhancing welfare initiatives for both the Italian office personnel and the Vietnamese staff.

Madex's growth is a sign of the company's health, and its objectives for the near future are forward-thinking and diverse. These objectives include the opening of new offices in South Korea and the acquisition of a factory in Vietnam to ensure higher governance throughout the supply chain. Additionally, with a focus on sustainability, Madex plans to open a logistics hub near the factory.

This investment allows the consolidation of goods in one location, thereby reducing material handling and minimizing resource waste.

With a focus on overall savings and a reduced environmental impact, Madex has established a dedicated operational center in Vietnam. The aim is to minimize the movement of raw materials, which are primarily sourced from China or other Asian countries, to the main production centers in Vietnam, where Madex's outerwear garments are manufactured.



7.2 Performance Indicators

The data synthesized in the following tables help to understand not only the composition of human capital but also the long-standing policies for equal opportunities and flexibility implemented at Madex.

Employees	2021	2022
Total workforce	22	23
Number of employees	19	20
Number of permanent employees	17	19
Number of temporary employees	2	1
% of permanent employees	89%	95%
Number of female employees	15	16
% of female employees	79%	80%
Number of male employees	4	4
% of part-time employees	26%	20%

7.3 Flexibility

In 2022, part-time employees represented 20% of the workforce. This figure is the result of Madex's corporate policy, which accommodates the personal needs of its employees by offering part-time hiring or contract modifications.

7.4 The Madex stability

Madex Srl's workforce has grown exponentially since the company's founding in 2017. In recent years, the number of employees in the Padua offices has stabilized. This demonstrates that the company now has its own identity and soul, but above all, it has a recognized work culture, appreciated by both Italian and international clients.

For 2023, new hires are planned to strengthen the Italian office. The focus will be on departments responsible for the development of sustainable materials and the technical aspects of outerwear product manufacturing, aiming to enhance production competitiveness in a highly dynamic market.



7.5 Company key resources

The average age of employees as of December 31, 2022, confirms the company's recruitment policy, which combines the experiences of long-tenured staff with the addition of new talent across all departments without discrimination.

7.6 Turnover rate

The table below provides further evidence of the concepts expressed in the preceding paragraphs. In 2021, despite the ongoing challenges posed by the Covid-19 pandemic, the company hired a total of 8 individuals. This is a highly significant figure that demonstrates the company's commitment to expanding its sales force. The Italian brand relies on capable and motivated individuals who recognize Madex as a company dedicated to carving out an increasingly substantial market share, thanks to both its economic stability and its internal policies.

Turnover	2021	2022
Newly hired personnel (employees)	8	3
Outgoing staff	2	2
% Overall turnover rate	53%	25%

Age	2021	2022
Average age	43	42
Number of employees under 45	12	12
% of employees under 45	63%	63%
Youngest working age	25	25



8 (+42%)
Employees
hired in 2021

Recycled down – part one

Recycled down filling is becoming increasingly popular among clothing manufacturers. Recycled down filling is obtained from old discarded garments, pillows, and duvets. Once separated from the textile materials in which it was contained, it is reprocessed, sanitized, and ultimately transformed into new padding for jackets and coats.

In recent years, advances in processing techniques have allowed a wide range of feather and down blends, with quality and technical characteristics that are on par with those of virgin.

7.7 Working hours

At Madex, 100% of employees are hired under the «Contratto settore abbigliamento e confezioni industria CNEL: D014» contract. The duration of working hours is fixed, as per the category contract, at 40 hours per week for full-time employees.

In Madex's Italian offices, the standard working hours are 8 hours a day for 5 days a week. For part-time employees, the working hours range from 4 to 6 hours a day, averaging 24 to 30 hours per week.

The working hours are flexible with prior communication to supervisors, and vacation days are scheduled through mutual agreement between employees and their supervisors.

Working hours	2021	2022
Hours worked	30.831	29.190
Holiday hours	1.594	2.398
Hours of working permits	470	653
Hours of paternity leave	0	40
Hours of maternity leave (required+opt.)	192	992
Sick leave hours	345	764
Workplace Injury	0	0
Overtime hours	1.452	752
% overtime hours	4,7%	2,6%

7.8 Business organization

In 2022, overtime hours decreased to 752 hours annually compared to the 1,452 hours in 2021. This data is crucial as it demonstrates the continuous improvement in Madex's internal organization year by year. Considering the number of new hires in 2021, the company is achieving a certain level of stability. Furthermore, in 2022, vacation and leave hours increased, and there was also a significant growth in the company's revenue.

7.9 Vacations and holidays

Holidays are a fundamental right for employees in Italy. This right is enshrined in the third paragraph of Article 36 of the Italian Constitution, which establishes that the worker is entitled to a weekly rest period and paid annual leave, and cannot waive this right.

Madex firmly believes in a vacation plan agreed upon as an essential part of the physical and mental well-being of its employees: for Madex, holidays are a fundamental right of its employees and are managed in a way to ensure an adequate period of rest.

Additionally, the offices generally close during religious and secular holidays to allow employees to spend time with their families and to pursue their hobbies and passions.



Responsible
Materials

7.10 Certifications

Madex Srl has embarked on a journey to obtain significant certifications for producing responsible products by 2023:

- GRS Certification (Global Recycled Standard)
- RDS Certification (Responsible Down Standard)

Furthermore, when it comes to responsible materials, Madex Srl prioritizes collaborations with partners that have product certifications:

- Oeko Tex
- BCI – Better Cotton Initiative
- USDA – Certified Biobased Product

7.11 Madex's Commitment

These certifications demonstrate the commitment made by Madex Srl to produce in an increasingly ethical and sustainable manner. It is crucial that standards related to workers' rights, working conditions, and workplace safety are upheld. The company's future is focused on environmental sustainability, and Madex's goal is to ensure that the products comprising outerwear are free from toxic and environmentally harmful substances.

Brands and end consumers are becoming more aware of the environmental and social impact of the products they purchase, seeking manufacturers that demonstrate reliability from an ethical and sustainable standpoint. Madex aims for a careful selection of suppliers, only collaborating with those who can certify compliance with the company's work and ethics standards.

7.12 SA8000

For all above reasons, Madex Srl is committed to implementing the SA8000 standard with the aim of obtaining certification from a third-party entity by 2023.



7.13 Responsible materials indicators

The data summarized in the tables help to understand the overall trend of the market. More than 40% of the padding in outerwear produced by Madex in 2022 is made from responsible materials.

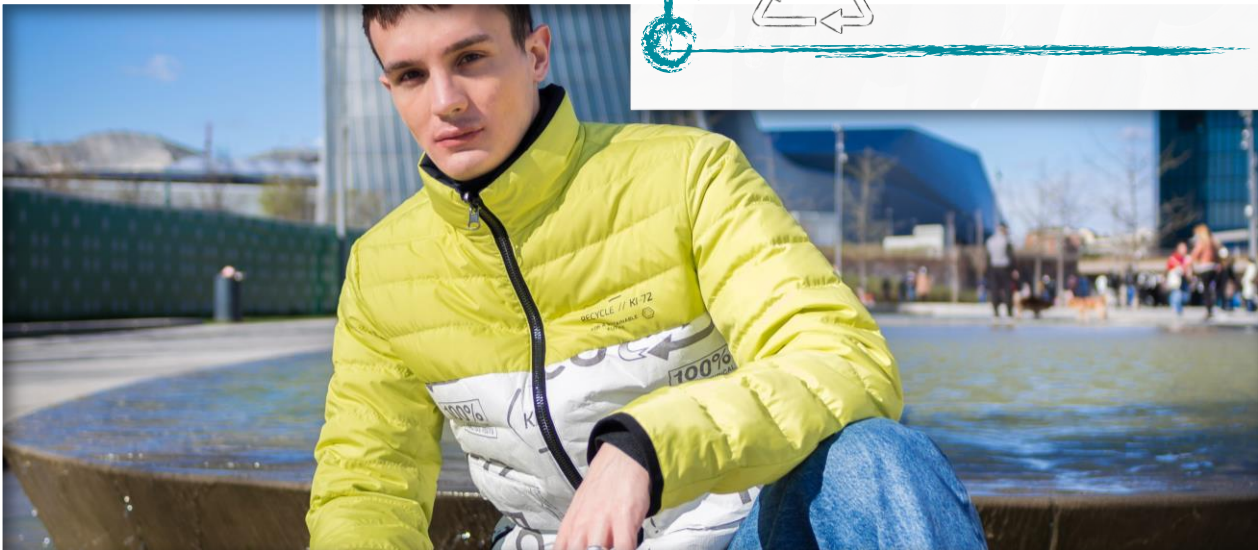


7.14 Down padding

It is noticeable that in 2022, the use of recycled down, which are derived from discarded duvets, pillows, and jackets, has decreased because the most reputable suppliers are Italian. In accordance with its customers' preferences, Madex has chosen to use more certified RDS down. This has led to a reduction in transportation from Italy to production facilities in Asia, resulting in a decrease in CO2 emissions.

Furthermore, Madex wants to emphasize that non-certified and non-recycled down come from farms that adhere to international norms, laws, and conventions and uphold the highest ethical practices.

Responsible materials: FEATHER PADDING	SS22 & AW22 (2021)		SS23 & AW23 (2022)	
	KG	%	KG	%
Recycled feathers	6.832	64,3	1.579	7,9
RDS feathers	683	6,4	6.495	32,6
Total responsible Feathers	7.515	70,8	8.074	40,5
Feathers	3.105	29,2	11.866	59,5
Total feather padding used	10.620		19.940	

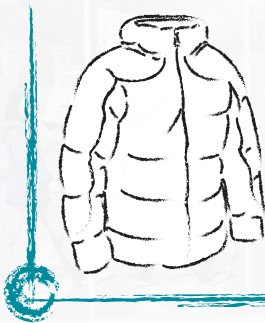


Responsible materials: POLYESTER PADDING	SS22 & AW22 (2021)		SS23 & AW23 (2022)	
	KG	%	KG	%
Recycled polyester	92	0,8	9.028	42,2
Biodegradable padding	0	0	572	2,7
Total responsible Polyester	92	0,8	9.600	44,9
Polyester	11.352	99,2	11.790	55,1
Total polyester padding used	11.444		21.390	

7.15 Polyester padding

Madex believes in the use of sustainable and responsible raw materials, and the R&D department closely monitors new products.

In 2022, more than 9,000 kg of recycled polyester fillings were used, thanks to ongoing innovations in technical and qualitative performance.



2,7%
Bio padding
purchased in
2022

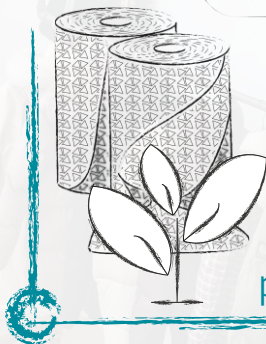


7.16 Fabric

The use of responsible fabric also increased in 2022, rising from 25.9% to 31.4%, representing a +47% growth in purchased meters.

Madex's customers believed in the company's green initiatives, leading to the use of biodegradable fabric, which accounts for 0.7% of the total.

While this figure may seem relatively low, it is significant as it demonstrates brands' willingness to embrace an increasingly eco-sustainable process.



+31,4%
Responsible
Fabric
purchased in 2022

Responsible materials: FABRIC	SS22 & AW22 (2021)		SS23 & AW23 (2022)	
	MT	%	MT	%
Biodegradable fabric	0	0	8.280	0,7
Recycled fabric	269.911	25,9	389.281	30,7
Total responsible Fabric	269.911	25,9	397.561	31,4
Fabric	772.399	74,1	869.199	68,6
Total fabric used	1.042.311		1.266.741	



Employee
Benefits

7.17 Daily commitment

I fondatori di Madex hanno piena fiducia nelle persone che lavorano con loro e la politica aziendale, evolutasi nel tempo, vuole premiare sempre di più le donne e gli uomini che fanno parte di questa realtà poiché tutti si impegnano quotidianamente nel perseguire gli obiettivi prefissati.

Recycled down – part second

Recycled down and feathers are sourced from items that would otherwise end up in landfills. By extracting down from discarded garments and duvets, it is possible to significantly reduce waste accumulation while simultaneously contributing to the recycling flow of down. Through a series of regenerative production processes, down are recovered and given a new lease of life.

These regeneration processes involve an initial selection of waste down and feathers, which are then dusted, washed, sterilized, subjected to centrifugation and drying. These steps ensure compliance with the highest hygiene standards and create a potentially endless virtuous cycle. Recycled down can also be certified according to the GRS (Global Recycle Standard).

7.18 Madex believes in Work-Life balance

The balance between work and personal life has become increasingly important in recent years, especially with the growing diffusion of remote work and flexibility in work arrangements.

The concept of «work-life balance» pertains to the ability to maintain a balance between one's professional and personal life to avoid stress and anxiety caused by excessive work. Madex believes that finding this balance is crucial for making daily life more sustainable.

This means promoting a work environment where employees can allocate the right amount of time to their careers and personal lives, thereby enhancing the well-being and happiness of employees in both areas.



7.19 Bonuses and insurance

Madex believes in a global development of the company, which means not only promoting economic growth but also ensuring stability for its employees so they can approach their work with peace of mind while maintaining consistent performance. This approach should also reflect in employees' personal lives, and in this regard, Madex's initiatives are on the rise.

In addition to the already established provision of welfare bonuses that began in 2021, the following additional measures are planned for 2023:

- Health insurance for each employee (with disbursement in case of illness) with Intesa San Paolo / Intesa Vita insurance company.

- Contribution to Sanimoda as a bilateral organization - it will be included in the handbook during the hiring process along with the regulations.

7.20 The desire to create a sustainable environment

Madex's management has made the decision not to use common desktop trash bins but to introduce separate containers for recycling in various offices: paper, plastic, and non-recyclable waste. Additionally, there is an organic waste collection in the cafeteria.

Furthermore, Madex uses a water tower connected to the water supply with a filtration system. Over the past three years, 3.77 cubic meters of water have been used, equivalent to approximately 7,500 50cl bottles.

In Italian offices, employees limit the use of single-use food containers and prioritize sharing snacks during breaks. This approach allows for the purchase of larger packages, resulting in less waste.

All the paper used bears the FSC mark, and there is a collective effort on double-sided printing or note-taking on both sides of a notebook.

7.21 Shipping reception service

Another possible service at Madex is the receipt of personal packages on-site. Employees can have their private shipments delivered to the office, and they are received at the reception area where they can pick them up at their convenience.

7.22 New Headquarters

In February 2022, the company relocated its office because the previous location was becoming inadequate, especially in terms of maintaining the privacy of employees during work breaks. Additionally, the larger workspace provided the opportunity for larger workstations, enhancing the comfort of all employees.

The new offices on Via Risorgimento in Noventa Padovana are divided into three floors, allowing distinct identities to work departments. This location offers double the space compared to previous and provides more areas for private meetings.

Furthermore, the ample parking space allows all employees to reach the office conveniently by car, but there is also easy access to public transportation.

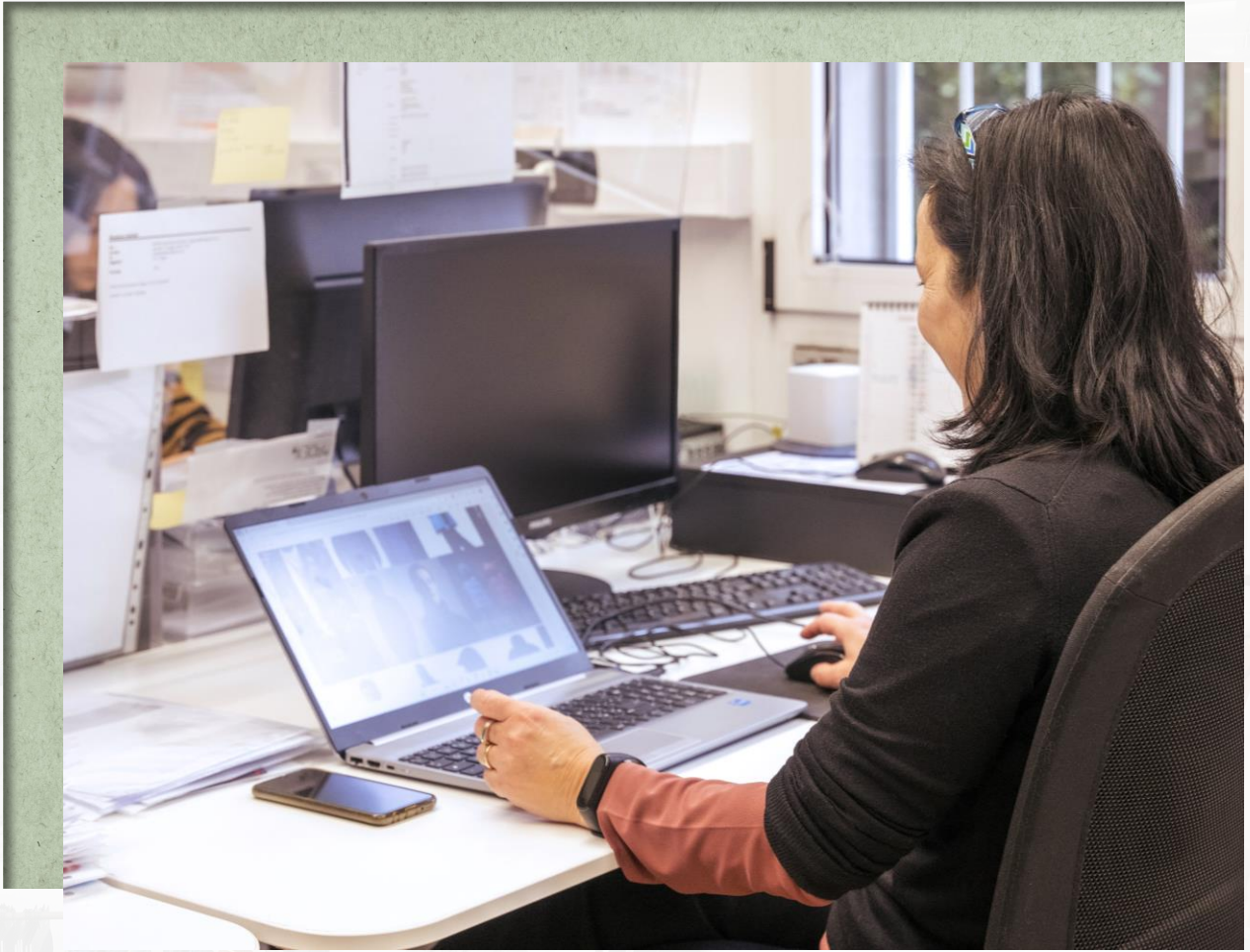
7.23 Office Advantages

Madex's new headquarters features a spacious garden where employees can relax during the nice weather.

There is a fully equipped kitchen with induction stoves, microwave ovens, a refrigerator, and a dishwasher, in addition to a large room used as a dining area, allowing all employees to eat together to foster mutual acquaintance and team spirit. Madex firmly believes that a healthy office should be as inclusive as possible.

The new offices are equipped with four spacious bathrooms, divided for women and men.





7.24 Flexibility and Smart Working

In today's world, workplace flexibility is crucial for companies. Madex adjusts working hours and conditions to meet the individual needs of employees. This type of flexibility entails greater autonomy and freedom for the staff, which, in turn, can increase motivation and job satisfaction.

Madex firmly believes that workplace flexibility can also help reduce stress, improve work-life balance, and enable employees to focus on tasks that are most important for the organization.

Connected to flexible start and end times, Madex also embraces a policy of smart working or agile work for employees in maternity or paternity leave and those with special needs. Facilitating employees in carrying out their work remotely using information technology offers numerous advantages for both parties, such as increased productivity, improved quality of life for workers, and reduced environmental impact.

Madex provides tablets and personal computers when necessary to facilitate flexible work, and this is underpinned by excellent planning by the company, ensuring constant communication through online conference programs and secure, fast document sharing via company servers.



Involvement in
the Community
and External
Communication

7.25 Community Initiatives

Throughout 2021 and 2022, Madex undertook initiatives aimed at the local community, demonstrating a strong belief in its own growth and the goal of becoming a reference point for the city of Noventa Padovana and for young individuals aspiring to make a career in the fashion industry over time.



7.26 Mitocon

For years, Madex has been purchasing panettone and Easter cakes for all employees from the Mitocon association. Mitocon is the leading organization in Italy for individuals affected by mitochondrial diseases and their families, serving as the primary connection between patients, families, the scientific community, industry, and institutions.

Mitocon's mission is to improve the quality of life for people affected by mitochondrial diseases, both children and adults, as well as their families. They work towards making the hope of finding definitive treatments a reality.



7.27 Solidarity transport

This is a service organized by the municipality of Noventa Padovana and supported by the participation of private companies. The initiative involves the purchase and maintenance of a social transport vehicle equipped with a platform, ramp, and wheelchair station.

The service is dedicated to the transportation of the elderly, disabled individuals, and those with special needs to hospitals, healthcare facilities, therapeutic centers, and schools in the area.



7.28 School-to-Work Program

For Madex, school-work alternation, now known as «Paths for Cross-Curricular and Career Guidance» (PCTO), is a significant opportunity. It represents an educational experience that combines knowledge with practical skills, guides students' aspirations, and opens up education to the outside world. It is crucial to provide young individuals, in addition to basic knowledge, with the competencies necessary to enter the job market. This is achieved by alternating study hours with classroom training and time spent within companies. This "on-the-field" experience helps bridge the "educational" gap between the academic world and the world of work in terms of skills and preparation.



Madex is aware that school-work alternation represents a cultural shift, especially in overcoming the difficulties that can make it challenging to enter the workforce after completing one's education. For Madex, participation in the school-work alternation project is a useful method to strengthen the relationship between educational institutions, universities, and businesses.

It aims to provide students with basic knowledge and specific industry skills while offering effective guidance regarding potential post-diploma pathways to explore new opportunities and tools for entering the workforce. In addition to the school-work project, Madex collaborates with schools for both internships and curricular internships.

An increasingly sustainability padding – part one

The apparel industry is becoming increasingly aware of the environmental impact of its production, and there are several eco-friendly alternatives to traditional padding that are rapidly gaining popularity.

Among the eco-sustainable options there are fillings made from natural materials such as organic cotton, hemp, coconut fiber, cellulose, wool, and silk. These materials are biodegradable, biocompatible, and less polluting compared to synthetic fillings.



Madex is truly proud to be able to welcome young individuals who are well-prepared and eager to engage in learning as much as possible from these work-oriented approaches. Additionally, over the years, we have had the opportunity to get to know some students who have later become permanent employees at Madex.



7.30 Association law

The company respects the right of all employees to freely join unions and provides spaces and facilities to local organizations. Furthermore, it upholds the right to collective bargaining.

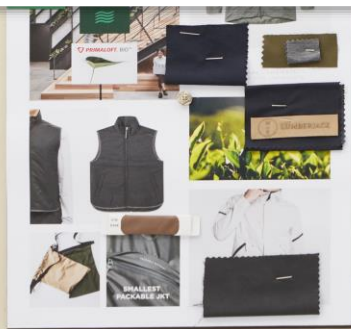
All employment contracts are concluded by referring to industry-wide collective agreements, ensuring a greater standardization of employment contracts used within the company.

Currently, there are no union representatives within the company, and the roles of Health and Safety Representatives (RLS) are freely chosen by the workers themselves.

An increasingly sustainability padding – part second

Furthermore, there are several recycling techniques that allow the use of existing materials for padding production. For example, recycled padding, which we discussed earlier, represents a sustainable solution to reduce material waste and avoid the production of new materials.

Finally, there are also some interesting technological innovations emerging in the clothing industry: some companies are using algae and mushrooms to produce alternative materials to traditional padding.





The Madex
people

7.31 Cultivate talents

The importance of staff training and talent cultivation is an added value for Madex, especially in an era where technologies and market trends can undergo rapid changes.

In order to maintain competitiveness, a company must ensure that its personnel is consistently updated and possesses the necessary skills to perform their tasks effectively. This can be achieved through internal or external training and mentorship programs that pair young workers with more senior and experienced employees.

Madex promotes the development of soft skills and encourages a creative approach to problem-solving among its younger collaborators.

On the other hand, Madex also firmly believes that for more experienced employees, the opportunity to embrace new perspectives and skills is advantageous in terms of competitiveness. From this perspective, the contribution of young workers to the company is fundamental because it provides all staff with the opportunity to quickly adapt to the continuous changes in the market and technologies.

For all these reasons, talent cultivation truly represents one of the paths to ensuring a company's success, and Madex is highly motivated to promote a collaborative learning environment with the aim of bringing real and tangible benefits to the organization as a whole.



7.32 Training in Italy

Training is a fundamental aspect for the success of a company, especially for an office that coordinates the production of outerwear while interacting with colleagues in Vietnam. Employee training can indeed help improve productivity, the quality of work, and employee satisfaction.

In particular, in an office that coordinate outerwear production, training can enable employees to develop specific skills for their roles, such as the use of new tools or innovative production techniques. Additionally, training can contribute to the enhancement of various cross-functional skills, including teamwork, communication, and problem-solving.

Madex firmly believes that proper training plays a crucial role in keeping the company competitive in an ever-evolving market. For example, if the company introduces new technologies or production processes, training can help employees adapt quickly, making the most of the opportunities that arise.

7.33 Training Goals for 2023

Madex believes that the professional growth of individuals is highly important and that decision-making autonomy is an added value within workgroups. In this perspective, the company aims to provide more tools to its employees through training courses and trips:

- Illustrator lessons
- Internal Technical courses
- Training on New Sustainability Practices
- Technical Training Trips for Employees to Madex's production facilities in Vietnam

An increasingly sustainability padding – part three

However, it must be noted that there is no entirely eco-sustainable padding solution. All alternatives have their pros and cons, and often it is necessary to find a compromise between sustainability, thermal efficiency, and technical performance.

In general, if you want to choose clothing with more sustainable padding, it is crucial to research manufacturers that adopts ethical and sustainable practices in padding production. Additionally, it is important to prioritize high-quality clothing items that can last longer, thus reducing the need for frequent replacement.

7.34 Communication

Communication is becoming one of the top priorities for Madex, as it highlights the company's main values. The goal is to engage in constant dialogue with all employees, not only to communicate the business principles and objectives but also to listen to everyone's input, ensuring continuous improvement in both social dynamics within the offices and job-related performance.

Madex aims to strengthen its strategic credibility both internally and externally, and this can only be achieved through precise communication of the company's values in terms of business quality and sustainability.

Madex's internal communication focuses on new business opportunities, sustainability projects, welfare initiatives, and employee safety procedures.

7.35 Whistleblowing

If at any time Madex employees or external third parties wish to report a potential violation of internal company behavioral standards, legal regulations or the Code of Conduct, they can use the dedicated «Whistleblowing» SA8000 area on the company's official website or send an email to madexsa8000@madexsrl.com.

Furthermore, corporate presentations and videos related to the company are always available on the official website, providing all stakeholders with the opportunity to learn about Madex's assets, capabilities, and objectives.

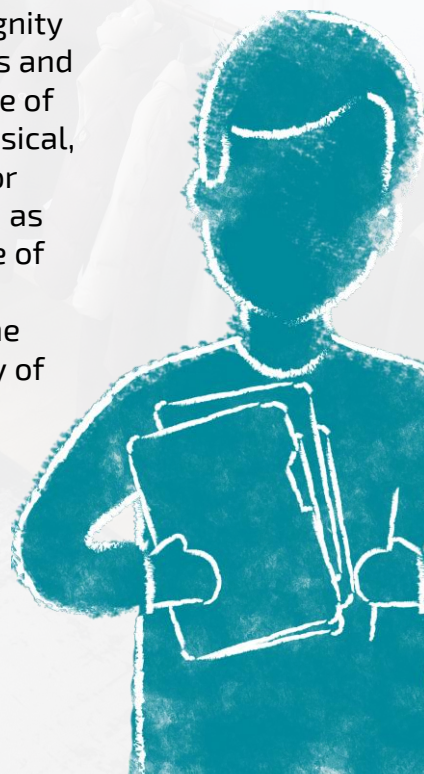
The following tools are also available:

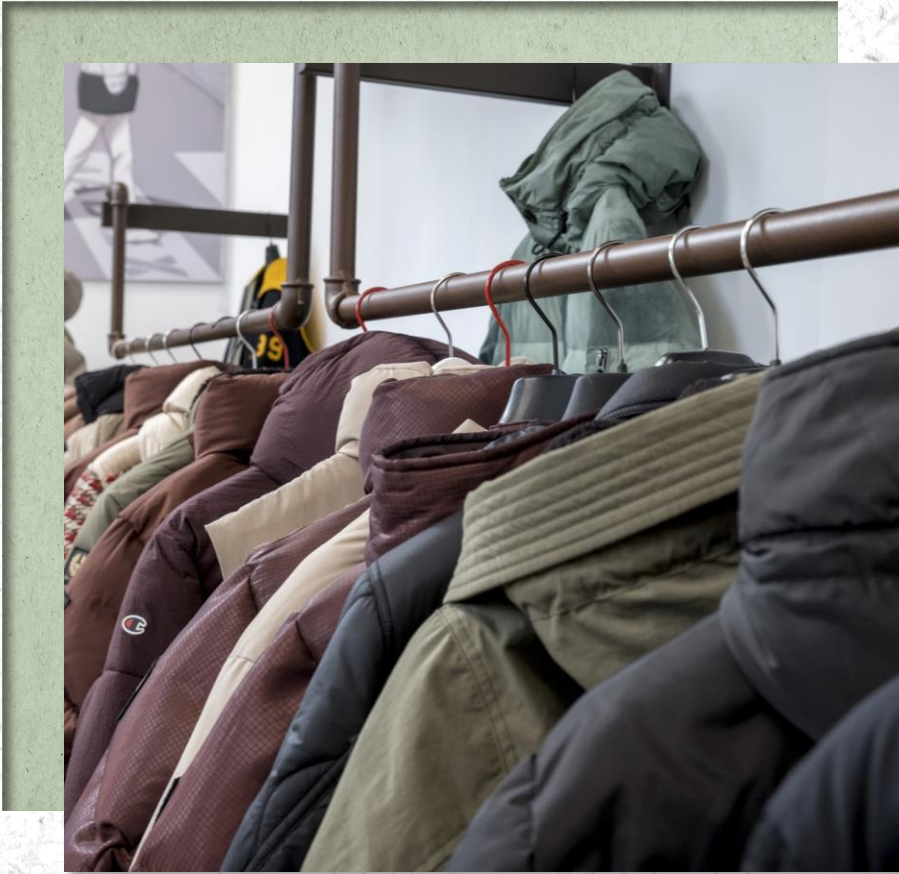
- Notices on the bulletin boards
- SPT meetings
- In presence meetings for workgroups/offices

Madex regularly schedules training activities and internal courses to ensure that the qualifications and skills of its personnel are in compliance with relevant regulations. Additionally, safety organizational charts are available on the bulletin board.

7.36 Respect

Madex respects the freedom and dignity of its employees and prohibits the use of any form of physical, psychological, or verbal coercion, as well as any type of insult that may infringe upon the personal dignity of each collaborator.





Chapter 8

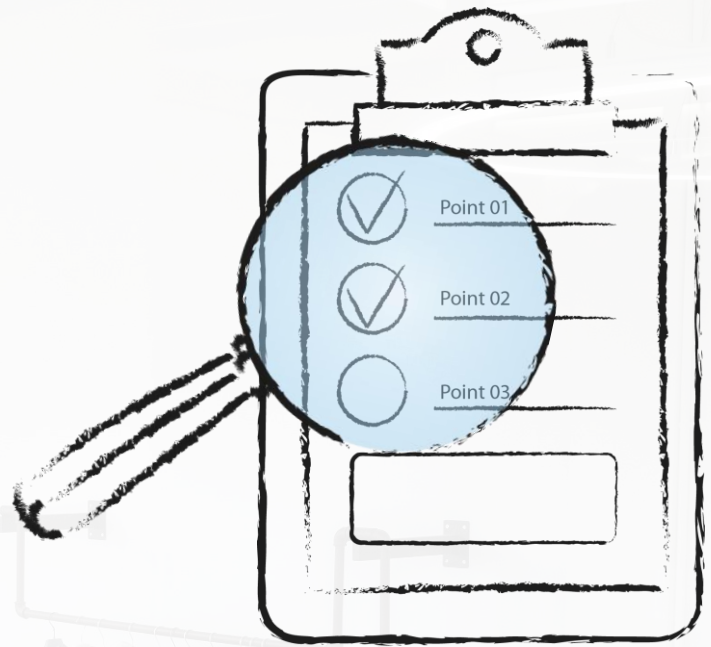
Risk Assessments

8.1 Responsible Supply Chain Management

For Madex, it is of utmost importance to have a reliable supply chain that shares the same values as the company. All of Madex's suppliers, whether "named" (suggested by customers) or "unnamed" (freely chosen by Madex), represent added value as they align with the company's sustainability policy.

In the initial phase of collaboration, all suppliers are required to sign a series of documents that encompass both social and environmental aspects. By signing these documents, Madex's suppliers commit to adhere to industry-specific standards and, in turn, ensure that their own suppliers and subcontractors also uphold these practices.

All of these documents are prepared and periodically reviewed by Madex's Compliance & Sustainability office, which began the supplier certification process in 2022. Madex's Management has established the general principles upon which the Corporate Policy and Code of Conduct are based, and in recent months, they have assessed the contents to determine the adequacy of the objectives in relation to their achievement within the established timelines.



8.25 The supply chain inspection

The documents presented to suppliers aim to ensure respectable and safe working conditions for the personnel employed at every stage of Madex's supply chain through a series of targeted actions to protect workers' rights, in accordance with the Universal Declaration of Human Rights and the International Labour Organization's Declaration on Fundamental Principles and Rights at Work.

Furthermore, Madex's Corporate Policy, established in 2022, emphasizes methods to minimize environmental impact throughout the entire supply chain. This entails higher pollution control, waste reduction, and more careful resource conservation.

Suppliers whose results do not align with Madex's expectations are required to implement and modify their business conduct to comply with sustainability standards.

8.3 Social and Environmental Audits

Supply chain monitoring involves selecting those suppliers who can guarantee ethical and social best practices. Madex pays particular attention to the supplier companies from which it purchases products, ensuring that they are the first to adhere to sustainability standards. Additionally, it closely monitors production sites in countries that require more rigorous oversight regarding labor and environmental issues.

The checklist to which suppliers are subjected primarily focuses on social and environmental matters such as:

- Sanitary authorizations, if applicable
- Country of origin of materials used in the creation of the finished product
- Key suppliers used
- Any existing certifications issued by accredited regulatory bodies
- Minimum age of workers
- Working conditions standard
- Plant's compliance status
- Periodic health surveillance
- Presence of workers' representatives
- Accurate records of hours/leave/various permits
- A wage that respects the worker
- Flexibility of working hours based on family conditions

8.4 2023: enhanced supply chain oversight

Monitoring began in 2022, involving suppliers with whom Madex exceeded a purchase value of \$10,000, in addition to some strategic suppliers. Out of the 23 suppliers contacted, 2 were identified with issues: in one case, the identified problems have already been resolved, while in the other, the company wishes to further investigate and assess the possibility of assisting the supplier in meeting the criteria by 2023.

The goal for next years is to expand the monitoring to smaller suppliers and begin involving suppliers selected by customers in the monitoring process as well. In 2023, a «Raw Material Manual» will also be developed, which will be sent to the company's selected suppliers and will encompass all qualitative, ethical, and eco-toxicological parameters. Additionally, a detailed Restricted Substances List (RSL) will be compiled, including all the most restrictive requests from customers. Finally, a testing program will be established, and in collaboration with suppliers, checks will be conducted on eco-toxicological parameters.



8.5 Supplier Code of Conduct

Madex presents its suppliers with a careful and precise Code of Conduct that they must accept and sign to initiate a working collaboration with the company based in Padua.

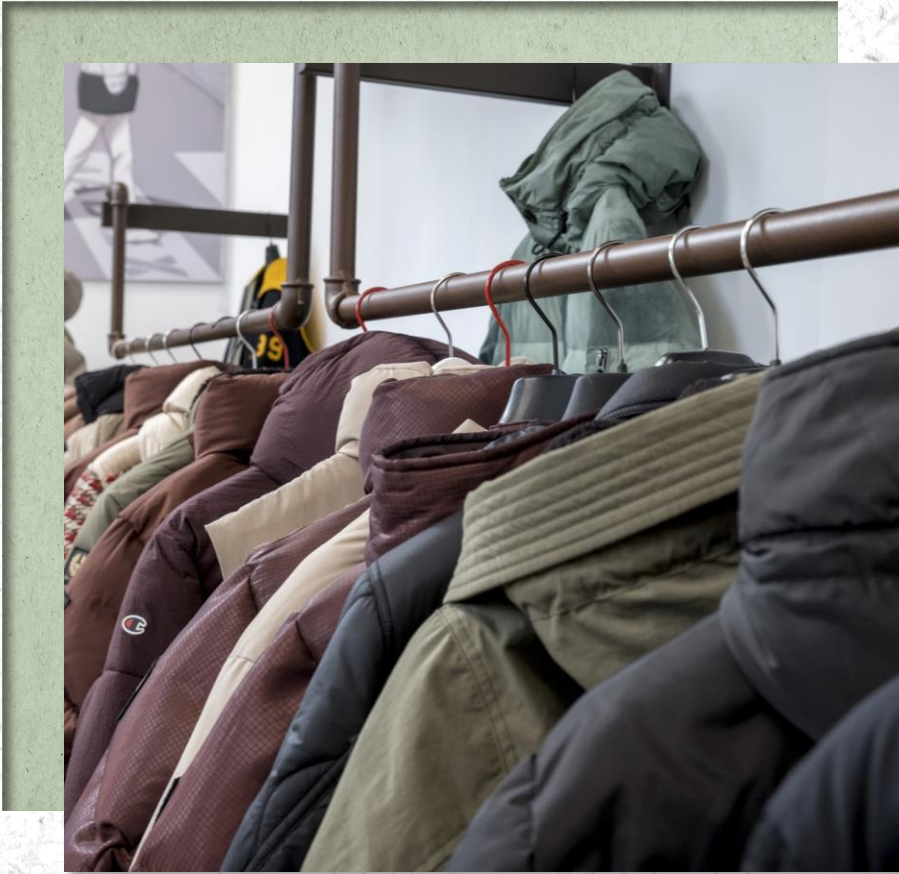
The Code of Conduct reaffirms the pillars of Madex's policy against extortion and corruption. For Madex, it is essential that suppliers:

- Act in accordance with the company's values
- Protect the reputation of the company
- Demonstrate the company's commitment to the communities in which it operates
- Ensure compliance with all anti-corruption laws applicable to the company
- Strengthen the enforcement and awareness of anti-corruption laws

The Code outlines the expectations and rules that must be followed by Madex personnel and representatives of the facilities during the execution of activities. The Code prohibits any form of corruption, collusion, pressure, or interference that may compromise the integrity and quality of services. It requires compliance with local laws, safety regulations, and the confidentiality of collected information.

Finally, the Code allows for the possibility of sending mystery auditors to verify compliance with the integrity policy.





Chapter 9

Performance Improvement

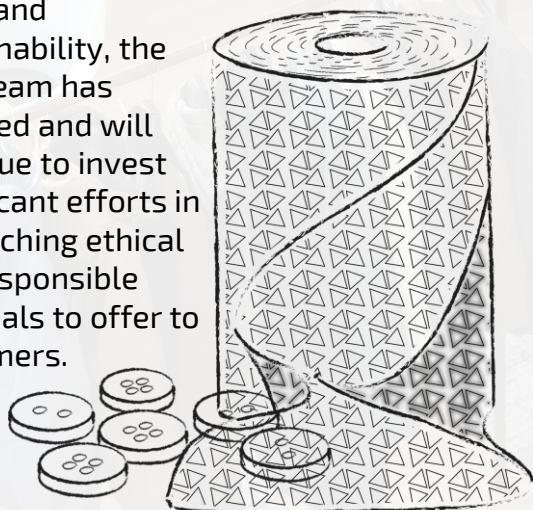
9.1 The Importance of Social Sustainability for Companies

Sustainability is the ability to use natural resources responsibly and efficiently without compromising the quality of life for both present and future generations. It is a fundamental goal for human development and the protection of the planet, requiring the commitment of all social actors, including businesses.

Indeed, businesses play a key role in promoting environmental sustainability, as they are responsible for a significant portion of energy consumption, greenhouse gas emissions, waste production, and impacts on the environment. At the same time, businesses can benefit from increased attention to environmental sustainability in terms of competitiveness, innovation, reputation, and customer trust.

9.2 Responsible Research

In addition to the KI-72 project, through which Madex aims to demonstrate that it is possible to combine quality, style, and sustainability, the R&D team has invested and will continue to invest significant efforts in researching ethical and responsible materials to offer to customers.



9.3 Madex's goals for the future years

To enhance its sustainable performance, Madex aims to adopt a strategic and integrated approach that takes into account the economic, social, and environmental aspects of its activities. Some of the actions Madex plans to take in this direction include:

- Reducing energy consumption and CO2 emissions through energy efficiency measures, the use of recycled and/or biodegradable materials, and logistics optimization
- Effectively managing waste through source reduction, recycling, recovery, and eco-friendly disposal practices
- Respecting and conserving the local environment and biodiversity by minimizing negative impacts and promoting environmental protection and restoration initiatives, with projects currently in the planning phase
- Engaging internal and external stakeholders through communication, awareness-building, training, and dialogue on environmental issues



9.4 Social sustainability as a strategic driver

Madex firmly believes that sustainability is a factor in creating economic value for the company. In fact, by being more sustainable, the company can:

- Decrease operational risks by avoiding penalties or damages resulting from non-compliance with regulations or environmental standards
- Gain a strong reputation advantage by setting itself apart from competitors and increasing its attractiveness to customers, suppliers, partners, and investors
- Reduce costs through process optimization and the reduction of waste and energy consumption
- Expand its presence in the market by meeting the growing demand for sustainably produced goods and services
- Lower the cost of capital by accessing favorable or incentivized financing options for sustainable projects

Environmental sustainability is, therefore, a strategic choice for companies that want to remain competitive in the global market and contribute to the sustainable development of society. Madex aims to become an example of how this choice can bring benefits both environmentally and economically.



Thanks for your attention

Madex SRL – via Risorgimento, 9 – 35027
Noventa Padovana - Padua – Italy
Telephone: +39 049 772739
email: marketing@madexsrl.com
Web Sites: www.madexsrl.com | www.ki-72.com

MADEx