



# RELAXSHOE BENEFIT CORPORATION

## IMPACT REPORT

# 2024

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*My mama always said you can tell a lot about a person by their shoes,*

*where they going,  
where they been.*

*Forrest Gump*

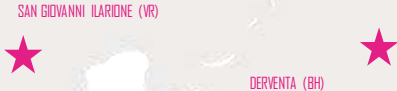
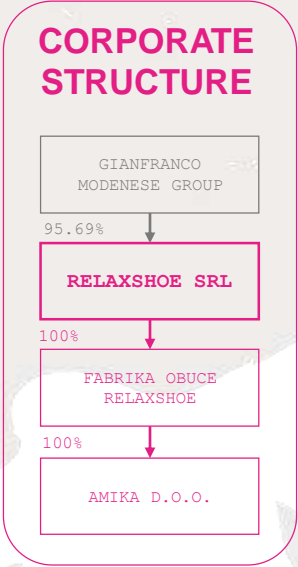
As a benefit corporation, **RELAXSHOE SPA SB** is required to prepare an annual report concerning the ways it pursues common benefits, attaching this to its financial statements. The report includes (Italian Law 208/2015, Article 1, Section 382):

- *a description of the specific objectives, methods and actions implemented by the directors to pursue the common benefit goals and any circumstances that prevented or slowed down the process;*
- *an evaluation of the generated impacts using the external evaluation standard (...);*
- *a section describing new objectives that the company intends to pursue in the next financial year.*

In relation to recent sustainability reporting requirements, the company does not fall under the mandatory reporting requirements as it does not exceed the 1,000-employee limit in the reporting year required by the CSRD (Directive 2022/2464/EU), as amended by the ‘Omnibus’ package (Directive 2025/794/EU).

The European Commission also suggests the adoption of the VSME (*Voluntary standard for non-listed micro-, small- and medium-sized enterprises*) for all non-reporting companies that want to comply with sustainability transparency requirements. This standard, built to facilitate companies’ approach to reporting, was adopted in a hybrid form with the impact report, to allow for greater alignment among sustainability metrics and offer the market and stakeholders a clear and complete summary of ESG commitments and achievements. This report therefore aligns with the reporting criteria under **Option A – Basic Form** and **Option B – Comprehensive Form**. The correlation between disclosure compliance and reporting standards is inserted to the side. Information on common benefit goals not covered by the VSME indicators is expressed using the ESRS indicators provided by the CSRD regulation.

The reporting perimeter pertains to **RELAXSHOE BENEFIT CORPORATION** for the 2024 fiscal year and does not include subsidiaries.



NACE CLASS	46.42
PRIMARY ACTIVITY	Wholesale marketing of leather and PVC footwear and accessories €36,589,625
ASSETS	€55,749,121
TURNOVER	49 (average composition on 31/12/2024)
EMPLOYEES	Viale del Lavoro 74, 37035. SAN GIOVANNI ILARIONE (VR)
HEADQUARTERS	FABRIKA OBUCE RELAXSHOE BOSNA Derventa-Zeljeznicka 9 – R.S. Bosnia Herzegovina
CONTROLLED BRANCHES	AMIKA BOSNA D.O.O. Derventa-Zeljeznicka 9 – R.S. Bosnia Herzegovina

1960s



Modenese Srl Creazioni Luca Shoe opens

1970s



Leadership positioning in target markets

1984-1985



Relaxshoe Srl and Galmod Srl are founded for the leather and injection moulding lines, respectively

1999



Relaxshoe and Galmod became one company with several brands

2024



Relaxshoe becomes a benefit corporation

**Relaxshoe** is a market leader in the production of leather and injection moulded footwear. The quality of our products, as well as our experience and production structure have enabled us to become a key partner for several international brands.

Our story began in the 1960s when our founder, Gianfranco Modenese, created Modenese Srl Creazioni Luca Shoe.

Over the following 10 years, the company – known the world over for its women's sandals and shoes with ergonomic insoles guaranteeing comfort, relaxation and durability and for its plastic boots and sandals – soon became Italy's leading exporter to Germany, Scandinavia and the Arab Emirates.

In 1984, **Relaxshoe Srl** opened and its first collection of women's leather shoes, an expression of comfort and well-being, took shape. **Galmod Srl**, a plastic injection-moulded footwear manufacturer, was founded in 1985. In just a few years it became an important private label, working with well-known international brands due to its production capacity and flexibility, continuous innovation and evolution in the search for materials, shapes and colours.

Stimulating audacity, outstanding temperament, firm choices and hard work are the foundations and heritage of what has now become an established company with international recognition.

In 1999, **Relaxshoe** and **Galmod** merged into a single company that cleverly combined several brands and different production lines.

On 23 September 2024, Relaxshoe evolved into a **benefit corporation** under the new company name:

## Relaxshoe srl Società Benefit

This important milestone confirms and formalises the effort and commitments made over the years by Relaxshoe's directors and employees to achieve its important twofold management goal: economic growth and a positive impact on the community and environment.

This is a further concrete step towards creating shared value with responsibility, sustainability and transparency.

The company is 95.69% owned by Gianfranco Modenese Group Srl. The Board of Directors consists of:

Gianfranco Modenese, Chairman of the Board

Giuseppe Modenese, Director

Paolo Modenese, Director

Relaxshoe is a family and a team  
that listens and shares

We work with responsibility,  
passion, tenacity and expertise

We work with our partners

We convey trust with honesty and  
transparency

We are always looking to improve

We care about people's safety

We respect our working  
environment

We believe in the value of people

WE CONVEY JOY BY BRINGING THE COMFORT OF  
FOOTWEAR TO THE WORLD,  
IN STEP WITH CHANGING NEEDS, WHILE RESPECTING  
OUR PLANET.

People, communities and the environment are the most important issues in our approach to sustainability. In evolving into a benefit corporation, we have therefore amended our bylaws to include common benefit goals that are more aligned with our business model.

BYLAWS 2024

*The corporate purpose of Relaxshoe srl is the production, processing, import, export and wholesale and/or retail trade of footwear, related products, sporting goods and clothing.*

*As a benefit corporation, the company intends to exercise economic activities to pursue several goals for common benefit and operate in a responsible, sustainable and transparent manner towards people, communities, territories and the environment, cultural and social assets and activities, bodies, associations and other stakeholders.*

The goals of common benefit are:

RESPONSIBILITY IN OUR CONDUCT  
TOWARDS PEOPLE

*We conduct our business with responsibility, commitment and professional rigour.*

*This implies the utmost respect for employees, who carefully perform their assigned duties.*

*We acknowledge the value of our human capital and pursue the international principles of labour law, rejecting any form of coercion against staff, guaranteeing high standards of workplace safety, respect for trade union rights, decent pay and preventing any form of worker discrimination or inequality.*

ENVIRONMENTAL PROTECTION

*We aim to reduce the negative impacts of our work and production activities as much as possible to prevent damage to the surrounding environment, while also working to mitigate our contribution to climate change. We are active in promoting and adopting the principles of the circular economy, with a focus on the use of more sustainable and safer raw materials and components while reducing waste. Aware of the impact of the value chain on environmental and social aspects in the footwear sector, we are committed to spreading a culture of integrated sustainability along our supply chain by promoting gradual improvements.*

WELLBEING FOR THE LOCAL  
COMMUNITY

*We implement initiatives in favour of the local community, actively participating in projects for improvement in collaboration with local associations and institutions to foster a society that is more attentive to people and the environment.*

Our company manages and markets different brands in addition to its own, and production is organised into two main product groups:

**Injection line** for the GALMOD brand, sold under the company's brand name and also under *private label*: imagination and creativity in the world of plastic and rubber footwear. This line is the most significant part of production in number of pairs and turnover.

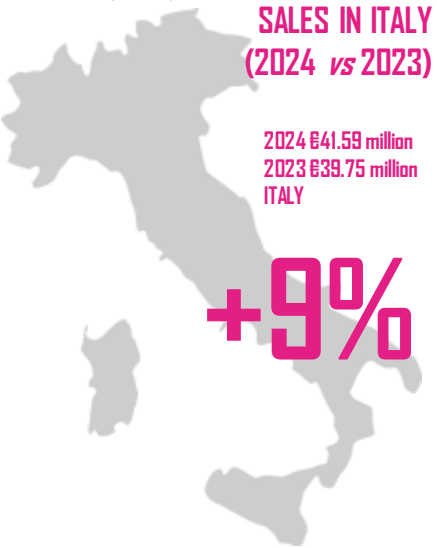
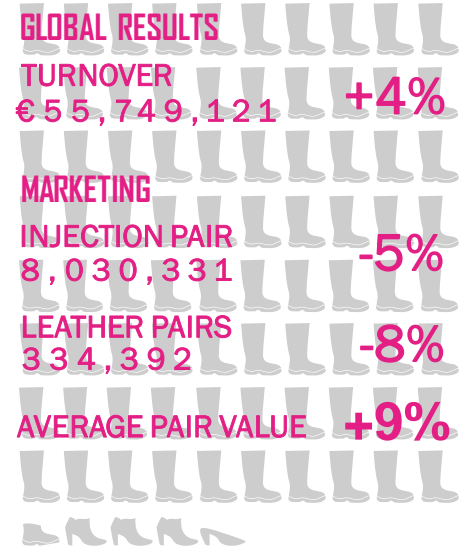
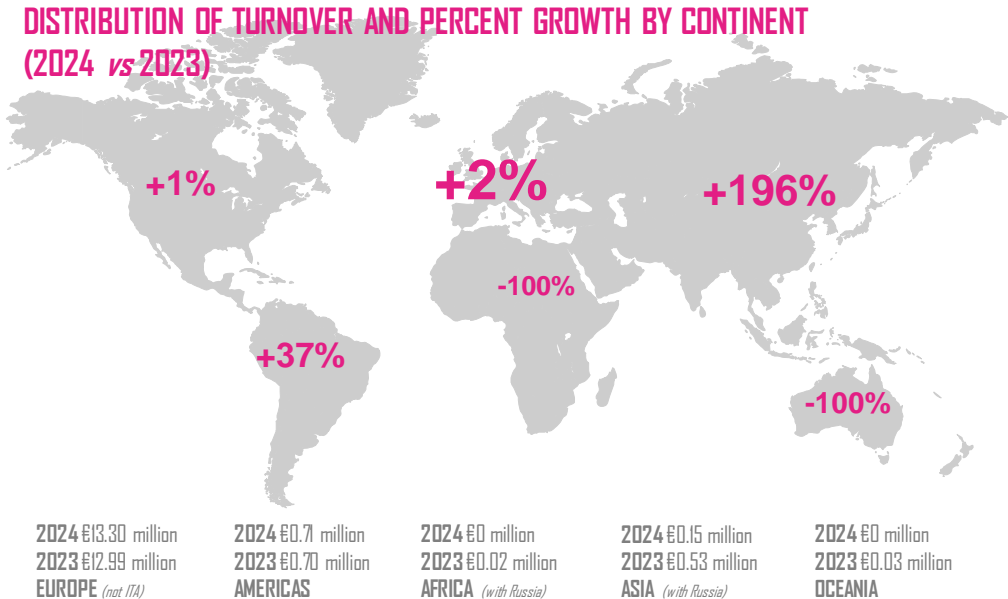
**Leather line**, sold under both private label and proprietary brands:

- RELAXSHOE, our traditional brand for comfort footwear;
- EASY' N ROSE, the top line in the most sought-after and exclusive range of leather shoes;
- FREE LIFE A.B., the youngest line from Relaxshoe, always in step with current trends.

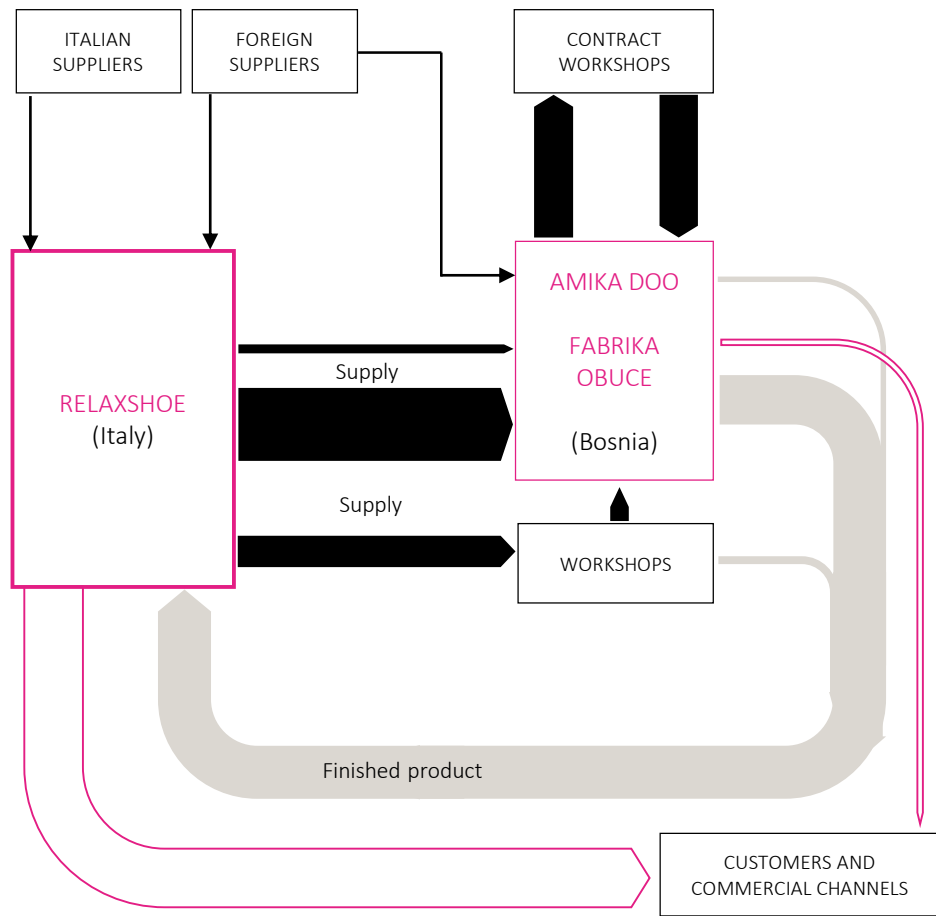
The company mainly works in B2B, with distributors and customers throughout Europe.

Italy remains the primary market, covering about 75% of sales, but we are also present in France, Germany and Scandinavia, which can be considered European countries of reference. In addition to these, the following are certainly important: Bosnia, Switzerland, the UK and the Czech Republic, although exports reach around 30 different countries spread over five continents. Besides Europe, South America — with countries such as Chile and Uruguay — is an interesting sales channel that has developed in recent years. The Italian footwear sector is very competitive. Italy is the top producer in Europe with around one third of all footwear produced in the region, but we also hold a good global position (12th), with Asia dominated by China (55%).

DISTRIBUTION OF TURNOVER AND PERCENT GROWTH BY CONTINENT (2024 vs 2023)



Italy is the third-largest exporter, yet there was a 9.7% drop in national sales compared to 2023. Even in the face of a 5% drop in the number of pairs sold, we continued to guarantee the quality of our products and managed to increase turnover, establishing ourselves as a solid, well-equipped company.



We follow all stages of production, from the design of prototypes to the purchase of raw materials, from production to sales, with direct relationships with distributors and retailers. This allows us to interact with major players in the international footwear sector and support customers in producing articles that interest them and in choosing materials and components.

Our experience and technologies have enabled us to become the partner of choice for major global brands.

We have worked with some of these companies for many years and, due to our willingness to always look for the best solutions in projects of mutual interest, we have focused more on internal sustainability aspects, production units and the entire supply chain, which is discussed below.

We believe that one key to our business growth is our long-standing relationships with the most serious and reliable suppliers, such as raw material and component suppliers, with whom we have established an excellent business relationship over time, built not only on normal economic relations but also on mutual esteem, trust and flexibility.

More than 50% of our purchases in 2024 were made from multi-year suppliers.

Since we make extensive use of thermoplastics and PVC in our work, we are very committed to the challenge of sensitising our customers to prefer organic or recycled thermoplastics. For a small price difference, these materials significantly reduce negative impacts on the environment.

As specified in our company structure, our organisation consists of an Italian office where the products and item prototypes are designed, sales strategies are studied, purchases are made, suppliers and subcontractors are selected and customer relations are maintained. This centralisation enables us to have complete control, such that customer requirements and the sustainability of the supply chain — particularly with regard to people’s rights and working conditions — are respected in full compliance with international conventions.

This is crucial for production and operations in the international market, especially in the fashion, textile and footwear sectors, with the possible social impacts generated along the supply chain if they are not properly monitored.



Our company does not:

- produce controversial weapons,
- cultivate or produce tobacco,
- operate in the fossil fuel sector or generate revenues from fossil fuels exploration, extraction, production, processing, storage, refining or distribution, including transport, storage and trade (Article 2(62) of Regulation (EU) 2018/1999 of the European Parliament and of the Council),
- produce chemicals.

By managing and directing our subsidiaries's activities, unity is created between our Italian headquarters and our Bosnian workshops.

In fact, the group's operations depend on all processes, activities and personnel. From an environmental point of view, the company's formalised planning, which began in 2019 and was shared with stakeholders in 2023, is represented by five pillars that guide the company's planning and investments, that is, prior to our evolution into a benefit corporation. The results of these orientations will be addressed in detail in the following chapters.



100% ENERGY FROM RENEWABLE SOURCES



REDUCE ENERGY CONSUMPTION



BECOME A LEADING COMPANY IN RECYCLING AND THE CIRCULAR ECONOMY



PROMOTE A CULTURE OF RESPECT FOR THE ENVIRONMENT



DEVELOP A SUSTAINABLE SUPPLY CHAIN

ACTION	GOAL	RESULT	COMMON BENEFIT GOALS
Sustainability certifications	ISO 14001:2015 certification by early 2026	We have implemented Environmental Management System documents. Staff were trained in EMS (60 hours, 4 employees) and the main procedures relating to the environmental aspects of Relaxshoe were prepared.	Reduction of environmental impacts Climate change Circular economy Waste reduction Sustainable supply chain
	B Corp certification by 2025	At the end of November 2024, a rating of 85 points was achieved on the B Impact Assessment, allowing us to start the certification and verification process, which we would like to complete by December 2025. A total of 32 hours of training was provided for 24 employees on B Corp issues.	Spread a culture of sustainability and climate change All other goals

Companies in today's textile and footwear sector face a very important challenge: making the sector increasingly sustainable by engaging consumers in greater social and environmental awareness. For the market and customers, company certifications (such as UNI ISO 14001:2015) are a form of guarantee and reliability, which is also true of reducing the risks of misleading communications and greenwashing.

The concept of sustainability is very broad and, in addition to environmental issues, embraces social and management issues. For a company like ours, it was important to identify a tool that could serve as a common thread for the various sustainability initiatives while guaranteeing an authoritative approach, recognition by our stakeholders and high standards of social and environmental performance. This is why we chose B Corp status.

More than a certification, it is a **global movement** that aims to **spread a more evolved business paradigm**. Around the world, certified B Corporations stand out in the marketplace because in addition to pursuing profits, they make continuous innovations to maximise their positive impact on employees, the communities where they operate, the environment and all stakeholders. To become certified, companies must pass a self-assessment (80 points minimum) using an ESG web tool, go through a complex certification process and pay the required annual fees. In our industry, there are more than 500 B Corp certified companies as of 2024, mainly concentrated in Europe and the US (only 18 are Italian), of which only 15% manufacture goods. About half of the certified companies in the fashion, leather and textile sectors have an average score between 85 and 95 points. In 2024 we achieved 85 points.

GOALS: RESPONSIBILITY IN OUR CONDUCT TOWARDS PEOPLE

ACTION	GOAL	RESULT	COMMON BENEFIT GOALS
Improve the corporate climate	Two events per year for employee socialising and interaction	In 2024, two social events were held with the participation of 27 employees. <div><div></div><div></div><div></div><div></div><div></div></div>	Respect for co-workers
	Construction of a <i>clubhouse</i> by the first half of 2025	In 2024, work began on a dedicated area in the first warehouse in San Giovanni Ilarione. <div><div></div><div></div><div></div><div></div><div></div></div>	Respect for co-workers
	Training of employees and area managers in internal communication	On 31.12.2024, a course in internal communication was held to improve the effectiveness of interpersonal relations. Eight people participated for a total of 156 training hours. <div><div></div><div></div><div></div><div></div><div></div></div>	Respect for co-workers
Personal growth	Involving more than 50% of the Italian workforce in training and skills development programmes	Out of 52 employees, 42 were involved in the company training programme for more than 956 training hours. <div><div></div><div></div><div></div><div></div><div></div></div>	Spreading a culture of sustainability Workplace safety



Our people are an integral part of our history and success. The first common benefit goal concerns therefore human capital, with respect for their rights and security.

The mission is binding for Relaxshoe but subsidiaries are also fully involved in these principles. Likewise, although the scope of reporting is limited to the Italian company name, we have full responsibility for compliance with international labour laws at our subsidiaries as well.

Although just over 50 people work in the Italian headquarters, our choices influence the lives of about 600 families in Italy and Bosnia, in addition to the indirect effects of our purchasing and production choices, which affect workers in the value chain. This particularly applies to contractors and material and product suppliers that are known to be critical in the clothing and footwear sector, including the leather chain.

GOALS: RESPONSIBILITY IN OUR CONDUCT TOWARDS PEOPLE

B3 (+ S1.6) – WORKFORCE CHARACTERISTICS: GENDER AND CONTRACT  
RELAXSHOESB - SAN GIOVANNI ILARIONE (VR)

		Contract		Time	
	Employees	Permanent	Temporary	Full time	Part time
	Men	1	26	26	1
	Women	2	23	19	6
	Total	3	49	45	7

Classification of employees by gender and contract type (FTE, full-time equivalents).  
Excluding directors not classified as employees.

S1.6 – CHARACTERISTICS OF COMPANY EMPLOYEES – AGE  
RELAXSHOESB - SAN GIOVANNI ILARIONE (VR)

			<30 *	30-50 *	>50 *
	Men		3	9	15
	Women		1	9	15
	Total		4	18	30

Classification of employees by gender and age (FTE, full-time equivalent). Excluding  
directors not classified as employees.



RELAXSHOE  
WORKFORCE

55<sub>fte</sub>

52.4<sub>STAFF AVERAGE</sub>

Total values (employees + directors), calculated as FTE and counted at 31.12.

GOALS: RESPONSIBILITY IN OUR CONDUCT TOWARDS PEOPLE

The corporate workforce is well distributed with respect to gender. The average age remains over 50. In fact, the main reason for separation in 2024 was retirement. The most common form of employment is on a full-time permanent contract. Most part-time contracts (7) are held by female staff.

C5 – ADDITIONAL WORKFORCE CHARACTERISTICS

Requirement	Description	Result
Women/men ratio among managers	There are no managers, although the directors (not classified as employees) have specific delegated powers	0
Number of self-employed people working exclusively for the company	There are no self-employed workers working exclusively for the company	0
Number of workers provided by temporary employment agencies	There are no temporary workers	0

C9 – GENDER DIVERSITY IN GOVERNANCE BODIES

Requirement	Description	Result
Average ratio of female to male board members.	There are no female members on the Relaxshoe Board of Directors	0

In compliance with legal obligations (Italian Legislative Decree 24/2023) on the protection of whistleblowers who report violations of national or European Union law that harm the public interest and/or the integrity of the company, an internal ‘whistleblowing’ reporting channel was established within the prescribed timeframe.

An IT platform receiving and handling anonymous reports and related procedures was presented to workers and, in general, all interested parties.

No violations were reported in 2024.

B9 – WORKFORCE – HEALTH AND SAFETY

	Absolute no
Rate of occupational accidents	0
Deaths due to occupational accidents	0
Occupational diseases	0

The calculation considers employees only and is aligned with the mandatory reporting under Italian Legislative Decree 81/08.

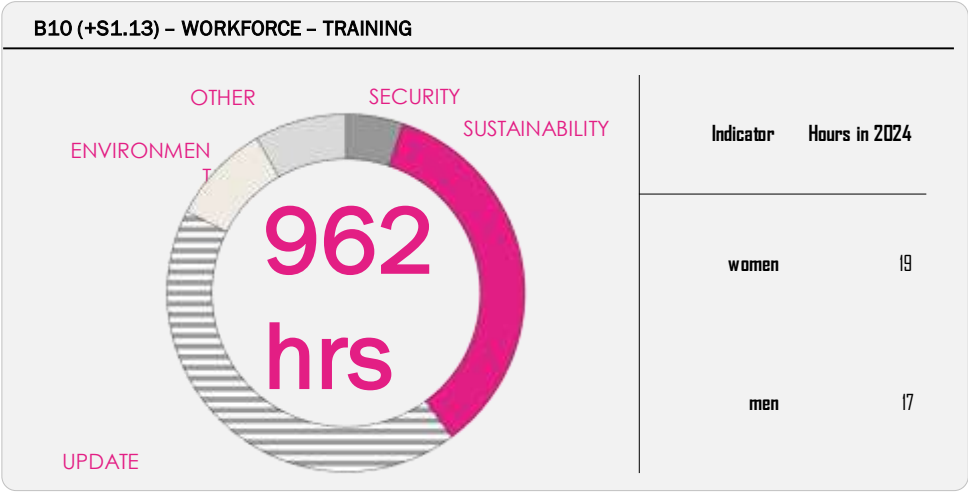
All employees are covered by the National Labour Contract (NLC) and, in 2024, the total number of strike hours by employees was 0.

B10 – WORKFORCE – PAY, COLLECTIVE BARGAINING

Description	Number
Remuneration: ratio of entry level wage to minimum wage	2024 one basic level hire with salary determined by the NLC 1
Percentage pay gap between female and male employees	17.63%

To ensure that the sustainability team and all operators involved in the projects are fully operational, 2024 saw the start of several training plans, in addition to the legally required courses on occupational health and safety. Of particular relevance to our staff were courses on language, internal communication, the Organisational Model (Italian Legislative Decree 231/01), the environmental management system and B Corp.

The skills acquired in the B Corp Certification, Waste Management, and Supply Chain Optimisation modules were necessary to streamline existing sustainability projects and facilitate their development.



The compliance of our plants with current applicable laws is also guaranteed by passing periodic audits carried out by our main customers or commissioned by them to third-party entities, in compliance with the main international standards (Sedex, BSCI, etc.).

In addition, to ensure compliance with international conventions on labour rights, and strengthened by partnerships with internationally recognized clients and brands, our quality team in Bohr Nija was trained in 2024 to develop supplier compliance audits on occupational health and safety and fundamental rights.

This assessment was conducted in the presence of our auditors and through the collection of documents relevant to our activities. This allows us not only to guarantee the maximum traceability of products and processes, but also ensure that our suppliers operate within the law. This activity is part of the above-mentioned supply chain monitoring programme, which is described in more detail below.

C 6 – FURTHER INFORMATION ON THE WORKFORCE – HUMAN RIGHTS POLICIES AND PROCESSES

Our **Code of Conduct** was drafted and approved in 2023, The document includes several sections on labour management and addresses the following issues:

- child labour,
- forced labour,
- discrimination,
- accident prevention,
- working schedule and rest.

C 7 – SERIOUS ADVERSE HUMAN RIGHTS INCIDENTS

Relaxshoe and its subsidiaries monitor compliance with human rights and fundamental labour principles. For 2024, we can guarantee that:

- there were no child workers;
- there was no forced labour;
- there were no incidents of human trafficking;
- there were no incidents of discrimination in the workforce.

Likewise, Relaxshoe is not aware of any confirmed incidents involving value chain workers, affected communities, consumers and end users.

B11 – CONVICTIONS AND PENALTIES FOR ACTIVE AND PASSIVE CORRUPTION

Relaxshoe, its directors, area or function managers, employees and associates have not been convicted of violations of active and passive anti-bribery laws, nor have any sanctions been issued for violations related to such offences.



S1.6 – RECRUITMENT, SEPARATION AND EMPLOYEE TURNOVER RELAXSHOESB - SAN GIOVANNI ILARIONE (VR)			
New recruitments	1		
Separations	5		
Average staff	49.37 (+3)		
	Overall	Positive	Negative
Employee turnover	0.11%	1.79%	8.93%



Receiving the 'Responsibility' award from UPRS and Rep. Srpska

IMPACT STORY  
PRIZE-WINNING LEGALITY

With the sustainability journey that started in 2023, including the preliminary activities for the B Corp certification process, we have sharpened our focus on social issues and realised that we have a strong sensitivity for footwear companies in Bosnia.

In fact, through our participation in technical tables with Bosnian local and governmental authorities and union agreements, we have proved to be widely recognised for the seriousness with which we address social issues and workers' rights. We view ourselves as an example for other companies in the sector located in Bosnia. In 2022, our company was awarded by Republika Srpska with a public acknowledgement concerning our 'Responsibility' (unique in the sector), attesting to the regularity of its contributions and taxes. This aspect is not a given in Bosnia, considering that the objective of the award is precisely the emergence of the underground economy.

Our site, where we have invested in technology and machinery, is attractive to workers also with respect to the benefits — which are more than just financial — offered to employees. This includes the Club House, which is fully available to employees (over 600), families and friends for:

- internal instruction
- worker socialisation during free time
- personal celebrations
- sports match broadcast parties
- sports activities among workers.

Despite above-average wages, training and available services, there are cases of local employees leaving their jobs, often in search of a more attractive future in other European countries where there is a shortage of skilled and unskilled workers.

ACTION	GOAL	RESULT	COMMON BENEFIT GOALS
Green energy and energy savings	100% electricity from renewable sources at all production sites	Electricity consumption entirely from renewable sources for Relaxshoe Italia, Fabrika Obuce and Amika Doo <div><div></div><div></div><div></div><div></div><div></div></div>	Mitigating climate change
	Reducing total energy consumption from non-renewable sources	A 70% reduction in natural gas consumption for heating compared to 2022, mainly due to a more rational use of heating systems in offices and warehouses. However, consumption due to transport accounts for about 50% of total energy consumption, due to frequent, necessary travel to subsidiaries in Bosnia. <div><div></div><div></div><div></div><div></div><div></div></div>	Mitigating climate change
	Reduction of 42% in the Group's direct CO <sub>2</sub> emissions ( <i>base year</i> : 2016) by 2026.	Monitoring of Scope 1 and Scope 2 in both Italy and Bosnia. In Italy, a 55% reduction was achieved in 2024 compared to 2016. <div><div></div><div></div><div></div><div></div><div></div></div>	Mitigating climate change

The *apparel & footwear* sector contributes about 8–10% of global climate-changing emissions, i.e. calculated to be about 400 Mton CO<sub>2</sub>. Of these emissions, 17% are associated with the production of shoes, including all the activities involved: extraction and production of raw materials and processing necessary to reach the finished product. Published academic studies and European Directives confirm that most of these greenhouse gas emissions are associated with stages upstream of marketing and use and our role in reducing these impacts is therefore crucial.

Managing emissions due to energy use is certainly the first important step we have taken to reduce our climate impacts. Over the years, we have worked hard to improve the energy management of our headquarters and foreign locations.

Since 2017, we have consumed self-generated electricity from the photovoltaic plant at our Italian headquarters, supplemented with electricity supplies from certified renewable sources. In 2024, the energy produced by our plant met almost a third of our total electricity needs.

We have embraced a clear and feasible energy transition strategy that considers not only Relaxshoe, but also subsidiaries where energy consumption is most relevant.

Continuous commitment and targeted investments have therefore led to very satisfying results, which are recognised by our customers and Bosnian institutional partners.

TOTAL ENERGY CONSUMPTION  
ITALY 2024

699.89 MWh





B3 – ENERGY MIX

Energy from non-renewable resources	Unit	Value
Consumption of fuel from coal and coal-based products	MWh	0
Fuel consumption from crude oil and petroleum products	MWh	0
Fuel consumption from natural gas	MWh	114.60
Fuel consumption from other fossil sources	MWh	346.71
Consumption of electricity, heat, steam and cooling purchased or acquired from fossil fuels	MWh	
Total consumption from fossil fuels	MWh	0
Share of fossil fuel sources in total energy consumption	MWh	461.31
	%	66
Energy from renewable resources	Unit	Value
Fuel consumption from renewable sources, including biomass	MWh	0
Consumption of purchased electricity, heat, steam and cooling from renewable sources	MWh	171.55
Self-produced non-fuel renewable energy consumption		
Total renewable energy consumption	MWh	67.04
Share of renewables in total energy consumption	MWh	238.58
	%	34

Relaxshoe has monitored its carbon footprint over the years with the support of technological tools provided by its business partners. In this report, this figure was revised for greater accuracy and detail.

B3 – GHG EMISSIONS

	CATEGORY	t CO <sub>2</sub> eq	Scope GHG Protocol
	DIRECT EMISSIONS	112.41	Scope 1
	INDIRECT EMISSIONS FROM IMPORTED ENERGY*	0	Scope 2
B3 – CARBON INTENSITY		0.16	kgCO <sub>2eq</sub> /€

Calculation derived from total Scope 1 and 2 emissions in relation to net profit.  
\*Scope 2 emissions calculated according to location-based approach, not considering LCA of photovoltaic panels

The use of renewable energy sources (28% self-produced) has resulted in the substantial elimination of the carbon footprint related to indirect emissions from energy use (Scope 2).

GROUP CARBON FOOTPRINT

-55% (2024 vs 2016)

We have adopted a **Corporate Energy Policy** that contains a clearly defined track for corporate strategies, guaranteeing our commitments.

COMPANY ENERGY POLICY

Relaxshoe is aware of the challenges the future holds for society and the planet and therefore adopts a CORPORATE ENERGY POLICY

Relaxshoe is committed to:

Raising and strengthening awareness about the importance of responsible and mature use of energy resources and the consequent waste reduction;

- Monitoring the company's electricity consumption on a monthly basis;
- Giving priority to the use of energy produced from renewable sources when economically and technically possible;
- Demanding the best possible energy standards from suppliers of raw materials, services and equipment;
- Improve the performance of existing buildings within the limits of technical-economic feasibility;
- Educating all staff to make them responsible and guide them in adopting behaviour and habits aimed at reducing energy consumption;
- Ensuring that future machinery and instrumentation are energy efficient.

To implement each action, the management undertakes to:

Appoint an energy policy manager to work towards the company's energy objectives;

- Ensure the availability of human, economic and technological resources, if necessary and economically possible;
- Ensure the availability of information;
- Ensure that this policy is periodically reviewed for its continued adequacy.

IMPACT STORY  
P BOSNIA GREEN TRANSITION

*In May 2024, our production site in Bosnia also began to consume electricity exclusively from renewable sources. Our Bosnian company was the first energy-intensive manufacturing company to start using green energy for its production in Republika Srpska. This means that all our injection moulding machines are powered by renewable energy.*

*Since 2021, we have controlled the energy consumption of production lines by installing a monitoring system connected to the machinery. Total energy consumption decreased by 8% from 2022 to 2024. Moreover, as of 2024, when solar energy production began, more than 50% of total consumption (including fossil fuels) is attributable to renewable resources. This is an outstanding achievement considering the local production situation.*

*Scope 1 and Scope 2 are also monitored at the Bosnian production sites, showing a reduction by 2024 of 27% for Scope 1 and even 67% for Scope 2, mainly due to self-generated electricity and the use of energy from renewable resources for the remainder.*

*Until 2023, credits were purchased in Bosnia to offset its greenhouse gas emissions, while Guarantee of Origin (GO) credits for purchasing electricity from renewable sources were purchased until 2022.*

The textile industry is one of the largest consumers of water in the world. The textile system also has a serious environmental impact due to the pollutants released in the manufacturing, transport and disposal processes. If water is indispensable in the mass textile industry, its considerable water footprint is an urgent problem that must be solved.

Relaxshoe constantly monitors its water consumption and therefore promptly discovered and repaired a leak in the water system, resulting in an 86% reduction in water consumption in 2024 compared to the previous year.

B6 WATER CONSUMPTION			
	Indicator	2023	2024
Total water withdrawal	All sites (m³)	2497	353
	Water withdrawal in water-stressed areas (m³)	0	0
Total water consumption	All sites (m³)	36,188	37,880
	Water consumption in water-stressed areas (m3)	2497	353
Consumption calculation developed using meter readings by water service providers.			

WATER CONSUMPTION  
RELAXSHOE ITALY 2024

-86%

GOALS: ENVIRONMENTAL PROTECTION

ACTION	GOAL	RESULT	COMMON BENEFIT GOALS
Sustainable supply chain	ESG supplier assessment and audit planning	At the end of 2023, the first ESG assessment of Italian suppliers was completed. In 2024, the sustainability team and purchasing department received appropriate training. The latter received specific training on planning <i>supply chain</i> monitoring	Sustainable supply chain
		<div><div></div><div></div><div></div><div></div><div></div></div>	
	Reorganisation of supplier and material/component database and management system	On 31.12.2024, about 20% of the management system and material database had been reorganised with the weight and sustainability requirements as certifications	Climate change Circular economy Sustainable supply chain
		<div><div></div><div></div><div></div><div></div><div></div></div>	
	Injection machinery remanufacturing and modernisation	Three machines were remanufactured in 2024. Another 2 are planned for remanufacturing by the end of 2025	Reduction of environmental impacts Circular economy
		<div><div></div><div></div><div></div><div></div><div></div></div>	
	Use of at least 40% organic thermoplastics origin by 2026	In 2024, 38% of plastics for injection moulding lines contained resins or products of natural origin	Reduction of environmental impacts Circular economy
		<div><div></div><div></div><div></div><div></div><div></div></div>	

Embracing the principles of the circular economy is not only an ethical act, but a market need that will become a legislative constraint in the coming years, as outlined in European planning and EU and national regulations. The GPRS Regulation and ESPR Directive emphasise the importance of applying eco-design criteria and purchasing choices for companies in our industry to reduce impacts related to the business and its products.

Issues concerning resource use and the circular economy are therefore an integral part of the design and production of our footwear and one of the main challenges for the purchasing department.

It has to mediate customer demands with the market offer and, above all, understand and verify whether or not products and raw materials offered by suppliers meet sustainability criteria.

GOALS: ENVIRONMENTAL PROTECTION

In view of the CSRD obligations and the deadline for consolidated reporting in 2026, we began a fundamental reorganisation of the product and supplier database in 2024 by reclassifying all references in the management system and purchases by the company from 2022 onwards. Even with the suspension of reporting obligations, work will continue to ensure the proper management of sustainability information on more than 400 suppliers and thousands of products.

In accepting these challenges, we involved our employees in the technical and purchasing departments through a training course that provided more than 120 hours/employee of training on the circular economy.

PURCHASE VOLUME 2024 €33,301,509.90

E5-4 RESOURCE INFLOWS

CATEGORY	VALUE		RECYCLED
	thousands of €	t	
PACKAGING	2,445.3	876.5	79%
PLASTIC	11,969.4	5,039	8%
SOLES	572.9	66.3	0,6%
LININGS/UPPERS	5,552.5	614.7	44%
LEATHER	1,162.9	5.5	



GOALS: ENVIRONMENTAL PROTECTION

VSME - B 7 - RESOURCE USE, THE CIRCULAR ECONOMY AND WASTE MANAGEMENT

Our company purchases and handles large quantities of raw materials and components. Net of the materials used for prototyping and quality control and direct purchases from subsidiaries — particularly subcontracted services such as laminating — nearly all of these products move fiscally and physically from the Italian headquarters to the production sites.

To ensure accurate data on material flows, we have worked hard to correctly code the thousands of references classified in our management system. This work is essential in providing our stakeholders with accurate information about products and suppliers. The data refer to the main components used in the production of the marketed footwear, in relation to both the leather line and injection processes.

The main purchase categories include plastics for injection moulding, soles, leather, linings and uppers, with a value of approximately €21.5 million, covering about 75% of the purchases of raw materials and components in economic volume.

The choice of materials and components and the selection of subcontractors and suppliers are an integral part of our success. The focus on sustainability throughout the supply chain has become a key element of our business model.

MINIMUM AMOUNT OF  
INCOMING RECYCLED RAW  
MATERIAL

21%

FSC®-CERTIFIED  
PACKAGING MATERIAL

> 60%

In October 2022, we began a more structured study of our supply chain with respect to ESG issues. This involved sharing and collecting questionnaires from selected suppliers, enabling important choices that began in 2023. This led us to involve *Tier 1* (direct) suppliers in our *monitoring* to reach at least 80% of the total purchase value. We restricted the sample to 50 companies, including some that could represent potential risks to our business model. Seventy-two per cent of companies responded positively due to the *webinars* offered to the supply chain. They completed the eleven ESG questionnaires on the Ecomate web tool, enabling us to identify the monitoring methods and procedures in 2024 and to design a monitoring plan for 2025 for the entire supply chain, covering *Tier 1* for Relaxshoe and *Tier 2* with respect to contracting and workshops.

MONITORED SUPPLIERS 82% OF PURCHASE VALUE 2022



We have developed and shared a Code of Conduct with our supply chain.

GOALS: ENVIRONMENTAL PROTECTION

ACTION	GOAL	RESULT	COMMON BENEFIT GOALS
Chemical management	100% SAFE AND SUSTAINABLE CHEMICALS	In 2024, Relaxshoe continued its evaluation of the chemicals used, primarily water-based adhesives and sealants, products with a reduced hazardousness.	Worker health and safety Sustainable raw materials and products
	Continued compliance with ZDHC	In 2024 we achieved "Supplier to Zero" recognition	Reduction of environmental impacts Circular economy

Europe continues to produce and consume large quantities of hazardous chemicals that end up in products and are then released into the environment with potential health risks. At the same time, Europe also has some of the most restrictive chemicals laws and most ambitious policies globally, such as the EU Sustainable Chemicals Strategy and the Action Plan 'Towards Zero Pollution for Air, Water and Soil'.

Industrial chemicals are regulated by the REACH regulation. There are also other laws on specific products, such as biocides, pesticides, cosmetics and pharmaceuticals. There are limits on chemical contaminants and pesticide residues in food.

COMPLIANCE WITH THE REACH REGULATION

100%

All raw material and component suppliers are required to comply with the REACH regulation for substances supplied or used in Relaxshoe production



GOALS: ENVIRONMENTAL PROTECTION

ACTION	GOAL	RESULT	COMMON BENEFIT GOALS
Circular economy leader	100% ZERO WASTE TO LANDFILL	From 2022 to 2024, we eliminated waste going to landfill. All of our waste produced at the Verona site is recovered by specialised centres. In addition, as of 2024, we have further differentiated the types of waste produced, thus increasing the possibility of recovery and recycling.	Circular economy (sustainable raw materials and products) Waste reduction
	Facilitating recycling of injection moulded scrap	Our focus on the circular economy takes the form of research and development activities related to recycling production waste from subsidiaries in Bosnia, to prevent waste produced there from ending up in a landfill. This led to two important ongoing collaborations aimed at developing alternatives to landfill management of EVA (ethylene/polyethylene vinyl acetate), PU and PE (polyurethane and polyethylene) waste.	Circular economy, Sustainable supply chain



More than 40 million tonnes of textile and footwear-related waste are produced globally, much of which is sent to landfills. This relates not only to the difficulties of recycling with affordable sustainable technologies, but also to the geography of waste and the complex sorting/separation of materials/fibres. We do everything we can to reduce the *pre-consumer* waste we produce.

HAZARDOUS AND NON-HAZARDOUS WASTE 2024

34,350 kg

As a principle, our waste must always go to recycling and recovery processes.

B7- RESOURCE OUTFLOW – WASTE MANAGEMENT				
	Indicator	2022	2023	2024
Waste generated	Non-hazardous (kg)	25740	31610	34350
	Hazardous (kg)	990	0	0
	Total (kg)	26,730	31610	34350
total hazardous waste to recovery 0 kg	Hazardous waste prepared for re-use			0
	Hazardous waste recycled			0
	Hazardous waste other recovery operations			0
total non-hazardous waste to recovery 34,350 kg	Non-hazardous waste prepared for re-use			0
	Non-hazardous waste recycled			0
	Non-hazardous waste other recovery operations			0
total hazardous waste to disposal 0 kg	Hazardous waste incinerated			0
	Hazardous waste to landfill			0
	Hazardous waste other disposal operations			0
total non-hazardous waste to disposal 0 kg	Non-hazardous waste incinerated			0
	Non-hazardous waste to landfill			0
	Non-hazardous waste other disposal operations			0

Up to 2023, most of the waste generated by our headquarters consisted of various types of packaging, mainly from the warehouse operations for handling purchased raw materials and their shipment to subsidiaries in Bosnia. However, in 2024, we conducted an in-depth analysis of production waste to increase sorting, which resulted in the introduction of two new product classes in waste management, thereby reducing the percentage of 'mixed packaging' in the total waste produced by 23%.

IMPACT STORY  
FOR A RESPONSIBLE USE OF PLASTICS

Waste legislation in Bosnia is less precise and technically less complex than the EU and Italian approach, and companies are not bound to manage waste in accordance with EU requirements. This results in poor sorting and extensive use of landfills in the country. Relaxshoe also adopts the principles of the circular economy in its subsidiaries and, to this end, carries out several projects to reuse waste and process waste that would otherwise be destined for landfills.

In view of the significant increase in the production of thermoplastic articles at Bosnian production sites over the years, we have placed special mills alongside the injection moulding machines. These mills grind rejects so that they can be reused along with virgin plastic granules. This system is aimed at avoiding the waste of raw materials and reducing waste and has become an integral part of the processing cycle. In fact, most materials we use can be ground, so **all PVC, MEGOL, SBS waste is reused.**

At the moment, it is not yet possible to recover the waste EVA material used in production. In this regard, we have worked hard over the past two years to search for new partners and find a solution to recover this production waste. We have already received some proposals for solutions, which we will test in production during the course of 2025 to verify their suitability.

With Unichem, a Relaxshoe supplier, we have planned a testing project for 2025 on machinery at our production sites using virgin and recycled EVA mixes to continue working towards eco-design. In fact, plastics represent the most significant supply for the Group, exceeding 35% of costs in goods and services.

100% ZERO WASTE TO LANDFILL



GOALS: WELLBEING FOR THE LOCAL COMMUNITY

ACTION	GOAL	RESULT	COMMON BENEFIT GOALS
Short supply chain and local induced effects	Maintain short supply chain for 25% of purchases (in €)	More than 25% of purchases (in €) were made within 100 km of the Italian headquarters. <div><div></div><div></div><div></div><div></div><div></div></div>	Climate change Sustainable supply chain
Promote youth sporting activities	Maintain sponsorships and/or funding for local sports associations	In 2024 we guaranteed sponsorship of the San Giovanni Ilarione football school and San Giovanni Lupatoto tennis school <div><div></div><div></div><div></div><div></div><div></div></div>	Initiatives in favour of the local community

€7.13 million: COMMERCIAL VALUE OF SUPPLIERS LOCATED WITHIN 100 KM OF THE ITALIAN HEADQUARTERS

For us, the local community means not only San Giovanni Ilarione, the Province of Verona and the Veneto Region, because the territory and the populations living near our Bosnian companies' factories are also directly involved in the company's activities. In fact, over the years, we have financed various initiatives to leave a mark in our area, such as planting trees in Derventa, donating shoes or financial support. However, we believe that our impact also — and especially — derives from the induced effects of our activity.

We have a significant number of loyal suppliers. More than 50% of the 2024 purchase value of materials, components and workshops is accounted for by companies we have worked with for more than 20 years.



# FUTURE OBJECTIVES

ACTION		GOAL		TIMING		COMMON BENEFIT GOALS	
Sustainability certifications		ISO 14001:2015 environmental management system certification for Relaxshoe		Early 2026		ENVIRONMENTAL PROTECTION	
		Complete of the B Corp Certification process for Relaxshoe and communication to stakeholders		December 2025		ALL	
Improve the corporate climate		Maintain two events per year for employee socialising and interaction		December 2025		RESPONSIBILITY IN OUR CONDUCT TOWARDS PEOPLE	
		Finish work on a clubhouse by the first half of 2025		First 6 months of 2025		RESPONSIBILITY IN OUR CONDUCT TOWARDS PEOPLE	
Sustainable supply chain		Use of at least 40% thermoplastics of natural origin		First 6 months of 2026		ENVIRONMENTAL PROTECTION	
		Regenerate and modernise of two injection moulding machines in Bosnia		End of 2025		ENVIRONMENTAL PROTECTION	
		Complete the reorganisation of the supplier, material and component database and management system		December 2025		ENVIRONMENTAL PROTECTION	
		Define a 3-level sustainable procurement policy (environmental, social and governance) and a Group supplier and subcontractor monitoring and audit programme		December 2025		ENVIRONMENTAL PROTECTION RESPONSIBILITY IN OUR CONDUCT TOWARDS PEOPLE	
Reduce the carbon footprint		Maintain the 50% reduction in Scope 1 and Scope 2 emissions compared to 2016( <i>baseline year</i> )		December 2025		ENVIRONMENTAL PROTECTION	
Promote youth sporting activities		Maintain sponsorships and/or funding for sports associations: San Giovanni Ilarione football school, San Giovanni Lupatoto tennis school or other local organisations active in providing young people with access to sporting activities		December 2025		WELLBEING FOR THE LOCAL COMMUNITY	



*Recycle the present, save the future.*

*Anonymous*

