

Sustainability Report

2021

TAKE OFF

THE OUTLET COMPANY



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Letter to Stakeholders



Aldo Piccarreta
Chairman and CEO

Over the years, employees and consultants, shareholders, customers and suppliers, subjects in the areas where we operate and institutions have had the opportunity to interact with the Take Off Group on specific aspects arising from the distinct relationships we have established. Listening to them has greatly contributed to the identification of our sustainability goals and the definition of a structured path consisting of progressive interventions for its improvement. This first edition of the Sustainability Report is addressed to all of them. It has been drawn up with the aim of strengthening our ties with them, using qualitative and quantitative indicators to provide economic-financial data and information on the impact of Take Off's way of "doing business" on the market, on our people and on the surrounding community during the 2021 fiscal year.

Sustainability is increasingly becoming an element for creating value and a competitive lever for market differentiation, considering its impact on the Group's image and brand.

In 2021, the Take Off Group achieved Euro 26.4 million in turnover, an increase of 24.64%. Our operating profitability (EBITDA) was further strengthened and amounted to 36.05% of turnover, while net profit grew by 47.80%. We consider these results highly valuable, as they were achieved in a year made extremely difficult by the COVID-19 pandemic and the subsequent containment measures taken by the public authorities. From the very beginning of the pandemic, the Group implemented an Emergency Plan that prioritised the protection of the health and safety of its workers and customers in order to be able to continue

doing business as safely as possible. The active cooperation of all our employees was decisive, to whom we extend our heartfelt thanks for their efforts and professionalism.

On 25 November 2021, we reached a very important milestone. Despite the particular historical context we are experiencing, the process of listing the Group on the Euronext Growth Milan market was finalised.

This listing process will allow the Group to achieve advantages in terms of image and visibility, as well as to provide the company with financial resources to pursue its strategic objectives.

Thus a new path of sustainable growth was established, which we wanted to fully convey in this document.

The Group is aware of its responsibility in relation to sustainability and the circular economy, which it is delighted to share in the near future through a growing commitment to increasing social welfare and the protection of natural resources.

Take Off's philosophy is summed up in its original name.

Our mission is to offer our customers high-quality products at affordable prices through in-store sales, giving them back the pleasure of shopping in actual stores with big brand products at lower prices than online retailers. Our customer-friendly stores simultaneously offer the convenience of an outlet and the elegant organisation characteristic of a boutique, revisiting the physical shopping experience in a way that enhances its sensory and emotional value, as well as the human relationship created between buyer and seller.



Despite the persistence of the pandemic crisis, we have continued to record growth (since we must regardless always plan our future by looking ahead) by opening new stores.

The opening of these stores is always part of our logic of pursuing rapid growth in all directions, supported by a careful selection of stores in terms of strategic location and potential sales volumes, which allows us to minimise opening investments and reach a break-even position in little time.

It should also be noted that the e-commerce site was implemented in 2021 in order to create an additional sales channel and be even closer to our customers.

Flipping through this document, I hope that each of our stakeholders can find the level of detail they were seeking, feeling attracted, involved and stimulated by Take Off.

Lastly, I would like to reiterate how our work will be accompanied by continuous dialogue with all stakeholders and the periodic updating of the Sustainability Report, which for us is not a final communication document, but the tool through which we want to tell you about our performance and our actions.

Take Off's key figures for the year

The performance achieved by the Group is highlighted below, including the main financial and management KPIs.

€ 26,4 mln

REVENUES + 25%

€ 9,5 mln

EBITDA +47%

€ 5,6 mln

NET PROFIT + 48%

219

EMPLOYEES

74%

WOMEN

901.253 kWh

ELECTRICITY CONSUMED

As can be seen from the above information, from a financial point of view, the company's EBITDA is highly significant, increasing by 47% compared to 2020 and generating a net profit of Euro 5.6 million (+48% compared to the previous year). Another noteworthy aspect relates to the so-called "gender quotas". In fact, the Group currently has a high percentage of women in its workforce, around 74% of the total number of employees. From an environmental point of view, our electricity consumption is modest considering the peculiarities of the Group's business, as its downstream position in the supply chain does not include significant energy consumption.

Take Off at a glance



The Group's business is the retail sales of clothing and accessories for adults and children.

Take Off S.p.A. is the main Italian chain of outlets with its own and third-party brand products. In addition to distributing internationally renowned brands, it offers a "fashion boutique" shopping experience through a broad portfolio of proprietary brands.

Over S.p.A. produces own-brand products for children up to 14 years of age: the Overkids brand combines high quality

with affordable prices, allowing the Group to serve customers of all age groups, increasing their loyalty rate.

The Group is present nationwide with a network of 144 stores, of which 26 directly managed and 118 through franchising agreements. The franchising model allows the subsidiary Over S.p.A. to have a very lean structure in terms of costs, creating economic opportunities for private individuals as well as facilitating the Group's expansion throughout the country.

Geographical presence

(Data collected at 31 March 2021)



31 PdV

TAKE OFF
THE OUTLET COMPANY

113 PdV

OVERKIDS
CHILDREN'S FASHION STORE

The Group's operating model is based on the design, production and marketing of apparel for adults and children, using both specialised in-house personnel - particularly with regard to design, planning and warehouse management activities - as well as outsourced resources, especially for production and also abroad.

The image below briefly outlines the main phases of the Group's operating model, subject to detailed analysis in the paragraphs below.



The group's strength is also due to its ability over the **years to establish its own brands on the market**, whose products are sold in individual outlets, generating significant revenues.

The design and planning of the Take Off garments marketed through the proprietary brands are entrusted to over 30 external suppliers who present different proposals divided by garment type in anticipation of each season. The purchase proposals, which are submitted approximately six months before the start of the season, are examined and selected by the company's internal staff. Taking advantage of this timing, they are able to best implement the commercial strategies typical of Take Off's outlet model and described in the following section, "Sales and distribution".

Through this extensive scouting activity, Take Off is able to offer its customers a wide range of products, which includes different styles and allows the end customer to choose among various price ranges. To date, Take Off designs, produces and markets the following seven proprietary brands.

YUKO HAYATE

T O K Y O

Women's line aimed at a young public and featuring a range of essential and simple garments. The offer also includes non-seasonal items and the prices are the lowest of the women's offer.



Women's line aimed at a more adult public, whose offer is characterised not only by a more comfortable fit but also by a more sophisticated cut in the garments and colours.



First line of the company's women's range. The garments stand out not only for their more sophisticated design or careful workmanship, but also for their careful selection of materials, ranging from cashmere to leather. The prices of this line are the highest of Take Off's women's range.



Similar to Yuko Ayate in terms of target and sales prices but aimed at a male target, this line focuses on knitwear and shirts that are simple and straightforward, yet cover all the main elements of a man's wardrobe.



As with Stella Berg, this line is aimed at a more adult male audience and offers not only wardrobe essentials but also workwear and more sophisticated and, if necessary, elegant garments.



First line in Take Off's men's range, Andrea Maggi offers garments that are refined in workmanship, design and materials, thus meeting the needs of a more sophisticated public that is not necessarily "seeking a bargain". Like Gaia Galli, the prices of this line are the highest of the men's range.



A men's/women's line targeting a heterogeneous public seeking garments that offer a casual and sporty look. This line is in the middle price bracket.

As for the Over line dedicated to children's clothing, the entire creative, design and engineering process of the garments is carried out in-house. For each season, the creative team of six resources (experts in fashion and clothing design) designs and develops more than 300 garments; once finalised and shared with the company's management, they are sent for manufacturing.

The product offering of OVER consists exclusively of products marketed under the single brand "OVERKIDS", which, in order to satisfy market demand for durable, high-quality products, are predominantly made of cotton and natural fibres, in keeping with the attention that the Group pays to its end customers.

More specifically, the product range of the OVER brand is characterised by a complete portfolio of products, divided into three categories:

NEWBORNS

For babies from
3 to 18 months



CHILDREN

For kids up to
4 years old



YOUTH

For children and teenagers
up to 14 years old



This range is perfectly complementary to the Take Off range, since it allows the Group to serve customers of all age groups and to increase the loyalty rate of customers who, for example, once acquired through the OVER brand, will be able to continue their shopping experience with the Take Off brands.

Protection of diversity, equal opportunities and prevention of discrimination and harassment

Take Off regards the individual as an essential and key asset for achieving the company's objectives, and highly values the people who work for our company. The Group's resources allow it to develop and guarantee the quality of its products and services and create value.

Take Off's primary interest is to foster the development of each resource's potential and professional growth through:

- respect for the personality and dignity of each individual, avoiding the creation of situations that put people in an uncomfortable condition;
- combating all forms of discrimination, harassment and any kind of abuse;
- training suited to each individual's position and tasks;
- the definition of roles, responsibilities, delegations and availability of information such as to enable each individual to make the decisions he or she is responsible for in the interest of the company;
- ensuring that those in charge of specific activities or organisational units enact the powers connected with their responsibilities in a prudent, balanced and objective manner;
- the enhancement of the spirit of innovation, while respecting the limits of each individual's responsibilities;
- clear, precise and truthful internal communication on company policies and strategies;
- workplaces adapted to the safety and health of their users.

Take Off also believes that the creation of a working environment in line with these principles requires the active involvement of each resource. In particular, in relations with colleagues, awareness is raised in each resource to behave according to principles of civil coexistence and in a spirit of full cooperation.

Situations and decisions that may entail real or apparent conflicts of interest with the Company must also be avoided. Any situation that could constitute or lead to a conflict of interest must be promptly reported to the competent Management.

Identity

01



Our history

The history and key milestones of the Take Off Group are summarised below:

OVERKIDS

CHILDREN'S FASHION STORE

- 2003**
Over is established in Lecce in 2003 for trading children's clothing from 0 to 14 years of age
- 2007**
Trade agreements signed for the use of licences for the Primigi and Pignatelli brands
- 2009**
Entry into the company of the Private Equity Fund H2i, with a 16% stake in the share capital
- 2010–12**
Termination of the trade agreement with Primigi
- 2013–14**
Exit from the capital of the H2i fund and start of the restructuring process. Revision of the commercial strategy from third-party brands to own brands
- 2015–19**
Focus on Overkids franchise shops
- 2020**
Forced closure of some shops due to Covid-19, without an impact on the company's margins
- 2021**
At the end of 2021, Over has 113 fully franchised outlets

TAKE OFF

THE OUTLET COMPANY

- 2012–13**
Take Off is established in Lecce in 2012 and starts opening the first direct and franchise outlets
- 2014–15**
The company files its first proprietary trademarks with the Patent Office and continues opening sales outlets
- 2016**
The business model focuses on opening small to medium-sized outlets
- 2017–18**
The business model based on small and medium-sized shops develops and the chain reaches 26 shops
- 2020**
Covid-19 forces the closure of many shops and the business model shows high resilience
- 2021**
 - Launch of the e-commerce site «takeoffoutlet.com»
 - Listing on Stock Market in the EGM segment
- 2021**
At the end of 2021 Take Off has 31 sales outlets, 26 of which are directly managed and 5 franchises

The Group headed by Take Off operates in the retail clothing sector and, in particular:

- through Take Off's points of sale, in the distribution of high-end apparel, garments, footwear and accessories for adults, under its own as well as third-party brands, through the outlet model;
- through OVER's points of sale, in the distribution of accessories and clothing under its own brand, for babies and children from 3 months to 14 years.

Business model - the Take Off strategy

Take Off's primary strategic objective is to position itself in new segments of clothing and accessories retail trade, with as broad an offer model as possible. To achieve this goal, Take Off has defined the following strategic lines, integrated and consistent with future sustainability goals:

- *creation and development of sustainable value over time (business development, brand and strategic marketing, product offering, trade and consumer marketing);*
- *rationalisation of costs along the supply chain;*
- *definition of a structured and organic Sustainability Plan;*
- *organisational arrangements to support future challenges.*

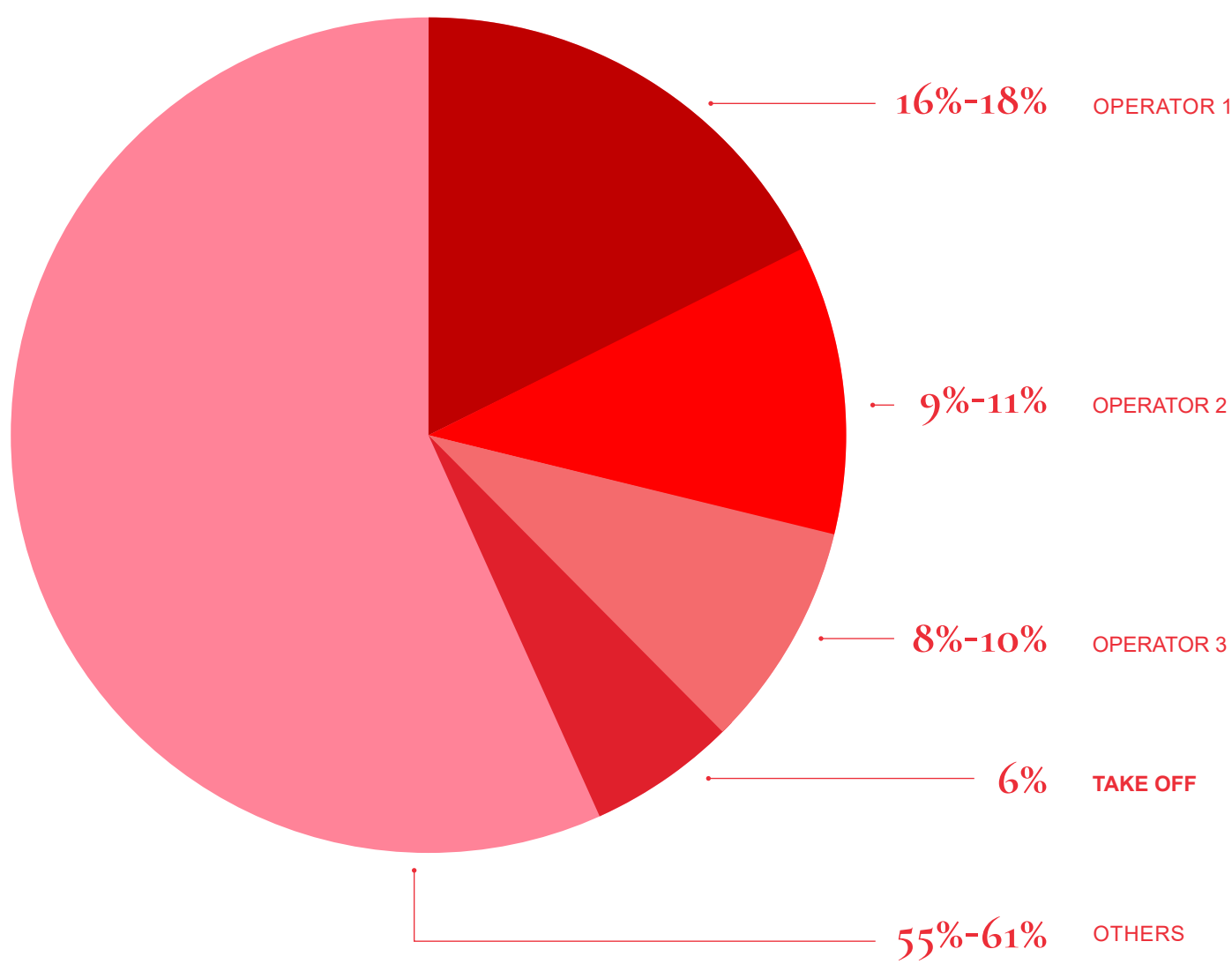
The Group considers it essential to pursue its strategic objectives according to a sustainable business model that aims to generate positive economic and financial results, but which can simultaneously promote the well-being of people and meet environmental and social requirements. Sustainability thus becomes an integral part of multi-year strategic plans and annual budgets.

In particular, the company's business model includes:

- innovative organisation of the points of sale, aimed at encouraging cross-selling activities;
- positioning the points of sale in strategic locations with high visibility, along high-traffic roads;
- proprietary product lines distributed on an exclusive basis, in order to complete the offer of its points of sale; and, only with regard to Take Off points of sale;
- the adoption of exclusive discount mechanisms aimed at granting the customer an immediate advantage for his/her purchase.

The main end market of the Group's business activities is Italy, which is currently its main target market.

MARKET SHARES OF THE MAIN OFF PRICE OPERATORS - ITALY



Source: Off Price Clothing Retail Market 2017-2024, TechNavio

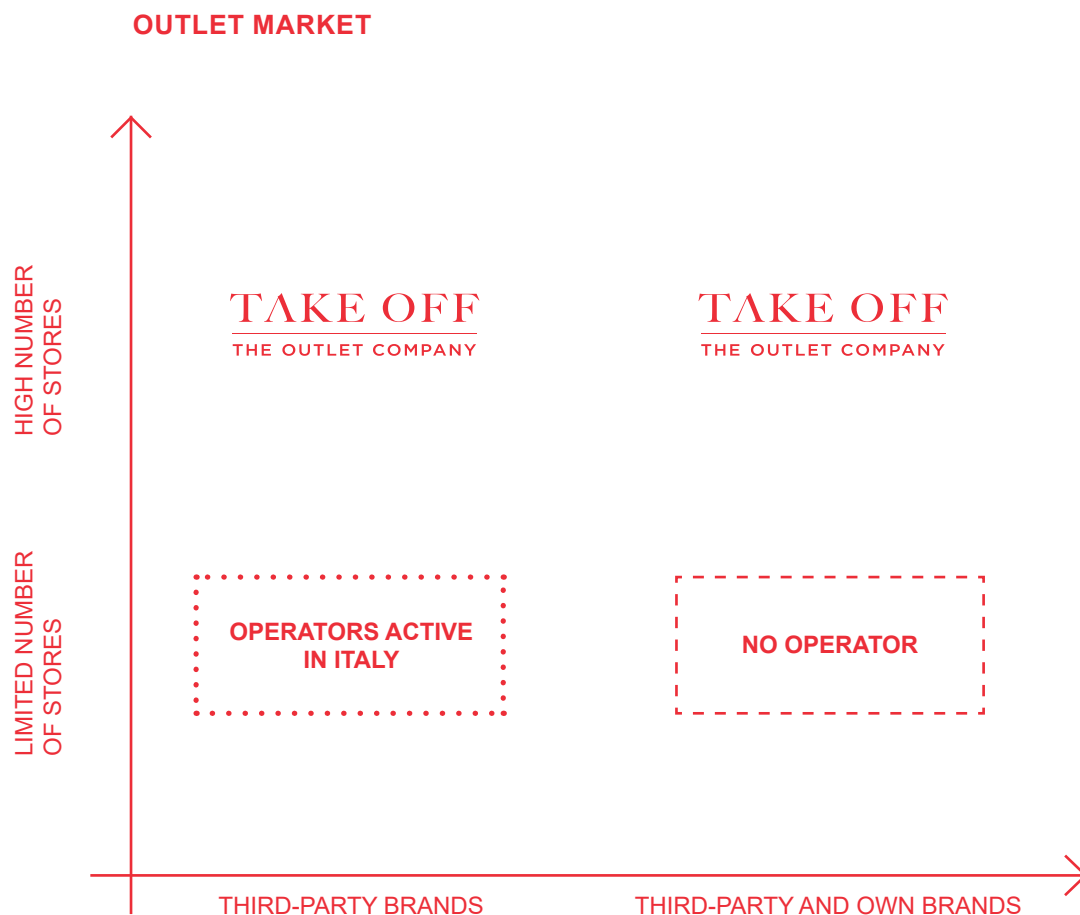
Group positioning in the reference market

Effective business management touches on the definition of an appropriate and results-oriented strategic positioning, ensuring satisfactory volumes and margins. The correct market positioning is strategic for both Group companies. In particular, Take Off represents a unique model for the Italian market because it is positioned in a market segment that manages to combine two very important factors:

- the large number of sales outlets located throughout the country;
- the wide offer for its customers that includes not only recognised and internationally renowned brands but also its own brands.

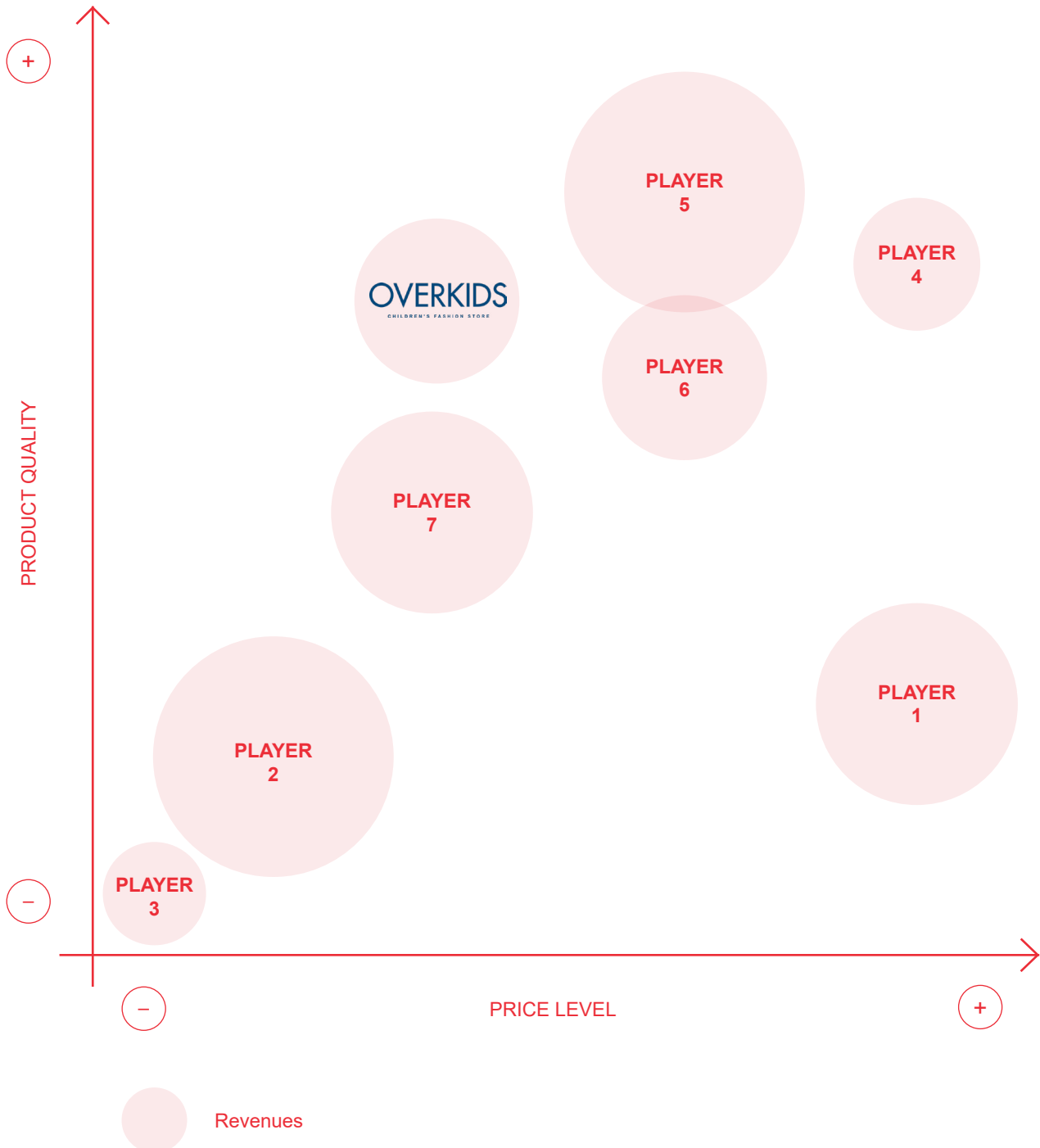
In terms of children's clothing, Over manages to offer its customers high-quality products at affordable prices for any target group.

The strategic positioning matrix for the two Group companies is shown below:



Take Off is a unique model for the Italian market as an outlet chain with own- and third-party branded products

CHILDREN'S CLOTHING MARKET



The Overkids brand combines high product quality with affordable prices

Corporate governance and organisational structure

Governance

Not only as a company listed on the Italian Stock Exchange's EGM, but also in keeping with the Group's traditional alignment with best practices in corporate governance, Take Off has defined a corporate governance system that focuses on communication with shareholders and stakeholders according to criteria of transparency, fairness and thorough information.

The governance adopted by Take Off according to the traditional organisational model includes the following corporate bodies:

- Shareholders' Meeting - matters established by law and the Articles of Association;
- Board of Directors - company management;
- Board of Statutory Auditors - supervision.

The legal audit is entrusted to EY S.p.A. (2020-2022). In addition, a single-member 231 Supervisory Body was appointed to oversee the proper functioning of the "231 Model" and ensure its updating.



Board of Directors



Aldo Piccarreta

Chairman and CEO

- He has over 20 years' experience in the production and sale of children's clothing first at Gimel S.r.l. as partner and director from 1998 to 2001, and then at Over S.p.A. as founder and CEO.
- In 2012, he founded Take Off S.p.A..



Giorgia Lamberti Zanardi

Managing Director

- From 1992 to 2008 she gained experience in the banking sector in the MPS Group.
- She has held executive positions in the clothing industry for more than ten years, first at Over S.p.A. (2008-2012) and at Take Off S.p.A. since 2012.



Costantino Natale

Director

- Currently Chairman of the Board of Directors and CEO of Finlogic S.p.A., a company listed on EGM.
- He serves as a director in several companies including a bank.
- Assonext board member.



Fulvio Conti

Independent Director

- He has held senior management positions at Enel, Telecom, Ferrovie dello Stato, Exxon Mobil Europe and has been a board member of RCS, Barclays and Vice President of Confindustria.
- He is currently the chairman of FIEE SGR and member of the BoDs of Aon.



Maurizio Baldassarini

Independent director

- He has been a member of the Board of Directors of Cassiopea S.p.A. since 2005.
- He currently holds positions as Chairman of the Board of Statutory Auditors and as standing auditor in several private companies.

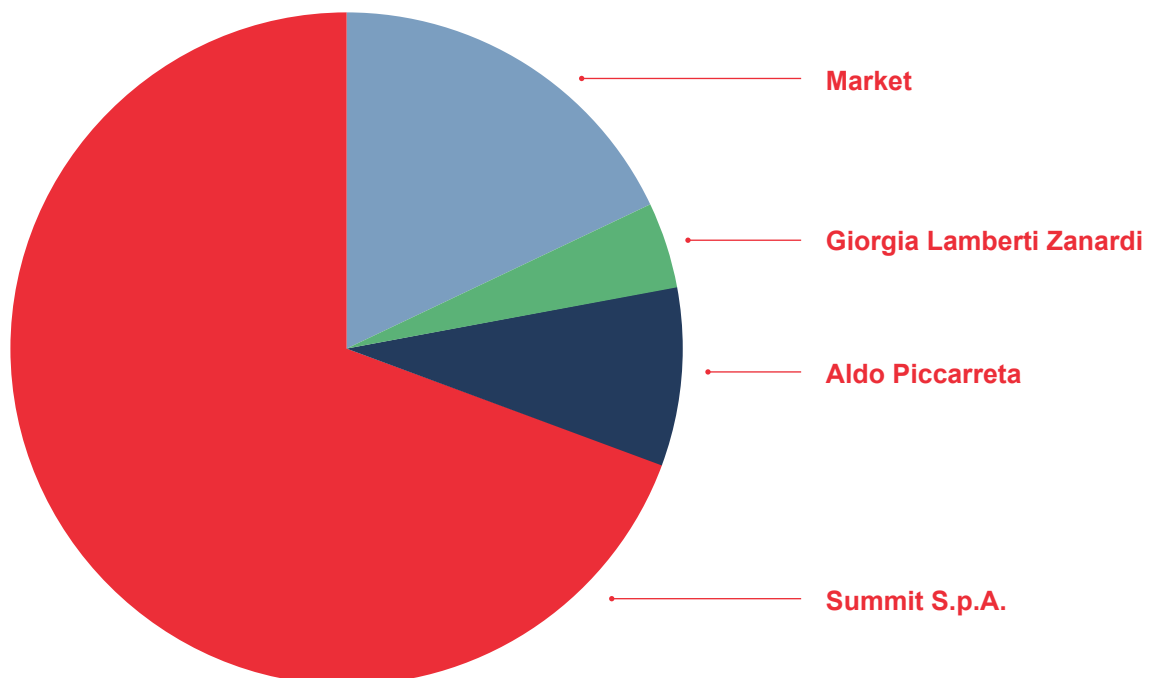
Board of Statutory Auditors

Luca Provaroni	<i>Chairman of the Board of Statutory Auditors</i>
Egidio Romano	<i>Standing Auditor</i>
Sebastiano Bonanno	<i>Standing Auditor</i>
Pietro Deleonardis	<i>Alternate Auditor</i>
Riccardo Paparusso	<i>Alternate Auditor</i>

The Board of Directors is vested with the broadest powers for the ordinary and extraordinary administration of the Company, with the authority to perform all acts it deems appropriate for the achievement of the corporate purpose, excluding those reserved by law to the Shareholders' Meeting.

Group structure

The structure of the Group is shown below:



It should be noted that Take Off owns 100% of the subsidiary Over S.p.A. with registered office in Milan, Via Bagutta, No. 13, VAT No. 03498990757, which operates in the retail sector of children's clothing and accessories, under the proprietary brand Overkids.

Safeguarding conduct and governance: code of ethics and 231 organisation, management and control model

Take Off adopts a Code of Ethics on a voluntary basis and an Organisation, Management and Control Model pursuant to Italian Legislative Decree No. 231/01, in order to promote ethical, transparent, correct and sustainability-oriented business conduct. The Code of Ethics is considered the tool for the shared, structured and ongoing promotion of the commitment to social responsibility within the company and in relations with stakeholders. The document is based on the company's values and mission and commits everyone to respect them and ensure the integrity promoted.

The Code is an essential element of the Organisation, Management and Control Model adopted pursuant to Italian Legislative Decree No. 231/01 for the definition of the main rules of conduct for all employees and collaborators, as well as the processes, responsibilities and controls for activities at risk of offences according to the legislation, including health and safety aspects and related controls.

In this regard, the Group has adopted and implemented a whistleblowing procedure for reporting any wrongdoing, which guarantees the anonymity of the whistleblower. The effectiveness of the 231 Model implemented and the governance tools adopted have contributed to the achievement of zero incidents of non-compliance with social and economic laws and regulations, as well as zero incidents of corruption ascertained during the reporting period.



¹ The Code of Ethics and the Organisation, Management and Control Model are available on the company's website at <https://takeoffoutlet.com/investor-relations/governance/>.

The definition and implementation of the Model in 2021 was oriented towards the best practices on the matter and was therefore the subject of a structured project involving the company's staff and top management, according to the steps outlined below:

- project design, identification of an internal responsible person and preliminary collection and analysis of documentation;
- preliminary analysis and identification of the areas potentially exposed to the risk of offences being committed and identification of the relevant organisational positions within these areas (so-called Process Owners);
- creation of forms to collect relevant information for the "state-of-the-art" analysis;
- collection and analysis of information through document analyses and interviews with Process Owners;
- identification and compilation of the relevant surveys;
- completion of the risk assessment analysis of the processes inherent in the identified risk areas, with a description of any critical issues encountered (gap analysis);
- identification of solutions and actions aimed at overcoming or mitigating the critical issues detected (action plan);
- structuring and final drafting of the Model, which was formally adopted on 13/05/2021 and is periodically reviewed by the Group's Supervisory Body.

As part of its culture of ethics and social responsibility, Take Off has implemented appropriate measures to prevent and combat corruption. In particular, the Group has defined procedural and organisational safeguards, as well as reference principles and implementation criteria, to manage and monitor the provisions of the relevant regulations.

The company recognises the importance of the issues addressed in the Model and the Code of Ethics and thus undertakes to inform the recipients through adequate and periodic training on the subject. More generally, all employees are constantly informed of anti-corruption policies and procedures through specific internal notices. Furthermore, in the management of business relations, the Group undertakes to inform all its suppliers of the principles and models of conduct to be followed, which are based on the utmost transparency of action and the strictest compliance with rules, laws and regulations.

Take Off is aware that a structured approach is key to building trust and transparency, managing risks while safeguarding the Company's reputation. In this regard, the Group's commitment is aimed both at raising stakeholders' awareness of the issue and at completing the implementation of the Anti-Corruption Management System by 2022. ISO 37001 "Anti-bribery management systems" is the first international standard for management systems that is based on international best practices and has the aim of reducing the risks and costs associated with possible corruption. It addresses public and private organisations of any size or nature, and is a flexible tool that envisages the adoption of a systemic approach to preventing and combating corruption.

Economic and financial results

Main economic and financial results

REVENUES

26,4 mln +25%

EBITDA

9,5 mln +47%

NET PROFIT

5,6 mln +48%

NFP

12,1 mln Cash positive

NET ASSETS

23,7 mln

Reclassified income statement

(Euro)	1 January 2021 31 December 2021	1 January 2020 31 December 2020	Changes	% Changes
Revenues from contracts with customers	26.398.965	21.180.409	5.218.556	25%
REVENUES	26.398.965	21.180.409	5.218.556	25%
Other income	1.591.518	1.156.132	435.386	38%
Costs for raw materials and consumables	(12.067.419)	(9.966.095)	(2.101.324)	21%
Costs for services	(1.806.071)	(1.657.204)	(148.867)	9%
Personnel costs	(4.311.107)	(3.872.767)	(438.340)	11%
Other operating costs	(288.922)	(345.495)	(56.574)	-16%
EBITDA	9.516.965	6.494.979	3.021.985	47%
Amortisation/depreciation	(1.829.281)	(1.468.584)	(360.697)	25%
EBIT	7.687.683	5.026.395	2.661.288	53%
Financial result	(490.618)	(41.317)	(449.301)	1087%
PRE-TAX RESULT	7.197.066	4.985.078	2.211.988	44%
Income taxes	(1.557.753)	(1.169.554)	(388.200)	33%
PROFIT FOR THE YEAR	5.639.312	3.815.524	1.823.788	48%

The Group has been able to withstand the "spike" of the pandemic, demonstrating how its business model is "defensive" and managing to perform even in times of crisis. In fact, as soon as the restrictions on the mobility of people were lifted, and there was consequently an overall country-wide recovery in consumption, the Group was able to quickly achieve the same sales results as in the months of 2019.

The cost-cutting measures implemented have enabled the Group to achieve a consistent level of margins.

While protecting employment levels, measures were promptly taken to limit personnel costs (redefinition of shifts and number of employees per shop), store rents and purchases from suppliers, with positive effects that continued to produce effects in 2021. As can be seen in the following paragraphs, the company recorded a growth in margins (EBITDA), which went from 30.67% as at 31 December 2020 to 36.05% as at 31 December 2021.

In order to create greater customer loyalty and thus encourage the use of on-line sales channels together with the service offered by physical stores (an important strategy in this period characterised by the pandemic and restrictions on free movement), we designed and implemented the first Take Off magazine, distributed free of charge at our points of sale, which enables our customers to make exclusive purchases of some of the luxury brands we market.

The following table shows the Group's consolidated results achieved in terms of revenues, operating result and pre-tax result as at 31 December 2021 and 2020 respectively:

(Euro)	1 January 2021 31 December 2021	1 January 2020 31 December 2020	Changes	% Changes
Revenues from contracts with customers	26.398.965	21.180.409	5.218.556	24,64%
Gross operating profit (EBITDA)	9.516.965	6.494.979	3.021.985	46,53%
Operating income	7.687.683	5.026.395	2.661.288	52,95%
Pre-tax result	7.197.066	4.985.078	2.211.988	44,37%
Result for the period	5.639.312	3.815.524	1.823.788	47,80%

Consolidated revenues for the 2021 financial year increased by 24.64% compared to those of the previous period, marking an increase of Euro 5,218 thousand.

Starting from a pre-tax result of Euro 7,197 thousand (Euro 4,985 thousand in the period 1.01.20 - 31.12.20), the final result for the period is equal to Euro 5,639 thousand (Euro 3,816 thousand in the period 1.01.20 - 31.12.20).

Accompanying what is discussed here, the following is an account of the economic-financial results in terms of economic value generated and distributed, which summarises Take Off's position in its relationship with the main stakeholders and in the value chain of the reference sector.

Economic value directly generated and distributed	Unit of measurement	2021
Economic value generated		
Net revenue	mn €	27.990
Economic value distributed		
Operating costs	mn €	16.482
Salaries and employee benefits	mn €	4.311
Payments to capital providers	mn €	-
Payments to Public Administration	mn €	1.558
Investments in the community	mn €	-
Economic value retained		
"Economic value directly generated" minus "economic value distributed"	mn €	5.639

Take Off and Sustainability





The corporate approach to sustainability

Take Off's business model is at the heart of two sectors that are highly significant in terms of their impact on people and the planet. On the one hand, it is part of the fashion industry, now known for its high pollution rate and exploitation of a significant amount of primary resources.

The fashion supply chain is currently managed according to a linear "take-make-dispose" model and consumer prices that do not consider actual costs in terms of human and environmental resources used during the product life cycle. However, it cannot be denied that it is also an industry that provides millions of jobs, but where the working conditions do not always meet acceptable social standards. Secondly, although physical stores are the main sales channel, Take Off is also part of the e-commerce industry. While the rise of online shopping has brought positive effects in terms of reducing structural and organisational inefficiencies, it has also generated new challenges, including the inefficient use of packaging material and the carbon emissions into the atmosphere caused by transporting products to and from the end consumers.

Our industry alone is responsible for 10% of global CO₂ emissions and the release of half a million tonnes of microfibres into the environment every year. For these reasons, we must promote the transition to a circular economy not only to reduce impacts, but also because of the need to recover value, conscious of the limited resources we have available.

We are convinced that to win over our customers and employees, we must knowingly take active part in the challenges of sustainability. Take Off's values are non-negotiable; they guide our choices and are the basis of our operations. In this regard, Take Off is committed to striving for the highest quality and safety in all its products, processes and services. As an outlet, it directly contributes to improving the sustainability performance of the supply chain in a circular perspective by minimising inventories and extending the useful life of products as much as possible.

This document has been drawn up on the basis of the activities and processes described so far and clearly and directly reflects both the path of Take Off in relation to sustainability and the priorities on which to focus its commitment in the near future. The materiality analysis (which is reported in the following section), the beating heart of the reporting process, has made it possible to identify the relevant non-financial information to be reported so that this document can offer a complete and effective view of Take Off to all those who have an interest in knowing the steps already taken and those still to come.

Materiality matrix and stakeholder engagement

The materiality analysis is a process whose objective is to identify, assess and prioritise significant sustainability aspects, from both the Group's point of view and from that of its stakeholders.

For Take Off, the materiality analysis is an important managerial tool to identify the environmental and social priorities on which to focus its commitment, consistent with its business strategy.

As envisaged in the GRI Standards, in terms of sustainability reporting, those aspects that have a significant impact on the economic, social and environmental performance of the company and that could substantially influence stakeholder assessments and decisions are considered material, i.e., relevant. In line with this, the materiality analysis not only considers the organisation's point of view but also that of its stakeholders.

Therefore, in order to identify these issues, an analysis must be carried that allows the organisation to clearly highlight the relationships, but above all the possible divergences, between the company's priorities and those of its stakeholders, highlighting the areas of sustainability of mutual interest, which will be the starting point for defining the issues to be addressed in the Sustainability Report.

The process of defining materiality, and in particular the identification of all aspects potentially relevant to Take Off, was divided into the following stages:

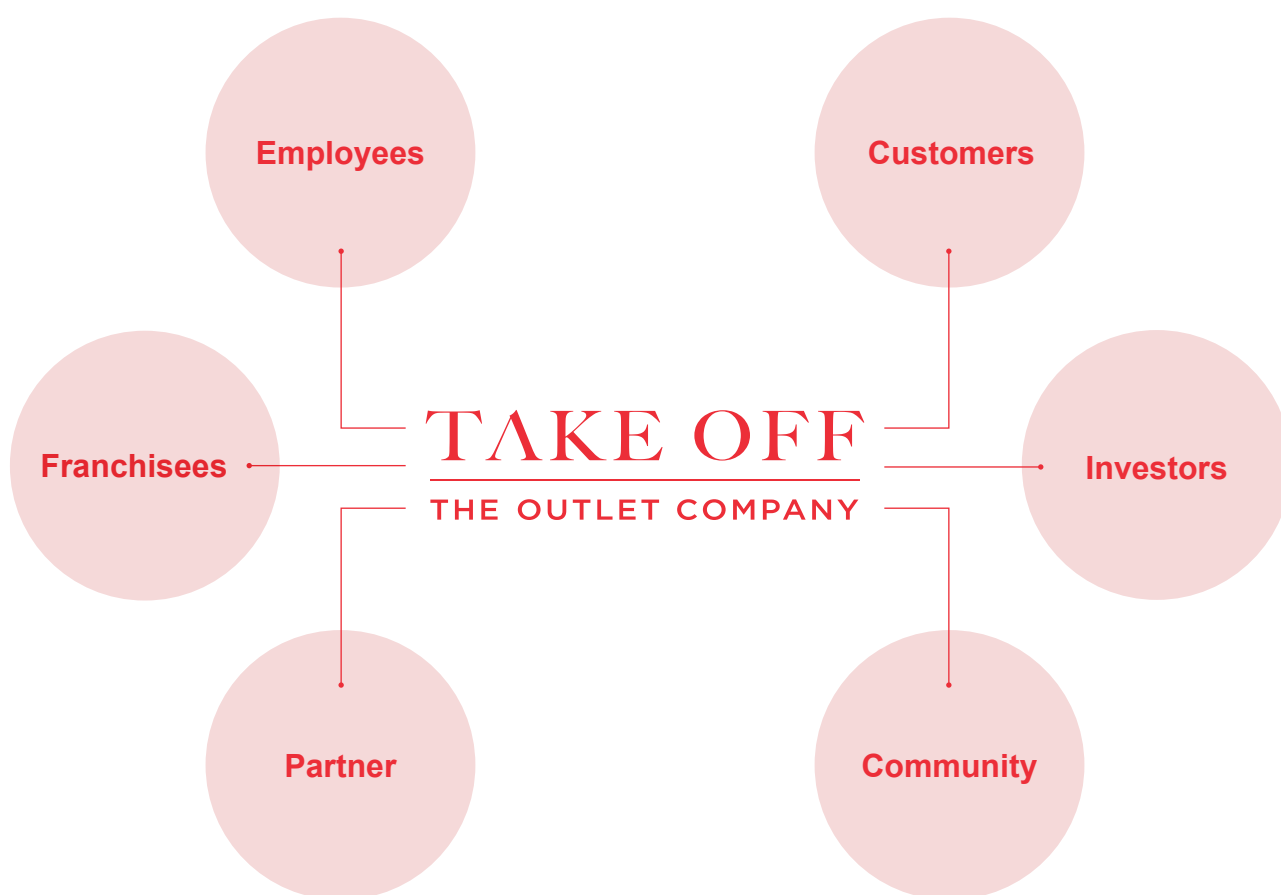
- analysis of internal documentary sources (policies and procedures, Code of Ethics, 231 Model, etc.), and of external documents related to developments in the regulatory-legislative scenario (documents and reports from non-governmental organisations and the most relevant and influential policy makers);
- comparison with the reference sector through benchmarking in order to identify the main sustainability trends and best practices of peers and competitors;
- mapping of the Group's priorities and strategic objectives through dialogue with employees and leadership.

The analysis identified the set of the most relevant economic, social, environmental and governance issues that could have a significant impact on Take Off's performance and could substantially influence stakeholder assessments and decisions. This set was subject to further refinement in order to identify the material topics most closely related to Take Off's peculiarities, considering its growth path, strategic ambitions and business priorities.

Hand in hand with defining the material issues, the Take Off Group also began a structured mapping of the main internal and external stakeholders in order to identify all the interlocutors who could, also in the future, contribute to defining or updating the matrix.

The list of topics thus defined is shown below:

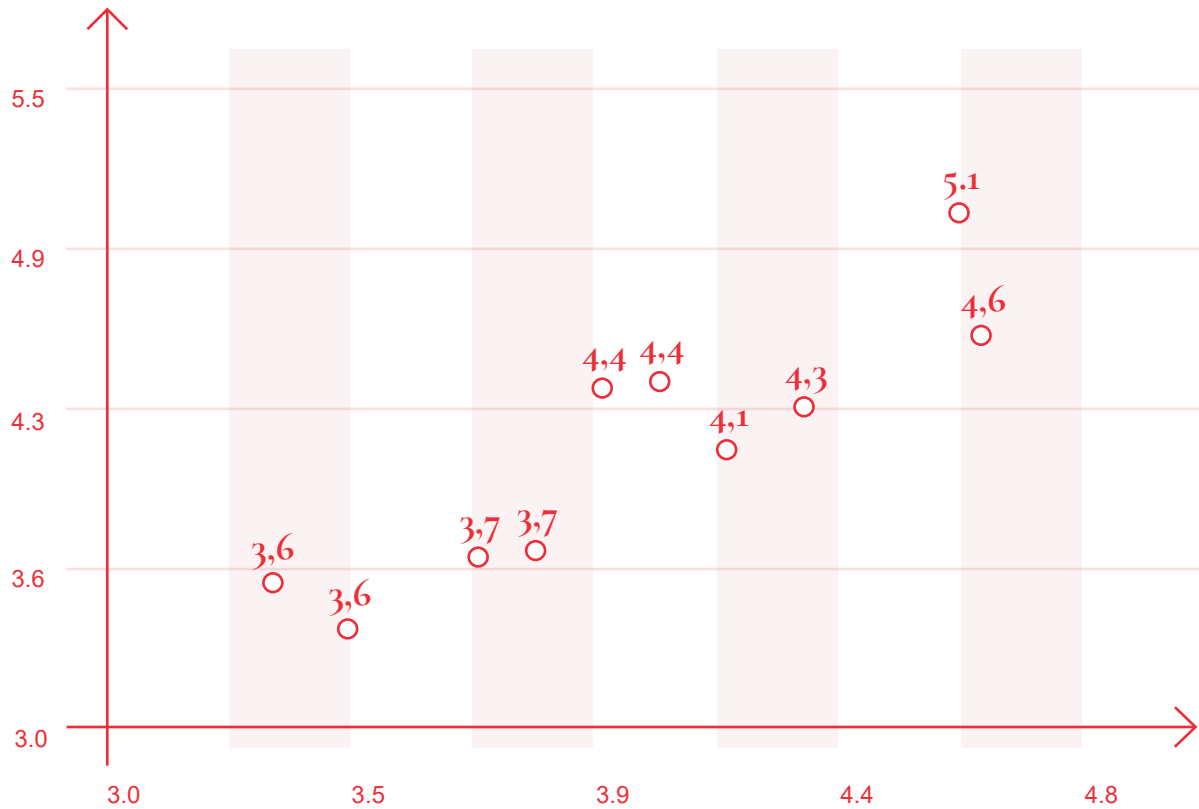
Material topics	Description
Managing consumption and the environmental footprint	Reduction of atmospheric emissions and efficient management of energy resources
Sustainable packaging	Reducing environmental impact through green packaging
Responsible procurement and sustainable products	Responsible social and environmental management of the supply chain, with a particular focus on quality and safety features of raw materials
Development and enhancement of human capital	People development, talent retention, development and training programmes
Occupational health and safety	Protection of occupational health and safety, promoting working conditions that contribute to the psychophysical integrity of workers
Communities and local economies	Development of the supply chain and involvement of the local community, including through initiatives with schools and universities, to ensure an impact on community development
Consumer privacy	Monitoring existing privacy provisions aimed at ensuring the protection of IT systems from events with negative impacts on the company and the rights of data subjects.
Ethics and integrity	Ethical conduct based on compliance with regulations and internal policies/procedures to foster integrity and transparency in the management of relations
Listening and communicating with the customer	Promotion of customer involvement, including in the field of product design, fostering loyalty and a participative relationship
Sound financial performance	Financial balance, stable leadership and preservation of the ability to generate value in the short, medium and long term



Ten relevant topics were identified and assessed with respect to the relevance of the topic for Take Off's business and the Group's ability to generate (positive or negative) impacts of an economic, social and environmental nature, strengthening or weakening its ability to produce value.

For the financial year 2021, with a view to consolidating the corporate culture of sustainability and having an impact through a structured approach to non-financial reporting, it was decided to focus the engagement efforts on internal stakeholders, addressing a materiality survey to Take Off's people. In particular, each employee and leadership were asked to rate the relevance of the material topics (on a scale of 1 to 5), in order to ensure the proper prioritisation of the aspects considered. In addition, during the benchmarking activities leading to the definition of the areas of engagement, the topics of greatest interest to the main external stakeholders of peers and competitors were investigated in order to take these concerns into account and consequently reflect different points of view from those of the Group. The collected data were analysed and the results allowed us to draw up the first Take Off Materiality Matrix, as shown below.

MATERIALITY MATRIX 2021



The result of the analysis shows that the ten topics considered most relevant are related to different meanings of sustainability without any particular prevalence among the different dimensions.

On the one hand, this picture reflects the willingness to monitor sustainability issues understood in their broadest sense, and on the other hand, the increasing, cross-cutting attention that stakeholders pay to ESG issues.

Value for our customers

Consumers are paying more and more attention to sustainability issues, looking for durable garments and therefore less characterised by "fast" fashion, and preferring greener business choices. We therefore feel it is our duty to ensure maximum transparency in our approach to customers, and this firm conviction, the same one that guides us in our daily listening and dialogue with customers, has led us to publish our first Sustainability Report.

Sustainability is a key value that has inspired us over time and increasingly proves to be important for the fashion world.

With regard to this issue, we are convinced that the various actors in the supply chain must collaborate with a transparent approach, both upstream and downstream; this is why we carefully select our suppliers, in full respect of our values, in order to ensure our customers safe and quality products that will last over time.

Furthermore, in order to consistently and comprehensively respond to customer expectations, to encourage our business partners towards good practices and to ensure the quality of internal processes, the Group is committed to the adoption of a quality management system through the achievement of ISO 9001 certification by the end of 2022. The control system requires that all products be randomly analysed by specialised laboratories, both in terms of quality and health and safety, to ensure that the composition of the materials does not contain substances that are hazardous to human health and the environment (e.g., formaldehyde, pesticides and herbicides, carcinogenic dyes, etc.).



Take Off and its people





Workforce, protection and enhancement of human capital

The Take Off Group's success depends on the work of more than 200 people located throughout the country.

The main operational area is southern Italy, where the total number of employees as at 31 December 2021 was 163, about 81% of the total. We put a great deal of trust in our land and in the skills of our people, fostering employment growth in the South, albeit to a small extent.

Total number of employees by contract type and gender *as at 31 December 2021*

Contract type	Men	Women	Total
Permanent	50	117	167
Fixed-term	8	26	34
Total	58	143	201

In terms of contract type, 167 employees have permanent contracts, of whom approximately 70% are women (117) and 30% men (50). There are 34 fixed-term employees, of whom 26 are women (76%) and 8 are men (24%).

The presence of women is particularly evident, both in the southern regions and in the other parts of the peninsula, with a total of 143 women (over 70% of the total). In the points of sale, more than 70% of women are employed in retail. At managerial level, on the other hand, the percentage of women is lower, with 37.5% at Group level. Lastly, it should be noted that five employees belong to the protected categories, of whom two are men and three are women.

² *Retail* refers to the staff directly employed in the stores as store manager, salesperson, stock clerk and visual merchandiser.

Total number of employees by professional category and gender
as at 31 December 2021

Corporate function	Men	Women	Total
Directors			-
Managers	1	1	2
White-collar workers	5	3	8
White-collar workers	52	139	191
Total	58	143	201

The type of business in the Take Off Group's store network requires a flexible operating model with extensive use of part-time work. In fact, more than 76% of our staff work part-time (154 persons).

Total number of employees broken down by full-time/part-time and gender
as at 31 December 2021

Full-time / Part-time	Men	Women	Total
Full-time	24	23	47
Part-time	34	120	154
Part-time percentuale	58,62%	83,92%	76,62%
Total	58	143	201

We enhance the skills of our people, offering growth opportunities to new young resources. The Take Off Group has a significant proportion of employees under the age of 30 (72 people, over 35% of the total number of employees).

Total number of employees by professional category and age
as at 31 December 2021

Number of people	<30 years	30-50 years	>50 years	Total
Directors				-
Managers			2	2
White-collar workers	4	3	1	8
Blue-collar workers	68	90	33	191
Total	72	93	36	201

In 2021, the Group hired a total of 27 people, mainly women (over 85% of the total), with an incoming turnover of 13%. Despite the uncertainties and closures imposed by the restrictions related to the Covid-19 pandemic, our Group has shown itself ready to handle adversity and extremely resilient, to the point of requiring an expansion of staff. The outgoing turnover, on the other hand, was about 8%.

Employees hired during the year by age and geographical area
1 January 2021 - 31 December 2021

Number of people	<30 years	30-50 years	>50 years	Total
Permanent (headcount)				
North	-	-	-	-
Men				-
Women				-
Centre	7	1	-	8
Men	2			2
Women	5	1		6
South and Islands	9	7	3	19
Men	1		1	2
Women	8	7	2	17
Total	16	8	3	27
Men	3	-	1	4
Women	13	8	2	23

Employees leaving during the year by age and geographical area

1 January 2021 - 31 December 2021

Number of people	<30 years	30-50 years	>50 years	Total
Permanent (headcount)				
North	-	-	-	-
Men				-
Women				-
Centre	1	1	-	2
Men	1	1		2
Women				-
South and Islands	4	7	5	16
Men			4	4
Women	4	7	1	12
Totale	5	8	5	18
Men	1	1	4	6
Women	4	7	1	12

Staff attraction, management, enhancement and development policies - human resources management

Our Group bases its capacity for growth on the value of its people. This is why human resources management, the quality of the working environment and the enhancement of skills are cross-cutting aspects for the Group as a whole, with economic, environmental and social impacts.

Appropriate work organisation policies, including the introduction of remote working or smart-working arrangements, help to strengthen the degree of adaptation and resilience of the Group's organisation. Similarly, welfare and work-life balance tools, equal opportunities and the way social safety nets are used act in the same way.

The mission of the Human Resources department is to adopt and disseminate a shared approach to the attraction, management, enhancement and development of human resources, with the ultimate aim of ensuring the achievement of business objectives.

The activities carried out by the Human Resources department can be summarised as follows:

Search, selection and recruitment:

the objective is to ensure constant coverage of the budgeted workforce with staff whose quality and skills are in line with the company's development programmes. The Group places particular importance on the selection of sales staff, who represent the face of the company and its main interface with the customer. For these reasons, depending on new openings or large recruitment campaigns, for example, the Group's top management, although assisted by external recruiting companies and labour consultants, participates in the most important stages of the recruitment process;

Staff coaching:

the aim is to integrate the knowledge, skills and abilities of staff at all levels in order to ensure that they are suited to the tasks they perform, while also responding to the reasonable aspirations and ambitions of the staff themselves and anticipating the future needs of the company. In particular, when joining the Group, each recruit completes a specific coaching session in the classroom and on the job, lasting about two weeks. This session is fundamental for each resource's entry into their role and for providing the employee with basic knowledge of the Group, its activities and processes. As already mentioned, particular attention is paid to coaching sales staff in order to ensure independence of action and uniformity of conduct which the Group believes it must adopt towards its customers;

Staff training:

training plays a key role in the Group's people development process. It is indeed an important tool for developing and consolidating individual skills, supporting cultural and organisational growth and evolution, which Take Off needs for its growth. Training includes programmes aimed at reinforcing and disseminating the culture of workplace health and safety in order to create a culture of awareness and prevention of occupational risks and provide the necessary information for their correct identification and management. Training also includes courses designed specifically for individual resources to increase and complete their know-how, both in terms of soft skills and technical and organisational skills related to specific tasks.

The objective is to consider the overall improvement of each individual's personality and professional skills as a component of staff development, in order to help maintain high levels of understanding of the company's external and internal environment and respond flexibly to the changes that occur and problems that arise. Group training includes "compulsory" courses, mainly focusing on the knowledge and adoption of correct workplace health and safety safeguards and on other activities related to organisational and company management systems, and "non-compulsory" courses, which include both technical and "soft" courses. During 2020 and 2021, most training activities were delivered remotely using conference meeting tools or training and education platforms provided by the Group's suppliers and consultants.

A total of 866 hours of training were provided in 2021, divided into: 834 hours for blue-collar workers and 32 hours for white-collar workers. Four average training hours were provided per employee in 2021, equally for men and women.

Management of qualifications and remuneration:

the objective is to allow the Group to have people with the most suitable qualifications permanently available in the positions envisaged in the workforce, remunerated fairly with respect to the company's internal environment and to the market value of the same skills and tasks, while guaranteeing compliance with the principles of protecting diversity and promoting inclusion;

Staff management and career plans:

the objective is to arrange the means to ensure that the business needs and personal ambitions of the Group's resources are matched in terms of career development as much as possible, identifying potential resources for promotion through performance appraisals. The Group is committed to defining sustainable and coherent career plans, goals and incentive rewards for staff, but such as to prevent any activity contrary to the corporate principles and values enshrined in the Code of Ethics;

Communication and information:

the objective of the Group's activities in this area is to disseminate information, data and updates on company contingencies and problematic issues to all staff, so as to facilitate a mutual understanding between management and staff and their integration into company life. It is also crucial for Take Off to develop a culture of dialogue between union representatives and the organisation in order to bring mutual positions closer, improve understanding and create a balance in relations that prevents possible tensions.

Occupational health and safety: a top priority

Policy

In respect of the individual as an indispensable element for the achievement of the company's objectives, Take Off undertakes to ensure that its activities, facilities and services are compatible with the objective of providing the best prevention and protection of workers' health and safety, with a view to minimising the risks arising from normal work activities, particular hazardous situations or emergencies.

The Group has defined and formalised its Occupational Health and Safety Policy. Through this Policy, the company is committed to disseminating and consolidating a culture of safety, developing awareness of risks and compliance with current legislation on prevention, protection, and promoting responsible behaviour by all. The Group works to preserve and improve, especially through preventive actions, the working conditions, health and safety of its employees and any external collaborators, by taking action to:

- eliminate/minimise risks in relation to knowledge gained from technical progress, prioritising interventions at the source;

- adopt equipment, machinery and facilities in production activities that meet the essential safety requirements;
- with regard to the products used, replace what is dangerous with what is not, or is less dangerous;
- limit the number of workers who are, or may be, exposed to risks to a minimum;
- adopt appropriate management systems to ensure and maintain a high level of prevention and protection against the risks of occupational accidents and illnesses;
- ensure adequate information, training, awareness and coaching on health and safety for all workers.

For the purpose of prevention, the company not only guarantees mere compliance with sector laws and regulations, but implements suitable planning to adopt specific objectives, and ensures the preparation of programmes and means to achieve, verify and periodically review them, so as to continuously improve hygiene and safety conditions, also on the basis of technical standards, directives or proposals of international bodies.

The OSH Management System - ISO 45001

During 2021, the Group took steps to build an occupational health and safety management system in line with the ISO 45001:2018 standard, which was formally adopted in early 2022. This system is adopted for the whole Group and covers all employees.

The Occupational Health and Safety Prevention Policy is implemented and made operational through the deployment of management and the involvement of staff at all levels and all departments concerned, in accordance with the procedures set out in this regard in ISO 45001:2018. To ensure the application and effectiveness of occupational health and safety measures, Take Off:

- adopts a preventive approach to the management of safety issues;
- periodically reviews the effectiveness of the management system adopted by verifying the achievement of the objectives and targets set for this purpose;
- promotes knowledge of the objectives, awareness of the results to be achieved, acceptance of responsibility, motivation and individual commitment of staff in the implementation of the system; encourages participation and consultation at all levels;
- communicates its health and safety policy to all interested parties and those who request it;
- commits the human and financial resources necessary to achieve the objectives and implement the improvement programmes.

The OSH Management System in accordance with the ISO 45001:2018 standard has been certified by an accredited third party, which is proof of Take Off's commitment to its workers and the company's reliability in complying with the relevant standards and principles, in particular with the provisions of Italian Legislative Decree 81/2008.

The System consists of the definition of responsibilities, activities and deadlines for the implementation of procedures and protocols aimed at ensuring compliance with regulations and the promotion of a safety "culture". In particular, the Group has worked to identify and assess workplace health and safety risks by drafting the Risk Assessment Document (RAD), where the specific potential risk factors related to these operational reference areas have been identified. Additional rules and procedures beyond the mere legal requirements have also been adopted, including one that envisages the activation of specific methods to periodically monitor trends in accidents, near-misses and occupational diseases and to progressively improve performance and management methods aimed at preventing such events.

Measures are also taken at all locations to limit the occurrence of emergency conditions and any resulting impacts.

Together with the help of the Prevention and Protection Service Manager, the Group has implemented processes to verify and maintain the prevention and protection measures put in place and to eliminate or reduce structural risks and those arising from work activities.

These checks are carried out through internal audits, the monitoring of supervisors and department heads, and are triggered on the basis of spontaneous reports by staff. The internal communication system adopts both a horizontal and vertical approach to monitoring non-conformities, with the subsequent evaluation and elimination thereof. The tools available to workers to prevent work situations that could lead to occupational injuries or illnesses are first and foremost education, which is carried out in accordance with legal requirements, as well as constant information and training. A document containing the work plan and improvement measures is also periodically drawn up and updated.

Take Off and its environmental footprint





Environmental impacts: consumption and emissions

As a Group, we recognise the importance of protecting and safeguarding the environment as a primary asset and we are committed to promoting a balance between economic initiatives and environmental needs in our activities. All this is part of the quest for the continuous improvement of the Group's performance in terms of environmental footprint in its broadest sense, with particular regard to pollution prevention, waste reduction and sustainable use of resources. In this context, our commitment is reflected both in the development of a culture aimed at the proactive involvement of staff, and in the definition of formalised and structured practices, processes and procedures, which include, by way of example, the project to implement the Quality Management System, with ISO 9001:2015 certification expected by 2022.

The energy consumption of Take Off is indicated exclusively for the year 2021 in this first reporting year, and by type of energy source. With reference to purchased electricity, consumption is mainly attributable to ordinary activities carried out at the stores, administrative offices and warehouses.

The Group's car fleet, on the other hand, consists of the vehicles used for handling incoming and outgoing goods.

Energy consumption of offices

Vector	Unit of measurement	Original unit consumption	GJ consumption
Electricity	Kwh	901.253	3.245

Consumi energetici parco auto (flotta logistica)

Vector	Unit of measurement	Original unit consumption	GJ consumption
Diesel ⁴	l	39.971	1.437
	no. of vehicles	6	n.a.

³ Electricity consumption relates to the 26 stores managed directly by the Group. Therefore, the consumption of the franchised shops, the management of which does not fall under the Group's competence, is excluded. The data were estimated by taking as an average reference the store located in the city of Benevento, to which was added the value of logistics consumption except for that relating to fuel.

As shown, consumption for the year 2021 is 4,682 GJ in total; this modest consumption is fully consistent with the reference business, which is positioned downstream of the sector's supply chain and is not energy intensive.

The following table gives an account of the direct and indirect emissions generated by the energy consumption presented in the tables above.

In particular, we report:

- Scope 1 emissions (so-called "direct"), thus produced by sources owned or controlled by the organisation, which for the Take Off Group are represented exclusively by the fuels that power the company's fleet of cars and vehicles;
- Scope 2 emissions (so-called "indirect"), derived from the purchase of electricity, calculated according to the two Market-based and Location-based methodologies⁴.

Scope 1 and Scope 2 emissions

Scope 1 emissions	tCo2	
Diesel	100	
Scope 2 emissions	tCo2 Location based	tCo2 Market based
Electricity	251	413

With regard to waste management, considering the peculiarities of the Group's business, there is no production of waste such as to generate a significant impact on the environment. In fact, the waste generated by the Group's core business is mainly the materials used for transporting goods (paper and plastic packaging) and for ordinary administrative activities (stationery, printing paper, toner and cartridges), the management of which is entrusted to third parties and destined for recovery through traditional separate waste collection.

⁴ For further details, see the Methodological Note.

Materials used

Materials	Unit of measurement	Total	Of which renewable	Of which non-renewable
Paper	Kg	1322,244	1322,2	-
Toners and cartridges	n	23	-	23
Barcode adhesive paper	Kg	320	320	-
Packaging cartons	Kg	6264,75	6264,75	-

The measures taken to limit waste production and promote recycling include the reuse of secondary paper and plastic packaging in warehouse management wherever possible. In addition, recycled plastic wrappers are used to package the garments. Finally, with the aim of combining the reduction of plastic use with customer awareness, the use of paper shopping bags in our stores has been promoted.

Sustainable supply chain management

The complex ecosystem involved in the production and marketing of Take Off's products involves extremely different actors, each characterised by different ways of managing ESG issues, different risk safeguards, but also different applicable reference legislation regarding environmental, worker and local community protection practices.

In this context, the Group's commitment includes the adoption and promotion of best practices in responsible production and the strengthening of industry partnerships in order to contribute to systemic improvement.

All of our suppliers are currently also selected on the basis of compliance with strict social parameters defined through the company's Code of Ethics and the Organisation, Management and Control Model pursuant to Italian Legislative Decree 231/2001, which introduce compliance with binding principles and values on social performance, for the continuous improvement of transparency and social sustainability levels.

We also adopt responsible purchasing practices throughout the supply chain. We agree on conditions with suppliers that allow for safe and compliant operations, for example avoiding changes in orders during production and respecting payment terms.

The safety of our products is paramount for us, especially in view of our position in the children's wear segment.

The following table shows the number of procurement contracts signed by the Take Off Group in 2021 with its suppliers of goods and services, broken down by geographical origin and type of contract.

Group Suppliers

Geographical origin	Take Off	Over	Total
Italy	44	53	97
Abroad	8	22	30
Total	52	75	127

The Group has a total 127 suppliers, of which 52 are attributable to Take Off and 75 to the subsidiary Over. As far as geographical origin is concerned, the prevalence of local suppliers operating in Italy should be highlighted, which accounts for about 76% of the total, with whom we enter into collaborations based on trust and shared values and principles. Therefore, the choice of suppliers is based not only on criteria of quality and competitiveness of the products offered, but also aimed at fostering the growth of the Italian entrepreneurial fabric.

We are constantly looking for innovative solutions that can improve our sustainability performance, believing that cooperation is the key to our growth, and that we need the full involvement of our supply chain to monitor and mitigate the impacts of the fashion industry. Precisely in view of this awareness, the Group will consider further actions in the future to strengthen the assessment of each supplier's sustainability profile.

Looking ahead to the future



Take Off's next goals

As described throughout this document, with its first Sustainability Report Take Off has embarked on a path of integrating ESG factors into its business strategy.

The company has always been attentive to the interface with its employees and customers, thus its recent listing on the stock exchange was a moment of prospective enlargement to other categories of stakeholders and the construction of dialogue channels dedicated to them. We believe that the non-financial reporting path initiated by the company goes in this direction, and fits well with the Group's ambitions for growth and prospective improvement.

In particular, through the adoption and effective implementation of a Company Management System, the Group undertakes to: prevent pollution, guarantee environmental safeguarding and protection, prevent corruption offences and pursue the continuous improvement of its management systems and performance, minimising the risks related to the activities carried out and the products/services provided. In addition, the Group aims to seek its customers' full satisfaction, trying as far as possible to use all available resources necessary to ensure compliance with the principles of diligence, fairness and transparency, and meeting the contractual requirements of customers and the needs/expectations of all parties concerned.

As far as safety is concerned, the Group's goal is to achieve the best possible occupational health and safety conditions and to operate in compliance with those environmental protection requirements that are a fundamental part of our civilised living. A further goal is to adopt the best techniques and procedures for emergency prevention and control.

The Group's objectives in the area of anti-corruption are fundamental and of significant importance. It therefore undertakes to maintain an irreproachable attitude towards corruption, to systematically implement the principles and provisions laid down in the documents of the Integrated Management and Anti-Corruption System and the Organisation, Management and Control Model pursuant to Italian Legislative Decree 231/2001, concerning the criminal liability of legal persons. The Group's commitments therefore concern compliance with the laws, rules and regulations in force relating to the sectors in which it carries out its activities, as well as fulfilling compliance obligations related to the quality of its products and services, both in relation to environmental aspects and to those concerning workplace health and safety and the prevention of corruption.

In particular, from an environmental point of view, the Group is committed to minimising waste and the consumption of natural resources, as well as to increasing purchases of "green products", the number of environmentally aware suppliers, and whenever possible, using environmental criteria in its choice of packaging and consumables. To this end, the Group aims to identify the risks associated with its business processes and their significant impact on the environment in order to eliminate or mitigate these risks in relation to the technical knowledge acquired;

it will therefore be necessary to monitor the processes and the risks/opportunities associated with the company's activities, as well as the aspects/impacts relating to environmental and social issues. Finally, it is important to ensure the adoption of correct environmental behaviour by suppliers and companies working on behalf of the organisation, in line with the organisation's environmental practices and procedures.



Methodological note

With this Sustainability Report, the Take Off Group (hereinafter also referred to as "Take Off" or "Group") aims to ensure that its stakeholders have an understanding of its activities, performance, results and impact on sustainability issues deemed relevant, with reference to the financial year 2021 (1 January to 31 December). In its first edition, this document is the main tool identified to illustrate not only the Group's sustainability initiatives and performance, but also a comprehensive summary of strategic development lines and main objectives for the future. By virtue of this ambition, the reporting scope is to be considered as aligned with that of financial reporting; the use of possible estimates and assumptions is described in detail in the individual sections of the document and in the GRI Content Index.



The document was drawn up in accordance with the GRI Reporting Standards published in 2016, taking into account subsequent updates published by the Global Reporting Initiative (GRI), in accordance with the GRI-referenced option. With regard to the specific GRI 403 (Occupational Health and Safety) and GRI 306 (Waste) Standards, the most recent versions were adopted, published in 2018 and 2020 respectively.

In addition, the disclosure topics and accounting metrics of the Sustainability Accounting Standards Board (SASB) Standards, Consumer Goods sector, Multiline and Specialty Retailers & Distributors industry were taken into account in the selection of KPIs, data and information reported.

With the aim of ensuring an understanding of the Group's activities, results and impacts, additional qualitative and quantitative information useful for the narrative of sustainability performance and not directly referable to any specific GRI Disclosure

has also been reported, in accordance with the principle of maximum transparency. The choice of performance indicators and the consequent scope of internal stakeholder engagement in the collection of information and quantitative data is based on the Materiality Analysis, which was developed for the first time simultaneously with this report and of which it constitutes a cornerstone, in line with the GRI Standards. In particular, consistent with the Materiality Principle defined by GRI 101 - Reporting Principles, point 1.3, the material topics were identified through a process of sector analysis, benchmark analysis, desk analysis of internal documentary assets, as well as through a mapping of priorities and strategic development lines through interviews with leadership and employees. For details of this process, see Chapter 2 "Take Off and Sustainability", section "Materiality matrix and stakeholder engagement".

With regard to the positioning of relevant topics within the Materiality Matrix, the prioritisation was the summary result of a survey of Take Off staff and leadership. Specifically, each internal stakeholder was asked to rate the relevance of the material topics on a scale of 1 to 5. In addition, during the benchmarking activities leading to the definition of the areas of engagement, the topics of greatest interest to the main external stakeholders of peers and competitors was investigated, and a weighting was applied with respect to these to reflect the views outside the company.



Quantitative data processing and calculation methodologies

TAKE OFF AND ITS PEOPLE

As far as injuries are concerned, the frequency index is the ratio of the total number of injuries to hours worked, multiplied by 1,000,000.

All quantitative data referring to human resources are to be understood in terms of headcount as at 31 December and never in terms of FTE.

TAKE OFF AND ITS ENVIRONMENTAL FOOTPRINT

With reference to the reported greenhouse gas emissions:

Scope 1: direct emissions (Scope 1) are those from sources owned or controlled by the organisation. For the Take Off Group, these sources are represented exclusively by the fuels (diesel) that power the company's fleet of cars and vehicles. Source of emission factors used: *Greenhouse gas reporting: conversion factors 2021 – Department for Environment, Food & Rural Affairs (DEFRA)*;

Scope 2: indirect emissions (Scope 2), resulting from the purchase of electricity, were calculated using the Location-based and Market-based method.

- Location-based emissions are calculated considering all energy purchased by the Group (renewable and non-renewable) as indicated by the GRI Standards. Source of emission factors used: *Greenhouse gas reporting: conversion factors 2021 – Department for Environment, Food & Rural Affairs (DEFRA)*;
- The indirect emissions calculated according to the Group's market-based method take into account the share of purchased non-renewable electricity and district heating energy. Source of emission factors used: *Confronti internazionali AIB 2018*.

This document was presented to the Board of Directors of the Take Off Group on X XX 2022.

For any further information on the Group's Sustainability Report and ESG policies, please contact: info@takeoffoutlet.com.

GRI Content Index

GRI Standards		Page no.	Notes and comments
GRI 102: General disclosures (2016)			
102-1	Name of the organisation	8	
102-2	Activities, brands, products and services	8-12	
102-3	Location of headquarters	1	Operational Headquarters Via Baione 272/D Monopoli (BA)
102-4	Location of operations	8-9	
102-5	Ownership and legal form	8	
102-6	Markets served	8-9	
102-7	Scale of the organisation	8-9; 56-57	
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102-9	Supply chain	52-53	
102-14	Statement from senior decision-maker	5-6	
102-16	Governance structure	13; 24-25	
102-18	List of stakeholder groups	21-23	
102-40	Elenco dei gruppi di stakeholder	35	
102-41	Collective bargaining agreements	N/A	The national bargaining agreement of commerce for employees of tertiary, distribution and service companies is applied
102-42	Identifying and selecting stakeholders	35	
102-44	Key topics and concerns raised	33-36	
102-46	Defining report content and topic boundaries	58-59	
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Sound financial performance

Management approach

103-1	Explanation of the material topic and its boundary	33-36; 58-59	
103-2	The management approach and its components	26-29	
103-3	Evaluation of the management approach	26-29	

Autonomous indicators

Results	Change in financial results 2021 and 2020	26-29	
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Ethics and integrity

Management approach

103-1	Explanation of the material topic and its boundary	33-36; 58-59	
103-2	The management approach and its components	24-25	
103-3	Evaluation of the management approach	24-25	

GRI 205: Anticorruzione (2016)

Management approach

205-1	Operations assessed for risks related to corruption	24-25	
205-2	Communication and training about anti-corruption policies and procedures	24-25	
205-3	Confirmed incidents of corruption and actions taken	N/A	No cases of corruption were recorded in 2021.

Sustainable packaging

Management approach

103-1	Explanation of the material topic and its boundary	33-36; 58-59
103-2	The management approach and its components	50-52
103-3	Evaluation of the management approach	50-52

GRI 301: Materials (2016)

301-1	Materials used by weight or volume	52
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Managing consumption and the environmental footprint

Management approach

103-1	Explanation of the material topic and its boundary	33-36; 58-59
103-2	The management approach and its components	50-53
103-3	Evaluation of the management approach	50-53

GRI 302: Energy (2016)

302-1	Energy consumption within the organisation	50
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GRI 305: Emissions (2016)

305-1	Direct (Scope 1) GHG emissions	51
305-2	Energy indirect (Scope 2) GHG emissions	51

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GRI 306: Waste (2020)

306-1	Waste generation and significant waste-related impacts	50-52
306-2	Management of significant waste-related impacts	50-52
306-3	Waste generated	51

Development and enhancement of human capital

Management approach

103-1	Explanation of the material topic and its boundary	33-36; 58-59
103-2	The management approach and its components	13; 40-45
103-3	Evaluation of the management approach	13; 40-45

GRI 401: Employment (2016)

401-1	New employee hires and employee turnover	42-43
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GRI 404: Training and Education (2016)

404-1	Average hours of training per year per employee	44
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GRI 405: Diversity and Equal Opportunity (2016)

405-1	Diversity of governance bodies and employees	40-42
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Responsible procurement and sustainable products

Management approach

103-1	Explanation of the material topic and its boundary	33-36; 58-59
103-2	The management approach and its components	13; 52-53
103-3	Evaluation of the management approach	13; 52-53

GRI 406: Non-discrimination (2016)

406-1	Incidents of discrimination and corrective actions taken	N/A	No incidents of discrimination were recorded in 2021
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Workplace health and safety

Management approach

103-1	Explanation of the material topic and its boundary	33-36; 58-59
103-2	The management approach and its components	45-47
103-3	Evaluation of the management approach	45-47

GRI 403: Occupational health and safety (2018)

403-1	Occupational health and safety management system	45-47	
403-2	Hazard identification, risk assessment and incident investigation	45-47	
403-3	Occupational health services	45-47	
403-4	Worker participation, consultation and communication on occupational health and safety	45-47	
403-5	Worker training on occupational health and safety	45-47	
403-6	Promotion of worker health	45-47	
403-7	Prevention and mitigation of occupational health and safety impacts directly linked by business relationships	45-47	
403-9	Work-related injuries	N/A	There were no work-related injuries in 2021.

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Consumer privacy

Management approach

103-1	Explanation of the material topic and its boundary	33-36; 58-59
103-2	The management approach and its components	37
103-3	Evaluation of the management approach	37

GRI 418: Customer privacy (2016)

418-1	Substantiated complaints concerning breaches of customer privacy and losses of customer data	N/A	No complaints were registered in 2021.
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Communities and local economies

Management approach

103-1	Explanation of the material topic and its boundary	33-36; 58-59
103-2	The management approach and its components	26-29; 42-43
103-3	Evaluation of the management approach	26-29; 42-43

GRI 201: Economic performance (2016)

201-1	Direct economic value generated and distributed	29
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Listening and communicating with the customer

Management approach

103-1	Explanation of the material topic and its boundary	33-36; 58-59
103-2	The management approach and its components	37
103-3	Evaluation of the management approach	37

GRI 417: Marketing and labelling (2016)

417-3	Incidents of non-compliance concerning marketing communications	N/A	There were no instances of non-compliance concerning marketing communications in 2021.
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