

SUSTAINABILITY REPORT

2023



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GILMAR



Gilmar S.p.A. is an Italian company that has established itself as a leading player in the fashion industry, renowned for its production and distribution of premium quality clothing. The company's history began in 1959 and has seen steady growth, establishing it as a leading fashion brand with its iconic ICEBERG brand. The company headquarters are located in San Giovanni in Marignano (RN), in the industrial park inaugurated in 1985 and subsequently expanded to cover 45,000 square meters. This space serves as a production facility and a hub for ideation, fusing traditional techniques with cutting-edge technology. It is where creativity and innovation converge to create collections that resonate with global markets.

Today, Gilmar is a thriving enterprise, offering a diverse range of products, including high-end ready-to-wear and youth lines, with a consistent and expanding emphasis on sustainability. The company develops its own ICEBERG and ICE PLAY brands, as well as licensed managed brands such as N°21 and Paolo Pecora Milano. It also develops collections for other brands that choose to rely on its expertise.

The company remains under the control of the founding family. Silvano Gerani serves as president, while Paolo Gerani is CEO, Artistic Director, and operational guide.

Gilmar offices are also located in Milan, the beating heart of Italian fashion. This strategic presence enables the company to play a leading role in the sector's events and dynamics, facilitating business interactions and marketing and communication activities.

OUR

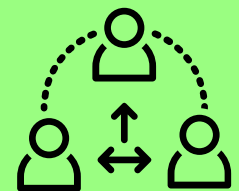
BRANDS

GILMAR
DIVISIONE INDUSTRIA SPA

ICEBERG
ICE PLAY

PAOLO PECORA
MILANO

N°21



Third party

01. ICEBERG

Launched in 1974 by Gilmar S.p.A., Iceberg is a brand that has made history in luxury sportswear by introducing an innovative and playful approach to ready-to-wear. Since its beginnings, Iceberg has been known for its bold use of color, pop graphics and distinctive designs that combine sportiness and elegance, revolutionizing the concept of knitwear with a contemporary twist. The brand has gained international notoriety for its ability to reinterpret elements of pop culture through collaborations with artists and celebrities, becoming a symbol of casual yet sophisticated luxury. Iceberg continues to evolve, staying true to its pioneering spirit, exploring new trends and textile technologies without ever losing sight of the quality and innovation that have marked its path since the beginning. With a strong presence both in Italy and abroad, Iceberg represents a meeting point between the heritage of Italian fashion and the dynamism of global fashion, confirming itself as a brand capable of speaking to new generations while maintaining its iconic appeal.

ICEBERG

02. ICE PLAY

Ice-Play represents a contemporary extension of the Iceberg brand, positioning itself in the young, urban chic fashion segment. Created to meet the needs of an audience looking for functional clothing, Ice-Play stands out for its collections that combine innovative design and quality materials. Characterized by a strong visual identity, the brand combines elements of streetwear with high fashion details, offering a range of garments from graphic T-shirts to technical jackets, all characterized by a lively and playful aesthetic. Ice Play's philosophy focuses on self-expression through fashion, encouraging our customers to explore new styles while maintaining a focus on sustainability and textile innovation. With a forward-thinking approach, Ice Play is committed to creating collections that reflect emerging trends and meet the expectations of a dynamic and ever-changing marketplace.

ICE PLAY

03. N°21

N°21 was launched in February 2010 during Milan Fashion Week for the Fall/Winter 2010-2011 season. The collections embody the consciousness and newfound creative freedom of Alessandro dell'Acqua, the designer behind the brand. The brand offers a modern, feminine wardrobe enriched with accessories and details inspired by the masculine world. This clever mix of feminine and masculine silhouettes and fabrics is one of the brand's distinctive codes, creating a unique balance between elegance and practicality.

The designer focuses his creative energies on a real and meaningful approach, using his deep knowledge of knitwear and product to propose a new vision of ready-to-wear. N°21's collections are characterized by a combination of contrasting elements that blend harmoniously, offering garments that are both sophisticated and accessible.

N°21

04. Paolo Pecora Milano

Paolo Pecora Milano, founded in Milan in 2006 by designer and entrepreneur Paolo Pecora, is a clothing company focused on menswear and kidswear, specialized in knitwear. In recent years, the second generation of the family, represented by Filippo and Carolina Pecora, Creative Directors for Menswear and Kidswear respectively, has been redefining new and unexpected creative and stylistic relationships. The brand's philosophy is an authentic and direct vision of fashion, restoring to its collections a typically Italian approach to life: positive, young and fresh.

Paolo Pecora's mission is an idea of accessible luxury through well-made products designed to be used and loved for a long time. "Everything starts with the yarn" is one of the family's mottos; in fact, knitwear is the starting point of the collection, a solid foundation of products that can be found in many variations. This material, for which Paolo Pecora is known all over the world, is used every season in different colors, finishes and techniques, thanks to a great deal of research and experimentation. The ability to redefine the perception of this material, which is renewed while remaining classic and contemporary, allows the brand to appeal to different age groups, customers and markets.

PAOLO PECORA
MILANO

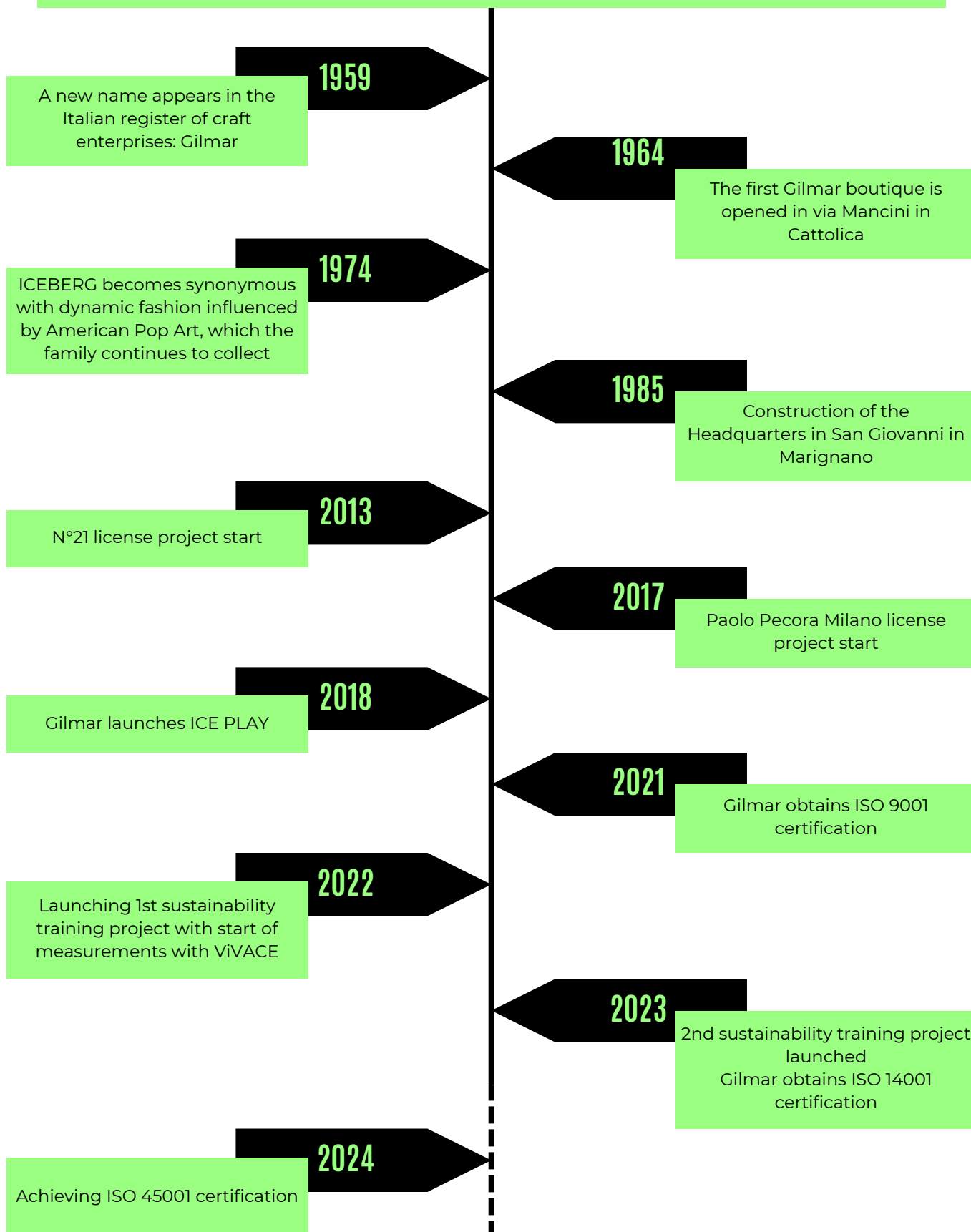
05. Third party

In recent years, Gilmar has begun to offer its expertise and business organization to third parties for the creation of prototypes, sample collections, and the production of entire collections or specific garments in both the garment-making and knitwear fields. This service is distinguished by its meticulous attention to quality, ensuring that each garment produced reflects the brand's exacting standards.

Gilmar utilizes an established network within the value chain, collaborating with trusted suppliers and partners to guarantee the utilization of premium materials and cutting-edge production techniques. This integrated approach allows Gilmar to maintain strict control over every stage of the production process, from raw material selection to final packaging, thus ensuring a final product of excellence.

In addition to offering high-quality products, Gilmar also provides sustainable practices to third parties. Companies that partner with Gilmar can benefit from the same responsible and sustainable techniques, together contributing to a more ethical and environmentally friendly future for the fashion industry.

GILMAR TIMELINE



GILMAR IN

THE WORLD

ESRS 2

General Disclosure

ESRS S2

Value chain



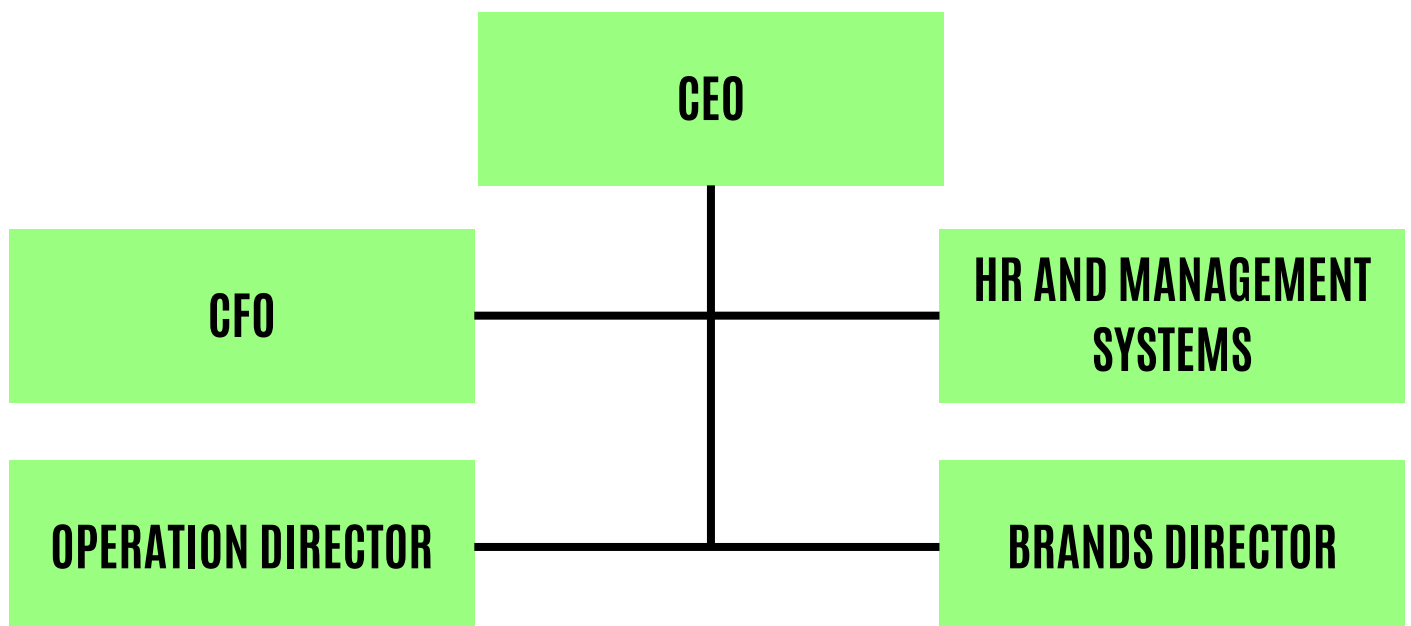
ORGANIZATION AND CORPORATE GOVERNANCE

The corporate governance system adopted by Gilmar plays a key role in ensuring the clear and responsible management of the company, contributing significantly to the creation of sustainable value in the medium and long term, both for shareholders and for all stakeholders. This system is based on four main pillars:

- 1.The central role of the management and control bodies;
- 2.The management of human resources and the quality, environment and safety management system;
- 3.Constant and accurate monitoring of operational processes;
- 4.A strong market presence through marketing strategies and targeted commercial actions.

The internal management team is supported by

- The Board of Directors (BoD), which plays a central role in the direction and management of the company. In addition to the powers vested in it by law and the Articles of Incorporation, the BoD has exclusive responsibility for the most important decisions from an economic and strategic point of view, as well as functional responsibility for the supervision and management of the business, including sustainability issues.
- The Board of Statutory Auditors (CS) supervises compliance with the law and the Articles of Association, the principles of good governance and, in particular, the adequacy of the organizational, administrative and accounting structure adopted by the Company and its effective functioning.



GILMAR AND SUSTAINABILITY

In response to the growing focus on sustainability, Gilmar S.p.A. has developed a system that provides management with continuous updates on these issues, allocating dedicated time for them in scheduled meetings.

This approach guarantees that sustainability will remain a strategic priority and become a fundamental element of the business model, influencing all levels of the company.

The Human Resources Department plays a pivotal role in this process, acting as the primary point of contact for sustainability initiatives and driving the development of innovative projects. These efforts position Gilmar S.p.A. at the forefront, reinforcing its commitment to a sustainable corporate culture. The company is dedicated to:

- The company will promote sustainable practices that generate value for all stakeholders.
- Maximize the positive impact on the planet and future generations.

During sustainability updates, the company conducts a thorough analysis of its environmental and social impact across the entire value chain. This allows it to identify opportunities for improvement, with the goal of transforming Gilmar S.p.A. into a model for responsible practices. The company aims to combine its heritage and know-how with an innovative approach to the supply chain.

In line with this commitment and in advance of the 2026 deadline, the "Sustainability Report 2023" is structured around the requirements of European regulations and promotes increasingly comprehensive and transparent communication with its stakeholders.



At Gilmar S.p.A., we recognize the significant impact, structure, and challenges of the fashion system in this historical period. In response, we have made the strategic decision to maintain a more conscious and quality-oriented approach to our products. This commitment is not limited to our headquarters in San Giovanni in Marignano (RN); it extends throughout the entire value chain.

Our objective has consistently been to provide products of the highest quality, emblematic of timeless elegance, destined to be passed from generation to generation and to embody the authenticity of Made in Italy.

We have disseminated this philosophy globally, and through rigorous due diligence, we ensure that our suppliers and workshops align with our vision and operate to the highest standards. Prior to being made available for purchase, our products are subjected to rigorous quality control measures. Each garment bearing our label is a unique and valuable piece for us. ISO 9001 certification serves as confirmation of our commitment to these values, providing both end customers and manufacturing partners with a guarantee of quality. Our clients can rest assured that they can rely on our unique network of excellence and the utmost care for their garments, which we treat as if they were our own brand.

Furthermore, ISO 9001 certification attests to our proactive commitment to risk management and control, which is integrated into the production process at every stage. We proactively monitor environmental and social risks and implement preventive measures to minimize negative impacts. This commitment is evident from the environmental data reported in this document, which is monitored and updated on a regular basis on the ViVACE platform. Our internal KPIs are also fundamental to understanding how we work and the direction we are heading on a daily basis. Our risk management strategy is fundamental to protecting the company while ensuring the creation of long-term sustainable value for all stakeholders, from employees to customers, from suppliers to the community.

MATERIALITY ASSESSMENT

In line with its commitment to social and environmental responsibility, Gilmar has taken the significant step of developing an initial definition of material themes for the group. This will enable the company to outline a sustainable and future-oriented strategy. The definition of material themes identifies Gilmar's priorities in the short and long term and confirms the company's alignment with the United Nations Sustainable Development Goals (SDGs).

The selected material themes represent not only the areas of greatest relevance in which the company intends to focus its efforts, but also its commitment to integrating sustainability principles within its strategic decisions, stakeholder relations, and operational activities. This approach is designed to reinforce Gilmar's position as a responsible company, capable of creating economic, social, and environmental value for all its stakeholders.

MATERIALITY ASSESSMENT

ENVIRONMENTALLY CONSCIOUS MANAGEMENT

- Product Design and Life Cycle
- Climate change
- Environmental impact



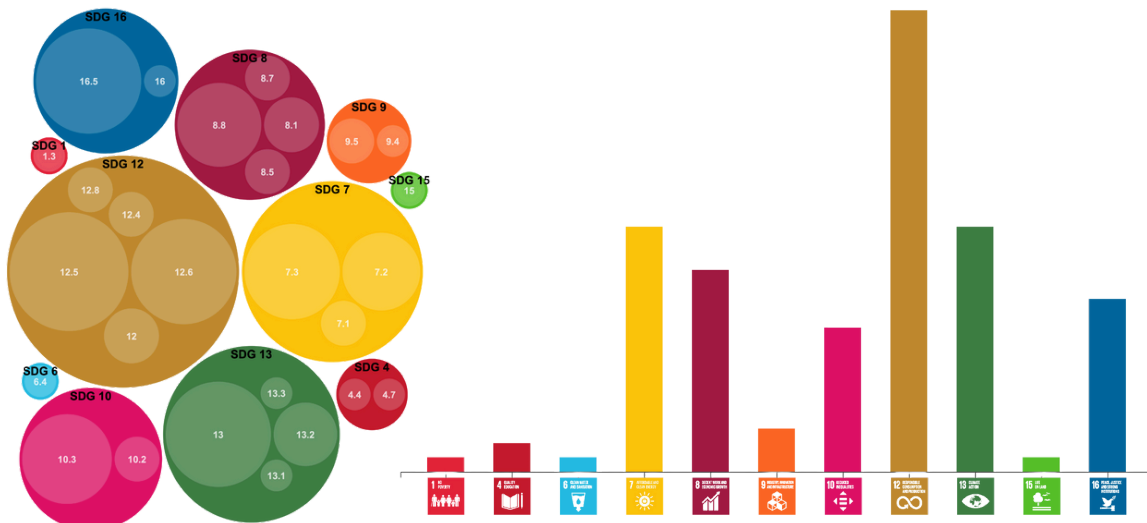
HUMAN CAPITAL

- Work practices
- Diversity and inclusion
- Know-How



GOVERNANCE AND QUALITY

- Data Security
- Product safety and quality
- Supply chain management



"SDG Targets" on the left and 'Relevant SDGs' on the right according to the EU's "SDG Mapper"

In line with the requirements of the Corporate Sustainability Reporting Directive (CSRD), we have adopted a double materiality approach to identify the most pertinent ESG issues. This approach has enabled us to analyze both the impact of our activities on the environment, society, and governance, as well as the influence that ESG factors have on our performance. Double materiality provides us with a comprehensive view of sustainability, enabling us to more accurately identify priorities for our stakeholders and to report transparently and comprehensively on our activities. The identified material issues and related strategies will be explained later in the document. This report demonstrates our commitment to sustainable and responsible value creation in line with CSRD principles and the expectations of our stakeholders.

STAKEHOLDERS

As part of its corporate strategy, Gilmar S.p.A. places significant emphasis on effective stakeholder management and engagement, recognizing their indispensable role in the company's long-term sustainability and success. The following stakeholders are included:

01. Employees and trade unions

Gilmar views its employees as the cornerstone of its success and a driving force behind innovation. The company invests in training and professional development, maintains a safe and inclusive work environment, and engages in constructive dialogue with labor organizations to ensure fair and sustainable working conditions. This commitment is reflected in human resources policies that are designed to enhance employee satisfaction and well-being, which are essential for motivating staff and attracting new talent.

02. Trade associations

By collaborating with trade associations, Gilmar is able to maintain a current understanding of regulations, market trends, and best practices within the fashion industry. This network of relationships bolsters the company's reputation and promotes standards of sustainability and social responsibility in the fashion industry. It also facilitates access to joint initiatives, research, and development projects.

03. Company ownership

Gilmar's governance strategy strikes a balance between the long-term visions of the company's founders and the operational needs of its day-to-day operations. Management is committed to guiding the company through strategies that also contribute to the social and economic development of the communities in which it operates. Transparency, ethics, and accountability are fundamental principles that inform business decisions, ensuring that growth objectives are aligned with corporate social responsibility principles.

04. Customers

At Gilmar, we place a high value on customer relationships, whether in business-to-business or consumer markets. The company is dedicated to comprehending and forecasting market requirements, providing bespoke solutions that align with the quality standards and expectations of an increasingly informed and discerning consumer base. Our business model and values are available to all economic partners who have chosen and will choose to work with us to bring high-quality, sustainable products to the market. Our commitment to sustainability is designed to enhance our environmental performance, and provides our partners with the chance to share and benefit from responsible and cutting-edge practices.

05. Distributors and online retailers

It is crucial to collaborate with distributors and online retailers to guarantee a comprehensive reach and uninterrupted product accessibility. The company optimizes the distribution chain through the implementation of logistics strategies that ensure efficiency and on-time delivery, thereby facilitating consumer access to its products in all markets.

06. Suppliers

The selection of suppliers is based on strict criteria that include reliability, expertise, and capacity for innovation. Gilmar aims to build long-term relationships based on mutual trust by incentivizing suppliers to conform to the high standards of quality and efficiency required in order to help create products that reflect the company's excellence.

07. Commercial partners, agents, licensees

At Gilmar, we place great value on our relationships with business partners. By fostering mutually beneficial cooperation, we are able to expand our presence and gain access to new market opportunities.

08. Local communities and future generations

Gilmar is actively engaged in supporting the local community and promoting initiatives that enable the economic and social development of the territory of the municipality of San Giovanni in Marignano. In this context, we are pleased to announce the launch of a training course project for garment techniques, which commenced in 2023. The course, which is held in a specially set-up classroom inside the Gilmar factory, will be followed by a similar course for the knitting part in the first half of 2024.

09. Media

By maintaining transparent and proactive communication with the media, Gilmar aims to establish a relationship based on trust and clarity, which is crucial for effectively conveying the company's values and objectives.

10. Investors and banks

The company is dedicated to fostering transparent relationships with investors and banks, while prioritizing community-based initiatives and partnerships that enhance its social and local engagement.

BUSINESS STRATEGY

The year 2023 presented significant challenges for the industry, with ongoing efforts to recover from the effects of the pandemic and navigate a global environment marked by geopolitical uncertainties and inflationary pressures. In the context of these challenges, Gilmar has shown remarkable resilience, confirming the growth trend observed in the previous year and reinforcing its commitment to sustainability and innovation. This commitment was also acknowledged at the local level, where Gilmar was presented with the Excelsa Romagna Award for Sustainability by Confindustria Romagna.

We are aware of the environmental impact of the fashion industry and have taken concrete actions to monitor and reduce our footprint throughout the supply chain. We have implemented a continuous improvement path that has enabled us to obtain ISO 14001 certification over time. Our environmental strategy not only enhances our performance but also provides our entire network with the opportunity to adopt responsible and innovative practices.

Innovation has always been a core value at Gilmar, informing both the development of our leaders and our business decisions. In 2023, we invested over €5.9 million in research and development, working with external professionals to create products that meet customer needs and strengthen our expertise.

Despite the challenging economic circumstances, we are optimistic about the future, pursuing a sustainable growth strategy that aligns with our commitment to financial performance. We are confident that our dedication to innovation and sustainability will enable us to generate long-term value for all those who share our vision of a more responsible and prosperous future.

GILMAR VALUE CHAIN

The company's success is largely attributable to a value chain of excellence that serves as the foundation of the "Made in Italy" brand.

CONCEPTION, DEVELOPMENT AND CREATION OF THE PROTOTYPE

Our in-house creative directors and those of our manufacturing partners have access to an exceptional team of industry-leading technicians and experts. At our headquarters, our highly trained employees, who are well-versed in our 60 years of expertise, turn dreams into tangible, top-quality products.

RAW MATERIALS SOURCING

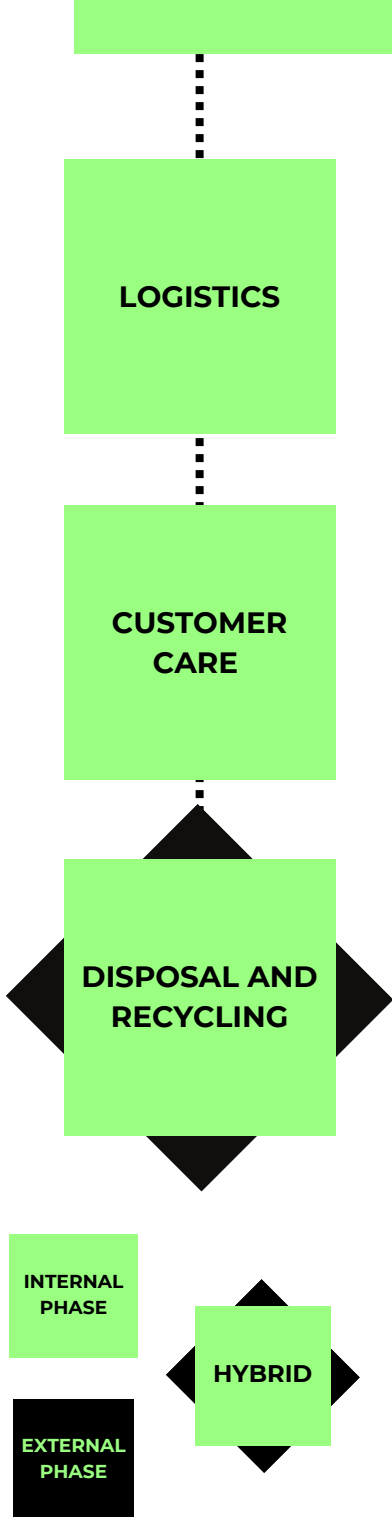
Suppliers represent a critical component of our supply chain. We have consistently partnered with suppliers that adhere to the highest standards and can provide our customers with the best quality fabrics and yarns on the market.

RAW MATERIALS PROCESSING

Over the past 60 years, we have established a unique network of "Made in Italy" laboratories. By collaborating with them, we have consistently delivered results that have exceeded expectations for ourselves and our partners.

MANUFACTURING

Our most valuable resource is our dedicated team of professionals in the pattern making, tailoring, knitting, garment making, and ironing departments. At our headquarters, we have produced and continue to produce garments for our brands and partners that have made fashion history, thanks to their originality and quality. For processes that we are unable to handle directly, we engage with external suppliers who adhere to our quality standards and demonstrate a similar passion for the product.



Our objective is to optimize warehouse processes in order to guarantee efficiency in the management of goods flows. By leveraging automated technologies, we provide precise organization and structured distribution services. Furthermore, we are dedicated to maintaining rigorous financial controls for optimal inventory management.

The company provides its end customers and business partners with a customer service team that is always available to address any needs and find the most appropriate solution.

We recover textile production waste, allocating it to specialized operators. We also manage inventories by using them for training courses or specific upcycling projects.

In contrast to many of our competitors, Gilmar has maintained the unique capability of overseeing every stage of our production process internally, encompassing both garment and knitwear operations. Our comprehensive approach spans the entire spectrum, from initial design creation to meticulous garment construction and beyond, ensuring seamless coordination from warehousing to distribution. This integrated model provides us with the flexibility, efficiency, and quality control necessary to meet our customers' expectations. Our partners also benefit from a substantial repository of knowledge accumulated over 60 years of history.

At Gilmar, we recognize the importance of a responsible and sustainable value chain that integrates economic, social, and environmental dimensions. We are committed to ensuring fair and safe working conditions throughout our supply chain, with the objective of promoting the growth and well-being of all those involved.

Our Code of Ethics provides the foundation for our commitment to sustainability and our measures to protect our large, distributed family, which is part of one of the most stable Made in Italy value chains. It sets forth the principles and values that guide our actions and our relationships with employees, collaborators, suppliers, and partners. This report is an examination of our corporate culture, which is based on the principles of integrity, transparency, respect for human rights, and the value of diversity. The Code is applicable throughout the value chain, ensuring that our external partners adhere to the same principles and are committed to the highest ethical and social standards.

The health and safety of our employees and all individuals working with us is of the utmost importance to us. We implement comprehensive prevention and protection measures to ensure a safe and healthy working environment, with a focus on training and informing workers about specific risks. We maintain a vigilant watch on working conditions and champion initiatives that promote the physical and psychological well-being of our employees. We also ensure that these benefits extend to the workforces of our partners.

It is our policy to respect the fundamental rights of workers in accordance with international conventions and national regulations. We guarantee and support the right of employees to associate freely, collectively bargain, and receive fair and decent working conditions, including fair wages, reasonable working hours, and adequate rest periods. We unequivocally condemn all forms of child labor, forced labor, and discrimination.

Diversity and inclusion are at the heart of our business. Each person participating in our value chain brings unique qualities and experiences that we value greatly. We are committed to ensuring that our partners provide equal opportunities to all members of our large "Made in Italy" family, regardless of gender, age, ethnic origin, religion, sexual orientation, or any other personal condition.

We believe that ongoing development and training are essential to the professional and personal growth of our employees. We provide targeted training programs to enhance the skills and knowledge of our employees, encouraging their participation in internal growth paths. This enables us to maintain a competitive advantage, including in the environmental field, as evidenced by the two sustainability pathways undertaken in the past two years.

Our value chain is an ecosystem of social responsibility that encompasses not only our company and our family but also all of our stakeholders. We actively collaborate with our suppliers and partners to promote responsible labor practices and fair working conditions throughout the supply chain. We are dedicated to maintaining an open and transparent dialogue with our stakeholders, gathering feedback and suggestions to ensure continuous improvement in our social performance.

Gilmar is convinced that a responsible value chain is a crucial factor in the company's long-term success. By demonstrating a commitment to social sustainability, we facilitate the creation of a positive and inclusive work environment, which in turn supports the growth and well-being of all stakeholders.

These values have enabled us to create a unique environment in which our employees feel rewarded, as evidenced by our average seniority of 22 years. Upon entering Gilmar, you will find yourself in an environment where creativity and innovation have coexisted for over 60 years. It is a place where you will not want to leave, but rather become a custodian and ambassador of our know-how, which has made Made in Italy history.

Gilmar has become a global hub for fashion and creativity, nurturing talents such as Jean-Charles de Castelbajac, Marc Jacobs, Vivienne Westwood, Federico Curradi, Alexis Martial, Giambattista Valli, and our current creative genius, James Long. These individuals have shaped the identity of Iceberg, making it a leading symbol of Made in Italy globally.

Conversely, numerous artists have discovered that the Gilmar ecosystem provides an ideal setting for realizing their creative visions. Alessandro Dell'Acqua and Paolo Pecora have chosen to place their brands in the hands of Gilmar, as had Missoni, Dsquared2, Fausto Puglisi, Anna Sui, Giambattista Valli, and Marc Jacobs.

Our extensive expertise is housed within our archives and accessible to those who wish to become part of our ecosystem and select us as strategic partners to bring their ideas to fruition by leveraging our capabilities in design, creation, craft production, logistics, distribution, and communication.

MANAGEMENT OF IMPACTS, RISKS AND OPPORTUNITIES

Gilmar proactively manages risk in order to anticipate and mitigate potential threats, which is critical to the long-term success of our brands and partners. However, more importantly, it is essential to the integrity of our supply chain. It is not only about protecting the company from financial losses; it is also about preserving its reputation, ensuring stakeholder trust, and promoting sustainable development.

We are therefore committed to conducting ongoing analysis of the economic, social, and environmental landscape to identify emerging risks at an early stage and adapt our robust policies accordingly.

Our scope of focus is not limited to traditional financial risks, but rather encompasses a more comprehensive view that includes regulatory compliance, environmental protection, human rights compliance, and cybersecurity. We are accountable for the well-being of all stakeholders in our value chain, including employees, customers, suppliers, and the broader community in which we operate.

For this reason, the company has implemented a whistleblowing system that allows any individual to report any misconduct, violations of the code of ethics, or violations of current regulations in an anonymous manner. This system is in place to ensure full transparency and integrity. All reports are treated with the utmost seriousness and care.

Data protection is a further priority for Gilmar, and we have invested in creating an IT infrastructure that can ensure the security of sensitive information, both corporate and personal. Our adherence to GDPR and other international standards reflects our dedication to protecting the privacy of our customers and employees.

The company is of the opinion that risk management is not merely a matter of compliance; rather, it is an avenue for enhancing operational efficiency, fortifying resilience, and gaining a competitive edge. All of these initiatives are fundamental to our governance model, as demonstrated in the final section of this report. By adopting an integrated approach and fostering a corporate culture that prioritizes risk awareness at all levels, we are well-positioned to navigate future challenges.

METRICS AND TARGETS

For Gilmar, transparency and concreteness are essential. Consequently, we have implemented a set of defined metrics and targets to facilitate continuous enhancement of our environmental and quality performance. The reliability of the data in our sustainability report is guaranteed by three fundamental elements:

01. ISO 9001

ISO 9001, which certifies our Quality Management System by ensuring that data collection and management processes are efficient, accurate, and geared toward stakeholder satisfaction.

02. ISO 14001

ISO 14001 which certifies that our Environmental Management System by ensuring that environmental performance data is collected and managed in a systematic and transparent manner, helping to reduce the environmental impact of our activities.

03. ViVACE

The use of the ViVACE platform, an advanced sustainability data analysis and management tool, allows us to monitor our performance in real time, identify areas for improvement, and ensure the transparency and reliability of reported data.

The synergy between these three components is essential to strengthening our credibility and advancing our sustainability improvement strategies. By utilizing accurate and transparent data, we can establish ambitious goals and achieve concrete results.

Specifically, the ViVACE platform is a vital tool for tracking the progress of our sustainability objectives, particularly in the environmental domain.

This innovative solution is distinguished by three key features: the ability to quantify products, processes, and sustainability initiatives; adaptability to various industries; and an intuitive and realistic illustration of the business environment. This allows us to gain a comprehensive view of what is happening within Gilmar, enabling us to monitor progress toward goals and identify areas where we can strengthen our performance.

The platform provides us with the data we need to define key performance indicators (KPIs) for sustainability, which we can then share with our stakeholders to illustrate our future processes and plans.

At present, we primarily utilise ViVACE within the company to monitor the environmental aspects of sustainability. The platform is undergoing continuous development. The next phase will see the integration of a social component, enabling the measurement and monitoring of goals related to working conditions, health and safety, human rights, and social inclusion.

GILMAR FOR

THE WORLD

ESRS E1

Climate change

ESRS E2

Pollution

ESRS E3

Water resources

ESRS E5

Circular economy



CLIMATE CHANGE

The effects of climate change are transforming the world in which we live and work. It is also incumbent on the fashion industry to recognise its impact and adopt strategies to reduce emissions, promote the circular economy and protect the planet's resources. Only then can it guarantee its resilience and sustainability in the future.

Gilmar is implementing an ambitious and tangible climate transition plan. The company has also demonstrated its commitment to concrete action in its sustainability report, in which it has pledged to conduct a comprehensive analysis of its climate change impact, utilising the data and resources available to it. This initial phase was pivotal in formulating a strategy to adopt low-emission technologies, optimise production processes and increase the use of renewable energy. In line with European policies, our objective is to reduce greenhouse gas emissions by 50 percent by 2030 and achieve carbon neutrality by 2050.

Gilmar is taking concrete steps to reduce its environmental impact through the implementation of specific measures, including:

- The introduction of industrial 4.0 processes and investment in imported structural conversion work to minimise CO2 emissions from the San Giovanni in Marignano (RN) plant;
- Optimising the use of natural resources and promoting recycling and reuse of materials.

To implement this plan, Gilmar has taken several actions, including conducting energy audits to identify areas for improvement through the ViVACE platform and implementing training programmes for employees to promote sustainable behaviours. We are actively working to implement these policies across the entire value chain. We have scheduled a comprehensive review of our suppliers and laboratories with the objective of confirming that our partners align with our core values and contribute to the maintenance of excellence within our value chain.

The effects of climate change are being felt across the globe, with natural resources, raw material availability, consumption patterns and operating costs all affected. In light of this, we are undertaking a comprehensive review of our business strategies, with the aim of establishing a new fashion system. Gilmar recognises that integrating environmental sustainability into its business model requires not only reducing the negative impact of its operations on the environment, but also anticipating changes in consumer behaviour and regulations. This approach provides the company with foresight and stability, ensuring that it is well-positioned to meet the future challenges of climate change.

ENERGY

Energy management is a critical aspect of the operations of Gilmar's plant in San Giovanni in Marignano. In response to growing environmental concerns and the need to promote sustainable operating practices, the company has implemented a series of improvements aimed at optimising the plant's energy efficiency. These measures have led to a notable decrease in reliance on fossil energy sources, achieved through the implementation of cutting-edge technologies and the optimisation of production processes.

The company has taken a number of initiatives, including the installation of energy-efficient lighting systems, upgrading thermal systems with solutions that have a lower environmental impact, and investing in renewable sources of power generation. These changes not only help to reduce the carbon footprint of production activities, but also result in a decrease in energy-related operating costs.

ENERGY MIX

Below is the summary energy report for 2023.

ENERGY	UNIT OF MEASUREMENT	2023
Total Internal Energy Expenditure	GJ	13.608,59
Of which from renewable sources	GJ	1.970,73
Of which from non-renewable resources	GJ	11.637,86
Total Energy Consumption from Fuels	GJ	9.752,37
Of which from non-renewable resources	GJ	9.752,37
Diesel	GJ	1.782,15
Methane	GJ	7.970,23
Total Energy Acquired	GJ	2.970,21
Of which Electric	GJ	2.970,21
From renewable sources.	GJ	1.084,72
Of which from non-renewable resources	GJ	1.885,49
Total Energy Sold	GJ	227,17
Electric	GJ	227,17
Of which from renewable sources	GJ	227,17
Total Self-Consumed Energy	GJ	886,01
Electric	GJ	886,01
Of which from renewable sources	GJ	886,01

Table 1: GRI 302-1 Internal energy consumption within the organization.

PHOTOVOLTAIC

The company has made a significant investment in the use of renewable energy sources, as evidenced by the 280 kWp photovoltaic plant that will be operational from July 2023. This strategic investment is designed to promote the more sustainable use of energy resources and align with international climate gas reduction targets. Furthermore, the installation of the photovoltaic system has resulted in a reduction in energy expenditure, demonstrating an effective convergence between environmental and economic sustainability. The full impact of this will be evident from 2024 onwards.

Please find the 2023 photovoltaic report below.

PHOTOVOLTAIC	UNIT OF MEASUREMENT	2023
Installed capacity	kWp	208.000
Energy generated	kWh	309.216
Energy supplied to the grid	kWh	63.102
Self-sustaining energy	kWh	246.114

Table 2: GRI 302-1 Energy Consumption Within the Organization



GHG EMISSIONS

Reducing emissions of greenhouse gases or climate-altering gases, or those substances that contribute to global climate change, is a challenge for all industrial entities on the planet. In light of these considerations, Gilmar has elected to pursue a program of monitoring and reducing its emissions.

The primary sources of greenhouse gas emissions attributable to our operations are as follows:

- Natural gas is used in a number of ways within our company, including for heating and steam production. Natural gas is used for both heating company environments and steam production, which is necessary for various production processes. Natural gas accounts for a significant portion of total GHG emissions.
- Fuel for Corporate Travel: This includes fuel consumed for corporate travel, including personnel transfers and transportation related to operational activities.
- Electricity from the Grid: The purchase of electricity is a significant contributor to the company's overall GHG emissions balance, as it is used to power plant machinery and offices. When produced from fossil energy sources, this electricity is a major contributor to the company's overall emissions.

In recent years, there has been a notable reduction in the consumption of natural gas for space heating, largely due to targeted plant interventions and modifications to working hours. This decrease has coincided with the introduction of plant electrification processes, which have enabled the creation of synergies with the installation of the new photovoltaic roof.

Our emissions are quantified using the GHG Protocol, with specific emission factors to ensure maximum accuracy.

GREENHOUSE GAS EMISSION	MEASUREMENT UNIT	2023
Total Scope 1 Emissions	tCO2eq	510,02
Of stationary combustion	tCO2eq	395,63
Methane	tCO2eq	395,63
Of mobile combustion	tCO2eq	114,39
Diesel	tCO2eq	114,39
Total Emissions Scope 2 Market Basis	tCO2eq	252,44
Electric	tCO2eq	252,44
Total Emissions Scope 2 Local Foundation	tCO2eq	206,50
Electric	tCO2eq	206,50
Total Emissions Scope 1+2MB	tCO2eq	762,46

Table 3: GRI 305-1 Direct (Scope 1) and Indirect (Scope 2) Greenhouse Gas (GHG) Emissions

Note:

- No f-gas leaks were identified during the year 2023.
- The energy mixes utilized in the Scope 2 calculation pertain to the year 2022.

The issue of Scope 3 emissions represents a significant challenge for companies in the context of broader environmental concerns. This is equally true of Gilmar. In contrast to Scope 1 and 2 emissions, which are subject to rigorous control and management by the company, Scope 3 emissions are generated by both upstream and downstream activities within the value chain. These include the acquisition of raw materials, the transportation of our products, the use of products by consumers, and the final phase of product life.

Obtaining precise and exhaustive Scope 3 emissions data necessitates a high level of collaboration and information sharing with partners throughout the value chain. Gilmar is fully aware of the importance of transparent and accurate reporting of Scope 3 emissions. However, the company currently lacks the data necessary to provide a reliable estimate.

Rather than providing approximations that may be misleading, we have opted to pursue a course of action that will enable us to collect more precise and comprehensive data on Scope 3 emissions. This process includes the following steps:

- Value chain mapping is a process that involves: The identification of all upstream and downstream activities that contribute to Scope 3 emissions is a key objective.
- One of the key steps in this process is engaging with suppliers. We are working with suppliers to obtain data on their emissions.
- The next step is to develop calculation methodologies. The development of reliable calculation methodologies to estimate Scope 3 emissions is a key objective.
- The implementation of monitoring systems is a crucial step in the process. The introduction of systems to monitor Scope 3 emissions over time will facilitate more accurate and up-to-date data.

We are committed to publishing the calculation of all supply chain emissions in our future sustainability reports. We believe this phased and transparent approach is the most responsible way to ensure reliable and quality sustainability reporting.

CLIMATE RISKS AND OPPORTUNITIES

At Gilmar, we recognize the growing impact of climate change on the global economy. Our goal of reducing emissions is not only an environmental initiative but also a strategy to mitigate the effects of climate-related events.

We are aware of the vulnerability of our headquarters in Emilia Romagna and our partners in Italy to physical risks from extreme weather events, which could have a detrimental impact on our operations. Floods, heat waves, and other weather events can cause damage to infrastructure, disruption of production, increased operational and insurance costs, and, most importantly, put the health and safety of our workers at risk. The flood in May 2023 served as a stark reminder of the significant impact these events can have on our business operations and personnel. Furthermore, we recognize that these events can affect our value chain by damaging our partners' infrastructure and raw material supplies, which are distributed globally, resulting in delays and additional costs. In 2022, our business was directly affected by a major earthquake in Turkey that caused extensive damage to one of our partners.

We take pride in our commitment to reducing our climate impact. However, the ecological transition also presents risks and challenges. The sudden introduction of new regulations and legislation requires significant investment, which is challenging to maintain during a period of market turbulence. Nevertheless, we are committed to achieving the improvement goals we have set for ourselves.

POLLUTION

At Gilmar, we are firmly committed to pollution management and reduction. To ensure compliance with the requirements of the European REACH (Registration, Evaluation, Authorisation and Restriction of Chemicals) regulation, we conduct periodic verification.

Attaining ISO 14001 certification has been a significant accomplishment for our company. It allows us to demonstrate to our stakeholders the considerable effort we have invested in establishing a sustainable business model. We can confirm that our production facility is committed to producing high-quality garments in an environmentally responsible manner. We monitor our environmental performance and provide our staff with environmental training and awareness programs to ensure we meet our environmental goals.

The following is a list of substances used at our facility, along with the correct usage and storage instructions. These guidelines are in place to prevent any spills into the environment.

VOLATILE ORGANIC COMPOUNDS	MEASUREMENT UNIT	2023
Total COV	kg	63,28
Clean P	kg	62,80
Acetic Acid	kg	0,48

Table 4: GRI 302: Solvents and Other Pollutants

This commitment not only reduces our environmental impact but also provides our business partners with a comprehensive system that ensures product quality and environmental responsibility. Our objective is to demonstrate that it is possible to preserve the environment that fuels our creativity and quality, and to prove that fashion and sustainability can go hand in hand.

WATER RESOURCES

Access to water is a critical and indispensable resource for business activities. The primary applications of water are for sanitary purposes, industrial washing, and steam generation.

All water used in washing processes is subject to periodic controls, including internal analyses and audits conducted by the relevant authorities in the area. While we have not yet set specific internal standards, the measured values are considerably lower than the regulatory limits, falling up to two orders of magnitude below the maximum permitted amounts.

The steam is used in the finishing processes of our finished products, such as ironing, as well as for testing new incoming fabrics.

Please find the data regarding water consumption below:

WATER	UNIT OF MEASUREMENT	2023
Total water extraction	ML	3,48
of which third-party waters	ML	3,48
Drinking	ML	3,48
Withdrawal of water from external sources	ML	3,48
Surface water	ML	2,79
Water table	ML	0,70
Total water usage	ML	3,48

Table 4: GRI 302: Solvents and Other Pollutants

In order to achieve sustainable integration of production processes, Gilmar initiated the manufacture of denim garments in 2023, with the objective of optimising water resources throughout the production stages. The "save water" methodology is designed to facilitate the sequential reuse of water utilized in industrial washing cycles, with the objective of extending its utilization and reducing its overall consumption.

This practice, in addition to reducing the volume of water used, aims to minimise the environmental impact of chemical usage in the washing process. The objective is to achieve a notable reduction in pollution without compromising the strength and quality of denim, which remains in line with Gilmar's quality standards.

CIRCULAR ECONOMY

At Gilmar, our production ecosystem enables a seamless and integrated process for creating garments, from initial concept to final prototype. This approach provides an overall view of the product, moving away from the traditional perception of distinct phases to a continuous process of transforming the raw material. This approach fosters a heightened awareness of the environmental impact of each production step, motivating the company to integrate sustainability practices into its collections.

As a result of our integrated production management, we are able to track the life cycle of each of our products. Thanks to this integrated production management, we can follow each of our products through every stage of its life cycle. In accordance with European Ecodesign legislation, we are implementing a traceability system along our supply chain to facilitate the anticipated mandatory Digital Product Passport (DPP) for ourselves and our partners. We believe that transparency is a crucial element in making the current fashion system more sustainable. We look forward to sharing with our customers the story behind our production process.

In this context, Gilmar is dedicated to a meticulous selection of sustainable materials, with the dual objective of minimizing the impact related to the use of virgin resources and reducing the ecological footprint in accordance with good manufacturing practices. Our commitment to a circular economy is reflected in our ongoing efforts to extend the life cycle of textiles and promote responsible resource use.

RAW MATERIALS

During 2023, the process of reporting and managing raw materials acquired by Gilmar was initiated. The analysis was conducted on three key categories for business operations: fabrics, yarns, and packaging.

The table containing quantitative information regarding the acquisition of raw materials is presented below:

RAW MATERIAL	UNIT	2023		
		Total	From sustainable sources	From non-renewable resources
Total Raw Materials	t	542,86	119,05	423,80
Raw	t	469,24	66,22	403,02
Fabrics	t	106,40	62,77	43,62
Yarns	t	362,85	3,45	359,40
Packaging	t	73,61	52,83	20,78
Paper and Cardboard	t	52,83	52,83	-
Plastic	t	20,78	-	20,78

Table 5: GRI 301-1 Materials Utilized by Total Weight

VIRGIN RAW MATERIALS

In line with its sustainability strategy and in response to stakeholder expectations, Gilmar has implemented measures to enhance the sustainability of materials utilized in the production of its Iceberg and Iceplay brand garments. Specifically, for the 2023 collections, 30 percent of the virgin fabrics used were developed using raw material derived from sustainable processes. This was achieved by managing product certifications obtained from suppliers following internationally recognized standards for environmental sustainability. These fabrics are certified to the standards of the Better Cotton Initiative and the Global Organic Textile Standard, both of which are leaders in promoting ethical and environmentally responsible production practices in the textile industry.

RECYCLED RAW MATERIALS

In line with Gilmar's commitment to sustainability, the fall/winter 2023 collection features recycled goose down fillers, a move that reduces resource waste and increases the use of recycled materials.

The selection of materials for garments was made with a focus on the product life cycle, with the objective of extending the life of existing resources. Verification and certification of these practices through the Global Recycling Standard confirm adherence to international parameters for recycling, ensuring that the process of reintroducing materials back into the production cycle takes place in accordance with criteria of traceability and environmental responsibility.

FABRICS

Within the Gilmar facility, fabrics are used mainly for the following purposes:

- Prototyping.
- Production of models intended for fashion shows.
- In-house production of garments intended for marketing.

For each fabric acquired by the company, a certificate of conformity is requested from the supplier, often accompanied by an analysis of international benchmarks concerning the substances used, processes and workmanship undergone.

Considering the diverse range of its products, Gilmar uses both natural and renewable fibers, such as cotton and wool, and synthetic fibers characterized by a significantly reduced water impact, such as polyester.

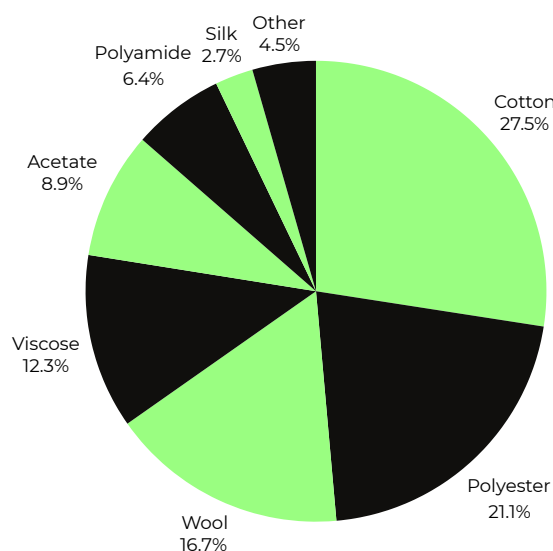
A summary table of the raw materials used is presented below:

FABRICS	UNIT	2023		
		Total	Renewables	Non-renewable
Total Fabrics	t	106,40	62,85	43,55
Cotton	t	29,21	29,21	-
Polyester	t	22,49	-	22,49
Wool	t	17,74	17,74	-
Viscose	t	13,05	13,05	-
Acetate	t	9,47	-	9,47
Polyamide	t	6,86	-	6,86
Silk	t	2,85	2,85	-
Others	t	4,74	-	4,74

Table 6: GRI 301-1 Materials Utilized by Total Weight. Fabric Specifications

In our production process, we prioritize the use of fibers from renewable sources, which account for 59% of our total fiber usage. The majority of these are cotton, which accounts for 28% of our total fiber requirements. The remaining fibers utilized in our production process are derived from fossil-based products, primarily nylon.

This illustrates our dedication to selecting fabrics derived from renewable, premium-quality sources for our product lines. Furthermore, we are working to reduce the use of polyester, acetate, and polyamide.



YARNS

In 2023, Gilmar maintained a significant production presence in the knitwear sector, utilizing over 300 tons of yarn in its operations. Wool is the material of choice for production, with cotton being the next most popular choice. It is also noteworthy that 94.7% of the yarns used are renewable materials.

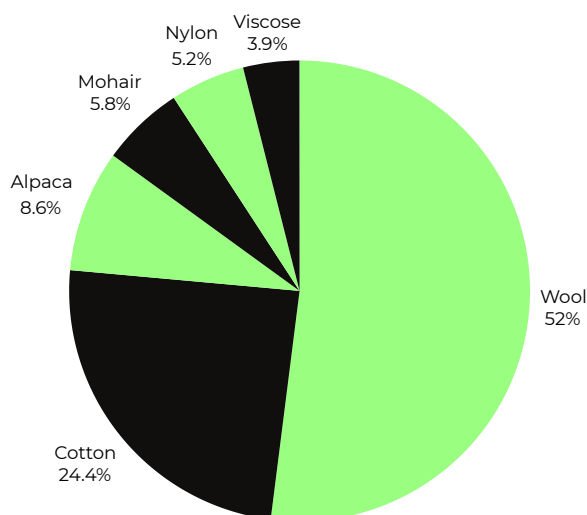
A detailed breakdown of the materials used during the reporting period is provided below.

YARNS	UNIT	2023		
		Total	Renewables	Non-renewable
Total Yarns	t	362,85	343,77	19,07
Wool	t	188,70	188,70	-
Cotton	t	88,67	88,67	-
Alpaca	t	31,05	31,05	-
Mohair	t	21,09	21,09	-
Nylon	t	19,03	-	19,03
Viscose	t	14,27	14,27	-
Acrylic	t	0,05	-	0,05

Table 7: GRI 301-1 Materials Utilized by Total Weight. Yarn Specifications

A review of the materials used in knitwear production revealed that the vast majority (96 percent) are derived from renewable sources. The primary material utilized is wool, representing 52% of the total, followed by cotton (24%) and alpaca (9%).

These figures underscore the company's position as a market leader in high-quality knitwear. For six decades, we have been producing knitwear using the finest yarns available on the market, a commitment that has earned us a reputation for excellence in this field.



While our collaboration is primarily focused on reputable Italian suppliers known for their high standards of sustainability, we are engaged in ongoing development work to ensure that the majority of the yarns we use are certified. At present, our product range includes a wide variety of eco-friendly yarns. However, our objective is to further expand our product portfolio. This will enable us to more effectively demonstrate our dedication to achieving an optimal balance between superior quality and sustainability.

PACKAGING

Over the past year, the group has initiated several projects in the logistics sector with the objective of reducing both direct and indirect impacts related to handling and packaging use. In particular, a project was initiated with the objective of optimizing pallet and carrier saturation through a redesign of the packaging. The implementation of innovative packaging solutions has enabled us to optimize the use of available space and reduce the reliance on filler materials. It is anticipated that emissions from logistics and packaging will decrease by up to 10 tons of CO2 equivalent at the conclusion of the trial and transition period.

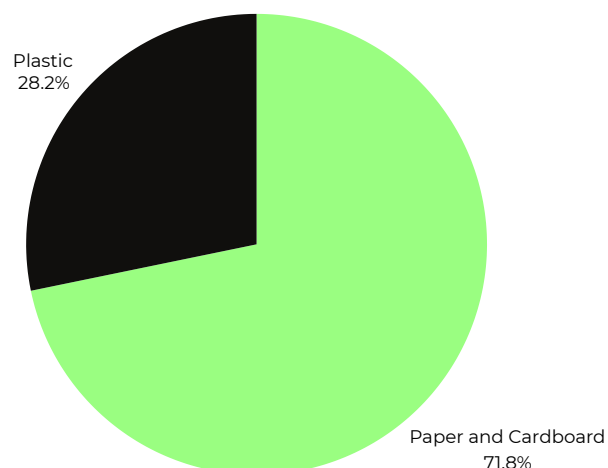
Furthermore, Gilmar implemented a best practice related to the reuse of cartons resulting from the inbound logistics process, which will be used in the transportation of semi-finished products. This activity results in a reduction in waste and packaging purchases. Please refer to the summary tables below for details on packaging consumption.

PACKAGING	UNIT	2023		
		Total	Renewables	Non-renewable
Total Packaging	t	73,61	52,83	20,78
Paper and Cardboard	t	52,83	52,83	-
Plastic	t	20,78	-	20,78

Table 8: GRI 301-1 Materials Utilized by Total Weight. Packaging Details

The company has implemented a series of activities to reduce the amount of plastic packaging used in our products. Currently, 26 % of the total packaging weight is made of plastic. We are replacing filler material and reducing the amount of plastic used to support the transport of hanging garments.

For further information, please refer to the detailed fact sheet on our website, which provides guidance on the proper disposal of our packaging and is freely accessible to all customers. Furthermore, we are exploring the possibility of implementing more innovative and sustainable solutions, such as the use of reusable packaging.



WASTE

The majority of waste generated by the company's operations stems from logistics activities and primarily comprises paper and cardboard, representing approximately 65% of the total waste produced in 2023. The measures introduced to improve packaging have led to a notable reduction in plastic waste. This has been accomplished through the implementation of targeted measures and a focus on the responsible use of raw materials.

Almost all of waste (90%) is managed through alternative disposal methodologies other than landfill, with the remaining 10 % going to landfill. Approximately 7% of total waste is landfilled, with the majority of this waste being textile waste from activities characteristic of the sector in which it operates or from parts of semi-finished products that cannot be composted for construction.

WASTE PRODUCTION	UNIT	2023		
		Total	Designated for landfill disposal	NOT disposed of in landfill
Total Waste Produced	t	55,70	5,69	50,01
Paper and Cardboard	t	35,94	0,46	35,48
Plastic	t	5,55	0,03	5,52
Textile	t	5,44	3,93	1,51
Other	t	8,77	1,27	7,50

Table 9: GRI 306 Waste Management

WASTE MANAGEMENT	UNIT	2023		
		Total	Dangerous	Not Dangerous
Total Waste Disposed of in Landfills	t	5,69	0,11	5,58
Total Waste Diverted from Landfill	t	50,01	0,02	50,00

Table 10: GRI 306 Waste Management

At Gilmar, we recognize the value of textile waste as a resource and have implemented policies to minimize its production and promote its reuse. An employee performs quality control checks on fabrics to identify imperfections, thereby optimizing material use and ensuring the production of high-quality products. Some of the waste is repurposed for use in training courses for Italian technicians, thereby contributing to sustainability and education. Furthermore, we collaborate with a specialized partner to transform waste into recycled fabric, thereby supporting a circular economy.

ECODESIGN

The European Ecodesign Directive is a pivotal element of the European Green Deal and the Strategy for Sustainable and Circular Textiles. As of 2027, all clothing and accessories products placed on the European market will be required to comply with specific eco-design requirements. In particular, the directive will focus on 16 specific eco-design requirements, including: durability, reparability, water use and water efficiency, resource use and resource efficiency, recycled content, recyclability, recyclability of materials, environmental footprint, and expected waste generation.

Setting aside the environmental aspects related to the aforementioned results and future goals, this section will focus on a key characteristic: durability.

At Gilmar, quality is our core value. Our certifications provide a tangible guarantee of this. We aim to provide our customers with more than just a product; we want to create garments that have a soul, that tell their story and that of the wearer. To achieve this, our creative and production teams work closely together with the objective of developing products with high emotional durability, destined to be loved and handed down over time.

In a market dominated by fast fashion, Gilmar has chosen a different path. We believe in the value of quality, craftsmanship, and durability. Our fully integrated supply chain allows us to offer our customers and partners garments of the highest standard, made with care and passion.

Our products are crafted with precision and style, designed to make a lasting impression. This encourages customers to treat the products with care, to repair them rather than replace them, thus reducing the environmental impact.

We also offer our expertise and supply chain solutions to partners seeking to collaborate with us. Our services guarantee quality, innovation, and environmental responsibility.

SUSTAINABLE PRODUCTS

In recent years at Gilmar we have been committed to creating a range of high-quality products that combine style and sustainability. Innovation and environmental responsibility have become cornerstones of our corporate philosophy, and we are committed to implementing sustainable practices at every stage of the production process. Using certified materials and environmentally friendly processes enables Gilmar to mitigate its environmental impact and help promote a greener future. Below, we proudly present a selection of the sustainable products we have integrated into our collections.

ICEBERG

In its spring/summer 2023 collection, ICEBERG has taken a significant step toward sustainability, utilizing certified materials that ensure quality and respect for the environment. Notable items in the collection include Japanese Palm-patterned printed cotton that is BCI (Better Cotton Initiative) certified. This certification ensures that the cotton is cultivated in accordance with sustainable practices, enhancing working conditions and reducing environmental impact. Furthermore, ICEBERG selected a GOTS (Global Organic Textile Standard) certified cotton pollen, which attests to the organic nature of the cotton and its production in accordance with rigorous environmental and social standards.

Additionally, the collection features LENZING ECOVERO techno viscose, a material derived from renewable wood sources and certified for its minimal environmental impact. The range of sustainable fabrics is completed by a satin envers and a viscose with a Japanese Palm patterned print, both of which are Forest Stewardship Council (FSC) certified. This certification guarantees that the materials originate from responsibly managed forests, thereby contributing to the conservation of ecosystems.

In its ongoing commitment to sustainability, ICEBERG has introduced a series of labels for its fall/winter 2023 collection, clearly marking garments made from sustainable materials. By utilizing 15 distinct sustainable fabrics and emphasizing faux leather, ICEBERG is not only reducing its environmental impact but also promoting transparency and consumer awareness. This innovative approach empowers customers to make informed and sustainable choices, contributing to a greener future.



In both seasons, ICEBERG launched the ICEBERG PLANET line, a collection dedicated to basic, durable garments. Made from organic cotton, these garments are treated with a sustainable dyeing process and embroidered with a recycled polyester yarn. ICEBERG PLANET represents a concrete commitment to sustainable fashion, demonstrating that it is possible to combine style, quality and respect for the environment. This line not only reduces environmental impact, but also promotes more ethical and responsible fashion.



ICE PLAY

In its latest collection for fall/winter 2023, ICEPLAY has introduced a revolutionary new denim fabric, Cotton Zero X Denim. This innovative fabric is made from cellulose fiber instead of cotton, offering a sustainable alternative that reduces the environmental impact of denim production. The Save the Water X Denim line represents a significant advancement in water conservation, utilizing recycled water in its production process to minimize the consumption of water resources. By leveraging Jeanology technology, ICEPLAY is able to perform laser washes in place of enzyme washes, significantly reducing the consumption of water and chemicals. This approach not only preserves the environment but also ensures the production of garments of high quality and durability.

In the women's collection, ICEPLAY selected Rewardown down jackets crafted from recycled feathers. This material offers warmth and comfort while providing a sustainable solution that reduces waste. The Downplus traceability system guarantees transparency throughout the production chain, enabling consumers to ascertain the provenance and trajectory of the feathers used. This dedication to sustainability and transparency reinforces customer confidence and encourages responsible practices within the fashion industry.

From 2021 to 2023, ICEPLAY has collaborated with ACBC to develop sustainable footwear. The footwear is manufactured using sustainable materials, with the upper and lining composed of 100% recycled polyester fabric derived from plastic bottles. The recycling process allows the creation of a new green material without the use of virgin plastic, thereby reducing CO2 emissions by up to 75 percent and significantly limiting pollution of the seas and oceans.



N°21

At the fall/winter 2022 fashion show, N°21 presented two unique pieces crafted from recycled vintage furs and covered in elegant black tulle, which were met with great enthusiasm by the audience. These garments not only exemplified the essence of luxury and innovation, but also established a new standard for upcycling and sustainability in fashion. By repurposing existing materials and transforming them into modern, sophisticated creations, N°21 showcased how the past can be reinvented for a more sustainable future.

Since 2020, the brand has been showcasing an innovative vision through its special 10th anniversary collection, which comprised 12 garments crafted from residual materials. This initiative celebrated creativity and underscored the importance of sustainability in fashion. It demonstrated that aesthetics and environmental responsibility can coexist.



PAOLO PECORA MILANO

Paolo Pecora Milano is a leading fashion brand known for its consistently stylish and high-quality designs. The garments, which are primarily single-material and genderless, are crafted to withstand the test of time.

This approach has the dual benefit of reducing the environmental impact of our products and promoting ethical and sustainable fashion. The use of monofiber fabrics streamlines the recycling process, contributing to a sustainable life cycle. The genderless styling reflects the brand's commitment to inclusivity and versatility, allowing customers to wear the garments regardless of gender identity. The brand demonstrates that elegance, quality, and sustainability can coexist in a way that respects the environment and people.



THE WORLD

OF GILMAR

ESRS S1

Own workforce

ESRS S3

Affected communities

ESRS S4

Consumers

ESRS G1

Business conduct



HOUSE OF GILMAR

The Gilmar S.p.A. headquarters in San Giovanni in Marignano comprises an industrial complex spanning 45,000 square meters. This hub was designed with the objective of facilitating interaction between design and distribution. It brings together all phases of the development of a fashion garment under one roof, from design to planning, from production to final logistics. The facility is continually evolving to incorporate the latest technologies and optimised spaces, fostering collaboration across work teams and facilitating a productive synergy between creativity and operational efficiency. Confidentiality is maintained for each brand. The style offices, along with the prototyping laboratories and production lines, are designed to stimulate innovation and ensure high quality standards, reflecting Gilmar's commitment to developing sustainable, cutting-edge solutions.

The plant also serves as Gilmar's logistics center, ensuring precise and efficient product distribution and minimizing delivery times for finished products.

In 2021, Gilmar obtained ISO 9001 certification, and in 2023, we achieved ISO 14001 certification. These achievements reflect our company-wide dedication to continuously improving quality standards and addressing environmental concerns.

EMPLOYEES

As of December 31, 2023, the total number of Gilmar employees was 285, including those employed in stores and outlets.

From a gender perspective, there is a higher proportion of women (204) than men (81) and a greater prevalence of permanent contracts (276) compared to fixed-term contracts (9). The majority of these contracts are concentrated in the retail sector, largely due to the specific nature of the business.

GDI	WOMEN	MEN	TOTAL
Indeterminate duration	195	81	276
Fixed term	9	0	9
Full-time	203	81	284
Part-time	1	0	1
Total GDI Organic	204	81	285

Table 11: GRI 2-7 Workforce

DIVERSITY & INCLUSION

In the course of its operations, Gilmar is committed to ensuring that all employees are treated fairly and equally in all aspects of their employment, including but not limited to hiring, compensation, advancement, discipline, termination, and retirement. We prohibit any form of discrimination based on gender, race, ethnicity, religion, age, disability, sexual orientation, geographic origin, political opinion, or social group affiliation.

All employees are entitled to be treated with respect and dignity, and to work in an environment free from physical, sexual, psychological, or verbal harassment or violence.

The following tables provide a breakdown of Gilmar employees by professional category, gender, and type of contract.

EMPLOYEES HOLDING PERMANENT CONTRACTS	WOMEN	MEN	TOTAL
Directors	0	5	5
Managers	8	17	25
Employees	140	38	140
Workers	47	21	47
Number of personnel	195	81	276

Table 12: GRI 2-7 Workforce

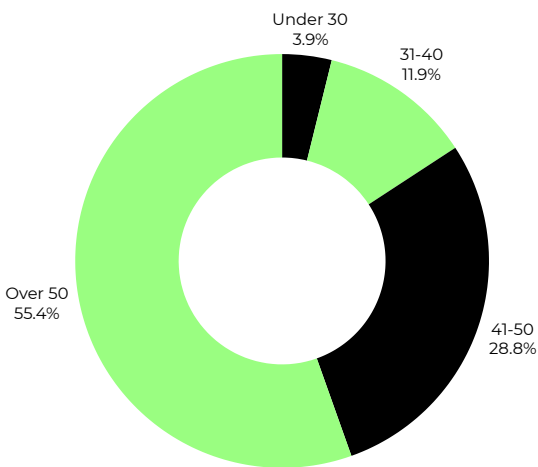
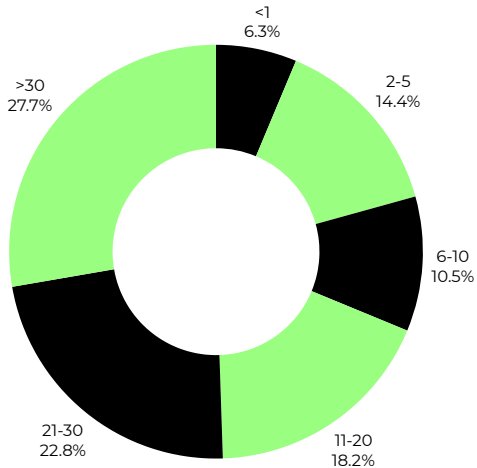
EMPLOYEES ON TEMPORARY CONTRACTS	WOMEN	MEN	TOTAL
Directors	0	0	0
Managers	0	0	0
Employees	9	0	9
Workers	0	0	0
Number of personnel	9	0	9

Table 13: GRI 2-7 Workforce

MIGRANT LABORERS	WOMEN	MEN	TOTAL
Directors	0	0	0
Managers	1	0	1
Employees	7	1	8
Workers	2	0	2
Number of personnel	10	1	11

From an age and seniority perspective, it is clear that Gilmar has built a robust workforce over time. Currently, 70% of the staff have over a decade of experience, with a notable concentration in the 30+ years of service category. This strong attachment to the company is also reflected in the distribution of staff by age group. Data indicate that 55% of the workforce is over 50 years old and only 4% is under 30. This situation, on the one hand, demonstrates a strong attachment to the company and an enormous wealth of technical skills present in the company. On the other hand, it requires continuing the generational turnover path that has been initiated, which, as explained in more detail in the following pages, has led to the introduction of training paths for garment and knitwear technicians.

SENIORITY	TOTAL
<1	18
2-5	41
6-10	30
11-20	52
21-30	65
>30	79
Number of personnel	285

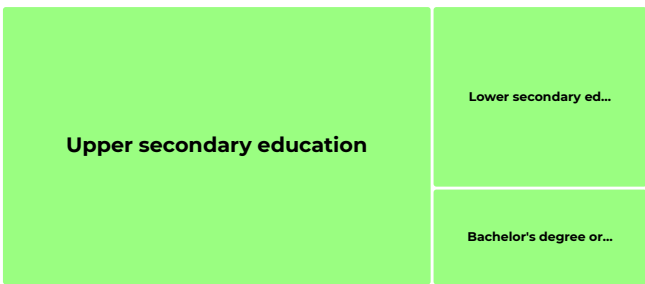


AGE	TOTAL
Under 30	11
31-40	34
41-50	82
Over 50	158
Number of personnel	285

Table 14: GRI 405-1b Diversity within Governance Bodies and Among Employees

Consistent with the age profile shown in the table above, the breakdown by educational qualification shows that the share of employees with a junior high school degree is more than 20 percent compared to the still-minority group of college graduates while the majority of employees (67 %) have a high school degree.

QUALIFICATION	TOTAL
Bachelor's degree or its equivalent	33
Upper secondary education	190
Lower secondary education	62
Number of personnel	285



LABOR PRACTICES

Since its establishment in 1959, Gilmar has demonstrated a commitment to understanding and engaging with the communities in which it operates. For this reason, the company has consistently prioritized the development of stable and enduring relationships with its employees. This strong connection to its origins is clearly evident when analyzing the data on the type of contract used in the company. The data show that almost all Gilmar employees benefit from a permanent contract, with only 3 percent having a fixed-term contract.

CONTRACT TYPE	TOTAL
Indeterminate duration	276
Fixed term	9
Supply agreement	0
Number of employees	285

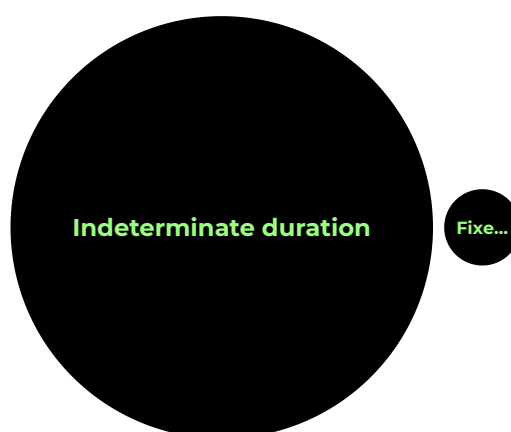


Table 14: GRI 2-7 Workforce

In terms of safety, work continued throughout 2023 with the objective of identifying areas for improvement. It is worth noting that only three accident events were recorded during the year, all classified as "en route." This is a testament to the company's commitment to addressing this issue. Furthermore, in 2023, Gilmar initiated a program to enhance workplace safety, with the goal of attaining ISO 45001 certification between late 2024 and early 2025.

INJURIES	TOTAL	IN THE WORKPLACE	EN ROUTE
Number of injuries	3	-	3
Involved employees	3	-	3
Incidence	10,5	-	10,5
Severity Index	0,2	-	0,2
Frequency Index	0,0	-	0,0

Table 15: GRI 403-9 Workplace Accidents

Note:

- Incidence rate: (number of workplace accidents/total number of employees) x 1,000.
- Severity Index: (Days lost due to work-related injuries/Total hours worked) x 1,000.
- Frequency rate: (number of incidents/total hours worked) x 1,000

KNOW-HOW

The long history of collaboration with various designers, who have contributed with Gilmar to the creation of the ICEBERG collections and the Group's other lines, and thanks to the brands that have chosen to entrust Gilmar with the development of their collections, has fostered the creation of a technical know-how that today represents the true wealth of the company. Know-how that Gilmar is committed to preserving and passing on in order to continue to meet the expectations of those who turn to Gilmar for the development of their collections.

The technical knowledge of the world of tailoring and knitwear is the fruit of many years of work, experimentation and innovative stylistic research that have characterised the history of Gilmar since its origins. The evolution of the fashion world and the demand for innovation, also in terms of environmental impact, have required an adaptation of the company's skills, which has been achieved by taking advantage of the opportunities offered by Fondimpresa's tenders. In 2023, for example, the sustainability training project "Circular fashion and sustainability in the new Gilmar collections" was implemented.

The plan, developed in collaboration with the University of Bologna and linked to a plan already carried out in 2022, involved around 100 employees from different areas of the company and consisted of 13 actions on sustainability issues, divided into economic, environmental and social components. This plan included topics related to the measurement of Gilmar's environmental impact through the application of the ViVaCe model, the characteristics of new sustainable fabrics and aspects related to the improvement of internal safety standards for the purposes of SA8000 and ISO 45001 certifications.

The implementation of this plan, together with the provision of mandatory safety training, has resulted in the involvement of more than 50% of the workforce, with an average investment of nearly 11 hours of training per employee.

TRAINING	TOTAL	MANDATORY	NOT MANDATORY
Number of Personnel	285	-	-
Involved employees	147	-	-
Training hours	3058	324	2734
Average hours worked per employee	10,73	1,14	9,59

Table 16: GRI 404-1 Average Training Hours

As previously stated, technical expertise remains a key differentiator for Gilmar. In November 2023, in collaboration with Cercal, a training institution in San Mauro Pascoli (RN), and other companies in the Rimini textile district, the first IFTS course, "Apparel Product Technician between Craftsmanship, New Technologies and Sustainability," was launched. The 800-hour course is divided into 480 hours of theoretical-practical classes and 320 hours of internships. It covers fundamental topics such as communication and problem solving, technical English, occupational safety, the fashion system and supply chain. The goal is to train 20 professional figures to be placed in participating companies, thus fostering generational turnover and contributing to the development of local skills.

The turnover figures for 2023 show an overall reduction in headcount of 15 (51 exits and 36 entries). This emphasises the importance of effectively managing generational turnover. For Gilmar, which views IFTS courses as a valuable means of attracting and recruiting young talent, managing this process is of particular importance. The current course and the planned 2024 course on knitwear represent a significant draw for young people in the local community, offering them training and job placement opportunities.

These initiatives reinforce the connection between Gilmar and the local community, while also bolstering the regional economy by fostering professional advancement and community well-being. By demonstrating a concrete commitment to sustainable development and the enhancement of local human resources, Gilmar is creating a lasting positive impact on the community.



Tecnico del prodotto di abbigliamento tra artigianalità, nuove tecnologie e sostenibilità

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CODE OF ETHICS

The Gilmar Code of Ethics serves as the cornerstone of our corporate culture. It sets forth the ethical principles and behavioral guidelines that inspire the actions of all employees, both internal and external. Our actions are guided by the principles of honesty, integrity, fairness, and good faith, which promote fair and transparent competition. The Code is applicable to all Group companies and units, and constitutes an integral part of each employee's contractual obligations.

The Gilmar management team is dedicated to fostering projects and investments that generate long-term economic and social value, benefiting employees, customers, suppliers, and the community. Managers are responsible for disseminating and promoting the values of the Code of Ethics, both within the company and in external relations, with the goal of strengthening trust, cohesion, and team spirit.

It is the responsibility of every employee to be familiar with the Code of Ethics and to contribute to its implementation. Any violations should be reported. Gilmar is dedicated to disseminating and promoting a comprehensive understanding of the Code at all levels of the company, ensuring its effective implementation.

The Code of Ethics also applies to relations with external partners. Gilmar is committed to selecting suppliers and collaborators who align with our ethical principles, ensuring that our business relationships are characterized by transparency, loyalty, and fairness.

The Gilmar Code of Ethics is aligned with the United Nations Guiding Principles on Business and Human Rights, the ILO Declaration on Fundamental Principles and Rights at Work, and the OECD Guidelines for Multinational Enterprises.

We are fully compliant with Italian labor laws, guaranteeing fair and safe conditions of employment. We comply with the relevant National Collective Bargaining Agreement (CCNL), which guarantees our employees the rights and protections they are entitled to.

We believe in maintaining an open and constructive dialogue with our employees and their representatives. To facilitate discussion and participation, we organize periodic meetings, administer surveys, and utilize internal communication channels.

The safety of our employees is of the utmost importance. Our Safety Management System (SMS) incorporates risk assessment, preventive measures, training, and continuous monitoring of safety performance. We are pursuing ISO 45001 certification, which we expect to achieve by 2024.

We actively promote equal treatment and equal opportunity for all employees, regardless of gender, age, nationality, sexual orientation, religion, or any other personal characteristic.

We consider our employees to be our most valuable resource. We therefore promote a healthy work-life balance by offering flexible working options such as flexitime and smart working. The average length of service of 22 years is evidence of our commitment to employee well-being.

We recognize the importance of a responsible value chain and are committed to extending the principles of our Code of Ethics to all external partners. We are dedicated to fostering a culture of ethical conduct and compliance across our entire value chain.

CUSTOMERS

At Gilmar, we recognize that sustainability is a journey that requires collaboration with our customers. Consequently, we endeavour to facilitate transparency and open dialogue by offering quality products and services.

We provide clear and informative labels on our products to share information about sustainable practices or the production chain, for example. Our customer service team, comprising dedicated end-consumer and B2B representatives, is available to respond to queries and gather valuable feedback. We believe in the value of dialogue and encourage and facilitate communication between our company and our customers.

We assume responsibility for managing any negative impacts of our products or services. We proactively monitor customer feedback, analyze critical issues, and implement corrective actions when necessary to continuously improve our performance. We encourage our customers to contact us via customer service, our website, or social media with any concerns or reports.

We are committed to reducing the environmental impact of our production processes through the use of recycled materials and the promotion of responsible consumption. We gauge the efficacy of our initiatives through defined internal metrics and adjust our approach to attain optimal outcomes.

We encourage our customers to join us on this sustainability journey, as we believe that collective action is the key to driving meaningful change.

GOVERNANCE AND QUALITY

The Gilmar Code of Ethics sets forth the ethical principles and behavioral guidelines that guide the actions of all employees. It fosters a transparent work environment based on honesty, integrity, and fairness, which applies to all company activities.

To guarantee adherence to the Code of Ethics, Gilmar has established a whistleblowing system that enables any individual to report any violations in confidence. The company's culture is founded on the principles of accountability, respect, and inclusion, fostering a work environment where every individual feels included and valued.

Gilmar is committed to fostering solid and collaborative relationships with its suppliers, based on mutual trust and respect for commitments. The Code of Ethics also applies to relationships with suppliers, requiring compliance with ethical and sustainability standards. The selection of suppliers is a critical process for Gilmar, which favors companies that align with its values of ethics and sustainability. In addition to ensuring timely payments and fair terms, Gilmar places a particular emphasis on supporting small and medium-sized enterprises (SMEs).

The company unequivocally rejects all forms of corruption. The Code of Ethics explicitly prohibits any form of corruption, whether active or passive, and outlines disciplinary sanctions for violators.

Furthermore, a comprehensive anti-corruption system has been established, comprising:

- Specific training for employees on corruption risks and company procedures.
- The company has implemented internal controls to prevent and detect any potential illegal activities.
- The company has established confidential reporting channels for employees to report any suspicions of corruption.

The company is dedicated to working with the relevant authorities to prevent and prosecute any corrupt activities.

Given the size and nature of Gilmar's business, ESRS G1-4 (bribery or corruption incidents), G1-5 (political influence and lobbying activities), and G1-6 (payment practices) are not currently considered material to the company. Nevertheless, Gilmar is dedicated to ongoing monitoring of the evolving regulatory and operational landscape to identify potential future needs for tailored measures.

DATA SECURITY

At Gilmar, we place a high priority on the cybersecurity of our systems and databases. Over the past two years, all employees have participated in targeted cybersecurity training courses to enhance their awareness and competence in this critical area. The company commissions third-party entities to perform security assessments and penetration testing at regular two-year intervals to assess the effectiveness and resilience of IT systems. To further reinforce security, protective barriers are in place to ensure the isolation of Gilmar's internal network.

In order to ensure data protection, an external Data Protection Officer (DPO) has been designated, whose role is to oversee and ensure the protection of all internal company data.

SAFETY AND QUALITY

The safety and quality of Gilmar products are fundamental to the Group's business strategy. From the initial stages of product development through to final inspection, each step of the production process is designed to guarantee that our products meet the highest standards of quality and safety for our customers.

All incoming materials are subjected to rigorous testing, including mechanical and washing tests, to ensure the quality and durability of the fabrics for the entire useful life of the garment. Once all tests have been completed successfully, the fabrics are transformed into prototypes by the designers in the creative department. Subsequently, the final prototype garment is produced through fitting and possible adjustments.

Prior to distribution to stores and boutiques, each garment is subjected to a comprehensive inspection process at the Testing Warehouse in San Giovanni in Marignano. This inspection encompasses every aspect of the finished product, from measurements to individual seams. Only those garments that successfully pass all inspection tests are permitted to leave the testing facility.

A set of automated conveyor belts facilitates the transfer of finished garments to designated warehouses, where they await shipment.

SUPPLY-CHAIN MANAGEMENT

At Gilmar, we are acutely aware of our central role within the value chain of the products we manufacture. In its day-to-day operations and long-term strategic planning, the company is dedicated to fostering mutually beneficial relationships with suppliers to enhance the quality of finished products and align with the Group's ethical and environmental policies.

All suppliers of raw materials, such as yarns and fabrics, are required to provide the necessary certifications for products intended for Gilmar. The Group proactively seeks to establish new connections in order to create a value chain with a reduced environmental impact, thereby promoting the sustainability of its products.

Furthermore, to guarantee adherence to labor standards and quality control in the workshops situated in the vicinity of its headquarters in San Giovanni in Marignano, Gilmar's internal staff conducts periodic visits to partner workshops to assess their compliance with the Group's rigorous work and production standards.

METHODOLOGICAL

NOTES

SUSTAINABILITY MEASUREMENT SYSTEM

ViVACE, Visualization of Value to Assess Circular Economy, is the tool used to monitor and reduce the environmental impact of Gilmar's operations. The tool analyzes and quantifies emissions related to the company's operations, identifying the areas with the greatest impact, allowing us to focus mitigation efforts with greater precision and efficiency.



The assessment of impacts does not stop at the corporate gate, extending to external impacts such as waste disposal and water consumption. Such a holistic approach is critical to fully understanding the interactions between production activities and the surrounding environment, providing a solid basis for effective and informed intervention strategies.

Through the use of ViVACE, Gilmar is committed to operating responsibly, with a constant eye toward continuous improvement in environmental practices and the long-term sustainability of the company.

The system is not only a means of meeting current needs, but also an investment in the future of our company's sustainability, ensuring that our operations are conducted with the utmost consideration for the environment.

GRI & CSRD

This document represents Gilmar's first sustainability report, prepared with the aim of providing a comprehensive overview of our environmental and social activities, performance and impacts. To ensure maximum transparency and consistency in corporate reporting, we have adopted a reporting methodology that incorporates both GRI (Global Reporting Initiative) and ESRS (European Sustainability Reporting Standards) standards developed by EFRAG (European Financial Reporting Advisory Group) as part of the CSRD (Corporate Sustainability Reporting Directive).

The inclusion of the ESRS reflects our commitment to be ready and exemplary in reporting in accordance with the new European directives. Covering a wide range of environmental, social and governance issues, these standards enable us to provide a rigorous and detailed assessment of our performance through standardized and internationally recognized key performance indicators (KPIs).

Importantly, this first report is the starting point for future corporate reports. As such, no direct comparisons have been made with previous years' consumption or performance. This budget will therefore be used as a reference point, or "baseline," to monitor and evaluate our progress over time. In line with the definition of the "baseline," the unit of output will also be defined.

Through the implementation of the GRI methodology and ESRS, we are committed to promoting transparency, accountability and effectiveness of our business actions, thereby contributing to responsible and sustainable management of resources and relationships with our stakeholders.

A detailed mapping of the adopted ESRS is provided on the next page to facilitate the understanding and application of these standards in the context of our business activities.

Please note, the structuring of the report on the basis of the ESRS is only initial and we are aware that the regulations require us to address certain issues in more depth. For this report we specifically analyzed the drafts published by EFRAG and the thematic are covered. However, we were keen to use our resources to already present a compliant document with a regulation that will mark the future of sustainability for European industries.

Regarding the importance and mapping of the Sustainable Development Goals (SDGs), after internal reflection, we confirmed our commitment by using the European Commission's SDG Mapper. This tool enabled us to upload this document and conduct a detailed mapping of the SDGs relevant to our activities. The results of the analysis are shown under the materiality table in the first chapter.

ESRS MAPPING

PARAGRAPH	ESRS	NOTE
GILMAR IN THE WORLD	ESRS 2 ESRS S2	
Organization and corporate governance	ESRS 2 GOV-1	
Gilmar and sustainability.	ESRS 2 GOV-2 ESRS 2 GOV-3 ESRS 2 GOV-4 ESRS 2 GOV-5 ESRS 2 IRO-2	
Materiality assessment	ESRS 2 SBM-3 ESRS 2 IRO-1	
Stakeholders	ESRS 2 SBM-2	
Business Strategy	ESRS 2 SBM-1	
Gilmar Value Chain	ESRS S2	
Management of impacts, risks and opportunities	ESRS 2 IRO-2	
Metrics and targets	ESRS 2 MT	
GILMAR FOR THE WORLD	ESRS E	
Climate change	ESRS E1	The calculation of Scope 3 has been deferred to 2024.
Pollution	ESRS E2	Information regarding ICP and CC has been excluded.
Water resources	ESRS E3	
Circular economy	ESRS E5	
THE WORLD OF GILMAR	ESRS S ESRS G	
House of Gilmar	ESRS S1	Due to insufficient data and the unique nature of the 2023 fiscal year trend, points 7, 10, 11, 12, and 16 have been excluded.
Know-how	ESRS S3	Points 3 and 4 have not been addressed, as they will be presented in the forthcoming report.
Customers	ESRS S4	
Governance and quality	ESRS G1	Points 4 through 6 pertaining to company size have been excluded.