



il gufo®

FIRST SUSTAINABILITY REPORT



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## 00. Methodological note

GRI Disclosure 2-1, 2-2, 2-3, 2-4, 2-5 (VLSMES ESRS B1)

This document represents the first Sustainability Report of Il Gufo S.p.A. (hereinafter “Il Gufo” or “The Company”), covering the fiscal year ending on December 31, 2023, and approved by the Board of Directors on June 27, 2024.

The report serves as a communication tool that transparently and comprehensively describes the results achieved in the economic, social, and environmental areas and demonstrates the Company’s commitment to sustainable development, with the goal of creating value not only for Il Gufo but also for its stakeholders.

This report confirms the company’s commitment to developing a rigorous and credible path that will foster – in a process of continuous consolidation – the internal organizational culture and strengthen the systems and tools for measuring and communicating the economic, social, and environmental value created for internal and external stakeholders, communities, and the territories served.

To ensure comparability of data over time and assess the company’s performance, the information related to the fiscal year in question has been compared with the previous year’s data, wherever possible. The use of estimates has been limited and, when present, they are based on the best methodologies available.

The Sustainability Report is currently prepared on a voluntary basis, but starting from 2024, it will gradually become mandatory for large, medium, and small businesses, following the adoption of the European Directive 2022/2464 “Corporate Sustainability Reporting Directive” in our country. This Directive requires the adoption of European sustainability reporting standards (ESRS – European Sustainability Reporting Standards), which will also be published

in a simplified and voluntary version for reporting by small and medium-sized enterprises (VSME ESRS).

The following standards therefore support these entities in:

- Contributing to a more sustainable and inclusive economy;
- Improving the management of sustainability issues and enhancing competitiveness and resilience in the short, medium, and long term;
- Facilitating access to credit;
- Providing information required by value chain stakeholders (obligated by the CSRD).

These standards have been created based on the ESRS model for large companies, in order to ensure alignment between disclosures while respecting the principle of proportionality, considering the distinctive characteristics of SMEs. When companies are required to report on their activities, they must adhere to one of these three modules to prepare their report: Basic Module, PAT Module, and Business Partner Module.

Il Gufo, in this document, has indirectly reported part of the information required in the Basic Module; in addition to these requests, it has conducted a materiality analysis considering the most relevant topics. As for the disclosures related to the other modules, we can affirm that in 2023, Il Gufo addressed many of the requests contained in them and aims to complete the PAT and Business Partner modules by 2025, for the 2024 reporting year.

In particular, Il Gufo has reported the following information from the standard form:

- B1 Basis for preparation;
- B2 Practices for transitioning towards a more sustainable economy;
- B3 Energy and greenhouse gas emissions;
- B6 Water;

- B7 Resource use, circular economy and waste management;
- B8 Workforce, General characteristic;
- B9 Workforce, Health and safety;
- B10 Workforce, Remuneration, collective bargaining and training;
- B11 Workers in the value chain, affected communities, consumers and end-users;
- B12 Convictions and fines for corruption and bribery;

Il Gufo has not reported the following information required by the standards:

- B4 Pollution of air, water and soil.
- B5 Biodiversity.

Currently, the VSME ESRS standards are open for public consultation, and the process for their publication is expected to conclude by the end of 2024. This document has therefore been prepared in accordance with the GRI Standards, the most widely used international reporting standards globally. The version used is the one published in 2021 and applicable from the 2023 financial year, with the exception of specific standards:

- GRI 303 (Water and Effluents) and GRI 403 (Occupational Health and Safety) published in 2018;
- GRI 306 (Waste) published in 2020.

The scope of the information and data is the same as that of the Company's financial statements. The head of the working group, supported by an internal task force, oversaw the process of data and information collection and the drafting of the Report. The definition of the document's content was carried out according to the principles of accuracy, balance, clarity, comparability, reliability, and timeliness.

The Sustainability Report was prepared according to a specific internal procedure that defines the roles, responsibilities, and operating methods to which Il Gufo personnel must adhere to ensure proper management of all data necessary for the preparation of the document. The data was processed and validated by the various department heads. The document strives to present both positive and negative aspects

with equal prominence.

The economic values are expressed in euros (thousands and/or millions of euros). Occasionally, the data has been rounded to the first decimal place or to the nearest unit, and as a result, their sum may not perfectly match the total value.

The document is issued annually and refers to the 2023 financial year (from January 1, 2023, to December 31, 2023).

A GRI content index is provided at the end of this document to offer an overview of the reported indicators and their corresponding reference pages. The key performance indicators used are those required by the adopted standards and are representative of the various areas, as well as consistent with the business and its resulting impacts. The selection of the key performance indicators to be reported was based on the initial materiality analysis conducted during 2023.

## 01. Letter from the president and the CEOs

2023 has been a very important year for Il Gufo.

We looked to our past to define our future, which we know is intrinsically linked to the future of the child, who has always been at the heart of what we do, both as individuals and as a company.

This year, we are pleased to share our first annual sustainability report, a journey we embarked on with the goal of generating positive changes for the company, our stakeholders, and the community we serve.

Our mission is to spread beauty, balance, and passion through what we do best: high-quality garments that embody years of product culture and a love for the most authentic craftsmanship.

This ethos extends to the planet, as well as to the way we work and the methods and materials we use to bring our universe to life through our products.

Over the past year, our commitment to building a responsible and sustainable business has been as significant as our creative identity.



Indeed, we see our creativity as the strongest tool to find new solutions and move towards a better future. Today, we are pleased to have taken an important step forward in fostering a culture of sustainability within our company and initiating the associated reporting process.

Part of our vision of “responsible” luxury involves a thorough analysis of business systems, the supply chain, and the journey of our garments after their lifecycle ends, so that we can “give back” to nature—not just minimize our impact on it.

We like to emphasize, however, that this “responsible” approach has always been a guiding principle for our company. The values that drive our family naturally permeate our work life. Minimizing waste, appreciating every single action, and caring for people and things in the long term are values we feel compelled to express and share with our employees, collaborators, and the community we serve.

An essential responsibility of our time is to protect our environment and develop creative ways to pursue beauty—both for today and for the future—because it will shape the world where future generations will live.

Giovanna Miletti  
Alessandra Chiavelli  
Guido Chiavelli

## 02. Il Gufo identity

Founded in 1980 as a small artisanal enterprise, Il Gufo is now an international company headquartered in Asolo, boasting a global network of mono-brand stores and collaborations with numerous multi-brand retailers. The brand's philosophy is built on three pillars: excellence in materials, constant research in textiles, and meticulous attention to detail.

Il Gufo's collections are featured in the most prestigious stores across Europe, Russia, the United States, and Asia, with international sales accounting for 60% of the total revenue. Despite its global expansion, the brand remains true to its Italian essence, emphasizing style, quality, and artisanal care in every phase of production.

This success is made possible by a deep passion for the craft and respect for the work of others, paired with a careful selection of suppliers and continuous innovation in style, fabrics, and production techniques. These values not only inspire the creation of the products but are also shared by those who design, manufacture, sell, and distribute them—always guided by one unwavering principle: respect for children and their world.

### Guiding values

When speaking of Il Gufo, we're not just referring to a leading company in high-end children's clothing for ages 0 to 16, but to a story rooted in people. Giovanna Miletti, the founder, and her children Alessandra and Guido Chiavelli, who now lead the company with an innovative spirit, are the heart of a project that also involves employees and collaborators—the true added value of the brand. Many of them grew alongside the company, working with Giovanna since its earliest days. This is how the values of a family became the values of a company, passed down from one generation to the next.

Giovanna Miletti, mother of three and, in a way, of all the children she has dressed over the years, started Il Gufo almost by chance. In the 1970s, after moving

to Asolo to follow her husband, she began creating small garments for her children—bib aprons, sheets, and smocks. These early creations quickly became popular among friends and families in the town, turning a simple hobby into a true artisanal business. Giovanna worked in a workshop set up in her home's greenhouse, using her children's ping-pong table for cutting and sewing. Her first collaborators joined her efforts, often working late into the night, forming a team affectionately nicknamed "Il Gufo."

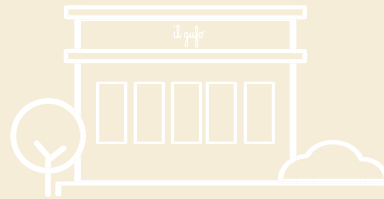
In the 1980s, Il Gufo quickly established itself in Italy, thanks to its undeniable quality and a sophisticated yet simple style. The brand's international breakthrough came in 1994 with its participation in Pitti Bimbo and its expansion into foreign markets. It was at that moment that Giovanna fully realized the scale of her dream. The greenhouse returned to its original purpose of nurturing plants, while the company moved to a spacious workshop, still the headquarters of the business, designed by Marc Sadler. Today, Il Gufo is a globally recognized brand, yet it continues to embody the family values that gave it life.



**1982**  
Official establishment  
of the Company "Il Gufo"

**1980**  
Mrs Miletta starts sewing bibs in her  
glass-house and creates the first iconic  
teddy bear

**1993**  
First factory



**1996**  
Launch of the shoes  
collection

**1997**  
Guido Chiavelli  
joins the company

**2002**  
Opening of the  
first boutique (Turin)

**2003**  
Alessandra Chiavelli  
joins the company,  
Opening of Treviso  
boutique

**2002**  
New Factory

**2005**  
Opening of the first  
Milan showroom



**2011**  
Il Gufo goes digital,  
e-commerce platform launch Opening  
of New York and Rome boutiques

**2021**  
Launch of a licence agreement  
with Aspesi

**2022**  
Enhanced digital presence  
integrated omnichannel experience

**2023**  
Launch of the ceremony  
capsule collection "Il Gufo Atelier"

**2024**  
New Belgrade  
boutique opening

### 03. Business model

GRI 2-29

The development trend of Il Gufo in recent years has led the company's management to identify the adoption of an international ERP system as the strategic choice necessary for the advanced management and automation of its core processes, aimed at achieving greater efficiency, enabling medium- and long-term organizational evolution, and ensuring simple and efficient integration with the applications of partners, suppliers, and customers.

The selected ERP solution has enabled the company to begin an important process of substantial improvement in efficiency and control capacity, particularly:

- **Complete management of the specificities of the children's fashion sector** (models, sizes, colors, seasons, brands, lines) across the entire supply chain, with integration of budgeting and management control;
- **Integrated coordination of the product lifecycle**, from the creative design phase in the style office to production, ensuring consistency and quality at every stage;
- **Reduction of time and a significant increase in production performance**, thanks to the implementation of advanced functions for purchasing and production planning (MRP I and II), based on order portfolios and sales forecasts;
- **Advanced logistical optimization**: management of incoming goods with detailed quality control, quantitative verification via PDA, and automatic assignment of storage areas. In the outgoing stages, automatic generation of shipping lists, packaging optimization, picking routes, and product verification with automated creation of shipping documents.

For 2024, the implementation of a new, even more advanced and integrated ERP system is underway, which will further optimize business processes, improving collaboration and interconnection between different departments.





## 04. Sustainability governance

GRI 2-9, 2-10, 2-11, 2-12, 2-13, 2-14, 2-15, 2-16, 2-17, 2-18, 205-1, 205-2

Being a family-run business, the company involves the active participation of the Board of Directors, which consists of the founder and her two children. This board plays a central role in defining the company's policies and strategies, with a strong focus on sustainability. The corporate governance reflects a family approach, where each member brings unique expertise and vision to promote environmental, social, and economic sustainability. The close collaboration between board members contributes to the development of long-term sustainability goals, while continuously monitoring business performance in relation to these objectives. Furthermore, the board is dedicated to analyzing the risks and opportunities associated with sustainability, adopting a holistic perspective that integrates family values and the long-term interests of the company.

In the Board of Directors of Il Gufo, no internal committee has been established to oversee social and environmental issues. Independent directors are present, but there is no interfunctional management committee dedicated to Sustainability/Corporate Social Responsibility. However, there are female directors on the board.

The Board of Directors is responsible for defining corporate policies, including those related to sustainability, and overseeing the implementation of these policies throughout the company. Each department contributes to sustainability initiatives through practices and processes specific to its area of expertise, aligned with the company's global objectives. The

organizational chart highlights the importance of cross-functional collaboration and the involvement of all company levels in integrating sustainability into our operational and decision-making processes.

### Code of Ethics

Il Gufo recognizes the importance of adopting an ethical and responsible business approach. Although it currently does not have a formal code of ethics, it is committed to introducing one as an integral part of its business strategy for the upcoming future.

The code of ethics will define the fundamental principles that guide the ethical and responsible behavior of all stakeholders, including employees, suppliers, customers, and business partners. It will be designed to reflect the company's values and the ethical expectations it strives to uphold in all its activities. The introduction of the code of ethics will mark a significant step in the company's journey toward social and environmental sustainability and will reflect Il Gufo commitment to promoting a corporate culture based on integrity, transparency, and mutual respect. Furthermore, Il Gufo is committed to closely monitoring the development and implementation process of the code of ethics, ensuring that it aligns with its values and meets the expectations of its stakeholders.

To regulate the use of IT equipment provided to employees, the Governance has issued a regulation aimed at defining the scope of application and the rules for the use of equipment assigned to Il Gufo employees, in order to prevent inappropriate, unin-

MEMBERS	APPOINTMENT DATE	DELEGATION	AGE
Giovanna Miletti	25.06.2021	Honorary President	79 anni
Alessandra Chiavelli	25.06.2021	CEO	49 anni
Guido Chiavelli	25.06.2021	CEO	51 anni

tentional, and unlawful conduct.

## Anti-Corruption

The anti-corruption policy required by European regulations represents a set of measures and procedures designed to prevent, detect, and address corruption within organizations. These policies are closely linked to sustainability, as corruption can undermine efforts to promote ethical, transparent, and sustainable business practices.

— United Nations Convention against Corruption (UNCAC): UNCAC is an international treaty that sets global standards for preventing and combating corruption. EU member states are required to adopt measures to ensure compliance with the principles and provisions of this treaty;

— Corporate Sustainability Reporting Directive (CSRD): This directive requires large European companies to report on social, environmental, and governance issues, including anti-corruption policies, in their sustainability reports;

— Directive on Public Procurement: This directive sets standards and rules for public procurement in the European Union, promoting transparency, competition, and the prevention of corruption throughout the procurement process;

— Directive on Whistleblower Protection: This directive, adopted in 2019, provides protection for whistleblowers and requires member states to ensure secure and confidential channels for reporting legal violations, including cases of corruption, within organizations;

—UN Sustainable Development Goals (SDGs): The fight against corruption is considered a cross-cutting goal that impacts many areas of sustainability, including responsible governance and the promotion of effective institutions.

In summary, the anti-corruption policy is a set of measures and procedures aimed at promoting transparency, integrity, and the prevention of corruption in business activities, thereby contributing to efforts to achieve sustainability goals.

During 2023 and continuing into 2024, Il Gufo will be able to formalize and successfully implement its anti-corruption policy.

## 4.1 The sustainability plan of Il Gufo

For Il Gufo, having a long-term vision means looking to the future while drawing on its history and tradition.

The strategy developed by Il Gufo for sustainable development materialized through the definition of a Sustainability Plan, which demonstrates the company's commitment to sustainability over the next four years. This plan has been shared with management and outlines the main action guidelines for Il Gufo.

Starting from each material topic, identified through a careful integration of stakeholder perspectives, a medium- to long-term objective has been defined, with specific actions outlined in areas where the company intends to invest.

MATERIAL TOPIC	SPECIFIC OBJECTIVES	ACTIONS	BY
<b>GOVERNANCE</b>	Specific Objectives Promote ethical governance focused on the common good	Obtain the status of a benefit corporation	2026
<b>SUSTAINABLE SUPPLY CHAIN</b>	Monitor and promote a certified supply chain	Analyze suppliers and classify them	2024
		Develop new criteria for supplier selection	2024
		Calculate the CO <sub>2</sub> emissions of the supply chain	2026
		Achieve 100% certified suppliers	2028
		Develop a CO <sub>2</sub> reduction plan along the value chain	2027
<b>MATERIAL REUSE (UPCYCLING)</b>	Promote the principles of circular economy through projects for recycling and reuse of finished products and raw material leftovers	Develop an outlet page on the e-commerce site to generate savings on logistics	2024
		Review purchasing policies and material management to reduce stock levels	2025
		Drastically reduce material and finished product stock by 50%	2026
		Develop projects aimed at enhancing pre-loved items	2026
		All Il Gufo boutiques will implement projects for the reuse of finished products and the revaluation of sold items	2027
<b>SUSTAINABLE PACKAGING</b>	Encourage the use of increasingly sustainable materials throughout the value chain	Replace the packaging used by suppliers to reduce plastic packaging	2028
<b>PRODUCT DURABILITY AND QUALITY</b>	Promote research and development of new materials	Develop a research project for the development of new materials	2027
<b>WELL-BEING AND DEVELOPMENT OF PEOPLE'S POTENTIAL</b>	Encourage the development of a people management system that can engage, attract, and value talent within the company	Complete the generational transition of key individuals within the company	2026
		Develop a skills mapping framework	2025
		Develop a performance evaluation system for all company areas	2027
			2026
<b>ENERGY FROM RENEWABLE SOURCES / CLIMATE CHANGE</b>	Reduce CO <sub>2</sub> emissions	Replace the boiler to eliminate the use of gas	2026

## 05. Materiality analysis

For sustainability reporting, Il Gufo applies the Standards published by the Global Reporting Initiative (GRI) and the VSME ESRS, which include the materiality analysis process to identify the most relevant topics that should serve as the foundation of the company's disclosures. The materiality analysis aims to capture the significant economic, environmental, and social impacts that can substantially influence stakeholder assessments and decisions.

According to the GRI Standards methodology, a sustainability topic is considered relevant if it is linked to significant impacts (positive or negative, actual or potential) on the economy, the environment, and/or people, including human rights, caused by the organization's activities and investments, its products and/or services, or its value chain, both in the short, medium, and long term. The relevance of these impacts is measured by considering their severity as well as the likelihood of occurrence.

The materiality analysis process aligns with the GRI 3 Material Topics 2021 and follows a defined methodological path. This section objectively and systematically describes the process.

Il Gufo has decided to adopt a highly stakeholder-oriented approach, both internal and external to the organization, recognizing its strategic value. The engagement activities that allow Il Gufo to integrate stakeholder perspectives into the materiality analysis are inherent in the relationships with various stakeholders, but the company has structured a process to enhance the stakeholder engagement process.

Initially, an analysis was carried out that combines the following sources:

— The updated B Impact Assessment specific to the organization;



— Interviews with owners and designated representatives;

— Statistical, technical, and scientific sources collected through the organizational environment analysis framework defined by PESTEL to gather Political, Economic, Social, Technological, Environmental, and Legal elements.

This phase allows for the creation of a list of data that can be defined as evidence, i.e., observable and/or measurable facts in an objective manner. Their assortment aims to represent all sustainability issues that are consistent with the organizational reality analyzed, and present in the list suggested within the VSME and ESRS standards. It includes the presence of the company's values, its territorial context, the relevant production sector, and the current economic situation considered. Subsequently, a participatory meeting was organized, facilitated by software designed to manage multi-stakeholder processes, involving both internal and external stakeholders of the organization. During this meeting, the list of data derived from the prelimi-

nary analysis was presented to the participants.

Throughout the evaluation process of the items, the stakeholders involved (both internal and external) had the opportunity to suggest new elements of knowledge, which were stated as evidence, added to the dataset, and then evaluated just like the pre-inserted items.

The dataset was then presented to the participants, either synchronously or asynchronously, in order to gather subjective assessments from each participant, aimed at assigning a unique position to each evaluated item within a SWOT Matrix (Strengths, Weaknesses, Opportunities, Threats).

Subsequently, the voted items, through a coded algorithm, are represented within a materiality matrix, clustered by theme until a list of material topics is defined. In conclusion, the entire process of measuring the materiality of the items included in the analysis dataset is carried out in a systematic, analytical, and automated manner.

The data, initially collected digitally, at the moment of evaluation by the consulted stakeholders within the Mosaic – Design your Decision Web Application, is returned in the representation of the Materiality Matrix, without any subjective interpretative interventions or the possibility of tampering, according to the mathematical and statistical procedure outlined in Appendix 1.

The result of the methodological process led to the identification of the following material topics:

	<b>SUSTAINABLE SUPPLY CHAIN</b> <ul style="list-style-type: none"><li>— Sustainable procurement chain</li><li>— Green procurement</li></ul>
	<b>SUSTAINABLE MATERIALS AND PROCESSES</b> <ul style="list-style-type: none"><li>— Material certifications</li><li>— Material reuse (Upcycling)</li><li>— Sustainable packaging</li></ul>
	<b>INNOVATIVE AND SAFE PRODUCTS</b> <ul style="list-style-type: none"><li>— Product safety</li><li>— Durability and quality of the product</li></ul>
	<b>CARE AND ENHANCEMENT OF EMPLOYEES</b> <ul style="list-style-type: none"><li>— Well-being and development of people's potential</li></ul>
	<b>ATTENTION TO THE USE OF ENERGY AND RESOURCES</b> <ul style="list-style-type: none"><li>— Energy from renewable sources / Climate change</li></ul>

## 06. Sustainability reporting

### 6.1 Sustainable supply chain and green procurement

GRI 2-6, 201-1, 204-1

The importance of the supply chain lies primarily in choosing partners who share the company's values. Il Gufo has always been committed to collaborating with virtuous companies that strive for real sustainability, even from a production standpoint. The creation of shared value for all stakeholders is at the heart of Gufo's strategy, which, through its own brands and the Aspesi children's license, impacts all market segments covered.

The strategy for consolidation and growth within the main markets is strongly influenced by the evolution of the brand's positioning within the high-end slow fashion segment. This is made possible by collections that are increasingly rich in quality, content, and expertise, supported by a selection of the most prestigious multi-brand boutiques in Italy and a firm strengthening of partnerships with international franchises.

Italy remains Il Gufo's primary market, thanks to its selective presence in the most prestigious multi-brand boutiques.

Production is localized for about 60% within the national territory, creating significant economic and social impact locally. Considering that the remaining 40% of production is located in nearby countries, the impact of transporting raw materials and finished products to and from the production sites is strongly limited.

In exports, although 30% of the product is stored hanging in the central warehouse, 99% is shipped folded (not in suitcases), optimizing space in transport and thus reducing CO<sub>2</sub> emissions per item. E-commerce has seen progressive growth season



after season, accelerated by the launch of the new website created in collaboration with a new partner. Thanks to a decade of expertise in the sector, the company supports the Italian children's apparel brand in accelerating its online business and implementing tailor-made projects for the development and optimization of digital channels.

The completely revamped e-shop, designed with a mobile-first approach, is an integral part of the company's omnichannel strategy. The goal is to create a seamless interconnection between retail stores and the wholesale network, providing a high-quality user experience at every stage of the customer journey.

The customer focus remains the driving force behind every new feature: users will be able to access a wide and varied assortment, use the click-and-col-

lect service, and interact in real-time via a live chat to meet any needs or requests.

The starting point continues to be the online store dedicated to the end customer, integrated with a BtoB project, a virtual showroom operational since 2023, which allows all direct stores and wholesale players to access a portal that is particularly user-friendly and fluid in navigation, ensuring an immersive and customized experience.

It is an evolutionary path that sees the brand in a phase of maturity: the goal is to have a platform that converges all touchpoints and offers a qualitatively superior purchasing process, both online and offline. Through this project, Il Gufo aims to integrate the value of the evolved distribution network with that of the product, which is an expression of the best Italian manufacturing tradition.

The new omnichannel development path undertaken by the brand marks an important moment of acceleration for the brand towards the digitalization of online sales processes and the creation of a digital customer experience of value, exclusive, and personalized, tailored to the needs of both end consumers and retailers worldwide. It marks the beginning of a process of harmonization and optimization between the digital space and the physical network.

## **Sustainable Supply Chain**

The selection of suppliers for production is primarily based on small, excellent businesses located near the company. Geographical proximity minimizes transportation for material delivery and provides local workshops, thus optimizing production processes. Furthermore, the company is committed to fostering a supply chain increasingly composed of certified partners for the process and/or product, who are able to ensure a concrete commitment to reducing environmental impact, respecting human rights, and promoting animal welfare.

The company is rooted in a territory that values a culture of responsible and collaborative work, making these partnerships highly efficient and minimizing time wastage. A strong and transparent quality culture is testified by the CEO, who states: “We create the garments for our collections as if they were destined for our children. We select the best materials, choosing innovative and, when possible, local suppliers, to ensure a controlled, sustainable product in line with children’s needs.”

The largest workshop in Italy employs about 20 people, while abroad, the average number of employees ranges from 100 to 150. For specific processes such as dyeing and embroidery, small Italian workshops with 2-5 artisans are selected, maintaining a strong connection to tradition and a naturally sustainable approach. For dyeing, a small percentage of materials is also purchased from suppliers with seasonal continuity located in Turkey.

The company has set a strategy that involves outsourcing the entire production cycle to foreign production, while optimizing collaboration among different players in the Italian supply chain. In this way, the garment does not necessarily pass through the company but can move directly from one supplier to another. Additionally, some suppliers carry out group operations at their Italian premises, where they receive materials that are then sent to foreign factories located in Romania.

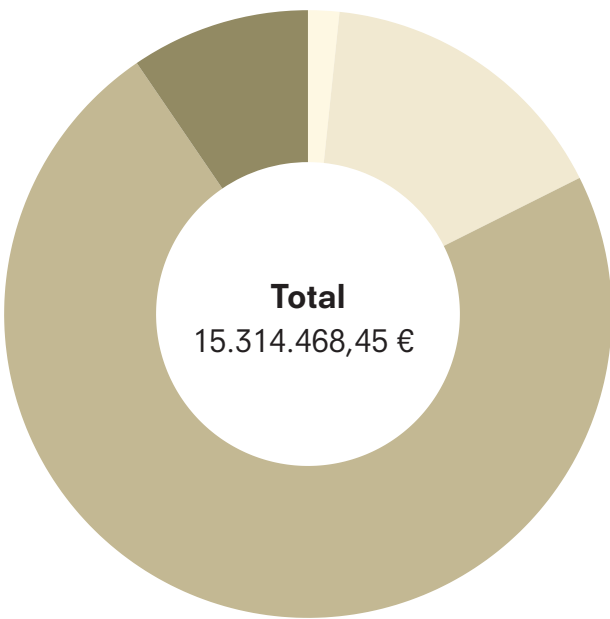
The percentage of production leftovers is extremely low. The internal placement protocol within the company allows for considerable fabric savings, reducing costs as external suppliers receive a precise amount of fabric calculated based on actual needs. The goal for the near future is to establish academies or schools that prepare people, at the end of their careers, to become promoters of a specific culture and pass on their knowledge. This is a

significant educational responsibility, a dream that is hoped to become reality in the short term.

### Types of Suppliers

The company maintains relationships with around 400 local and international suppliers operating in sectors such as logistics, transportation, consulting services, etc. As of December 31, 2023, Il Gufo Spa recorded a turnover of approximately 15.314.468,45 € with European, Italian, and non-EU suppliers.

### Il Gufo Value Achieved Table



● F-CEE	253.815,99 €	● F-ITALIA	11.158.854,66 €
● F-EXTRACEE	2.442.589,47 €	● FS-CEE	1.459.208,33 €

In the years 2022 and 2023, Il Gufo monitored the value generated in the local area in terms of product. In Italy, transactions worth approximately 11.158.854,66 € were carried out, as shown in the table above.

This data provides a clear and indisputable measure of the attention paid both directly and indirectly to the local community. It also serves as a significant indicator of the economic and non-economic dynamics that Il Gufo helps generate and introduce into the local context. This figure not only reflects the direct economic value produced and injected into the territory but also emphasizes the company's crucial role in stimulating growth opportunities within the reference community, for example, by promoting employment through relationships with local suppliers.

To achieve this, the value produced by Il Gufo in terms of sourcing from the Italian territory was calculated. The methodology adopted considered the distances traveled from the central headquarters of Il Gufo to local suppliers.

It was calculated that the distance traveled to reach suppliers in each country is equivalent to the average distances between the Il Gufo headquarters in Asolo and the suppliers' locations.

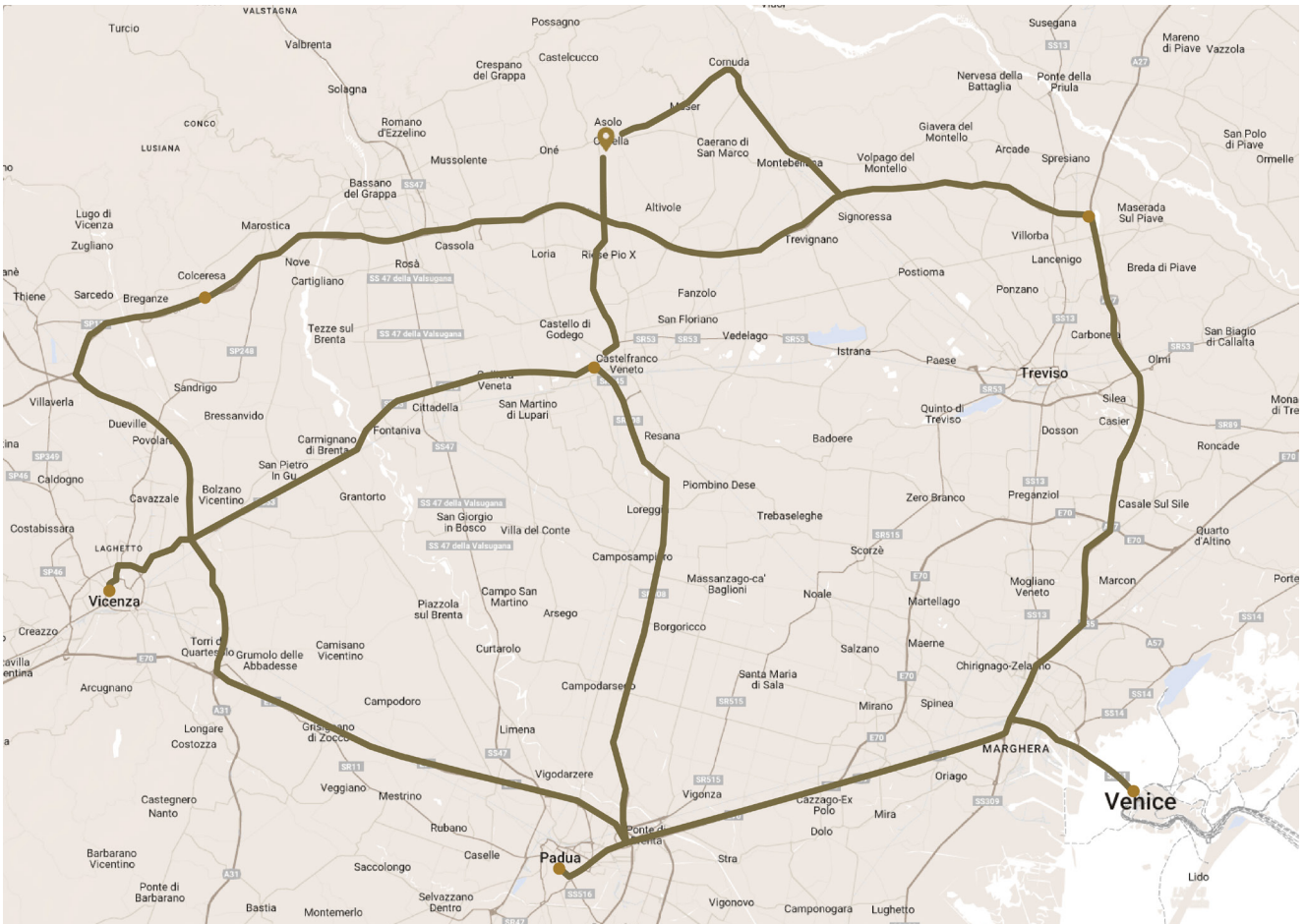
Moreover, it is assumed that suppliers mainly market their products through three different transportation methods: by road, air, or a mix of both. Italian suppliers prefer road transportation.

In 2023, the average distance covered was approximately 491 kilometers, a very low number due primarily to the geolocation of the main suppliers of raw materials, subsidiaries, consumables, and finished products.



Il Gufo carefully selects business partners to share long-term goals and grow together.

The supplier database allows for classifying the types of supply for Il Gufo, considering raw materials, subsidiary materials, consumables, and finished products, as well as suppliers of accessories, packaging, etc.



**Table: The value in euros for these supplies**

TYPES OF SUPPLY	EUROS
Accessories	1.064.577,2 €
Packaging	61.014,39 €
Coupling processes	22.982,99 €
Full-cycle processes	1.749.356,83 €
Packaging processes	1.596.196,23 €
Packaging and washing/ironing processes	3.8951 €
Packaging and ironing processes	435.677,78 €
Miscellaneous processes	37.874,6 €
Pleating processes	188 €
Embroidery processes	82.383,55 €
Refurbishment and reworking processes	65.598,71 €
Printing processes	84.063,23 €
Ironing and packaging processes	418.352,48 €
Cutting processes	510.280,9 €
Fabric inspection processes	28.644,87 €
Dyeing and washing processes	141.204,37 €
Quilting processes	1.590,91 €
Consumables	3.322,27 €
Raw materials	2.601.072,13 €
Finished products	1.776.370,32 €
Semi-finished products	515,9 €
Subsidiary materials	9.769,18 €
Other Business Costs (Services, Logistics, etc.)	4.584.480,63 €
<b>Total</b>	<b>15.314.468,45 €</b>

## Licensing Agreements and Group Expansion Strategy

Growing by working as a team – this was the driving force behind Il Gufo's post-pandemic recovery. The company signed a five-year licensing agreement with Aspesi for the production and distribution of the kidswear line for the Lombardy-based brand.

Since the fall of 2022, Il Gufo has been creating a collection for Aspesi consisting of just over a hundred proposals for boys and girls, aged 4 to 16, which reinterpret the brand's iconic pieces, including nylon jackets and chambray shirts.

This license was a clear sign of the need to build a system to restart and grow after the pandemic. It represents an all-Italian team leveraging the quality of raw materials and historic know-how. Key countries for this line mirror the key markets of the adult Aspesi line: Italy, first and foremost, which accounts for 40% of sales, followed by Germany, South Korea, and Japan.

For Il Gufo, which has so far focused on developing its own brand, this agreement with Aspesi is essentially its first licensing deal for production and distribution (previously, it had managed the production of kids' lines for Lanvin and Stefano Ricci).

## Partnership with Enfance Paris

ENFANCE PARIS has been the leading high-end skincare brand for natural and organic products for children aged 0 to 12 since 2014. It offers formulas tailored to the specific characteristics of skin and hair for different age groups. Born in Paris and developed in France, their exclusive plant-based formulas are essential, leveraging the effectiveness of premium organic ingredients to protect children's delicate skin.

Dermatologically tested on sensitive skin, vegan, and certified by Ecocert Greenlife according to COSMOS standards, the brand ensures transparency



and safety in its ingredients, which are suitable for all ages. Enfance Paris is dedicated to parents who wish to instill respect for health and nature in their children.

In 2023, Il Gufo entered into its first exclusive collaboration with Enfance Paris, focusing on two specific products. The Eau de Toilette Enfance Paris x Il Gufo features delicate and reassuring tones with notes of bergamot, neroli, ambrette, and white musk. This limited edition is designed for both mothers and children, as all the most precious memories begin with a fragrance. A nourishing body oil has been created to offer a moment of sharing with the child as part of the daily routine. Formulated with just 6 precious oils, it is perfectly suitable for all skin types, including the most sensitive.

Both products are available in all Il Gufo mono-brand stores and on the brand's official website. They reflect a desire to explore new commercial avenues, always with a focus on the environment and sustainability at the heart of the collaboration.

## Membership in the Retex-Green Consortium



In 2023, the company decided to join the Retex Green Consortium, sponsored

by Sistema Moda Italia and the Italian Textile Foundation. This consortium brings together national producers in the sector and aims to organize the management of waste from clothing, home textiles, footwear, and leather goods.

Il Gufo's goal is to achieve compliance with the Extended Producer Responsibility (EPR) regulations at both the national and European levels, as well as to develop projects related to pre- and post-consumption (such as production waste, stock, and second-hand goods). This theme is also central to the Teddy&Minou project.

The main objective of the consortium is to finance and collectively manage, on a non-profit basis and with a mutualistic approach, the collection and management of waste from textile and fashion products at the end of their useful life. This initiative aligns with the principle of Extended Producer Responsibility, governed by Directive 2008/98/EC and related Italian legislation.

Moreover, the consortium commits to carrying out all necessary activities for the separate collection of textile and fashion waste, following established regulatory priorities, and adopting criteria of efficiency, effectiveness, cost-effectiveness, transparency, and fair competition. Overall, the consortium aims to promote the environmental and social sustainability of the entire textile and fashion supply chain, starting from product design through to the production and consumption cycles. Textile and fashion products involved in the consortium's activities include textile products, clothing, footwear, and leather goods.

## Il Gufo and RE3 | A Partnership in the Name of Circularity

Il Gufo has entered into a collaboration with RE3, a Benefit Corporation that has implemented the patented circular economy model re-use, re-generate, re-sell (RE3), designed to reduce the environmental impact of used garments and industrial textile waste. Thanks to the partnership between the two entities, end customers can visit Il Gufo's monobrand boutiques in Milan, Rome, and Paris to drop off their used garments that they wish to give a second life.

The collected clothing will be analyzed by a social cooperative dedicated to sorting operations: after evaluating the garment's condition, it will either be resold, reused, or regenerated, meaning transformed into second raw materials. Through a unique QR code, the method of reuse will be shared, and it will be possible to track each garment's journey in real-time and with full transparency. When delivering items at the boutique, customers will also receive a discount to use on the new collection.

This partnership further confirms Il Gufo's commitment to redefining competitive standards by promoting sustainability practices and supporting responsible consumption models.

Powered by Re3,  
(Re-use, Re-sell, Re-generate),  
una filiera trasparente  
di economia circolare.



**insieme**  
cooperativa sociale

## Collaboration with La Stanza dei Vestiti

Since the second half of 2023, Il Gufo has been collaborating with La Stanza dei Vestiti, an Italian brand specializing in pre-loved and archived children's clothing, with sustainability at its core.

The collaboration takes the form of seasonal pop-up events, where Il Gufo's archived garments, personally curated by the founders of La Stanza dei Vestiti, are sold, with part of the proceeds being donated to charity.



## 6.2 Product health and safety

The growing focus on sustainability is becoming a crucial factor in both B2B, online and physical commerce, influencing the safety and quality of products. The health and safety implications require the development of high-quality solutions and the implementation of stringent production standard control systems. These, in turn, integrate with continuous monitoring of the entire production process and the ongoing updating of technical skills within the workforce.

Key market players wish to enrich their offerings with products certified as sustainable, targeted at both e-commerce platforms and physical stores, where dedicated areas for this category of products are often reserved. Compliance requirements from foreign markets and internal clients demand strict oversight, especially concerning exports.

Various countries require adherence to specific regulations regarding the physical and chemical safety of products. These regulations are further compounded by industry demands, which require products to meet sustainability criteria in order to achieve certification. Many of these regulations now have international reach and include parameters that were previously not considered relevant; non-compliance could result in export limitations or bans.

This commitment is part of an ongoing process of research and collaboration with suppliers, aimed at achieving quality and sustainability goals. A fundamental element is the choice of fabrics and raw materials from suppliers who prioritize quality and excellence in their operations, often following a "slow production" approach. However, it is crucial to maintain a balance between the product's sustainability and its profitability. Additionally, it is important to highlight that no non-compliance incidents have been identified regarding the health and safety impacts of the products and services offered.

## 6.3 Product durability and material certifications

GRI 2-6, 2-22, 2-23, 301-1, 301-2, 301-3, 416-1, 416-2, 417-1

The use of high-quality raw materials and artisanal craftsmanship makes the garments extremely durable, designed to be passed down from generation to generation. The guiding principle is “buy less, buy better”: investing in quality to reduce the number of garments introduced into the market and later discarded. Moreover, the traceability of materials, such as merino wool, ensures full transparency across the entire production chain.

The company places great importance on social responsibility in all its activities. For the purchase of raw materials, it prefers raw fabrics (to be dyed) and “four seasons” fabrics, choices that help reduce the impact of unsold stock and waste, ensuring continuous material use. Additionally, for fabrics and accessories, the use of warehouse leftovers is encouraged, while for new orders, efforts are made to limit minimum quantities, thus optimizing resource management.

### Innovation, Craftsmanship, and Innovative Materials

Il Gufo has always committed to providing high-quality products, combining a constant search for cutting-edge technologies with the application of strict safety standards. The company stands out for its transparency regarding the origin of materials and operates with integrity, focusing on excellence and meticulous attention to detail. Keeping an eye on fashion trends and market developments, the company works hard to preserve and enrich its knowledge, proudly passing down its history. It has always collaborated with both Italian and international excellence, creating unique garments that tell an authentic story.

Regarding material research, Il Gufo is distinguished by its commitment to finding innovative materials. Over the years, the focus has shifted towards sustainability, responding to the needs of consumers who are increasingly aware of product life cycles. The company has introduced new materials into its collections, with a strong commitment to sustainable practices.

The longevity of garments is one of the main pillars of sustainability: each product is designed, developed, and made to last over time and to be passed down from generation to generation. The attention to garment care and maintenance is an integral part of the approach to their durability and extended use. Il Gufo’s approach to sustainability is first and foremost directed at creating durable products that maintain their characteristics and qualities over time—an essential element for reducing environmental impact.

The company has also focused its efforts over the years on researching innovative and sustainable materials, particularly:

— GOTS Certified Cotton Fiber: Sourced organically and produced in compliance with standards related to labor quality and resource use.

— Sensitive Fabrics<sup>®</sup>: Where the sustainability of the production process is combined with high performance. (Compared to cotton, the process requires 55% less water, 76% less energy, results in a no-ironing product, 55% less drying time, and three times greater durability).

— Feather Down Garments: Made with duck feathers sourced from certified farms, in compliance with the Responsible Down Standard (RDS).

— Fabrics and Fillings Derived from Recycling

Processes.— 00% Recycled Polyethylene Polybags.

— Il Gufo Retail has introduced shopping bags made of 100% FSC certified paper.

## The merino wool

The merino wool used in Il Gufo's collections, besides its inherent qualities of biodegradability, breathability, and durability, is certified by SustainaWOOL®.

SustainaWOOL® certifies:

— Health and well-being of the sheep, defining internationally acceptable standards for sheep welfare.

— Environmental management and agricultural facilities, establishing internationally acceptable standards for farming practices, including land and chemical management, labor, health and safety, and the standards of facilities through which sheep and wool pass.

— Competence and record-keeping: SustainaWOOL® requires growers to demonstrate competence and effective record-keeping, including managing and moving stock, healthcare and veterinary treatments, use and storage of agricultural chemicals, wool preparation, and supplier statements.

— Wool quality, defining standards for wool harvesting, preparation of clips, and packaging to minimize risk of harm to sheep and ensure high wool quality standards. Only wool lots prepared and packaged according to these standards can be identified as SustainaWOOL® certified.

— Social responsibility: SustainaWOOL® requires growers to ensure that personnel are adequately trained and instructed, fully complying with all applicable health and safety regulations in the workplace and employment.

— Traceability: SustainaWOOL® requires traceability of individual bales to the farm and flock of sheep sheared, and all SustainaWOOL® growers must complete the National Wool Declaration. All sheep must be safely tagged for individual identification according to national standards and regularly monitored.

Finally, all the wool used is mulesing free. Mulesing is a cruel practice of removing the wool from the sheep's anal area, and the suppliers from which the wool is sourced do not practice this method, ensuring the welfare of the sheep.

On the SustainaWOOL® labels, it is also stated: "Our wool, washed, carded, dyed, and spun in Italy, comes from carefully selected farms at the source, respectful of natural resources and sheep welfare".

## Alternative Down Insulations

As for the down jackets, Il Gufo has selected innovative down alternatives made from recycled polyester, almost entirely or partially derived from renewable sources. This approach ensures a production process that aims to reduce energy consumption and CO<sub>2</sub> emissions.

### Insulation - Comfortemp®

For the down jackets, Il Gufo has chosen ECO-DOWN by Comfortemp®, an 85% recycled polyester (from PET, plastic bottles), which guarantees the same technical characteristics as down: lightweight and soft, suitable as an alternative to down; thermal insulation with ultrasoft microfiber; breathable; washable and resistant to fiber migration; and fill power comparable to down.

### Insulation - Valtherm®

Valtherm® padding products ensure high breathability thanks to the honeycomb structure of the insulation, which facilitates the escape of water vapor

and protects the body's microclimate from external environmental influences, offering maximum comfort and long product durability.

Garments made with Valtherm® padding provide warmth, softness, and practicality, making them ideal for those who desire comfort and freedom of movement.

### Insulation - Sorona®

Sorona® is an innovative polyester insulation produced by DuPont™ made from bio-based polytrimethylene terephthalate (PTT), derived from glucose fermentation and corn seed processing.

Sorona® insulation is made of 37% renewable sources, which results in a 37% reduction in energy consumption and a 63% reduction in CO<sub>2</sub> emissions during the production process.

### **Certified Down**

In line with its values, Il Gufo uses only certified RDS (Responsible Down Standard) down.

The Responsible Down Standard is promoted by Textile Exchange, one of the most important international non-profit organizations for responsible and sustainable development in the textile sector.

It requires a third-party verified environmental statement ensuring that the down and feathers used for insulation come from waterfowl (goose and duck) or land birds (e.g., chicken and turkey) that have not been subjected to treatments causing pain, suffering, or stress. It also ensures the traceability of the down throughout the entire production process.

### **Organic Cotton**

The use of certified organic cotton has now become a staple in Il Gufo collections. Garments made with organic cotton yarns are identified with a special label that guarantees both the organic origin of the yarn and the entire production process of the raw

material. The certification covers the entire supply chain, ensuring that the supplier adheres to high standards in terms of labor quality and sustainable resource management, including their use and reuse.

Organic cotton is increasingly featured in the collections, especially in t-shirts and knitwear, often paired with non-toxic and biodegradable colors.





## 6.4 Material reuse (upcycling) and the Teddy&Minou project

Teddy&Minou were the kittens with whom Alessandra and Guido Chiavelli, CEOs of Il Gufo, shared playful moments during their childhood. Today, these names define a brand that promotes respect for the environment, also thinking about future generations.

The Teddy&Minou line is dedicated to babies from 0 to 36 months and stands out for its use of certified organic cotton and upcycled fabrics, giving a second life to timeless valuable materials. The dyes used are non-toxic and biodegradable, and every detail is carefully selected to minimize the environmental impact of the garments. The desire to create a product with the lowest possible impact is present



from the design phase, where simple, minimal shapes are preferred, reducing the presence of accessories to a minimum.

The Teddy&Minou collection is characterized by simple and minimal shapes, aimed at minimizing energy consumption at every stage of the process. The garments are designed with few buttons, without zippers, and with neutral and limited accessories, to minimize the impact on purchases and inventory, always using organic materials.

The creative process of the collection follows a precise path: starting with the use of stock remnants, integrated with the purchase of “ready to lay” fabrics, and finally using organic fabrics. This conscious choice also implies accepting a production constraint: sales stop once the fabrics are exhausted. Using remnants from other companies represents a virtuous cycle and a challenge for the purchasing department, which works to maintain consistency with the brand’s values.

To further limit inventory, large fabric purchases with high minimums are avoided, preferring suppliers of stock that offer smaller quantities, better aligned with actual production needs. The pattern makers also optimize fabric usage, managing to create more garments from the same piece of cloth, while leftovers are transformed into retail bags. The internal warehouse management, located on-site, also provides a clear view of available resources.

Every detail of the garments is carefully analyzed. Dyes, for example, can be organic, standard, or complex, depending on the desired aesthetic result. However, some techniques, such as the use of per-lite, have been abandoned due to their high-water consumption. The “vintage” effect also requires a lot of water and dye: there is an ongoing reflection on whether it is better to prioritize traditional aesthetics or opt for a more sustainable approach. Dyers

must consider these parameters, and some are already adopting systems for water reuse.

The materials used for the Teddy&Minou collection, as well as for all other garments, undergo rigorous durability tests, simulating domestic washing cycles, with up to three tests for each garment.

Even the packaging reflects the commitment to sustainability: the bags used are made of Mater-BI, a bioplastic derived from renewable resources such as corn or potato starch. This material is biodegradable and compostable, reducing the environmental impact of plastic waste. It is used for bags, disposable tableware, and packaging, offering a valid alternative to traditional plastic. Regarding hangers, Teddy&Minou opts for a single presentation hanger, in an effort to optimize resources.

## Il Gufo Footwear

Il Gufo footwear is a true example of Italian craftsmanship excellence, created with meticulous attention to detail and an approach rooted in centuries-old tradition from a historic local company. Each pair of shoes is crafted by expert artisans who practice a unique skill, capable of blending the precious savoir-faire of the past with an elegant, refined, and absolutely contemporary design.

The production process of Il Gufo shoes is made up of numerous stages, each of which requires infinite care and great expertise. From the creation of the pattern to the shoe being ready to wear, every step is essential to achieving the final result. Among the crucial steps are the cutting of the leather upper, an operation requiring absolute precision to ensure a perfect product; the edging, which finishes the borders with a technique requiring experience and skill; the lining gluing, which must be done carefully to avoid defects; the carding of the shoe to ensure a solid and durable structure; the gluing of the sole, a stage requiring perfect timing for a flawless and

lasting attachment; and finally, the removal of the form, which gives the shoe its final shape. Each step is carried out with the utmost attention and respect for traditional times and methods, alternating moments of rest and bursts of speed to eliminate any imperfections and guarantee a perfect shoe in every way.

Every Il Gufo shoe is the result of timeless art, translated into an exclusive, elegant product made with passion, whose quality is evident in every detail.



## 6.5 Sustainable packaging

GRI 301-1

Regarding the choice of packaging, Il Gufo works with suppliers who sell packaging made from 100% recycled plastic and who have specialized machinery; indeed, the company policy is to no longer use virgin plastic. Supporting this decision, the bags used to ship Il Gufo garments are made from 100% recycled plastic. Additionally, some of the hangers are recovered, returned to the supplier, and recycled to create new ones. The packaging used for fabric swatches remains, as they are delivered wrapped in cellophane in compliance with hygiene regulations.

At the same time, labeling has been significantly reduced, and more eco-friendly alternatives have been chosen: the bag for spare buttons has been replaced with one made of paper, and the labels have been minimized, while also reducing the weight of the paper used.

For shipments, pallets are used for the initial leg, and then the goods are shipped via express courier for transporting the parcels. The percentage of hanging items is below 1%, a figure lower than the average. To seal the boxes, no customized tape is used anymore, but a neutral tape of lower weight. Il Gufo is committed to calculating, for the 2024 financial year, the proportion of recycled materials used by the company ( $\text{Kg of recycled materials used} / \text{Total Kg of materials used}$ , as a percentage).

### Hangers

Il Gufo purchases all its hangers from a local company that operates internationally and has made circularity its core principle. The company is GRS certified for the production and use of recycled plastic.

The company provides environmentally friendly solutions for its customers, committed to minimizing the impact of its operations on the environment.

Il Gufo hangers are made from certified recycled materials, renewable, biodegradable, and/or compostable.



## 6.6 Energy from renewable sources / climate change

GRI 201-1, 201-2, 201-3, 305-1, 305-2, 305-3, 303-1, 303-2, 306-1, 306-2

Respect for the environment is one of the key values in Il Gufo's strategy. The company's concrete commitment to reducing the impact of its business processes and products on the environment is demonstrated by a series of actions implemented throughout the year and specific objectives set for the coming years.

Il Gufo aims to make a positive contribution to the protection and preservation of the environment through the development of strategies and initiatives aimed at minimizing the environmental impacts associated with its activities. Therefore, the company is committed to the constant search for the most suitable solutions to ensure responsible use of resources, reduce energy consumption, and improve the management of atmospheric emissions. The main environmental impacts of Il Gufo occur along the supply chain. Il Gufo adopts virtuous behaviors in its activities that are aimed at:

- Containing energy and water consumption;
- Reducing CO<sub>2</sub> emissions;
- Using smaller quantities of raw materials and semi-finished products;
- Reducing the amount of waste generated;
- Promoting recycling and disposal of finished products and packaging;
- Contributing to climate neutrality.

The commitment is to produce better, consuming less energy and fewer resources, optimizing the

management of environmental aspects (resources, water, waste, raw materials) to leave future generations a less depleted and more livable environment. Il Gufo's goal is to create products with a low environmental impact, focusing on greater durability and flexibility, energy savings, and higher recyclability of components. Il Gufo is committed to reviewing and redesigning processes and technologies that prevent and/or reduce environmental impact. This will only be possible by applying the best operating techniques and ensuring a rational and efficient use of resources and raw materials.

Moreover, the company's commitment to complying with environmental legislation is an essential step, reflecting the maturity achieved by the production plants and the environmental management system, ensuring the sustainable use of natural resources and waste management.

In its daily operations, the company has adopted responsible measures, which extend even to moments of relaxation. All employees were given a thermal bottle to reduce plastic bottle consumption. Cups have been fully converted from plastic to paper, including those used for hot drinks from vending machines. In terms of materials for the store and its setup, the concrete actions undertaken include:

- Cleaning supplies for the boutiques and stationery for Il Gufo Spa and Il Gufo Retail – investments made in green procurement;
- The store setup is designed with a focus on long-lasting durability, versatility, and modularity to adapt to various display needs. The furniture concept primarily focuses on the use of natural materials such as wood or materials resulting from recycling. In terms of paper material savings, training manuals, as well as many collection materials, are now available in digital format.

## Environmental Impact Management

The focus on efficient energy consumption management has led Il Gufo to take actions aimed at reducing both direct and indirect emissions, achieving economic savings, and reducing consumption. From an energy perspective, the activities carried out are primarily based on the consumption of electricity from both renewable and non-renewable sources that power the air conditioning system, lighting system, and various devices used in the offices.

## Energy Consumption

Since 2015, the company has had a photovoltaic panel system capable of producing approximately 170 megawatt hours per year, a quantity sufficient to meet energy needs. Since August 2022, energy supply at the headquarters and owned stores has been entrusted to a provider that uses 100% renewable energy sources. This same provider has also been chosen for the boutiques.

Gas has not been entirely eliminated, as some systems in the warehouse cannot be changed, but they are low consumption. In September 2023, a new heat pump was installed, and in January, measurements of the related parameters were taken.

The gas used in 2022 produced the equivalent of 82.10 tons of CO<sub>2</sub>, while in 2023 it produced 47.90

ENERGY CONSUMED	UNIT	2022	2023
Electricity from renewable sources (purchased)	kWh	150.455,76	276.215,00
Electricity from non-renewable sources (purchased)	kWh	40.167,23	
Self-produced electricity from renewable sources <sup>1</sup>	kWh	170.000,00	170.000,00
Natural Gas	Sm <sup>3</sup>	40.968,00	23.902,00
Diesel for self-transportation	Litri	N. D	12.327,67

<sup>1</sup> The data for self-produced energy could not be calculated precisely, therefore, the value entered should be considered an estimate.

<sup>2</sup> The emission factors used for electricity are provided by ISPRA, while for diesel and natural gas, the UK Government GHG Conversion Factors for Company Reporting are used.

tons. Regarding electricity, from January to July 2022, 9.57 tons of CO<sub>2</sub> equivalent were produced, while from August onwards, the purchased energy has been 100% from renewable sources. The use of diesel in 2023 produced 34.02 tons of CO equivalent<sup>2</sup>.

## Water Withdrawal

Water withdrawal refers to all the water extracted within the company from any source, for any use, during the reporting year. The relevant details are reported in total cubic meters (m<sup>3</sup>) withdrawn from all sources (e.g., public water supply, wells, surface water).

## Water Resources Withdrawal Table

WATER RESOURCES WITHDRAWN	UNIT	2022	2023
Water Supply, Sewage, and Wastewater Treatment Service	Mc	384,63	463

## Waste Production and Management

In 2022, Il Gufo used the waste disposal service for undifferentiated urban waste provided by a local company. The total amount of waste disposed of in 2022 was 5090 kg. For 2023, the total amount of waste disposed of is 3160 kg.

Greater efficiency in the use of materials within production processes translates into a reduction in costs, waste, and production scraps, all benefiting the environment. For these reasons, Il Gufo promotes the responsible management of materials and the waste generated.

Il Gufo strictly adheres to current regulations on waste production and management and, whenever possible, is committed to limiting its accumulation throughout production processes.

The waste directly produced by Il Gufo is predominantly non-hazardous, and is mostly urban waste. During 2022, Il Gufo involved internal resources and some suppliers in a series of initiatives aimed at improving waste collection and disposal methods.

## 6.7 Well-being and development of people's potential

GRI 2-7, 2-8, 401-1, 401-3, 403-1, 403-2, 403-5, 403-6, 405-1, 413-1

### People, Health, and Wellbeing

Human resources, with their skills, abilities, and passion, are the cornerstone of Il Gufo's competitiveness and growth. The people within the company are crucial for facing challenges in an increasingly dynamic and competitive international landscape. For these reasons, Il Gufo places people at the center of its organization, ensuring their respect and protection.

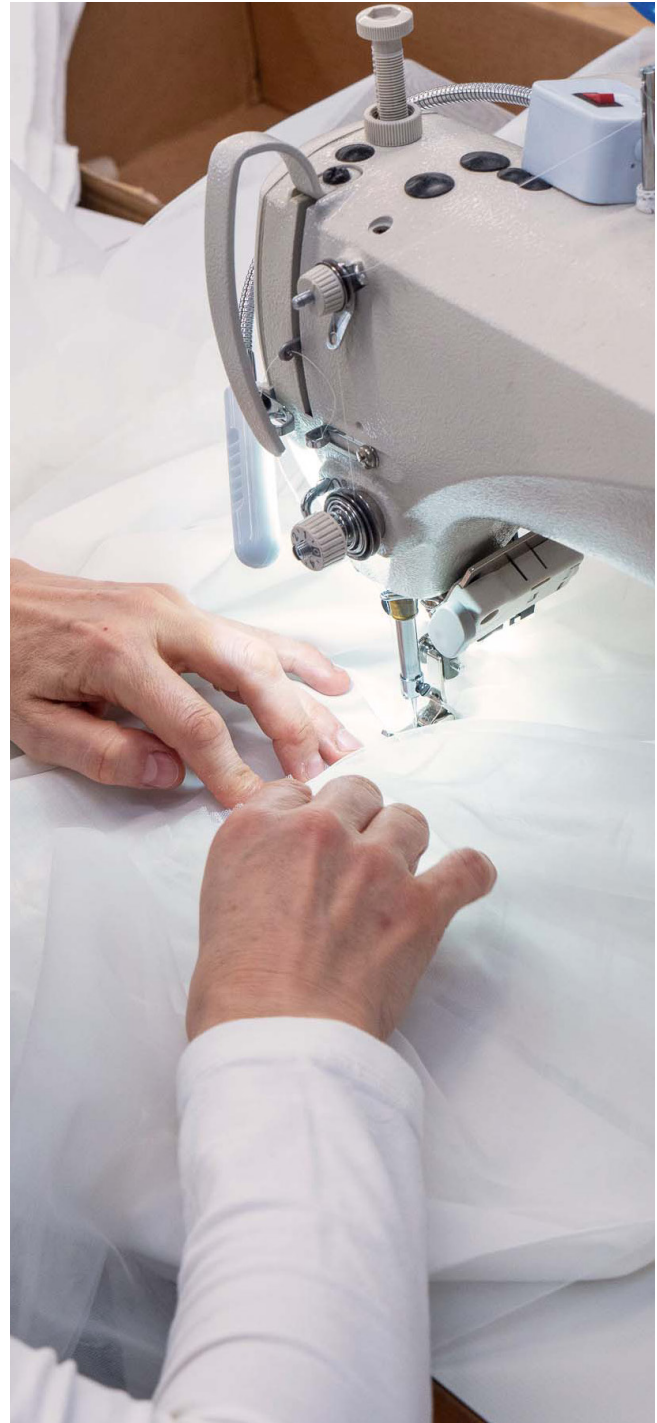
Over the last three years, key activities and interventions have been implemented to reorganize and nurture resources and to streamline processes that could have been cumbersome. A coaching process was carried out across the entire company, leading to a better structure for training and the rewarding system.

Within the company, there are employees with varying levels of seniority, even in terms of time worked at Il Gufo. Therefore, there is a lack of homogeneity regarding seniority, but also in terms of how employees relate to the company. The activities to be carried out in terms of human resources are therefore diverse. Some training and coaching programs—such as team building—have been created.

An English course tailored to the company's needs has also been structured, focusing on technical language to accelerate operations and processes, helping to achieve goals more efficiently and in less time.

The total number of employees as of December 31, 2023, is 125, including Il Gufo Retail and Il Gufo SpA. The table below shows the distribution of employees by gender for the years 2022 and 2023, excluding the Administrator. The percentage of female workers as of 31/12/2023 reaches 92%.

The average age of employees is between 30 and 50 years. Part-time workers have access to company benefits and have been counted in the same way as full-time employees.



### Employee Distribution by Gender Table

YEAR	NUMBER OF EMPLOYEES AS OF DECEMBER 31, 2022			NUMBER OF EMPLOYEES AS OF DECEMBER 31, 2023		
	GENDER	WOMEN	MEN	TOTAL	WOMEN	MEN
Il Gufo Retail S.r.l.	43	0	43	40	0	40
Il Gufo Spa	64	10	74	75	10	85
<b>Total</b>	<b>107</b>	<b>10</b>	<b>117</b>	<b>115</b>	<b>10</b>	<b>125</b>

### Employee Distribution by Age Group Table

YEAR	2022				2023			
	AGE GROUP	30	30-50	50	TOTAL	30	30-50	50
Il Gufo Retail S.r.l.	5	26	12	43	3	25	12	40
Il Gufo Spa	7	39	28	74	10	46	29	85
<b>Total</b>	<b>12</b>	<b>65</b>	<b>40</b>	<b>117</b>	<b>13</b>	<b>71</b>	<b>41</b>	<b>125</b>

### Employee Distribution by Type of Employment Table

YEAR	2022		2023		
	TYPE OF EMPLOYMENT	IL GUFO RETAIL S.R.L.	IL GUFO SPA	IL GUFO RETAIL S.R.L.	IL GUFO SPA
CEO			2		2
Manager			3		2
Employee	43		53	40	57
Worker			14		24
Intern			2		0
<b>Total</b>	<b>43</b>		<b>74</b>	<b>40</b>	<b>125</b>

## Staff Selection

Staff selection is carried out internally. The HR manager performs an external screening related to the labor market, which helps optimize the selection process. On one hand, it ensures that the perception of quality is conveyed to the selected candidate, and on the other, it enhances the ability to attract strong candidates right from the first meeting.

The workforce is mapped into segments, particularly for those nearing retirement who will need to be replaced but are currently in roles that are hard to fill. This mapping is driven by a need that also has a precise time estimate (e.g., how long it takes to train a prototype maker).

Internships are organized with universities as well as textile organizations. The number of resources increases during the sales campaign: considering seasonal workers and internships activated during that period, the headcount increases significantly, requiring management of the operational flow. In 2023, the warehouse was reintegrated, and staff responsible for logistics were introduced; a showroom was set up, which led to the addition of about twenty new people in total.

## A Healthy Flexibility

Il Gufo, leveraging the positive experience gained during the COVID-19 health emergency months, recognizes the implementation of “Smart Working” as an opportunity to renew the organization of work. It has developed a regulation aimed at creating a work environment that fosters innovation, well-being, and promotes new forms of collaboration. The goal is to transform Smart Working from a response to urgent needs into a daily practice, encouraging a results-oriented company culture ready to manage organizational flexibility.

The execution of Smart Working, in accordance with Articles 18-23 of Law No. 81/2017, promotes flexi-

bility in time and location of work through the use of technology, while ensuring superior business results by focusing on work goals.

Smart Working, defined by law as “Agile Work,” is characterized by a new way of performing work, allowing employees to work partially outside the usual workplace thanks to technology. This initiative allows:

- Testing goal-oriented solutions to maximize effectiveness with clients and promote individual and collective growth;
- Improving collaboration and communication between generations and remote teams, making the company more attractive and increasing the sense of belonging;
- Strengthening the trust relationship between workers and managers, facilitating feedback and growth;
- Reducing commuting time between home and work, promoting sustainable mobility and contributing to reduced urban traffic;
- Improving the management of on-site workspaces, favoring the hybrid work model;
- Promoting the balance of work-life time;
- Improving work quality and concentration on ongoing tasks, even in exceptional situations.

The regulation provides guidelines and procedures for accessing Smart Working on a regular basis, ensuring compliance with laws, individual contracts, and collective bargaining agreements. Smart Working is open to all staff whose roles do not require exclusive physical presence. The duration of the project is defined according to the company’s needs



and the involved personnel.

According to internal procedures, both regular and overtime working hours are managed in accordance with the provisions of the Internal Regulations and the National Collective Labor Agreement (CCNL), with the right to additional pay or compensatory time off, if applicable.

### Promotion of Health for Employees

Il Gufo has always been committed to promoting the health of its employees, organizing a female screening program within the company during the last three years by setting up a free mammography clinic for all female employees.

### Hiring and Turnover

The number of hires in 2023 increased compared to 2022: there were 24 female hires at Gufo SpA and 3 female hires at Gufo Retail.

On the other hand, terminations followed a contrary trend: in 2022, there were only resignations, while in 2023, the female resignations were 9, terminations due to the end of the employment relationship were 4. Male resignations were 4, including one dismissal for just cause, as a disciplinary action.

### Parental Leave

To determine how many employees returned to work after parental leave and were still with the organization 12 months later, data from previous reporting periods can be consulted.

ENTITY	N. EM- PLOYEES 2022	N. DAYS 2022	N. EM- PLOYE- ES 2022	N. DAYS 2023
IL GUFO RETAIL S.R.L.	1	180	3	283
IL GUFO S.P.A.	6	350	24	604
<b>Total</b>	<b>7</b>	<b>530</b>	<b>27</b>	<b>887</b>

### Training

Selection, training, management, and professional development are carried out without any discrimination, based on merit, competence, and professionalism. Il Gufo considers learning and training to be a model of continuous acquisition, through which knowledge can be gained, change understood, new ideas acquired, productivity improved, and individual and overall company growth achieved.

A proper business development necessarily involves valuing the role of all employees and defining appropriate career paths for each individual. These are growth processes implemented over time that, when carried out systematically and consistently, lead to the development of high-level and multidisciplinary skills within the organization, enabling it to face the challenges of a constantly evolving sector.

## Diversity and Equal Opportunities

GRI 405-1

Il Gufo is committed to eliminating all forms of discrimination related to gender, age, or personal and ideological beliefs, in order to foster a harmonious and stimulating work environment. Notably, the percentage of female workers has increased, reaching 92% as of 31/12/2023 (up from 91% on 31/12/2022), including both Il Gufo Retail and Il Gufo SpA. The number and percentage of women in managerial positions remains stable at 80%.

Il Gufo aims to safeguard gender balance and ensure equal opportunities for access to resources and organizational positions, regardless of gender. It is noteworthy that no incidents of discrimination were reported in 2023.

Ensuring diversity and inclusion within the workplace should not solely be the responsibility of the Human Resources department. It is crucial that it becomes part of a broader business strategy, supported and promoted by company leaders themselves.

Only through this approach can real and meaningful change be achieved, while also fostering innovation. This involves not just implementing new goals, policies, and procedures, but adopting a truly inclusive mindset that permeates the entire company culture.

From a benchmark analysis of the sector, considering leading Italian and international adult and children's fashion companies, it emerges that most of the selected companies are focused on addressing the challenges of Climate Change, Human Rights (supply chain and labor practices), Chemical Safety, and Sustainable Products. Additionally, the topic of Diversity & Inclusion is considered a macro-trend alongside Climate Change and Human Rights. D&I strategies to ensure equal opportunities for the

company's resources, those in the supply chain, and the community are already on the table for brands. According to the latest studies on the subject, there is a correlation between diversity policies and company performance, with clear and convincing hypotheses explaining why this relationship persists. This correlation leads to better access to talent, improved decision-making processes, deeper insights into consumers, and greater employee engagement.

## Worker Health and Safety

GRI 403-1, 403-2, 403-5, 403-6, 403-9

Il Gufo, in compliance with the provisions of Legislative Decree 81/2008 concerning workplace safety, rigorously adopts all necessary or useful precautions to reduce risks to the health and safety of workers, protecting them from potential accidents.

The employer is in the process of appointing responsible individuals and updating the monitoring and risk control system concerning worker safety. Workers are provided with personal protective equipment as needed, along with instructions on how to use and store it properly. Il Gufo is committed to safeguarding the health and safety of its personnel, and it is noteworthy that no accidents were reported in 2023.

Throughout 2023, Il Gufo carried out a range of activities that engaged the entire company workforce, including meetings and social events within the company.

In 2023, Il Gufo promoted a series of Health Promotion initiatives for all employees. These initiatives are actions and programs aimed at improving people's health and well-being through the adoption of positive behaviors, access to adequate healthcare services, and the creation of environments conducive to health. These initiatives can be implemented by

companies, government organizations, healthcare institutions, and local communities.



## 07. Commitment to the community

In 2023, Il Gufo carried out a series of initiatives in support of the community, as outlined below.

### Il Gufo alongside the Peggy Guggenheim Collection

Since 2017, Il Gufo has been supporting the Peggy Guggenheim Collection to promote creative pathways dedicated to children. The workshops are reserved for Family Card members of the Peggy Guggenheim Collection and are aimed at school-age children. They take place from October to May each year, following a thematic thread inspired by the temporary exhibitions at the Foundation.

This is a unique opportunity to introduce young people to the world of art through an exceptional and

prestigious entry point. Il Gufo supports this initiative by providing annual funding to the Peggy Guggenheim Collection through a fee.

### Il Gufo & Artetica

Artetica is a group of women dedicated to the production of handmade clothing using all available techniques. The initiative began in the spring of 2016, driven by a visionary entrepreneur deeply in love with her homeland, Puglia, and its people, particularly the women.

In a short time, she gathered around her a group of women who are keepers of valuable artisanal knowledge, creating a reality that today aims to grow enough to ensure the economic independence of its collaborators as the first true tool for sustainable social development.

What has emerged between Il Gufo and Artetica is much more than just a project; it is the expression of a synergy between two entities located in the north and south, but with a strong common value base. In the local Puglian dialect, “artetica” means the desire to create things with one’s hands, and the artisans at the heart of the project are keepers of ancient and precious techniques: not only hand embroidery but also knitting, lace-making, and crochet.

The collaboration is expressed in a selection of a few exquisite garments where craftsmanship has been united with the style and savoir-faire of Il Gufo.

The fabric is combined with crochet techniques, creating a selection of elegant and refined pieces where the workmanship reaches its highest expression. Each piece is unique and has required hours, sometimes days, of patient handwork—work carried out with passion, dedication, and love.





## ApritiModa

ApritiModa was born from the idea of Cinzia Sasso to open the creative headquarters of Italian fashion houses to the public, with the aim of connecting the production world with both passionate and non-passionate audiences. In previous editions, ApritiModa has received the patronage of the Presidency of the Council of Ministers, the Ministry of Culture, the National Chamber of Fashion, FAI (Italian Environmental Fund), the Altagamma Foundation, Confindustria Moda, and the municipalities of Milan and Florence.

The ApritiModa event is organized and managed in its operational aspects, general coordination, and communication by the company MoD – Milano Open Doors, founded by Cinzia Sasso & C.

Il Gufo participated in the 2023 edition of ApritiModa

by opening the doors of its headquarters in Asolo. The company's CEOs, along with key figures and long-time team members, guided the participants to discover the process of creating a garment, focusing on the craftsmanship and experience that must be preserved.

## LEI, Università Ca' Foscari, Venezia

The LEI project, in collaboration with Ca' Foscari University of Venice, is a university spin-off focused on highlighting and promoting the fundamental role of women in business leadership. In 2023, Il Gufo, through the figure of Alessandra Chiavelli, CEO of the company, became a spokesperson for these values, giving an interview for the university's magazine. This editorial commitment was further solidified by a lecture delivered by the CEO at the university, centered around female entrepreneurship.

## Other Community Projects

Il Gufo stands out for its commitment to charity, supporting causes related to child protection through tangible initiatives. The company contributes by donating clothing items and by donating the proceeds from special sales to organizations working to safeguard children. These include Protection4Kids, which is dedicated to fighting child trafficking crimes internationally, and the Fondazione Theodora Onlus, which has been active since 1995 in bringing joy and hope to children hospitalized in hospitals, so that they can continue to dream even during difficult times.

## 08. Customers

Il Gufo is aware of the importance of sustainability and social responsibility for its customers. For this reason, the company is committed to reducing the environmental impact of its products and operations by adopting sustainable practices throughout the entire value chain.

The top priority in this area is transparency. Being sustainable means, first and foremost, being open and transparent. This core value is Il Gufo's main commitment. Transparency is essential to allow customers to make informed and conscious decisions, fully understanding the impact of each purchase. Additionally, it strengthens the bond of trust that Il Gufo has built over time with its customers.

The company takes on the important responsibility of driving a cultural change that is increasingly necessary in consumers. For years, Il Gufo has been actively engaged in social and environmental awareness initiatives, particularly aimed at young people. The goals and challenges the company faces are shared openly, always striving to involve customers more and make them aware of the importance of their purchasing choices.

To ensure a more satisfying and sustainable shopping experience, Il Gufo has intensified the digitalization of its operations and proximity e-commerce. The company is also working to further integrate physical stores with the online channel. This multichannel availability allows for additional services, such as "green" delivery, reducing time and environmental impacts while improving the overall customer shopping experience.

The company is committed to promoting awareness and virtuous behaviors within families reached through transparent communication and investments in educational activities. This commitment translates into a constant effort to inform and raise awareness among families on critical issues related to sustain-

ability and social and environmental responsibility. Additionally, significant investments are made to develop and support targeted educational programs that encourage responsible and sustainable behaviors within families.

Regarding logistics and shipment management to customers, Il Gufo mainly uses three transportation methods: land, air, and a combination of both. In most cases, for distances under 600 km, the company prefers road transportation, while using the mixed mode for longer routes. It is important to note that within Italy, Il Gufo exclusively uses ground transportation.

The estimated average distance covered for deliveries made during 2023 was calculated using accurate and validated measuring tools. Focusing the analysis on Italy as the reference market, in 2023, the total number of items shipped was 418,062.51. Il Gufo's customers are distributed across Italy, Europe, and the rest of the world.

The total number of items shipped in 2023 amounted to 648,816.01, with the majority of shipments destined for the Italian market, representing 64% of the total. The remaining 36% of deliveries is distributed among Russia, the United States, and Europe. These international markets, although significant for the brand's expansion, remain secondary to the strong domestic demand, which continues to be the core of the company's logistical activities.

It is important to highlight and explain the value of geographic proximity to customers and how it can have a positive impact on CO<sub>2</sub> emissions and customer loyalty.

The geographic proximity of customers represents a significant advantage in terms of environmental sustainability. According to industry studies conducted in recent years, reducing transportation distances

can reduce up to 20% of CO<sub>2</sub> emissions associated with transportation. This contributes to a tangible improvement in the overall ecological footprint of the company's operations.

Furthermore, the physical proximity of customers has been shown to encourage greater loyalty. Historical data indicates that companies with customers located near their retail locations have recorded 15% higher repurchase rates compared to those with geographically distant customers. The ability to offer timely and personalized services, thanks to proximity, has a direct impact on customer satisfaction and their likelihood of continuing to purchase from the company.

In summary, the geographic proximity of customers not only reduces the environmental impact of commercial activities but also contributes to customer loyalty, providing a significant competitive advantage in the market.

To calculate the equivalent CO<sub>2</sub>, the geographic location of the customers, the transportation method used, and the volume transported must be considered. Il Gufo calculated that the average distance traveled in 2023 was 806.83 km, with a total value generated: €2,305,632,104.74.

Through an engineering calculation using an online calculator, Il Gufo has calculated that the amount of CO<sub>2</sub> equivalent expressed in tons is approximately 0,54 TCO<sub>2</sub>.



## Appendix 1 – Stakeholder Engagement Methodology

The creation of the Materiality Matrix and the double materiality analysis is the result of a standardized methodological process. This section describes this process in an objective and systematic manner. During the participatory meeting that involved both internal and external stakeholders to the organization, participants were provided with a dataset consisting of thirty-nine items derived from the preliminary analysis.

This analysis combines the following sources:

- The updated B Impact Assessment, relevant to the organization;
- Interviews with owners and designated representatives;
- Statistical, technical, and scientific sources collected through the analysis of the organizational environment, defined by the PESTEL framework to acquire Political, Economic, Social, Technological, Environmental, and Legal elements. The data included in the set are defined as evidence, meaning observable and/or measurable facts in an objective manner. The selection of these items is aimed at ensuring that the most representative values of the analyzed organizational reality, its territorial context, its reference production sector, and the current economic situation are included. During the evaluation process of the items, the involved stakeholders (both internal and external) have the opportunity to suggest new knowledge elements, which are then stated as evidence, added to the dataset, and evaluated alongside the pre-existing items.

The dataset is then presented to the participants, either synchronously or asynchronously, to acquire subjective evaluations from each participant, aimed at assigning each evaluated item a unique position within a SWOT Matrix (Strengths, Weaknesses, Op-

portunities, Threats).

The SWOT Matrix considers three different criteria:

- External-Internal: Whether the element is determined by external or internal factors.
- Positive-Negative: The effects produced by the element in the organizational context.
- Relevance: The extent of these impacts. This attribution is performed by participants within the Mosaic – Design your Decision web application, by answering six questions for each considered item.

The questions are:

External vs Internal

- Is the described element determined by external or internal factors in the context?

- Will the described element produce greater effects in the future, or has it produced greater effects in the past?

Positive vs Negative

- Is the described element positive or negative?

- Does the described element represent a resource to rely on, or a need/problem to address?

Relevance

- How much does the described element impact the context at an economic level?

- How much does the described element impact the context at an environmental and/or social level? The evaluations are collected using a 15-point Likert scale (from -7 to +7 for External vs Internal and Positive vs Negative, and from 1 to 15 for Relevance). Elements evaluated as Positive and Internal are considered Strengths. Negative Internal elements are



Weaknesses. Positive External elements are Opportunities, and Negative External elements are Threats. For the purposes of the Materiality Analysis, the values assigned to the items are processed using a codified algorithm. Each item evaluated by a participant is converted into an individual raw materiality index by summing the values resulting from the following conversion table:

The algorithm for converting between the SWOT Matrix and the Materiality Matrix can be graphically depicted as shown in the image on the left.

As can be seen, greater value is assigned to items that are polarized either positively or negatively, as well as those that are considered at the boundary between internal and external to the organization. These elements are combined with those of relevance, which carry a nearly double weighting (15 points compared to 8 for the Positive-Negative criterion and 3 for External-Internal).

It is important to note that the last question regarding the usefulness of the analysis was dedicated to acquiring judgments about the economic-financial impacts for the organization related to the specific item evaluated. This element is considered separately when calculating the so-called Double Materiality.

The sum obtained is then multiplied by 100 and divided by the maximum score resulting from the formula:

$2 * \text{Maximum External-Internal value} + 2 * \text{Maximum Positive-Negative value} + 2 * \text{Maximum Relevance value}$ .

In the base setup, this value is 52 ( $23 + 28 + 2 * 15$ ). The algorithm can be adjusted within the designated digital dashboard when there are well-founded analytical reasons to alter the standard assumptions. In this way, the individual materiality value is expressed in percentiles.

The evaluations expressed by both Internal and External Stakeholders are therefore separated and

processed independently in parallel.

Subsequently, for each item considered, and for each subgroup of participants (Internal and External Stakeholders), the following are calculated:

- The average of the individual materiality indices (M).
- The standard deviation of the individual materiality indices (DT).
- The number of participants who evaluated the specific item (U).

Additionally, two standard coefficients are considered (typically, the CR coefficient is valued at 1 and the CD coefficient at 2, but they can be varied transparently based on reasoned analytical grounds):

- Respondent number coefficient (CR)
- Dispersion coefficient (CD)

The final materiality index, separated between internal and external, is then calculated using the following function:

$M + (CR * U) / (1 + CD * DT)$ .

In the case where a single participant has evaluated a specific item, its materiality value will correspond to their individual materiality index. Therefore, the average individual materiality value is adjusted based on the number of users who deemed it relevant to evaluate the item and the dispersion within the sample regarding the ratings given to the item.

As a result, materiality will be higher for items that received more evaluations and lower for those with ratings characterized by greater standard deviation. Coefficients can be used to amplify this adjustment effect.

Through the previous mathematical steps, each item is thus associated with an internal and external materiality value. These values are finally standardized through a statistical procedure known as the Z-score calculation.

The following parameters are considered:

— The materiality score of an item  $xx$  for stakeholders (considered separately for internal or external) ( $X$ ).

— The average of the materiality scores for all items evaluated by the stakeholders (always considered separately) ( $MED$ ).

— The standard deviation of the materiality scores for all items evaluated by the stakeholders (again, separately for internal and external) ( $DEVST$ ).

The formula for calculating the Z-score is as follows:

$$Z = \frac{X - MED}{DEVST}$$

Therefore, the Z-score refers to the number of standard deviations of each data point from the mean, where a Z-score of zero indicates the exact mean. The standardization allows the visualization of the materiality scores of the items within a Cartesian Plane divided into four quadrants, with the origin given by the intersection of the average values for internal and external stakeholders. The values for internal stakeholders are represented on the X-axis (horizontal line), and those for external stakeholders are represented on the Y-axis (vertical line).

— Quadrant 1 (Q1: +;+): Items with positive values (above average) for both internal and external stakeholders are displayed here.

— Quadrant 2 (Q2: +;-): Negative values for external stakeholders (below average) but positive values for internal stakeholders are found in this quadrant.

— Quadrant 3 (Q3: -;-): Negative values for both groups are placed here.

— Quadrant 4 (Q4: -;+): Positive values (above average) for external stakeholders but negative values for internal stakeholders are positioned here.

In the Double Materiality calculation, the procedure described above is replicated separately, considering the values attributed by participants in response to the 6th question only. As mentioned earlier, participants are instructed to assess the relevance of the economic-financial impact generated by the item within the organization during this phase of the evaluation.

The Z-scores for general materiality (the average of internal and external stakeholders) are placed on the X-axis, and the Z-scores for economic-financial materiality (the average between internal and external stakeholders) are placed on the Y-axis. In Q1, the items considered material by both internal and external stakeholders are represented in both general terms (considering Environmental, Social, and Governance aspects) and in economic-financial terms. In conclusion, the entire process of measuring the materiality of the items included in the analysis dataset is carried out in a systematic, analytical, and automated manner. The data collected digitally at the outset, during the evaluation by the stakeholders consulted within the Mosaic – Design your Decision Web Application, is returned in the representation of the Materiality Matrix, without any subjective interpretative interventions or the possibility of manipulation, according to the mathematical and statistical procedure described above. Therefore, the results are repeatable and verifiable by any external observer.

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