2024 Sustainability Report

Inside this Report

Il Gufo evolution

Founded in 1980 in Asolo as an artisanal company specializing in premium childrenswear, Il Gufo has grown over the years into an international group capable of combining creative identity, manufacturing excellence, and entrepreneurial vision.

Today, the Il Gufo world encompasses the management of several brands and complementary projects: the core Il Gufo brand, a benchmark in premium childrenswear; Teddy&Minou, a line dedicated to newborns and infants with a strong focus on organic materials and circularity principles; and the Aspesi Kids license, reflecting the Group's ability to enhance strategic partnerships within the kidswear segment.

Alongside the development of its own brands, the Company continues to embrace new collaborations and special projects, expanding its ecosystem through initiatives aligned with the brand's values and with a contemporary market vision. This dynamic approach strengthens the Group's international positioning and enhances its capacity for innovation. Present in the main European, American, and Asian markets through mono-brand boutiques, digital channels, and selected distribution partnerships with prestigious multi-brand retailers, Il Gufo maintains a strong connection to its Italian roots. The headquarters in Asolo continues to represent the creative and organizational heart of the Company, where tradition, expertise, and innovation come together every day to create products designed to accompany the world of children with quality, beauty, and responsibility.

Letter from the Chairwoman and CEOs

"*We can easily forgive a child who is afraid of the dark; the real tragedy of life is when men are afraid of the light.*" — Plato

We live in a complex time shaped by global uncertainty, economic change, and evolving social awareness. Yet it is precisely in moments like these that the opportunity arises to rethink our role and our impact. In the world of childrenswear, the challenge is even deeper: creating beauty and quality while also protecting the future of those who will inhabit that beauty tomorrow. We have chosen to face complexity as a driver of growth rather than as an obstacle; to respond to change through responsible innovation, transparency, and respect. We believe sustainability is not a destination, but a daily journey made up of concrete choices, consistent actions, and a clear vision: building a kinder, more authentic, and longer-lasting future for new generations. In this same spirit of openness and exploration, nearly a year ago we embarked on a path of experimentation with generative artificial intelligence. Initially driven by curiosity, we progressively expanded its applications, strengthening our trust in these tools while maintaining a transparent and responsible approach toward our community. Technologies applied to a deep understanding of industry dynamics facilitate the processing and synthesis of complex data, improve comprehension of information, and support the consistency of future actions. We therefore look to the future with confidence, convinced that we can continue conveying our message of love and respect for everything created with care — increasingly born from artisanal hands supported by artificial tools, yet always driven by the same creative spirit.

Giovanna, Alessandra & Guido

Methodological note

This document represents the **second** Sustainability Report of Il Gufo and describes the Company's approach, initiatives, and main achievements during the period from January 1, 2024 to December 31, 2024, including comparative data for the previous financial year where available.

Although the Company is not currently subject to the reporting obligations introduced by the Corporate Sustainability Reporting Directive (CSRD), Il Gufo has voluntarily chosen to continue its ESG reporting journey, drawing inspiration from the main European references applicable to SMEs, the contents of the voluntary VSME framework, and the principles of transparency, comparability, relevance, reliability, and verifiability of information.

The preparation of this document involved the Company's main business functions as well as external experts competent in the relevant matters. Quantitative and qualitative data included in the report were collected through administrative, management, and documentary sources available at the time of drafting.

The reporting scope includes, where applicable, Il Gufo S.p.A. and the Group's main subsidiaries. Certain environmental and occupational health and safety indicators specifically refer to the Asolo operating site due to the availability, significance, and representativeness of the data.

During 2024, the Company also updated its double materiality analysis aimed at identifying the most significant positive and negative impacts generated by the organization, as well as the main ESG risks and opportunities potentially capable of influencing the Company's ability to create value over the medium to long term.

Il Gufo has progressively integrated into this document information aligned with the Basic Module of the VSME framework. In addition to the content envisaged by the European voluntary framework, the Company developed specific indicators defined according to the characteristics of its business model, sector, and material topics identified through the analysis process carried out during the year.

The present Sustainability Report forms an integral part of the path undertaken by Il Gufo toward an increasingly responsible development model focused on generating lasting value for stakeholders, local communities, and reference territories.

Further details regarding the adopted methodological criteria, reporting boundaries, and materiality analysis process are provided in the Appendix to this document.

General information and business model

Founded in 1980 in Asolo, Il Gufo is now a benchmark in premium childrenswear. Over time, the Company has built a distinctive market positioning based on manufacturing quality, aesthetic sensitivity, attention to detail, and strong product culture.

Its business model oversees the main stages of the value chain: creative design, collection development, material selection, production coordination, quality control, omnichannel distribution, and customer relationship management.

The Company's international presence, which represents a significant share of total revenue, is developed through mono-brand boutiques, selected wholesale partners, digital platforms, and e-commerce channels. This global reach coexists with centralized governance and a strong Italian identity, rooted in the headquarters in Asolo, which remains the Company's creative, organizational, and values-driven center.

Relationships with long-standing and qualified suppliers represent a strategic element of the Company's business model. Long-term partnerships, high quality standards, and the progressive integration of ESG criteria enable Il Gufo to combine product excellence, operational reliability, and responsible growth.

ESG strategy and double materiality analysis

In 2024, Il Gufo strengthened its path toward integrating sustainability into its business model by adopting an approach aligned with the latest European voluntary reporting references for small and medium-sized enterprises. The Company's ESG strategy is based on the intention to generate long-term value by balancing economic performance, social responsibility, and environmental protection.

For reporting purposes, Il Gufo adopts as reference the European standards developed by EFRAG (European Financial Reporting Advisory Group), progressively aligning its information systems with the principles introduced by the CSRD (Corporate Sustainability Reporting Directive). Material topics represent the environmental, social, governance, and economic issues considered most relevant for both the Company and its stakeholders and constitute the foundation of the sustainability disclosure.

During 2024, the Company further refined its methodological approach by introducing the principle of double materiality, which considers both the impacts the Company has on people and the environment, as well as the sustainability-related risks and opportunities that may affect the organization's performance and value creation over time.

The analysis originally conducted in 2023 with the involvement of internal functions and external stakeholders was updated in 2024 and confirmed the relevance of the identified topics, which remain consistent with the Company's strategic and operational priorities.

Among the priority topics identified are: product quality and durability, responsible supply chain, energy efficiency, circular economy, people development, organizational wellbeing, ethical governance, and relationships with local communities.

Area / Material Topic	Specific Objectives	Actions	Progress Status
GOVERNANCE / Sustainable Supply Chain	Promote a certified, low-emission supply chain	Analyze and classify suppliers	Positioning in the medium-high market segment; strong sensitivity to sustainability issues and presence of certified raw materials
		Develop new supplier selection criteria	Under definition
		Calculate CO_2 emissions across the supply chain	Measurement of emissions generated by inbound transport activities initiated
		Develop a CO_2 reduction plan across the value chain	To be planned
ENVIRONMENT / Material Reuse (Upcycling)	Promote circular economy principles through recycling and reuse projects involving finished products and surplus raw materials	Develop the online outlet section to provide unsold garments with a second life opportunity	Activity initiated
		Revise procurement and material management policies to reduce excess inventory	Purchasing based on sales data; reduction in sales campaign lead times; greater use of internal leftover fabrics
		Develop projects with	In progress

		organizations active in garment reuse, recycling, and regeneration	
ENVIRONMENT / Sustainable Packaging	Promote the use of lower-impact materials throughout the value chain	Replace supplier packaging to reduce plastic packaging materials	To be planned
ENVIRONMENT / Product Durability and Quality	Promote research and development of new materials	Develop a research project for new materials	To be planned
SOCIAL / Wellbeing and People Development	Foster the development of a people management system capable of engaging, attracting, and enhancing talent	Complete the generational transition of key company roles	In progress
		Develop a competency mapping framework	In progress
		Develop a performance evaluation system for all business areas	To be planned
		Develop collaborations with schools and fashion academies for educational projects and talent development	Training activities, company visits, and project work carried out during 2024

Responsible governance

Il Gufo's governance system ensures strategic continuity, rapid decision-making, and protection of the Company's founding values. The Board of Directors maintains an active role in guiding the main industrial, financial, and organizational decisions, including sustainability issues relevant to the medium and long term.

Il Gufo's corporate structure includes a Board of Directors chaired by founder Giovanna Miletti and composed also of Guido Chiavelli and Alessandra Chiavelli.

Name	Role	Appointment Date	Age Range	Gender
Giovanna Miletti	Chairwoman of the Board	25/10/2016	Over 65	F
Guido Chiavelli	Board Member	25/10/2016	50 – 60	M
Alessandra Chiavelli	Board Member	25/10/2016	50 – 60	F

The composition of the Board reflects a significant female presence and managerial continuity consistent with the family-owned nature of the business. Board members possess the expertise and experience necessary to oversee the Company's main ESG matters, supported by an interdisciplinary working group dedicated to sustainability and reporting activities.

Risk management integrates economic, reputational, regulatory, and operational assessments within a market environment characterized by increasing international complexity. In this context, transparency, internal control, and adaptability are essential elements for strengthening resilience and the Company's long-term value creation capacity.

During the reporting period, no substantiated cases of corruption were identified, nor were any fines or convictions for anti-corruption violations recorded against the Company.

The Company promotes conduct based on integrity, transparency and accountability, also through the adoption of a whistleblowing procedure that enables confidential reporting of any non-compliant behaviour.

Sustainable supply chain

The supply chain represents one of Il Gufo's strategic assets. The Company collaborates with a selected network of manufacturing partners and specialized suppliers, prioritizing long-term relationships, geographical proximity, quality reliability, and the sharing of high standards.

In 2024, the Company continued strengthening the traceability and monitoring of its partners, also in light of evolving European regulations concerning product transparency and value chain disclosure. Approximately **80%** of Il Gufo's manufacturing suppliers are already subject to audits required by luxury brands sourcing from the same suppliers.

From an operational perspective, the Company continued optimizing logistics flows, reducing unnecessary transportation activities and improving coordination among the various supply chain actors. This generated benefits in terms of efficiency, lead times, and containment of indirect emissions. The production supply chain involves several countries depending on the specific manufacturing processes required. Transportation methods are selected according to efficiency and delivery timelines.

Over the coming years, Il Gufo intends to continue developing increasingly structured ESG criteria within supplier qualification, onboarding, and evaluation processes.

Environment

Il Gufo's environmental management approach focuses on the issues most relevant to its operating model: energy consumption, greenhouse gas emissions, responsible resource use, packaging, and waste prevention.

Energy, emissions and climate change

In 2024, the Company headquarters continued to benefit from self-generated energy produced through **photovoltaic systems**, while the remaining electricity demand was sourced from certified renewable energy providers. At the same time, efficiency improvement initiatives continued, including LED lighting systems, climate control optimization, and the progressive **digitalization** of administrative and commercial processes.

Overall Scope 1 and Scope 2 emissions improved compared to the previous year, confirming the effectiveness of the initiatives implemented. Water consumption also remained limited and consistent with a business model without direct manufacturing activities.

Energy consumption and energy mix		
Indicator	**2023**	**2024**
Fuel consumption from coal and coal products (MWh)	26,05	23,18
Fuel consumption from crude oil and petroleum products (MWh)	128,77	108,05
Natural gas fuel consumption (MWh)	129,6	115,31
Fuel consumption from other non-renewable sources (MWh)	13,26	11,8
Total energy consumption from fossil sources (MWh)	**297,68**	**258,34**
Share of fossil sources in total consumption (%)	**74,50%**	**74,00%**

Consumption of purchased renewable electricity, heat, steam and cooling (MWh)	101,76	90,54
Self-generated renewable energy without fuel combustion (MWh)	170[1]	170[2]
Total renewable energy consumption (MWh)	**101,8**	**90,5**
Share of renewable sources in total consumption (%)	**25,5%**	**26%**
Total energy consumption (MWh)	**399,44**	**348,88**

[1] Estimated production.
[2] Estimated production. Renewable energy self-generated through photovoltaic systems is reported separately and not included in the calculation of the overall energy mix, in methodological continuity with the previous reporting year.

In 2024, total energy consumption amounted to 348.88 MWh, down **12.7%** compared to 2023. Energy consumption from fossil sources decreased by **13.2%**, reaching 258.34 MWh, while the share of purchased renewable energy rose to 26% of the total energy mix (25.5% in 2023). Self-generated photovoltaic energy remained stable at 170 MWh.

Gross GHG emissions – scope 1, scope 2 and total emissions		
Indicator	**2023**	**2024**
Gross Scope 1 emissions (tCO_2eq)	81,92	79,41
Scope 2 location-based emissions (tCO_2eq)	41,56	36,98
Total location-based GHG emissions (tCO_2eq)	123,49	116,4
Total market-based GHG emissions (tCO_2eq)	81,92	79,41

In 2024, total greenhouse gas emissions (Scope 1 and Scope 2 location-based) amounted to 116.40 tCO_2eq, a reduction of **5.7%** compared to the 123.49 tCO_2eq recorded in 2023. Direct Scope 1 emissions decreased by **3.1%**, from 81.92 to 79.41 tCO_2eq, while indirect Scope 2 location-based emissions declined by **11%**.

Waste management

Il Gufo's waste management approach is closely linked to procurement planning and the reuse of warehouse inventories. During 2024, the Company launched a **mapping process** aimed at reducing waste generated during **prototyping** activities and improving the accuracy of material requirement planning. In the past, procurement decisions were mainly based on forecasts; today, decisions are increasingly supported by more precise and reliable data, enabling more efficient and sustainable resource management.

Among the main actions introduced are the **advancement of sales campaigns**, which allows orders to be consolidated based on finalized data, and the **recovery of leftover fabrics**, resulting in a significant increase in reused materials and a reduction in warehouse stock.

A structured product development system has also been implemented to determine average consumption more accurately by size and model, aligning procurement volumes with actual production needs, also considering the broad range of sizes managed by the Company.

With regard to **direct waste** generation, Il Gufo does not produce significant volumes since it does not carry out direct manufacturing activities. The main waste streams derive from **packaging** and **office activities**: paper represents the predominant waste category and is entrusted to specialized operators for recovery, while plastic waste remains limited thanks to the progressive reduction of single-use materials and the introduction of compostable solutions. Used toner cartridges are managed through certified suppliers that ensure proper disposal and traceability in compliance with applicable regulations.

Water consumption

Water consumption is almost exclusively attributable to civil and service uses at the Company headquarters.

In 2024, total water consumption amounted to 835 m^3, slightly lower than the 864 m^3 recorded in 2023, confirming a stable trend and careful resource management.

Sustainable packaging and logistics

In continuity with the path undertaken in previous years, Il Gufo continues to progressively reduce the use of virgin plastic by prioritizing solutions made from recycled materials and aligned with circular economy principles. To this end, the Company relies on suppliers specialized in packaging produced from 100% recycled plastic.

This commitment translates concretely into the exclusive use of recycled plastic bags for garment shipments and the recovery of part of the hangers, which are returned to suppliers for recycling and reintroduction into the production cycle.

The hangers used originate from a partner committed to developing low environmental impact solutions made from certified recycled materials, bio-polymers from renewable sources, and processes compliant with REACH and Global Recycled Standard requirements.

For certain packaging applications, such as fabric rolls, the use of cellophane remains necessary for hygiene and sanitary reasons.

From a logistics perspective, efficiency-oriented solutions have also been adopted: the first stage of shipments is managed via pallets, while final distribution is entrusted to express couriers. “Hanging garment” shipments remain below 1%, significantly lower than the industry average.

Material re-use (upcycling)

Circular economy

One of the core values guiding Il Gufo’s development and research activities is undoubtedly the attention devoted to the use of **raw materials** — an approach that has always been part of the Company’s identity and that will become even more central in the future.

A significant transformation is expected in the way procurement is managed, without altering the style of the product itself, but rather changing the way collections are conceived and designed.

In this process, the quality of the supply chain — particularly raw materials — represents a key strength, as it allows the Company to preserve the identity of garments while using materials already available in stock, thereby avoiding the purchase of new inventory.

The objective is therefore to foster a corporate mindset capable of enhancing existing resources and positively influencing both creative and industrial approaches, with the aim of closing the loop in a virtuous manner, limiting overproduction and reducing residual stock.

In this respect, the **Teddy & Minou** project represents an effective tool for reusing leftover materials and giving them new value. Approximately one third of the fabrics used for T&M collections are upcycled, while nearly all the remaining materials are certified according to the most widely recognized standards in the sector (including OEKO-TEX® Standard 100, GOTS, REACH, etc.).

The Company plans to increasingly prioritize the reuse of existing stock over the purchase of new raw materials and to strengthen forecasting and planning activities during collection development, with particular attention to aligning production volumes with actual market demand.

Product durability and quality

Certifications and accreditations

Within the childrenswear sector, Il Gufo maintains a stable base of long-term suppliers, mostly local, alongside selected partners for fashion fabrics sourced through specialized operators, combining continuity, innovation, and collection variety.

In 2024, **upcycled, recycled,** and/or **certified** fabrics accounted for **55%** of **total sales volumes.**

Among the main certifications present within the supply chain are OEKO-TEX® Standard 100, REACH, Better Cotton Initiative, and Global Recycled Standard, all contributing to the promotion of quality, safety, traceability, and responsible resource use.

With regard to customers, Il Gufo does not operate a widespread post-purchase survey system; however, it continuously gathers feedback through customer service activities, social media channels, and ongoing dialogue with wholesale partners.

ITALY'S BEST CUSTOMER SERVICE 2025/2026

This relationship-based approach, combined with strong attention to customer experience, contributed to the recognition received in the Corriere della Sera ranking dedicated to the best customer service providers in the apparel sector.

Social

People represent Il Gufo's primary asset. In an organization characterized by a high degree of specialization, expertise, product sensitivity, and continuity of know-how constitute distinctive elements of competitiveness and quality.

During 2024, the Company continued initiatives aimed at promoting organizational wellbeing by encouraging forms of flexibility consistent with specific job roles, work-life balance, direct dialogue, and the quality of professional environments.

In 2024, Il Gufo also launched a structured process for the analysis and development of internal competencies aimed at strengthening employees' professional capabilities and supporting the Company's organizational evolution.

A particularly relevant issue concerns **generational transition** within certain strategic product-related functions, including Pattern Making, Laboratory, and Style Department activities.

The Company manages these transitions gradually and through careful planning, prioritizing internal growth paths and mentoring activities in order to preserve distinctive competencies, operational continuity, and the Company's heritage of know-how.

Wellbeing and people development

In 2024, Il Gufo's total workforce, including Il Gufo S.p.A., Il Gufo Retail S.r.l., and subsidiaries, amounted to **120** employees, of whom 110 were employed under permanent contracts and 10 under fixed-term contracts.

The total workforce shows a slight decrease compared to 2023, when the Company employed **125** people.

The composition of the workforce confirms a predominantly female presence, with 111 women and 9 men, consistent with the nature of the activities performed and the Group's history.

	No. of employees as of 31.12.2024		
	Female	**Male**	**Total**
Il Gufo Retail Srl + subsidiaries	42	0	42
Il Gufo SpA	69	9	78
Grand Total	111	9	120

The table below combines the figures for Il Gufo S.p.A., Il Gufo Retail, and subsidiaries.

Workforce Characteristics	**2024**		
	F	M	TOT
Number of employees	111	9	120
Number of permanent employees	102	8	110
Number of fixed-term employees	9	1	10

Additional information regarding employee health and safety is provided in the Social Appendix.

Community

During 2024, Il Gufo continued its commitment to local communities through initiatives focused on education, social inclusion, and the promotion of more responsible consumption models.

The Company sees its role not only as a business enterprise, but also as an active contributor capable of generating cultural and social value within the territories and communities in which it operates.

One of the Company's main areas of intervention concerns support for younger generations and fashion education. In this context, the collaboration with **IUAD Fashion Academy**, initiated at the end of 2023 and developed throughout 2024, involved Fashion Design students in the creation of a capsule collection inspired by Il Gufo's Spring/Summer 2025 collection. The project included direct interaction with the Company, visits to the headquarters and Milan showroom, and provided participants with practical exposure to the brand's creative and commercial processes.

A similar educational purpose characterized the meeting hosted at the Milan showroom with students from **Ferrari Fashion School**, who had the opportunity to gain insight into the operation of a childrenswear showroom and to understand the various stages of collection development, from materials selection and product construction to commercial activities.

The Company’s commitment to social sustainability and circular economy principles was also expressed through the strengthening of its collaboration with **La Stanza dei Vestiti**, a project dedicated to the reuse of high-quality childrenswear garments and the support of charitable initiatives for children. Through this partnership, Il Gufo participated in **Convivio** in 2024 and organized four charitable pop-up events, donating the proceeds to Fondazione Theodora, which supports hospitalized children in Italian hospitals.

From a circular perspective, the collaboration with **RE3** also continued, allowing customers of mono-brand boutiques in Milan and Rome to return used garments for reuse, resale, or regeneration into secondary raw materials through a transparent and traceable system.

Finally, in November 2024, Il Gufo hosted a special event at its Paris boutique in collaboration with Alice Cheron, founder of **Les Fugues Italiennes**, a community dedicated to promoting Italian culture, craftsmanship and lifestyle. The initiative created an opportunity to engage with an international audience and share the company’s heritage, values and vision. During the event, Alessandra Chiavelli highlighted the company journey from a family-run artisan business to an internationally recognized brand, emphasizing the importance of creativity, quality, authenticity and emotional connection. The discussion also celebrated the role of women as drivers of cultural and social change, fostering an inspiring exchange of ideas among participants. The event reinforced Il Gufo’s commitment to preserving and promoting Italian craftsmanship, supporting female empowerment, and building meaningful relationships with communities through shared values of creativity, care and responsibility.

2025-2030 Roadmap

Medium-term strategic priorities

Looking ahead to the coming years, Il Gufo intends to focus its efforts on several key strategic priorities:

1. strengthening **ESG** criteria throughout the **supply chain**;

2. progressively increasing the share of **certified** and **recycled** materials;

3. further **reducing surplus inventory** and waste;

4. developing advanced **people management** tools;

5. consolidating **ESG measurement** and monitoring systems;

6. responsibly integrating **digital technologies** and **artificial intelligence**;

7. continuously improving **energy efficiency** and operational resilience.

Conclusions

The year 2024 confirms Il Gufo's ability to combine **manufacturing heritage**, organizational **innovation**, and **corporate responsibility**, in line with the expectations of a market that is increasingly attentive to responsible quality.

For the Company, sustainability represents a concrete way of doing business: creating **durable** products, valuing people, fostering fair relationships throughout the supply chain, and investing in the future with a long-term perspective.

On these foundations, Il Gufo will continue its evolutionary journey with measured ambition, a strong identity, and a long-term vision.

Appendix

Methodology

Il Gufo's Sustainability Report is currently prepared on a voluntary basis. The Company closely monitors the evolution of European Directive 2022/2464 (Corporate Sustainability Reporting Directive – CSRD) and the related European Sustainability Reporting Standards (ESRS), including the regulatory developments introduced by the so-called "Omnibus" package and the simplifications envisaged for small and medium-sized enterprises.

Within this context, the VSME ESRS (Voluntary Sustainability Reporting Standards for SMEs) represent a voluntary reference framework designed to support companies in:

- *contributing to the development of a more sustainable and inclusive economy;*
- *improving the management of ESG matters, competitiveness, and resilience in the short, medium, and long term;*
- *facilitating access to credit and capital;*
- *providing information requested by value chain actors subject to CSRD obligations.*

In this document, Il Gufo has progressively integrated information aligned with the Basic Module of the VSME ESRS. In addition to the content envisaged by the European voluntary framework, the Company conducted a double materiality analysis based on data and information relevant to its internal and external context and developed specific indicators for material topics not directly represented by standard European indicators.

In particular, Il Gufo reported information related to the following disclosures of the VSME Basic Module:

- *VSME B3 – Energy and greenhouse gas emissions;*
- *VSME B6 – Water;*
- *VSME B7 – Resource use, circular economy and waste management;*
- *VSME B8 – Workforce – General characteristics;*
- *VSME B9 – Workforce – Health and safety;*
- *VSME B10 – Workforce – Remuneration, collective bargaining and training;*
- *VSME B11 – Convictions and fines for corruption and bribery.*

The following disclosures were not reported:

- *VSME B4 – Pollution of air, water and soil;*
- *VSME B5 – Biodiversity;*

This document confirms Il Gufo's commitment to developing a rigorous and credible reporting process aimed at strengthening the internal organizational culture and the systems used to measure and communicate the economic, social, and environmental value generated for stakeholders, local communities, and reference territories.

In order to provide a representation that is as accurate as possible of business management and related ESG impacts, the Company has:

- *applied internationally recognized reporting principles;*
- *collected quantitative and qualitative data relating to its operational and organizational context;*
- *identified and reported the material topics emerging from the double materiality analysis.*

To ensure comparability over time, 2024 data have been compared, where possible, with those of the previous reporting year. Where informational or methodological limitations existed, estimates based on the best methodologies available at the reporting date were used. The reporting scope coincides, where applicable, with that of the Company's statutory financial statements. The reporting frequency is annual, and this Sustainability Report refers to the financial year from January 1, 2024 to December 31, 2024, with comparative data relating to the 2023 financial year. It should also be noted that:

- *workforce data include Il Gufo S.p.A., Il Gufo Retail, and the main subsidiaries and are reported as headcount or FTE at the end of the reporting period;*
- *occupational health and safety indicators and accident-related data refer to the Asolo operating site (Treviso);*
- *waste production and management data refer to the Asolo site (Treviso).*

The VSME content index included at the end of the document provides an overview of the disclosures considered and the related reference pages. The reported performance indicators are consistent with the identified material topics, the Company's business model, and the economic, environmental, and social impacts generated by its activities. For details regarding the methodology adopted to identify material topics, please refer to the chapter dedicated to the double materiality analysis. For a detailed description of the activities carried out and medium- to long-term improvement objectives, please refer to the chapters dedicated to the individual material topics.

Double Materiality Analysis

The materiality analysis is the process that helps a company determine which topics are material (relevant) both to stakeholders and in terms of the Company's impacts, with the objective of guiding decision-making processes, strategic planning, and corporate reporting. The creation of the Materiality Matrix is the result of a structured methodological process. This section objectively and systematically describes that process. During the participatory meeting involving both internal and external stakeholders, participants were presented with a dataset derived from a preliminary analysis.

This analysis combines the following sources:

- *the updated B Impact Assessment relating to the organization;*
- *interviews with company owners and designated representatives;*
- *statistical, technical, and scientific sources collected through a PESTEL analysis framework designed to gather Political, Economic, Social, Technological, Environmental, and Legal elements.*

The data included in the dataset can be defined as evidence, namely facts that are objectively observable and/or measurable. Their selection is intended to ensure the inclusion of the most representative values relating to the organizational reality analyzed, its territorial context, the relevant production sector, and the economic scenario considered. During the evaluation process, participating stakeholders (both internal and external) may identify additional elements of knowledge, which are formulated as evidence, incorporated into the dataset, and evaluated alongside the pre-existing items. The dataset is then submitted to participants, either synchronously or asynchronously, in order to collect subjective evaluations from each participant and assign each item a specific position within a SWOT Matrix (Strengths, Weaknesses, Opportunities, Threats).

The SWOT Matrix considers three distinct criteria:

- *External vs. Internal, meaning whether the element is exogenous or endogenous;*
- *Positive vs. Negative, referring to the effects generated by the element within the organizational context;*
- *Relevance, meaning the magnitude of those impacts.*

This assessment is carried out by participants within the Mosaic – Design your Decision web application by answering six questions for each item considered. The questions are:

External vs Internal

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

- *To what extent does the described element economically impact the context?*

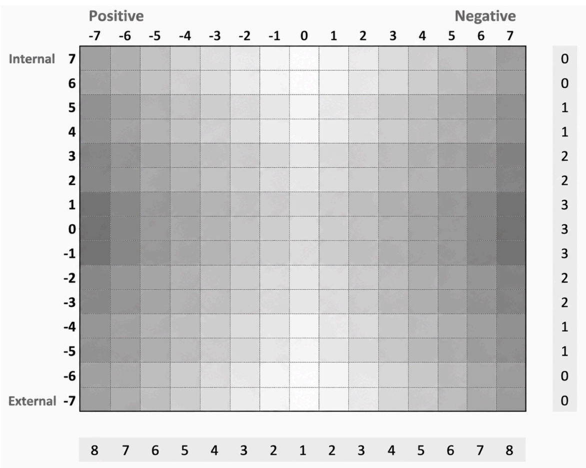
- *To what extent does the described element impact the environmental and/or social context?*

Evaluations are collected using a 15-point Likert scale (from -7 to +7 for External vs. Internal and Positive vs. Negative criteria, and from 1 to 15 for Relevance). Items evaluated as Positive and Internal are considered Strengths. Negative Internal items are considered Weaknesses. Positive External elements are Opportunities, while Negative External elements are Threats. For the purposes of the Materiality Analysis, the values assigned to items are processed according to a codified algorithm. Each item evaluated by a participant is converted into an individual raw materiality index by summing the values resulting from the related conversion table.

External													Internal
-7	**-6**	**-5**	**-4**	**-3**	**-2**	**-1**	**0**	**1**	**2**	**3**	**4**	**5**	**6**
0	0	1	1	2	2	3	3	3	2	2	1	1	0

Positive													Negative
-7	**-6**	**-5**	**-4**	**-3**	**-2**	**-1**	**0**	**1**	**2**	**3**	**4**	**5**	**7**
8	7	6	5	4	3	2	1	2	3	4	5	6	8

Irrelevant													Relevant
1	**2**	**3**	**4**	**5**	**6**	**7**	**8**	**9**	**10**	**11**	**12**	**13**	**15**
1	2	3	4	5	6	7	8	9	10	11	12	14	15



The conversion algorithm between the SWOT Matrix and the Materiality Matrix can also be graphically represented. As can be observed, greater weight is assigned to highly polarized positive or negative values and to those considered at the boundary between internal and external organizational dimensions.

These elements are integrated with relevance values, which carry nearly double the weighting value (15 points compared to 8 for the positive-negative criterion and 3 for the external-internal criterion).

It is important to note that the final question concerning analytical usefulness was specifically dedicated, during the survey phase, to collecting assessments regarding the economic-financial impacts generated for the organization by the evaluated item. This element is considered separately during the calculation of so-called Double Materiality.

The resulting sum is multiplied by 100 and divided by the maximum score obtainable through the following formula:2 × Maximum External-Internal value + 2 × Maximum Positive-Negative value + 2 × Maximum Relevance value. Under the standard configuration, this value equals 52 (2×3 + 2×8 + 2×15). The algorithm may be modified within the dedicated digital dashboard whenever analytical reasons justify altering the standard assumptions. In this way, the individual materiality value is expressed in percentiles. The evaluations expressed by Internal and External Stakeholders are then separated and processed independently. Subsequently, for each item and for each subgroup of participants (Internal and External Stakeholders), the following are calculated:

- *Average individual materiality index (M);*
- *Standard deviation of individual materiality indices (SD);*
- *Number of participants who evaluated the specific item (U).*

Two standard coefficients are also considered (typically coefficient CR equals 1 and coefficient CD equals 2, although they may be transparently modified for analytical reasons):

- *Respondent numerosity coefficient (CR);*
- *Dispersion coefficient (CD).*

The final materiality index, calculated separately for internal and external stakeholders, is determined using the following function:

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

Where only one participant evaluated a specific item, its materiality value corresponds to the participant's individual materiality index. Therefore, the average individual materiality value is adjusted according to both the number of respondents who evaluated the item and the degree of dispersion within the sample regarding evaluations assigned to the item. As a result, materiality increases for items receiving a higher number of evaluations and decreases for items characterized by greater standard deviation. The coefficients may be used to amplify this adjustment effect. Through the above mathematical procedures, each item is associated with an internal and external materiality value. These values are then standardized through a statistical process known as Z-score calculation. The following are considered:

- *the materiality score of a given item x for stakeholders (internal or external considered separately) (X);*
- *the average materiality score for all items evaluated by stakeholders (MED);*
- *the standard deviation of the materiality scores for all evaluated items (SD).*

The Z-score formula is therefore:

(X – MED) / SD

Accordingly, the Z-score represents the number of standard deviations by which a data value differs from the mean, where a Z-score equal to zero indicates the exact average.

Social appendix

Health and safety, collective bargaining and compensation

Il Gufo is committed to protecting workers' health and safety in every circumstance, despite operating in a context without manufacturing activities and involving only sample-making and prototyping tasks, while most employees perform office-based functions. Considering the nature of the activities carried out, health and safety risks remain limited and constantly monitored. During 2024, the Company conducted a work-related stress assessment, the results of which remained within normal levels, confirming a healthy and psychosocially controlled working environment. The Company also updated all documentation relating to workplace safety, including layouts, the organizational safety structure, and all compliance obligations required under applicable regulations. Il Gufo also maintains a constantly updated training schedule regarding occupational health and safety, managed in collaboration with the Head of Prevention and Protection Service (RSPP). Health surveillance activities are regularly carried out, and all mandatory medical examinations have been properly completed. With a view to continuous improvement and the promotion of a widespread safety culture, each year Il Gufo undertakes initiatives aimed at strengthening employee wellbeing. As evidence of this commitment, during 2024 interventions were implemented to optimize office workstations, particularly with regard to lighting conditions and wall colors, with the objective of creating a more comfortable and stimulating work environment.

Health and safety metrics	***2023***	***2024***
Percentage of own workforce covered by the Company's health and safety management system based on legal requirements and/or recognized standards or guidelines	*100%*	*100%*
Number of fatalities resulting from work-related injuries and illnesses	*0*	*0*
Number and rate of recordable work-related injuries	*0*	*0*
Number of recordable work-related illness cases	*0*	*0*

During 2024, Il Gufo launched a structured process for the analysis and development of internal competencies with the aim of strengthening employee professional capabilities and supporting the ongoing organizational evolution within the Company. The process began with a competency mapping initiative initially focused on the commercial and administrative areas, using distinct yet complementary approaches, and is expected to be completed by 2026. With regard to the commercial area, the initiative aimed primarily at gathering in-depth information on the functioning of the department and identifying opportunities for improvement in terms of performance and organizational structure. The activity was carried out with the support of an external consultant who worked alongside the team through interviews and direct on-site observation activities. This initiative forms part of a broader reorganization process intended to make the commercial structure more effective and aligned with the Company's growth objectives. A different approach was adopted for the administrative area, where the competency mapping highlighted the need to strengthen certain basic accounting skills. In response to this need, a dedicated training program was launched in collaboration with an external lecturer in order to enhance the technical competencies of the workforce involved. The training plan was designed to *ensure a tangible improvement in competencies and respond to concrete operational needs emerging from employees' day-to-day activities. These two initiatives reflect the Company's intention to respond effectively to the specific characteristics of its different business functions, with the objective of progressively extending competency mapping activities to other company areas as well. In addition to mandatory training, 22 hours of training were delivered during 2024 involving 12 female employees of Il Gufo S.p.A.*

VSME disclosure index

The table below provides a cross-reference between the disclosures included in the VSME Basic Module and the corresponding sections of this Sustainability Report.

Additional Company-Specific Indicators

Topic	***Indicator***	***Report Section***	***Page***
Circular Economy	*Share of upcycled materials used in Teddy & Minou collections*	*Circular Economy*	*12*
Sustainable Materials	*Share of certified, recycled and/or upcycled fabrics on total sales volumes*	*Certifications and Accreditations*	*13*
Renewable Energy	*Photovoltaic energy self-generated*	*Energy, Emissions and Climate Change*	*9*
Community	*Educational and social initiatives*	*Community*	*15*
Supply Chain	*Supplier traceability and ESG integration activities*	*Sustainable Supply Chain*	*8*

The Company reports the disclosures included in the VSME Basic Module that are considered relevant to the characteristics of its business model and to the material topics identified through the double materiality assessment. Disclosures B4 (Pollution) and B5 (Biodiversity) are not currently reported, as they are not considered material in relation to the nature and scale of the Company's activities.