An aerial photograph of a dense, vibrant green forest. A clear, blue river winds through the center of the forest, creating a natural path. The sunlight filters through the trees, creating a dappled light effect on the canopy. The overall scene is peaceful and natural.

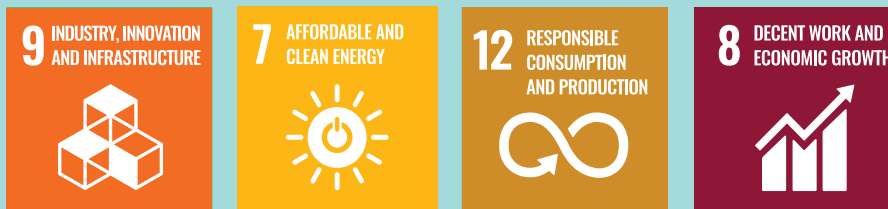
**SUSTAINABILITY
REPORT
2023**

Gommaterx

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To make the integration between corporate objectives and the Sustainable Development Goals (SDGs) more effective, we have identified the Sustainable Development objectives that are most impacted by our activities. 4 “Priority Goals” emerged, the 4 main SDGs directly connected to the corporate objectives that we are committed to developing in our business strategy and in every sustainability program.



LETTER TO STAKEHOLDERS

Dear readers,

It is with great pleasure and pride that we present to you 2023 Gommatex sustainability report.

This report describes Gommatex's activity, and the results achieved in 2023, illustrating with utmost transparency our commitment in the field of environmental, social sustainability and governance. Our commitment reflects in our endeavour to respect and enhance our entire production chain and human capital, which is an integral part of it, not to mention our focus on the protection and safeguard of the environment. This represents a further step towards our vision of sustainability and is in line with what provided for by the European directive which aims to define a new operational paradigm for the textile sector.

Since 2016, Gommatex has been focusing on integrating sustainability into its business model as a growth strategy until it finally became the guiding star that directed, directs, and will direct sustainable development in the future.

Here we want to underline the three most important topic of the year:

Increasingly sustainable production: to achieve such complex objectives, we think it is not enough to “reinvent” the production of products designed decades earlier with “traditional” industrial methods, but it is necessary to design and put into production new products that have long-term sustainability among their implementation specifications.

Energy efficiency: we have implemented various initiatives in the field of energy efficiency since our aim is to carry out a significant reduction in tCO₂-eq emitted compared to traditional production.

Structured governance: we have implemented a system of structures, bodies and governance mechanisms capable of regulating and directing the decision-making process towards sustainability issues.

Gommatex is willing to stand out as the spokesperson for sustainable culture while remaining faithful to its role as key player in the Made in Tuscany luxury sector for all our customers and suppliers.

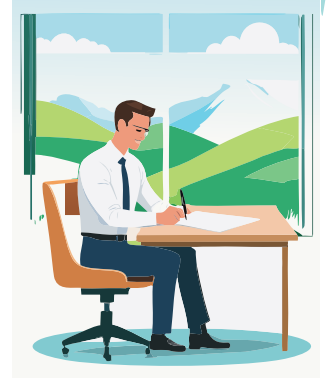
Gommatex ESG Committee

Green innovation enabling sustainability is at the core of the company's strategy

Recycled and bio-based materials that respect international certification schemes such as GOTS (Global Organic Textile Standard) and GRS (Global Recycle Standard)

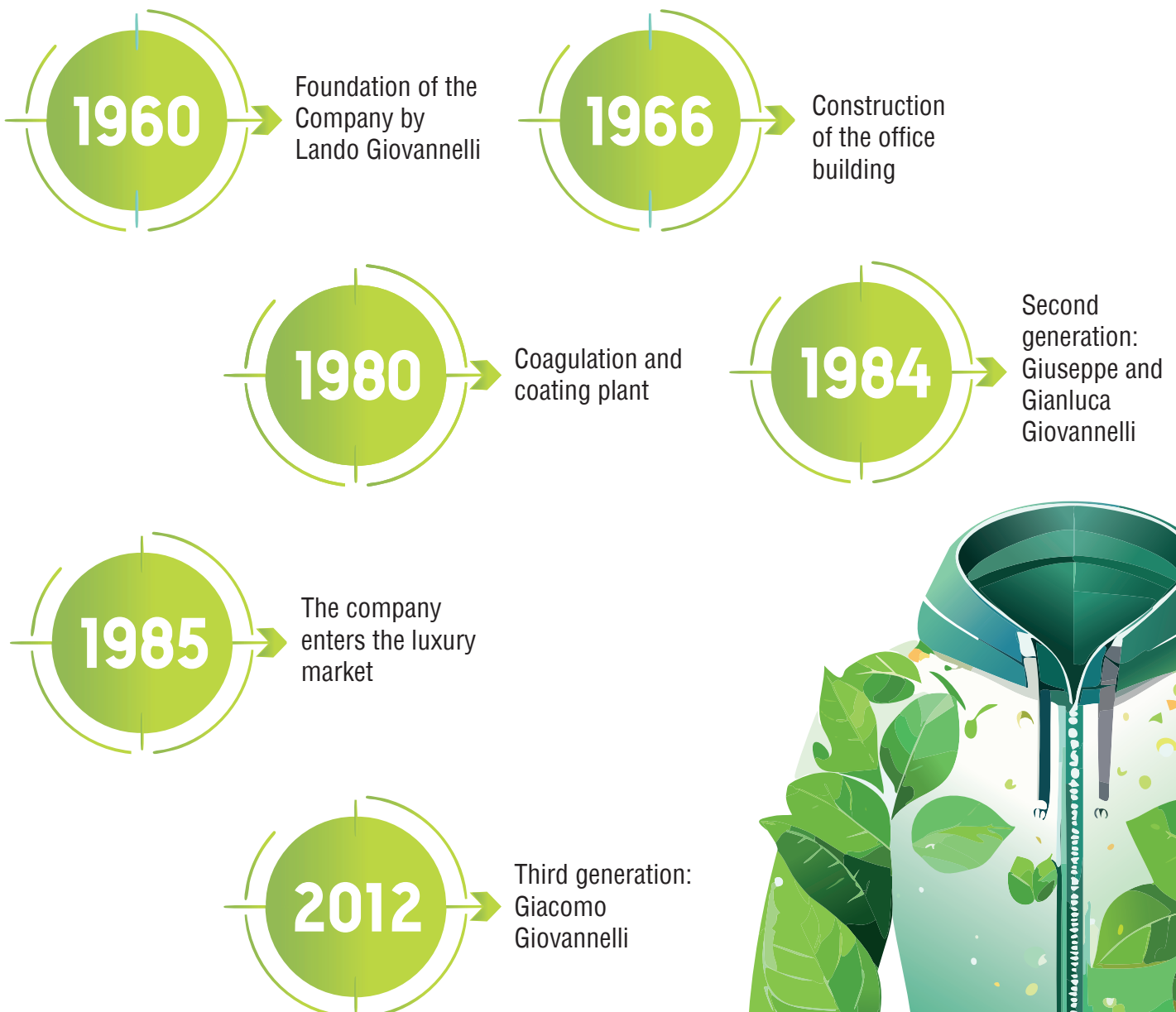
100% of electricity demand is met by renewable energy, produced by the photovoltaic plant and sourced from external providers

An ESG Committee is in charge to address ESG risks and opportunities of the core business



OUR HISTORY, OUR PATH

Gommatex was founded in 1960 by Lando Giovannelli, a simple man with visionary ideas. Thanks to his audacity, dedication, and the aid of a close-knit team, he was able to create a unique reality in the sector of fabrics and coated fabrics. Over the years, by adapting to the continuous demands of the market, the company has been growing exponentially, and stands today alongside prestigious national and international brands. Gommatex has always strived to involve industrial partners with a view to designing and developing increasingly specific and performing products, thus increasing the added value of its finished items. The ongoing search for improvement and attention to sustainability dynamics has allowed the company to constantly deliver innovative products having the least impact on the environment.



SUSTAINABLE GROWTH AS A GOAL

Gommatex has been committed all along to growing and improving social, energy, environmental and economic conditions for both the company and the surrounding communities.

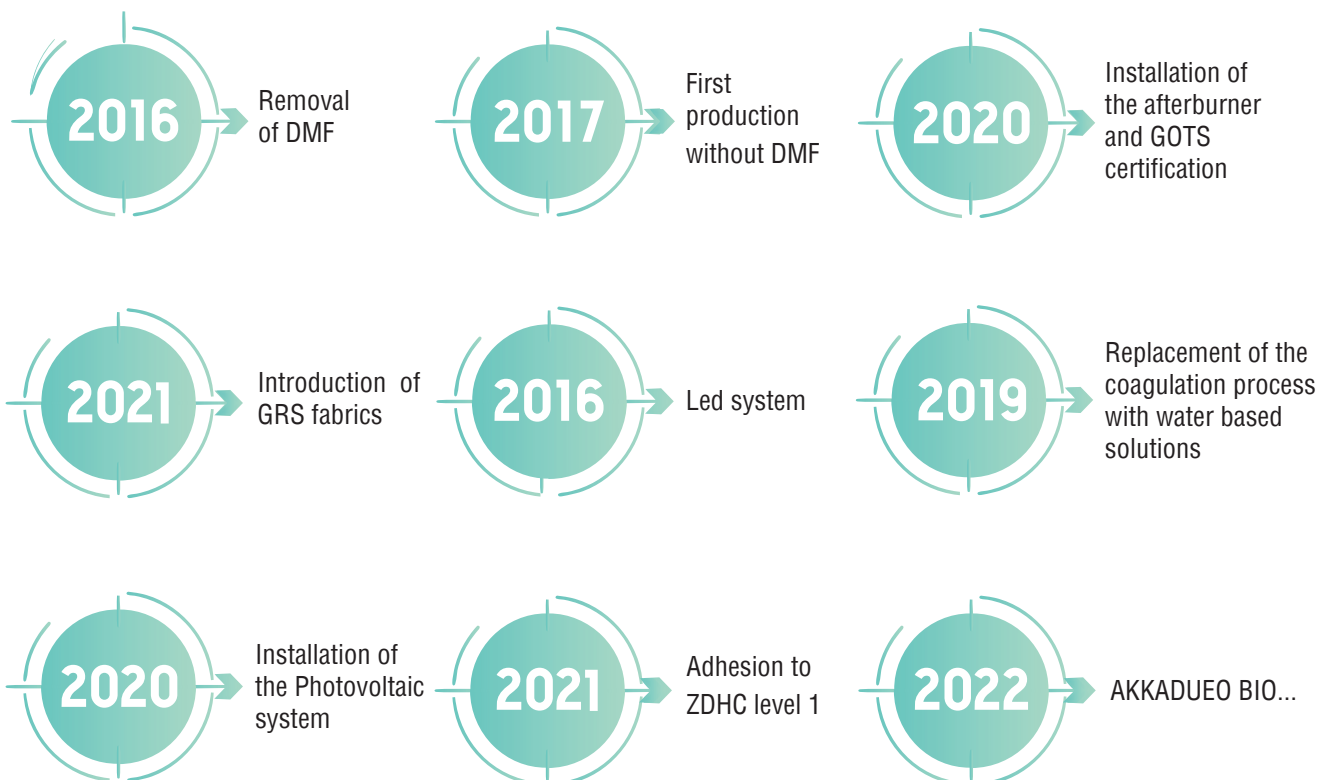
This came as a result of following and contribute to the UN Sustainable Development Goals and pursuing more sustainable solutions for our production processes, while attaching great importance to our environmental impact.

In 2015, Gommatex began experimenting innovative and unique solutions, including replacing the key solvent of polyurethane, known as DMF, with a sustainable alternative. In 2016, it created an innovative product called AKKADUEO consisting in a coagulated and coated fabric in water-based PU, which was immediately launched on the market with great impetus. Unique of its kind, AKKADUEO was able to immediately respond to our customers' demand for quality and began to establish itself as a valid substitute for traditional polyurethane.

Thus, AKKADUEO represents a milestone on which Gommatex have developed further product and process evolutions, driven by a single, genuine goal, i.e. SUSTAINABILITY.

At the same time, the introduction of the afterburner and the photovoltaic system into the production processes has enabled the company to become less and less dependent on fossil fuels.

But Gommatex did not stop here; the next step entailed working with recycled, bio-based raw materials...



AKKADUEO BIO

Patent pending

Gommatex took the next leap forward towards sustainability by adopting a unique technology both in Italy and in Europe for water-based coagulation processes.

The company places on the market an innovative product/process combination as an alternative to the typical coagulated fabrics coated in DMF (an SVHC substance) which today represent the most widespread way to create synthetic articles for Leather goods.

What is it about?

The innovative product named “AKKADUEO BIO” is made with fibers from organic crops and recycled fibers that involves a water-based coagulation process rigorously achieved using bio-based polyurethanes from renewable sources having GOTS (Global Organic Textile Standards) and BlueSign certifications.

The processing stages see the use of polyurethane products immersed in a hydro alcoholic solution with chemical compounds, completely SVHC-free and containing a proportion of polyurethane, likewise BIOBASED.

The technology used for developing “AKKADUEO BIO” was designed to minimize the impact on the resources used in order to reduce energy, water, and natural gas consumption.

The following reactions are certified by Bureau Veritas with respect to previous production.

	Unit of measurement	Traditional process with DMF	AkkadueO BIO process	Δ%
Electric power	Kw/day	1641.6	858.4	- 47%
Water consumption	Lt/mt produced	11.148	2.838	- 75%
Thermal power consumption	Nm3/mt produced	1.4	0.017	- 98%
Emission air flow rate	Nm3/hour	59000	16000	- 73%
CO2 generated	gr/hour	37.3	26.8	- 28%

In particular, “AKKADUEO”:

- does not contain any SVHC substances (especially DMF) and Toluene, thus significantly improving a healthy work environment;



- the electric power used comes from renewable sources and water usage is reduced compared to traditional coagulation processes;
- CO₂ emissions are minimized compared to traditional production processes and, last but not least, it is made using ANIMAL- FREE products.

AKKADUEO BIO is able to respond brilliantly to the required techniques for leather goods, RTW and shoes with the advantage of BEING a product free of harmful substances and ensuring a more sustainable and safer production area, also in term of outputs.

If the market requires, the percentage of biological matrix can be increased through the introduction of vegetable fillers of various origins (cactus, oranges, bamboo...etc) without altering the physical characteristics of the product.

AKKADUEO BIO is the new frontier to traditional coated and coagulated materials that embrace a broader sustainability approach.



AKKADUEO BIODEEP

Patent pending

Based on the experience gained in the creation of the AKKADUEO range of articles, over time Gommatex have set itself a new challenge: to create a completely sustainable article which, due to its product characteristics, can be used to replace PVC (polyvinyl chloride) retaining its technical characteristics.

What is it about?

AKKADUEO BIODEEP is produced in water-based polyurethane free of SVHC substances, created to obtain soft articles with significant thicknesses and specific density. BIODEEP combines the advantages of using polyurethane (chemical stability and resistance to hydrolysis) with the density and consistency that only PVC could offer, until now.

If the market requires it, the percentage of biological matrix can be increased through the introduction of vegetable fillers of various origins (cactus, oranges, bamboo...etc...) without altering the physical characteristics of the product.

Some customers who are historically tied to the PVC polymer due to its density and model construction can thus find a new alternative on which to base their collections.

In addition to this, the BIODEEP formulation contains no vinyl chlorinated substances and phthalates; fully responds to REACH limitations. Vinyl chlorinated substances, if disposed of incorrectly, can cause the formation of dioxin, this is not possible with BIODEEP.

From the careful choice of the components with which it is made, BIODEEP ensures high resistance to hydrolysis and aging as well as excellent resistance to light, high thicknesses with a gentle hand. Moreover it is stable to temperature variations unlike PVC articles and has excellent elasticity and softness.

BIODEEP is VEGAN certified as well as progressive level ZDHC.

Gommatex with BIODEEP places on the market a sustainable and high-performance alternative to PVC.



OUR ENERGY EFFICIENCY ACTIONS

Speaking of energy sustainability, Gommatex attach the utmost importance to the surrounding environment and strive to safeguard it in all possible ways, not just by focusing on analyzing consumption patterns, but always trying to identify potential solutions to make the most of the energy available, reduce its usage and research sustainable alternative sources.

The intention is to reach a level of sustainable development that is able to meet the needs and demands of the present generation without compromising on the opportunity for future generations to achieve their own needs.

Of course the growth path could not overlook the continuous search for innovative materials with an increasingly lower environmental impact.

Besides encouraging sustainable behaviour to help reduce carbon emissions, the Company has chosen to travel the path of sustainable growth to reduce carbon dioxide emissions to a minimum. To this end, it is currently defining a plan to further reduce carbon emissions over the next few years.

Major investments made in this perspective include:

- Energy efficiency
- Water efficiency
- Emissions abatement



-236,8 tons of CO₂
equivalent less thanks
to the energy produced
by a photovoltaic system

-95%
of the annual energy
consumption prior
to inclusion



Over the years, Gommatex Spalmati srl has been introducing technologies capable of constantly reducing the impact on its production processes caused by electric power drawn from the grid, whether electrical or thermal.

The two main technologies introduced are the photovoltaic system and the afterburner.

Our 500kW photovoltaic system is installed on the roofs of our factory building. It yields over 500,000 kWh of power per year with almost zero carbon impact. It affects the reduction of the carbon footprint by 237 tons of CO₂ equivalent per year.

The afterburner, instead, comprises an heat engine designed to keep the temperature of the industrial process's constant and it's capable of recovering heat for all industrial processes in the company by burning the hydroalcoholic solutions present in the coating compounds.

There was specifically developed with the suppliers a burnable solvent for PU's compounds to be used in the coating process with high-calorific value to maximize the energy created.

This translates into a significant reduction in annual methane consumption, approximately 95% less before its introduction.

Gommatex is also fully aware of the increased water risks associated with the climate crisis and as such, it makes every effort to increase our resilience and accountability in this respect.



With this in mind, the Company not only analyses how much CO₂ is emitted by the company, but also how much of it is emitted by the employees commuting to work and it has effectively stimulated car sharing activity among employees of the same departments.



Besides this, Gommatex has already identified several sustainable approaches for the near future aimed at reducing the carbon footprint without delay.

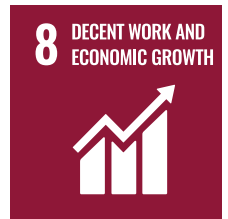
These include among others:

- Upgrade to a higher efficiency boiler. A new boiler with a higher energy efficiency index compared to the one currently in use.
- Introduction of an automatic temperature regulation system for our ovens. This involves the insertion of an automatism to regulate the temperature of our ovens (currently managed by hand) to optimize the coating process in terms of heat consumption.
- Voltage stabilizer. This enables optimizing the power supplied to the entire plant, resulting in significant energy savings.

OUR COMMITMENT TO THE SOCIETY

Human capital is a fundamental asset for Gommatex. It recognizes the importance of the contribution of its employees and base our daily relationship on mutual trust and transparency.

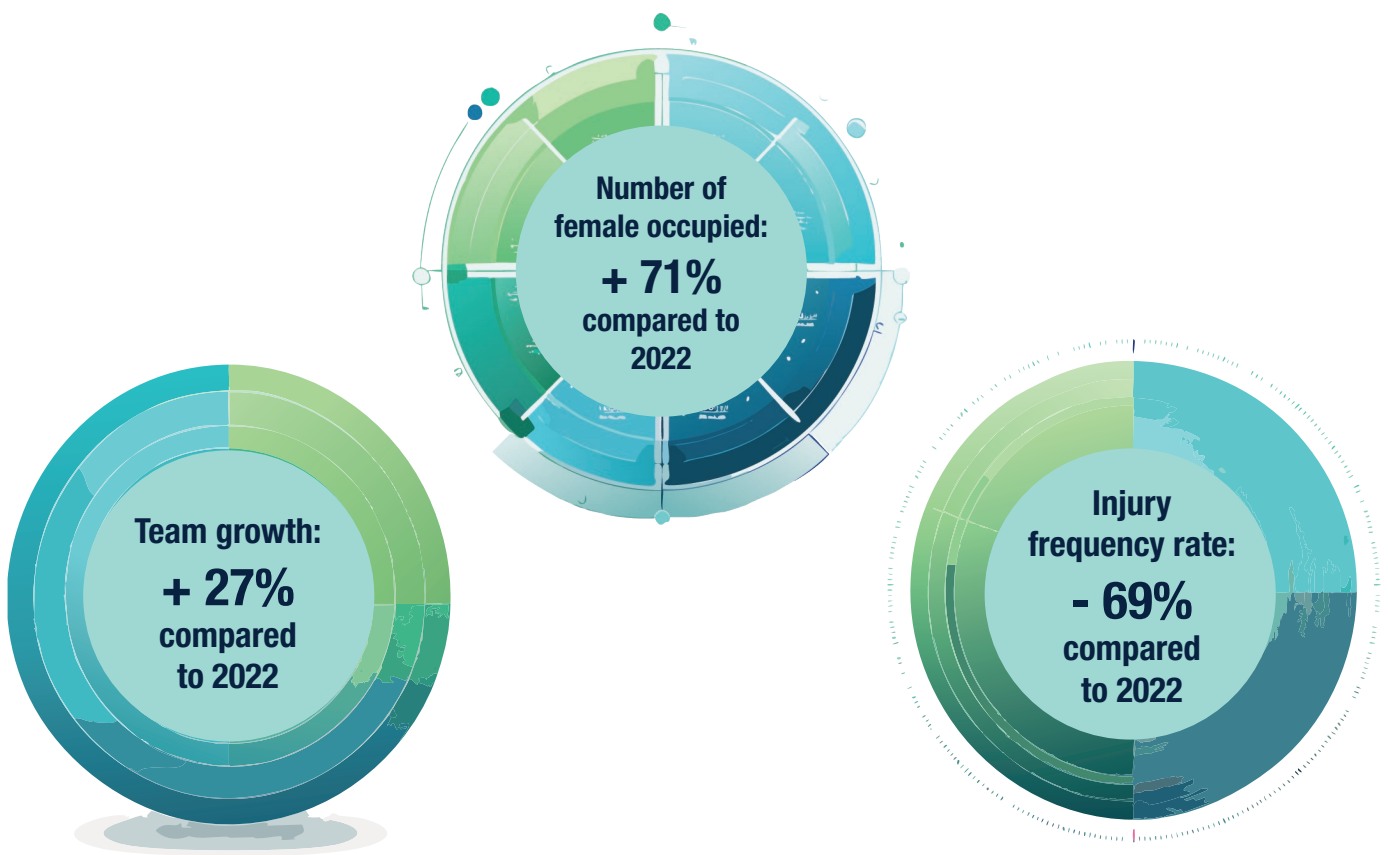
We make sure all our employees have equal rights, proportionate working hours and adequate wages to ensure dignity of labour, and put into place every measure aimed at protecting the health of our workers.



Over the course of the year, the company proceeded with a significant structural organization of with widespread managerialisation to ensure the important strategic targets tha Gommatex has set for future years.

The start of internal weaving led to a further strengthening of the workforce. All this was also accompanied by a focus on continuing to reduce the gender gap and the number of women occupied grew by a significant +71% compared to 2022.

Over the last few years Gommatex has placed an important focus on all the training related to health and safety. This important effort carried out helped the Company reduce by a third the Injury Frequency Rate.



OUR RESPONSIBLE MANAGEMENT

During the year the Company established a governance structure that outlines the strategy and the corporate sustainability policy and guide the action in pursuing the “sustainable development”, and therefore in the creation of value in the long term for the benefit of all stakeholders relevant to the Company (the “ESG Strategy”).

The role of ESG Manager Director is assigned to the CEO supported by two ESG managers to ensure (i) the proper definition of the proposed ESG Strategy, (ii) promote, coordinate and monitor the operational activities for the implementation of the ESG Strategy in collaboration with the competent individual Process Owners and (iii) measure the company performance gradually obtained in the application of the ESG Strategies, reporting the results



KEY PERFORMANCE INDICATORS

Environment	KPI	Unit	31/12/2023	31/12/2022
Biodiversity	Operational sites located within or adjacent to protected areas that are affected	description	No	No
Total energy consumption	Total energy consumed	GJ	10,732	<i>n.a.</i>
	Energy intensity	GJ/hour worked	0.145	0.242
	Electricity that is purchased as produced from renewable sources (covered by GoOs)	%	67%	66%
	Electricity that is self generated from renewable sources	%	33%	34%
	Electricity consumed purchased/self-generated from renewable sources	%	100%	100%
	Total energy consumed from renewable sources	%	46%	36%
Emissions	Total GHG emissions (Scope 1 and Scope 2 market based)	t CO2e	330	597
	Carbon intensity (Scope 1 and Scope 2 market based)	kg CO2e/hour	4.48	8.9018
Waste	Waste intensity (excluding waste for reuse/recycling/recovery)	kg/hour worked	3.56	4.06
Society	KPI	Unit	31/12/2023	31/12/2022
Workforce	Employees	Headcount	47	37
	Women employed	%	26%	19%
Employee health and safety	Work-related injuries	n.	1	3
	Fatalitiess due to work-related injuries and diseased	n.	0	0
	Injury frequency rate	n. of injuries per 200,000 hours worked	2.71	8.95
	Injury severity rate	days of absence from work per injury occurred	4,00	68,00
	Occupational disease severity rate	days of absence from work per case of disease	0	<i>n.a.</i>
	Employees covered by collective bargaining	%	100%	100%
Welfare	Turnover rate	%	14%	14%
	Hours of training per employee	h/employee	12.18	19.60
	Women in the Board	%	29%	33%

The comparison of 2022 and 2023 performance is not meaningful due to the change in calculation methodology that occurred during the year.

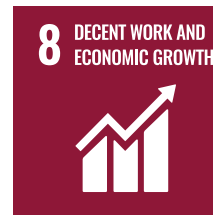
Board of Directors	KPI	Unit	31/12/2023	31/12/2022
Supply Chain	Purchase of raw material supplies the company's region	%	51%	22%
Local supply chain	Purchase of raw materials resident in Italy	%	93%	100%
	Fatalities due to work-related injuries and diseases	n	0	<i>n.a.</i>
External workers health & safety	Injury frequency rates	n. of accidents per 200.000 hours worked	0	<i>n.a.</i>



OUR GOALS

Gommatex is committed to contributing to the achievement of the Sustainable Development Goals (SDGs) of the United Nations 2030 Agenda.

To make the integration between corporate objectives and the Sustainable Development Goals (SDGs) more effective, we have identified the Sustainable Development objectives that are most impacted by our activities: our 4 “Priority Goals”.



Finally, transversal to the Priority Goals and essential for their achievement, is “Goal 17 - Partnership for the Objectives” - a tool for strengthening sustainable development programs.



Gommatex

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► Water consumption -73%
► CO2 Emissions -60%

