SUSTAINABILITY REPORT 2024

BE RESPONSIBLE. BE BRAVE.

SUSTAINABILITY REPORT 2024

BE RESPONSIBLE. BE BRAVE.

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LETTER TO THE STAKEHOLDERS

Sustainability is a state of mind for us and one of the most important values of my business vision. Sustainable development, together with innovation and technologies like Artificial Intelligence or blockchain, should drive a contemporary approach to business and will be increasingly important in the future.

In line with this vision, we work constantly to reach ever more ambitious results through our "*Be Responsible. Be Brave.*" sustainability strategy.

I am very proud of the goals we achieved in 2024, which are presented in OTB's fourth Sustainability Report. They are the outcome of the work of the 7,000 people in our Group and the spirit we all share.

In the following pages, we have detailed OTB's progress over the past year, along with the challenges and goals we have set for the coming months and years.

On the environmental front, we reduced our emissions by 31% compared to 2023, and all our sites in Europe and North America are served 100% by electricity from renewable sources.

I am particularly happy when I look at the teamwork of all the people at OTB and what the brands are doing in this direction. All the brands reported significant increases in the use of preferred materials in their collections: now more than a quarter of purchased materials has a lower environmental impact, a goal we have achieved in advance of The Fashion Pact's requirements, of which we are a member. We are also investing in training for the teams of the Group brands, to promote an increasingly responsible approach to business at all levels of the organisation.

In terms of circularity results, Diesel received the Circular Economy Award from the Italian Chamber of Fashion and the Ellen MacArthur Foundation at the Sustainable Fashion Awards. This was a recognition of the brand's continuous collaboration with the United Nations Industrial Development Organisation, the Diesel Rehab Denim collection and the expansion of the Diesel Second Hand project. I am also very proud of our entry into the Fashion Task Force of the Sustainable Markets Initiative founded by His Majesty King Charles III of the United Kingdom. This alliance aims to place sustainability at the heart of global value creation and is an excellent example of collaboration among fashion brands that benefits the entire industry.

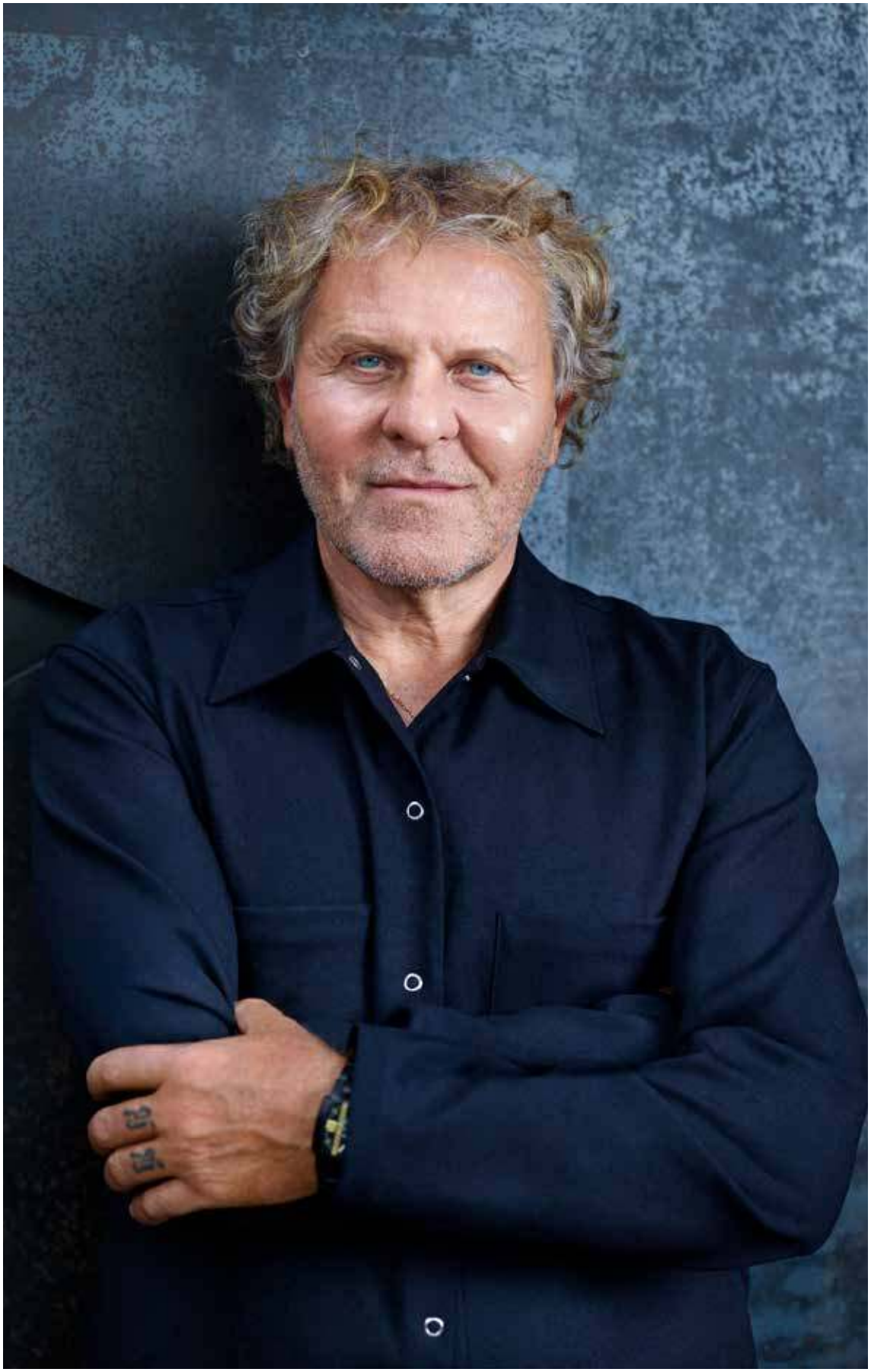
To really make a difference and change our industry, we believe that cooperation with all our partners in the supply chain is crucial. Our role as a large company is to guide them towards a more responsible business model, providing clear guidelines on sustainability as well as tools for innovation, financial support and visibility. This is why we set up the C.A.S.H. project in 2013, which gives our most virtuous suppliers access to favourable credit conditions. In 2024, payments disbursed under the scheme programme exceeded € 600 million. We also invested in the campaign *"M.A.D.E., Made in Italy, Made Perfectly"*, a docuseries that gave visibility to the excellences of the Italian luxury supply chain and the artisanal crafts that make Italy unique in the world, for which we received a prestigious film award.

In my vision of a circular business model, where an organisation creates, produces, sells, collects and returns a portion of the value it creates to those in need, the role of OTB Foundation is crucial. This year once again, the Foundation, the jewel in our crown, did an outstanding job, helping growing numbers of women, children, young people and vulnerable people, in Italy and around the world. Since it was established in 2006, OTB Foundation has carried out 380 projects and managed to positively impact the lives of more than 380,000 people. Starting in 2024, we now also involve all our people in Italy in volunteer projects for which the Group has donated more than 700 hours of employee worktime.

These results were possible thanks to a clear strategy and the commitment of all our teams. We know that we still have a long road ahead, that our industry has to change pace, but we are moving in the right direction.

For us, sustainability is not just a goal, it is a way of thinking and acting that must guide our decisions on a day-to-day basis.

Be Responsible. Be Brave.



SUSTAINABILITY REPORT

1. OTB GROUP

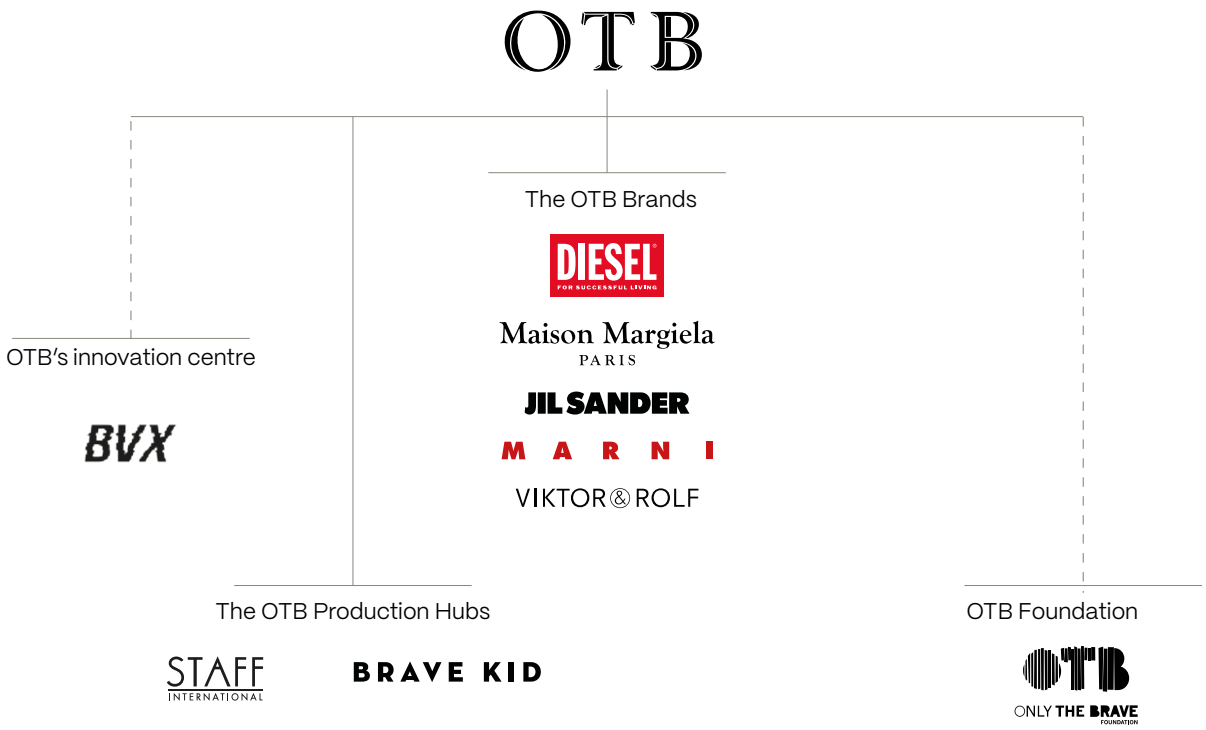
TWENTY TWENTY-FOUR

OTB (the acronym for Only The Brave) is a diversified international fashion group comprising the iconic brands Diesel, Jil Sander, Maison Margiela, Marni and Viktor&Rolf (hereinafter also simply "brands"), a minority shareholding in the American brand Amiri and two important production companies: Staff International and Brave Kid (hereinafter also simply "production hubs"). OTB Group also owns the BVX (Brave Virtual Xperience) company.

OTB Group is actively engaged on the social front through OTB Foundation (hereinafter also simply "Foundation"), a third-sector entity dedicated to non-profit projects.

OTB Group believes in re-defining the boundaries of the world of fashion and style by fostering the creativity of international talents and expressing the innovative spirit and uncompromising bravery of its founder and Chair Renzo Rosso. With 6,791 employees worldwide, the Group is distinguished by its customer-centric digital approach, its concrete long-term commitment to the creation of a responsible business, and its close attention to social issues, also through the OTB Foundation's activities.

The Group's internationally recognised brands embrace the expertise of tradition while integrating innovation and responding to the needs of new generations of customers.



DIESEL is an innovative international lifestyle company set up by Renzo Rosso in 1978. Rooted in the mastery of denim and established as a leader in premium fashion, today Diesel is a real alternative to traditional luxury. Since 2020, Diesel collections have been under the creative direction of Glenn Martens. They include clothing, accessories, and a vast range of lifestyle collaborations: from fragrances, wristwatches and jewellery to interior design and property projects with Diesel Living.

Discovering, supporting and promoting creativity is an integral part of the DNA of Diesel and OTB Group.

MAISON MARGIELA is a Parisian haute couture house founded in 1988 by Belgian designer Martin Margiela on the principles of non-conformity and subversion of norms. Traditional dress codes are inverted and redefined in an analytical wardrobe for the digital age. Driven by instinct, Maison Margiela is devoted to uncompromising creativity invigorated by values of authenticity, radicality and self-expression. Maison Margiela's distinguishing elements, notably its white label with four stitches, its numerical code and the use of brush-stroked white paint, continue to represent the Maison's signature today.

Innovative and multifaceted, **MARNI** is a pioneer in creativity, artistic innovation and the celebration of individuality. Since its foundation in 1994, Marni has been recognised for its unique approach to the use of materials and colours, expressed through powerful, emotional collections.

The brand's aesthetic reflects the vision of the Creative Director Francesco Risso: Marni's eccentric elegance looks outside the box, achieving a bold statement through vibrant design.

In constant contact with the world of art and a community of talents from many different backgrounds, the Marni philosophy reaches its highest expression in special collaborations and co-designed capsule collections.

JIL SANDER is the essence of modernity and sophistication. Its unconditional dedication to design combines elegance and purity with innovative materials and exceptional quality. The refinement of the cuts, the play of contrasts and the perfection of the details create an approach to style characterised by the utmost care, precision and craftsmanship. Since 2017, the Milanese brand has embraced the modern concept of luxury, integrating essentiality with sensuality and artisanal techniques.

VIKTOR&ROLF is an avant-garde luxury fashion house founded in 1993 by fashion artists Viktor Horsting and Rolf Snoeren. Recognised around the world for its provocative haute couture and conceptual glamour, Viktor&Rolf aspires to create spectacular beauty and unexpected elegance through an unconventional approach to fashion.

BRAVE KID is a company that researches, develops, produces and distributes ready-to-wear collections and accessories for children. Its portfolio of licensed brands currently includes Diesel, MM6 - Maison Margiela, Marni, Dsquared2, N°21, MAX&Co. and MYAR. Brave Kid is the online reference for luxury clothing with a truly unique style for kids, children and babies.

STAFF INTERNATIONAL specialises in research, product development, production and global distribution of luxury clothing collections, bags, footwear and accessories. Most of its products, which bear the Made in Italy logo, are the symbol of quality and excellence. Currently, Staff International acts as an industrial platform for some of the OTB brands, including Maison Margiela and its MM6 contemporary line, and the Marni and Jil Sander ready-to-wear and bags, footwear and accessories collections. At the same time, the company is the exclusive worldwide licensee of Dsquared2 on research, product development, production and omni-channel distribution of clothing collections. Its footwear, bags and small leather goods division also handles product development and production for the Diesel brand.

BVX, *Brave Virtual Xperience*, is OTB's centre of excellence for the exploration and development of innovative solutions for the virtual world and the metaverse. Led by Stefano Rosso, BVX concentrates on the creation of digital products, projects and experiences that redefine the way brands interact with customers.

With a specific focus on NFTs (Non-Fungible Tokens) and gaming, BVX develops new forms of engagement to strengthen ties with end consumers and offer them immersive personalised experiences. Its cutting-edge approach combines technology and creativity, expanding the boundaries of fashion and style in the digital landscape.

OTB FOUNDATION ETS Established in 2006, OTB Foundation is the OTB Group's non-profit organisation whose mission is to take swift action in emergency situations and promote equal opportunities and inclusion. The Foundation became a Third-Sector Entity (ETS) by decree of the Italian Ministry of Employment and Social Policies in early 2024. Its rigorous approach in selecting projects is based on criteria including innovation, direct social impact and long-term sustainability.

To date, it has invested in more than 380 social development projects in Italy and around the world, which have had a direct impact on the lives of over 380,000 people. A distinguishing characteristic of the Foundation is its guarantee that 100% of the funds it raised go directly to the beneficiaries without being side-tracked, to maximise the impact of its initiatives.

THE OTB TIMELINE

1978

Renzo Rosso co-founds the **Diesel** brand, acquiring full ownership in 1985. He starts working immediately with a team of stylists to turn Diesel into a global fashion icon. In the early 1990s, Diesel begins opening stores around the world.

1984

Renzo Rosso establishes **Dieselito**, later named Diesel Kid, to produce children's clothing. Over time, Diesel Kid comes to manage licences of other brands.

2000

Renzo Rosso acquires **Staff International**, which, under license, creates, produces and distributes the collections of international brands with a predominantly Made in Italy supply chain of excellence.

2012

Diesel Kid becomes **Brave Kid** and over the following years consolidates its children's clothing development and distribution business through a series of agreements and licensing contracts with brands including Diesel, MM6, Maison Margiela, Dsquared2, Marni, N 21, MYAR and Max&Co.

The **Only The Brave Group** is renamed **OTB**.

2013

Staff International launches the **C.A.S.H. project** (Credito Agevolato – Suppliers' Help), which guarantees Italian suppliers easier, faster and more favourable access to credit.

OTB acquires a majority stake in **Marni** and becomes its sole shareholder in 2015.

2019

OTB acquires a minority stake in **Amiri**.

2022

*OTB is granted a **credit line tied to ESG objectives** by Banca Intesa.*

*OTB promotes the creation of the **Re.Crea Consortium** with Prada Group, Dolce&Gabbana, MaxMara Fashion Group, Moncler Group and Ermenegildo Zegna Group, and assumes the vice-presidency.*
The Consortium aims to respond to the European Directive on Extended Producer Responsibility for textile waste and promote research and development into innovative recycling solutions.

*OTB joins **The Fashion Pact**, the global coalition of companies working together to share best practices and find new solutions to reduce the environmental impact of the entire fashion industry.*

*OTB publishes the **first voluntary Group Sustainability Report**. The report covers financial year 2021 and includes the calculation of the 2019, 2020 and 2021 Carbon Footprints.*

2023

The **C.A.S.H.** project **marks its 10th anniversary**.

OTB acquires a majority stake in **Frassineti**, the historic Florentine **leather goods** atelier, previously a Group supplier.

OTB launches the **M.A.D.E. Made in Italy**, **Made Perfectly** project, presenting a campaign to showcase the Italian fashion and luxury supply chain that involves the OTB Group's top suppliers.

*OTB and Diesel obtain **Gender Equality Certification** under Italy's National Recovery and Resilience Plan.*

*OTB receives approval for three ambitious emission-reduction targets from the **Science Based Targets initiative** (SBTi).*

*OTB approves the Group's **new impact materiality analysis**.*

2002

Renzo Rosso establishes **Only The Brave** as the holding and parent company for all the fashion companies in his portfolio.

That same year Only The Brave acquires **Maison Margiela**.

2006

Formation of the **Only The Brave Foundation**.

2008

Only The Brave acquires **Viktor&Rolf**.

2021

OTB acquires **Jil Sander**.

OTB establishes **Brave Virtual Xperience** (BVX), a company entirely dedicated to the development of projects, content and products for the virtual and gaming world.

Together with Prada Group, LVMH and Cartier (Richemont Group), OTB sets up the **AURA Blockchain Consortium** to develop and consolidate new standards in innovation, transparency and blockchain technology for the luxury industry.

OTB launches the "Be Responsible. Be Brave." Group Sustainability Strategy.

*OTB joins the **ZDHC** (Zero Discharge of Hazardous Chemicals) programme for the elimination of hazardous chemicals from the fashion industry.*

*OTB becomes a member of **LWG** (Leather Working Group), an internationally recognised reference standard for the leather manufacturing industry.*

2024

The OTB non-profit organisation, **Only The Brave Foundation, becomes a Third-Sector Entity** by decree of the Italian Ministry of Employment and Social Policies. This is a new form of organisation introduced by the reform of the Italian third sector, which enables non-profit entities to broaden their range of activities.

OTB acquires a majority shareholding in **Calzaturificio Stephen**, a historic Italian producer of luxury men's and women's footwear and already a strategic supplier for more than 20 years.

1.1 BE BRAVE: MISSION AND VALUES

"To build not the biggest, but the most alternative *fashion* Group" is the mission that OTB Chair Renzo Rosso has given the Group, whose core values are courage, respect, excellence and continuous innovation.

OTB promotes the success and sustainable development of all the Group companies, supports new talents and helps them transform their ideas into distinctive creations for unconventional far-sighted people.

This vision is put into practice through the pursuit of the following objectives.

BUILDING BRANDS: OTB helps the Group's brands and companies develop successful businesses, enhancing the unique profile and distinctive features of each one.

BOOSTING GROWTH: OTB provides the brands and companies in its portfolio with expertise, tools and services to facilitate their growth.

CHALLENGING THE RULES: By encouraging a bold alternative approach to fashion and business, OTB constantly questions established rules to deliver unconventional, forward-thinking projects and strategies.

PROMOTING CREATIVITY: OTB is committed to discovering and supporting brave, one-of-a-kind talents. Creativity is the driving force and the heart of the Group's activities.

1.2 MARKET PRESENCE

The OTB Group organisation structure consists of the parent company OTB S.p.A., which acts as the holding and provides intragroup services, the headquarters of the brands, the production hubs, and the distribution branches located around the world.

Commercial operations are run through direct and indirect channels. The direct network includes mono-brand stores, outlets and e-commerce platforms, while indirect distribution is organised through wholesale channels such as multi-brand stores, shop-in-shops in department stores, travel retailers and other physical retailers, and multi-brand online distributors. The Group also generates royalty revenues from licensing agreements on specific merchandise categories of its brands.

In 2024, OTB Group had a total of 608 directly operated mono-brand stores.

DIRECT MONO-BRAND DISTRIBUTION NETWORK	2022	2023	2024
Italy	48	51	56
EMEA (excluding Italy)	182	134	123
America	61	66	61
APAC (excluding Japan)	101	146	153
Japan	215	213	215
Total	**607**	**610**	**608**

1.3 FINANCIAL INFORMATION

(in millions of Euro)	2024
Total revenues	1,754.4
Revenues from sales of goods and services (including other materials)	1,691.3
EBITDA (statutory)	274.5
Net investments	86.5
EBIT	43.9
Net financial position	31.2

Group net sales amounted to EUR 1,691.3 million, of which EUR 961.9 arose from direct channels *(retail, outlets, online)* and EUR 729.4 million from indirect channels. Net sales were down 4.9% on the previous year, reflecting the general slowdown in the wholesale channel, but were buoyed by the increase in direct-channel sales, the positive performance of Maison Margiela and Diesel, and the growth achieved in highly strategic markets like Japan and North America, which offset the contraction of the Chinese market. Direct-channel sales accounted for 56.9% of total sales, compared with 52.0% the previous year. Direct-channel sales were up 4.9% on 2023, as a result of increased sales at the existing stores and 61 new openings, which took the network, net of closures, to a total of 608 direct stores at the end of 2024.

(in thousands of Euro)	2023	2024	Trend
Revenues from sales of goods and services	1,765,800	1,683,236	(82,564)
Revenues from sales of other materials	12,082	8,058	(4,024)
Revenues from sales	**1,777,882**	1,691,294	(86,588)
Royalties	**39,820**	40,935	1,115
Revenues from sales and services	**1,817,702**	1,732,229	(85,473)

The geographical breakdown of revenues from sales and services, consisting of net sales of EUR 1,691.3 million and revenues from *royalties* of EUR 40.9 million, for an overall total of EUR 1,732.2 million, is detailed below (amounts in EUR million):

	Italy	Rest of Europe	APAC (excl. India)	Japan	America	Rest of the world (incl. India)	Total
Revenues	314.0	437.8	235.2	442.6	201.5	101.1	1732.2
% of revenue	18.1%	25.3%	13.6%	25.6%	11.6%	5.8%	100%

EBITDA was EUR 274.5 million (349.4 million in 2023), with an EBITDA margin of 15.6%, against 18.7% in the previous year.

The Group's total investments amounted to EUR 86.5 million, compared to EUR 206.0 million in the previous year, as follows:

(in millions of Euro)	2024
Intangible fixed assets	15.9
Enlargement of the perimeter	9.6
Property, plant and equipment	61.0

Investments in property, plant and equipment and intangible fixed assets amounted to EUR 77 million, focused specifically on the expansion of the retail network for all the Group brands and on important innovation projects. Investments in innovation, both with regards to processes and products, were dedicated to raising the efficiency of internal processes and to logistics automation, artificial intelligence and customer engagement.

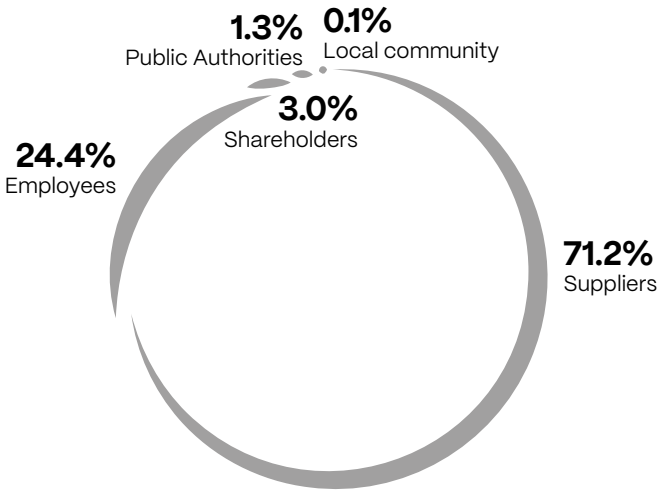
Investments for perimeter expansion referred mainly to the acquisition of 80% of Calzaturificio Stephen S.r.l., a historic Group provider of excellence for the production of luxury footwear. The acquisition is part of the Group strategy to acquire know-how in strategic merchandise categories.

The Group's net financial position was positive, at EUR 31.2 million.

	2022	2023	**2024**
Economic value generated by the Group	**1,746,696**	**1,860,912**	**1,756,088**
Revenues from sales of goods and services	1,621,224	1,765,800	1,683,236
Revenues from other sales	8,843	12,082	8,058
Other revenues	69,075	50,031	22,182
Royalties	43,937	39,820	40,935
Financial income	626	5,673	2,915
Equity investments	5,054	-1,712	-3,087
Exchange-rate gains (losses)	-2,063	-10,782	1,849
Business combination	0	0	0
Economic value distributed by the Group	**1,480,210**	**1,597,658**	**1,539,850**
Economic value distributed to **suppliers**	1,076,024	1,148,986	1,097,217
Economic value distributed to **employees**	338,855	363,273	375,809
Economic value distributed to **shareholders**	34,785	42,721	46,611
Economic value distributed to **public authorities**	29,760	40,850	19,278
Economic value distributed to the **community**	786	1,187	935
Economic value retained by the Group	**266,486**	**263,872**	**216,238**
Provisions and impairment losses	6,103	4,848	6,018
Total deferred taxes	-11,950	-19,474	-3,725
Depreciation and amortisation	187,313	209,503	230,572
Gains	85,020	68,995	-16,627

95.6% of economic value distributed by the Group went to employees and suppliers, two stakeholder categories considered essential for the Group's success.

ECONOMIC VALUE DISTRIBUTED, BY STAKEHOLDERS



C.A.S.H. Project

In 2024, the C.A.S.H. (Credito Agevolato – Suppliers' Help) project continued to be a strategic Group initiative. It was developed in collaboration with BNP Paribas to assist OTB's Italian suppliers by providing facilitated access to credit. Launched in 2013 with Staff International and subsequently extended to Diesel and Brave Kid, the programme is a fast competitive solution for selected suppliers to discount invoices, so reducing their working capital requirement and improving their credit ratings. The scheme provides without-recourse factoring, eliminating credit risk for suppliers and guaranteeing immediate liquidity with no negative impact on their financial exposure.

With a rolling credit line (Ifitalia) of EUR 48 million, the project has expanded constantly, improving economic conditions for suppliers: in the last few years, rates and commission fees have fallen by 58% compared to the initial levels, making C.A.S.H. an increasingly competitive tool. In 2024, the programme involved 54 suppliers representing 22% of the total cost of sales of Italian strategic suppliers, with an overall volume of annual discounts totalling EUR 63.3 million, according to suppliers' liquidity requirements and rotation. The scheme covered 93% of invoices, confirming the effectiveness of the initiative in guaranteeing stability and access to financial resources for the supply chain.

Suppliers are selected according to qualitative and financial criteria, taking strategic importance, reliability and operating continuity into consideration, with an assessment conducted jointly by production and the financial institutions involved. The project is particularly important in providing support to micro enterprises and small/medium businesses[2], which form the backbone of the Made in Italy and benefit from credit conditions that are more advantageous than the alternatives on the market.

Since the C.A.S.H. project was set up, a total of more than EUR 612 million has been discounted, consolidating OTB's role in boosting the resilience of its Italian supply chain and facilitating synergetic ties with production partners. Looking ahead, the goal is to extend the scope of the programme by introducing new financial services such as dedicated credit facilities and tools to optimise liquidity management.

2. The companies are classified as micro, small, medium and large, based on the revenue criterion established by the European Union.

SUSTAINABILITY REPORT

2. GOVERNANCE AND RISK MANAGEMENT

TWENTY TWENTY-FOUR

2.1 CORPORATE GOVERNANCE

Corporate Governance refers to the set of tools, rules and mechanisms put in place to optimise a company's decision-making process while taking the interests of the various stakeholder categories into account.

OTB Group has adopted a "traditional" Corporate Governance model, in compliance with Italian regulations. The model is outlined in the Group Regulation, which establishes the general operating rules of OTB, the assignment of roles and responsibilities, as well as the mission, objectives and main activities of the Group functions, all in compliance with current legal, statutory and regulatory provisions.

OTB Group has structured its organisation following the principles of prudent management and risk reduction. To this end, a system of delegated powers has been created to ensure the separation of tasks and regulatory compliance, including for the purposes of the Lgs. Decree 231/2001. The delegation system clearly and precisely assigns roles, tasks, and responsibilities to prevent abuses of power and ensure better organisation of the decision-making process.

A summary of the OTB Group Corporate Governance model is provided below.

Board of Directors

The **Board of Directors** (BoD) is the governance body responsible for overseeing corporate strategies, including questions concerning sustainability. It is also responsible for planning and monitoring operational and financial performance. The BoD may delegate its powers to one or more of its members to efficiently manage economic, social, and environmental issues, with the support of specific corporate functions. The delegated officers are monitored on a continuous basis and required to report regularly to the BoD on their activities.

The OTB BoD consists of five members: the Chair, the Chief Executive Officer (CEO), an Executive Director and two Independent Directors.

The Chair of the Board and the CEO, both legal representatives of the Company, lead the activities of the Board of Directors, oversee the proper implementation of Group procedures and policies, and are responsible for planning, directing, and controlling the activities of the parent company.

The Chair of the Board of Directors is granted all powers of ordinary and extraordinary administration, while the CEO is granted the powers of ordinary administration within the scope of the delegations conferred by the Board.

The independent directors are appointed by the shareholders after verification of their compliance with the independence requirements and their specific competences. They bring their expertise to board meetings, facilitating the examination of topics from different perspectives and the consequent adoption of decisions that are informed and aligned with the social interest. They also pay particular attention to areas where conflicts of interests may arise. The independent directors come from different professional backgrounds and their appointment is subject to transparent nomination criteria, thus ensuring a diversified approach to the governance of the company.

The structure of the OTB Board of Directors allows for powers to be delegated for efficient management of economic, social and environmental issues, through the specific Group functions.

Name and surname	Office held	Age range	In office until	Executive	Independent
Renzo Rosso	Chair	≥ 50	approval of 2026 financial statements	x	
Ubaldo Minelli	CEO	≥ 50	approval of 2026 financial statements	x	
Stefano Rosso	Director	30–50	approval of 2026 financial statements	x	
Carlo Purassanta	Director	≥ 50	approval of 2026 financial statements		x
Cristina Bombassei	Director	≥ 50	approval of 2026 financial statements		x

Board of Statutory Auditors

The **Board of Statutory Auditors,** consisting of the Chair, two Standing Statutory Auditors and two Alternate Auditors, is the body responsible for overseeing compliance with regulations and the company's Statute. It also monitors the effectiveness of the organisation structure, the administrative-accounting system and corporate procedures, as well as the programmes aimed at implementing the rules defined by the Group and accounting control.

Auditing Firm

The **Auditing Firm** is an independent organisation responsible for the statutory audit of accounts, appointed by the Shareholders' Meeting upon the proposal of the Board of Statutory Auditors, and is fully independent of the shareholders and the directors.

2.2 SUSTAINABILITY GOVERNANCE

OTB Group has adopted a governance system designed to integrate sustainability into its business strategies and ensure effective coordination of initiatives in each business area, both at parent company level and in its subsidiaries. The system is led by the Chief Sustainability Officer (CSO), who heads the Group Corporate Sustainability Department and reports directly to the Chief Executive Officer.

The Corporate Sustainability Department is responsible for the definition, update and implementation of the Group Sustainability Strategy and related development plans. Its role is to draw up and supervise ESG procedures and activities throughout the organisation, working closely with the other corporate functions to achieve strategic goals, improve the management of social and environmental risks, and optimise overall performance.

The Group's sustainability structure ensures that each production hub within the Group's companies has individuals responsible for implementing sustainability initiatives, called Sustainability Professionals. These professionals report hierarchically to the heads of their Functions and functionally to the CSO and they collaborate with the central Corporate Sustainability Department to ensure operational and strategic alignment.

In the case of the brands, teams of Sustainability Champions, professionals with operational roles in other Functions, act as the main points of contact on ESG issues within their respective organisations.

At Diesel, in 2020 Andrea Rosso was appointed Sustainability Ambassador, to represent the brand internally and externally on sustainability initiatives. Since January 2025, Andrea Rosso has also held the position of OTB Group Sustainability Ambassador.

Since 2021, the OTB Board of Directors has included among its members Cristina Bombassei, Executive Director and Chief Corporate Social Responsibility Officer of the Brembo Group, a listed company and world leader in the design and production of braking systems. Cristina Bombassei is considered one of the leading authorities on sustainability in Italy and was appointed as an OTB Independent Director to support the Group on decisions concerning the sustainability strategy, in line with market and key stakeholder requirements. Ms Bombassei's mandate was confirmed in 2024, when the Board of Directors was renewed.

2.3 ETHICAL COMMITMENT AND TRANSPARENCY

OTB Group is committed to conducting its business operations with **integrity** and **transparency**, and in compliance with national and international laws and regulations. This commitment is realized through the adoption of global programmes that define shared guidelines and procedures, which are applied to all the OTB Group companies and extended to the supply chain.

Specifically, the Group has adopted: a Code of Ethics; a Suppliers Code of Conduct; a Model pursuant to Lgs. Decree 231/01; a Global Compliance Programme, as well as policies, procedures and guidelines covering a variety of issues, including, but not limited to, an Anti-Corruption Policy, a Transaction with Related Parties Procedure and a Whistleblowing Management Policy.

Code of Ethics

The OTB Group **Code of Ethics** sets out the values, principles and rules of conduct adopted by the Group to direct its business operations and manage relations with its internal and external stakeholders.
The Code of Ethics is uniformly applied to the subsidiaries in all the countries where the Group operates. It consists of three sections:

1. **General principles:** this section illustrates the core values and regulations of the Group corporate culture;

2. **Standards of conduct:** this section highlights the rules of conduct to be followed and the ethics to be applied in business activities;

3. **Rules for implementing and monitoring the Code of Ethics:** this section describes the control system for compliance with and continuous improvement of the Code.

The full text of the Code of Ethics is available for consultation on the corporate intranet and on the parent company's website. In 2024, the document was revised to adjust the reporting methods for violations following the implementation of Directive (EU) 2019/1937 (known as the "Whistleblowing Directive").

Suppliers Code of Conduct

The **Suppliers Code of Conduct** sets out the requirements in terms of social and environmental standards that the Group expects its direct and indirect suppliers to meet. The Suppliers Code of Conduct is based on international conventions such as the eight fundamental ILO conventions and the Universal Declaration of Human Rights, and covers the following key areas:

- Regular employment,
- Child labour,
- Forced labour,
- Coercion and harassment,
- Discrimination,
- Freedom of association,
- Corruption and abuse of power,
- Health and safety,
- Working hours,
- Remuneration,
- Environment,
- Animal welfare,
- Subcontracting.

The full text of the Suppliers Code of Conduct is available for consultation on the corporate intranet and on the parent company website.

231 Model

The OTB Group **Organisational Model**, drawn up in compliance with Legislative Decree no. 231/2001, and adopted by the parent company OTB S.p.A. and the Marni Group S.r.l., Jil Sander S.p.A., Diesel S.p.A. and Staff International S.p.A. companies, is designed to prevent corporate criminal liability by guaranteeing regulatory compliance and process transparency. The Model and its application are monitored by the Supervisory Board (SB), which consists of two external members and one internal member of OTB Group, specifically the head of the Group Internal Audit function. The SB oversees the operation of and compliance with the Organisation, Management and Control Model, and ensures that it is updated. Its activities also include regular audits. The Supervisory Board submits an annual report to the Board of Directors on its activities and reports any issues encountered. The Supervisory Board meets quarterly and, once a year, reports to the Board of Statutory Auditors.

The Global Compliance Programme

The OTB Group's **Global Compliance Programme** (GCP) standardises corporate procedures to prevent criminal liability and misconduct, adopting a comprehensive and consistent approach. Applied to all Group companies, the GCP is adapted to local regulations, ensuring that any stricter rules prevail.

The Programme establishes standards of conduct and key controls, including segregation of roles, assignment of signature authority, traceability of processes and proper management of relations with third parties. Integrated with **policies** on **Anti-Corruption, Anti-Money Laundering, Prevention of Terrorist Financing and Antitrust,** the GCP strengthens the Group's control system and operational transparency.

The **Anti-Corruption Policy** sets out the fundamental principles and guidelines to be followed by the members of the organisation in order to ensure compliance with anti-corruption laws and promote a culture of integrity, transparency and accountability. The Policy prescribes the adoption of an appropriate information system and hard-copy support to ensure compliance with the principle of transparency in the management of resources. With regard to third parties, the corruption risk is also managed through a due diligence based on integrity requirements and proportionality to actual perceived risk. The Anti-Corruption Policy also provides, under certain conditions, for periodic monitoring to ensure compliance with the established requirements and apply appropriate corrective measures.

The **Anti-Money Laundering and Counter-Terrorist Financing Policy** defines the rules, procedures and conduct to be adopted to ensure compliance with AML/CFT laws. The Policy is designed to prevent the misuse of funds by mitigating the risk of money laundering and any activity that facilitates money laundering or financing of terrorism and/or other criminal activities.

The **Anti-Trust Policy** defines rules and procedures to ensure compliance with anti-trust laws. It was updated in 2023. The Policy's main objective is to reduce the risk of potential violations, and it is also disseminated through training activities and by providing tools to uncover potential violations.

To ensure the dissemination, understanding and application of the Code of Ethics, the GCP and the related policies, the Group organises mandatory employee training sessions. Training is planned and organised by the OTB's Human Resources (HR) Department, which ensures employee participation.

Related Parties Procedure

The **Procedure for Managing Transactions with Related Parties**[3] (Related Parties Procedure) governs management of transactions between OTB Group companies and related entities, ensuring procedural and substantive compliance with the principles of transparency and fairness.

The Procedure provides that, depending on their importance, transactions must be approved by the Group Corporate Governance Committee or by the company CEO, provided that the CEO is not directly or indirectly involved in the transaction. Alternatively, if the CEO is directly or indirectly involved, the transaction must be approved by the Corporate Governance Committee.

Substantive fairness is ensured by an assessment of the transaction's economic correctness, verifying that the transfer prices of goods or services are aligned with market prices; procedural fairness is guaranteed through the application of procedures that ensure overall equity.

The Related Parties Procedure was reviewed in 2024 and the updated version will be officially published during 2025.

Whistleblowing

OTB Group has set up a dedicated Whistleblowing channel pursuant to Directive (EU) 2019/1937 of the European Parliament and the Council of 23 October 2019 on the protection of persons who report breaches of Union law (the "Whistleblowing Directive"), and in compliance with the implementing laws of the EU countries. The Whistleblowing channel is also aligned with the Group Code of Ethics, with its internal procedures and with applicable laws. The system enables reporting of conduct in breach of national or EU laws, behaviour, acts or omissions that damage the company, violations of the Organisation, Management and Control Models, where applicable, as well as any conduct or situation contrary to the Group Code of Ethics.

3. Related Parties: parties defined as such by the international accounting standards adopted under the procedure indicated in article 6 of Regulation (EC) no. 1606/2002. Under IAS 24, a Related Party is a person or entity related to the entity that is preparing its financial statements. A Related Party is a party who:
a) directly or indirectly, or through subsidiaries, trust companies or intermediaries:
• has control over the reporting entity, is controlled by it or is under common control;
• holds an investment in the reporting entity such as to exercise significant influence over it;
• exercises control over the reporting entity jointly with others;
b) is a company outside OTB Group, linked to the reporting entity;
c) is a joint venture in which the reporting entity holds an interest, or the company that exercises significant influence over the joint venture;
d) is a Director (executive or independent), a standing Statutory Auditor or a Senior Executive with Strategic Responsibilities of the company or of its parent company;
e) is a close family member of one of the persons referred in heads a) or d);
f) is a company over which one of the persons referred to in heads d) or e) exercises control, joint control or influence.

For the Group's Italian companies, reports may be sent via the specific digital platform, which can be accessed on the link on the websites of the Group companies. The link for each company is also provided in the Whistleblowing Management Policy and in the Code of Ethics. For the international companies, a specific e-mail address is available: codeofethics@OTB.net. These channels are designed to ensure the confidentiality of the information and guarantee the anonymity of the whistleblower at every stage in the procedure.

The **Whistleblowing Management Policy** governs the entire process, from reception and analysis of reports through to their resolution, establishes report validation criteria, the roles and responsibilities of the parties involved, and provides a clear operational structure. The Policy was presented to the employees of the Group's Italian companies through specific training sessions and is available on the intranet and on the specific digital platform. The Whistleblowing Management Policy will be extended to the Group's European companies during 2025.

During 2024, the Group received six reports. Two of the reports, referring to Italian companies, were received via e-mail and resolved in accordance with the Policy. A third report, also concerning an Italian company, was sent through the Whistleblowing channel and is currently under investigation. The other three reports (two received through the Whistleblowing channel and one via e-mail) concerned European companies, and have been resolved and closed.

2.4 FISCAL RESPONSIBILITY

The OTB Group's **fiscal operations** guarantee full conformity to national and national laws and to the highest market compliance standards. Management of taxes and fiscal risk is aligned with the Group's strategic and commercial objectives and with the principles of honesty, integrity and fairness set out in the Code of Ethics. The Group also works to build transparent collaborative relations with the Tax Authorities and with third parties.

Accounting transparency is ensured by the principles of truth, accuracy, completeness and reliability in documents, management operations and the related accounting records. The information in the accounts must be correctly reflected in the Group's tax returns, to create a proactive relationship with the State Administration and the Tax Authorities.

Due to operational requirements and business objectives, OTB Group has offices in the main countries in which it operates. In this context, it is important to note that tax regulations may differ from those applied in the country where the Group headquarters are located.

To mitigate the risks associated with the interpretation of different tax regulations, OTB has proactive contacts with stakeholders and is assisted by qualified tax consultants in each country of operation.

Management of Group tax matters involves a number of entities and functions: the OTB Tax Department, which is responsible for the development of the fiscal strategy for the entire Group, the Financial Division and the Tax Departments of the subsidiaries in each country where the Group is present.

Specifically, the parent company's Tax Department, headed by the Group Tax Director, deals with the following areas:

- **Risk management:** in collaboration with the OTB Corporate Governance & Internal Audit Department, the Tax Department defines measures for the implementation of the Tax Control Framework (TCF). The Group is taking steps to strengthen its tax risk control system by providing consistent and uniform guidance on risk management, and ensuring timely identification of risks and effective measurement in the different countries.

- **Compliance management:** in collaboration with the Statutory & Tax Reporting A&F Shared Service Centre Department, the Tax Department is responsible for compliance with Italian direct and indirect tax regulations, including computation of taxation and preparation of tax returns.

- **National taxes:** the Tax Department manages and coordinates tax benefits and audits by the Tax Authorities.

- **International taxes:** the Department supports the branch financial managers on fiscal matters and provides central management and coordination of transfer pricing and other tax issues relating to cross-border transactions, extraordinary transactions and related audits by local Tax Authorities. The Tax Department takes all the necessary measures to monitor and manage the requirements set out in the Base Erosion and Profit Shifting project and the new OECD tax regulations, including the GloBE-Pillar 2 rules laid out by the EU Directive of 14 December 2022.

All intragroup transactions are based on a transfer pricing policy aligned with the Arm's Length Principle, an international standard set out by the Model Tax Convention and referenced by the OECD Guidelines on transfer pricing for multinationals and Tax Authorities. For correct assessment of tax risks, the Group may draw up Advance Pricing Agreements (APAs) with local Tax Authorities to establish the criteria to be used to determine transfer prices.

OTB has direct operations in 28 countries with 72 subsidiaries and 12 permanent organisations, excluding OTB Foundation and the minority interests in the MIP Graduate School of Business and the Atelier Luxury Group LLC. Each country in which the Group operates has its own tax laws and tax assessment procedures. This means that each Group company may be subject to different tax rules or tax rates. Group taxation may vary depending on the laws of the individual countries and the earnings of the individual companies in each country.

2.5 RISK MANAGEMENT SYSTEM

OTB Group constantly monitors risks that could affect its business and financial performance. A **Risk Assessment** is performed every time a new regulation or regulatory amendment is to be implemented in order to update the Global Compliance Program, or in general during process reviews. This type of assessment is a vital tool to establish operational priorities.

For example, in 2024 a Risk Assessment was performed for the preparation of a specific audit plan taking into consideration the Top Twenty Risks of the Group's reference market. The assessment considered financial and non-financial risks, which may derive from internal or external factors mainly related to the industrial and market context or to the dynamics of the countries in which the Group operates.

It included but was not limited to regulatory non-compliance risks, potential crimes of corruption, counterfeiting and reputational risk.

Given the size of OTB and its global reach, the Group is exposed to environmental and social risks. These risks may include the effects of climate change and inappropriate working conditions on a social level. The Group is gradually integrating these considerations into its risk analyses in order to take measures to mitigate possible negative impacts and continuously improve its practices.

In this context, during 2024 OTB Group continued its inside-out impact materiality analysis, described in chapter 3, section 3.2 "Materiality Analysis". During 2025 the analysis will be extended to include financial materiality (outside-in analysis). The risk concept will then be structurally integrated into the process for the identification of the Group's material sustainability topics. The analysis will enable OTB Group and its stakeholders to gain a better understanding of its overall social and environmental impact, together with its risks and opportunities, and thus ensuring comprehensive and meaningful sustainability reporting.

During 2025 the Group will continue with the following activities:

- **Mapping the most significant risks and opportunities** in line with its business plan and sustainability goals;
- **Sharing** the possible negative effects of the identified environmental and social risks **with internal stakeholders** and the main corporate functions;
- **Quantitative assessment of the economic impact of the risks and opportunities** identified on the basis of probability of occurrence and the magnitude of the financial effects generated on the organisation.

Environmental risks

The main areas of environmental risk involving OTB Group and the fashion industry relate to compliance with environmental regulations along the entire supply chain, the impacts arising from climate change and biodiversity loss, as well as materials sourcing and water and waste management.

COMPLIANCE WITH ENVIRONMENTAL REGULATIONS

As required by environmental laws and regulations, OTB Group ensures compliance with the industry standards, which are incorporated into the Global Compliance Programme. With regard to the Group's exposure to the risk of breaches of international and local environmental laws by contractors and subcontractors, specific clauses are included in the contracts drawn up with them.

PREVENTION OF THE EFFECTS OF CLIMATE CHANGE IN THE SUPPLY CHAIN

Recent years have seen an increase in the significance of both the physical risks associated with climate change (extreme events, rising temperatures, etc.) and the transition risks (taxation of carbon-intensive products, etc.), which can have a direct and indirect influence on OTB operations and negative effects throughout the value chain. Consequently, the Group undertakes to conduct environmental assessments, which will be incorporated into its Decarbonisation Strategy, in order to identify possible ways to reduce the emissions it generates.

Social risks

The Group is exposed to social risks concerning its human resources, workers in the supply chain and customer management, given its extensive global presence and complex value chain.

OTB WORKERS

OTB Group manages human resources risks, including but not limited to health and safety, discrimination, employment management and the loss of key resources, through continuous improvement of its organisational model and strategic planning. It also organises regular employer branding activities through technical, professional and managerial training.

WORKERS IN THE SUPPLY CHAIN

The most significant potential social risks are those related to working conditions and respect for workers' rights in the supply chain. The Group identifies and mitigates these risks through training, identification of the most vulnerable areas, control of suppliers, and also by updating its risk assessment procedures for better identification of critical suppliers who potentially do not comply with the Group's principles and evaluation of their ESG performance.

CUSTOMERS

Social risks include customer satisfaction and engagement and brand reputational risks. OTB Group uses innovative tools to monitor the customer experience on a continuous basis and guarantee a prompt and efficient response. At the heart of its strategy lies close attention to product quality and safety, and management of complaints.

Privacy risk and data security

OTB Group considers the protection of the personal data of its stakeholders, such as customers and employees, to be essential.

In this regard, the Group has adopted the Privacy Organisational Model, which provides for a series of procedures and the definition of roles and responsibilities in the field of privacy at various levels of the organization for all its companies based in Europe and, in accordance with locally applicable regulations, also for non-European companies. Specific agreements have been established for the regulation of personal data transfers within the Group, such as joint controller agreements for certain areas, appointment of companies providing services to subsidiaries/affiliates as data processors, and a general data processing transfer agreement for intra-group exports and imports.

OTB has also appointed a Data Protection Officer (DPO) who can be reached at dpo@otb.net. The DPO responds to requests from data subjects, conducts audits and assessments on organizations, and is regularly involved in projects that impact the protection of personal data.

The Privacy Organisational Model applies to all workers, collaborators, interns and employees, including directors, statutory auditors and members of the BoD. The application of privacy roles varies according to the complexity of the organisations in the Group. When processing is to be performed on behalf of a Group company by an external company, an agreement is drawn up in accordance with art. 28 of the GDPR and a thorough analysis of the security measures and the supplier's ability and reliability to comply with the provided instructions is conducted.

Personal data processing is based on four legal bases: contract, consent, regulation and legitimate interest. For each type of processing, a disclosure notice is provided for the persons concerned (e.g., employees, candidates, end customers, visitors, suppliers, etc.), which is regularly updated.

The instruments adopted by the Group are: Processing Register, Data Breach Register and Procedure, Data Protection Impact Assessment (DPIA), Legitimate Interest Assessment, (LIA), Data Subject Access Request (DSAR), Transfer Impact Assessment (TIA), Data Processing Agreements (DPAs) for suppliers, Data Retention guidelines, and a Regulation for the use of IT tools.

The DPO and the Internal Audit function conduct privacy checks and audits throughout the year, both horizontally and vertically. Employees receive regular training on privacy and data security. The Group has also adopted an internal monitoring system covering these issues.

As in previous years, OTB continued to strengthen the security measures in place to protect the technological infrastructure and prevent cyber attacks, and to raise awareness among the entire corporate population through regular anti-phishing prevention campaigns.

In 2024, an incident of inadvertent publication of personal data relating to Japanese e-commerce customers was handled and notified to the local authority. There were no other incidents that qualified as data breaches under the GDPR.

During 2024, reports of various potentially damaging events were analysed and handled, which did not qualify as data breaches umder the GDPR, such as phishing attempts, theft of laptops from off-site workers, and unintentional sending of erroneous communications due to human error.

SUSTAINABILITY REPORT

3. BE RESPONSIBLE. BE BRAVE.

TWENTY TWENTY-FOUR

3.1 THE OTB GROUP VALUE CHAIN

The OTB Group's **value chain** features a large number of players and stakeholders operating at various levels and in the different processes involved in the creation and development of products and services.

The value chain is illustrated in the chart below, which shows that OTB Group manages only some of the stages directly, while the others are managed by upstream and downstream players in the supply chain.

Production of raw materials	Processing of raw materials	Product design and development	Assembly and production
Cultivation	Fibre processing	Product design	Own factories
Animal husbandry	Knitting and weaving	Trend analysis	
Production of synthetic and artificial fibres	Fabric and yarn dyeing	Sample collection design and development	
Production of recycled materials	Processing of accessories	Testing and improvement	
UPSTREAM	UPSTREAM	DIRECT	DIRECT
			Commercialised goods suppliers
			Industrialised goods suppliers
			UPSTREAM

Logistics

UPSTREAM DIRECT DOWNSTREAM

Production of raw materials

This phase encompasses the upstream activities of the OTB Group's value chain, specifically: the cultivation of natural fibres, animal husbandry, the extraction of polymers for the production of synthetic fibres, the production of artificial fibres of natural origin and processes for obtaining re-cycled materials.

Processing of raw materials

Raw materials are transformed into fabrics, materials and accessories that make up the products of each collection. This stage involves a range of processes, such as ginning, spinning, weaving, dyeing and finishing.

Sales channels	Use and care of products	Management of product end-of-life
Sales outlets Outlets Resale concessions E-commerce	Use and care of products	Recycling management Waste disposal
DIRECT	DOWNSTREAM	DOWNSTREAM
Wholesalers Franchising Travel retail Marketplace		
DOWNSTREAM		

Product design and development

Product design is the responsibility of the Creative Directors and Style Offices of the OTB Brands. In cooperation with the Product Development and Production Departments, the R&D Offices develop prototypes and samples, which undergo specific quality and durability tests and inspections before proceeding with the production of collections intended for sale.

Assembly and production

The semi-finished materials from the previous stages are transformed during the manufacturing and assembly stages into finished products, with the possible addition of appliqués, details, embroideries and prints. The activities related to production and assembly are managed by the production functions of the various OTB brands, while the actual production activities are mainly carried out by external suppliers to the Group.

Sales channels

Products are distributed through direct and indirect channels. Direct channels are points of sale, outlets, resale concessions and e-commerce. Indirect channels include wholesalers, franchising, travel retail and marketplaces.

Use and care of products

The way garments are used and cared for affects their durability and the consumption of resources such as energy and water for washing and ironing. For these reasons, greenhouse gas emissions are also associated with this phase of the product life cycle.

Management of product end-of-life

Management of a garment's end-of-life involves the activities relating to the last part of its life cycle, such as reuse, recycling or disposal. The intensity of the environmental impact of these practices varies.

Logistics

Logistics, meaning the organisational, management and strategic activities relating to supply flows, storage, shipment and transportation of raw materials and finished products, is of particular importance in the fashion industry's extended supply chain, and concerns all the activities in the value chain. For this reason, it is not indicated in a specific position in relation to the value chain. The Group directly manages flows from suppliers to the primary hubs and from the regional distribution centres to end customers. Activities in this phase include, but are not limited to, reception, storage of materials and products, as well as reverse flows for product recovery and recycling.

3.2 MATERIALITY ANALYSIS

During the reporting year, OTB considered the evaluations related to the impact materiality approved in 2023 and updated in accordance with the latest GRI Universal Standards 2021. This process allowed the most significant material topics for the Group and their respective impacts to be identified.

The analysis identified material topics by assessing impacts along the entire value chain, including direct operations and upstream and downstream activities.

Impacts were classified as:

- **Potential**: impacts that have a concrete probability of occurring, but have not occurred in the past;
- **Actual**: impacts that have already occurred;
- **Negative**: impacts that may cause harm to individuals, communities or the environment, hindering the achievement of sustainability goals;
- **Positive**: impacts that can generate tangible benefits, contributing to progress towards sustainable development.

The analysis consisted of the following steps:

1. **Understanding of the business environment:** an in-depth analysis of sustainability trends in the fashion industry, the business model and relationships along the OTB value chain was carried out. Internal and external sources were consulted, including industry publications, benchmarks and best practices of comparable companies.
2. **Identification of impacts:** actual and potential impacts related to the economy, the environment and people, including human rights, were mapped. Impacts consider positive and negative, short- and long-term, reversible and irreversible aspects.
3. **Materiality assessment:** Each impact was assessed in terms of:
   - **Scale**: severity of impact;.
   - **Capacity**: distribution along the value chain and geographical concentration;
   - **Irreparability**: difficulty of repairing a negative impact.
4. **Identification of material topics:** impacts were grouped into topics, and those associated with the most significant impacts, referred to as material topics, form the basis for reporting.

3.3 STAKEHOLDER ENGAGEMENT

Stakeholder relations play a key role in reaching sustainability goals and creating long-term value. Continuous structured interaction with stakeholders enables a better understanding of possible areas for improvement on the ESG front, which includes environmental, social and governance factors that influence business decisions and the definition of the sustainability strategy.

The approach adopted by OTB Group involves careful management of stakeholder relations, both locally and globally, as well as at the parent company and brand level. It aims to ensure effective communication tailored to the type of stakeholder.

Below is a summary of the OTB Group's main stakeholders, the engagement tools used and stakeholder expectations:

Stakeholders	Communication tools	Stakeholder expectations
Customers	• Direct relationship with sales staff • E-mails and newsletters • Online chats and phone • Social media • Online questionnaires	• Product safety • Product quality and durability • Product traceability • Diversity, inclusion and respect for all body sizes • High-level services
Employees	• Corporate intranet • Meetings and events • Corporate TV • E-mails and newsletters • Continuous feedback • Training sessions and digital courses • Whistleblowing channels • Activities of OTB Foundation	• Training and career development • Diversity, equality and inclusion • Well-being and work-life balance • Benefits and welfare initiatives • Compliance with policies and codes • Safe working environment • Reduction of environmental impact • Fair wages and working conditions
Suppliers	• Suppliers Code of Conduct • One-to-one meetings • Daily activities • On-site and institutional visits • Questionnaires	• Quality and safety • Fair payment terms • Long-term relationships • Responsible purchasing practices
Local community	• Activities of OTB Foundation • Press releases • Dialogue with local associations and NGOs • Meetings and round tables with public authorities • Newsletters and social media	• Support for local communities • Diversity, equality and inclusion • Reduction of environmental impact • Ethical, social and environmental practices

Stakeholders	Communication tools	Stakeholder expectations
NGOs and organisations	• Institutional events • Activities of OTB Foundation • Participation in conferences and roundtables	• Collaboration with communities • Reduction of environmental impact • Limitation of impact on biodiversity • Responsible procurement • Fair wages and working conditions
Financial institutions and shareholders	• Institutional meetings • Annual general meeting • Daily contacts	• Financial performance and long-term profitability • Ethical activities and governance • Management of risks and opportunities
Public authorities	• Institutional events and institutional visits to Group premises • Round tables and initiatives with institutions • Meetings with institutions and public authorities • Interaction with industry associations • Activities of OTB Foundation	• Full compliance with legislation • Participation in projects of public utility • Membership of national and international bodies, organisations and associations in the sustainability arena and in innovation in the fashion and luxury industry • Public debates and contributions to key industry issues • Italian excellence and promotion of Made in Italy
Media	• Press releases and conferences • Social media and official website • Enquiries and interviews • Interviews with senior management • Corporate and brand events, fashion shows	• Responsible communication • News about OTB Group, the brands and OTB Foundation • Information about sustainability and innovation relating to the OTB Group strategy • Senior management's views on the industry, the economic situation or related topics • Transparent communication flows, timely and precise information disclosed on a regular basis

3.4 THE OTB GROUP SUSTAINABILITY STRATEGY

The *"Be Responsible. Be Brave."* strategy represents the integrated approach adopted by OTB Group to incorporate sustainability into the business in order to address environmental, social and governance challenges along the entire value chain. Based on the results of the materiality analysis, this strategy identifies clear priorities and measurable goals, in line with the UN Sustainable Development Goals (SDGs).

It consists of three pillars, each closely related to the material topics identified through the analysis described in section 3.2 above. In this context, OTB Group has adopted a governance system designed to ensure the implementation of the strategy in accordance with the principles of integrity and transparency.

Protecting Our Planet

This pillar defines the OTB Group's commitment to the development of an increasingly responsible fashion industry, with a focus on environmental impacts. This is realised through the **reduction of greenhouse gas emissions**, the **reduction of waste** and the development of a system of **a responsible management system for water resources and chemicals**.

The New Fashion System

This pillar defines the OTB Group's commitment to the development of **collections with a lower environmental impact** through innovative designs, the adoption of circular business models and the search for preferred materials. The use of increasing amounts of **preferred, recycled, and certified materials**, and the improvement of garment durability performance, are just some of the initiatives adopted to contribute to a tangible reduction in impact generated. Furthermore, OTB Group is committed to ensuring **transparent communication** in both product labelling and marketing practices, in order to promote consumer confidence as well as more informed purchasing choices.

Brave Together

This pillar defines the OTB Group's commitment to the development of a fashion industry that pays attention to **social impacts along the entire value chain**. Respect for human rights, health and safety in the value chain are issues regarded by OTB's brands as essential to the performance of their operations. The Group ensures open and inclusive working environments that promote **lifelong learning, respect for diversity, gender equality and employee welfare**. Furthermore, through the activities and partnerships of **OTB Foundation**, the Group is active in creating a positive, concrete and long-term social impact in local communities and areas of the world in emergency situations.

The material topics of the OTB Group's Sustainability Strategy are shown below.

PROTECTING OUR PLANET

Reducing climate impact

Climate change

Energy

Reducing waste

Generation of waste

Safeguarding ecosystems

Water pollution

Water resources

THE NEW FASHION SYSTEM

Lower-impact products

Raw materials

Biodiversity

Animal welfare

Circular models

Product circularity

Transparent communication

Marketing and labelling

BRAVE TOGETHER

Nurturing employees

Workers' well-being

Workers' human rights

Occupational health and safety

Employee training and development

Fair supply chains

Human rights in the value chain

Health and safety in the value chain

Supplier relations

Preserving craftsmanship

Promoting diversity and inclusion

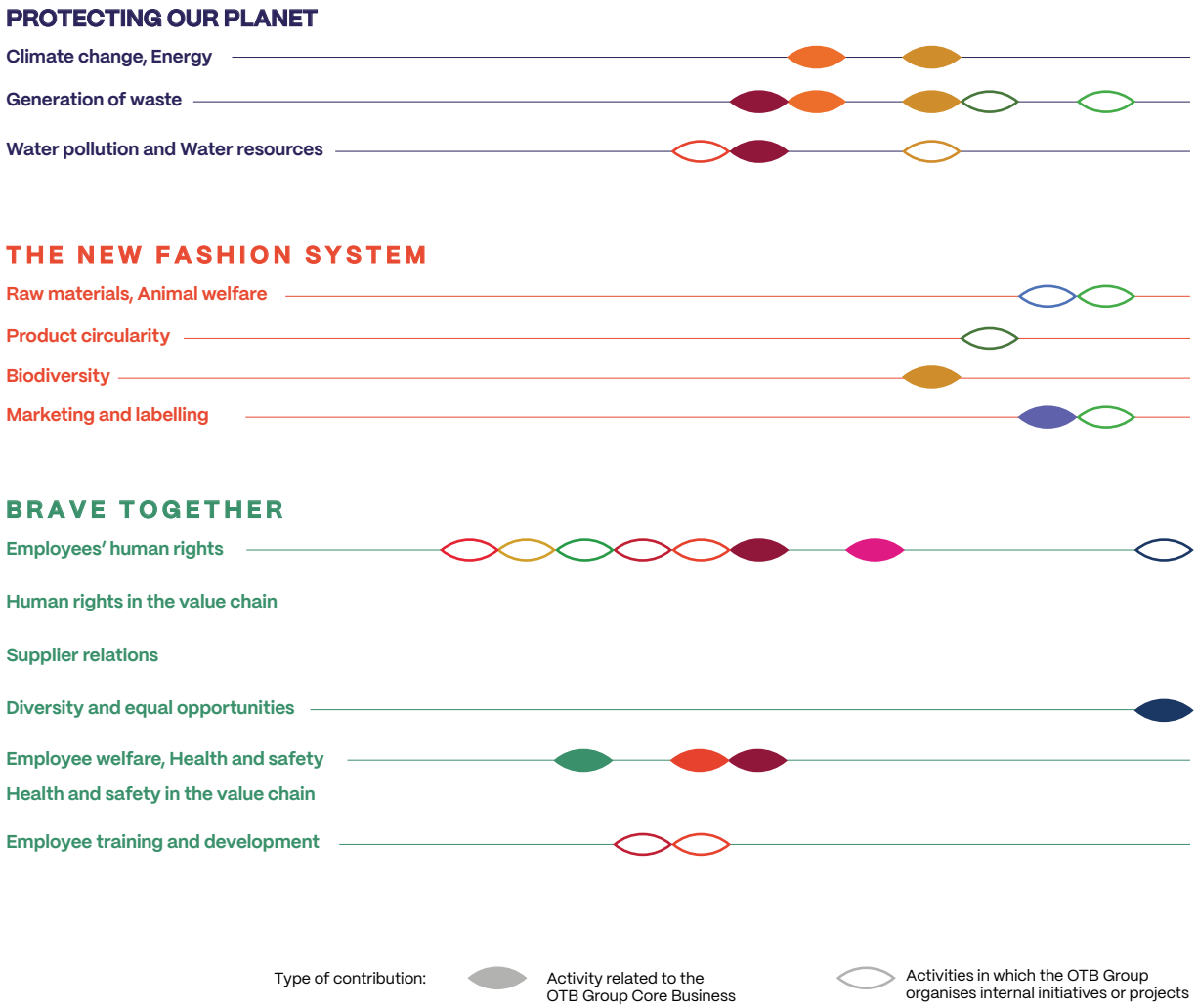
Diversity and equal opportunities

Supporting communities

Activities of OTB Foundation

Support for the SDGs

The table below cross-references the Sustainable Development Goals (SDGs) with the pillars of the OTB Strategy.



FOR RESPONSIBLE LIVING: THE DIESEL SUSTAINABILITY STRATEGY

Diesel was created as an innovative alternative to both traditional luxury and classic five-pocket jeans. Always committed to raising awareness of environmental and social issues through its communication campaigns, in 2019 the brand decided to adopt a Sustainability Strategy, named **"For Responsible Living"** and launched publicly in 2020. The strategy focuses on integrating sustainability into business and everyday decisions through the introduction of innovative solutions intended to establish a circular business model and create low-impact products that respect people and the environment.

As part of its "For Responsible Living" strategy, Diesel has set targets and planned actions to improve its sustainability performance and contribute to a fashion industry that generates positive impacts.

The Strategy is based on four pillars:

1. **BE THE ALTERNATIVE:** Diesel is committed to creating alternative products and packaging, using low-impact materials and investing in innovation and the development of circular solutions through collaboration at every step in the value chain.

2. **STAND FOR THE PLANET:** Diesel is committed to protecting the environment and climate by minimising its greenhouse gas emissions, reducing its water footprint, and improving re-use and recycling rates in all its operations.

3. **CELEBRATE INDIVIDUALITY:** Diesel is committed to developing a sustainability culture inside the company by raising awareness among its workforce, as well as by respecting employees' rights, enhancing their diversities, treating everyone equally and nurturing them to fulfil their potential in a safe and inclusive work environment.

4. **PROMOTE INTEGRITY:** Diesel is committed to maintaining the highest social and environmental standards throughout the value chain by improving product traceability and promoting responsible supplier practices, while guaranteeing transparency and an ethical supply chain.

Over the past five years, Diesel has achieved significant results for each of its four strategic pillars and is continuing to work with all departments to achieve the ambitious goals set by the brand, in line with its own strategy and the OTB Group's "Be Responsible. Be Brave." strategy. The projects relating to 2024 are examined in greater detail later in this Report. Prior-year projects are illustrated in OTB's previous Sustainability Reports.

3.5 COLLABORATIONS AND MEMBERSHIPS

OTB Group recognises the importance of multi-sectoral collaboration to develop a more responsible fashion industry. In this context, OTB Group confirmed for 2024 its voluntary membership of the initiatives and organisations listed below.

Aura Blockchain Consortium

OTB Group is a steering member of the Aura Blockchain Consortium together with the LVMH Group, Prada Group and Cartier and is represented on the Consortium's Board by Stefano Rosso, CEO of BVX, Chair of Maison Margiela and CEO of Marni. The Aura Blockchain Consortium is a non-profit association, exclusive to luxury brands, created for the purpose of promoting socially responsible and customer-oriented business practices throughout the entire life cycle of luxury products. The platform promotes a global blockchain-based solution open to luxury Brands in any business sector and geographical location. Its aim is to accelerate the transition to circular business models, provide consumers with additional information, and improve transparency and product information. OTB takes an active part in developing projects and defining the strategic initiatives of the Aura Blockchain Consortium, encouraging participation by each Group Brand.

Leather Working Group (LWG)

In 2021 OTB Group joined the Leather Working Group (LWG), a non-profit organisation which has developed one of the leading environmental certifications in the leather manufacturing industry. The LWG was created to establish a protocol to assess the environmental compliance and performance of leather manufacturers by defining a ratings scale. Since 2005, it identifies environmental best practices in the industry and provides guidelines for continuous improvement. Its activities and tools focus on traceability in the supply chain, auditing, combating deforestation, and social responsibility. Through its companies, OTB Group promotes cooperation with tanneries that are members of the Leather Working Group.

Re.Crea Consortium

In August 2022, the Re.Crea Consortium was established by OTB Group together with Dolce&Gabbana, Max Mara Fashion Group, Moncler Group, Prada Group, Ermenegildo Zegna Group, with the coordination of the Italian National Chamber of Fashion (CNMI), in response to the European Directive on "Extended Producer Responsibility for Textile Waste" (EPR) and to related national legislation. The Re.Crea Consortium's main objective is to manage the end-of-life of textile and fashion products and promote the research and development of innovative recycling solutions. Currently chaired by Carlo Capasa, President of the Italian National Chamber of Fashion, the Consortium is open to new memberships from key players in the fashion and Made in Italy segment, so as to further strengthen its impact.

The Fashion Pact

Established in 2019 to reduce the industry's environmental impact, The Fashion Pact is a global coalition uniting leading fashion and textile companies, including suppliers, manufacturers, distributors and marketplaces. The companies involved, including Diesel from 2020 and the entire OTB Group since 2022, collaborate to share best practices and jointly identify innovative solutions to meet common goals, notably: mitigating global warming, restoring biodiversity and protecting the oceans.

Science Based Targets Initiative (SBTi)

The global "Science Based Targets initiative" (SBTi) was created to address climate change issues and,specifically, to help companies achieve decarbonisation objectives such as: limiting global warming to +1.5 degrees Celsius above pre-industrial levels, promoting business innovation for process improvement by adopting low-carbon technologies, reducing business risks by setting science-based targets. In 2023, OTB Group obtained approval for its reduction targets (see chapter 5 "Protecting Our Planet").

Zero Discharge of Hazardous Chemicals Foundation (ZDHC)

In 2021 OTB Group and its brands joined the Zero Discharge of Hazardous Chemicals Foundation, an initiative promoted by the ZDHC organisation to reduce and eliminate the use of hazardous chemicals in the textile, clothing and footwear industries.

Forest Stewardship Council® (FSC®)

The Forest Stewardship Council® is an international non-profit multi-stakeholder organisation established in 1993 to promote responsible management of forests globally through timber certification. In 2024, Diesel again confirmed its commitment to using FSC®-certified paper or cellulose materials for almost all of its B2B and B2C packaging.

SUSTAINABILITY REPORT

4. THE NEW FASHION SYSTEM

TWENTY TWENTY-FOUR

The **New Fashion System** is the OTB Sustainability Strategy pillar that defines the Group's commitments to the material topics detailed below:

- **Lower-impact materials**: OTB Group is committed to seeking solutions to reduce the environmental footprint of its products by promoting the use of low-impact materials and treatments, and supporting responsible sourcing.
- **Circular models**: OTB Group is committed to designing products that can be recycled and recovered and implementing initiatives to extend product life, such as circular business models.
- **Transparent communication**: OTB Group is committed to ensuring transparent communication through both product labelling and marketing practices. This approach boosts consumer confidence and facilitates informed purchasing decisions.

The link between the first two topics and the stages of the OTB Group value chain is illustrated below.

Stage	Product design and development	Use and care of products	Management of product end-of-life
Initiatives	• Certified alternative materials (e.g., organic and/or recycled) • Processes and treatments with a low environmental impact • Upcycling	• Quality testing and increased product durability • Advice to customers on caring for and extending the product life cycle • Second-hand	• Partnerships for product end-of-life management • Recycling and reuse of materials • Upcycling

4.1 MATERIALS AND PRODUCTS

The textile industry has a significant impact on the environment and on communities along the entire supply chain. The production and processing of both natural and synthetic fibres and materials consume significant resources and can have negative impacts on the environment and people.

To mitigate these impacts, OTB develops strategies to encourage responsible sourcing.

With this in mind, as a member of **The Fashion Pact** the Group is committed to ensuring that, **by 2025, at least 25% of the main materials it uses at consolidated level have a lower climate impact.**. This target aims to reduce greenhouse gas emissions along the supply chain by using certified raw materials and/or recycled materials, as well as production processes that reduce consumption of water and chemicals.

OTB's commitment is also demonstrated by its participation in the **Science Based Targets initiative** (SBTi) call to action, which, starting in 2021, has pledged to reduce greenhouse gas emission intensity by 55% per tonne of raw materials purchased, compared to the 2019 baseline, with regard to purchases of goods, raw materials, packaging and services, and to upstream and downstream transportation and distribution.

In 2024, OTB Group purchased a variety of raw materials, as illustrated in the chart below. **Cotton accounted for the largest share of raw materials, at 61.8%**, followed by synthetic polymers at 23.7%. Leather makes up 6.6%, while man-made cellulosic fibres and animal fibres account for 2.9% and 2.6% respectively.

RAW MATERIALS PURCHASED IN 2024

Cotton	61.8%
Synthetic polymers[4]	23.7%
Leather	6.6%
Artificial Cellulosics[5]	2.9%
Animal Fibres[6]	2.6%
Other[7]	2.4%

4. Synthetic polymers: Acrylic, Elastane, Elastodiene, Elastomultiester, EVA, Rubber, Latex, LDPE, Modacrylic, Polyacrylic, Polyamide, Polycarbonate, Polyester, Polyethylene, Polymethylmethacrylate, Polypropylene, Polypropylene, Polystyrene, Polyurethane, PVC, Spandex, TPU.

5. Artificial Cellulosics: Acetate, Cellulose, Cupro, Lyocell, Modal, Triacetate, Viscose.

6. Animal fibres: Alpaca, Cashmere, Wool, Silk.

7. Other: Aluminium, Silver, Bamboo, Hemp, Paper, Wax, Shell, Vegetable Ivory, Crystal, Jute, Wood, Linen, Metals, Gold, Brass, Pearl, Precious Stones, Feathers, Copper, Copper, Ramie, Rattan, Resin, Silicone, Sisal, Glass, Zamak, Zinc, Zircon.

In 2024, sourcing of **certified materials and/or materials that respect environmental and animal welfare standards** rose significantly, to **approximately 24% of total OTB Group purchases** (an increase of 7 percentage points from 2023). Specifically, purchases of preferred cotton (organic, recycled and regenerative cotton) increased by 31% compared to purchases in 2023 for the same category of materials.
As a result, **the share of preferred cotton reached 27.3%** of total cotton purchases at the consolidated OTB level and accounted for 16.8% of the Group's total raw material purchases, a significant increase from 2023 when it was 10.3%.

COTTON PURCHASED IN 2024	
Conventional cotton	72.7%
Preferred cotton	27.3%
of which:	
• *Organic cotton*	17.3%
• *Regenerative cotton*	6.7%
• *Recycled cotton*	3.3%

OTB Raw Materials Standards

In 2024, with the purchasing and product development departments and the style offices, OTB developed the first "**OTB Raw Material Standards**", a set of guidelines to improve and align the sourcing practices of the Group's brands.
These standards **provide a detailed overview of the preferred raw materials**[8] and list materials that are banned (e.g., exotic furs and skins) or to be removed from the collections within specific timeframes. They also provide guidance on the certifications accepted by the Group to consider materials with low impact that guarantee animal welfare.
The standards reflect the Group's commitment to a more responsible fashion system and take into account the objectives of the Group's Sustainability Strategy, the requirements of key markets and industry best practices.

As early as 2020, Diesel drew up guidelines, updated on a regular basis, that set out the criteria for producing items with a lower environmental impact, in accordance with the brand's "For Responsible Living" strategy. The guidelines indicate the preferred alternatives for creating a "responsible" product for Diesel, and adopt a three-pronged approach that considers not only the materials used, with the focus on lower-impact options consistently with the OTB Raw Materials Standards, but also treatments, finishing processes and accessories (buttons, rivets, zippers, etc.). Similarly, Brave Kid introduced the same guidelines followed by the teams in developing products with a lower environmental impact.

Starting from the work described above, in 2024 the Corporate Sustainability team **aligned the criteria for the definition of a "responsible" product** by drawing up **Group guidelines** to expand the offer of "responsible" products in the collections of the various brands, while guaranteeing quality standards and respecting the identity of each brand. These guidelines will be introduced internally in the first half of 2025, through dedicated training sessions.

Certifications and standards

Compliance with international standards and certifications is important, both to ensure the application of specific practices along the supply chain and as regards customers' purchasing decisions in the fashion industry. From a communication and commercial viewpoint, the right to use logos associated with globally recognised standards and certifications raises perception of lower-impact products, which facilitates the transition process and increases understanding among customers.

8. Preferred raw materials refer to the definition provided by Textile Exchange, namely "A fiber or raw material that consistently offers reduced impacts and greater benefits for climate, nature, and people compared to the conventional equivalent, through a holistic approach aimed at redefining current production systems".

In line with these commitments, during 2024, after a specific audit, Staff International was certified by Intertek, a globally accredited independent third-party certification body, regarding the certification standards of finished products with reference to the organic and recycled raw materials listed below.

The Diesel and Brave Kid production hubs, already certified in 2023, renewed the same certifications in 2024.

Impact	Certification	Description	Raw materials	Certified companies
Lower climate impact	**RECYCLED CLAIM STANDARD (RCS 100 AND RCS BLENDED)**	Ensures a minimum content of recycled material in every garment (from 5 to 95% for RCS Blended, more than 95% for RCS 100) and traceability throughout the production process.	Polyester, Nylon, Cotton, Linen, Hemp, Silk, Wool, Cashmere, Leather	Diesel Brave Kid Staff International
Lower climate impact	**GLOBAL RECYCLED STANDARD (GRS)**	Ensures the content of recycled materials (at least 20%), traceability throughout the production process, restrictions on the use of chemicals, and compliance with environmental and social criteria at every stage in the supply chain, from the recycling of materials through the subsequent production stages to labelling of the finished product.	Polyester, Nylon, Cotton, Linen, Hemp, Silk, Wool, Cashmere, Leather	Diesel Brave Kid Staff International
Lower biodiversity impact	**GLOBAL ORGANIC TEXTILE STANDARD (GOTS)**	Ensures the content of natural fibres from organic farming (at least 70%), traceability throughout the production process, restrictions on the use of chemicals, and compliance with environmental and social criteria at every stage in the supply chain.	Cotton, Linen, Hemp, Jute, Wool, Alpaca, Silk	Diesel Brave Kid Staff International
Lower biodiversity impact	**ORGANIC CONTENT STANDARD (OCS 100 AND OCS BLENDED)**	Ensures the content of natural fibres from organic farming (from 5 to 95% for OCS Blended, more than 95% for OCS 100) and traceability throughout the production process.	Cotton, Linen, Hemp, Jute, Wool, Alpaca, Silk	Diesel Brave Kid Staff International
Lower biodiversity impact	**REGENAGRI®**	An international certification programme open to all farms and agribusinesses that adopt regenerative agriculture techniques. These techniques are designed to increase organic matter in the soil, promote biodiversity, reduce greenhouse gas emissions and capture CO_2. The Certification confirms that cultivation methods comply with Regenagri® standards and ensures that regenagri content is compliant from the field to the finished products. Certification is issued by the Control Union certification company.	Cotton, Linen, Hemp, Jute	Diesel

Impact	Certification	Description	Raw materials	Certified companies
Animal welfare	**RESPONSIBLE WOOL STANDARD (RWS)**	Guarantees that the wool is sourced from farms managed in accordance with stringent welfare and quality-of-life criteria with regard to livestock and land.	Wool	Diesel Brave Kid Staff International
Animal welfare	**RESPONSIBLE MOHAIR STANDARD (RMS)**	Guarantees that mohair is sourced from farms that adopt a responsible approach to the management of their land and livestock.	Mohair	Diesel Staff International
Animal welfare	**RESPONSIBLE ALPACA STANDARD (RAS)**	Certifies the use of alpaca fibres from farms that adopt a responsible approach to impact on the land and animal welfare.	Alpaca	Diesel Staff International
Animal welfare	**RESPONSIBLE DOWN STANDARD (RDS)**	Ensures that down and feathers used as filling are obtained from aquatic or land birds that have not been subjected to treatment that causes pain, suffering or distress and that traceability is maintained throughout the production process.	Feathers	Diesel Staff International

In 2021 OTB Group joined the **Leather Working Group (LWG)**, a non-profit organisation which has developed one of the leading environmental certifications in the leather manufacturing industry. The LWG was set up to establish a protocol to assess the environmental compliance and performance of leather manufacturers, and formulate a rating scale. Since 2005, it has identified environmental best practices in the industry and provided guidelines for continuous improvement. Its activities and tools focus on traceability in the supply chain, auditing, combating deforestation, and social responsibility.

In 2024, through its companies, OTB Group confirmed its commitment to cooperation with tanneries that are members of the Leather Working Group. In 2024, **leather purchased from LWG-certified tanneries reached 31.4%** of the Group's total leather purchases.

Animal welfare

The OTB Group companies have drawn up an **Animal Welfare Declaration** on animal fibre sourcing that suppliers are required to sign.

Specifically, the **Animal Welfare Declaration establishes binding criteria** for suppliers of raw materials and finished products, requiring compliance with the following conditions:

- Leather and skins must be sourced only from food industry by-products, excluding any form of breeding for the sole purpose of producing leather;
- Down and/or feathers must not be sourced from force-fed or live animals;
- Raw materials must not come from vulnerable, endangered or protected species as listed in the Convention on International Trade in Endangered Species of Wild Fauna and Flora (CITES) and the International Union for Conservation of Nature's Red List of Threatened Species;
- Raw materials must not come from breeders who practise mulesing;
- Compliance with all international and local regulations must be guaranteed.

This declaration, which had already been adopted by Diesel and Staff International, was adopted by Brave Kid in 2024, to gradually standardise the Group's animal welfare guidelines.

OTB Group guarantees that each brand may adopt more stringent measures, compatibly with its distinctive identity. In line with this principle, **Diesel has been Fur Free** since 2010 and, as from 2025, all the other OTB Group brands will also be Fur Free, as stipulated in the OTB Raw Materials Standards. Consequently, products and accessories sold by the OTB Group brands must not contain animal skin or any part thereof with attached pelt or fur fibres, in the raw or processed state, of any animal bred and slaughtered exclusively for the use of its fur.

Biodiversity

Fashion has a significant impact on biodiversity due to its production practices and intensive use of resources. Consequently, preserving biodiversity is a major challenge. OTB is drawing up an **analysis of its biodiversity impacts** so that they can be quantified, monitored and reduced throughout the supply chain. The analysis will serve as a basis for the formulation of an internal policy to safeguardi biodiversity, which will guide all the Group brands and partners in choosing appropriate measures.

As an active member of The Fashion Pact, OTB Group participates in the initiatives organised by the coalition through some of its brands. These include training and analyses promoted by their platform and those of other members.

UNLOCK PLATFORM AND ENVIRONMENTAL RISK ANALYSIS

In 2024, Diesel again confirmed its participation in the **"Unlock Platform"** project promoted by The Fashion Pact. The project was set up to create a **collective sourcing platform** that helps farmers in the transition to a lower climate-impact cotton. In 2024, Diesel also completed the environmental risk analysis launched in the last quarter of 2023. **The analysis focused on three key areas — climate, biodiversity and water** — and was implemented in two main stages: first, the identification of hotspots in the brand's supply chain and, second, an analysis of the related environmental risks. The analysis enabled Diesel to identify its sourcing operations most exposed to environmental risk in one of the three key areas. The results provided the basis for a sourcing strategy that takes these impacts into account and works to mitigate the associated risks.

OTB Group Initiatives

DIESEL

During 2024, Diesel continued to work to achieve its sustainability goals consistently with its **For Responsible Living** strategy and the Group **Be Responsible. Be Brave.** strategy. The brand confirmed the upward trend in the proportion of lower-impact products in its collections for 2024.

During the year, Diesel achieved a **significant milestone** with its 2025 Spring/Summer collection, with more than **60% of the combined Ready To Wear and Denim offer in line with the "lower impact" product guidelines.** The results for the Denim category alone, the brand's iconic garment, were even more significant, with 70% of the 2025 Spring/Summer collection produced in accordance with the guidelines. Once again, the brand's Spring/Summer Beachwear offer was fully labelled For Responsible Living, with all garments containing more than 50% recycled materials or other preferred materials.

Furthermore, in 2024, the share of leather purchased from LWG-certified tanneries for the Footwear & Bags category reached 19% of Diesel's total leather purchases, rising to 31.5% for the bags and small leather goods category alone.

In 2024, Diesel increased its use of **lower-impact cotton**, which accounted for **about 31.4%** of the brand's total cotton purchases, compared to 23.9% in 2023, as a result of greater use of organic, recycled and regenerative cotton.

Diesel also continues to prefer alternative fibres such as hemp and linen, which require less water and fewer pesticides, as well as responsibly sourced viscose and FSC®-certified paper and cellulose.

The brand confirmed its commitment to sustainability **at the 2024 Salone del Mobile** furniture show in Milan, where it presented the Puff-D, an armchair made in collaboration with Moroso and certified *REMADE® IN ITALY*, with a Polimex® structure containing 32.6% recycled materials.

STAFF INTERNATIONAL AND THE LUXURY BRANDS

Staff International serves as an industrial platform for some OTB brands including Marni, Maison Margiela and Jil Sander, and has helped them improve the sustainability performance of their respective collections. The results achieved in 2024 are described below.

MARNI

Marni increased the use of certified fibres and innovative solutions, and in the 2025 Spring/Summer collection, **products with** a minimum content of at least 50% **lower-impact materials accounted for more than 40%** of the overall offer. These materials were organic and recycled cotton, viscose from responsibly managed forests, recycled polyester, wool and mohair from responsibly managed farms.

Marni also uses leather from *Leather Working Group*-certified tanneries to reduce its environmental footprint. In 2024, **leather purchased from LWG-certified tanneries** for the Footwear & Bags category **reached 54%** of the brand's total leather purchases, rising to 76% in the bags and small leather goods category alone.

During 2024, Marni also increased its use **of lower-impact cotton,** specifically organic and recycled cotton, which **stood at around 32.8%** of the brand's total cotton purchases.

JIL SANDER

Jil Sander is gradually expanding the use of alternative fibres and lower-impact materials in all its collections. In 2024, the brand focused on progressively replacing **traditional viscose** with its alternative **from responsibly managed forests,** reaching a **share of approximately 45% in the Ready To Wear collections**.

Meanwhile, **the proportion of leather purchased from LWG-certified tanneries** for the Footwear & Bags category **reached 27%** of the brand's total leather purchases, rising to 57% in the bags and small leather goods category alone.

MAISON MARGIELA

Maison Margiela focuses on research into innovative materials and processes with a low environmental impact, including natural dyes made from plant extracts and fabric treatments to reduce the use of chemicals. During 2024, the brand focused on one of its main materials: leather. **The share of leather purchased from LWG-certified tanneries** for the Shoes & Bags category **reached 31%** of the brand's total leather purchases, rising to 41% in the bags and small leather goods category alone.

BRAVE KID

For the reporting year, Brave Kid confirmed its commitment to sourcing materials with a low environmental impact for the collections of the brands it works for. The hub increased its use of these materials, with the **share of garments identified as having a lower impact** under its guidelines **reaching 12% in the 2025 Spring/Summer collection**, a 4 percentage point increase over the 2024 Fall/Winter collection. The increase reflects Brave Kid's continued commitment to offering growing numbers of responsible items.

VIKTOR&ROLF

Viktor&Rolf is committed to using lower-impact materials and works with suppliers to identify new solutions. In 2024, Viktor&Rolf again **confirmed its collaboration with the company that produces Tencel™ Luxe fibre**, an innovative Lyocell yarn made from wood pulp sourced from responsibly managed forests, for the Mariage collection.

Traceability

Traceability along the entire value chain is essential to manage actual and potential environmental and social impacts throughout the supply chain. To improve its materials sourcing system and achieve the related Sustainability Strategy goal, the Group is implementing a platform for the traceability of product and process information.

In order to identify the best platform to meet the production needs of each of its production hubs and brands, in 2024 the Group **conducted pilot projects with a number of platforms and systems** that provide this type of service. The choice of platform also needs to consider the regulations on traceability, transparency and reporting, which are still being updated and/or amended by the authorities. Based on the results, additional tests will be carried out in 2025 to ensure selection of the best solution for the needs of OTB and its brands. The new tool will enable centralised management of data on materials, products and production processes, more efficient information collection and analysis, more reliable verification and compliance processes.

4.2 PACKAGING

Packaging significantly affects environmental impact throughout the product life cycle. **Responsible management of packaging** is essential to reduce consumption of non-renewable resources and greenhouse gas emissions, and minimise waste. Special attention must be paid to limiting the use of virgin plastic and increasing the sourcing of cellulosic fibres from responsibly managed forests.

To this end, OTB Group has **identified specific targets** under its Sustainability Strategy, for example: the elimination of problematic and redundant virgin plastic[9] in B2C packaging by 2025 and in B2B packaging by 2030; the use of recycled plastic when plastic cannot be eliminated; a commitment to ensure that at least 50% of plastic packaging is composed 100% of recycled material. These objectives are also consistent with The Fashion Pact.

The breakdown of OTB Group packaging purchases shows that **product packaging accounts for 59% of the total,** including labels and shopping bags, while logistics packaging accounts for 24%. Packaging for retail channels, including hangers, accounts for 10%, while e-commerce packaging covers the remaining 7%.

Packaging is **composed mainly of paper/cardboard** (84.5%) and plastic (12.5%).

PACKAGING PURCHASES BY TYPE OF MATERIAL

	2024
Paper and cardboard	84.49%
Plastic	12.52%
Textile fibres	2.75%
Metals	0.23%
Other	0.01%

OTB Group is committed to reducing the environmental impact of packaging and improving its performance. With regard to paper and cardboard, approximately **98% of the total supply is recycled or comes from responsibly managed forests.** In addition, about 50% of purchased plastic packaging is recycled.

PACKAGING BY TYPE OF MATERIAL (TONNES)

	2024
Paper and cardboard	2,562
of which paper from responsibly managed forests	2,398
of which recycled paper	106
Plastic	380
of which recycled plastic	188
Textile fibres	83
Metals	7
Other (paints and rubber materials)	0.3
Total	**3,032**

9. The Fashion Pact refers to the Ellen MacArthur Foundation's guidelines to determine which types of plastic are considered superfluous, classifying packaging that "is not reusable, recyclable or compostable" as problematic or unnecessary.

OTB Group initiatives

DIESEL

Starting with the 2024 Fall/Winter season, **the B2B polybags for the Footwear & Bags category are produced from 100% recycled polyethylene,** extending the practice already adopted for the Denim and Ready To Wear collections. As from 2025, packaging for the "Beachwear" collection will be reusable and made of 100% recycled TPU. All hangers for transporting hanging garments to end customers have been made from recycled plastic since April 2023. In the fragrance category, from July 2025, the boxes of the "Only the Brave" and "D by Diesel" fragrances will be made from FSC®-certified paper, while the glass packaging of the "D" and "D-Red" fragrances will contain at least 30% recycled glass.

MARNI

In 2024, the embroidered logo label was removed from dust bags and replaced with a water-based colour print, to improve its recyclability. In addition, **starting with the 2026 Spring/Summer collection, dust bags will be made entirely from recycled cotton**. In 2022, the brand had already introduced new packaging made from certified materials, and consisting of 50% recycled paper and 100% recycled cardboard (60% pre-consumer waste, 40% post-consumer waste). This has also optimised online shipping by eliminating superfluous packaging as some products like shoes are now shipped directly in their original packaging.

JIL SANDER

In 2024, for the Footwear & Handbags category, Jil Sander replaced all shoeboxes with paper and cardboard from responsibly managed forests and/or with recycled content; it is also working on the gradual replacement of Footwear & Handbags tags with responsibly sourced paper.

MAISON MARGIELA

During 2024, the brand carried out an extensive analysis of its packaging and developed a new version, initially for the MM6 line. The new packaging, to be introduced in June 2025, **replaces plastic bags with cotton handles with bags made entirely of cotton.**

BRAVE KID

In October 2024, Brave Kid introduced **a new reusable packaging solution for e-commerce shipments.** Specifically, it replaced single-use cardboard boxes with bags that can be reused up to 20 times, so reducing energy and water consumption, as well as CO_2 emissions, compared to those required for the production of new packaging.

VIKTOR&ROLF

During 2024, the brand began reviewing its packaging with the aim of developing an improved version. It already uses **paper from responsibly managed forests for tags,** and is introducing materials such as recycled plastic and polyester for some packaging such as its polybags and labels.

4.3 ECODESIGN AND CIRCULARITY

For decades, the fashion industry has operated with the **"take, make, dispose"**. The phases of this model are the extraction of raw materials, their transformation into finished products, and their subsequent disposal at the end of their life. This system is heavily reliant on virgin resources and intensive use of water, energy and chemicals, which generate significant impacts on ecosystems. In addition, it has fuelled a significant increase in textile waste, which is often difficult to recycle and reuse in other production processes, especially if the textiles are composed of materials of different origin. For example, if synthetic-natural blends are not designed for recycling, fibre separation and recovery is problematic. In other cases, the application of certain chemical treatments may compromise recyclability. In response to these critical issues, the fashion industry is accelerating the transition to circular models that generate value through reuse, recovery and recycling strategies.

The **adoption of circular economy principles involves a rethinking of the entire product life cycle** starting from the creative process, in favour of a more holistic approach covering design, choice of materials, production methods, product use and end-of-life. Accordingly, the OTB companies prefer raw materials with a lower environmental impact, such as organic, regenerative and recycled fibres, and are introducing ecodesign principles that extend the useful life of products and/or facilitate recycling.

During 2024, the Group promoted several training initiatives on these issues.

Diesel held the second phase of the **circularity and ecodesign training course for the Style and Product functions**, looking at techniques to facilitate the separation of components, and garment recyclability and repairability. The participants were also involved in an interactive workshop to identify **garment care and repair solutions** consistent with Diesel's DNA.

Also during 2024, **Marni** launched a similar **training programme on ecodesign** and circularity for the **Style, Product Development and R&D teams.** Here too, the participants assessed best practices for adoption in future collections.

As part of the training, **contests on the practical application** of what the participants had learnt were organised, for example the creative reuse of faulty products and/or unsold stock, in order to consolidate **upcycling** or develop creative repair solutions.

With regard to the use and care of products, **quality and durability** play an essential role in reducing environmental impact. Prolonging the useful life of garments means reducing their replacement rate to curb demand for new resources.

This involves carrying out **resistance tests** to assess the ability of materials to maintain their characteristics over time, testing parameters such as abrasion, pilling, colour fastness and tear resistance.

The care of garments is equally important to prolong their useful life and prevent premature deterioration. In this area, the OTB Group brands provide their customers with specific instructions for keeping products in good condition, particularly with regards to washing methods and temperatures as well as drying and ironing. Finally, the adoption of circular business models such as the "second-hand" model can help garment life, reducing the need for new production and the consequent consumption of primary resources.

As far as product end-of-life is concerned, it is essential that the players in the value chain work together for efficient management of textile waste and recycling, developing innovative solutions for large-scale application. In line with this approach, in August 2022, the **Re.Crea Consortium was established** by OTB Group together with Dolce&Gabbana, Max Mara Fashion Group, Moncler Group, Prada Group, Ermenegildo Zegna Group, with the coordination of the Italian National Chamber of Fashion (CNMI), **in response to the European Directive on "Extended Producer Responsibility for Textile Waste"** (EPR) and to related national legislation.
The EPR directive places greater responsibility on manufacturers in the end-of-life management of textile products, promoting structured models for collection, reuse and recycling. The Re.Crea Consortium's main objective is to manage the end-of-life of textile and fashion products and promote the research and development of innovative recycling solutions. Currently chaired by Carlo Capasa, the President of the Italian National Chamber of Fashion, the Consortium is open to new players of excellence in the fashion and Made in Italy segment, so as to further strengthen its impact.

OTB Group initiatives

DIESEL
In 2024 Diesel continued the **project to reuse production off-cuts** launched in 2022 in cooperation with **the United Nations Industrial Development Organisation (UNIDO)** and a Tunisian supplier. The project creates a virtuous circle for fabric off-cuts to expand the management and recycling of denim scraps in the mechanical recycling process. Once they have been recycled and re-woven, the new fabrics containing at least 20% recycled cotton are reused by Diesel and included in its collections. Since the project began, approximately **24 tonnes** of waste fabrics have been transformed into **88,000 pairs of jeans**. Some of these jeans are included in the **Diesel Library**, the permanent line of denim garments designed with the focus on environmental impact, not only of the fabrics, but also of the treatments and accessories.
In September 2024, Diesel re-launched the **Diesel Rehab Denim** collection, developed with supplier **Tejidos Royo** and initially presented in the 2022 Fall/Winter show.
Each garment in the line is made from entirely recycled cotton and elastane, blended with TENCEL™ x REFIBRA™ technology, while the fabric is dyed with water-free Dry Indigo® technology, which hugely reduces consumption of chemicals (by up to 89%) and energy in the denim dyeing process (by up to 65%).

The new models in the Diesel Rehab Denim line were launched at the **2025 Spring/Summer show**, whose staging used around **14,800 kg** of **fabric off-cuts**, creating an immersive experience that demonstrated how to create beauty and generate value from fabric off-cuts. The off-cuts were later reused in sectors such as automotive and in the production of insulation materials.

To contribute to the development of a circular fashion system, Diesel expanded the geographical scope of the **Diesel Second Hand** project by opening four sales outlets in Japan, and continued the initiative in mono-brand stores in Italy and on the European e-commerce website.

In recognition of its commitment to circularity, Diesel received the **Ellen MacArthur Foundation's Circular Economy Award** at the **2024 Sustainable Fashion Awards** organised by the **Italian National Chamber of Fashion**, for its **Diesel Rehab Denim, Diesel x UNIDO and Diesel Second Hand** projects.

Upcycling is another tool that optimises materials, turning post-industrial textiles and off-cuts into new production resources without the need for disposal processes or new raw materials. This approach reduces pressure on natural resources and makes it possible to develop products with a lower environmental impact.

At the end of 2023, Diesel launched the **DIESEL♥VES** upcycling initiative in collaboration with other brands. Each edition of the DIESEL♥VES collection uses unsold garments or surplus materials to create exclusive products. The first capsule, **DIESEL♥VES LEE**, was launched in March 2024 with **1,700 unique pieces made using stock from both brands** and combining half pairs of Diesel denim with half pairs of Lee denim. In December 2024, a second edition of the DIESEL♥VES LEE initiative was organised.

2025 saw the introduction of **DIESEL♥VES Timberland**, **a collection of shirts made by upcycling unsold stock** from both brands. For each collaboration, Diesel has donated EUR 100,000 to UNHCR humanitarian projects, through the support of OTB Foundation.

In 2024, Diesel expanded its commitment to reducing environmental impact beyond the product by commissioning **a study on the traceability and reuse of materials in its store window displays.** A concrete example was the **pop-up Denim Cave** created in conjunction with **Milan Fashion Week in Milan**, constructed entirely out of **waste fabrics and non-saleable garments**.

BRAVE KID

In 2023, Brave Kid expanded the **Brave Kid Durability Project**, introducing an advanced test package to assess **product durability and longevity** even more thoroughly. In cooperation with an internationally recognised laboratory, it tested **18 products** representing the main product categories. The results confirmed the high quality of the materials and finishes, while indicating areas for improvement, particularly in the baby category (0-36 months).
Based on the findings, the company **implemented technical solutions** to increase strength and safety, such as use of new types of buttons with improved performance. In 2024, the insights obtained in 2023 were extensively applied in the design phase to further optimise product performance.
In parallel, Brave Kid strengthened its ability to **reduce overproduction and waste** by moving towards a **make-to-order** model based on sales data-driven planning and **optimised inventory management**.

Lastly, Brave Kid is the licensee of **MYAR children's line**, the brand owned by Andrea Rosso, which has always been committed to raising public awareness on environmental protection issues. MYAR products are made with materials sourced from dead stock, off-cuts and warehouse remnants of OTB Group and other external suppliers. The MYAR collections adopt a reduce, reuse and upcycle approach to give fabrics a second life as part of the circular economy.

MARNI

In continuity with what was done the previous year, in 2024 Marni allocated part of its **leftover materials to make uniforms for store employees**. In addition, in line with the brand's established practices, **part of the deadstock was donated to OTB Foundation** to produce fund-raising bags and gifts for Christmas 2024.

MAISON MARGIELA
In line with circular economy principles, Maison Margiela promotes the **reuse of stock materials,** to make up prototypes. The brand also encourages the **reuse of stock materials to test new treatments and experimental models**. To further reduce the impact of the collection development process, Maison Margiela promotes collaboration with suppliers close to the Staff International production hub.

In 2024, Maison Margiela continued the development of the **"Recicla"** line launched in 2020, expanding the concept of **reusing and reinterpreting existing materials**. The project included the selection of additional items to create customised **limited editions** identified by the **iconic white "Recicla" label**. This process extends the life cycle of existing products and enhances their craftsmanship and uniqueness, giving new value to existing products and promoting greater awareness among customers.

VIKTOR&ROLF
In 2024 Viktor&Rolf continued the **Lost & Found** collection, **transforming vintage garments into one-of-a-kind pieces** with tulle inserts, appliqués and tailoring details that **enhance their artisanal value**. Similarly, the "Viktor&Rolf Tulle" collection, featuring a variety of ironic and extravagant tulle garments inspired by the Viktor&Rolf Haute Couture shows, reflects the brand's desire to explore a new creative direction.
Viktor&Rolf also invests in **raising younger-generation awareness** by organising an annual **upcycling education programme** in a primary school in Amsterdam, where its main offices are located. Through an eight-week programme of bi-weekly sessions, the project educates children about the **creative reuse of materials**, developing environmental awareness and innovation skills.

4.4 PRODUCT QUALITY AND SAFETY

Product quality and safety are core values for OTB Group, which guarantees that **physical and chemical conformity tests are conducted** at all stages of production, from raw materials to finished products. The tests ensure that products meet established safety and quality standards. They are applied systematically during the production process, carefully monitoring the physical and chemical characteristics of materials and treatments.

During 2024, Diesel tested 85% of its "styles"[10], Brave Kid covered 97%, and Staff International chemically tested 75% of the products in its Ready To Wear and jewellery collections, and 35% of its Footwear & Leather goods collections.

10. The term "style" signifies each combination of main fabric and wash/treatment.

BRAVE KID: SAFE PRODUCTS FOR YOUNG CUSTOMERS

Given the importance of safety for children's products and the company's determination to guarantee high quality standards, Brave Kid employs a **scrupulous testing and compliance system** to ensure the chemical and physical safety of its products. In particular, it conducts special tests on detachable and/or pointed parts, sharp edges and garment inflammability. The number and types of tests depend on the complexity of the final product and its applications, allowing Brave Kid to maximise coverage and ensure product safety on a broader scale. The Production Hub is committed to covering almost all products with at least one valid test. To ensure compliance standards are met, Brave Kid places great emphasis on collaboration with suppliers, making regular visits to their production sites to monitor production and identify any critical safety-related issues.

In the case of complex products, Brave Kid takes advice from internationally recognised laboratories to assess specific risks. In addition, constant communication between the Quality & Control Department and the Customer Service Department ensures continuous support to customers and follow-ups to product quality reports. Critical issues are shared with the Style and R&D team, as well as with suppliers, for continuous improvement of the production hub's product testing process.

4.5 TRANSPARENT COMMUNICATION

As a **customer-centric** organisation, OTB focuses on product quality and protecting the consumer from buying counterfeit products, and develops services that make the customer experience unique. The brands promote transparent communication with customers on their sustainability initiatives and the lower-impact credentials of their products.

Customer Experience

OTB Group adopts **an integrated approach** to enhance the customer experience, using digital technologies, omni-channel services and personalisation. Its model addresses both customers and business partners, to optimise the various touchpoints and respond effectively to the needs of an evolving global market.

B2C direct channel management
The customer experience is the beating heart of digital and omni-channel strategies, with a constant focus on personalisation and innovation. The B2C channel management strategy aims to create an integrated ecosystem that delivers a seamless experience.

Specifically, OTB promotes the presence of the Group brands on various international marketplaces. This is a key element of the strategy, which significantly expands opportunities for interaction with customers.

Through its wide range of in-store and online services, the Group pays close attention to omni-channel management, which is essential to adapt the various sales channels to an increasingly diversified public. The omni-channel services available today include: **Buy Online & Pick Up In Store**, **Click & Reserve**, **Click from Store**, **Return in Store & Ship from Store** and **Endless Aisle**.

The introduction of the Group **Clienteling App** in 2022, and its gradual extension to the different areas where the brands operate during 2023 and 2024, has revolutionised customer relations, enabling direct and personalised contact with boutique staff. This digital solution offers functionalities such as activity planning, appointment booking and performance KPIs, optimising boutique operations and turning every interaction into an exclusive experience.

In 2022, OTB also launched the **Retail Excellence** project, to foster the development of an excellence-oriented retail culture within the Group and improve brand performance by acting on all possible levers, both strategic and operational, for management of the B2C channel. The project is based on three strategic pillars: **Customer First, Talent Development & Engagement, and Core Retail Processes**, which each brand applies according to its distinctive DNA.

OTB Group initiatives

DIESEL

Diesel applies **a customer-centred approach** based on three key principles: individuality, inclusiveness and transparency. The brand celebrates the uniqueness of each customer through personalised communications and tailor-made CRM services, balancing human contact with innovative digital technologies.

In 2024, Diesel formed a new CRM & Customer Engagement team and drew up a **new CRM strategy** to engage customers, reward loyalty, suggest customised services/products/activities, and help sales outlets to improve their one-to-one customer relations. Key projects included: a more strongly customised loyalty programme; design of specific content starting with campaign editorial resources to maintain active relations with customers; optimisation of the newsletter mailing calendar; personalised one-to-one communications from the point of sale to customers, as part of a new customer journey.

The brand also introduced the **Net Promoter Score (NPS)** system to monitor customer satisfaction after each physical and online purchase, which is in addition to the **Voice of the Customers (VoC)** system.

At organisational level, Diesel appointed regional contact persons for all the sales channels to ensure consistent execution of its CRM strategy.

Diesel also uses customer communication channels to promote more responsible behaviour and to communicate sustainability-related content.
As part of its customer communication, Diesel uses specific labelling to highlight its sustainability efforts. These garments come with a "**This garment is made For Responsible Living**" label, which indicated compliance with the brand's sustainability criteria. To learn more about the responsible features of the products, customers can scan **a QR code** on the label inside the garment. This takes them to a digital "ID" platform detailing the preferred materials used and/or the innovative lower-impact treatments, as well as selected accessories.

MARNI

Marni adopts the "**1,000 1:1 interactions**" strategy for highly personalised and engaging experiences, including a "**Dialogue not Monologue**" approach for made-to-measure real-time customer engagement in brand interactions.

The boutiques are not intended to be simple sales outlets, but **experiential spaces** where the customer has a genuine contact with the essence of the brand. Exclusive online and in-store events and private shopping experiences underline Marni's commitment to creating opportunities for dialogue with its customers in order to strengthen brand loyalty.

In the interests of Retail Excellence, the brand takes care of every detail of the in-store experience to ensure service which is consistent with its brand identity. Specifically, Marni invests in continuous training for its customer-facing staff, and updates and inspires its global retail community through **Marni MAG**, a monthly newsletter for the B2C channel. It also organises **mystery shopping** programmes to monitor service levels with a view to continuous improvement.

JIL SANDER

Jil Sander has set up a special **Customer Experience** department to help stores deliver service excellence, through a strategy consisting of continuous training programmes, onboarding plans for new openings and advanced CRM activities. One of the most exclusive initiatives is the **Fashion Show Experience**, an event that allows Very Important Clients (VICs) to experience the excitement of the fashion shows from a privileged perspective. The brand uses **1:1** campaigns and an **Extra Incentive Scheme & Competition Programme** to reward top performance in the retail channel.
Jil Sander also adopts a **Retail Assessment & Mystery Shopping** system to monitor service quality and continuously improve the customer experience. Finally, the Gifting Strategy, developed in cooperation with the teams in the regions where the brand's stores are located, offers an exclusive gifting service to turn every purchase into a special occasion for the customer.

MAISON MARGIELA

During 2024, Maison Margiela launched several innovative in-store initiatives, including **AI-driven projects,** which allow customers to learn about the brand's history and future prospects, at three levels: the past (with vintage pieces), the present (with the current lines) and the future (with tools that allow customers to design their own Tabi shoes using keyword and mood recognition technology).

This cutting-edge project was implemented globally, reinforcing Maison Margiela's position as a pioneer in fusing tradition and innovation.
For the online channel, in 2024 the brand began offering customers **personalised cards and exclusive gift boxes** on its e-commerce channel. It is also continuing with the innovative "**endless lanes**" concept, which extends the customer in-store experience by providing online access to the entire Maison Margiela assortment. The endless lanes offer alternative solutions for items not available at the time of purchase, enable omni-channel ordering and allow customers to book items stocked in stores, further bridging the gap between physical and digital retail experiences.
Maison Margiela also reinforces its ties with its most exclusive customers through personalised experiences such as the **Maison Margiela Co-Ed fashion show** for its Very Important Clients.
During 2024, Maison Margiela successfully presented its Artisanal 2024 collection through **installations in key cities** such as Paris and Tokyo. These immersive exhibitions examined the creative inspirations behind the brand's most distinctive achievements, further enriching the Maison Margiela narrative and attracting global attention.
Finally, Maison Margiela began **collaborations with artists in different regions,** presenting limited-edition pieces. The partnerships highlight the brand's creativity and exclusivity, strengthen its identity and consolidate its position as a leader in luxury fashion.

B2B indirect channel management
In 2020, OTB Group adopted for all its brands the "**Hyperoom**" digital sales platform and virtual showroom designed to generate emotional engagement between buyer and seller. Hyperoom takes customers on a **sensory journey in virtual environments**, assisted by salespeople on a live link. Initially adopted by Diesel and Marni, the platform has since been extended to the other Group companies. Hyperoom is also a Virtual Showrooming platform for **Seasonal Order Taking** for all the Group brands, acting as a de facto **B2B Client Portal** that enables registered customers to access the various services on offer, such as "**Self-Service Replenishment**", where customers can consult a catalogue of products available for replenishment and directly place orders. During the sales campaign, Diesel B2B customers can use the platform to examine the characteristics of the brand's lower-impact products.

Ensuring a consistent and flawless customer experience is crucial for the OTB Group brands, which strive to strengthen relations with their wholesale customers both through face-to-face meetings and on innovative digital platforms. A prime example is **Virtual Walkthrough**, which uses virtual reality to offer remote immersive experiences, where customers can book virtual appointments, watch fashion shows in live streaming, and view digital presentations of the latest collections.

Customer relations and transparent communication

Consistently with its core values, OTB is committed to **inclusive and authentic communication**. In 2024, it launched a new corporate website presenting information about the Group and its brands. The site also illustrates the Sustainability Strategy and key results. Useful documents for external stakeholders are also available, including the OTB Sustainability Reports.

The OTB Group brands manage interaction with customers through an **integrated network of channels,** including social media, TBD, newsletters, websites and dedicated support systems that guarantee quick and effective responses.

The Group has a diversified **social media presence**. It uses platforms such as Instagram, Facebook, LinkedIn, X and TikTok and specific platforms for the Asian market, such as Weibo, WeChat, Kakao, Line and RedM, to meet the needs of a global customer base.

SOCIAL MEDIA PRESENCE OF OTB AND THE BRANDS (NUMBER OF FOLLOWERS)

Social media	OTB	Brave Kid	Diesel	Maison Margiela	Marni	V&R	OTB Foundation	Staff International
Facebook	/	3,309	4,782,549	474,000	293,887	372,000	18,200	/
Instagram	26,680	27,500	3,434,618	4,873,117	2,217,258	836,000	14,200	2,651
Kakao	/	/	/	125,000	/	/	/	/
LinkedIn	111,463	7,117	308,789	202,000	140,618	14,000	3,900	55,685
Pinterest	/	473	68,482	/	3,212	2,800	/	/
Red	/	/	21,159	112,000	75,763	/	/	/
TikTok	/	274	347,441	46,700	559	500	/	/
WeChat	3,454	/	137,705	194,000	275,470	/	/	/
Weibo	701	/	166,616	241,000	327,582	130,000	/	/
x	/	/	398,789	286,400	9,323	/	/	/

The OTB Group's **digital channels** build **customer loyalty** through regular interactions, presenting exclusive narratives to stimulate curiosity and engagement. In 2024, the total number of followers on the social networks of the Group brands **increased by 5%** compared to 2023. Each brand deploys a tailor-made digital strategy. Some examples are outlined below.

Diesel uses platforms such as TikTok and Instagram to maximise visibility, focusing on user-generated content and collaboration with influencers to foster direct engagement. Live interactive events complete the strategy, establishing emotional ties with the community.

DIESEL BEHIND THE DENIM

In 2024, Diesel presented a five-episode documentary unveiling its most responsible denim practices. A deep dive into Diesel's commitment to creating lower-impact denim, **Behind the Denim** takes a close look at the entire denim life cycle, taking viewers behind the scenes of the production process.

Each one of the **five episodes in the series** — All Aboard, Lifetime Jeans, Clean Dirty, Sow the Seed and Waste to Treasure — examines a key stage in the creation of the brand's iconic garment, illustrated through interviews by I-D special correspondent Lea Ogunlami, who asks tough questions while maintaining a frank, humorous tone.

The episodes involve Creative Director Glenn Martens, Group Sustainability Ambassador Andrea Rosso, OTB Chief Sustainability Officer Sara Betteghella as well as several colleagues from the product development, sustainability, production and merchandising departments.

Along the way, Ogunlami talks to Diesel customers shopping in the Milano San Babila space, and visits one of the industrial denim laundries that collaborate with the brand to see how Diesel's classic DNA washes are carried out with innovative techniques that reduce the use of water and chemicals. Later, she visits a regenerative cotton farm in Spain and finally ends up in a warehouse full of denim off-cuts with fabric sustainability specialist Tejidos Royo, to see how Diesel Rehab Denim is made from recycled materials and denim cutting waste.

The documentary was a way for Diesel to use its own voice to talk about the **most responsible denim practices** it has developed over the years, through an in-depth look at the brand's commitment to reducing the impact of its products.

Diesel Behind the Denim is available on YouTube, Instagram and Facebook.

Maison Margiela uses Instagram for sophisticated visual storytelling that integrates artistic narratives and product promotion. In recent years, the brand has broadened its audience, attracting a young public through its unique innovative visual language.

Marni adopts omni-channel communication, combining physical and digital interactions. Its new initiatives include an SMS/WhatsApp channel for direct engagement, the use of AI to personalise content, and an innovative editorial format that goes beyond simple sales promotion.

Viktor&Rolf strengthens customer relations with curated content on Instagram and Facebook, for instance offering an exclusive look behind the scenes of the creative process.

Staff International has adopted a digital strategy to emphasise craftsmanship. Highlights include "The Artisan's Touch" series on Instagram, which chronicles the work of artisans, and "The Style Report" on LinkedIn, dedicated to technical content and industry insights.

AWARDS RECEIVED BY OTB GROUP

In 2024, Chair Renzo Rosso received three important awards:

- the "**Film Impresa Creativa**" prize, awarded by Unindustria (part of Confindustria), for the docu-series "**M.A.D.E., Made in Italy, Made Perfectly**";
- the "**Entrepreneur of the Year**" award presented by "**Who is Who Fashion Community Awards**";
- mention as one of "**The World's Most Inspiring People**" by **OOM Magazine**.

In addition, OTB Group brands received the following fashion industry awards:

- **Diesel:** the brand received the Ellen MacArthur Foundation's "**Circular Economy Award**" at the **2024 Sustainable Fashion Awards** organised by the Italian National Chamber of Fashion. In line with its "For Responsible Living" strategy, Diesel stands out for its approach to circularity, in particular for its Diesel Rehab Denim and Diesel Second Hand projects, and its collaboration with the United Nations Industrial Development Organisation (UNIDO).

- **Marni:** the brand received the "**Luxury Inclusivity Innovation Award**" in recognition of its commitment to promoting inclusivity at all levels of the organisation, through an approach to communication and experiences that puts the individual at the centre, supporting equity and fostering positive change within the brand universe. Marni Creative Director **Francesco Risso** received the "**2024 GQ Global Creativity Award**".

- **Jil Sander: Lucie Meier**, Jil Sander Creative Co-Director, received the "**Grand Award for Design 2024**" in recognition of her outstanding creative language, intuitive attitude and unique aesthetic.

Anti-counterfeiting

The fight against counterfeiting is a key pillar in OTB's strategy to ensure customer safety and protect brand authenticity. Counterfeit products may pose risks to people's health and finance illegal activities, damaging the image and credibility of the Group and its authorised partners. To combat this phenomenon, OTB allocates **significant resources to the development of innovative anti-counterfeiting technologies and methodologies**, thus protecting the research and development investments of its creative teams.

The Group's approach is based on **protection of its Intellectual Property (IP),** guaranteed from an early stage through the registration and management of its trademarks and designs. This is complemented by corporate strategies to optimise costs for **monitoring activities,** which are customised for each brand. OTB **actively co-operates with the national authorities** in cases of suspicious goods and deploys a continuous monitoring system to identify third-party registration applications and oppose them if the filed trademark is identical or similar to the brand mark.

To strengthen the fight against counterfeiting, OTB has introduced product traceability and identification technologies based on microchips, tags and blockchain solutions. Many OTB brand products are equipped with **Near Field Communication technology (NFC)**, which allows customers to verify authenticity. Since 2022, authenticity certificates have been registered on the **Aura Blockchain Consortium** platform, enabling consumers to follow the entire product life cycle.

In 2024, OTB encrypted **more than 1 million products** of Marni, Maison Margiela and Jil Sander on the blockchain platform in a secure, time-immutable and incorruptible manner, doubling the number of products encrypted in 2023, for an overall total of approximately **1.8 million products** encrypted since 2022.

At Diesel, products are equipped with a **QR code and a 12-digit numerical code** that create a unique digital identity. Customers can scan the QR code with their smartphone or on www.certilogo.com to confirm the authenticity of their purchase.

Product authentication is also assisted by coupling serialised UHF labels with QR codes that guarantee product originality. The work of logistics personnel at OTB and third-party logistics sites is facilitated by the **use of tunnels, pivoting readers and packaging stations.** Handling of samples in the showrooms and HQ offices is tracked too, using **RFID technology**[11]. These technologies also offer support to increase operator efficiency during inbound/stocktaking/outbound activities in stores and improve customer relations through a proper selling ceremony.

The Legal Departments of the OTB Group companies receive updates on intellectual property protection and work closely with their Production Departments and Style Offices to strengthen protection strategies and guidelines for external vendors. The Group cooperates with trade associations and takes part in national and international projects for deployment of targeted action in collaboration with public authorities.

The Group is actively involved in several **initiatives promoted by INDICAM**, participating in training activities, round tables and projects for trademark protection both in Italy and abroad. It is also involved in **training activities on recognition of counterfeit goods** for the Italian customs authority, the Guardia di Finanza financial police law enforcement agency and the Municipal Police. Similar activities are regularly organised with the Legal Affairs Commission of Confindustria Moda, the Chamber of Fashion and the Italian Ministry for the Economy, and abroad with the Fédération de la Haute Couture et de la Mode.

OTB takes a zero-tolerance approach to counterfeiting. In 2024, **490 seizures were made, for a total of almost 140,000 items**. Recycling and upcycling practices are used to manage confiscated garments in order to reduce environmental impact and avoid destruction of materials. The Group also ensures that reconditioning processes include the complete removal of branded labels and accessories, to prevent counterfeit products from re-entering the sales channels.

A number of Group companies have invested in **online counterfeit monitoring** to intercept and block illegal online distribution channels. Each brand has implemented a programme to check and remove online content and close pirate websites, including cloned websites and social media accounts, and remove advertising from various online platforms and the metaverse. During 2024, the brands reported to Google several scam gmail accounts created by third parties, who use the brand name and pose as senior company figures to deceive followers.

Around 300 different websites selling counterfeit goods were monitored in 2024 and **nearly 60,000 fake advertisements and content** were reported to web and social platforms and **taken down.** In addition, more than 1,100 notifications were sent for the removal of web pages from the major search engines.

11. RFID technology facilitates product tracking, movement control and retail operations management, as well as brand protection.

SUSTAINABILITY REPORT

5. PROTECTING OUR PLANET

TWENTY TWENTY-FOUR

Fashion is one of the world's most polluting industries with its significant greenhouse gas emissions, consumption of natural resources such as water and soil, and the potential release of chemicals into groundwater. To prevent and counter potential negative impacts from its activities, OTB Group focuses the **Protecting Our Planet** pillar of its Sustainability Strategy on topics relating to management of environmental factors. This chapter analyses the environmental impacts of the Group's direct and indirect processes.

5.1 REDUCING CLIMATE IMPACT

Energy consumption and emissions

In 2024, OTB Group confirmed its commitment to the continuous improvement of centralised monitoring of its consumption, which began in 2021 with the launch of a dashboard to collect technical information on energy usage, such as consumption and cost data, as well as specifications on energy from renewable sources. The Energy Management System enables OTB to conduct targeted analyses and audits and draw up progress reports on improvements to energy management and efficiency at the Group sites.

The OTB Group's energy consumption is subdivided as follows:

- **Electricity** (66.3%), mainly used for lighting, powering electronic devices, air conditioning, heat pumps, machinery and equipment;
- **Natural gas** (21.9%), mainly used for heating, to generate electricity through cogeneration plants and for cooking systems where present;
- **Fuels for the corporate fleet** (11.8%).

Electricity consumption includes electricity purchased from the grid and self-generated energy from proprietary photovoltaic plants.

DIRECT AND INDIRECT ENERGY CONSUMPTION (GJ)

	2022	2023	2024
Scope 1 **Direct energy consumption**	**112,747**	**113,975**	**66,044**
Natural gas[12]	89,669	91,267	42,954
Diesel	20,792	19,637	17,320
Gasoline	1,792	2,610	3,401
Methane	260	219	86
LPG	–	22	1
Jet Fuel[13]	234	220	2,282
Scope 2 **Indirect energy consumption**	**117,248**	**116,485**	**128,410**
Non-renewable electricity	55,985	50,876	37,406
Electricity from certified green energy (GO)	59,609	63,920	86,813
Electricity from own solar panels	1,654	1,689	4,192
%renewable electricity	52%	56%	70%*
Total direct and indirect consumption	**229,995**	**230,460**	**194,453**

(*) The calculation of the % of renewable electricity to total electricity used by the Group in 2024 includes the non-renewable energy from the Group's cogenerators. Consumption by the cogenerators is included under natural gas. This item covers only 1.4% of total electricity consumption.

12. The reduction in natural gas consumption in 2024 compared to 2022 and 2023 was due in part to the action taken by the Group to cut consumption (e.g., improved site monitoring and energy management, reduction in the use of gas-fired trigeneration at HQ in favour of self-production of energy through renewable sources) and in part to an improvement in the method used to obtain estimates for assets for which no billing data is received.

13. The increase in Jet Fuel consumption in 2024 compared to 2022 and 2023 was due to a refinement of the method used to calculate consumption. Specifically, consumption was estimated in 2022 and 2023, whereas in 2024 data on litres of fuel purchased and consumed was retrieved.

The tables below set out OTB Group's **Scope 1 and Scope 2 greenhouse gas emissions**.

SCOPE 1 AND 2 GREENHOUSE GAS EMISSIONS (TONNES OF CO_2EQ)

	2022	2023	2024
Scope 1	**6,083**	**6,131**	**4,247**
Natural gas	4,547	4,638	2,478
Diesel	1,393	1,304	1,218
Gasoline	113	161	219
Methane	13	11	5
LPG	–	1	0
Jet Fuel	17	16	166
F-Gas leaks[14]	–	–	161
Scope 2			
Scope 2 – Market-Based	**6,476**	**6,247**	**5,499**
Scope 2 – Location-Based	**11,092**	**11,163**	**11,469**

SCOPE 2 EMISSION INTENSITY INDICATORS

	2022	2023	2024
Scope 2			
kg CO2 eq/kWh Market	0.199	0.193	0.152
kg CO2 eq/kWh Location	0.341	0.345	0.317
kg CO2 eq/sqm Market	19	18	15
kg CO2 eq/sqm Location	32	32	32

The calculation of **Scope 1** emissions includes direct greenhouse gas emissions from combustion processes and leakage of refrigerant gases used in air conditioning systems.

Scope 2 emissions refer to emissions from electricity purchases and are calculated with the **location-based and market-based** methods. The location-based method reflects the average emission intensity of the national energy grids considering renewable and non-renewable sources; therefore, greenhouse gas emissions are calculated using an average emission factor that refers to the country-specific electricity mix. The market-based method considers the proportion of purchased electricity generated from renewable sources and guaranteed by certificates attesting that the energy comes from renewable sources such as wind, geothermal, hydroelectric and photovoltaic plants. The most common certificates include *Guarantees of Origin* (GOs) and Renewable Energy Certificates (RECs).

14. The f-gas leakage figure was collected for the first time in 2024. It refers to the Italian corporate sites only.

ENERGY MIX BY COUNTRY

Country	Electricity from non-renewable sources (MWh)	Electricity from certified renewable sources (MWh)	Unbundled GOs/ RECs (%)	Contract with suppliers (%)	Auto-production (%)
EUROPE					
Austria	-	183	100%	0%	0%
Belgium	-	109	100%	0%	0%
Denmark	-	51	100%	0%	0%
France	21	2,908	100%	0%	0%
Germany	-	730	1%	99%	0%
Ireland	-	46	0%	100%	0%
Italy	498*	13,658**	91%	0%	9%
Holland	-	955	5%	95%	0%
Portugal	-	32	100%	0%	0%
Spain	-	538	100%	0%	0%
Sweden	-	32	100%	0%	0%
Switzerland	-	283	0%	100%	0%
Great Britain	-	772	12%	88%	0%
AMERICA					
Canada	1	243	100%	0%	0%
USA	58	2,868	100%	0%	0%
APAC					
China	2,685	1,507	100%	0%	0%
Hong Kong	383	-	0%	0%	0%
India	503	-	0%	0%	0%
Macao	187	-	0%	0%	0%
Singapore	30	-	0%	0%	0%
South Korea	546	-	0%	0%	0%
Taiwan	54	-	0%	0%	0%
JAPAN					
Japan	5,923	363	100%	0%	0%

**The share of electricity from non-renewable sources includes the share of electricity produced through owned cogeneration. In this table it does not include the share of electricity related to non-owned electric charging points.*

***The share of electricity from renewable sources includes the share of electricity related to owned electric charging points..*

SCOPE 1 AND 2 GHG EMISSIONS BY REGION

Scope 1	**4,247**
Europe	3,370
Japan	644
America	177
APAC	56
Scope 2 – Market-Based	**5,499**
Europe	21
Japan	2,831
America	25
APAC	2,622

Scope 3 emissions refer to the greenhouse gas emissions related to the OTB Group's value chain and include all upstream and downstream activities in relation to the Group's direct operations. The results for each category are shown below.

SCOPE 3 (TONNES OF CO_2EQ)

	2022	2023	2024
1. Purchased goods and services	273,953	240,696	181,961
• *raw materials*	169,826	139,387	124,294
• *packaging*	3,024	3,166	4,849
• *assembly*	41,450	33,675	19,523
• *services*	59,653	64,468	33,295
2. Capital goods	13,876	44,258	19,100[15]
3. Fuel- and energy-related activities	2,242	2,585	4,357
4. 9. Upstream and downstream transportation and distribution	23,860	23,783	26,609[16]
4. Upstream transportation and distribution	*na*	*na*	*15,325*
9. Downstream transportation and distribution	*na*	*na*	*11,284*
5. Waste generated in operations	1,128	308	252
6. Business travel	928	1,583	1,598
7. Employee commuting	16,357	18,081	8,862[17]
11. Use of sold products	62,004	56,351	12,872[18]
12. End-of-life treatment of sold products	9,092	7,046	6,480
14. Franchising	2,285	2,610	2,294
15. Investments	16,326	14,979	19,519
Total	**422,052**	**412,278**	**283,904**

15. Emissions for category 2, "Capital goods", reflected a significant reduction compared to 2023, when extraordinary investments were incurred, including the construction of Maison Margiela's new headquarters in Paris.

16. Detailed data on category 4 and category 9 greenhouse gas emissions was available in 2024, unlike in 2022 and 2023. This greater granularity meant emissions associated with logistics-related transport, previously included in emissions for purchased services, could be reclassified in this category.

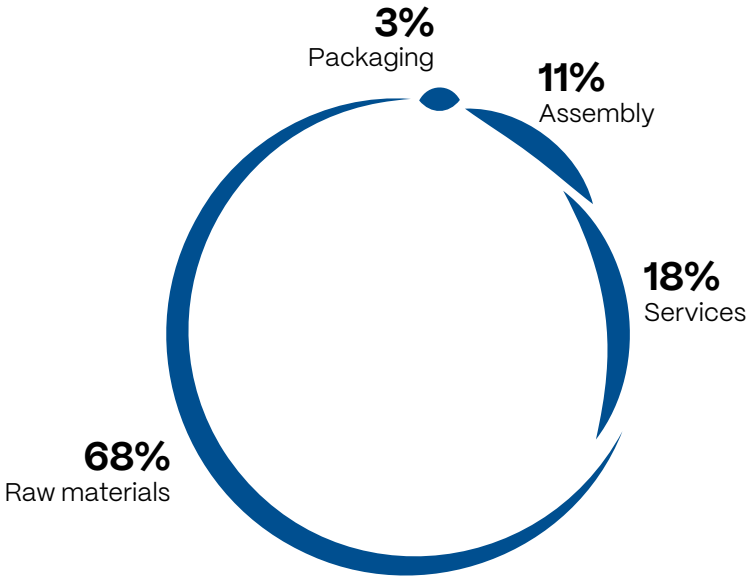
17. Category 7 emissions decreased compared to the previous years because the results of a questionnaire on home-work travel sent to Group employees in Italy were used. This detailed analysis also made it possible to draw up more precise estimates for employees not involved in the questionnaire.

18. The reduction in category 11 emissions was due to a combination of factors: a change in the method used to estimate the number of washes and product care habits (drying and ironing) of sold products, which is considered more representative of the actual use of the Group's products; a reduction in the number of garments sold compared to 2023; use of a sales monitoring system, not available in the previous years, which made it possible to quantify the number and types of products sold in each country, thus ensuring a better estimate of emissions from electricity consumption with regard to the care and use of sold products. The previous year's figures have not been restated using the new method described above and therefore are not fully comparable.

As far as Scope 3 emissions are concerned, the most significant category was category 1 "Purchased goods and services", which accounted for 64% of total Scope 3 emissions.

A breakdown of the components of category 1 – raw materials, finished products, packaging and services – is shown below, with the share of each one as a percentage of the total.

COMPOSITION OF CATEGORY 1 GHG EMISSIONS "PURCHASED GOODS AND SERVICES" (%)



"Raw materials" accounted for 68% of total emissions in the "Purchased goods and services" category. More details on the materials, packaging and processes included in this category are provided in Chapter 4 "The New Fashion System".

Overall, 2024 saw **a reduction in Scope 3 emissions of more than 30% in absolute terms compared to 2023**. The reduction reflected several factors, including a reduction in emissions for the purchase of raw materials of approximately 11% in tonnes of CO_2 eq., a reduction in emissions for sold products of approximately 9% compared to 2023, and the change in the method used to compute emissions arising from the use of sold products and purchases of services. Other significant categories for Scope 3 emissions are categories 4 and 9 "Upstream and downstream transportation and distribution", which accounted for 9% of total Scope 3 emissions.
Details on the changes in each Scope 3 category are provided in the methodological note. There was also a reduction of about 10% in Scope 3 emission intensity calculated as the sum of category 1 emissions "Purchased goods and services" plus categories 4 and 9 emissions "Upstream and downstream transport and distribution" on total purchased tonnes of raw materials and packaging by OTB Group. This result reverses the upward trend in emissions generated by OTB Group in previous years.

SCOPE 3 EMISSION INTENSITY (SBTi TARGET)

	unit	2020	2021	2022	2023	2024
Scope 1, 4 & 9 emissions on tonnes of purchased raw materials and packaging	tCO_2e/ton	22.2	21.3	23.5	23.9	21.55

OTB Group climate strategy

As regards strategic activities to fight climate change, OTB Group has drawn up a Climate Plan setting specific targets to reduce greenhouse gas emissions to zero by 2050 (Net Zero) and is working on its own decarbonisation strategy.

The Group has also responded to the *call to action* of the **Science Based Targets Initiative (SBTi)**: in 2021 it sent a commitment letter to set targets in line with the "1.5°C scenario"[19] and in 2023 it obtained approval of its reduction targets.

The Group's **SBTi-approved targets** are as follows:

By 2025

- an increase in annual **renewable energy** sourcing from 0% in 2019 to 80% by 2025;

By 2030

- A reduction of 51% in **absolute Scope 1 and 2 GHG emissions** by 2030, compared to the 2019 baseline;
- A reduction of 55% in **Scope 3 GHG emission intensity** from purchased goods and services and upstream and downstream transportation and distribution per ton of raw material purchased by 2030, compared to the 2019 baseline.

The **main measures** implemented by OTB Group to reduce greenhouse gas emissions are described below and include:

- measures to improve asset energy efficiency;
- energy sourcing from renewable sources;
- progressive increase in the use of materials with a low environmental impact in the brand collections (see chapter 4 "The New Fashion System");
- optimisation of logistics flows.

19. The "1.5°C Scenario" is an undertaking to limit the rise in temperature to 1.5°C above pre-industrial levels, in line with the 2015 Paris Agreement. The objective aims to mitigate the negative effects that could occur if the limit is exceeded.

Energy efficiency

OTB Group is committed to **reducing the energy consumption** of its assets. It has provided local managers with **operational guidelines** to improve the energy efficiency of their buildings. In 2024, the Group appointed a number of **Energy Ambassadors**, starting in the European area, to raise awareness about energy use. The guidelines provide indications about switch-on times for lighting, heating and cooling systems, and on winter and summer temperature regulation.

The Group also drew up investment plans to replace conventional lighting with LED systems **(relamping)**, also in stores.

LEED® environmental certifications
The commitment to a more responsible fashion industry extends to the OTB brands' stores. The LEED® protocol (Leadership in Energy and Environmental Design) is the most widespread voluntary building certification at global level. Its goal is to **raise the level of energy and water savings in buildings, while lowering carbon dioxide equivalent emissions**. The protocol also considers the environmental quality of the indoor environment and other factors, such as site selection, to ensure a reduced environmental impact and a healthy environment for occupants.

Diesel was the first Group brand to obtain certification for compliance with the LEED® Design and Construction Gold standard, for the following sites: Diesel London Offices, Diesel New York Soho Retail, Diesel Milano Showroom.

During 2024, OTB formed a working team with contact persons from the individual brands and the parent company to select partners at global level and identify the stores for which to apply for certification.

Consumption of energy fromelbawener sources

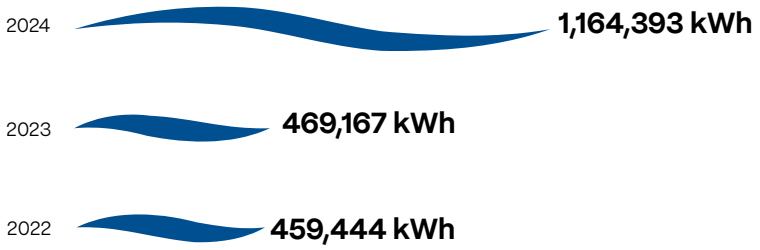
In 2024, the Group increased the **share of electricity from renewable sources to 70%** of total energy consumed globally, a significant improvement from 56% in 2023.

Specifically, **in Europe and North America, the share of electricity from renewable sources reached 100%**.

Overall, this result was achieved thanks to an **increase in energy purchased from renewable sources guaranteed by certificates of origin** and to the commissioning of **new photovoltaic systems at Group sites.** The installation of these plants has led to an installed capacity of 1.7 MWp in Italy and the production of approximately 1.3 GWh of clean electricity, of which 1.1 GWh is self-consumed.

ELECTRICITY FROM RENEWABLE SOURCES ON TOTAL CONSUMPTION (%)

ELECTRICITY PRODUCED AND CONSUMED BY PROPRIETARY PHOTOVOLTAIC SYSTEMS (kWh)

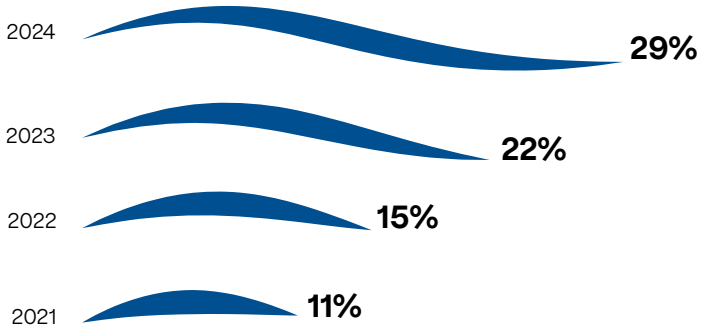


Conversion of the etaroproc fleet

In 2024, **the Group increased the proportion of low-carbon vehicles**, including hybrids, plug-in hybrids and full electric vehicles, to 29% of the total corporate fleet.

To support the transition and encourage use of low-carbon vehicles, the Group has concluded agreements throughout Europe to allow employees to charge their hybrid and electric company vehicles at more than 800,000 public charging points.

INCREASE IN PLUG-IN HYBRIDS AND FULL ELECTRIC VEHICLES TO TOTAL CORPORATE FLEET (%)



OTB Group logistics flows

OTB Group's **logistics flows** are managed by the centralised Logistics Department, with contact persons in each Hub. The main functions and initiatives are outlined below.

The OTB production system uses two models, **Full Production Package (FPP) or "commercialised"** and **Cut, Make and Trim (CMT) or "industrialised"**.

In the FPP system, finished products are sent to the distribution warehouses directly by the suppliers. In the CMT system, OTB handles raw materials and all processing stages from the purchase of the raw material to the delivery of the finished product to the distribution warehouses.

With the CMT production system, therefore, raw materials and accessories are received at the raw materials warehouse for quality checkimg, and then sent to the suppliers for the first stage of production. The semi-finished products are transferred from one laboratory to the next for the various processing stages until the finished product is delivered to the distribution warehouses.

This production model gives OTB control of all the intermediate processing stages. Depending on specific agreements, transportation may be handled by the intermediate suppliers or directly by OTB.

The OTB logistics flow is complex due to the specific characteristics of the different business models, particularly as regards sourcing areas, distribution areas, sales channels and types of customers served.

The finished products are delivered to the distribution warehouses, which handle receipt and loading, shelf positioning and picking, packing and shipping.

The main flows are transfers of goods from suppliers to the primary (or central) warehouse and transfers from a primary to a secondary (or regional) warehouse. The warehouses are responsible for product distribution for both the business-to-business and business-to-consumer channels. When possible, depending on volume mix, sourcing area and distribution area, direct shipment is arranged from the supplier to the secondary or regional warehouses. The warehouses also manage reverse logistics, such as product returns, exchanges or end-of-season returns.

The Logistics Department is responsible for achieving some of the goals of the OTB Group Sustainability Strategy. In line with the Climate Strategy, it works to minimise emissions through the **continuous improvement** of transportation and packaging processes in its warehouses.

The Logistics Department is also expanding the **role of automation in its warehouses**. The Brave Kid warehouse, which began operations in July 2022, was the first successful automation trial. Its innovative automation system has improved conditions for garment picking operators, whose work has been simplified by the introduction of standardised ergonomic workstations. Besides improving workplace safety by reducing the use of moving equipment such as forklift trucks and eliminating most of the risks associated with man-machine interaction, the new system has optimised storage areas with a reduction of about 75% in occupied surfaces for comparable garment volumes.

The solution adopted at the Brave Kid warehouse was later extended to the Isola Vicentina logistics platform.

During 2024, the Isola Vicentina warehouses installed **Autonomous Moving Robots (AMRs)**, which are playing an increasingly important role in industry, logistics and research, by reducing the environmental footprint of many activities and improving operational efficiency. In particular, they allow better planning of picking operations, reducing the amount of packaging used and optimising content. The use of automation has also cut energy consumption due to lower lighting and heating levels in the automated warehouse areas, and improved workstation ergonomics.

The search for and adoption of **lower-impact packaging solutions** continued in 2024. The use of multi-purpose boxes for business-to-business transportation instead of single-use cardboard boxes, introduced by Brave Kid in 2023, was extended to the Diesel brand.

In October 2024, Brave Kid adopted a new reusable packaging solution for its e-commerce shipments. This replaces single-use cardboard boxes with envelopes that can be reused up to 20 times, thus reducing energy and water consumption, as well as CO_2emissions, compared to the requirements for the production of new packaging.

Also during 2024, the OTB Group implemented the use of the **Transportation Management System (TMS)**, a tool to plan, execute, and optimize transportation flows related to raw materials and finished products both inbound and outbound. The system improves transport management efficiency, resulting in a reduction of CO_2 equivalent emissions.

In addition to the improvements achieved through the initiatives described above, in cooperation with OTB's General Services Department, the Logistics Department **incentivised responsible behaviour by its own staff and logistics partners** through organisation, communication and staff engagement on these issues.

Action also continued to raise the efficiency of waste collection at the logistics hubs, including the **recovery of materials used to transport goods**. For example, recovery of pallets that would otherwise have been sent for disposal reached 50% in the second half of 2024.

5.2 WASTE MANAGEMENT

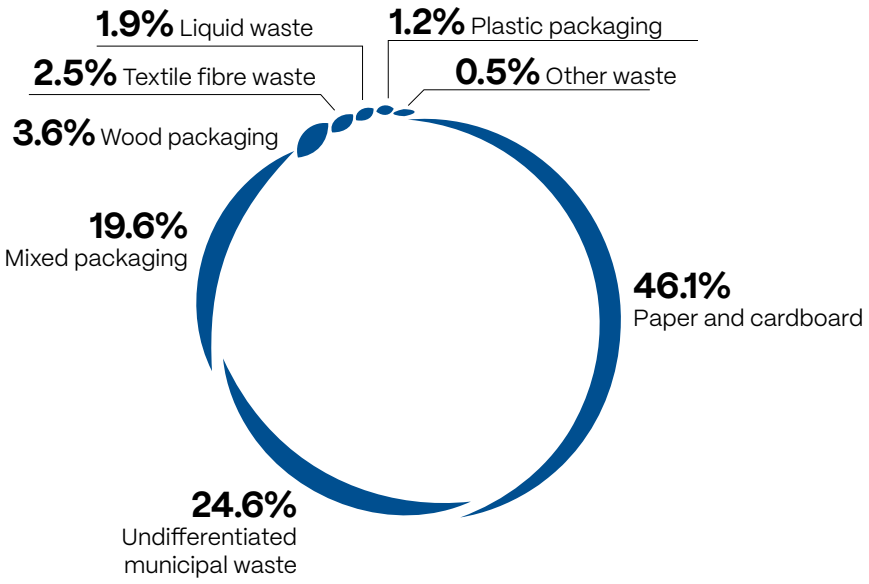
Reducing the generation of waste, from both packaging and processed textile fibres, is a challenge that OTB Group is committed to addressing.

Its objective is to promote a cultural change that extends beyond the organisation and encourages customers to take a responsible approach to products and the product life cycle. In line with the Global Compliance Programme, OTB closely monitors the risk of environmental crime, working with authorised transporters to ensure proper recovery of waste. It pays particular attention to hazardous waste, with disposal procedures in compliance with current regulations. Data monitoring and collection processes comply with regulations on manufacturer traceability and waste segregation.

The Group Safety & Facility Department, which oversees waste management, coordinates and integrates environmental legislation. The department keeps records of solid waste management and disposal, as well as water discharges and atmospheric emissions.

Most of the waste produced by OTB Group is classified as non-hazardous (hazardous waste accounts for less than 0.1% of the total). The main waste generated by OTB Group is paper and cardboard, which accounts for 46.3% of the total, undifferentiated municipal waste (24.6%), and mixed packaging (19.8%). Other significant waste is wood packaging (3.6%), plastic packaging (1.2%) and textile fibre waste (2.1%). A minimal portion of waste is attributable to liquids, glass and other waste.

BREAKDOWN OF WASTE (%)



During 2024, the volume of waste generated by the Group increased compared to 2023. This was largely due to greater data granularity. Specifically, sites classified as "Concessions" and "Outlets", which previously were excluded from the calculation, were included to ensure consistent reporting of all categories, in line with the approach used to compute Scope 2 consumption. The data also include estimates for sites where collection of precise figures was not possible. These estimates improved in 2024, with the introduction of waste categories that previously were not considered, to ensure greater accuracy.

In 2024, **OTB completed a strategic assessment for the purpose of obtaining ISO 14001 certification** (environment). The assessment found that management of environmental issues kept compliance with the main legislative requirements under control, using an activity- and project-planning approach. OTB S.p.A. and Staff International S.p.A. expressed their intention of obtaining certification in 2025.

A **new environmental analysis was conducted** in 2024, focusing on clear strategic objectives:

- The updating of the sites' environmental indicators and the extension of the scope of analysis to complete the assessment of all the Italian corporate sites;
- The drafting of an environmental timetable to track compliance fulfilments and improvement measures for each site.

The indicator update showed a marked improvement in environmental risk, reflecting the growth achieved over the past two years.

A **Waste Management Procedure** was published in the summer of 2024 in order to achieve standardisation and active oversight, and promote greater awareness in all Group departments. The procedure describes and establishes roles, responsibilities and activities for proper waste management by OTB Group companies. It sets out procedures for process waste characterisation, management, control, handling and transfer to third parties, and provides the necessary tools and registration forms.

As regards the transfer of waste to third parties and waste management through recovery, the **standardisation of the waste management process was completed** and a single qualified supplier for the transportation and end-of-life management of waste produced by the Group in the Veneto region was identified. The purpose of standardisation is to **facilitate control of contractor documentation and improve visibility over the entire management chain** for waste from Group sites.

Other initiatives include:

- The activation of **regular sampling to check atmospheric emissions** at the sites subject to environmental practices;

- Under the guidance of the Ministry for the Environment and Energy Security, the migration of the Waste Loading and Unloading Registers through a **digitalisation process that will establish a direct and transparent communication channel between the companies and the public authorities.** OTB Group is installing software to manage this procedure and organising training courses to ensure adequate internal oversight.

5.3 WATER STEWARDSHIP AND MANAGEMENT OF CHEMICALS

Water stewardship

The textiles and tanning industries use considerable volumes of water in their operations, for example for cotton cultivation, material dyeing, washing, and leather processing. The sector is believed to be responsible for around 20% of water pollution worldwide, in particular from dyeing and finishing operations.

Responsible water stewardship and the careful use of chemicals are therefore two key topics of the OTB "Be Responsible. Be Brave." strategy. The Group brands actively **select suppliers whose production methods reduce water consumption and pollution**.

In this context, **Diesel** promotes the use of processes that reduce the consumption of water and chemicals, with **particular attention to the production of denim collections**. These innovative processes include the use of synthetic pumice stones, laser finishing technology, nebulisation, ozone treatment, and low-impact substitutes for conventional potassium permanganate. A virtuous example is represented by **denim made with Dry Indigo® technology**, which allows the fabric to be dyed without using water.

Similarly, **Staff International collaborates with suppliers who use nebulised saturated steam washing systems instead of traditional methods**, thus reducing the use of hot water and softeners and preventing the production of wastewater contaminated with impurities.

Responsible management of chemicals

OTB is committed to phasing out hazardous chemicals from the entire product life cycle to protect factory workers, end consumers and the environment, in line with international regulations and the Group's environmental guidelines. Since 2021, the Group has been a signatory of the **ZDHC Foundation's Roadmap to Zero Programme to develop a water and chemical management strategy for all suppliers that employ wet processes**, which applies even higher standards than the limits imposed by law, and has undertaken to involve its supply chain by 2030. The hubs require suppliers to register with the ZDHC Gateway, the largest global database of lower-impact chemical alternatives for the textile, clothing and footwear value chains. Suppliers are also encouraged to follow the **Supplier To Zero** pathway, aiming to reach the "Foundational" level and then move on to the "Progressive" level. In this process, the Group companies support suppliers by monitoring their progress, ensuring compliance with the established protocols, and organising training and discussion meetings.

Since 2022, OTB has adopted a Group-wide **Restricted Substances List (RSL) & Product Safety Requirements List (PSRL)** that applies to all OTB companies and regulates the management of chemicals. The document, which is reviewed on a regular basis, supplements the regulatory restrictions for global markets on chemicals used in manufacturing with more stringent requirements and standards, such as the latest guidelines of the ZDHC Manufacturing RSL. All the companies have introduced the RSL and the PSRL in their contracts with finished product and raw material suppliers, together with the Code of Conduct and the raw material procurement standards.

During 2024, training activities on the ZDHC Supplier to Zero programme were organised for all direct suppliers of Diesel footwear and bags in the Far East region, as well as for Staff International employees in the Diesel footwear and accessories sector.

In this context, **all the Group production hubs are conducting analyses to assess suppliers' current progress** with respect to the ZDHC standards. In addition, a Group-wide improvement plan is under development, which will subsequently be adapted for each brand.

Besides complying with the limits and prohibitions imposed by the Group RSL and PSRL, the OTB Brands undertake to select certified raw materials whose reference standards include additional restrictions and guidelines for responsible management of chemicals.

SUSTAINABILITY REPORT

6. BRAVE TOGETHER

TWENTY TWENTY-FOUR

People are at the heart of OTB Group strategy and the "Brave Together" pillar brings together the initiatives, efforts and successes in this area, in relation to the material topics indicated below:

- Worker welfare
- Human rights of own workers
- Health and safety
- Human rights in the value chain
- Health and safety in the value chain
- Supplier relations
- Employee training and development
- Diversity and equal opportunities
- Activities of the Foundation

In OTB Group **every employee is welcomed and valued as a unique individual.** In 2023, OTB Group introduced a new human resources management strategy (the "Braves") designed to create a working environment that rewards professional growth, enhances the distinctive abilities of each individual and encourages talent through fair policies that focus on inclusion, diversity and recognition of merit.

The "**2023-2025 People Strategy**" is based on three macro-areas:

MACRO AREAS	**BRAVE ENGAGEMENT & DEVELOPMENT** The **improvement of the employee experience** for a model of excellence that supports people at all stages of their professional life, enhancing their uniqueness and stimulating their growth and psychophysical well-being.	**BRAVE LEADERS & TALENTS** The **development of leaders and talents** to guide the Group in achieving its growth ambitions and guarantee its long-term sustainability.	**DARING ORGANISATION** The construction of an **increasingly agile and efficient organisational model** to facilitate decision-making and guarantee excellent, competitive operation.
POLICIES AND PROGRAMMES	• Support for diversity, equity and inclusion • Employee engagement and internal communication programmes • Performance management system • Competitive total reward policies	• Leadership and managerial upskilling • Talent management, international mobility and job rotation • Employee branding and talent attraction strategy	• Sharing of resources, best practices, processes, tools, initiatives and services at global level • Processes and testing of new working models • Change management programmes

These objectives are set out in a detailed action plan drawn up and launched during 2023. Effectiveness and progress are constantly monitored through specific KPIs and measurement criteria.

OTB Group leads and supervises the People Strategy, while respecting the distinctive features of each brand and encouraging independent decision-making at local level.

Consistently with its philosophy of agility and innovation, the Group continually tests new working methods using the possibilities opened up by technology, while ensuring flexibility and well-being for its people.

6.1 BRAVE ENGAGEMENT AND DEVELOPMENT OF HUMAN RESOURCES

The Group workforce

In 2024, OTB Group recorded an **overall increase in the workforce**, to 6,791 employees. The increase was spread evenly among men and women, with **women accounting for 63.6%** of the total, with a **stable and diversified composition in the various professional categories**. The representation of women in managerial positions was 54.7%, reflecting their constant participation in the organisation's decision-making and leadership functions.

PERCENTAGE OF EMPLOYEES BY GENDER

Men	Women	Other[20]	Not declared
35.7%	63.6%	0.1%	0.6%

PERCENTAGE OF EMPLOYEES BY GENDER AND CATEGORY

	Men	Women	Other	Not declared
Executives & Directors	65.8%	34.2%	0.0%	0.0%
Managers	45.1%	54.7%	0.0%	0.2%
Professionals	33.7%	65.4%	0.1%	0.8%

The distribution of the workforce between Retail, Head Office and Showroom reflects the **operational and organisational needs of the business**. 57.1% of employees work in the Retail segment, focusing on sales and direct customer service. Head Office accounts for 42.2% of staff, engaged in administrative, strategic and support functions, while the remaining 0.7% are involved in Showroom management, with a focus on display and sales activities. This distribution provides an effective balance between front-line functions and strategic and operational support functions, facilitating coordination of activities at territorial level and central decision-making processes.

20. Gender as specified by the employees themselves

EMPLOYEES BY GENDER AND DIVISION

	Men	Women	Other	Not declared
Retail	56.9%	56.8%	100.0%	95.7%
Head Office	42.7%	42.4%	0.0%	4.3%
Showroom	0.4%	0.8%	0.0%	0.0%

In 2024, OTB Group confirmed its commitment to **employment stability and social responsibility,** with a significant proportion of staff – 85.9% – employed on permanent contracts. More flexible contractual forms, such as on-call or hourly contracts, represent a marginal percentage, about 0.3%, reflecting a targeted use of these solutions to meet specific operational needs.

With regard to **working hours**, the majority of employees, 85.8%, are employed on full-time contracts, while the remainder work on a part-time basis. This subdivision is in line with the Group's organisational needs and its corporate policies for a better work/life balance.

In 2024, the number of workers who are not employees was 198. This category includes 12 directors of companies based outside Italy and 73 temporary agency workers, who are engaged for operational needs during certain periods or to work on specific projects.

In 2024, in the highly competitive and rapidly evolving context of the luxury fashion industry, the rate of voluntary departures stood at 24.4% overall, with a higher voluntary turnover rate in the stores (35.0%) than in head offices (10.4%). The Group had **a total of 2,775 new hires**, including 1,708 women, who accounted for 61.5% of total hires.

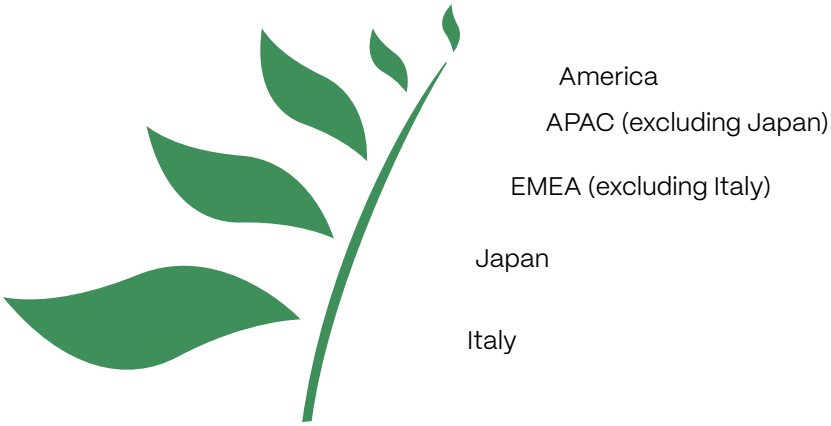
Employee geography and age groups

The distribution of OTB Group employees highlights the organisation's strong local roots and the international dimension of its brands. Although the main offices and strategic hubs are in Italy, where 35.8% of personnel is located, **the workforce is distributed around the world**, reflecting the Group's diversified presence on the main international markets.

After Italy, the second-largest area is **Japan**, with 25.1% of employees, followed by **Europe** with 16.6%. The remainder of the workforce is distributed between the **APAC and Americas** regions, confirming the Group's ability to operate in different cultural and market contexts.

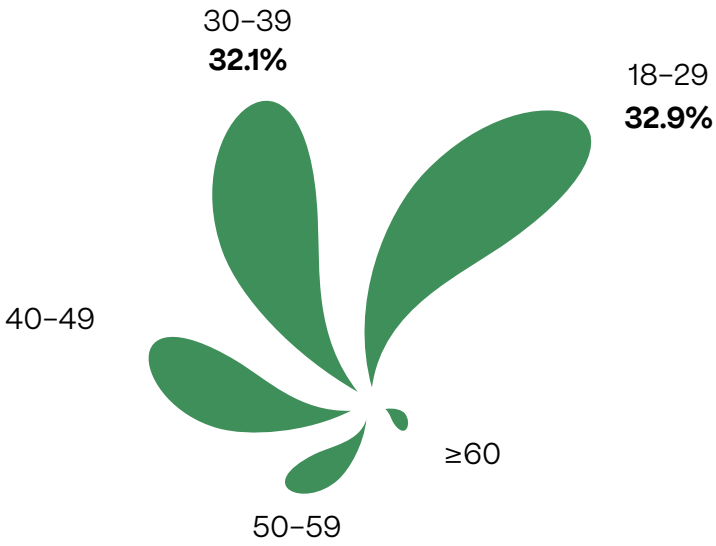
Its global presence allows OTB Group to maintain a direct link with local markets. This fosters a deep understanding of the specific dynamics of each geographical area while ensuring effective coordination of operations on an international scale.

EMPLOYEES BY GEOGRAPHICAL AREA



The OTB workforce presents significant generational diversity: 65% of employees are under 40, 22% are in the 40-49 age bracket and the remainder are over 50. This **variety of ages creates a dynamic and stimulating environment, where consolidated expertise intertwines with new perspectives.**

EMPLOYEES BY AGE GROUP



The remuneration system

The OTB Group **remuneration system** is designed to guarantee competitiveness on the market and internal cohesion, incentivising employees to achieve corporate objectives and optimise their skills. The remuneration policy is based on **transparency** and **equity**, excluding any form of discrimination linked to gender or other factors unrelated to performance and professional skills.

The **pay structure** consists of two main components:

- **Fixed component**, the basic salary defined in relation to the role, responsibilities and market benchmarks;
- **Variable component**, paid through various incentive systems linked to individual, team and company performance.

Management By Objectives (MBO) is the main variable incentive tool for the managerial population at global level. Incentives are linked to the achievement of quantitative and qualitative objectives defined in relation to the role and the organisational scope of reference. The MBO structure is standardised to ensure consistent evaluation criteria and transparent allocation processes. Since 2024, in line with the Group's DE&I strategy, an ESG indicator referring to the percentage of women in top managerial positions has been included.

Personnel not covered by the MBO system benefit from **variable bonuses** organised in accordance with local market practices. Store personnel are covered by **commission schemes**, based on performance criteria linked to sales results and store targets.

The Group's Top Management benefits from a **Long-Term Incentives (LTI)** system, which was reviewed in 2022 to align it with international best practices and industry benchmarks. The LTIs are designed to foster a long-term vision and linked to sustainable-growth and value-creation objectives.

In line with the principles of meritocracy and equity, the **annual pay review** is managed by the **People & Organisation** Department and based on a multidimensional assessment that considers individual performance, objectives achieved, leadership capabilities and industry remuneration benchmarks. The review includes a **gender pay gap** analysis and measures to check for gender bias or discrimination in the planning of pay increases. The ratio between men and women's pay made positive progress, reflecting the Group's work in the area of gender equality and its intention of achieving further improvements in the indicator in the coming years. Compared to 2023, there was a 1 p.p. **decrease in the gender pay gap** across the entire population, both on the fixed component and on pay.

These data make it possible to monitor pay dynamics in the Group objectively and to implement remuneration policies based on equity and consistency with the core values.

BASIC SALARY RATIO WOMEN/MEN IN 2024

	Ratio
Executives & Directors	82.5%
Managers	92.6%
Professionals	95.4%

REMUNERATION RATIO WOMEN/MEN IN 2024

	Ratio
Executives & Directors	65.3%
Managers	90.8%
Professionals	95.2%

Performance management

In 2024, OTB Group introduced a new **digital Performance and Talent Management system** involving more than 3,000 office employees. The aim is to promote a culture of continuous growth and optimisation of talent.

The system consists of several key stages:

- **Formulation of measurable objectives** to ensure transparency and strategic alignment;
- **Regular check-in reviews** to monitor progress and foster constant dialogue;
- **Assessment of leadership competences** through OTB Behaviours, the pillars of our competence model.

A key element of this approach is **Talent Management**, based on a structured, multilevel process. Talent assessments, carried out initially by managers, are discussed and calibrated locally, regionally and globally, to ensure fairness and consistency in the method used to assess resources throughout the Group. The most promising and high-potential talents, suitable for a global career, are selected to take part in talent assessment initiatives, acceleration programmes and targeted growth paths. This approach is designed to build a solid leadership pipeline, guarantee internal succession in key positions and promote the Group's long-term competitiveness.

The system also includes assessment of potential and talent, to identify and support the resources with the best growth prospects. The process culminates in the creation of **individual development plans** intended to enhance skills and accompany employees in their professional career development.

This integrated approach reflects OTB Group's commitment to innovative people management, and its **determination to develop the potential of its employees,** reward merit and incentivise excellent performance, while ensuring a continuous feedback and growth cycle, in line with its core values. At the same time, the Group companies invest in development programmes and initiatives set up to enhance local talent, thus supporting the growth of resources in each geographical area.

Diversity, Equity and Inclusion

Valuing diversity, equity and inclusion, along with promoting talent in all its forms, is a cornerstone of OTB Group culture. Since 2020, as part of the **Diversity, Equity & Inclusion Strategy (DE&I)**, numerous projects have been launched at corporate level and within individual Group companies to spread a corporate culture that celebrates differences, fosters equity and promotes an inclusive work environment, where each individual can express their potential.

In 2023, **OTB S.p.A.** and **Diesel S.p.A.** obtained **Gender Equality Certification (UNI/PdR 125:2022)** under Italy's National Recovery and Resilience Plan (PNRR). The certification was renewed for 2024.

The certification process, conducted by a world-leading company in inspection and compliance verification services, assessed six key areas:

- **Corporate culture and strategy**
- **Governance models**
- **Human resources management**
- **Growth and inclusion opportunities for women**
- **Wage equity**
- **Support for parents and the work-life balance**

Notable initiatives include **nursery and kindergarten** services which have been active for years, smart working policies designed to support the work-life balance, and training programmes on crucial topics such as parenting, overcoming unconscious bias, inclusive language and prevention of harassment in the workplace.

Following certification, OTB Group formed a **DE&I Committee** to plan, evaluate and approve strategic the initiatives on diversity, equity and inclusion.

The Committee members are **key figures** in the Group, including:

- The **Group Chair**
- The **Chief People & Organisation Officer (CP&O)**.
- The **Chief Sustainability Officer (CSO)**.
- The **CEOs** of the brand companies at global level

The committee ensures an integrated and consistent approach to DE&I policies in all geographical areas where the Group operates.

Since 2023, OTB has strengthened its commitment by adopting two key policies:

- The **DE&I Policy**, which defines principles, objectives and guidelines to promote an inclusive culture and value diversity in all its forms.
- The **Gender Equality Policy**, designed to ensure a fair, safe and stimulating working environment for everyone, with a focus on selection processes, talent management, training, equal pay and work-life balance, as well as specific measures to support parenting and prevent harassment in the workplace.

The policies are complemented by the **2023-2025 Strategic Plan** on gender equality, which sets specific objectives and targets both for the companies that have already been certified and for the companies embarking on the certification process. The Plan covers seven strategic areas:

- **Governance**
- **Selection and hiring**
- **Professional growth and talent management**
- **Wage equality**
- **Parenting and care support**
- **Work-life balance**
- **Prevention of abuse and harassment**

In 2024, OTB consolidated the results of its Gender Equality certification with cultural change initiatives and targeted training programmes. These include the "**Together with Pride**" campaign and a series of events to promote gender equality, raise awareness about violence against women, and recognise parenting as a source of skills and value. The initiatives involved thousands of employees of the Group's Italian companies.

In addition, OTB strengthened its **Smart Working policy** by introducing greater flexibility for specific categories of workers in order to support parenting and promote the inclusion of persons with disabilities.

In 2024, OTB hired 126 people with disabilities or in protected categories, in line with the previous year. These data provide an objective picture of the integration of different categories within the organisation. To support social inclusion, **in collaboration with OTB Foundation, OTB Group also launched the "Brave to Care"** corporate volunteering programme. The project allows all Italian employees of the Group to take part in voluntary work at the Foundation's not-for-profit partners, offering 4 hours of paid leave to devote to voluntary initiatives.

DIESEL: UNIQUENESS AND INCLUSION AT THE CENTRE

Diesel has always promoted diversity and inclusion initiatives, also through its external communication and special events. During 2024, its initiatives included:

- **Welcome to Successful Living:** the brand launched a campaign for the 2024 Spring/Summer collection in collaboration with Guinness World Records, which celebrated the unique talents and stories of a group of young talents;
- **Diesel x Tom of Finland Foundation:** the brand continued its collaboration with "The Community", a multidisciplinary arts institution, and the "Tom of Finland Foundation", a not-for-profit organisation that promotes inclusivity and diversity. To mark the 40th anniversary of the TOF Foundation, Diesel sponsored an exhibition and created a capsule collection for Pride month;
- **Diesel x Savage x Fenty:** the brand teamed up with Fenty to create a lingerie and clothing capsule celebrating inclusivity and self-love;
- **Diesel x Damiano David:** the brand collaborated with Måneskin frontman Damiano David on the development of a genderless collection. Launched in November 2024, the line celebrates self-expression, freedom and inclusiveness, fusing the singer's iconic style with the brand's anti-conformist spirit.

Parental leave

OTB Group recognises the importance of **parental leave** as a fundamental tool to support employees during maternity, paternity or adoption leave. It complies with current regulations by offering parental leave to its employees to respect their childcare rights. OTB is committed to providing a working environment that takes family needs into account by promoting a balance between professional and personal life. The arrangements for returning to work after a period of leave are managed to assist a seamless transition, in line with corporate policies and legal requirements.

Industrial relations and trade unions

OTB Group **recognises and protects the right of workers** to be represented by trade unions, ensuring full support for the exercise of this right in a free, responsible manner and in compliance with current regulations. The Group industrial relations policy is based on a constructive and collaborative approach geared to open and ongoing dialogue with employees and their trade union representatives, in order to foster a climate of mutual trust and transparency.

The Group companies are in constant contact with company and territorial trade union representatives, and holds regular meetings to discuss issues delegated by national collective bargaining and explore consensual solutions for the continuous improvement of working conditions and employee welfare. In 2024, 67% of Group employees were covered by collective labour agreements.

During the year, **OTB took an active part in roundtables and debates with trade union organisations**, addressing strategic issues such as Diversity, Equity & Inclusion, corporate welfare, work-life balance, skills development and sustainability. These events helped to strengthen constructive discussion and promote initiatives to improve the working environment.

Specifically, in 2024, as a member of the SMI Industrial Relations Commission, OTB Group attended the national meetings for the renewal of the National Collective Labour Agreement (CCNL) for the Textile, Clothing, Fashion and Industry sector, actively sharing its policies and initiatives in these areas.

Confirming the positive climate of cooperation, in the last three years there have been **no company strikes** and no cases of violation of freedom of association or impairment of collective bargaining. This scenario is further confirmed by the establishment of new Unified Trade Union Representatives (RSUs) in some Group companies, a sign of the continuous advancement of internal social dialogue.

In Italy, OTB Group company employment contracts are governed by national collective bargaining agreements, second-level bargaining and company policies. In the other countries where the Group operates, contracts are governed by local regulations, collective bargaining, where applicable, and company policies.

Regulations cover contracts, as well as pay, welfare and contributions, ensuring a solid and internationally consistent framework to guarantee fair working conditions and respect for workers' fundamental rights.

6.2 BRAVE LEADERS & TALENTS

OTB Group considers **continuous training** and **professional development** to be essential elements in supporting the growth of internal skills and the evolution of the entire organisation. Not only do they contribute to the achievement of the Group's strategic objectives, they also underpin the Group's ability to adapt to change in the constantly evolving fashion industry.

During 2024, the Group's commitme**nt led to a significant increase in training hours provided**, which rose by 5,081 hours compared to 2023. This investment helped build a more effective and efficient learning system that responds to both individual development needs and strategic corporate priorities. The training offer covers a **diversified range of courses**, from modules on technical and professional skills to leadership and communication development programmes.

Training is organised through a variety of channels to ensure maximum accessibility and flexibility. Online courses, available both on-site and remotely via the Group's **Learning Management System (LMS)**, are flanked by in-person training sessions and interactive webinars, fostering continuous learning that can be adapted to the needs of individual employees.

In 2024, in addition to the traditional **managerial training**, **technical-professional** and **language** programmes, the Group paid special attention to **Diversity, Equity and Inclusion (DE&I)**, delivering more than 4,514 hours of training on these topics. Training included modules on:

- Inclusive language,
- Unconscious bias,
- Prevention of gender-based harassment and violence against women,
- Female leadership,
- LGBTQ+ inclusion,
- Inclusion of disabilities,
- Inclusive leadership.

These initiatives aim to create a working environment based on mutual respect, a sense of belonging, freedom of expression and psychological security.

Social awareness events promoted in part in collaboration with **OTB Foundation** included:

- *"The words of inclusion"* – speaker Anna Gaia Marchioro
- *"A journey between parents and children"* – speaker Paolo Crepet
- *"Stories of violence and redemption"* – speaker Amani El Nasif

The Group also invested in sustainability training initiatives in partnership with **international business schools** or special partners in order to disseminate the knowledge needed to achieve the Group's strategic objectives.

In 2024, total training hours provided reached approximately **53,727 hours**. Analysis of the distribution by category shows that **technical-professional training** represented the main share, accounting for 50.97% of the total, followed by **health and safety training** (24.91%), which saw a significant increase compared to 2023, and managerial training (9.15%). In addition, a specific course on **Whistleblowing** was introduced, with 223 total hours delivered.

These data provide a clear picture of OTB Group's commitment to training and its focus on building skills relevant to present and future challenges, in line with the evolving needs of the corporate environment and the market.

PERCENTAGE OF TRAINING HOURS BY TOPIC (%)	
Professional-technical training	50.98
Health and safety training	24.91
Managerial training	9.15
DE&I training	8.40
Language training	5.50
Cybersecurity training	0.54
Whistleblowing	0.41
Code of Ethics	0.11

Talent attraction and employee retention

The Group's ability to attract and retain new talents plays a strategic role in achieving the goals of its "2023-2025 People Strategy". Because it constantly strives for excellence, **OTB is always looking for individuals with distinctive qualities and robust technical skills**, including critical thinking, customer orientation, a propensity for experimentation, collaboration, entrepreneurship and the ability to translate ideas into actions.

To ensure effective management of the hiring process at global level, the Group's internal policy outlines the key stages of the recruitment process and is supported by a global digital recruiting platform. The process is divided into six stages, ranging from the notification of the vacant position to the onboarding of new talents. Hiring for professional positions is managed at local level, while specific managerial and executive profiles are selected and discussed with the central team. Given the growth in the Group's workforce and geographical presence in the last few years, potential candidates are monitored and assessed according to the needs of each professional area. During the onboarding stage, the Group's values, approach and mission, as well as its policies, processes and other information of use in daily business life are presented to the new employee.

Special attention is paid to scouting for professionals to join the Design, Product Development and Research and Development (R&D) teams, which constitute the beating heart of the OTB world. This requires an inclusive selection process designed to form teams of mixed gender and nationality, where the blend of different cultures represents an added value. Scouting for junior figures takes place in cooperation with Italian and international fashion schools, through a blind pre-selection process. This means that portfolios are examined before CVs, allowing creative content to be assessed in relation to brand requirements. The profile of the selected candidate is then considered in depth. Subsequent selection processes follow the same procedures as those for the generalist roles described above.

OTB Group **supports schools that train students interested in the fashion industry** by hosting class visits to its sites and making its expertise available through specific activities and presentations that introduce the processes, needs and critical issues of the fashion industry, so completing the students' education and providing them with more knowledge.

Employee engagement and communication

Employee engagement continues to be a central element in OTB Group's human resources management, a catalyst for innovation, courage and a positive contribution to the organisation's social impact. In 2024, the Group analysed the results of its **first engagement survey**. This was conducted in the fourth quarter of 2023 to assess the level of employee satisfaction and well-being. The results, shared at the beginning of 2024, highlighted both strengths and areas for improvement, providing useful indications for action to strengthen the employee work experience and promote a positive and inclusive work environment at function, company and Group level.

To ensure transparency, engagement and constant alignment, the Group promoted a series of **Town Hall** cycles involving employees at all organisational levels, to promote discussion on achievements and future prospects. Communication, listening and continuous engagement of employees (the Braves), are the key elements in maintaining high levels of satisfaction and participation. They also foster a clear understanding of the organisation's objectives and the role of each individual.

To this end, OTB has developed an **internal communication plan** of events, initiatives and digital tools to create opportunities for global sharing and participation.

Group initiatives

Vertical Training: OTB Be Responsible. Be Brave. & Diesel For Responsible Living
Training on sustainability issues was one of the key activities to which OTB and Diesel paid particular attention during 2024.

In order to align the functions of the individual brands and hubs with the constantly evolving context of environmental and social sustainability in the fashion industry, and ensure the uniform transfer of the principles and key values of the Be Responsible. Be Brave. Sustainability Strategy, in 2024 OTB created a **customised training programme** with the involvement of professors from the **Bocconi School of Management** in Milan. The programme was developed after a series of interviews with the CEOs of the parent company and the brands, as well as some key function managers, in order to tailor the content to meet the Group's specific needs. Specifically, the training examined the principles of sustainability as applied to the world of luxury and fashion, the **main challenges and the regulatory framework, and assessed the action areas on which to focus, such as combating climate change, decarbonisation and the supply chain**. Solutions to introduce circularity into business models were also analysed and compared, and industry case studies were discussed. The programme was divided into three cycles, with the first one taking place in December 2024 and the other two planned for 2025. The aim is to involve the key figures of all the Group companies, in particular the CEOs, and first- and second-line managers of the brands and hubs.

OTB's Corporate Sustainability Team also promoted a series of **training modules for the research, product development and direct purchasing teams of the luxury brands** and related hubs in order to align the functions involved in the choice, selection and verification of materials and treatments with the OTB Raw Material Guidelines and the leading certifications.

Finally, together with Diesel, the parent company organised an important **training course for the Finance teams,** again in cooperation with the Bocconi School of Management in Milan. This initiative helped the participants understand their key role in the transition of the entire organisation towards a more sustainable dimension, involving them in a broader discussion on the creation of value through the application of sustainability principles, and informing them about the new regulations that will be applied to the Group, in particular the CSRD and the Taxonomy Regulation.

Also during 2024, Diesel organised several training courses for its employees to spread the sustainability culture within the brand.
In line with previous years, a number of hours were dedicated to explaining the For Responsible Living Sustainability Strategy and Diesel's main projects, as part of the onboarding days for new employees. Specific training sessions were also organised during the presentations of the new collections to illustrate their lower impact features, and celebrate the progress made through the work of the teams involved in the creation and development of the collections.

This was complemented by in-person training and online webinars for colleagues working in the Diesel stores in Europe, the USA and Japan, to share the specific contents of the collections, and engage the participants in a more open discussion about sustainability issues.

In addition, in cooperation with the HR and Retail Excellence teams, the **Diesel Sustainability Department** developed interactive modules for educational and training purposes, which all store employees can access via the new internal communication platform **D-velop. Ad hoc training** was organised for the "**Denim Discovery**" platform, **devoted entirely to the creation of the Diesel core business: denim.** The module included several sections on sustainability, detailing the preferred lower-impact fabrics used by Diesel, the alternative treatments employed to reduce consumption of chemicals and water, and the main projects implemented to reduce the environmental impact of garments.

In addition to the training provided for the Retail world, during 2024 Diesel organised sustainability training for the Wholesales, Customer Service and Visual Merchandising teams, the latter at the Visual Merchandising Camp in Milan with teams from all over the world, together with the second training module on circularity and eco-design for the Style and Product Development functions discussed in Chapter 4.

Towards the end of the year, Diesel's Sustainability Department organised an important **training session for the Operation and Product Development teams on the social risks and potential human rights violations** that can occur along fashion supply chains. The session was mostly dedicated to the teams involved in the selection and management of supplier relationships. It also examined specific case studies.

As a result of all these activities, during 2024 **OTB and Diesel together provided training** on these topics **for more than one thousand people**.

6.3 PEOPLE CARE

Employee well-being is a key element for OTB Group, with a direct impact on the quality of work and the organisational climate. The Group's approach is based on a diversified and constantly evolving offer of services to meet people's needs and support the work-life balance.

Management of these services is the responsibility of the **Hospitality Department**, which coordinates activities to ensure a functional and welcoming working environment. Besides organisational support, the function oversees the **main internal services**, including management of reception areas, welcome services for internal and external stakeholders, common areas, and wellness and social spaces.

The following services are provided for OTB employees in the main Italian locations:

- **Corporate catering:** at the sites in Breganze (OTB and Diesel headquarters), Colceresa and Noventa Vicentina (Staff International), a corporate catering service offers a wide range of options, including lunch-box and takeaway services;

- **Brave Gym and Brave Beauty:** active since 2011 at the Breganze location, the Brave Gym offers work-out areas fitted with modern equipment and a programme of group courses (yoga, functional training, spin bike, etc.) run by qualified instructors. The gym also includes basketball, volleyball, squash, tennis and five-a-side football courts. The osteopathy service and the Brave Beauty area, with beauty treatments at reduced rates, complete the offer;

- **Brave Garden – Company nursery and kindergarten:** since 2010, Brave Garden has been supporting the work-life balance by running an educational service for children aged 0-6 years. Located at the Breganze headquarters, it is managed by an accredited cooperative and has been designed to foster children's cognitive and relational development, with spaces including a park and a vegetable garden.

- **Operational support services:**

  - **Laundry service**: available for employees of Staff International (Noventa Vicentina) and Brave Kid (Marostica), thanks to agreements with local laundries;

  - **Tax assistance**: active since 2013, this service provides assistance in filling out tax returns at subsidised rates.

- **Welfare and healthcare:**

  - **Healthcare and supplementary pension fund:** the Group's Italian companies are members of Sanimoda, a supplementary healthcare fund for workers in the fashion industry, and of the Previmoda industry pension fund, which boosts employees' social security position;

  - **Preventive check-ups:** OTB has entered into an agreement with the Centro Diagnostico Italiano (CDI) in Milan, an outpatient healthcare facility specialised in prevention. The agreement entitles employees and their families to comprehensive check-ups at favourable conditions. The procedures for accessing the service are managed through the People Hub corporate portal, which offers administrative and operational support to facilitate the booking and management of preventive medical examinations;

  - **Brave benefits** (corporate conventions platform): in 2024 OTB activated a platform of conventions and discounts on a wide range of product categories and a network of more than 300 brands for the employees of all the Italian companies.

MARNI AND JIL SANDER: SUSTAINABLE TIME

As part of the wider **"Sustainable time"** initiative, in 2020 Marni introduced an innovative work-time management model to enable people to compress or expand their working day. The initiative was subsequently adopted by Jil Sander during 2024.

The model favours more flexible and inclusive organisation of working hours, facilitating the integration of work time into employees' lives, while also pursuing the goal of reducing gender differences. Through customised time management serving different requirements, Marni and Jil Sander help reconcile personal and organisational needs, while simplifying management of administrative tasks, as a concrete demonstration of their commitment to building a future that is fairer, more efficient and respectful of people's well-being.

6.4 EMPLOYEE HEALTH AND SAFETY

For OTB Group, **occupational health and safety is a strategic element** of corporate governance, extending far beyond regulatory compliance. Protecting the physical and psychological well-being of employees is an integral part of the organisational culture, reflected in a systematic commitment to ensuring safe, healthy and risk-preventive work environments.

The Group's approach is based on an **integrated Health, Safety & Environment (HSE)** risk management system, which identifies, assesses and continuously monitors risk factors at both operational and strategic levels. The system enables OTB to implement evidence-based preventive measures, develop targeted action plans and operate systematic controls for continuous improvement of its health and safety performance. The objective is twofold: to protect employee health and safety and to safeguard all stakeholders involved in corporate activities.

The HSE Function plays a central role in the governance of these topics, coordinating policy-making, operational risk management and regulatory compliance monitoring. In addition to ensuring the integration of safety practices into corporate processes, **the HSE function promotes a prevention culture** by organising dialogue among the different levels of the organisation and supporting strategic decisions with analyses based on objective data.

Starting in 2022, OTB has intensified training and awareness-raising activities, targeting management and operational teams in particular. Through workshops and discussion sessions, the Group promotes a common vision of occupational safety, based on the key role of prevention and widespread empowerment. This has fostered the development of the **Group Health and Safety Policy** in line with international best practices and the main reference standards, which sets out guidelines for the prevention of occupational injuries and illnesses. An integral part of the **Global Compliance Programme**, the Policy harmonises HSE standards across the Group and integrates safety requirements into every stage of operations. All Group companies are expected to take effective preventive measures, to constantly monitor safety conditions and to implement audit plans for suppliers and external contractors.

In 2024, OTB completed a **strategic assessment** with a view to obtaining **ISO 45001** certification (occupational health and safety). The assessment highlighted the organisation's structured management approach, which ensures full compliance with regulatory requirements and promotes a proactive approach to risk prevention. As part of the process, **OTB S.p.A.** and **Staff International S.p.A.** have begun preparatory activities to obtain certification in 2025, consolidating the Group's commitment to an integrated and certified HSE management system.

To foster the dissemination of a safety culture, in 2024 the Group organised the **second edition of Safety Day**, in conjunction with the **European Week for Health and Safety at Work**. The initiative involved more than **3,000 employees** across Europe, with theoretical training sessions and practical activities delivered in both face-to-face and virtual modes. Activities included immersive simulations such as the "**safe escape room**", **safe driving** exercises, **first-aid** and emergency management courses. The training is designed to facilitate the acquisition of concrete skills that can be immediately applied in daily practice.

During 2024, OTB also completed the **reorganisation of the HSE structure at European level**, strengthening direct supervision in all the countries where the Group is present. This has improved the effectiveness of safety policies, ensuring a uniform approach to risk management and a greater capacity to respond to the specific operational needs of each geographical area.

OTB's commitment to occupational health and safety is based on a clear principle: safety is not a static result, but a **dynamic process of continuous improvement**. Prevention is effective only if it is supported by a corporate culture that values individual and collective responsibility, continuous training and innovation in operational practices. In this way, OTB aims to create a resilient working environment, where **people's well-being** is at the centre of strategic decisions and daily operations.

In 2024, **100%[21] of the OTB Group European workforce** was covered by a **centralised occupational health and safety management system** designed to ensure the protection of employees' physical and mental health. Of the total population, **68.3%** was included in a **certified management system**, which undergoes regular **internal audits** to assess compliance with safety standards, with a particular focus on the Italian sites.

In line with local regulations, each Group company has appointed **worker safety representatives**, generally from among internal staff, who facilitate communication between management and employees on health and safety issues, and support the implementation of preventive measures in their respective areas.

HSE performance monitoring is ensured by **a structured reporting process**. The HSE Function submits a report to the Board of Directors and the Supervisory Board every six months, to provide a transparent view of the state of compliance, highlight any critical issues and formulate corrective or preventive actions.

Since 2022, the Group has been using the **HSE Compliance Index**, an internal indicator developed for objective measurement of regulatory compliance and the effectiveness of risk management initiatives. The tool supports the definition of strategic HSE priorities and is an effective internal communication channel for promoting the safety culture throughout the organisation.

21. Coordination and cooperation between the Employer and the Contractor takes the health and safety costs envisaged by current legislation into account. The following worker categories are considered: Group employees, interns and workers with on-call contracts.

Groupwide health and safety management activities include:

- **Continuous risk assessment** and **regular audits** at all European sites, to verify the correct application of procedures, the effectiveness of preventive measures, and the adequacy of infrastructure in relation to current regulatory requirements;
- **Systematic management of HSE training**, with annual training plans that include mandatory HSE courses, regular updates and specialised sessions based on the specific risks of each role;
- **Workplace compliance mapping**, through emergency plan reviews and updates, management of safety documentation and sharing of best practices to improve the prevention culture;
- **Regular health surveillance**, based on specific medical protocols defined according to the tasks performed, with monitoring of deadlines and management of compulsory health checks;
- **Operational support for new openings and complex projects**, management of emergencies, site audits and implementation of **ISO 45001**-certified management systems.

In parallel, the Group promotes a **safety culture** geared to individual and collective responsibility. The training plan has been enhanced with specific modules on work-related risk management, emergency response and accident prevention. In addition, **initiatives for employees' physical and mental well-being** were launched, including stress management programmes, sports activities, work-life balance support and mindfulness courses.

In 2024, **29 accidents** were recorded in the workplace throughout the entire company population, mainly attributable to **accidental falls**. In addition, 25 commuting accidents were recorded. The **overall injury rate**[22] was 2.05 with no reported **serious injuries** or **fatal accidents**. Furthermore, no work-related **occupational diseases** were diagnosed among Group employees during the year.

These results reflect the effectiveness of OTB's prevention policies and its ongoing commitment to ensuring safe working environments that comply with international standards, with a continuous focus on improving health and safety performance.

Other Group initiatives

EUROPE (France): In 2024, OTB strengthened its commitment to occupational health and safety with several targeted initiatives. It launched a programme to improve fire safety and evacuation plans, which included modernising safety systems, securing warehouses and updating evacuation procedures. Particular attention was paid to protecting electrical installations with insulating materials and monitoring air quality in stores and headquarters. In-depth analyses of occupational accidents were conducted to identify corrective actions, while the management of interventions by external companies was strengthened through the implementation of prevention plans. Regular maintenance of first-aid kits and defibrillators was integrated into a continuous monitoring system. The HSE manager took an active part in Diesel's Economic and Social Committee meetings to discuss health and safety issues with employee representatives. In addition, the occupational risk assessment, reviewed in 2024, revealed new areas for improvement that will be addressed in 2025. Training activities included courses on fire prevention, first aid, psychosocial risk prevention and safety management for facilities open to the public.

APAC: OTB has established clear guidelines for occupational safety and health protection, ensuring compliance with local and international safety standards. Risk assessments, conducted regularly by the operations team and department heads, covered both routine activities and extraordinary situations, such as maintenance work and emergency procedures.

22. The injury rate was obtained by comparing the number of injuries (in Italy, France, the APAC Region, North America and Japan) to hours worked/1,000,000. Commuting accidents were excluded. Hours worked were calculated by estimating that employees work an average of 260 days per year and 8 hours per day.

The organisation also invested in ongoing employee training, offering general health and safety courses as well as specialised programmes on the safe use of equipment and emergency management. OTB provides insurance cover for health- and safety-related events, including injuries and permanent disability, and facilitates access to medical services through partnerships with local healthcare providers.

JAPAN All socially insured employees benefited from annual medical check-ups, with a follow-up system managed in cooperation with occupational physicians. The process included orientation interviews and a review of results to ensure timely interventions, particularly for employees with critical outcomes.

Specific stress tests were conducted, with employees given access to confidential counselling. OTB implemented an overtime monitoring system to prevent excessive fatigue, including interviews with occupational physicians.

In response to occupational accidents, including the two minor injuries at Margiela Japan, risk assessments were conducted in the stores concerned and preventive measures were introduced to reduce the risk of future accidents. In Osaka, an emergency exercise was organised for managers and safety officers, with the focus on crisis management in the event of earthquakes and other emergencies.

6.5 SUPPLIER RELATIONS

The OTB supply chain

OTB Group believes that a supply chain based on cooperation, trust and respect is crucial to guarantee responsible supply chain management and the production of quality products. For this reason, OTB Group companies work to maintain a solid supply chain with a high level of know-how.

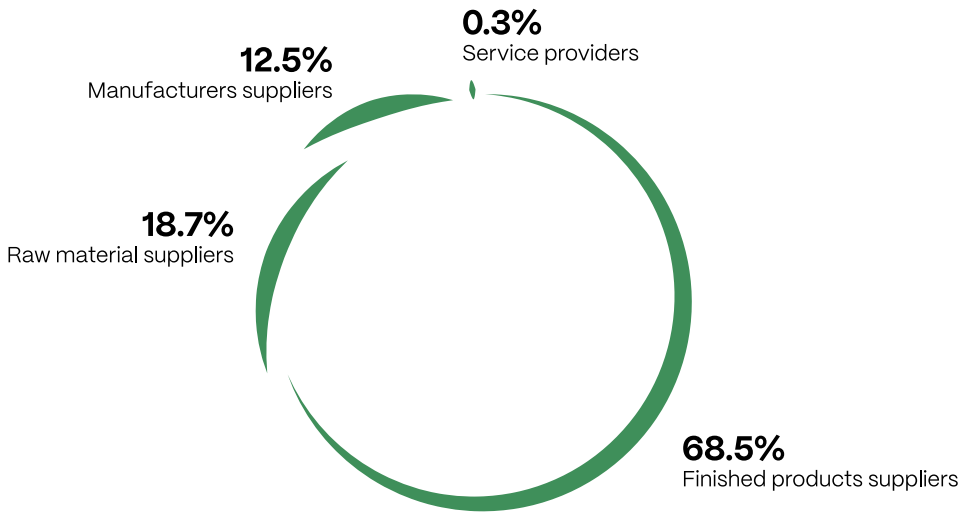
OTB suppliers can be classified into **four main categories**: finished products suppliers (accounting for 68.5% of orders), raw materials suppliers (18.7%), external contractors (12.5%) and service suppliers (0.3%).

The distinction between external contractors and finished products suppliers depends on the **different production models** adopted by OTB Group: the Cut, Make and Trim model (CMT or Industrialised) and the Full Production Package model (FPP or Commercialised).

For the CMT production model, the Purchasing Department buys the fabric and most of the components (accessories), which are then sent to suppliers (external contractors) in charge of the cutting, assembling, washing, ironing and finishing phases. These suppliers are located primarily in Italy, Eastern Europe and the Mediterranean Basin, and in most cases they have long-time partnerships with OTB Group companies.

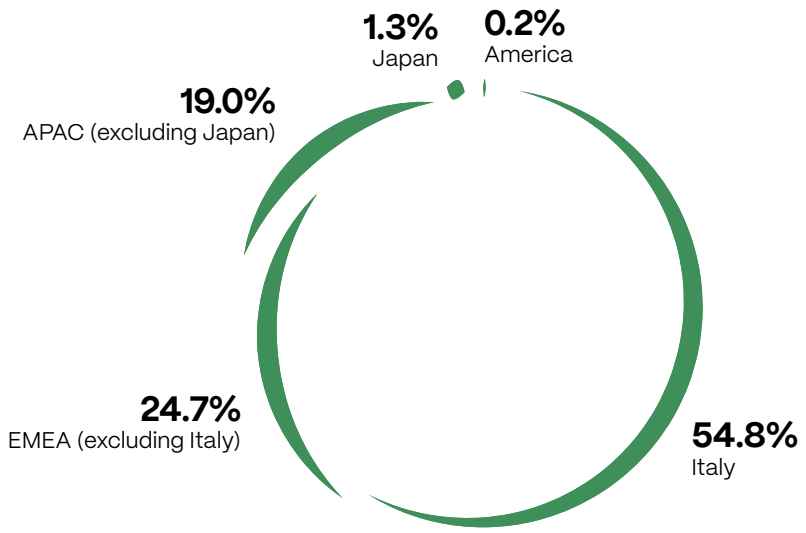
For the FFP production model, the Product and Production Departments provide the finished product supplier with all the necessary production information, ensuring constant alignment during the selection of materials and accessories, to guarantee a result in line with the expectations of the Style Offices of the brands.

SUPPLIERS BY TYPE (BASED ON ORDER VALUE)



Purchase Orders made by OTB Group to its suppliers (finished products and raw materials suppliers, manufacturers and service providers) in 2024 were placed in Italy accounting for the 54.8% and in EMEA accounting for 24.7%.[23]

SUPPLIERS BY GEOGRAPHICAL AREA (IN TERMS OF THE VALUE OF ORDERS)



OTB works with 1,158 first-tier suppliers[24] located in 36 countries[25]. The Group sourcing policy aims to minimise dependence on a limited number of suppliers, thereby effectively managing the risks associated with supply chain interruptions.

23. Excluding suppliers with annual sales orders of less than EUR 1,000.

24. Tier 1 suppliers are suppliers with direct collaboration ties with OTB production hubs. They are directly responsible for the supply of materials, finished products and components (whether industrialised or commercialised).

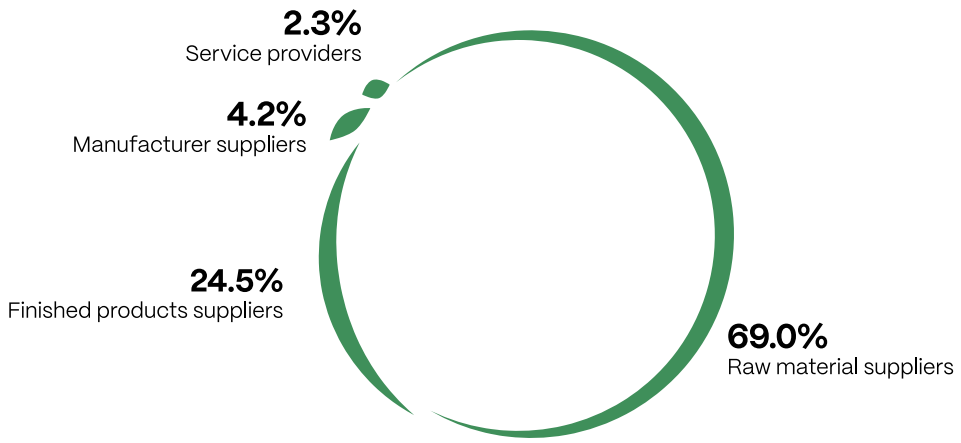
25. Clustering is as follows:

APAC: China, Hong Kong, India, Singapore, Taiwan, Bangladesh, Pakistan

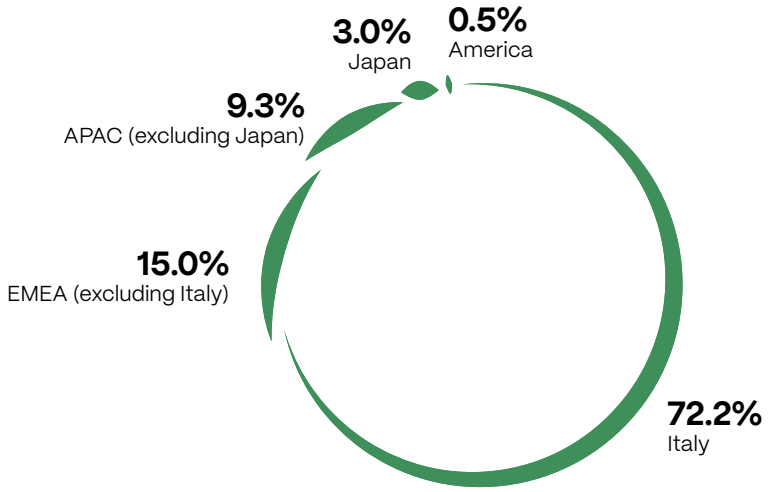
EMEA: Austria, Belgium, Bulgaria, Egypt, France, Germany, Greece, Hungary, Lithuania, Malta, Mauritius, Morocco, Netherlands, Portugal, Romania, Spain, Sweden, Switzerland, Tanzania, Tunisia, Turkey, UK, United Arab Emirates

America: USA, Colombia, Panama, Peru

SUPPLIERS BY TYPE (IN TERMS OF THE TOTAL NUMBER OF SUPPLIERS)



SUPPLIERS BY GEOGRAPHICAL AREA (IN TERMS OF THE TOTAL NUMBER OF SUPPLIERS)



Many raw materials suppliers are located close to the headquarters of the Group companies, with 72.2% of suppliers based in Italy[26].

26. Percentages are calculated on the total number of OTB Group suppliers. For manufacturers and finished product suppliers, the geographical location is the country where the product was made; for service and raw material suppliers, it is the country where the supplier is registered.

Supply chain monitoring

OTB Group is actively **committed to promoting and protecting human rights, worker rights and well-being along the value chain**. To this end, structured due diligence processes have been implemented to prevent potential violations, workplace accidents, and working conditions that do not conform to international and Group standards. OTB suppliers are required to comply with the OTB Code of Ethics and OTB Code of Conduct, which are essential tools for ensuring high health and safety standards.

In 2024, the Group continued its **activities of monitoring and evaluating the supply chain through the analysis of suppliers' social and environmental performance**. This was carried out via audits directly commissioned to independent entities and through the evaluation of third-party audit reports shared by suppliers. Specifically, during the reporting year, OTB adopted a new checklist to enhance the standardization of inspections. The checklist consists of two sections: Section A focuses on worker management checks and includes specific questions on child labor, forced labor, employment contracts, and remuneration; Section B is dedicated to health, safety, and working conditions. It was initially applied to inspections conducted in Italy and is currently being adapted for use in inspections of suppliers located abroad. In cases of minor non-conformities, follow-up audits are scheduled to ensure timely resolution of the identified issues. For more severe but non-critical non-conformities, suppliers are required to develop and implement corrective action plans within timelines defined based on the complexity of the irregularities. In cases of critical non-conformities or failure to resolve non-conformities as agreed, the Group reserves the right to terminate the business relationship, in accordance with contractual terms and conditions.

Staff International: in 2024, Staff International commissioned a total of 377 third-party audits, primarily focused on evaluating compliance with labour and tax regulations, as well as workplace safety among suppliers and subcontractors of the Ready-To-Wear, Shoes, Bags & Accessories divisions. Of these, 174 audits were completed on direct suppliers, while 203 audits were conducted on subcontractors. Of the total, 174 audits were completed on direct suppliers, while 203 audits were performed on subcontractors.

Diesel: in 2024, Diesel commissioned a total of 104 audits, involving both direct suppliers and subcontractors, with 96 conducted in Italy. Additionally, the brand evaluated 56 audit reports provided by suppliers, comparing them with the checklist and the social audit standards applied by Diesel. The audits also collected information on minimum wages and average salaries of workers, including details on base pay, overtime compensation, and the number of overtime hours worked in the year preceding the audit.

To facilitate monitoring of compliance status and due diligence along the supply chain, Diesel developed an internal database that collects and monitors audit findings and initiatives set up to resolve problems. The platform extracts analyses for internal use, providing centralised access to all data.

As evidence of its ongoing commitment to promoting fair working conditions throughout the supply chain, Diesel renewed its support for the Responsible Recruitment Policy promoted by the Fair Labor Association (FLA) and the American Apparel & Footwear Association (AAFA. This step further strengthens its practices in the field of human rights.

Brave Kid: no on-site audits were conducted in 2024. Nevertheless, the company remains vigilant and committed in monitoring its supply chain and will continue to fine-tune due diligence processes to ensure compliance with the Group's social and environmental standards, promoting responsible management practices throughout the supply chain.

6.6 PRESERVING CRAFTSMANSHIP

Craftsmanship represents the authentic soul of Made in Italy, a symbol of excellence that combines quality, tradition and innovation. OTB Group is actively engaged in **safeguarding** and **optimising** this **cultural heritage**, supporting the **Italian manufacturing industry** and its artisan enterprises, the custodians of unique skills handed down from generation to generation. This commitment is translated into concrete initiatives to foster creativity and the dissemination of Italian know-how, promoting training, technological innovation and digital transformation as strategic levers to meet future challenges.

One of the most emblematic examples of this commitment is **M.A.D.E. – Made in Italy, Made Perfectly**, a project launched in 2023 and presented at the Ministry of Enterprise and Made in Italy. The M.A.D.E. campaign, whose acronym stands for **Manual Dexterity, Artisanal Skill, Dedication and Excellence,** celebrates the manual expertise and stories of the people whose work, often behind the scenes, contributes to making Made in Italy a globally recognised excellence. The initiative reached millions of people in Europe, Japan, China and the United States, shining a light on the stories of Italian companies that embody the essence of beauty and craftsmanship. The project concluded in 2024 with a special episode broadcast on the first National Made in Italy Day, with the participation of OTB Chair and Founder Renzo Rosso, which was awarded **Unindustria-Enterprise Special Film Prize** for creativity.

In line with this strategy of enhancing craftsmanship, in 2024 OTB acquired a majority stake in **Calzaturificio Stephen, an excellence of the Veneto region recognised for the production of high-end footwear for men and women**. The acquisition represents a fundamental step in the Group's growth strategy, aimed at strengthening internal production capacity in segments considered strategic for the development of OTB brands. It consolidates the Group's manufacturing know-how, ensuring direct control over highly specialised artisanal skills and excellent production processes.

The integration of Calzaturificio Stephen in the OTB Group will preserve the company's quality and artisanal tradition, while accelerating innovation through the adoption of advanced technologies and sustainable practices. This acquisition is part of a long-term vision to ensure the stability and sustainable growth of the Group's entire production ecosystem. It also strengthens the link with the Italian manufacturing tradition, enhancing the human and cultural capital that is the backbone of Made in Italy. The Group will support Calzaturificio Stephen not only by investing in infrastructure and technology, but also by promoting continuous training courses for its employees, in order to transmit and renew craft skills for future generations.

Scuola dei mestieri – Staff Academy

Preserving craftsmanship also means ensuring the transmission of skills to the new generations, so that the technical and cultural knowledge that characterises Made in Italy can evolve with its essence intact. With this in mind, OTB Group established the Staff Academy "Scuola dei Mestieri" advanced training project to preserve and enhance over 40 years of artisanal experience.

The School, now in its fourth year in 2024, is a centre of excellence where tradition and innovation meet, addressing the needs of a constantly evolving sector.

The teaching approach of the Scuola dei Mestieri is based on an **integrated model that combines traditional** *savoir-faire* **with the skills required by industry 4.0**. It promotes the development of flexible organisational models capable of responding effectively to the challenges of the global market. The programme is intended for recent graduates from technical institutes, specialised training courses and universities in the fashion industry from all over Italy. Students are selected through a rigorous process designed to identify talents with the potential to become "Fashion Makers 4.0", professional figures combining high-level artisanal skills with a solid technological background.

The training consists of theoretical and practical modules, with a focus on key disciplines such as prototyping, cutting, ironing and advanced pattern-making. Students have the opportunity to work closely with master craftsmen and industry experts, acquiring specialised skills ranging from traditional material processing to the most innovative digital production techniques. The programme also includes immersive experiences at the Group's main production partners and visits to the ateliers of the OTB brands, giving students direct insights into the dynamics of the Made in Italy luxury supply chain.

The lessons cover a wide range of topics, including collection development, sustainability, supply chain management and integrated logistics. This multi-disciplinary approach allows the participants to understand all phases of the production cycle, fostering a systemic view and greater awareness of the interconnections between different business processes. The success of the Scuola dei Mestieri is evidenced by in the high rate of professional placement: more than 85% of the students have continued their careers within the Group, actively contributing to the strengthening of the craftsmanship culture and the innovation of production processes.

In 2024, **the Scuola dei Mestieri was recognised nationally as a finalist in the Fashion Sustainable Awards**, a prestigious acknowledgement that celebrates companies' commitment to promoting ethical and sustainable fashion. This achievement confirms the strategic value of the project for the future of the industry, highlighting OTB's role as a point of reference for training a new generation of fashion professionals capable of combining tradition, innovation, and sustainability.

Support for young talent

OTB Group considers support for young talent a strategic pillar to ensure continuity and constant innovation in the fashion industry. It maintains close ties with leading academic institutions, universities and professional institutes, creating effective synergies between the worlds of education and work. Through **regular participation in Career Days and job fairs**, OTB offers concrete networking and orientation opportunities, facilitating direct encounters between students, recent graduates and industry professionals.

In 2024, once again the Group opened its Headquarters to numerous classes of students, organising **immersive company tours** to illustrate the operational dynamics of its departments and the different professions involved in its creative and production processes. This commitment also extends to inclusion and diversity, as demonstrated by OTB's participation in **Digital Diversity Week**, an all-digital initiative that facilitates encounters between companies and candidates from protected categories, promoting equal opportunities and valuing diversity.

OTB actively supports prestigious international competition such as the **ANDAM Award**, offering **personalised mentoring and coaching programmes** for emerging talents and and contributing to the juries with the participation of key figures from the Group. Additionally, the support for initiatives like International Talent Support (ITS), Milano Moda Graduate and Fashion Graduate Italia reflects OTB's commitment to investing in the training and development of young designers' creative and technical skills, helping to consolidate the future of the fashion industry.

The individual Group companies also play an active role in this growth path: Staff International collaborates with the ITS Cosmo Institute to promote the placement of young interns in on-the-job training projects, while Diesel has established academic partnerships with leading Italian and international universities, including the Bocconi University, focusing on cutting-edge topics such as sustainability, digital innovation and emerging technologies, including Web3 and the Metaverse.

These collaborations are **a unique opportunity for young people to face the challenges and opportunities of the contemporary fashion industry,** developing transversal skills and a global vision of business and international market dynamics. Through an integrated approach that combines the optimisation of craftsmanship, specialised training and constant support for young talents, OTB Group has established itself as a point of reference for the excellence and innovation of Made in Italy, actively contributing to the development of a sustainable and competitive future for the entire fashion industry.

SUSTAINABILITY REPORT

7. OTB FOUNDATION

TWENTY TWENTY–FOUR

7.1 SUPPORTING COMMUNITIES

Carrying on the values of his family of origin, in 2006 **Renzo Rosso** set up OTB Foundation, the OTB Group business foundation, to give a professional structure to his philanthropic activities for giving value back to the community.

Today, the Foundation is a fundamental component of the business model of all the Group companies: with its circular vision of the economy, OTB Group wants to make a significant contribution to the community through OTB Foundation projects, which address increasingly weighty and complex issues that the public administrations struggle to deal with.

A distinguishing characteristic of the Foundation is its application of a "profit" approach to the "non-profit" world, a rarity in the voluntary sector which has developed since the arrival of **Arianna Alessi** as **vice-president of OTB Foundation**: each new project is managed as if it were a new start-up to be accompanied on the road to full self-sufficiency.

In other words, the Foundation is not simply an organisation that disburses grants; besides making funds available to the operating partners of the projects it supports, it often assists them in drawing up income statements and business plans for the implementation of their projects. Each social development project is monitored at every stage, so that it is accountable not only in financial terms, but above all in terms of the number of beneficiaries.

The initiatives promoted by OTB Foundation are developed in line with the UN Sustainable Development Goals (SDGs) to achieve a better and more sustainable future for everyone: OTB Foundation's mission is to **take prompt and practical action in emergency situations and improve people's lives in a sustainable manner by guaranteeing equal opportunities**.

OTB Foundation considers three criteria when selecting projects: direct social impact, the application of innovative solutions to respond to the needs of people in difficulty, and the on-going sustainability of its initiatives.

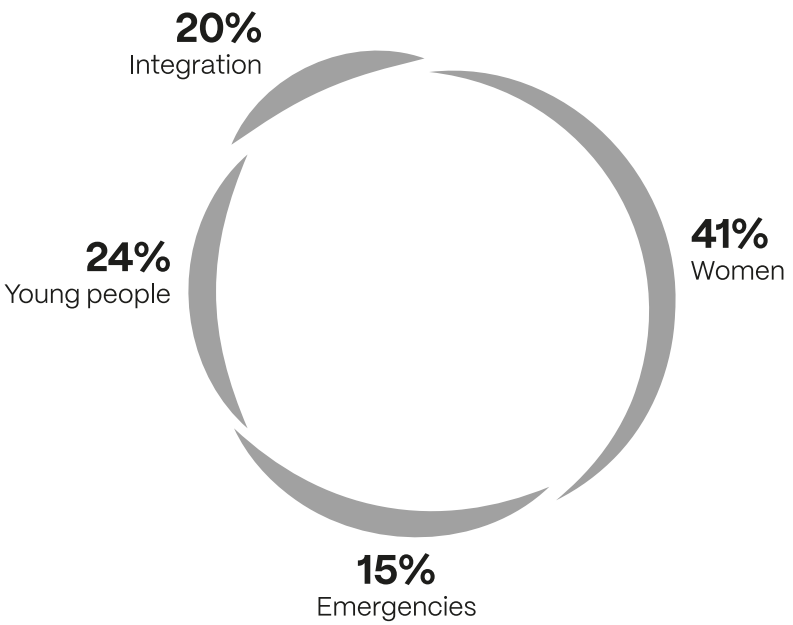
The Foundation operates in four areas:

- projects to promote female empowerment and protect women who are victims of violence, and prevention programmes in schools on issues relating to gender-based violence;
- initiatives for children and young people, such as support for group homes, or school projects against addiction, bullying and cyber bullying;
- support for associations that work for the integration and protection of people whose fundamental rights have been abused;
- rapid intervention in response to needs in emergency situations (natural events and war).

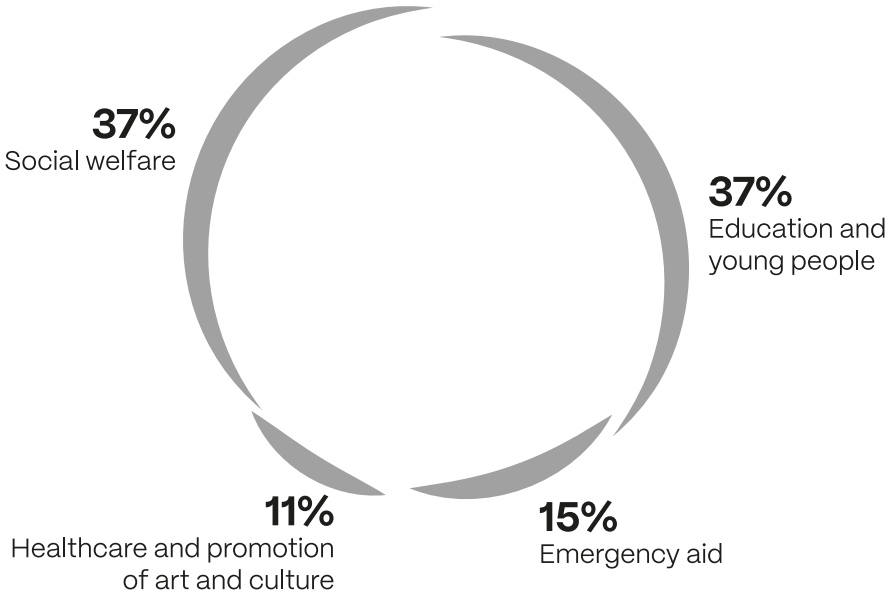
Since it began operations, OTB Foundation has **invested in more than 380 social development projects** around the world and made a significant contribution to improving the quality of life of **more than 380,000 people**.

The main intervention area in 2024, accounting for 41% of total disbursements, related to projects for female empowerment, while support was evenly distributed among the other areas.

INTERVENTION AREAS



ACTION AREAS



With regard to the GRI intervention areas, the projects supported during 2024 focused in particular on education and young people (37% of the total), and social welfare (37%). Emergency relief accounted for 15%, while healthcare and promotion of art and culture represented 11%.

In 2024, OTB Foundation projects had a direct social impact on more than 14,000 people.

7.2 WOMEN

The Foundation supported numerous female empowerment projects, in Italy and abroad, in 2024.

The **Brave Women Awards** programme continued, providing funding for more than **50 scholarships** to facilitate access to two-year specialisation courses in business management and public administration, subjects where the presence of women is notoriously low. The scholarships are intended for female students with a good academic record who are eligible for financial aid. The universities currently involved are the Bocconi University, the LUISS, the Ca' Foscari, the University of Padua and the University of Bologna.

Access to quality education is a fundamental right in all countries, so much so that the Foundation decided to support a project similar to Brave Women Awards in Aleppo, Syria: **Girls of Aleppo**, which provides comprehensive support for **25 Syrian female students** who have the opportunity to attend a specialisation course and a digital literacy course to improve their employability, in addition to covering related costs such as fees, books, and transport.

For several years, the Foundation has supported **Casa Sichem** and its affiliated shelters: the project runs a **listening service** for women in difficulty available 24 hours a day, 7 days a week. The service provides legal and psychological assistance and, in the belief that economic independence is the only way for a woman to achieve complete emancipation, organises training placements. **More than 70** women were helped by the service in 2024.

In 2024, hundreds of students were reached with the **Mai Più** project, which organises prevention and awareness-raising meetings against gender-based violence in schools throughout Italy.

Abroad, OTB Foundation supported the **Tonga Soa** project: two group homes in Madagascar hosting **over 40 girls** without a family network and personal resources and at high risk of sexual exploitation and trafficking.

A new women's project in 2024 was **Victory Over Violence**, a social reintegration programme that helps Indian women who are survivors of acid attacks by paying for surgery and offering psychological assistance, job training and support for their families. During the year, **8 women** were able to get their lives back by undergoing surgical operations.

The Foundation also maintained its commitment in Afghanistan, with the launch of **Brave Business in a Bus**, which transports female professionals directly to the most marginalised areas of Kabul to help over 1,000 businesses and the women running them acquire practical management skills and make an impact in sectors such as tailoring, embroidery, handicrafts and food production.

7.3 CHILDREN AND YOUNG PEOPLE

Investing in projects involving children and young people means investing in the future of society as a whole. This is why there were so many projects in this area in 2024, some continuing, others new, in Italy and abroad.

The prevention programmes supported by the Foundation in schools throughout Italy continued: in addition to **Mai Più**, which combats gender-based violence, **Bye Bully** is active against bullying and cyber bullying, and **We Free** against addictions.

The **Bye Bully** events feature expert guests and peer educators, who share their personal and professional experiences, tips on how to deal with certain situations, and useful tools for their resolution.

With **We Free**, promoted by the San Patrignano community, students have the opportunity to attend performances during which the actors, former guests of the community, talk about their life experiences and backgrounds.

Since education is a central issue for the care of the future generations, OTB Foundation continued working with **Children Are Reading**, a three-year programme that supports the education of **100 primary-school children** whose parents work at the local supplier of an OTB Group company in Bangladesh, and for the **Juvenat Centre**, a residential centre in the Democratic Republic of Congo for the social and economic reintegration of over **200 vulnerable young people**, especially former child soldiers.

For two years, the Foundation has been supporting an **orphanage in Kapisa**, Afghanistan. Thanks to OTB Foundation, the facility, initially reopened to accommodate 50 children, now **houses 100 children**.

During 2024, **a second home was opened to accommodate 50 girls**: this is the first public facility for girls in the region. At the home, the Foundation provides meals and education to girls who would otherwise have a difficult future. The girls are not orphans, but are brought to the facilities by their mothers to give them a different life.

In total, the Kapisa facilities look after **150 children**.

In 2024, the **recreational project in neuro-oncology ward**, involving **77 children** undergoing treatment at the Bambino Gesù Pediatric Hospital in Rome, was renewed. Additionally, the **OTB Chiama Alice** program, a free online psychological counseling service for young people aged 12 to 25 which offers 10 hours of personalized sessions with professionals, was accessed by **72 young people**.

7.4 INTEGRATION

OTB Foundation promotes activities to foster social inclusion and job opportunities for people in economic difficulties and/or from a migrant background.

In 2024, great emphasis was placed on strengthening the **Solidarity Emporiums**, multifunctional centres created to help families struggling with financial difficulties, job loss, and general impoverishment. The solidarity emporiums distribute basic necessities and run a reception area where, depending on their needs, beneficiaries are directed to the centre's various helpdesks, with the ultimate goal of facilitating reintegration into society.

OTB Foundation supports five solidarity emporiums in Italy, as well as operations that promote social inclusion and the fight against food waste. The network consists of the solidarity emporium in Venice with Corte Del Forner, the Il Cedro emporium in Schio and the L'Olmo emporium in Thiene (both in Vicenza) with the Da Spreco a Risorsa voluntary organisation, the I Care emporium in Viterbo with the Viterbo con Amore voluntary organisation, and the Il Sole emporium of the Reno Lavino and Samoggia municipal union, as well as the Solidarity Kitchen in Romano D'Ezzelino (Vicenza) and the Don Bosco Oratory in Schio (Vicenza). The network provides support for more than **3,500 people.**

Another important integration-themed project is **Job Clinic**, which matches job supply and demand for immigrants. The project has developed a multi-section platform where users can find job vacancies and training opportunities for sectors and professional figures for which demand is high.

In addition to its online platform, the project's key factor is that it provides support through all the selection phases, promoting cultural inclusiveness for employers and beneficiaries. The service has been enhanced with the funding of a new figure dedicated entirely to developing contact with companies and training for candidates: as a result, a virtuous network of companies working closely with the team from ItaliaHello and JNRC, the creators and managers of the platform, has been created. Among these entities, medium to large-sized companies such as Eataly and Decathlon have joined the project. Since 2022, **183 people** have found jobs through the platform, including more than 50 people in 2024.

7.5 EMERGENCIES

During 2024, thanks to a partnership with the Diesel brand, OTB Foundation collaborated with the United Nations High Commissioner for Refugees – **UNHCR** to support their **Emergency Fund**.

This is a flexible form of financing, essential to ensure that life-saving supplies, shelter and protection reach those in need as quickly as possible. Without this kind of assistance, the initial phase of emergency interventions, which often involves the delivery of thousands of emergency supplies and essential services, is severely hampered. Flexible funding also plays a key role in the evolution of emergency responses, particularly in crises that are no longer in the media spotlight but where people continue to suffer.

The three main emergencies in which UNHCR used the fund were in Lebanon, Ukraine and Sudan.

7.6 CARING FOR PEOPLE

The work of OTB Foundation is closely linked to OTB Group and its employees.

A number of its activities involve staff in the various locations. They range from the **collection of second-hand clothes**, which are then donated to the associations supported by the Foundation, to the distribution of **IT equipment** to organisations that care for minors. Other important activities include the recovery of textile waste for donation to social cooperatives that help socially vulnerable people, or the opportunity to donate a **suspended gift** to brighten the Christmas of the children supported by the organisations the Foundation works with.

In November 2024, the official launch of the OTB Group's corporate volunteer program, **Brave to Care**, took place, involving employees during working hours in volunteer activities at the organizations supported by the OTB Foundation.

In the first edition, more than 130 colleagues dedicated **over 700 hours** during 25 days organised throughout Italy. The projects involved covered all the issues on which the Foundation is active, from organisations that take in minors removed from their families, to shelters for abused women, day centres for people with disabilities, activities in solidarity emporiums and soup kitchens.

7.7 COLLABORATION WITH THE BRANDS

In 2024, OTB Foundation strengthened its collaboration with the Group companies and their end customers through corporate social responsibility activities.

Starting in December, on the occasion of the **Giving Tuesday** a global generosity movement, customers had the opportunity to make a *cashless* donation to OTB Foundation at the end of their purchase, through the POS terminals in all the direct European stores of Diesel, Jil Sander, Maison Margiela and Marni, as well as in Brave Kid stores and outlets.

Jil Sander then launched an exclusive limited-edition t-shirt with the message "For The Children Of The World", available in Jil Sander shops worldwide and online, as support for the Foundation. Fifty per cent of the proceeds from the sale of each t-shirt will be used to support the first Kapisa girls' orphanage in Afghanistan.

SUSTAINABILITY REPORT

8. APPENDIX

TWENTY TWENTY-FOUR

8.1 METHODOLOGICAL NOTE

8.1.1 Reporting scope, standards and process

The OTB Group (hereinafter "OTB" or "Group") presents the fourth edition of the Sustainability Report, which illustrates the initiatives and projects aimed at addressing environmental, social, personnel management, human rights, governance, and anti-corruption challenges. This document aims to provide stakeholders with a clear and transparent view of the company's strategies, activities, performance, and results in relation to economic growth and business development.

The Sustainability Report refers to the 2024 fiscal year, covering the period from 1 January 2024 to December 2024, in line with the Financial Statements. To ensure the comparability of information, data relating to the 2022 and 2023 fiscal years are included when available. Any restatements of data from the previous fiscal year are explicitly indicated in the document.

Reporting scope
The reporting scope includes OTB S.p.A. and its subsidiaries consolidated on a line-by-line basis in the Annual Report. It does not include the companies consolidated using the equity method. For the list of legal entities included in the reporting scope, see the Consolidated Financial Statements on the OTB Group website (www.otb.net).

The Report also includes a chapter on OTB Foundation, which provides an overview of the Group's philanthropic activities. Any scope limitations are clearly indicated, often with a footnote and in the GRI Content Index.

Reporting standards
The Sustainability Report has been drafted in line with the "In Accordance" option of the Sustainability Reporting Standards published by the Global Reporting Initiative (GRI 2021), the most widely used international standards for reporting non-financial information. To help the reader, a GRI Content Index indicating the location of the information in the Report has been included, with the relevant page references.

The topics covered by the Sustainability Report reflect the results of the materiality analysis conducted in 2024 and approved by the OTB Board of Directors. The "Impact Materiality" analysis is described in chapter 3.2 "Materiality Analysis" and follows the guidelines set out in "GRI 3: Material Topics" and the indications of the European Sustainability Reporting Standards (ESRS).

The principles used to define the content of this Report are aligned with those indicated by the GRI Standards, and are as follows:

- Significance
- Inclusivity
- Sustainability context
- Completeness
- Balance between positive and negative aspects
- Comparability
- Accuracy
- Timeliness
- Reliability
- Clarity.

The entity designated to carry out the limited assurance of this Sustainability Report is PricewaterhouseCoopers Business Services Srl, which provides a separate report certifying the compliance of the information provided in accordance with the criteria indicated by the ISAE 3000 Revised standard. The limited assurance was carried out according to the procedures indicated in the "Independent Auditor's Report," included in this document.

Reporting process
The preparation of the Sustainability Report involved all the corporate functions responsible for the topics covered, coordinated by the Corporate Sustainability Department. As with the previous Sustainability Reports, once the areas and topics to be covered had been established, the data owners and the data approvers were designated for each corporate function. Each OTB Group company is responsible for the collection and validation of the data and information published in the Sustainability Report. The data were collected through quantitative and qualitative forms, in accordance with the requirements set out in the GRI Standards, which ensure transparency and completeness of information.

The OTB Group 2024 Sustainability Report has been approved by the Board of Directors and published on the Group corporate website.

8.1.2 Methodology for the calculation of GHG emissions and emission factors

The OTB Group's inventory of greenhouse gas (GHG) emissions, also known as the Carbon Footprint, is compliant with the GHG Protocol. The Group adopts an operational control approach to consolidate its GHG emissions.

The Group's GHG inventory includes the following emission categories:

- **Scope 1**: Direct GHG emissions generated within OTB Group from owned or controlled sources.

- **Scope 2**: GHG emissions associated with the generation of electricity purchased for consumption by the Group. Emissions related to purchased electricity are calculated using two methods:
  - **Location-based**: This reflects the average emission intensity of the national grids, considering both renewable and non-renewable sources. GHG emissions are calculated using an average emission factor based on the national electricity mix; self-produced and consumed renewable electricity has an emission factor of zero.
  - **Market-based**: This considers the share of certified electricity purchased from renewable sources. To be considered renewable, electricity must be covered by contractual instruments such as Guarantees of Origin (GOs) or International Renewable Energy Certificates (I-RECs). Purchased electricity covered by GOs is considered zero-emission, while the non-covered part is multiplied by a factor known as the "residual mix", which takes into account the emission intensity of the national grids relative to non-renewable and renewable production not covered by GOs.

- **Scope 3**: GHG emissions arising from activities of assets not owned or controlled by OTB Group, but which it produces indirectly along its value chain. The categories reported by OTB Group are as follows:
  - **1 – Purchased goods and services**: greenhouse gas emissions from the production of purchased raw materials and end products (including packaging) and other purchased services
  - **2 – Capital goods**: greenhouse gas emissions from the production of capital goods purchased or acquired in the reporting year.
  - **3 – Fuel and energy activities**: greenhouse gas emissions related to the production of purchased and consumed fuel and energy.
  - **4 – Upstream logistics**: greenhouse gas emissions associated with the transportation and distribution of purchased products between first-tier suppliers and company operations. Emissions related to outbound logistics to stores and end customers and between company facilities, including emissions related to warehouse management. Greenhouse gas emissions were taken into account only when the logistics service is paid for by the Group.
  - **5 – Waste generated in operations**: greenhouse gas emissions from the disposal and treatment of waste generated by Group operations.
  - **6 – Business travel**: greenhouse gas emissions from the transportation of employees for work activities by external means of transport not controlled or owned by the company.
  - **7 – Commuting**: greenhouse gas emissions from the transportation of employees between their homes and workplaces, when transport is not organised by the Group.
  - **9 – Downstream logistics**: GHG emissions from the transportation and distribution of products sold between the company's operations and the customer/end consumer (if not paid for by the Group).
  - **11 – Use of products sold**: greenhouse gas emissions from the use of products sold by the company in the reporting year
  - **12 – End of life of products sold**: greenhouse gas emissions from the disposal of products sold at the end of their useful life.
  - **14 – Franchising**: greenhouse gas emissions from the Group's franchising operations.
  - **15 – Investments**: greenhouse gas emissions from the Group's investment activities.

8.2 PERFORMANCE DATA AND INDICATORS

SCOPE 1 AND 2 GREENHOUSE GAS EMISSIONS (TONNES OF CO_2EQ)

	2022	2023	2024
Scope 1	6,083	6,131	**4,247**
Scope 2 – Market-Based	6,476	6,247	**5,499**
Scope 2 – Location-Based	11,092	11,163	**11,469**

SCOPE 3 (TONNES OF CO_2EQ)

	2022	2023	2024
1. Purchased goods and services	273,953	240,696	181,961
2. Capital goods	13,876	44,258	19,100
3. Fuel and energy activities	2,242	2,585	4,357
4. 9. Upstream and downstream transportation and distribution	23,860	23,783	26,609
4. Upstream transportation and distribution	*na*	*na*	*15,325*
9. Downstream transportation and distribution	*na*	*na*	*11,284*
5. Waste generated in operations	1,128	308	252
6. Business travel	928	1,583	1,598
7. Employee commuting	16,357	18,081	8,862
11. Use of products sold	62,004	56,351	12,872
12. End-of-life of products sold	9,092	7,046	6,480
14. Franchising	2,285	2,610	2,294
15. Investments	16,326	14,979	19,519
Total	**422,052**	**412,278**	**283,904**

In 2024, overall, there was an absolute reduction of more than 30% in reported Scope 3 emissions compared to the previous year. This decrease is linked to several factors, including a reduction in emissions related to the purchase of raw materials of approximately 11% in tons of CO2 eq., a reduction in emissions related to products sold of approximately 9% compared to 2023, and the remainder to a methodological change in the calculation of emissions related to the use of products sold and the purchase of services.

The share of emissions relating to "**Services**" in **category 1 "Purchased goods and services"** showed a 48% decrease in emissions compared to 2023, due to the following factors: a reduction of 48% in expenditure in 2024, a change in the emission factors used to ensure greater consistency within the category for 35%, and a refinement in the data processing methodology, which allowed for greater data granularity and therefore a more precise definition of the expenditure items to be considered within the category, reclassifying the emissions related to transport and logistics, previously classified under emissions for Purchased Services, into the appropriate logistics category. The previous year's figures have not been restated applying the new classification and emission factors described above and therefore are not fully comparable.

Emissions for **category 2 "Capital goods"** reflected a significant reduction compared to 2023, when extraordinary investments were incurred, including the construction of Maison Margiela's new headquarters in Paris. These extraordinary investments were not repeated in 2024.

Emissions for **category 7 "Employee commuting"** decreased compared to the previous years due to the use of the results of a 2024 questionnaire on home/work travel sent to Group employees in Italy, who represent approximately 35% of the corporate workforce. This detailed analysis also made it possible to draw up more precise estimates with regard to employees not involved in the questionnaire.

The reduction in emissions in **category 11 "Use of products sold"** was due to a combination of factors: a change in the method used to estimate the number of washes and product care habits (drying and ironing) of sold products, which is considered more representative of the actual use of the Group's products; a reduction in the number of garments sold compared to 2023; use in 2024 of a sales monitoring system that was not available in previous years, which made it possible to quantify the number and types of products sold in each country, thus ensuring a more precise estimate of emissions from electricity consumption with regard to the care and use of sold products. The method estimated, for example, that a t-shirt had a conventional weight of 220 g, an average life of 4 years, would be machine washed 12.5 times a year, and dried and ironed; based on this information, the amount of CO_2 equivalent associated with the use of the product was obtained. The previous year's figures have not been restated using the new method described above and therefore are not fully comparable.

For spent-based emission factors expressed in $kgCO_2eq./£$, an exchange rate of 0.84 €/£ was used to apply them to expenditure items expressed in €. The rate was calculated as the average rate at the end of each quarter of the reporting year (28/03/2024, 28/06/2024, 30/09/2024, 31/12/2024). The source of the exchange rates is the European Central Bank. (https://www.ecb.europa.eu/stats/policy_and_exchange_rates/euro_reference_exchange_rates/html/eurofxref-graph-gbp.it.html).

RETAIL AND HEAD OFFICE EMPLOYEES

	unit	2022			2023			2024				
		Men	Women	Total	Men	Women	Total	Men	Women	Other	Not available	Total
Retail	no.	1,193	2,231	**3,424**	1,360	2,469	**3,829**	1,379	2,451	4	45	**3,879**
Head Office	no.	997	1,743	**2,740**	1,032	1,831	**2,863**	1,033	1,832	0	2	**2,867**
Showroom	no.	0	0	**0**	10	49	**59**	10	35	0	0	**45**
Total	**no.**	**2,190**	**3,974**	**6,164**	**2,402**	**4,349**	**6,751**	**2,422**	**4,318**	**4**	**47**	**6,791**
Of which recreational roles	no.	89	319	**408**	103	329	**432**	96	310	0	0	**406**

EMPLOYEES BY AREA AND GENDER (NO.)

	unit	2022			2023			2024				
		Men	Women	Total	Men	Women	Total	Men	Women	Other	Not available	Total
Italy	no.	747	1,425	**2,172**	816	1,565	**2,381**	835	1,599	0	0	**2,434**
Japan	no.	543	1,017	**1,560**	606	1,042	**1,648**	648	1,053	0	0	**1,701**
Europe (excl. Italy)	no.	470	726	**1,196**	455	755	**1,210**	453	674	0	2	**1,129**
APAC (excl. Japan	no.	238	592	**830**	276	710	**986**	243	743	0	0	**986**
America	no.	192	214	**406**	230	275	**505**	223	247	4	45	**519**
India	no.	–	–	**–**	19	2	**21**	20	2	0	0	**22**
Total	**no.**	**2,190**	**3,974**	**6,164**	**2,402**	**4,349**	**6,751**	**2,422**	**4,318**	**4**	**47**	**6,791**

EMPLOYEES BY CONTRACT AND GENDER (NO.)

	unit	2022			2023			2024				
		Men	Women	Total	Men	Women	Total	Men	Women	Other	Not available	Total
Open-ended contract	no.	1,933	3,379	**5,312**	2,048	3,605	**5,653**	2,118	3,674	4	40	**5,836**
Fixed-term contract	no.	255	570	**825**	353	717	**1,070**	302	625	0	7	**934**
On-call employees	no.	2	25	**27**	1	27	**28**	2	19	0	0	**21**
Total	**no.**	**2,190**	**3,974**	**6,164**	**2,402**	**4,349**	**6,751**	**2,422**	**4,318**	**4**	**47**	**6,791**

EMPLOYEES BY CONTRACT AND GEOGRAPHICAL AREA (NO.)

Employees by type of contract	Region	unit	2024
open-ended contract	Europe	no.	3,182
open-ended contract	APAC	no.	2,143
open-ended contract	America	no.	511
open-ended contract	**Total**	**no.**	**5,836**
fixed-term contract	Europe	no.	360
fixed-term contract	APAC	no.	566
fixed-term contract	America	no.	8
fixed-term contract	**Total**	**no.**	**934**
On-call employees	Europe	no.	21
On-call employees	APAC	no.	0
On-call employees	America	no.	0
On-call employees	**Total**	**no.**	**21**
Total	**All**	**no.**	**6,791**

EMPLOYEES BY TYPE OF CONTRACT

	Region	unit	2024
Full-time employees	Europe	no.	2,906
	APAC	no.	2,506
	America	no.	412
	Total	**no.**	**5,824**
Part-time employees	Europe	no.	657
	APAC	no.	203
	America	no.	107
	Total	**no.**	**967**
Total		**no.**	**6,791**

EMPLOYEES BY EMPLOYMENT TYPE AND GENDER (NO.)

	unit	2022			2023			2024				
		Men	Women	Total	Men	Women	Total	Men	Women	Other	Not available	Total
Full-time	no.	1,932	3,332	**5,264**	2,103	3,634	**5,737**	2,137	3,657	2	28	**5,824**
Part-time	no.	258	642	**900**	299	715	**1,014**	285	661	2	19	**967**
Total	**no.**	**2,190**	**3,974**	**6,164**	**2,402**	**4,349**	**6,751**	**2,422**	**4,318**	**4**	**47**	**6,791**

EMPLOYEES BY EMPLOYMENT TYPE AND AGE (NO.)

	unit	2022			2023			2024				
		Men	Women	Total	Men	Women	Total	Men	Women	Other	Not available	Total
Executives & Directors	no.	54	25	79	58	27	85	**48**	**25**	**0**	**0**	**73**
18-29	no.			0	0	0	0	0	0	0	0	**0**
30-39	no.	22	9	31	3	2	5	3	3	0	0	**6**
40-49	no.			0	19	9	28	19	11	0	0	**30**
50-59	no.	32	16	48	26	12	38	17	9	0	0	**26**
>=60	no.			0	10	4	14	9	2	0	0	**11**
Managers	**no.**	422	475	897	416	486	902	**432**	**525**	**0**	**2**	**959**
18-29	no.	15	23	38	9	18	27	7	27	0	0	**34**
30-39	no.	272	355	627	107	197	304	108	197	0	2	**307**
40-49	no.			0	166	173	339	167	190	0	0	**357**
50-59	no.	135	97	232	114	88	202	118	98	0	0	**216**
>=60	no.			0	20	10	30	32	13	0	0	**45**
Professionals	**no.**	1,714	3,474	5,188	1,928	3,836	5,764	**1,942**	**3,768**	**4**	**45**	**5,759**
18-29	no.	741	1,357	2,098	839	1,468	2,307	819	1,350	4	27	**2,200**
30-39	no.	807	1,780	2,587	596	1,272	1,868	586	1,268	0	12	**1,866**
40-49	no.			0	325	731	1,056	347	753	0	5	**1,105**
50-59	no.	166	337	503	139	312	451	155	336	0	1	**492**
>=60	no.			0	29	53	82	35	61	0	0	**96**
Total	**no.**	2,190	3,974	6,164	2,402	4,349	6,751	**2,422**	**4,318**	**4**	**47**	**6,791**
18-29	no.	756	1,380	2,136	848	1,486	2,334	826	1,377	4	27	**2,234**
30-39	no.	1,101	2,144	3,245	706	1,471	2,177	697	1,468	0	14	**2,179**
40-49	no.			0	510	913	1,423	533	954	0	5	**1,492**
50-59	no.	333	450	783	279	412	691	290	443	0	1	**734**
>=60	no.			0	59	67	126	76	76	0	0	**152**

WORKERS WHO ARE NOT EMPLOYEES (NO.)

	unit	2022			2023			2024				
		Men	Women	Total	Men	Women	Total	Men	Women	Other	Not available	Total
Non-employee directors	no.	9	0	9	7	1	8	11	1	0	0	12
Temporary agency workers	no.	77	146	223	39	70	109	27	46	0	0	73
Interns and trainees	no.	37	102	139	35	53	88	32	81	0	0	113
Total	**no.**	**123**	**248**	**371**	**81**	**124**	**205**	**70**	**128**	**0**	**0**	**198**

TERMINATIONS AND HIRES BY GENDER (NO.)

	unit	2022			2023			2024				
		Men	Women	Total	Men	Women	Total	Men	Women	Other	Not available	Total
Terminated	no.	1,440	966	**2,406**	926	1,530	**2,456**	883	1,622	62	–	**2,567**
Hired	no.	1,698	1,028	**2,726**	1,197	1,962	**3,159**	1,002	1,708	65	–	**2,775**

The number of employees does not include Diesel Fashion India Reliance Pvt. Ltd. because the specific data was not available on the database extraction date of 15/02/2025, identified as the cut-off date. This limitation also applies to the other HR data indicators in this Sustainability Report and the annexes.

AVERAGE HOURS OF TRAINING BY GENDER AND CATEGORY (HOURS)

	unit	2022			2023			2024				
		Men	Women	Total	Men	Women	Total	Men	Women	Other	Not available	Total
Executives & Directors	h	9.96	14.22	**24.18**	2.91	3.37	**6.28**	4.89	5.44	0.00	0.00	**10.33**
Managers	h	5.44	7.07	**12.51**	7.52	8.16	**15.68**	9.02	9.63	0.00	3.00	**21.64**
Professionals	h	9.48	8.69	**18.17**	7.35	7.07	**14.42**	7.77	7.74	2.00	3.49	**20.99**
Total	**h**	**24.88**	**29.98**	**54.86**	**17.78**	**18.6**	**36.38**	**21.68**	**22.80**	**2.00**	**6.49**	**52.97**

DATA BY REGION (IN THOUSAND €)

Region	Countries in the reporting scope	Total Revenues	Pre-tax profits/losses	Tangible assets and cash equivalents	Taxes paid	Tax provisions	Employees (FTE)
Europe		**2,393,292,776**	**132,242,266**	**251,258,851**	**34,283,197**	**17,204,231**	**4,195**
	Austria Belgium Denmark Finland France Germany Greece Ireland Monaco Holland Norway Portugal Spain Sweden Switzerland England	**386,314,925**	**50,462,196**	143,565,084	**14,198,815**	**6,654,429**	**1,907**
	Italy	**2,006,977,851**	**81,780,069**	107,693,767	20,084,382	10,549,802	**2,288**
Americas	Canada USA	**203,550,686**	**3,999,458**	**23,945,427**	**1,490,965**	**-845,779**	**472**
APAC	China Macau Hong Kong India Singapore South Korea Japan	**671,884,586**	**-1,057,497**	**51,425,505**	**-9,086,543**	**-9,429,414**	**2,531**
Total		**3,268,728,048**	**135,184,227**	**326,629,784**	**26,687,619**	**6,929,038**	**7,198**

WASTE GENERATED BY TYPE IN 2024 (IN TONNES)

	Recovered (ton)	Disposed (ton)	Total (ton)
Non-hazardous waste	**4,276.6**	**124.9**	**4,401.5**
Glass	12.1	0.0	**12.1**
Paper and cardboard	2,030.3	0.0	**2,030.3**
Plastic	50.7	0.0	**50.7**
Wood	156.6	0.0	**156.6**
Textile fibres	102.8	13.6	**116.4**
Mixed packaging	862.3	0.0	**862.3**
Liquid waste	0.0	81.8	**81.8**
Mixed municipal waste	1,051.7	29.5	**1,081.2**
Other waste	10.2	0.0	**10.2**
Hazardous waste	**2.0**	**0.0**	**2.0**
Mixed hazardous packaging	0.3	0.0	**0.3**
Other hazardous waste	1.7	0.0	**1.7**
Total	**4,278.6**	**124.9**	**4,403.4**

MAIN MATERIALS PURCHASED IN 2024 SHOWING MATERIALS FROM RENEWABLE SOURCES (IN TONNES)

	Tonnes purchased	% materials
Total purchases raw materials	**6,646**	**100%**
Raw materials from renewable sources (cotton, leather and skins, organochemicals, wool, vegetable fibres and other materials accounting for less than 1% of purchases)	5,014	75%
Raw materials from non-renewable sources (polymers, metal fibres, other materials accounting for less than 1% of purchases)	1,632	25%
Total purchases packaging	**3,032**	**100%**
Packaging from materials of renewable origin (paper and cardboard, wood, cotton)	2,652	87%
Packaging from materials of non-renewable origin (plastic, varnishes, other textile fibres, rubber)	380	13%

Relations with organisations, institutions and associations

To strengthen the competitive position of the Group and its brands, OTB promotes strategic relations with key stakeholders and institutions. The Group is an active member of various local and international organisations and working groups. It takes a leading role in industrial coalitions that promote sustainability in the fashion industry and defend Italy's manufacturing legacy. Specifically, OTB is a key member of the following associations and entities:

ITALY

ASCOM Vicenza– Confcommercio
Camera Nazionale della Moda
Confindustria Vicenza
Federazione Moda Italia
Confcommercio
Montenapoleone District
Nuova Associazione Babuino
Sistema Moda Italia Confindustria
Consorzio Re.Crea
Altagamma

JAPAN

ITA Chamber of Commerce ICCJ

FRANCE

Comité Montaigne
Fédération de la Haute Couture

SPAIN

Asociación Distrito 41

INTERNATIONAL BODIES

Business for Social Responsibility – BSR
ReLI – Responsible Luxury Initiative
ZDHC Foundation's Roadmap to Zero Programme
Science Based Targets initiative (SBTi)
AURA Blockchain Consortium
The Fashion Pact

8.3 LETTER FROM THE EXTERNAL AUDITORS

Auditor's Responsibilities

Our responsibility is to express a limited assurance conclusion, based on the procedures we have performed, regarding the compliance of the Sustainability Report with the requirements of the GRI Standards. We conducted our work in accordance with "International Standard on Assurance Engagements ISAE 3000 (Revised) - Assurance Engagements other than Audits or Reviews of Historical Financial Information" (hereinafter also "ISAE 3000 *Revised*") issued by the International Auditing and Assurance Standards Board (IAASB) for limited assurance engagements. That standard requires that we plan and perform procedures to obtain limited assurance about whether the Sustainability Report is free from material misstatement.

Therefore, the procedures performed were less in extent than those performed in a reasonable assurance engagement conducted in accordance with ISAE 3000 *Revised* and, consequently, do not provide us with a sufficient level of assurance that we have become aware of all significant facts and circumstances that might be identified in a reasonable assurance engagement.

The procedures performed on the Sustainability Report were based on our professional judgement and included inquiries, mainly of personnel of the Company responsible for the preparation of the information presented in the Sustainability Report, inspection of documents, recalculations and other procedures designed to obtain evidence considered useful.

In detail, we performed the following procedures

1) analysis of the process of definition of the material topics reported on in the Sustainability Report, with reference to the method applied in the analysis and understanding of the Company's environment, the identification and prioritisation of the actual and potential impacts, and the internal validation of the results of the process;

2) understanding of the processes underlying the generation, collection and management of significant qualitative and quantitative information included in the Sustainability Report.

In detail, we held meetings and interviews with the management personnel of OTB SpA and with personnel of Diesel Group SpA and we performed limited analyses of documentary evidence, to gather information about the processes and procedures for the collection, aggregation, processing and submission of non-financial data and information to the function responsible for the preparation of the Sustainability Report.

Moreover, for material information, considering the activities and characteristics of the Group:

- at a Holding level

    a) with reference to the qualitative information presented in the Sustainability Report, we carried out interviews and obtained supporting documentation to verify its consistency with available evidence;

    b) with reference to quantitative information, we performed both analytical procedures and limited tests to verify, on a sample basis, the accuracy of data aggregation.

- for Diesel Group SpA, which we selected on the basis of activity, its contribution to performance indicators and its location, we carried out onsite visits during which we met the persons in charge and obtained documentary evidence, on a sample basis, regarding the correct application of the procedures and calculation methods applied for the indicators.

Limited Assurance Conclusion

Based on the procedures performed, nothing has come to our attention that causes us to believe that the Sustainability Report of OTB Group for the year ended 31st December 2024 is not prepared, in all material respects, in accordance with the requirements of the GRI Standards as illustrated in the "Methodological note" section of the Sustainability Report.

PricewaterhouseCoopers Business Service Srl

Signed by

Francesco Ferrara
(Partner)

Milan, 1st April 2025

This report has been translated into English from the Italian original solely for the convenience of international readers

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8.4 GRI CONTENT INDEX

GRI standards	Disclosure	Page no.
GENERAL DISCLOSURES		
GRI 2: General Disclosures 2021	2-1 Organisational details	pp. 174–175
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	2-3 Reporting period, frequency and contact point	pp. 174–175
	2-4 Restatements of information	pp. 174–175
	2-5 External assurance	pp. 174–175
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	2-7 Employees	pp. 123–133 pp. 53 –55
	2-8 Workers who are not employees	pp. 53–55
	2-9 Governance structure and composition	pp. 24–25
	2-10 Nomination and selection of the highest governance body	pp. 24–25
	2-11 Chair of the highest governance body	pp. 24–25
	2-12 Role of the highest governance body in overseeing the management of impacts	pp. 26–27
	2-13 Delegation of responsibility for managing impacts	pp. 26–27
	2-14 Role of the highest governance body in sustainability reporting	pp. 26–27
	2-15 Conflicts of interest	pp. 24–25
	2-16 Communication of critical concerns	pp. 24–25
	2-17 Collective knowledge of the highest governance body	pp. 26–27
	2-18 Evaluation of the performance of the highest governance body	pp. 26–27
	2-19 Remuneration policies	pp. 126–127
	2-20 Procedure for determination of remuneration	pp. 126–127

Chapter	Omissions/comments
8.1 METHODOLOGICAL NOTE	
8.1 METHODOLOGICAL NOTE	
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3.1 THE OTB GROUP VALUE CHAIN 6.5 SUPPLIER RELATIONS	
6.1 BRAVE ENGAGEMENT AND DEVELOPMENT OF HUMAN RESOURCES 3.4 RISK MANAGEMENT SYSTEM	The Diesel Fashion India Reliance Pvt. Ltd. company is not present.
3.4 RISK MANAGEMENT SYSTEM	
2.1 CORPORATE GOVERNANCE	
2.1 CORPORATE GOVERNANCE	
2.1 CORPORATE GOVERNANCE	
2.2 SUSTAINABILITY GOVERNANCE	
2.2 SUSTAINABILITY GOVERNANCE	
2.2 SUSTAINABILITY GOVERNANCE	
2.1 CORPORATE GOVERNANCE	
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6.1 BRAVE ENGAGEMENT AND DEVELOPMENT OF HUMAN RESOURCES – The remuneration system	
6.1 BRAVE ENGAGEMENT AND DEVELOPMENT OF HUMAN RESOURCES – The remuneration system	

GRI standards	Disclosure	Page no.
	2-21 Annual total compensation ratio	
	2-22 Statement on sustainable development strategy	p. 4 pp. 50-54
	2-23 Policy commitments	pp. 28-33 pp. 50-54
	2-24 Embedding policy commitments	pp. 28-33 pp. 50-54
	2-25 Processes to remedy negative impacts	pp. 36-41 p. 47
	2-26 Mechanisms for seeking advice and raising concerns	pp. 32-33
	2-27 Compliance with laws and regulations	
	2-28 Membership associations	pp. 55-57 p. 179
	2-29 Approach to stakeholder engagement	pp. 48-49
	2-30 Collective bargaining agreements	p. 133
MATERIAL TOPICS		
GRI 3: Material Topics 2021	3-1 Process to determine material topics	p. 47
	3-2 List of material topics	p. 47

Chapter	Omissions/comments
	For reasons of confidentiality, the metrics used are not disclosed. Since the Group and its subsidiaries are not publicly traded companies and therefore not required to disclose their remuneration and fee policy for directors and senior managers, information that could indicate the remuneration of specific individuals is not published. The Group continues internal monitoring of the indicators in question, for information purposes, to analyse internal equity and to conduct peer comparisons.
LETTER TO THE STAKEHOLDERS 3.4 THE OTB GROUP SUSTAINABILITY STRATEGY	
2.3 ETHICAL COMMITMENT AND TRANSPARENCY 3.4 THE OTB GROUP SUSTAINABILITY STRATEGY	
2.3 ETHICAL COMMITMENT AND TRANSPARENCY 3.4 THE OTB GROUP SUSTAINABILITY STRATEGY	
2.5 RISK MANAGEMENT SYSTEM 3.2 MATERIALITY ANALYSIS	
2.3 ETHICAL COMMITMENT AND TRANSPARENCY – Whistleblowing	
	In 2024 there were no significant cases of non-compliance with laws and regulations nor were significant penalties or fines imposed on the Group.
3.5 COLLABORATIONS AND MEMBERSHIPS 8.2 PERFORMANCE DATA AND INDICATORS – Relations with organisations, institutions and associations	
3.3 STAKEHOLDER ENGAGEMENT	
6.1 BRAVE ENGAGEMENT AND DEVELOPMENT OF HUMAN RESOURCES – Industrial relations and trade unions	The Diesel Fashion India Reliance Pvt. Ltd. company is not present.
3.2 MATERIALITY ANALYSIS	
3.2 MATERIALITY ANALYSIS	

GRI standards	Disclosure	Page no.
REDUCING CLIMATE IMPACT		
CLIMATE CHANGE		
GRI 3: Material Topics 2021	3-3 Management of material topics	pp. 100–112
GRI 305: Emissions 2016	305-1 Direct (Scope 1) GHG emissions	pp. 100–112
	305-2 Energy indirect (Scope 2) GHG emissions	pp. 100–112
	305-3 Other indirect (Scope 3) GHG emissions	pp. 100–112
	305-4 GHG emissions intensity	pp. 100–112
ENERGY		
GRI 3: Material Topics 2021	3-3 Management of material topics	pp. 100–112
GRI 302: Energy 2016	302-1 Energy consumption within the organisation	pp. 100–112
REDUCING WASTE		
WASTE GENERATION		
GRI 3: Material Topics 2021	3-3 Management of material topics	pp. 113–117
GRI 306: Waste (2020)	306-1: Waste generation and significant waste-related impacts	pp. 113–117
	306-2: Management of significant waste-related impacts	pp. 113–117
	306-3: Waste generated	pp. 113–117
SAFEGUARDING ECOSYSTEMS		
WATER POLLUTION		
GRI 3: Material Topics 2021	3-3 Management of material topics	pp. 117–119
WATER RESOURCES		
GRI 3: Material Topics 2021	3-3 Management of material topics	pp. 117–119
GRI 303: Water and effluents 2018	303-1 Interactions with water as a shared resource	pp. 117–119
	303-2 Management of water discharge-related impacts	pp. 117–119

Chapter	Omissions/comments
5.1 REDUCING CLIMATE IMPACT	
5.1 REDUCING CLIMATE IMPACT	
5.1 REDUCING CLIMATE IMPACT	
5.1 REDUCING CLIMATE IMPACT	Emissions associated with the purchases made by the newly acquired companies Frassineti and Stephen are excluded.
5.1 REDUCING CLIMATE IMPACT	Emissions associated with the purchases made by the newly acquired companies Frassineti and Stephen are excluded.
5.1 REDUCING CLIMATE IMPACT	
5.1 REDUCING CLIMATE IMPACT	
5.2 WASTE MANAGEMENT	
5.2 WASTE MANAGEMENT	
5.2 WASTE MANAGEMENT 5.2 WASTE MANAGEMENT	
5.3 WATER STEWARDSHIP AND MANAGEMENT OF CHEMICALS	
5.3 WATER STEWARDSHIP AND MANAGEMENT OF CHEMICALS	
5.3 WATER STEWARDSHIP AND MANAGEMENT OF CHEMICALS	
5.3 WATER STEWARDSHIP AND MANAGEMENT OF CHEMICALS	

GRI standards	Disclosure	Page no.
LOWER IMPACT PRODUCTS		
RAW MATERIALS		
GRI 3: Material Topics 2021	3-3 Management of material topics	pp. 61-65
GRI 301: Materials 2016	301-1 Materials used by weight or volume	pp. 61-65
BIODIVERSITY		
GRI 3: Material Topics 2021	3-3 Management of material topics	pp. 67-68
GRI 304: Biodiversity 2016	304-1 Operational sites owned, leased, managed in, or adjacent to, protected areas and areas of high biodiversity value outside protected areas	
ANIMAL WELFARE		
GRI 3: Material Topics 2021	3-3 Management of material topics	pp. 65-67
CIRCULAR MODELS		
PRODUCT CIRCULARITY		
GRI 3: Material Topics 2021	3-3 Management of material topics	pp. 76-82
TRANSPARENT COMMUNICATION		
MARKETING AND LABELLING		
GRI 3: Material Topics 2021	3-3 Management of material topics	pp. 84-97
GRI 417: Marketing and Labelling 2016	417-1 Requirements for product and service information and labelling	pp. 84-97
	417-2 Incidents of non-compliance concerning product and service information and labelling	
NURTURING EMPLOYEES		
EMPLOYEE WELL-BEING		
GRI 3: Material Topics 2021	3-3 Management of material topics	pp. 141-142
GRI 401: Employment 2016	401-1 New employee hires and turnover	pp. 141-142
	401-2 Benefits provided to full-time employees that are not provided to temporary or part-time employees	pp. 141-142

Chapter	Omissions/comments
4.1 MATERIALS AND PRODUCTS	
4.1 MATERIALS AND PRODUCTS	Purchases made by the newly acquired companies Frassineti and Stephen are excluded.
4.1 MATERIALS AND PRODUCTS – Biodiversity	
	OTB Group does not own or manage structures or operational sites in or adjacent to protected areas or areas of high biodiversity value outside protected areas.
4.1 MATERIALS AND PRODUCTS – Animal welfare	
4.3 ECODESIGN AND CIRCULARITY	
4.5 TRANSPARENT COMMUNICATION	
4.5 TRANSPARENT COMMUNICATION	
	No episodes of non-compliance with regulations and voluntary codes relating to product and service information and labelling occurred in 2024.
6.3 PEOPLE CARE	
6.3 PEOPLE CARE	The Diesel Fashion India Reliance Pvt. Ltd. company is not present.
6.3 PEOPLE CARE	

GRI standards	Disclosure	Page no.
HUMAN RIGHTS OF WORKERS		
GRI 3: Material Topics 2021	3-3 Management of material topics	pp. 141–142
WORKER HEALTH AND SAFETY		
GRI 3: Material Topics 2021	3-3 Management of material topics	pp. 143–148
GRI 403: Occupational health and safety 2018	403-1 Occupational health and safety management system	pp. 143–148
	403-2 Hazard identification, risk assessment and incident investigation	pp. 143–148
	403-3 Occupational health services	pp. 143–148
	403-4 Worker participation, consultation and communication on occupational health and safety	pp. 143–148
	403-5 Worker training on occupational health and safety	pp. 143–148
	403-6 Promotion of worker health	pp. 143–148
	403-7 Prevention and mitigation of occupational health and safety impacts directly linked by business relationships	pp. 143–148
	403-8 Workers covered by an occupational health and safety management system	pp. 143–148
	403-9 Work-related injuries	pp. 143–148
	403-10 Work-related ill health	pp. 143–148
EMPLOYEE TRAINING AND DEVELOPMENT		
GRI 3: Material Topics 2021	3-3 Management of material topics	pp. 123–133
GRI 404: Training and education 2016	404-1 Average hours of training per year per employee	pp. 123–133
	404-2 programmes for upgrading employee skills and transition assistance programmes	pp. 123–133
FAIR SUPPLY CHAINS		
HUMAN RIGHTS IN THE VALUE CHAIN		
GRI 3: Material Topics 2021	3-3 Management of material topics	pp. 149–153

Chapter	Omissions/comments
6.3 PEOPLE CARE	
6.4 EMPLOYEE HEALTH AND SAFETY	
6.4 EMPLOYEE HEALTH AND SAFETY	
6.4 EMPLOYEE HEALTH AND SAFETY	
6.4 EMPLOYEE HEALTH AND SAFETY	
6.4 EMPLOYEE HEALTH AND SAFETY	
6.4 EMPLOYEE HEALTH AND SAFETY	
6.4 EMPLOYEE HEALTH AND SAFETY	
6.4 EMPLOYEE HEALTH AND SAFETY	
6.4 EMPLOYEE HEALTH AND SAFETY	The employees of the Japan, North America and APAC regions are not considered.
6.4 EMPLOYEE HEALTH AND SAFETY	The Diesel Fashion India Reliance Pvt. Ltd. company is not present.
6.4 EMPLOYEE HEALTH AND SAFETY	
6.1 BRAVE ENGAGEMENT AND DEVELOPMENT OF HUMAN RESOURCES	
6.1 BRAVE ENGAGEMENT AND DEVELOPMENT OF HUMAN RESOURCES	The Diesel Fashion India Reliance Pvt. Ltd. company is not present.
6.1 BRAVE ENGAGEMENT AND DEVELOPMENT OF HUMAN RESOURCES	
6.5 SUPPLIER RELATIONS	

GRI standards	Disclosure	Page no.
SUPPLIER RELATIONS		
GRI 3: Material Topics 2021	3-3 Management of material topics	pp. 149–153
GRI 204: Procurement practices 2016	204-1 Proportion of spending on local suppliers	pp. 149–153
HEALTH AND SAFETY IN THE VALUE CHAIN		
GRI 3: Material Topics 2021	3-3 Management of material topics	pp. 149–153
PRESERVING CRAFTSMANSHIP		
GRI 3: Material Topics 2021	3-3 Management of material topics	pp. 154–159
PROMOTING DIVERSITY AND INCLUSION		
DIVERSITY AND EQUAL OPPORTUNITIES		
GRI 3: Material Topics 2021	3-3 Management of material topics	pp. 129–131
GRI 405: Diversity and equal opportunity 2016	405-1 Diversity of governance bodies and employees	pp. 129–131
GRI 406: Non-discrimination 2016	406-1 Incidents of discrimination and corrective actions taken	
SUPPORTING COMMUNITIES		
ACTIVITIES OF OTB FOUNDATION		
GRI 3: Material Topics 2021	3-3 Management of material topics	pp. 161–172
GRI 413: LOCAL COMMUNITIES 2016	413-1 Operations with local community engagement, impact assessments and development programmes	pp. 161–172
OTHER GRI INDICATORS		
ECONOMIC PERFORMANCE		
GRI 201: Economic performance 2016	201-1 Direct economic value generated and distributed	pp. 17–21
ANTI-CORRUPTION		
GRI 205: Anti-corruption 2016	205-3 Confirmed incidents of corruption and actions taken	
ANTI-COMPETITIVE BEHAVIOUR		
GRI 206: Anti-competitive behaviour 2016	206-1 Legal actions for anti-competitive behaviour, anti-trust and monopoly practices	

Chapter	Omissions/comments
6.5 SUPPLIER RELATIONS	
6.5 SUPPLIER RELATIONS	
6.5 SUPPLIER RELATIONS	
6.6 PRESERVING CRAFTSMANSHIP	
6.1 BRAVE ENGAGEMENT AND DEVELOPMENT OF HUMAN RESOURCES – Diversity, equity and inclusion	
6.1 BRAVE ENGAGEMENT AND DEVELOPMENT OF HUMAN RESOURCES – Diversity, equity and inclusion	
	No incidents of discrimination occurred during 2024.
7. OTB FOUNDATION	
7. OTB FOUNDATION	
1.3 FINANCIAL INFORMATION	
	No incidents of corruption in the Group were reported in 2024.
	No legal actions relating to anti-competitive behaviour, anti-trust and monopoly practices were reported in 2024.

GRI standards	Disclosure	Page no.
TAX		
GRI 207: Tax 2019	207-1 Approach to tax	pp. 34-35
	207-2 Tax governance, control and risk management	pp. 34-35
	207-3 Stakeholder engagement and management of concerns related to tax	pp. 34-35
	207-4 Country-by-country reporting	pp. 34-35
CUSTOMER PRIVACY		
GRI 418: Customer privacy 2016	418-1 Substantiated complaints concerning breaches of customer privacy and losses of customer data	
PRODUCT QUALITY AND SAFETY		
GRI 416: Customer health and safety 2016	416-1 Assessment of the health and safety impacts of product and service categories	pp. 82-83
	416-2 Incidents of non-compliance concerning the health and safety impacts of products and services	

Chapter	Omissions/comments
2.4 FISCAL RESPONSIBILITY	
2.4 FISCAL RESPONSIBILITY	
2.4 FISCAL RESPONSIBILITY	
2.4 FISCAL RESPONSIBILITY	
	No substantiated complaints concerning breaches of customer privacy and losses of customer data were reported in 2024.
4.4 PRODUCT QUALITY AND SAFETY	
4.4 PRODUCT QUALITY AND SAFETY	In 2024, there were no incidents of non-compliance concerning the health and safety impacts of products.

Share Capital: EUR 25,000,000 fully paid up

Vicenza Companies Register no. 01242510269

Vicenza Economic Administrative Repertory no. 170.761

Tax Code 01242510269

VAT Number 01571110244

Design and layout

frame by frame spa

www.frame.it

For further information or comments on this Sustainability Report,
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