



OTB PRESENTS ITS FIRST SUSTAINABILITY REPORT: FOCUS ON SUPPORT FOR THE ITALIAN SUPPLY CHAIN, IMPROVEMENTS IN ENERGY MANAGEMENT, CIRCULAR PROJECTS FOR THE GROUP BRANDS AND ACTIONS TO FIGHT SOCIAL INEQUALITY

- *Support for Italian companies in the supply chain through the C.A.S.H. - Credito Agevolato-Suppliers' Help program*
- *41% use of renewable energy by the Group's internal operations around the world*
- *Development of circular projects for all the brands, including: Second hand at Diesel, Recicla at Maison Margiela, and the Jil Sander+, Marni Marniphernalia and Viktor&Rolf Tulle collections.*
- *OTB Foundation investments in more than 300 social projects around the world.*

Milan, 28 September 2022 – A year after the launch of the Group “Be Responsible. Be Brave.” strategy, OTB, the international fashion and luxury group that controls the Diesel, Jil Sander, Maison Margiela, Marni and Viktor&Rolf brands, the Staff International and Brave Kid companies, and holds a minority stake in the Amiri brand, is presenting its **first Sustainability Report**. The Report illustrates fundamental monitoring and reporting activities deployed in three macro-areas, “*Protecting our Planet*”, “*the New Fashion System*” and “*Brave Together*”, which involved all the brands, departments and staff in measuring goals achieved, with a specific focus on 2021 and the Group’s carbon footprint for the three years 2019-2021.

Renzo Rosso, Chair and Founder of the OTB Group, said: *"Only when sustainability becomes a state of mind can we talk about true change. The fashion industry has an extremely significant social and environmental impact, and through our business decisions and brand communication we can have a positive influence on the lives and behaviour of millions of people and promote a more responsible and sustainable approach. I have been investing in this direction for years, concentrating on training for all my managers, who have learned to deal with every moment by reasoning and making every business decision in a responsible manner. Today we are announcing all the work we have undertaken in recent years with the concrete objectives we have set ourselves, for example achieving Net Zero in our operations by 2030, ahead of the targets set by the European Union. I am proud that the sustainability path followed by OTB reflects the teachings I received from my family, notably love and respect for the territory and the community."*

Ubaldo Minelli, Chief Executive Officer of the OTB Group, added: *"The report we are presenting today is the result of a lengthy process which has seen us implement a range of sustainable practices over the years, and this has triggered a virtuous circle for other players in the fashion system too. It is important that a large group like OTB should chart a route and provide support for the manufacturing chain, which consists largely of small- and medium-sized businesses based in Italy. One of the projects I am particularly proud of is the C.A.S.H. credit assistance program for suppliers, which we set up in 2013; the resources we have made available to many micro and small businesses, who are*

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the backbone of our Country System, have proved to be essential, especially in the recent period of economic uncertainty. The results set out in this first report not only represent a milestone, they also establish a starting point to address new challenges with renewed enthusiasm and write an increasingly sustainable future for our Group and for the industry."

Sara Mariani, the OTB Group's Chief Sustainability Officer, observed: *"For each of the three areas of the Group sustainability strategy, we have set specific, transparent and concrete targets. I am proud to be able to contribute to achieving these targets together with all the people who work with the various Group brands and companies. I believe that sharing is an essential element in the development of a better future for everyone and with this first report we want to promote ideas, projects and best practices for the entire industry."*

For the OTB Group, sustainable and responsible development necessarily means cooperation and close links with local industry. In 2021, the Group had more than 1600 suppliers, 73% of whom based in Italy (80% in the luxury segment), and made almost 60% of its total purchases locally in Italy.

The Group confirmed the continuation of the C.A.S.H. program (Credito Agevolato - Suppliers' Help) set up in 2013, through which eligible suppliers can ask banks for advance payment of invoices due from OTB at extremely advantageous financial conditions thanks to the guarantor Group's high credit rating. The program has proved to be vitally important in supporting OTB's extensive supply chain, especially in the difficult post-pandemic period, by providing suppliers with short- and long-term stability. More than half of the suppliers who have joined the C.A.S.H. program are micro-businesses, one third are small firms and the other 10% are medium-sized businesses.

Circularity and traceability are two other key elements in the sustainable approach of the Group, which, thanks to the potential of the blockchain developed by the Aura Blockchain Consortium¹ of which it is a founder member, and other technologies, aims to promote socially responsible trading practices.

PROTECTING OUR PLANET

The Group aims to achieve **Net Zero for internal operations by 2030 and for the entire value chain by 2050** through an action plan that puts priority on improving energy management and reducing its carbon footprint. The report shows that 41% of the electricity used in OTB in-house operations comes from renewable sources.

Protection of the planet is not something that can be achieved alone, collaboration with virtuous organisations is essential. On this front, OTB has joined the **Roadmap to Zero Program of the Zero**

¹ The OTB Group is a founder member of the Aura Blockchain Consortium together with LVMH, Prada Group, Cartier - part of Richemont and Mercedes-Benz. The Aura Blockchain Consortium is a no-profit association that uses a blockchain solution and other technologies to promote socially responsible, sustainable, customer-oriented trading practices throughout the lifecycle of luxury goods.

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Discharge of Hazardous Chemicals (ZDHC) Foundation, undertaking to develop a responsible water and chemicals management strategy and to eliminate use of hazardous chemicals from its production processes by 2030. Furthermore, since 2020, Diesel has been a member of the Fashion Pact, the global coalition of companies in the fashion and textile industry, which acts in three areas: stopping global warming, restoring biodiversity and protecting the oceans.

THE NEW FASHION SYSTEM

OTB wants to play **an active role in the transition to a circular model throughout the fashion industry**. This area comprises all the projects introduced by the brands to adopt innovative approaches to design and reduce the environmental impact of their products, to use sustainable and recycled materials, and to develop new transparent and traceable procurement practices. Key projects presented in the report include:

- **Second hand at Diesel**, a carefully chosen assortment of second-hand Diesel denim garments, which are meticulously repaired, reconditioned and sold in selected Italian shops and online across Europe;
- **Recicla**, the project with which Maison Margiela recycles authentic original articles selected by creative director John Galliano, to create a limited edition of clothes or accessories;
- **Jil Sander+**, a collection based on high-performance and often eco-sustainable products made from natural fibres, which combine style and comfort, sophistication and resistance to atmospheric agents;
- **The new line of the Myar brand developed by Brave Kid** gives new life to fabric remnants and offcuts from a number of OTB Group companies, as part of its reduce, reuse and upcycle philosophy;
- **Marnipernalia at Marni**, a project where the brand has reconditioned cotton garments taken from previous collections and re-proposed more than 800 handmade striped items;
- **Viktor&Rolf Tulle collection**, a limited-edition capsule collection named "Lost & Found" consisting of recycled vintage items.

Since 2015 the Group has been part of the Responsible Luxury Initiative (ReLI), which establishes principles for the procurement of materials of animal origin for the OTB brands and their suppliers.

BRAVE TOGETHER

OTB's commitment to a more inclusive world of equality takes concrete shape in the projects promoted in and outside the Group. Key points highlighted in the report include:

- In 2021, 51% of managerial positions were held by women. Of a total of approximately 6,000 employees, 63% were women and 57% below the age of 30;
- The enhancement of training and talent development programs putting the new generations at the heart of the Group's future growth, for example the "Scuola dei Mestieri" initiative by Staff International, which offers a selected group of talented students the

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opportunity to take part in an apprenticeship scheme giving them the possibility to become Fashion Makers 4.0.

Finally, **OTB Foundation**, the independent no-profit organisation formed in 2008, has **invested in more than 300 social development projects** which have had a **positive direct impact on the lives of around 300,000 people**. The foundation works in Italy and around the world, providing support for the following categories: help for children and young people, assistance and support for women in difficulties and development of integration projects for people with no safe place to live, grow and study.

- In 2021 the OTB Foundation doubled the resources allocated to local communities compared to 2020, and assigned funding to a number of different areas. Of its projects, 57% are in Italy and 43% in the rest of the world.
- Between 2020 and 2021, the OTB Foundation devoted many of its activities to stopping the spread of Covid-19 in poorer areas;
- In 2021 it was the first Italian foundation to respond to the United Nations' appeal for protection for refugees from Afghanistan after the return to power of the Taliban, providing shelter for around 1,500 people
- In 2022 it was the first to respond to the UNHCR's urgent appeal for assistance for people and families fleeing from Ukraine, helping to provide safe transportation and a welcome in Italy for 442 refugees;
- OTB Foundation has opened 2 emporiums which delivers food and goods of first necessities to the families in need. The foundation's goal is to concretely contribute to the fight to poverty.

To read the full report: sustainabilityreport.otb.net

OTB GROUP

The OTB international fashion group is parent of the iconic and anti-conventional brands Diesel, Maison Margiela, Marni, Jil Sander, and Viktor&Rolf. It also controls the Staff International and Brave Kid companies, and has a minority stake in the American Amiri brand. OTB – short for "Only The Brave" – believes in the possibility of pushing beyond the frontiers of fashion and style to support the creativity of international talents and express in full the innovative spirit and uncompromising courage of its founder and chair, Renzo Rosso. A solid digital approach centred on the consumer, together with a long-term commitment to the creation of a sustainable business, are the pillars of the development strategy of a Group with more than 6,000 employees around the world.

For more information:

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