



OTB PRESENTS ITS 2022 SUSTAINABILITY REPORT

SUPPORT FOR THE SUPPLY CHAIN, NEW RESPONSIBLE BUSINESS MODELS AND COLLABORATION ARE THE CORNERSTONES FOR THE SUSTAINABLE DEVELOPMENT OF THE INDUSTRY

- *Support for the Italian companies in the supply chain through the special C.A.S.H. program, which involves 65 suppliers and reached payments totalling more than 450 million euro in 2022*
- *52% of energy used in the Group's internal operations around the world from renewable sources, an increase of 11% from 2021*
- *OTB Foundation active on more than 350 social development projects, with a direct impact on the lives of over 350,000 people around the world. More than 440 refugees welcomed from Ukraine, and over 550 thousand euros allocated for a project dedicated to women empowerment*

Breganze (Vicenza), 12 June 2023 – 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 stake in the Amiri brand, is presenting its **second Sustainability Report**, which has undergone a limited assurance in compliance with the GRI¹ Sustainability Reporting Standards.

For the second year, in line with the Group Sustainability Strategy, "Protecting Our Planet", "The New Fashion System" and "Brave Together" are the three main areas that underpinned the monitoring and reporting process to measure the progress and targets achieved by OTB and its brands in 2022 in their environmental and social responsibility journey.

"We are really proud of the steps being taken by OTB and our brands to adopt an increasingly responsible approach, right from the initial product design stages. Our teams' awareness continues to grow, and they are implementing sustainability in every corporate function, because sustainability is a state of mind. Now it's time to speed up these processes, not just as a group but as an industry, because I feel strongly that the sustainability challenge has to be won together," said **Renzo Rosso, OTB Group Chairman and Founder**. *"For us, sustainability is a synonym for alliance, but also for sharing. I believe in a circular business model, where a company creates, produces, generates value and returns part of it to the community. This is why I'm so proud of our on-going work with the OTB Foundation to help children, young people, women and people in need such as refugees from Ukraine or orphans in Afghanistan and India, to mention just a few examples. The results certified by this report are extremely positive, but we believe that, by taking a brave approach, we, and the entire industry, can and must do more."*

¹ Global Reporting Initiative Sustainability Reporting Standards, the reporting standards followed by OTB

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"The only way to achieve a global objective like sustainability is collaboration, and, especially in the case of an international group like OTB, this has to involve the whole value chain. Fashion is an industry based on the synergies of a unique value chain, which encompasses excellent organisations and has the ability to create something magnificent, the essence of Made in Italy. We were precursors at OTB: as early as 2013, when we set up the C.A.S.H. project, we knew we had to engage our suppliers, accompanying them as they grew. This is why we have launched initiatives to support the small and medium businesses that work alongside OTB, aiming for the sustainable and responsible development of the whole supply chain," said **Ubaldo Minelli, Chief Executive Officer** of the **OTB Group**. *"I am very satisfied with the environmental and social sustainability progress achieved by the Group in 2022, we have a clear strategy, solid and ambitious objectives, and results demonstrating that we are moving in the right direction."*

Cooperation is one of the cornerstones for the creation of a sustainable business for the OTB Group, a concept that translates not only into ever closer ties with the supply chain, but also into collaboration with the other players in the international fashion and luxury business.

In 2022, OTB had 1,110 suppliers, of whom more than 71% were located in Italy, rising to 80% when the luxury segment is included. This reflects the Group's commitment to continuous improvement in quality and to building solid, trust-based relationships with the best suppliers.

One of the initiatives organised by OTB to enhance the fashion and luxury industry's value chain is the **C.A.S.H. project (Credito Agevolato - Suppliers' Help)** set up in 2013, which enables suppliers to collect invoices due from OTB in advance, through a bank, at extremely advantageous financial conditions, thanks to the high credit rating of the Group, which acts as guarantor. Today, the program involves 65 active suppliers who have transferred 86% of their receivables. Total payments disbursed since the project began stand at more than 450 million euro, reflecting the effectiveness of OTB's growing support for the supply chain.

OTB's collaborative approach also includes pooling knowledge and expertise with the whole industry: in 2022, the Group promoted the establishment of the **Re.Crea Consortium**, set up under the coordination of the Camera Nazionale della Moda Italiana, together with Dolce&Gabbana, the MaxMara Fashion Group, the Moncler Group, the Prada Group and the Ermenegildo Zegna Group, for joint end-of-life management of textiles and promotion of innovative recycling solutions. OTB is also a member of **The Fashion Pact**², marking the commitment of the entire Group to working towards the responsibility and environmental objectives set by the international coalition of leading fashion players. During the year, the Group continued its activities as a founding member of the **Aura Blockchain Consortium**³, whose mission is to use technology to develop solutions that foster

² In 2022, the OTB Group joined The Fashion Pact, the global coalition of more than 70 industry players who share best practices and promote innovative solutions to restore biodiversity.

³ The OTB Group is a founder member of the Aura Blockchain Consortium together with LVMH, the Prada Group, Cartier (part of Richemont and Mercedes-Benz). The Aura Blockchain Consortium is a no-profit association that uses blockchain and other technologies to promote socially responsible, sustainable, customer-oriented trading practices throughout the life cycle of luxury goods.



traceability and transparency for consumers and created a digital authenticity certificate for more than 300,000 garments registered on the consortium blockchain.

PROTECTING OUR PLANET

Protecting the planet is a global priority and, as such, one of the key issues addressed by OTB strategy. A target for the Group in this area is to use 100% renewable energy in its direct operations by 2025. In 2022, OTB reached 52% of renewable energy for the Group's internal operations around the world, an increase of 11% from 2021. Among other actions, this contributes to progress towards the target of Net Zero on Group internal operations by 2030, through an action plan designed to achieve an all-round reduction in OTB's environmental footprint.

THE NEW FASHION SYSTEM

The OTB Group, its brands and production platforms are committed to adopting innovative business models where reducing environmental impact and promoting durability and product circularity are priorities. This implies use of recycled or responsible materials in production processes and continuous development of new transparent and traceable procurement practices, encouraging decisions that prolong the product life cycle.

Key projects presented in the 2022 Sustainability Report include:

- **Diesel**
 - Diesel Rehab Denim, a line of clothes made from fully recycled cotton and elastane, Diesel denim cutting waste, mixed with TENCEL™ x REFIBRA™ technology. Fabric dyeing does not use water and hugely reduces the quantity of chemicals and energy needed in the production process;
 - Diesel and UNIDO: Diesel and the United Nations Industrial Development Organisation (UNIDO) are working on a pilot project as part of the SwitchMed Program funded by the EU, to create a closed-circuit recycling system for fabric scraps. Diesel is about to launch 28,000 pairs of jeans on the market using at least 20% of recycled fibres from cutting scrap sourced from its Tunisian supply chain;
- **Maison Margiela**
 - Recicla, the project with which Maison Margiela moves beyond the traditional concept of recycling by restoring authentic original articles carefully selected by creative director John Galliano, to create a limited edition of clothes or accessories;
- **Jil Sander**
 - **Jil Sander+**, a collection based on high-performance eco-sustainable products with organic fibres, which combine style and comfort, sophistication and resistance to atmospheric agents;
- **Marni**
 - VEJA x Marni, a collaboration that led to the development of sneakers combining the creative approach of the OTB brand with VEJA's focus on sustainable practices;
- **Vikor&Rolf**

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- Viktor&Rolf x Melissa, in 2022 the brand launched two new collections – Buckle Up and Knot – for Melissa, which patented Meflex, a 100% recyclable easy-to-separate vegan material, used for all the bags and footwear.

BRAVE TOGETHER

People are at the heart of the strategy of the OTB Group, which is committed to empowering their professional growth, developing their unique capabilities and encouraging their talents through fair policies that foster inclusion, diversity and recognition of merit. Significant results include:

- In 2022, on a total of more than 6,200 employees, 65% were women and 52% of managerial positions were held by women;
- Further improvements were made to the training and enhancement programs for young talents such as the Staff International "Scuola dei Mestieri" for the transfer of Made in Italy skills, which organised a second edition in 2022 and has already confirmed a third edition for 2023. Around 80% of the students on the program were taken on by the Group companies.

In conclusion, the OTB Foundation, the Group's no-profit organisation continued its work in Italy and around the world, taking swift, concrete action in emergency situations to improve the lives of people in a sustainable way by guaranteeing equal opportunities. Since it was formed in 2006, the Foundation has invested in more than 350 social development projects, which have had a direct positive impact on the lives of about 350,000 people.

- In 2022 alone, initiatives organised or supported by the OTB Foundation provided direct benefits for over 20,000 people;
- The Foundation was the first to respond to the urgent appeal of the UNHCR for aid for families fleeing from Ukraine, contributing to welcoming more than 440 refugees to Italy;
- In the area of female empowerment, in 2022 the Foundation set up the Brave Women Awards, to provide young women with access to higher levels of education. Given the success of the first edition, a second edition has already been confirmed with the participation of other Italian universities, enabling funding of 55 scholarships;
- Projects supported in 2022 focused in particular on children and young people (25%), women (30%), integration (3%) and intervention in national and international emergencies (42%).

To read the full report: sustainabilityreport.otb.net

OTB GROUP

OTB is an international fashion group comprising the iconic, unconventional brands Diesel, Jil Sander, Maison Margiela, Marni and Viktor&Rolf. It also controls the Staff International and Brave Kid companies and holds a stake in American brand Amiri. 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

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spirit and uncompromising courage of its founder and chair, Renzo Rosso. With more than 6,000 employees worldwide, the Group is founded on a digital approach centred on the consumer, a concrete long-term commitment to the creation of a sustainable, technologically driven business, and close attention to social issues through the OTB Foundation.

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