

Unioncamere e le Camere di commercio per la sostenibilità ambientale

Fondo di Perequazione 2019/2020



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D'ITALIA

Il bilancio di sostenibilità per le PMI

IL REPORT INTEGRATO DI GIZETA CALZE

Marco Pasquotti, Gizeta Calze

23 maggio 2022



Lunedì 23 Maggio 2022

*BILANCIO DI SOSTENIBILITÀ PER LE
PICCOLE E MEDIE IMPRESE*

Il Report Integrato di Gizeta Calze

GIZETA
Calze

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La sostenibilità negli obiettivi strategici, nei processi, nei prodotti il caso di GIZETA CALZE

GIZETA *Calze*

Gizeta Calze è tra i player più rappresentativi del Distretto della Calzetteria di Castel Goffredo, tra le Province di Mantova e Brescia, che rappresenta il 2° polo produttivo mondiale nella produzione di calze, dopo la Cina, realizzando il 75% della produzione totale italiana, il 60% di quella europea ed il 30% di quella mondiale.

Gizeta Calze è partner strategico in private label delle maggiori catene distributive europee ed internazionali. Con tali fashion retailer mondiali l'Azienda ha un consolidato rapporto di collaborazione industriale, grazie agli elevanti investimenti in termini di ricerca e sviluppo, evoluzione sostenibile, elevata flessibilità operativa e attenzione maniacale alla qualità del prodotto.

HIGHLIGHTS 2020



La sostenibilità negli obiettivi strategici, nei processi, nei prodotti il caso di GIZETA CALZE



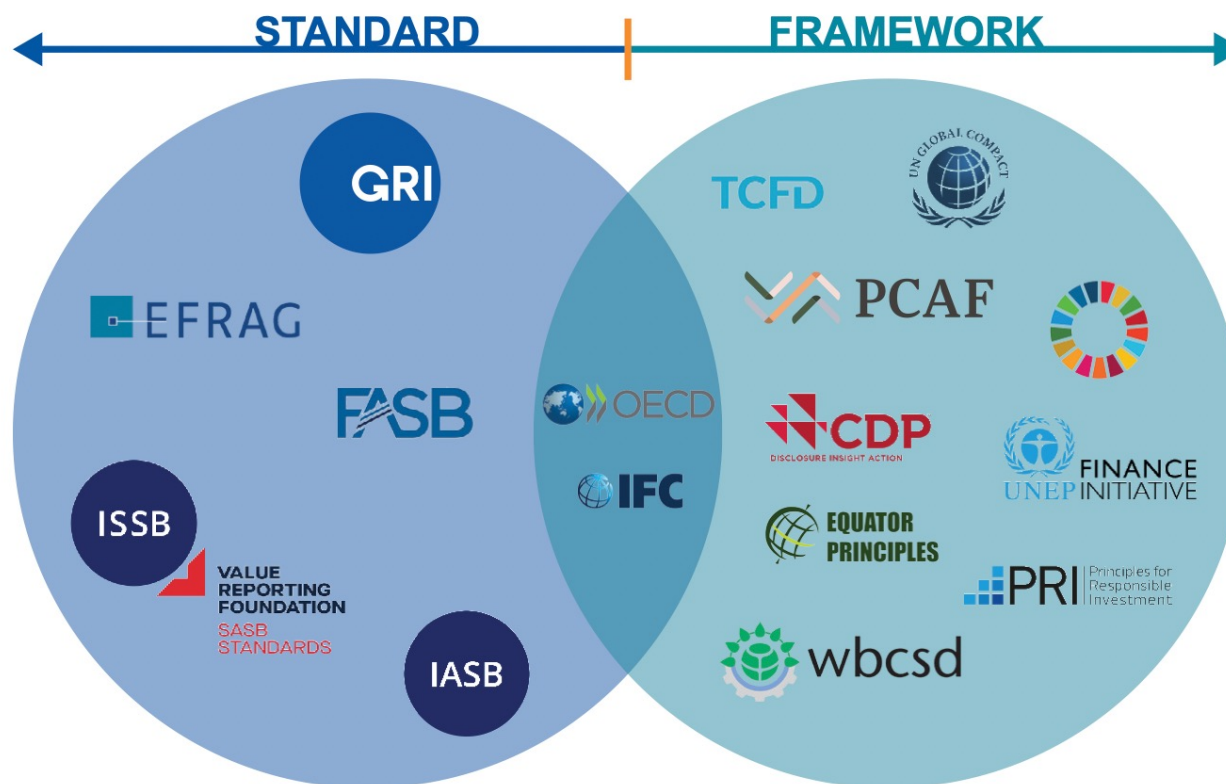
Innovazione di prodotto, tracciabilità completa, servizio e qualità del prodotto, flessibilità, prodotti in filati bio-based, biodegradabili e riciclati, prodotti certificati e processo di produzione sostenibile, certificati secondo 6 criteri:

- **OEKO-TEX (sicurezza di prodotto per il consumatore)**
- **GRS (prodotti tessili realizzati con materiali da riciclo)**
- **ZDHC (Zero Discharge of Hazardous Chemicals)**
- **SMETA (business etico)**
- **HIGG (impatti sociali e ambientali nel settore tessile)**
- **FSC (carta ecologica).**

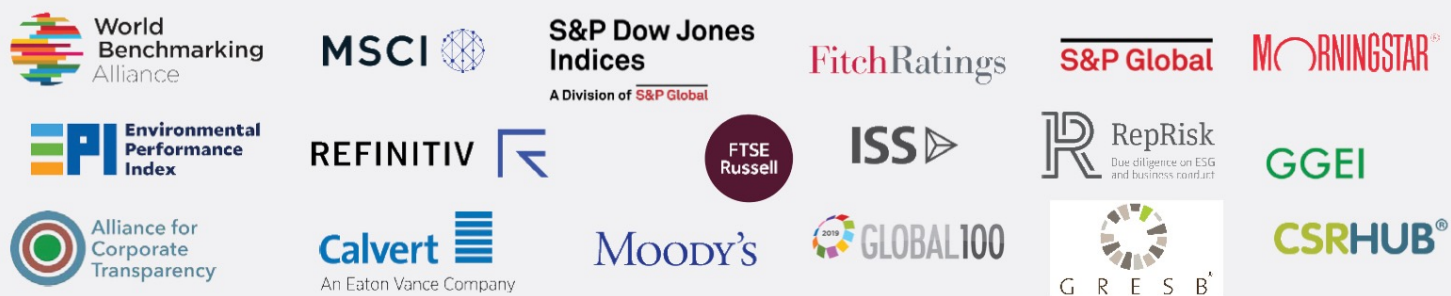
Gizeta Calze è membro di **SEDEX (Supplier Ethical Data Exchange)**, organizzazione senza fini di lucro che promuove il miglioramento etico e responsabile delle pratiche commerciali nelle catene di approvvigionamento globali.

Gizeta Calze fa parte di **HIGG Index della Sustainable Apparel Coalition**, principale alleanza dell'industria dell'abbigliamento, delle calzature e del tessile per la produzione sostenibile.

Comunicare la sostenibilità è importante quando farla.
Non esiste tuttavia un unico standard.

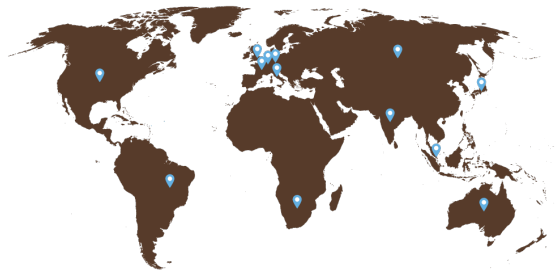


RANKERS & RATERS

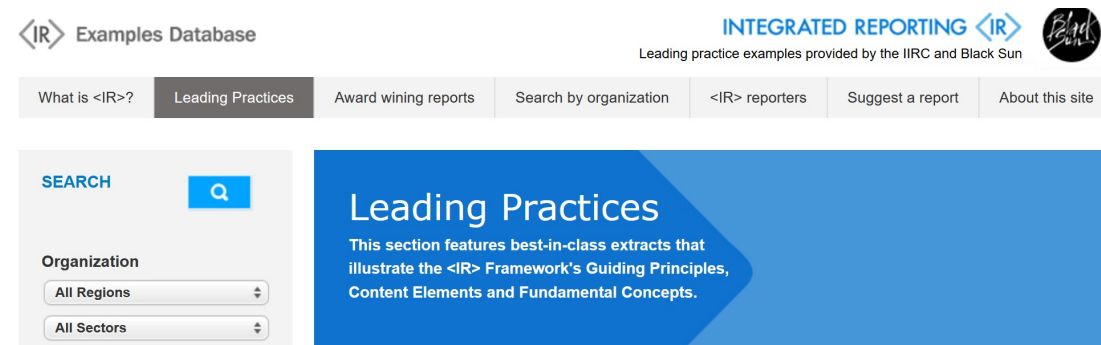


La rendicontazione di sostenibilità scelta da GIZETA CALZE: <IR> compliant con GRI Standards (in accordance-core) e allineamento agli SDGs.

Oltre 2.200 organizzazioni
utilizzano l' <IR>



Le più importanti organizzazioni che hanno adottato <IR> sono nell'Example Database di IIRC: http://examples.integratedreporting.org/recognized_reports



<IR> Business Network main participants:

[ABN AMRO Bank](#) | Aegon | Anglo African | ArcelorMittal | [Assicurazioni Generali](#) | [ACCA](#) | [Atos](#) | [AXA](#) | BASF | [BNDES](#) | BNP Paribas | British Universities Finance Directors Group | Capgemini | CCR Group | Chanel | CIMA | Çimsa | CLP Holdings Limited | Confederation of Indian Industry | [Consiglio Nazionale dei Dottori Commercialisti e degli Esperti Contabili](#) | Corporate Governance Association of Turkey | [CPA Australia](#) | [Crédit Agricole](#) | Danone | [DBS Bank](#) | Dellas Diamond Tools | [Diesel and Motor Engineering](#) | Durham University | [EnBW Energie Baden-Württemberg](#) | Enel | Engie | Eskom Holdings | [Flughafen Muenchen Group](#) | [FMO](#) | Garanti Bank | Honda Motor | HSBC | Impala Platinum | Industria de Diseño Textil | ING | [Intire](#) | Institute of Chartered Accountants of Sri Lanka | [Institute of Cost and Management Accountants of Pakistan](#) | [Itaú Unibanco](#) | ITC | [Jones Lang LaSalle](#) | [Leonardo](#) | Malaysian Institute of Accountants | [Marks and Spencer](#) | Mazars | Microsoft Corporation | National Australia Bank | Natura Cosméticos | Nederlandse Beroepsorganisatie van Accountants | Nestlé | [Newcastle University](#) | NHS Wales | [Novo Nordisk](#) | [New Zealand Post](#) | NN Group | Pacific Credit Ratings | PepsiCo | Pernod Ricard | PwC – Italy | [PwC – Netherlands](#) | [Prudential Financial](#) | PTT | [PTT Global Chemical](#) | Rosneft | [Sanofi](#) | [The Saudi Investment Bank](#) | [SBM Holdings Ltd](#) | Schiphol Group | [SK Telecom](#) | [Snam](#) | [Société Générale](#) | [Solvay](#) | South Asian Federation of Accountants | [Standard Bank](#) | [Standard Chartered Bank](#) | Tagetik | Tata Steel | [TEPCO](#) | [Thai Oil Public Company Ltd](#) | [The Clorox Company](#) | [The Crown Estate](#) | The World Bank | [Transnet](#) | [Unimed Uberaba](#) | [UniCredit](#) | Unilever | [Vancity](#) | WIPRO

ABOUT THIS REPORT



INTEGRATED REPORT: WHAT IS IT?

The Integrated Report is the information tool intended to illustrate how the Company creates value in the short, medium, and long term in the context it operates in. The Integrated Report allows representing, assessing, and monitoring in a consistent manner the actions, resources—including intangible ones—and results that are crucial to the Company.

INTEGRATED REPORT: WHY?

The Integrated Report makes it possible to integrate corporate reporting and develop the communication of financial, environmental, social and governance performance through a single annual report. It is addressed to all stakeholders, in a comprehensive, clear, concise and comparable way, providing an overall view of the ability to create value in a responsible way.

REFERENCES

The <IR> Framework of IIRC, published on January 2021, is the reference document for the Integrated Report.

The sustainability indicators disclosed in this Report are reported according to the GRI Standards "in accordance-Core" option. For more details on the references used and the preparation of the Report, please see the Methodological Notes.

READING TOOLS

The <IR> Framework guidelines show how Gizeta Calze creates value over time, starting from the resources it uses and reinvests, that are the six capitals:

Financial capital: total funds that the organisation can use to manufacture goods or to provide services, also obtained by various loans.

Manufactured capital: manufactured physical objects (e.g. buildings, machinery, facilities, equipment) that an organisation can use to produce goods or provide services.

Social and relationship capital: set of relations with Stakeholder groups and other networks, and ability to share information in order to increase individual and collective well-being.

Intellectual capital: intangible assets corresponding to the organisational capital and the value of knowledge (e.g. patents, procedures and protocols, organizational know-how).

Human capital: responsibilities, skills and experience and motivation to innovate.

Natural capital: environmental processes and resources, both renewable and non-renewable and resources that provide goods or services for the past, present and future success of an organisation.

Gizeta Calze's strategy is aligned with the UN 2030 Agenda's sustainable development goals. The following are the goals that are most relevant to our business:



SDG - 5

Achieve gender equality and empower all women and girls.



SDG - 6

Ensure availability and sustainable management of water and sanitation for all.



SDG - 7

Ensure access to affordable, reliable, sustainable and modern energy for all.



SDG - 8

Promote sustained, inclusive and sustainable economic growth, full and productive employment and decent work for all.



SDG - 11

Make cities and human settlements inclusive, safe, resilient and sustainable.



SDG - 12

Ensure sustainable consumption and production patterns.

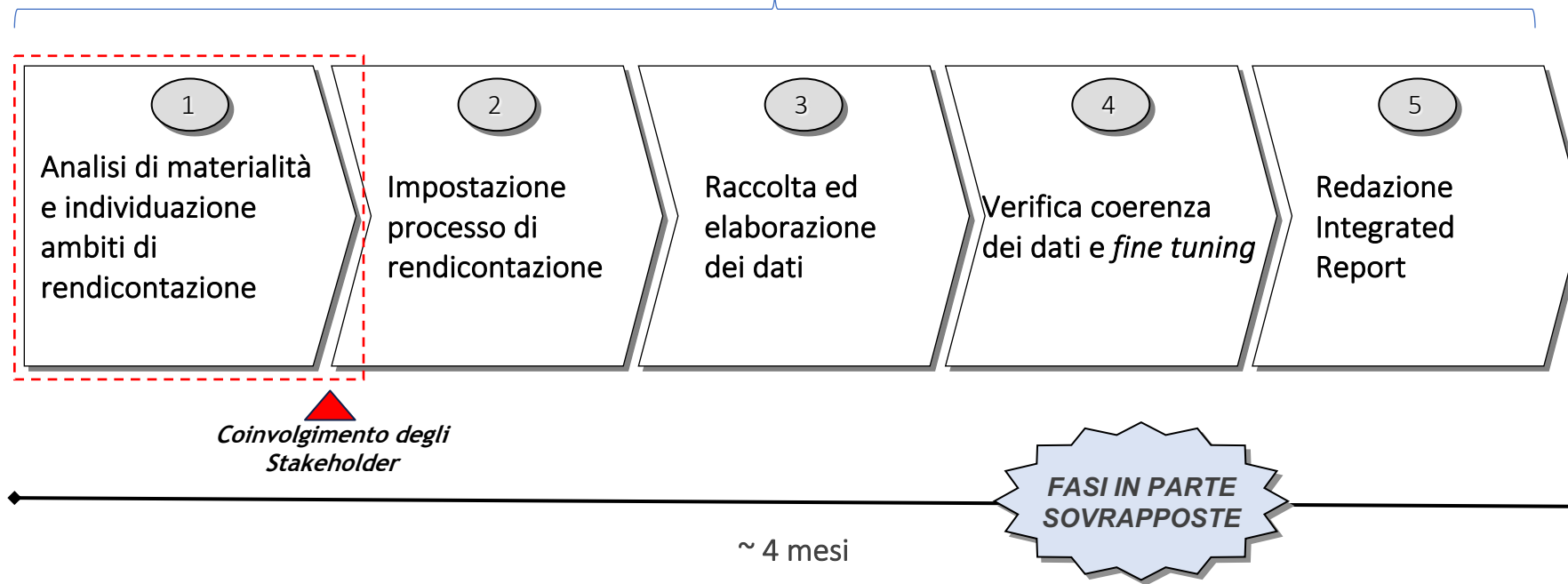
SUSTAINABLE
DEVELOPMENT GOALS



Working group coordination by: Marco Pasquotti, CFO of Gizeta Calze

Il processo di rendicontazione in GIZETA CALZE

- **Processo di rendicontazione**



BUSINESS MODEL

STAKEHOLDER ENGAGEMENT GRI 102-43

In managing the business model, Gizeta Calze communicates with several interlocutors: these are the so-called stakeholders, internal or external to the company, who directly or indirectly influence the company's operations. They have an interest in the company conducting its business in a responsible and sustainable way.

The main categories of stakeholders are the following:



TABLE ► 7
Stakeholders mapping

Each company has as its primary social responsibility to make a profit. A company with healthy balance sheets and voluntarily adopts corporate strategies aimed at sustainable development, the surrounding economic and social context benefits.

Gizeta Calze maintains relations with each category of stakeholder through the following engagement channels:

STAKEHOLDER	ENGAGEMENT CHANNEL
Shareholders	Shareholders' Meeting Integrated Report
Employees	Training Courses Integrated Report
Customers	Periodic meetings Customer service Integrated Report
Suppliers and Banks	Periodic meetings Integrated Report
Industry associations	Initiatives for associations Integrated Report
Communities and Environment	Social and environmental initiatives Integrated Report

TABLE ► 8
Stakeholders engagement channels

BUSINESS MODEL

MATERIALITY ANALYSIS

GRI 102-42, GRI 102-44, GRI 102-47, GRI 103-1

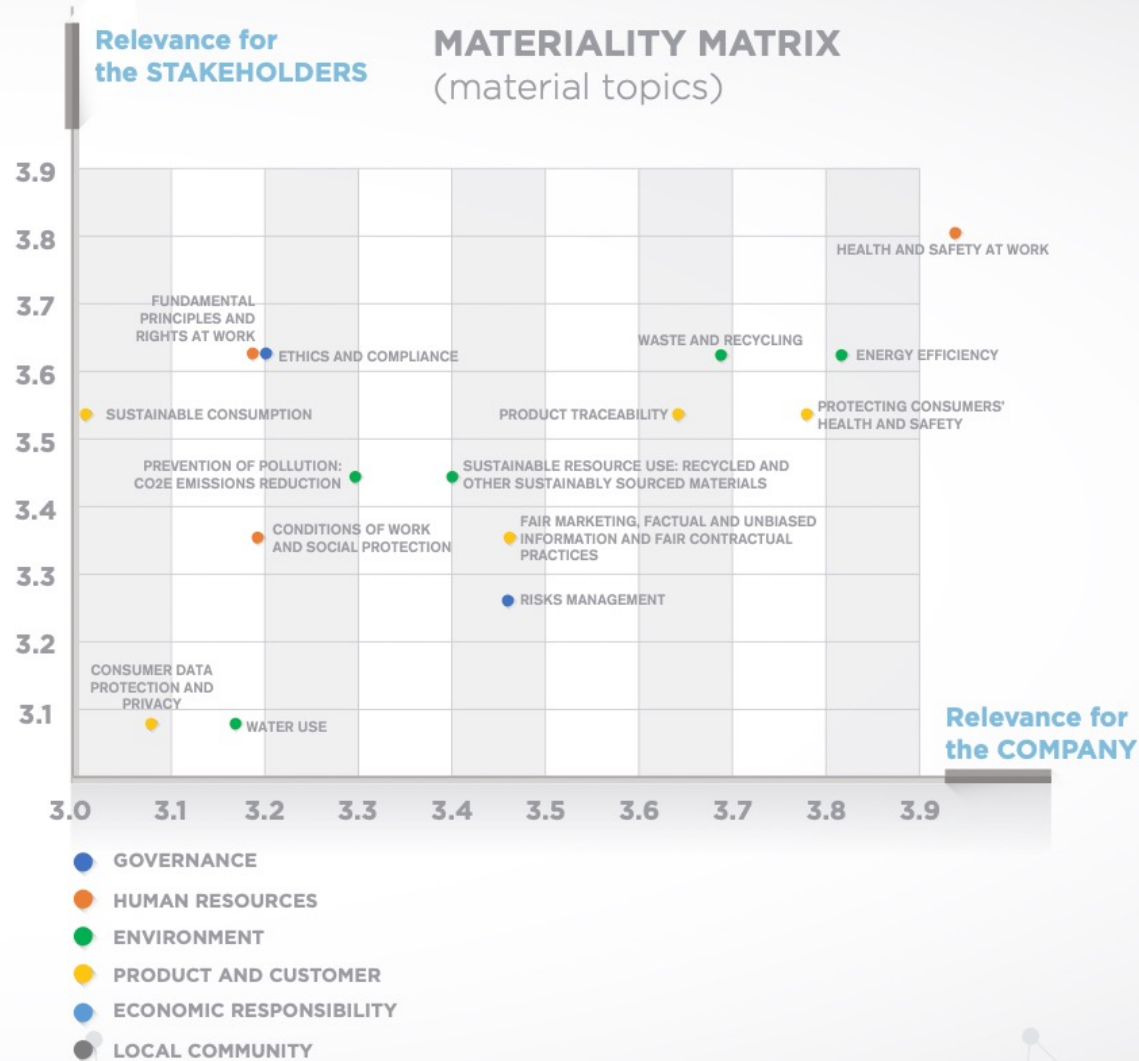


TABLE ► 10 Materiality matrix (material topics)

AREA	MATERIAL ISSUES
GOVERNANCE	<ul style="list-style-type: none"> ▶ Ethics and compliance ▶ Risks Management
HUMAN RESOURCES	<ul style="list-style-type: none"> ▶ Fundamental principles and rights at work ▶ Conditions of work and social protection ▶ Health and safety at work
ENVIRONMENT	<ul style="list-style-type: none"> ▶ Prevention of pollution: CO2e emissions reduction ▶ Energy Efficiency ▶ Water Use ▶ Waste and Recycling ▶ Sustainable resource use: Recycled and other sustainably sourced materials
PRODUCT AND CUSTOMER	<ul style="list-style-type: none"> ▶ Fair marketing, factual and unbiased information and fair contractual practices ▶ Protecting consumers' health and safety ▶ Sustainable consumption ▶ Consumer data protection and privacy ▶ Product Traceability

TABLE ► 11 Material issues



BUSINESS MODEL

RISKS AND OPPORTUNITIES GRI 103-2





 RISKS / OPPORTUNITIES	AFFECTED CAPITALS	MEASURES FOR MITIGATING THE RISK	INDICATORS
Ethics and compliance	Social and relationship capital	Code of Ethics and SMETA (Sedex Members Ethical Trade Audit) Ethical Audits	SMETA reports published in the SEDEX system
Risks Management	Financial Manufactured capital	Quarterly audits by Statutory Auditors and external control bodies	Quarterly minutes of the Board of Statutory Auditors and other reports
 RISKS / OPPORTUNITIES	AFFECTED CAPITALS	MEASURES FOR MITIGATING THE RISK	INDICATORS
Fundamental principles and rights at work	Human capital	Code of Ethics and SMETA (Sedex Members Ethical Trade Audit) Ethical Audits	SMETA reports published in the SEDEX system
Conditions of work and social protection	Human capital	Ad hoc training and growth plans for employees	Turnover / Training hours
Health and safety at work	Human capital	Staff training on safety / Insurance policies	No. of accidents / Investments for safety / technical audits (work environment) / INAIL annual internal audit
 RISKS / OPPORTUNITIES	AFFECTED CAPITALS	MEASURES FOR MITIGATING THE RISK	INDICATORS
Prevention of pollution: CO2e emissions reduction	Natural capital	Photovoltaic system / Production departments heat recovery	CO2 equivalent saved
Energy Efficiency	Natural capital	Purchase of certified electricity from renewable sources / Electric company car	% Electricity from renewable sources / Km traveled by electric company car
Water Use	Natural capital	Selection of ZDHC certified suppliers for dyeing	% ZDHC certified suppliers for dyeing out of the total
Waste and Recycling	Natural capital	Internal procedures for waste management and packaging reuse (from 2021)	Waste by type and disposal method
Sustainable resource use: Recycled and other sustainably sourced materials	Natural capital	Production process innovation to create eco-sustainable products / Earth-friendly packaging	HIGG Index by Sustainable Apparel Coalition / % of turnover from products with eco-sustainable or recycled yarns
 RISCHI / OPPORTUNITÀ	AFFECTED CAPITALS	MEASURES FOR MITIGATING THE RISK	INDICATORS
Fair marketing, factual and unbiased information and fair contractual practices	Social and relationship capital	Code of Ethics	No. of cases of non-compliance
Protecting consumers' health and safety	Social and relationship capital	STANDARD 100 by OEKO-TEX Certification	Annual audit for OEKO-TEX certification
Sustainable consumption	Social and relationship capital	GRS (Global Recycle Standard) Certification / Local vendor policy	Audit for GRS certification / % local suppliers of raw materials and services out of the total
Consumer data protection and privacy	Social and relationship capital	Customer data protection policy	N° violations of customer privacy and loss of customer data
Product Traceability	Social and relationship capital	Quality control procedure of the product and the production process	No. of cases of non-compliance

TABLE ► 12 Risks / opportunities and measures for mitigating the risk

LETTER TO STAKEHOLDERS

GRI 102-01, GRI 102-14.



Dear Madam and Sir,

We are pleased to present the first edition of the Gizeta Calze Integrated Report.

The Covid-19 emergency has strengthened our Company's conviction of the need to accelerate the path already undertaken towards sustainability. Gizeta Calze has decided to fully integrate social, environmental and governance sustainability into its strategies, making a commitment to reporting and transparency.

The path that led us to the preparation of this Report involved all company areas and directly committed all the main stakeholders in a new approach of stakeholder engagement that made it possible to identify the material issues for Gizeta Calze, the actions to be undertaken and the indicators to monitor and report.

Becoming more socially responsible is not only an

advantage for reputation but also a means of reducing costs and risks, increasing the drive for innovation, and also constituting a new stimulus for our sector.

All companies, in the coming years, will have to undertake a sustainable development path starting from the UN Agenda 2030 program, which defines 17 macro-objectives for sustainable development in the next decade.

The structure of the Integrated Report aims to provide a complete view of the strategy, operating model and governance, integrating financial information with non-financial information, that is, environmental sustainability and corporate social responsibility.

The analysis that emerges from this Report allows us to recognize that organizational resources depend not only on financial and manufactured capital but increasingly also on human, intellectual, social and relational capital.

It can be deduced that the impact on social and environmental resources influence business operations

and the creation of value. This awareness leads to integrated thinking, which balances the primacy of the growth of financial capital with the reporting of non-financial information.

Gizeta Calze is convinced that companies able to integrate sustainability into their value chain will be increasingly appreciated by investors, who are increasingly looking for responsible investments, by customers, who consider it a fundamental aspect of loyalty and reputation, and by employees, who perceive it as an element of internal well-being and a stimulus for greater productivity.

The managing directors

**GIACOMO MARZOCCHI
LUCA MARZOCCHI**



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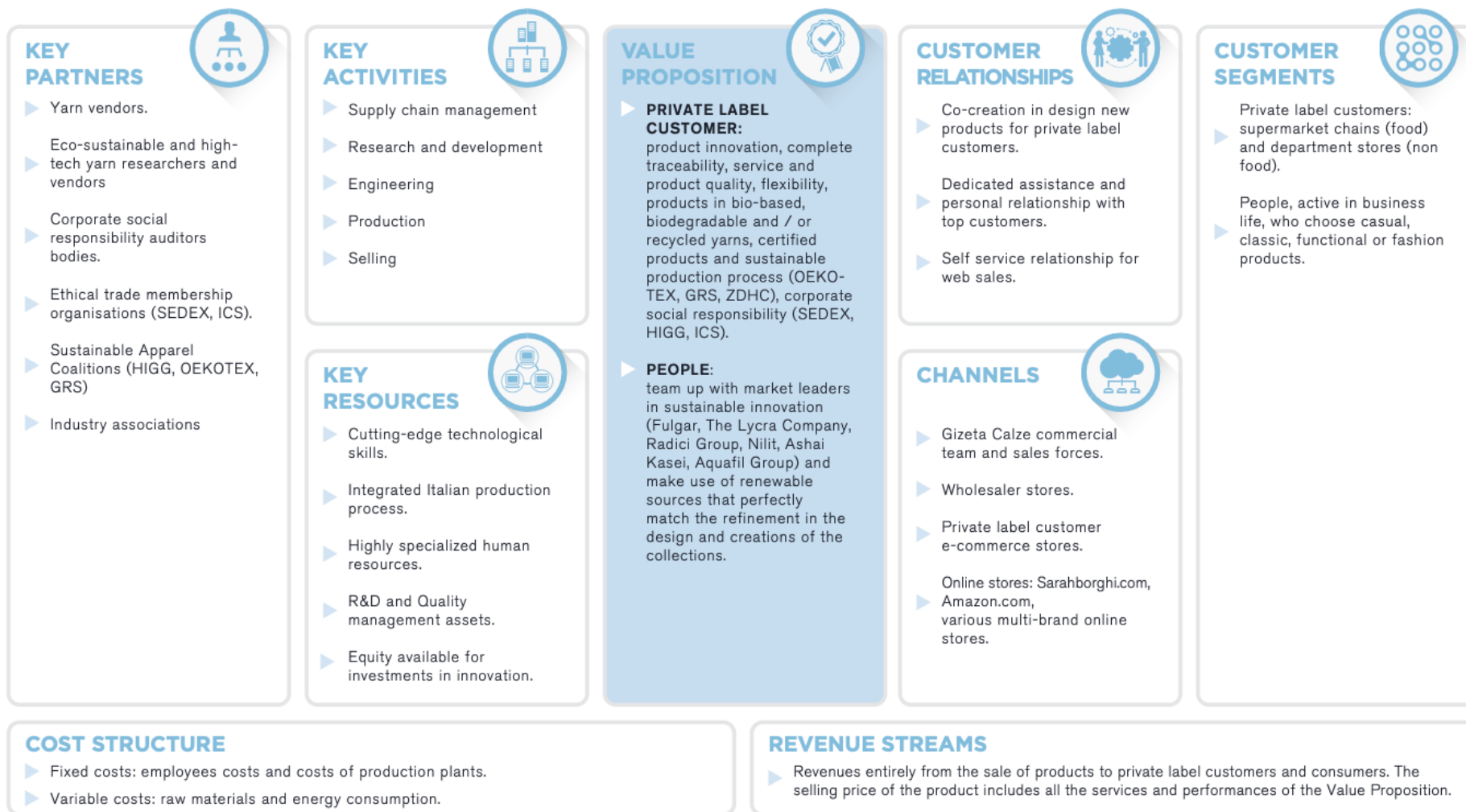


BUSINESS MODEL

BUSINESS MODEL CANVAS

Gizeta Calze chose the Business Model Canvas tool to represent, describe and explain the business model in an effective way: it helps the organization to understand the fundamental drivers of its value creation process in an integrated, shared and clear way.

Later in the report, these building business model blocks will be represented in the value creation process according to <IR> Framework, integrated with management of the 6 capitals, in medium and long term, showing how they relate to each other and how they connect to opportunities, risks, strategies and performance.





STRATEGY

VALUE CREATION PROCESS

GRI 103-3

All organizations depend on various forms of capital to achieve the targets. According to <IR> Framework, the capitals comprise financial, manufactured, intellectual, human, social and relationship, and natural. The process through which Gizeta Calze value is created, preserved, or eroded, is depicted in the table below.

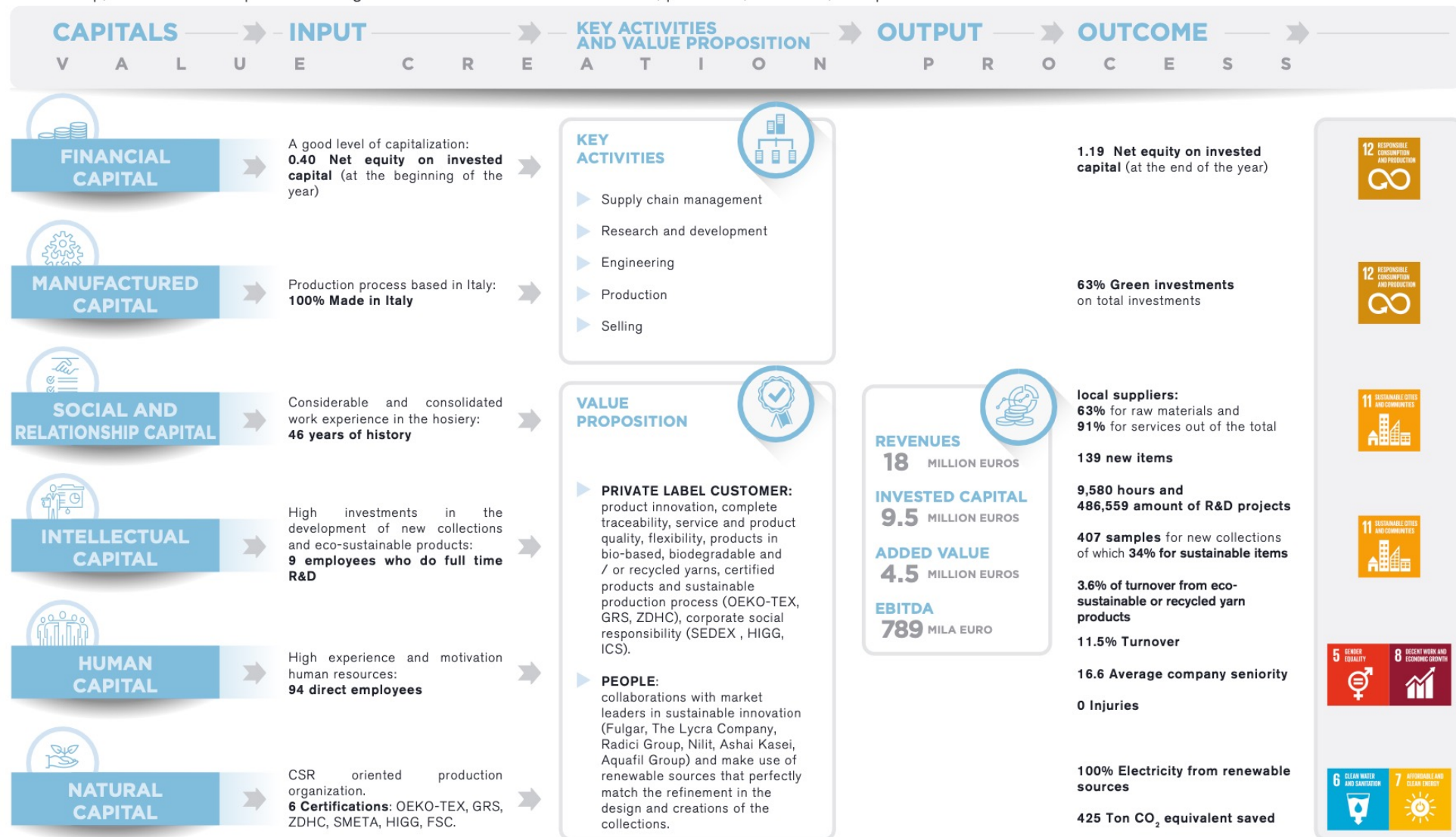


TABLE ► 13 Value creation process



PERFORMANCE AND EFFECTS ON THE CAPITALS

FINANCIAL AND MANUFACTURED CAPITAL

GRI 102-07, GRI 201-1, GRI 403-1.

DIRECT ECONOMIC VALUE
GENERATED AND DISTRIBUTED

Gizeta Calze recognizes the importance of a balanced distribution of the economic value generated by its business towards stakeholders, a value that they, directly or indirectly, have contributed to producing.

The economic value distributed in 2020 for a total of 17,295,500 euros, as illustrated below, is divided between: suppliers (Operating costs), human resources (Employee wages and benefits), financiers (Payments to providers of capital), Public Administration (Payments to government), communities (Community investments) and shareholders (Dividends to shareholders).

TABLE ► 17 Economic value distributed

	2020	2019	2018
Sales revenues	17,662,159	22,757,438	22,781,335
Other revenues	391,547	215,470	242,089
Financial income	386	591	4,669
Direct economic value generated	18,054,092	22,973,499	23,028,093
Operating costs	13,494,364	17,020,399	17,004,956
Employee wages and benefits	3,708,124	4,081,719	4,093,839
Payments to providers of capital	71,387	79,944	84,517
Payments to government	11,556	288,665	306,376
Community investments	10,070	0	0
Dividends to shareholders	0	0	0
Economic value distributed	17,295,500	21,470,727	21,489,688
Economic value retained	758,592	1,502,772	1,538,405
of which Profit for the year	579,304	803,502	887,810

FINANCIAL AND
EQUITY POSITION

Gizeta Calze shows an excellent financial standing, thanks to a good level of liquidity (Current ratio equal to 1.21), and a high capitalization (Equity / Total Capital Invested equal to 1.19).

The total capital invested at 31/12/2020 is equal to Euro 9,461,538, with a positive change of Euro 923,812 compared to the previous year, as a result of the increase in fixed assets and the reduction of medium / long-term liabilities.

In 2020, the Company made investments for 238,346, of which approximately 63% related to initiatives with direct or indirect impact on energy efficiency issues.

The investments, in particular, concerned the purchase of machinery and plant renewal in the Castel Goffredo Via Francia and Via Medole offices, in addition to the purchase of an electric car available for the needs of employees to move around.

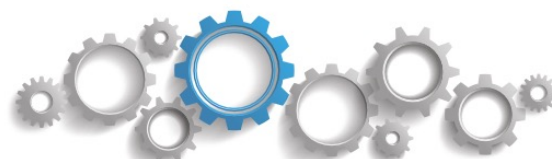


TABLE ► 18 Assets and liabilities statement

	2020	2019	2018
Property, Plant and Equipment (PP&E)	9,292,307	8,863,504	9,184,217
Intangibles and Deferred Charges	8,905	16,006	8,793
Participations	79,519	91,964	162,617
FIXED ASSETS	9,380,731	8,971,474	9,355,627
Inventories	2,745,955	3,149,045	2,660,178
Trade Receivables from customers	2,183,767	3,387,780	2,672,236
Trade Payables to vendors	(3,595,438)	(5,105,223)	(4,191,821)
OPERATING WORKING CAPITAL	1,334,284	1,431,602	1,140,593
Other receivables and payables	(1,253,477)	(1,865,350)	(1,702,309)
WORKING CAPITAL	80,807	(433,748)	(561,716)
NET INVESTED CAPITAL	9,461,538	8,537,726	8,793,911
Share capital	1,500,000	1,500,000	1,500,000
Capital reserves	9,198,579	7,595,530	6,712,625
Net result	579,304	803,502	887,810
TOTAL EQUITY	11,277,883	9,899,032	9,100,435
Short-term financial debt	1,587,078	1,930,974	2,713,579
Long-term financial debt	6,494,722	4,571,429	4,556,206
Payables due to other financiers	300,000	-	-
Cash and cash equivalents	(10,198,145)	(7,863,709)	(7,576,309)
NET FINANCIAL POSITION	(1,816,345)	(1,361,306)	(306,524)
TOTAL SOURCES	9,461,538	8,537,726	8,793,911



PERFORMANCE AND EFFECTS ON THE CAPITALS

SOCIAL AND RELATIONSHIP CAPITAL

CUSTOMERS



Customers Relationships

Relations with customers are governed by the principles established by the company Code of Ethics.

The Company is committed to providing impartial conditions of sale based on the principle that all equal customers receive equal opportunities. The conditions of sale are transparent and inspired by principles of fairness and guarantee of supplies.

Then Gizeta Calze, as a member of SEDEX (Supplier Ethical Data Exchange), a non-profit organization that promotes the ethical and responsible improvement of business practices in global supply chains, undergoes an assessment designed to identify any ethical, social problems and environmental issues in your business.

SEDEX has created an ethical business audit and reporting methodology called SMETA (Sedex Member Ethical Trade Audit), with the aim of providing a central and common audit protocol for organizations interested

in demonstrating commitment to social issues and ethical and environmental standards in its supply chain.

The Company, through SMETA audits, therefore has at its disposal a recognized tool with which it can enhance the practices adopted in its ethical and responsible business activity.

Periodic audits are published in the SEDEX system so that they are available to interested customers.

In addition to SMETA audits, Gizetà Calze undergoes the verification of a series of third parties.

During 2020 the Company was subjected to 10 audits:

- 5 technical audits, relating to the work environment, process and products;
- 4 social audits, with reference to the corporate social responsibility;
- 1 environmental audit, regarding the environmental management system.

It is also noted that no sanctions related to corruption, paid or to be paid, imposed by the regulatory authorities by the courts in the reporting period.





PERFORMANCE AND EFFECTS ON THE CAPITALS

SOCIAL AND RELATIONSHIP CAPITAL

GRI 102-06, GRI 102-09, GRI 102-10, GRI 102-12, GRI 102-13, GRI 203-2, GRI 204-1, GRI 416-1, GRI 417-1.

PROVIDERS



Responsible management integrated in economic, social, environmental and governance terms characterizes the relationships between Gizeta Calze and its suppliers.

The supplier's social and environmental responsibility and business ethics are assessed together with the economic and product or service quality to be provided right from the opening phase of the relationship with the potential supplier. Verification of ESG performance takes place, for the moment, through the collection of information available on the market. The methods for identifying and selecting suppliers are also completed by evaluations relating to the stability and reputation of partners.

Negotiating Conditions and Payment Terms

In a not particularly positive economic context, Gizeta Calze wants to place itself in relation to its suppliers as example of reliability and regularity of payment, with the conviction that this represents a fundamental factor to increase the quality of the relationship.

In a period in which the average of payment days among private sector companies has grown significantly, the Company can boast a substantially stable Days Payable Outstanding (DPO), with an average value always below 120 days.

Capital Providers

The company has relationships with 5 credit institutions, 3 of which collect about 80% of commercial and financial operations.

All of these Institutes, except for one case, belong to Italian financial groups.

The value of the Shareholders' Equity, equal to 11,277,883 euro, compared to the total Invested Capital of 9,461,538 euro, indicates an excellent level of capitalization.

The financial structure of Gizeta Calze makes it possible to obtain particularly favorable conditions from capital suppliers, which allow for a low incidence of financial charges, equal to 0.7% of the average credit capital.

COMMUNITY



Enhancement of Local Suppliers

The following table illustrates the geographical origin of suppliers as a percentage of the value of supplies. It is evident that Gizeta Calze has maintained a high percentage of supplies of goods and services by today of companies in the District of Castel Goffredo (MN). This element strongly characterizes the "made in Italy" of the products, which boasts a high intrinsic and perceived quality.

Contributions in favor of the community

Gizeta Calze participates every year in a series of initiatives and sponsorships that involve the local community of Castel Goffredo and the neighboring municipalities where many of the Company's employees live, together with their families.

The commitment outside the business activity is appreciated by the stakeholders, for the social function of the company.

SUPPLIERS BASED IN THE CASTEL GOFFREDO DISTRICT (MN)

	2020	2019	2018
Yarn Suppliers	57%	53%	63%
External processing suppliers	89%	87%	91%

TABLE ► 20 Local Suppliers

	2020	2019	2018
donations (euro)	1,650	1,100	4,370
sponsorships (euro)	8,232	2,680	5,700

TABLE ► 21 Contributions in favor of the community



PERFORMANCE AND EFFECTS ON THE CAPITALS

INTELLECTUAL CAPITAL

All collections are designed and entirely manufactured in Italy. Gizeta Calze choose to invest in Made in Italy, strengthened by a unique textile tradition in the world. Gizeta Calze is a strategic partner in private labels of the major European and international distribution chains.

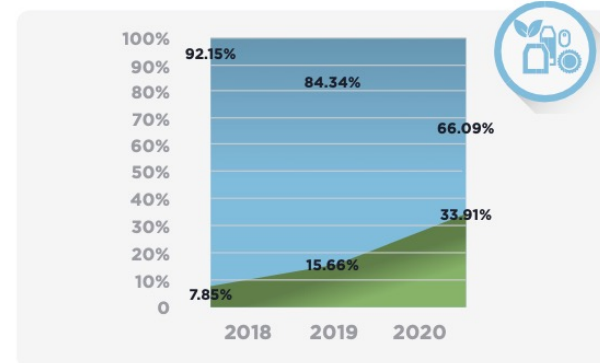
For these world fashion retailers, the Company provides a specific team to realize research and development, sustainable evolution, guaranteeing high operational flexibility and maniacal attention to product quality.

Gizeta Calze creates a large number of new projects and samples that allow to satisfy the expectations of the most demanding customers. Below we highlight the number of prototypes, the total number of samples made and the percentage of items that arrive in production.

	2018	2019	2020
Prototypes	345	351	253
Total samples	586	530	407
New items	186	147	139
New items / Prototypes	53.91%	41.88%	54.94%

TABLE ► 22 Prototypes and samples

A growing number of samples, as highlighted below, concern sustainable items, demonstrating a clear strategic direction of the Company.



	2018	2019	2020
Sustainable	7.8%	15.7%	33.9%
Standard	92.2%	84.3%	66.1%
	100%	100%	100%

TABLE ► 23 Samples for sustainable items

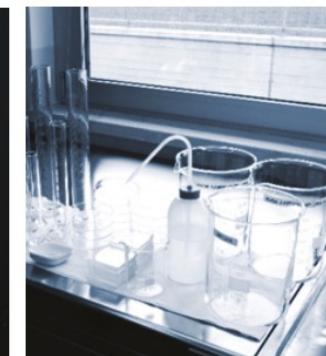
Gizeta Calze carried out also in 2020 precompetitive activities of an innovative nature, focusing its efforts on 3 projects:

- R&D activities for new products;
- Ecological transition activities for the development of new products with materials coming from the recycling chain;
- Design activities for the development of new samples and new packaging

Below is the number of hours committed and the costs incurred in these activities.

	ORE	COSTI
PROJECT 01 R&D for new products	4,272	231,503
PROJECT 02 Ecological transition activities for the development of new products with materials coming from the recycling chain	3,590	187,529
PROJECT 03 Design activities for the development of new prototypes/samples and new packaging	1,718	67,527
	9,580	486,559

TABLE ► 24 Research, development, technological innovation, design concept



PERFORMANCE AND EFFECTS ON THE CAPITALS

HUMAN CAPITAL

GRI 102-08, GRI 102-41, GRI 202-1, GRI 401-1, GRI 403-1, GRI 403-5, GRI 403-7, GRI 404-1, GRI 405-1, GRI 405-2.

For Gizeta Calze the quality and skills of human resources represent a real competitive advantage. There is a need to adopt adequate practices for the management of employees, which are based on the growing of talents and the creation of working conditions capable of attracting and retaining them within the company. The increasing attention to the care of one's human capital is the real winning weapon in such a competitive and constantly evolving market.

Staff Analysis

As of 31/12/2020, the Company has 96 employees, distributed in the different areas, as illustrated in the following table. Female personnel is 51% of the staff.

AREA			TOT 2018			TOT 2019			TOT 2020
Administrative	6	2	8	6	2	8	6	2	8
Production	23	38	61	21	39	60	21	37	58
Technical	14	8	22	13	8	21	13	8	21
Commercial	10	-	10	10	-	10	9	-	9
Total	53	48	101	50	49	99	49	47	96

TABLE ► 25 Staff distribution in the last three years

AREA	AVERAGE AGE	AVERAGE COMPANY SENIORITY
Administrative	50.7	24.9
Production	47	15.8
Technical	46.7	14.2
Commercial	46	20.5
Total	47.2	16.6

The average age of Gizeta Calze staff is 47.2 years with a company seniority of 16.6 years.

TABLE ► 27 Average age and seniority

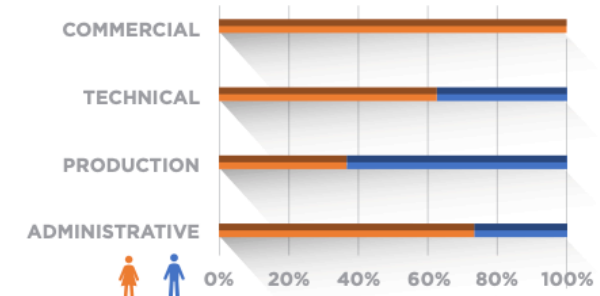


TABLE ► 26 Female/Male percentage

The national collective bargaining agreement is "CCNL ABBIGLIAMENTO E CONFEZIONI – AZIENDE INDUSTRIALI". There are no second level agreements.

Occupational Trend and Turnover

The employment trends in 2020 is falling compared with 2019. The figure has gone from 99 to 96 staff. In 2020 there were 4 new engagements, while 7 people left.

	2018	2019	2020
Total turnover rate	30.7%	14.1%	11.5%

TABLE ► 28 Turnover in the last three years



PERFORMANCE AND EFFECTS ON THE CAPITALS

HUMAN CAPITAL

GRI 102-08, GRI 102-41, GRI 202-1, GRI 401-1, GRI 403-1, GRI 403-5, GRI 403-7, GRI 404-1, GRI 405-1, GRI 405-2.

OPPORTUNITIES, ECONOMIC TREATMENT AND CORPORATE CLIMATE - PRODUCTION AREA

% Total workers who are supervisors/line leaders	%	11
Total workers resigned	Workers	2
% Total workers who resigned	%	4
Average monthly gross wage for all workers	EUR	1454
Average monthly wage, without OT, for all workers	EUR	1454
% Average monthly wage without OT / Average monthly gross wage	%	100
Average wage without OT for 20% of the workers receiving highest wage	EUR	2139
% Average monthly wage without OT for highest 20% / Average monthly wage without OT for all workers	%	147
Average wage without OT for 20% of the workers receiving lowest wage	EUR	958
% Average monthly wage without OT for lowest 20% / Average monthly wage without OT for all workers	%	66
Total absent days for all workers	Days	12
% Total workers who are democratically elected worker representatives	%	1
Total grievances / suggestions / complaints reported	Number	0
Total grievances / suggestions / complaints resolved	Number	0



TABLE ► 31

Opportunities, economic treatment and corporate climate in production area

Training programs

Gizeta Calze has always invested its efforts in the continuous growth of its personnel and partners with the aim of fostering individual improvement and the development of the potential of every single individual, as well as that of the company. The company is convinced that training has a very important role in a context in which the need is continuously growing for greater professional skills, abilities and specialist aptitudes. The training activity is not limited to frontal training in classroom, which totaled 136 hours in 2020, but is carried out above all in "training on the job" mode, a practical and concrete training method carried out directly in the company with the aim of developing technical-professional skills to support the growth of the best talents.



Health and safety

Health and safety in the workplace remain a high priority for the corporate management. The pursuit of this objective takes place through the adoption of all necessary measures. In 2020, 118 hours of training on safety issues were provided.

There were no accidents at work of any kind, nor were there any charges relating to occupational diseases on employees or former employees.

In 2020, to cope with the health emergency due to the Coronavirus - Covid-19 pandemic, the company as an employer with the help of the Head of the Prevention and Protection Service (RSPP), the competent doctor and the Representative of Workers for Safety (RLS) has integrated the Risk Assessment Document (DVR) with the regulatory protocol within its sites for the protection of the health and safety of employees from possible contagion.

The working environment of Gizeta Calze is also monitored through periodic SMETA audits (Sedex Member Ethical Trade Audit), ensuring the practices adopted in terms of ethical and responsible business.



PERFORMANCE AND EFFECTS ON THE CAPITALS

NATURAL CAPITAL

GRI 102-11, GRI 301-2, GRI 301-3, GRI 302-1, GRI 302-4, GRI 303-5, GRI 305-2, GRI 305-5, GRI 306-2

Energy monitoring system

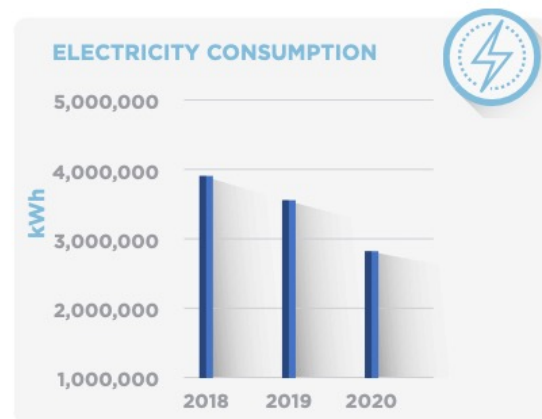
Energy is one of the key factors in managing natural capital. The management of energy flows is a priority for Gizeta Calze: electricity, water and gas represent the main energy categories on which the energy monitoring system has been implemented. This system makes it possible not to limit the total consumption deduced from energy bills, but to adopt a systemic approach in defining energy objectives and identifying the tools suitable for achieving them, uniquely recognizing the opportunities for improvement.

The advantages of the Gizeta Calze energy monitoring system are:

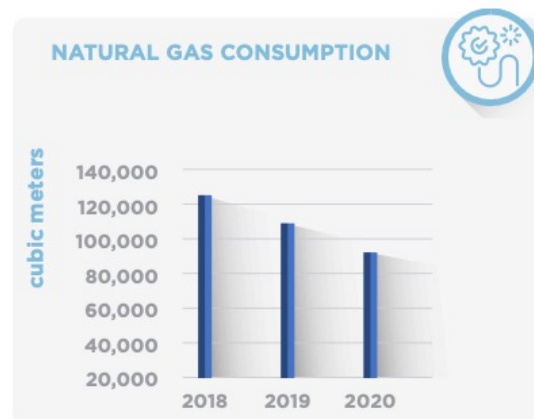
- check in real time and continuously the state of consumption in the system and parts of it, and have knowledge of the possible "room for maneuver" to ensure adequate energy management;
- use an automated notification system that allows you to have immediate reports of any anomalies and derive from trends defined on the basis of historical data and the characteristics of the plant;
- plan and manage energy efficiency interventions on the basis of the analyzes produced by the system, both in the design phase and in their conduct, and monitor their effective effectiveness;
- control and refine passive consumption, such as, for example, night-time consumption which is not always easy to analyze;
- check costs in real time and divided by time slots;
- carry out simulations of the cost of purchasing energy by variable band;
- configure customized reports and queries.

Analysis of electricity, natural gas and water consumption

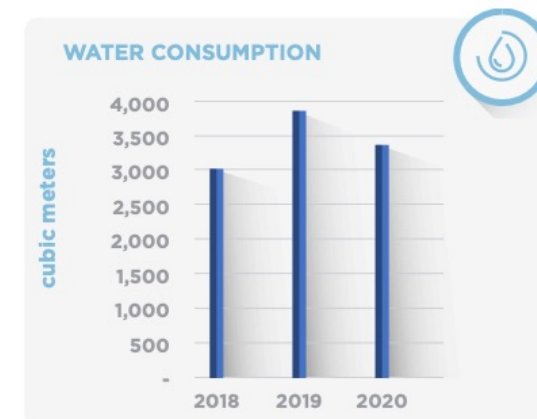
Among the various energy categories used by Gizeta Calze, electricity is clearly prevalent: the purchase of electricity accounts for about 95% of the total energy costs.



YEAR	KWH	VAR%
2018	3,886,322	
2019	3,546,823	-9%
2020	2,542,848	-28%



YEAR	M3	VAR%
2018	125,721	
2019	111,051	-12%
2020	92,087	-17%



YEAR	M3 (*)	VAR%
2018	3,025	
2019	3,793	25%
2020	3,332	-12%

(*)directly used in production

TABLE ► 32 Energy consumption in the period 2018-2020



PERFORMANCE AND EFFECTS ON THE CAPITALS

NATURAL CAPITAL

GRI 102-11, GRI 301-2, GRI 301-3, GRI 302-1, GRI 302-4, GRI 303-5, GRI 305-2, GRI 305-5, GRI 306-2

The electricity purchased in 2020 was certified by the supplier as 100% "green", that is entirely produced from renewable sources. GSE issues the Guarantee of Origin (GO), as detailed in the table below.

100% GREEN

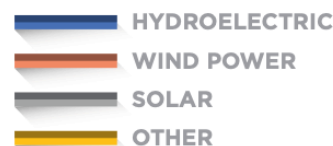
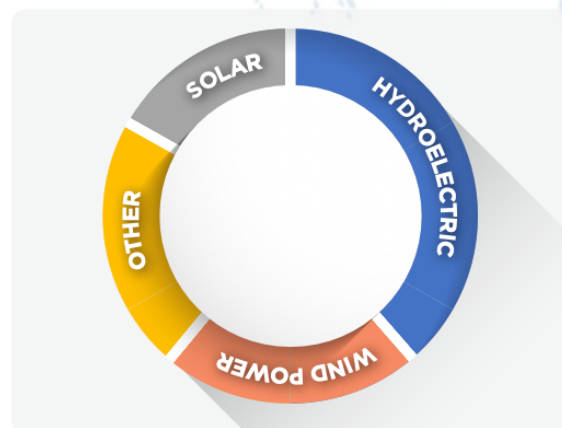


TABLE ► 33 Renewable origin of sources (GSE GO) for electricity supplied in 2020

Consumption analysis in CO₂ equivalent

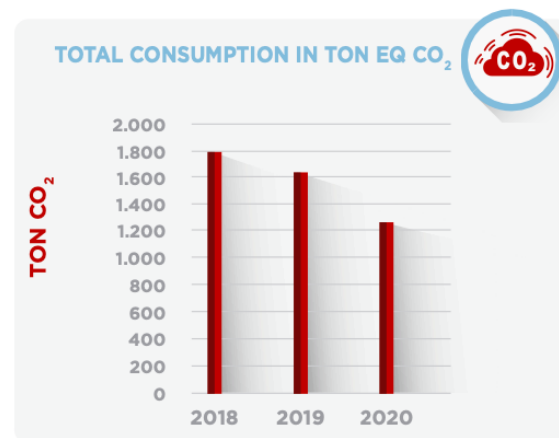
Considering the consumption of electricity and natural gas together, the following table shows the conversion into equivalent tons of CO₂.

The conversion factors used are the following:

1 kWh = 0.000405 t CO₂

1 Smc = 0.001957 t CO₂

In the year 2020 there was a reduction of equivalent tons of CO₂ equal to 21%.



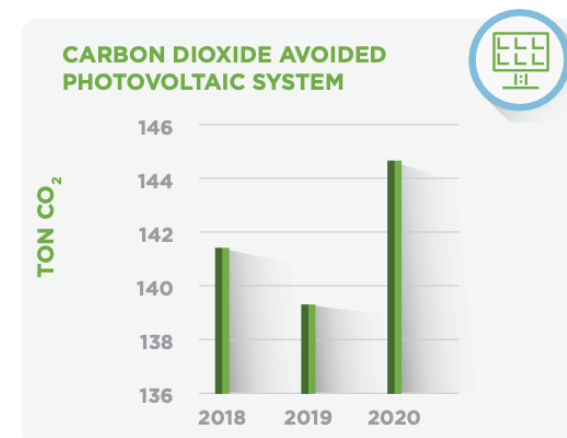
ANNO	TON CO ₂	VAR%
2018	1820.00	
2019	1653.84	-9%
2020	1299.32	-21%

TABLE ► 34 CO₂ tons equivalent

Electricity self-production plants

In 2012 Gizeta Calze installed in a large photovoltaic system, under the total transfer regime, covering one entire factory building roof: 1750 modules on a surface of 2625 square meters, for a total power of 341.25 Kwp and about 350,000 KWh of yearly production. The contribution of the plant, in terms of carbon dioxide avoided thanks to the production of energy from renewable sources, is measured in 144.71 equivalent tons of CO₂ in 2020.

In the last three years, the plant has made it possible to avoid emissions for a total of 425.35 tons of CO₂ equivalent.



ANNO	KWH	TON CO ₂
2018	348,886	141.30
2019	343,777	139.23
2020	357,557	144.81

TABLE ► 35 Carbon dioxide avoided thanks to the production of energy from renewable sources

425.34



OUTLOOK

The survey published on 22.02.2021 by the Study Center of Confindustria Moda, the Italian Federation that brings together the associations of the Textile, Fashion and Accessory sectors, projects the first months of 2021 with a trend similar to that of the previous quarters, instead foreseeing a real recovery starting from the third quarter of 2021 with a decisive acceleration in the fourth and a gradual return to pre-covid activity levels in the course of 2022.

In this difficult context, however, Gizeta Calze moves with dynamism, focusing on the value proposition to the various customer segments, responding with the maximum flexibility and developing projects that are in line with the most recent market trends.

Creating economic value from sustainability

The project that deserves more attention is the **GREEN** product line, the products made with bio-based, biodegradable and recycled yarns, certified products and sustainable production process (OEKO-TEX, GRS, ZDHC), which in 2020 represented 3.6% of the Company's turnover, but which in the next three years we expect to exceed the quota of 20%.



OUTLOOK

Maximizing environmental commitments



The Company's contribution to environmental sustainability is not limited to the use of bio-based or recycled raw materials: from 2021, in addition to procuring with 100% GREEN ENERGY, the supply of GREEN GAS will be activated.

The headquarters in Via Medole will be subject to further energy efficiency through the replacement of high energy consumption lamps with low energy consumption LEDs and the installation of a de-stratifier to reuse the heat produced by the machines for the warehouse heating.

Another priority area concerns a series of actions aimed at reducing water use by 20% in 2 years.



Making the production process fully traceable and sustainable



In 2021, a Quality Management system will be implemented to monitor the reduction of processing waste and the optimization of the recycling program, achieving increasingly ambitious goals.



STRATEGY

COMMITMENT TO SUSTAINABLE DEVELOPMENT



TABLE ► 14 Gizeta Calze commitments to sustainable development



TARGET

5.5 Ensure women's full and effective participation and equal opportunities for leadership at all levels of decision-making in political, economic and public life
SPECIFIC INDICATORS ON WHICH THE BUSINESS MODEL OF GIZETA CALZE AFFECTS
 5.5.2 Proportion of women in managerial positions



TARGET

6.4 By 2030, substantially increase water-use efficiency across all sectors and ensure sustainable withdrawals and supply of freshwater to address water scarcity and substantially reduce the number of people suffering from water scarcity
SPECIFIC INDICATORS ON WHICH THE BUSINESS MODEL OF GIZETA CALZE AFFECTS
 6.4.1 Change in water-use efficiency over time



TARGET

7.2 By 2030, increase substantially the share of renewable energy in the global energy mix
SPECIFIC INDICATORS ON WHICH THE BUSINESS MODEL OF GIZETA CALZE AFFECTS
 7.2.1 Renewable energy share in the total final energy consumption



TARGET

8.5 By 2030, achieve full and productive employment and decent work for all women and men, including for young people and persons with disabilities, and equal pay for work of equal value
SPECIFIC INDICATORS ON WHICH THE BUSINESS MODEL OF GIZETA CALZE AFFECTS
 8.5.1 Average hourly earnings of female and male employees, by occupation, age and persons with disabilities



TARGET

11.6 By 2030, reduce the adverse per capita environmental impact of cities, including by paying special attention to air quality and municipal and other waste management
SPECIFIC INDICATORS ON WHICH THE BUSINESS MODEL OF GIZETA CALZE AFFECTS
 11.6.2 Annual mean levels of fine particulate matter (e.g. PM2.5 and PM10) in cities (population weighted)città (ponderati in base alla popolazione)



TARGET

12.4 By 2020, achieve the environmentally sound management of chemicals and all wastes throughout their life cycle, in accordance with agreed international frameworks, and significantly reduce their release to air, water and soil in order to minimize their adverse impacts on human health and the environment
 12.5 By 2030, substantially reduce waste generation through prevention, reduction, recycling and reuse
 12.6 Encourage companies, especially large and transnational companies, to adopt sustainable practices and to integrate sustainability information into their reporting cycle
SPECIFIC INDICATORS ON WHICH THE BUSINESS MODEL OF GIZETA CALZE AFFECTS
 12.4.2 Hazardous waste generated per capita and proportion of hazardous waste treated, by type of treatment
 12.5.1 National recycling rate, tons of material recycled
 12.6.1 Number of companies publishing sustainability reports



TABLE ► 15 Specific targets on the SDGs of Gizeta Calze



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