

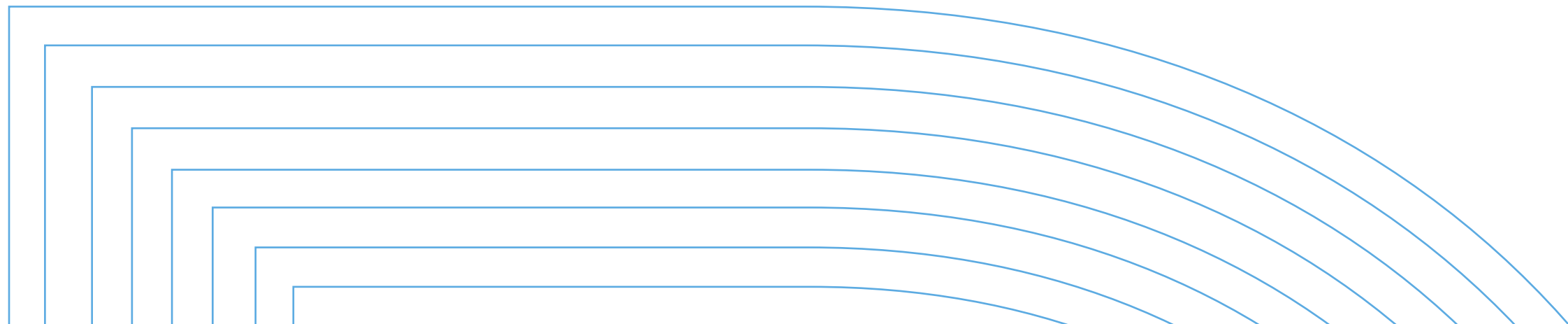
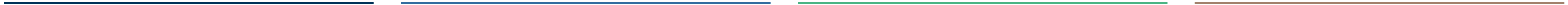
# everyone can

Sustainability Report 2023



**TEDDY**  
GROUP

# Teddy's journey



# Towards the business model of the future

When we decided to call our sustainability strategic plan Everyone Can between 2021 and 2022, we were well aware of how necessary in order to meet the challenge of a transition to a future-proof business model, the commitment of all those who in various capacities work together with our company, but not only.

Today, looking back to 2023, it is clear how this challenge is even more ambitious in an even more complex economic and geopolitical context, and how important what we have written in our manifesto, namely that you can always change things, as long as you are not alone.

The progresses achieved by our company, that you will read about in this second report talking about our enterprise, our Dream, the resulting corporate culture and the results stemming from it through the lens of environmental, economic and social principles of sustainability, take on

even greater value because they were achieved in a not easy context, but above all thanks to the commitment of all those who collaborated on them.

Rather than describing the economic and geopolitical context, which was there for all to see, I would like to recall some of the factors that made this journey possible in 2023.

First of all, day by day, the culture on issues of economic, environmental and social sustainability is increasing within the company. Any change must rest on a solid corporate culture to avoid taking the risk that it will collapse at the first gust of wind. So much progress that you will read about in the report is for us an indication of a solid culture, which is the basis for change and continuous innovation.

The second factor is the right combination between the Dream and realism that characterizes our company,



and that, in our opinion, is essential to develop a real path of sustainable evolution, even in the Fashion industry. Sustainability is not just compliance with regulations, but the ability to invest in innovation and joint action to create shared value. For this to happen, it is essential that the Dream of a better world meets that entrepreneurship capable of translating dreams and visions into tangible goals, and these goals into concrete projects, effective processes and targeted investments. I believe that this is the second factor that has made possible the path we have taken in 2023.

Already in the past year we have initiated essential projects for the future, especially with the aim of fully incorporating the European regulations of the coming years. We have combined several strategic and operational tools which we already use with new ones, thus expanding our network with new partnerships, such as with Cascale. We are increasingly committed to the environment, continuing our journey toward our goals of reducing emissions and introducing more sustainable materials in our collections. We keep on improving the social compliance processes of our suppliers, investing in the growth and training of our people and in the community, by playing our role as citizens of the world.

In closing, I would like to highlight a quote by Andrew Martin, Executive Vice President of Cascale, which you will read in the report: **“Partnership is the new leadership”**. Collaborating, engaging, relating is part of our business philosophy, always starting with a shared purpose with all our stakeholders. Considering the trust that the world increasingly places in companies see in this regard Edelman’s Trust Barometer reports of the last few years), the challenge for the coming years will be to have an increasingly shared purpose as the core of a common work, the engine of a real change to achieve a stable, lasting and regenerative growth.

This will allow us to continue on an exciting path not because we are forced to, but because we are drawn to, taking on ambitious commitments, knowing that they will not be easy to achieve and that we should not beat ourselves up for some failure recorded along the way.

**ALESSANDRO BRACCI**  
CEO and Chairman of  
**Teddy Group**



# About Us

**Teddy S.p.A. (joint stock company), the parent company of Teddy Group, is a fashion retailer with an Italian soul, four clothing brands and a big Dream.**

# The Dream

**Our dream** is to build up a large, global company with a huge turnover. This turnover would allow the company to expand and create jobs, and part of its annual net profits would be used to help the less fortunate, through social work both in Italy and abroad.

**Our dream** is to build up a company in which people, both young and more mature, manage to give their lives meaning through their work.

**Our dream** is to build up a company where for every five so-called “normal” employees, there is one with problems, and that the five so-called “normal” employees will assist those who are less fortunate in their work and help them live a normal life. Only through work people can earn dignity.

**Our dream** is to create a courageous managerial group, which is responsible, competent, fearlessly faces the future, and manages to transmit such values to those who follow in their footsteps.

# About Us

We operate in the apparel market through our brands Terranova, Rinascimento, Calliope and QB24, dressing millions of customers via omni-channel retail and wholesale distribution.

Founded in 1961 by Vittorio Tadei, Teddy has always grown solidly and expanded globally, never losing track thanks to the Dream, the vision that guides the corporate culture that Tadei passed on.

We are a leader in the apparel industry and have a twofold goal: to continue to grow our role internationally and to build day by day the company of value represented in the Dream, to leave future generations a bigger, stronger and more sustainable company.

At a time of history when companies are challenged to pursue higher goals beyond profit, Teddy has a natural vocation, inherited from our founder, to conceive, design, and distribute clothing to achieve a higher purpose.

In his Dream, kept alive by Teddy's vision, Vittorio Tadei envisioned the company as a tool to create and bring value into the community and the world that exceeds economic well-being for the benefit of the common good, with the aim of actively contributing to build a better society.

This commitment does not only include those working in the headquarters, but it also involves the people working in our directly-operated stores, up to and including the entire network of franchise stores.

A "way of doing fashion" that in 2014 became even more concrete with the establishment of the "Gigi Tadei" Foundation, included in the corporate structure of the parent company T&M Holding S.p.A. in memory of Vittorio's son, Luigi Tadei, who passed away in 2006,

equally with the other daughters. Together with Teddy, the "Gigi Tadei" Foundation continues to focus on the most vulnerable, supporting charities and social activities thanks to the profits generated by Teddy.

The sustainability path undertaken represents not only a natural continuation, but also an increasingly conscious evolution of the values that permeate in Teddy's business philosophy, thus inspiring everyday work.

# Our governance model

## The governance of the group is based on:

- the **Board of Directors (BoD)** with three members, including a Chairman, who also acts as CEO, a Deputy Chairman, who acts as Managing Director; the Shareholders' Meeting, competent over the matters reserved to it by law and the Statute.
- the **Board of Statutory Auditors** made up of three effective auditors and two deputy auditors, who supervise compliance with the law and the Statute;
- an **Auditor** performing the audits as provided for by section 2409-bis of the Italian Civil code.

## The Board of Directors (BoD) of the Company is the following:

- **Alessandro Bracci**, Chairman and CEO
- **Emma Tadei**, Managing Director
- **Marco Piccini**, member of the Board of Directors

As it is a small Board, there are no members belonging to under-represented social groups.

The Directors are required to comply with the non-competition clause in Article 2390 of the Italian Civil Code, the Code of Ethics and the Organization, Management and Control Model 231 of Teddy S.p.A in order to manage the activities related to the Organization with integrity, preventing and avoiding any conflict of interest.

No cases of conflict of interest have been detected so far and therefore no stakeholder communications have been necessary. To date the criteria adopted for the appointment and selection of members of the Board of Directors are not formalized in a dedicated document. Aspects such as the diversity, independence, competence and stakeholder opinion are taken into account informally and are in line with what is expressed in the Code of Ethics and in the 231 Model of Organization, Management and Control.

The BoD plays a key role in the corporate governance system; it has the broadest powers for the ordinary and extraordinary management of the company, in strategic, economic and financial terms; it has the authority to perform all acts it deems appropriate for the implementation and achievement of the corporate purpose, excluding only those that by law or the Bylaws strictly reserve to the Shareholders' Meeting.

The Board of Directors is responsible for the impacts of the Company.

It oversees management and ensures that it acts in the best interest of our stakeholders, including employees, clients, customers and the community at large.

Included in managing impacts are the following responsibilities.

### **Setting the Company's Strategic Direction**

The Board of Directors is in charge of setting the company's overall strategic direction, including sustainability goals and objectives, and of setting policies and guidelines for the management of economic, social and environmental impacts.





### **Performance monitoring and supervision**

The Board of Directors is responsible for monitoring the performances of the Company against its sustainability goals and outcomes, ensuring that its commitments to stakeholders are fulfilled. This includes the revision and approval of the sustainability report. Furthermore, the BoD supervises the impact management, ensuring that Teddy has appropriate systems and procedures in place.

At the present time, the Board of Directors has not designated a person responsible for the impacts of the Company yet. Teddy has an internal team in charge of the management of the sustainability issues. Teddy's Strategic Sustainability Plan was approved by the Executive Board in 2021, with a public commitment disclosed through communication tools by the dedicated function.. Teddy operates in compliance with the applicable law and regulations on corporate sustainability reporting standards and refers to the international standards of the Global Reporting Initiative (GRI) and to UN Sustainable Development Goals (SDGs).

### **Management Accountability**

The Board of Directors is responsible for holding management accountable for the sustainability performance of the Company, including the setting of compensations connected to sustainability goals, where required, and their integration into management's performance evaluation.

### **Communications with stakeholders**

The Board of Directors is in charge of communicating to stakeholders the ESG performance of the Company by publishing the Sustainability Report.

## **Organization, Management and Control Model**

Teddy, sensitive to the need to ensure conditions of fairness and transparency in the conduct of business and corporate activities, to protect its own position and image and to protect the work of its employees, has therefore deemed it in line with its corporate policies to proceed with the adoption and implementation of the Model required by Legislative Decree No. 231/2001.

The initiative was taken in the conviction that adopting the Model - beyond the legal requirements of the Italian Legislative Decree n. 231/2001, which recommend it as an optional and voluntary tool, not mandatory to adopt, can be a valuable tool to raise awareness among all those who work in the name and/or on behalf of Teddy, or in any case in favor of Teddy, so that they follow, in the performance of their activities, fair and transparent behaviors, such as to prevent the risk of committing crimes contemplated in the

Italian Legislative Decree n. 231/2001.

As prescribed by the Italian Legislative Decree n. 231/2001, Teddy has entrusted the task of supervising the functioning, observance and updating of the Model to a collegial Supervisory Board.

Teddy, confident that acting correctly is in its own interest as well as, in any case, a precise moral duty, has deemed it appropriate to adopt the Code of Ethics, binding for all recipients of the Model, in which the main strategies and rules of conduct adopted by the company for conducting activities that are ethically, as well as legally, correct are indicated.

### **SUPERVISORY BOARD**

It is a collegiate body that reports directly to the Board of Directors and is committed to comply with the features of professionalism, continuity of action, autonomy and independence, performing the task of supervisory compliance as required by the Italian Legislative Decree n. 231/2001. The Supervisory Board is currently composed of two external members and an internal one.

# Our brands

## TERRANOVA

### **Terranova**

A POP brand created in 1988 in the land of smile and hospitality, Romagna! The sunniness is the brand's trademark: it loves sharing creativity, ideas, passion and enthusiasm.

Terranova stores mirror this philosophy: drawing inspiration from the models of inclusivity typical of Rimini Riviera, they make customers feel at ease as well as part of a real community. Products, from menswear, womenswear to kidswear and underwear lines are colorful, ironic, innovative but, best of all, affordable. It guarantees one of the best quality-price ratios in the market, without forgetting attention to details and a wide range of colors.

## RINASCIMENTO®

### **Rinascimento**

A posh womenswear brand with a rocker soul, polished and versatile at the same time; expression of femininity with a hidden determination and awareness of being a real woman, romantic, but confident and tough when needed, to always live life as a protagonist. In just a few years the brand won the retail market and customers, becoming the ambassador of Made-in-Italy top-of-the-range ready-to-wear fashion. Thanks to the Italian design and manufacturing tradition, the fast replenishment of stores, the ability to detect and ride the latest trends, a great quality-price ratio, combined with creativity and wide offer, Rinascimento can meet the needs of the most demanding customers.

# Our brands

## CALLIOPE

### **Calliope**

A brand that wants to inspire people to express their personality and for this reason creates a style that is based on a search for novelty that always knows how to enchant, without forgetting its Italian roots.

Contemporary and up to date, Calliope creates collections through a careful selection of products and outfits that meet the needs of our customers in every life context: work, leisure and special occasions.

## QB 24

### **QB24**

It was created to offer men the right piece of clothing at any time of the day and make them feel comfortable on any occasion, with the right outfit. “Quanto Basta”, (All You Need) is just enough, is the search for the essential and the will to be yourself, yet not overdressed, but with a distinctive personality.

The brand target is a young man who wants to take the lead in his life: smart, good-looking and self-aware, who likes making a good impression and has a good eye for details. Garments and accessories made up of well-finished materials, rich in details, to make men feel comfortable and classy on any occasion.

# The main figures of Teddy SpA

Directly-operated and franchise stores: **841**  
Rinascimento “Fits You”-business formula stores: **47**

Offline retail markets: **39**  
Online retail markets: **31**  
Wholesale markets: **79**

Employees: **2.404**  
Average age of employees: **32,9**

Turnover: **605 Mil Euros**  
EBITDA adjusted: **48 Mil Euros**



# The pillars of our commitment

Our “Everyone Can” strategic plan was developed from the evolution and expansion of Teddy’s Dream. It mirrors the great challenges we’re facing and, at the same time, the spirit of inclusiveness and courage in accepting them, which have always been our distinctive features.

Relying on our absolute certainty that everyone can play their part to take the lead in the change, we based our “Everyone Can” efforts on three main pillars.

## EVERYONE CAN ACT RIGHT

Any company must do the right thing, seizing the opportunities to behave in a different way. This approach must be structural and intrinsic to any decision taken and to any goal set in order to have a lasting and tangible effect.

## EVERYONE CAN HEAL THE PLANET

The effects of human activities on the planet are increasingly disruptive and require us a shared and decisive change in attitude. We need to rethink not just the way we design clothing, but our overall approach to business, from stores to logistics.

## EVERYONE CAN CARE FOR PEOPLE

The respect and promotion of human dignity has always been the core of our actions and of our distinctive way of thinking. We feel the responsibility of giving value to the life of all those we run across every day, dressing them with our passion and dedicating them the attention they deserve.

# A concrete and integrated ESG system to address the new regulatory landscape

When 5 years ago I started my adventure at Teddy, I never thought that sustainability would become part of the **corporate culture so quickly**. It certainly was not easy, but thanks to a strong commitment, based on sound principles, we were able to set up a team and adopt the most appropriate strategies to train, engage and empower all internal departments. This is the sign that Teddy will last for a long time to come, but with strong and evolved principles. Those principles of accountability, which are being turned into a strategic pillar of the business, will enable the company to look at the future with more optimism, certain that, sooner or later, the market will also acknowledge its efforts and virtuous work.

The near future will bring a **strong stance by the European Union** towards the fashion industry, introducing a set of regulations and directives alongside existing programs to protect human rights and the environment.

The regulations will be based on fundamental concepts such as traceability, the measurement of performance and transparency. There will be full accountability for all the stages of the direct and indirect process, which will imply a challenge that the industry will have to face in the coming years: to evolve toward a new business model, that is more tangibly responsible, more circular, and more transparent to the consumers and all the stakeholders more in general. Teddy is ready to meet the challenge; it is doing so by investing in a **holistic strategy** and targeted programs that integrate impact monitoring and mitigation into the core business. Procurement is becoming increasingly linked to sustainability strategies in the search for virtuous suppliers and materials.

**In 2023** we have intensified the mapping of the supply chain in order to involve them in virtuous paths by following industry best practices. We ask suppliers to join existing platforms where they can also converge other



brands' operations and avoid duplication of efforts. For example, we address the use of the Higg Index Tools to collect data on the social and environmental performance data from factories, as well as ask them to adopt wet processes in line with ZDHC protocols, of which we are members. We believe that collaboration among brands, consistency of goals and operating procedures are the foundation for the future development of sustainability in the supply chain. We collaborate with the most important working groups in the industry such as Global Fashion Agenda, which aims to set common sustainability strategies, particularly on a more circular economy; Textile Exchange for lower-impact fiber certifications and Cascale (formerly Sustainable Apparel Coalition) to measure performance and promote transparency throughout the supply chain.

The journey has begun, but is still long. The strength to achieve the goals lies in **the education and contribution of everyone**: employees, suppliers, business partners and even customers who will be able to recognize the virtuous part of the system and give it the corresponding added value.

**LUCA GALVANI**  
Head of Sustainability



# Teddy Highlights 2023



## ACT RIGHT

- **Membership to Cascale** with the aim of implementing the Higg Index, through which integrate the strategic actions of the sustainability plan and assess the social and environmental impact of our core supply chain.
- **Carried out a feasibility study** to adopt the **Benefit Corporation status**.



## HEAL THE PLANET

- **30% of the garments** manufactured in the calendar year with relevant, intentional sustainability characteristics that classify them as “Everyone can” garments.
- **A 87,7% decrease in GHG emissions** of Scope 1 and Scope 2 compared to 2019, thanks to several interventions such as: the decrease in the use of company cars, in natural gas consumption for heating, the purchase of certified renewable energy from wind power sources for all our headquarters and most of our directly-operated stores, and, lastly, for energy efficiency measures.
- **Enlargement of the photovoltaic system** installed on the logistics hub in Gatteo and installation of two new systems at our corporate headquarters in Funo, in the province of Bologna.



## CARE FOR PEOPLE

- **77% of garments produced** by audited suppliers come from factories rated A-B-C on a scale of “A” to “E.”
- **576 employees trained** on diverse skills. 400 people trained on-site about social and environmental issues.
- **€ 475.6K donated** (including also the valuation of donations in kind).
- **542 collaborators involved in volunteering** activities, for an overall number of about 722 hours of voluntary work donated.



everyone can

# Act Right



# The context and the challenge

The context in which companies are called to act, to collaborate on a more sustainable world, requires that we do not act alone in the journey. This is why we believe in the principle of interdependence. For us, shared responsibility is a way of being, the core value of our identity, a fundamental track to give the right direction to every action we take inside and outside our company. Hence the importance of a participatory governance system that systematically considers all stakeholders and the potential social and environmental impacts of business choices.

In addition to not acting alone, companies are called upon to play a social role that goes far beyond pure profit. We are aware of the great responsibility we have towards the territory, people and their needs. That is why our corporate culture is based on an important value, that of business as a tool, as a positive force to build something important for us and for others. Teddy's story is a tale of a common story: we are all active participants in a change and everyone can do their part to take the lead in it. Ours is a structural choice, pursued to create value for all

stakeholders and thus to contribute to building a better society. Teddy responsibility is a shared responsibility, both inside and outside the company: with our entire supply chain, in the right work groups we participate in, in the projects we are part of and in the coalitions that can move the entire fashion system forward in a virtuous direction.

Participation and sharing have always been the backbone of our business philosophy and this is why our Strategic Sustainability Plan is also shared with all the people at Teddy. To continue to evolve it is essential to measure our social and environmental impacts and related progress with precision, taking the same care and attention we employ in doing business. Only in this way can we embark on a structured path of continuous improvement, that will remain as legacy to the future generations of Teddy employees, thus making us a company that operates in an increasingly responsible, ethical and transparent manner.



# The governance of our strategic sustainability plan

Our multi-year Strategic Sustainability Plan, inspired by the “Everyone Can” manifesto, is divided into several impact areas: respect for the environment, social responsibility, business ethics and sustainable governance.

We are committed to regularly assessing the effectiveness of our actions, incorporating new challenges and opportunities into Plan, which is thus a living document, constantly evolving tool.

Through a periodical review process, we ensure that it always remains aligned with the best sustainability practices and the expectations of our stakeholders.

Teddy’s Sustainability Office is entrusted with the management of the Plan, which cross- manages the sustainability actions defined within the plan itself and operationally involves the entire organization. The Sustainability Office is in charge of measuring company’s performances and keeping the Board of Directors regularly updated

on the implementation of sustainability goals. It uses a measurement process by compiling the B Impact Assessment to assess our performances and robustness of the improvement plans established to reduce our impacts.

Ongoing performance improvement is entrusted to thematic working tables, called B Teams, involving different functions of Teddy, coordinated by the Sustainability Office. BTeams have the task and responsibility of giving concrete implementation to the actions in the Plan, keeping alive the commitment to put in place actions with a positive social and environmental impact, integrating them in all the areas of the company and at every stage of Teddy value chain.

The Committee of Directors is constantly aligned with the progress of the Plan and the CEO plays an active role in the process, participating both in Committee meeting and as a member of the BTeam in charge of governance management. As members of Cascale (for more on this, please, refer to

the Impact Story in this section), since 2023 we have also made use of the Higg Index, a suite of tools to accelerate industry collective efforts, using a standardized language to communicate sustainability impacts, thus promoting lasting improvements and providing the highest transparency requested by consumers.



# Reference tools

Monitoring and evaluating the progress towards sustainability goals is an integral part of our Strategic Plan. We use Key Performance Indicators (KPIs) relevant to each goal, which allow us to measure and monitor results over time. Furthermore, we have engaged in a reporting process using internationally recognized and reliable tools such as the B Impact Assessment (BIA). In measuring our impacts we benchmark ourselves against the Sustainable Development Goals (SDG) Action Manager, which is the strategic and operational tool to assess our sustainability performance and robustness of the improvement plans we have developed.



## BRM (Brand & Retail Module)

BRM (Brand & Retailer Module) is a tool specifically designed for companies operating in the apparel, footwear and textile market. It provides an assessment of sustainability practices, focusing on the key aspects for the Fashion industry such as sustainable procurement, work ethics, environmental impact of products and the commitment to communities.

Thanks to this tool it is possible to collect data, analyze current performances and implement improvements.

BRM helps companies to implement strategies to reduce their environmental impact, improve working conditions at production sites and promote ethical practices throughout the entire supply chain.

In-depth source → [www.cascale.org](http://www.cascale.org)



## BIA (B Impact Assessment)

BIA (B Impact Assessment) is a comprehensive tool to assess the social and environmental impact of companies. It analyzes several factors, including governance, workforce, community, environment and customers. Through a targeted questionnaire, the BIA provides a detailed picture of corporate practices, thus supporting companies in the identification of their strengths and weaknesses. Such a tool measures the current impact as well as it helps a company to develop strategies to improve corporate performances in terms of social sustainability responsibility.

In-depth source → [www.bcorporation.net](http://www.bcorporation.net)



## SDG Action Manager

SDG Action Manager is a tool designed to help companies to contribute to UN Sustainable Development Goals (SDGs). It allows companies to assess and analyze their impact on SDGs, detecting the areas within which they can maximize their contribution.

Thanks to a set of predictors and metrics, SDG Action Manager helps companies to monitor, manage and improve their social and environmental impact, thus facilitating a more effective alignment of corporate strategies with global Sustainable Development goals.

The tool integrates the assessment of the B Impact by B Lab, the Ten Principles of UN Global Compact and the Sustainable Development Goals, thus allowing companies to act in a significant way through the dynamic self-assessment, benchmarking and improvements.



# Impact connected to Sustainable Development Goals




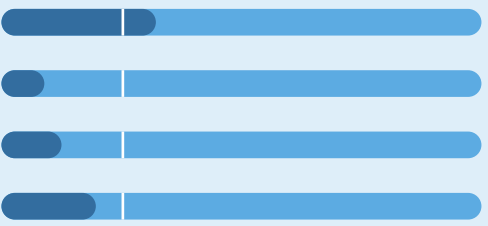
Source: *SDG Action Manager*

<b>8 - Decent Work and Economic Growth</b> 	<b>12 - Responsible Consumption and Production</b> 
<p>Promote sustained, inclusive and sustainable economic growth, full and productive employment and decent work for all</p>	<p>Ensure sustainable consumption and production patterns</p>
<p>QUESTION ANSWERED 38/38</p> <p><b>Overall score: 30,1%</b></p>	<p>QUESTION ANSWERED 27/28</p> <p><b>Overall score: 32,1%</b></p>
 <p><b>GRUPPO TEDDY</b> ITALY FASHION INDUSTRY SAME-SIZED COMPANIES</p>	 <p><b>GRUPPO TEDDY</b> ITALY FASHION INDUSTRY SAME-SIZED COMPANIES</p>






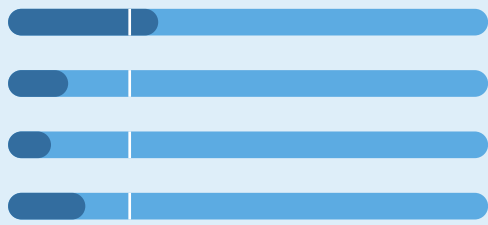

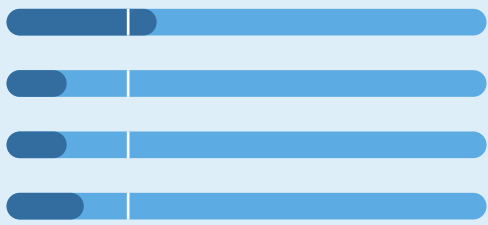
# Impact connected to Sustainable Development Goals

Source: SDG Action Manager

<div style="display: flex; justify-content: space-between; align-items: center;"> <span>4 - Quality Education</span>  </div>	<div style="display: flex; justify-content: space-between; align-items: center;"> <span>5 - Gender Equality</span>  </div>
<p>Ensure inclusive and equitable quality education and promote lifelong learning opportunities for all</p>	<p>Achieve gender equality and empower all women and girls</p>
<p>QUESTION ANSWERED 25/25</p> <p><b>Overall score: 37,6%</b></p>	<p>QUESTION ANSWERED 29/30</p> <p><b>Overall score: 28,7%</b></p>
<div style="display: flex; align-items: center;">  <div style="margin-left: 10px;"> <p><b>GRUPPO TEDDY</b></p> <p>ITALY</p> <p>FASHION INDUSTRY</p> <p>SAME-SIZED COMPANIES</p> </div> </div>	<div style="display: flex; align-items: center;">  <div style="margin-left: 10px;"> <p><b>GRUPPO TEDDY</b></p> <p>ITALY</p> <p>FASHION INDUSTRY</p> <p>SAME-SIZED COMPANIES</p> </div> </div>

# Impact connected to Sustainable Development Goals

Source: SDG Action Manager

<b>6 - Clean Water and Sanitation</b> 	<b>10 - Reduced Inequalities</b> 	<b>13 - Climate Action</b> 
<p>Ensure availability and sustainable management of water and sanitation for all</p>	<p>Reduce inequality within and among countries</p>	<p>Take urgent action to combat climate change and its impacts</p>
<p>QUESTION ANSWERED 28/28</p> <p><b>Overall score: 27,7%</b></p>	<p>QUESTION ANSWERED 29/30</p> <p><b>Overall score: 26,4%</b></p>	<p>QUESTION ANSWERED 22/23</p> <p><b>Overall score: 30,0%</b></p>
 <p><b>GRUPPO TEDDY</b> ITALY FASHION INDUSTRY SAME-SIZED COMPANIES</p>	 <p><b>GRUPPO TEDDY</b> ITALY FASHION INDUSTRY SAME-SIZED COMPANIES</p>	 <p><b>GRUPPO TEDDY</b> ITALY FASHION INDUSTRY SAME-SIZED COMPANIES</p>

# Company policies and commitment in multi-stakeholder initiatives

The principles regulating the management of sustainability issues are detailed by corporate policies regarding the procedures required to ensure the initiatives implemented and the decisions taken are consistent with the goals set in the Strategic Sustainability Plan. The guidelines to integrate environmental, social and responsible governance factors into corporate strategic decisions have been covered in our [ESG policy](#), which is structured on the pillars that characterize our “Everyone Can” Manifesto of intent.

Furthermore, Teddy adopts the Model 231, through which we commit to identifying and assessing potential risks, mitigating their effects and preventing unlawful behavior. We have not received any justified complaints about violations of customer privacy.

We are aware that we cannot tackle the challenges ahead alone, as we are part of a complex ecosystem and our initiatives alone would have too limited an effect. Therefore, we are keen on joining the multi-stakeholder initiatives of the fashion system, which generate a greater impact at an international level, including ZDHC, Global Fashion Agenda and Cascale.

The path we have taken toward a more sustainable business model commits us to our responsibilities to our stakeholders, to whom we are required to communicate in a transparent manner.



# Value added produced, value added distributed and economic value retained

The direct economic value generated and distributed is the ability of a company to redistribute a part of the economic value generated to their activities among their own stakeholders. Therefore, it measures the impact of a company on the community within which it operates and along the entire value chain.

Throughout 2023, Teddy generated an economic value equal to €638,806,062, while the Economic Value Distributed was equal to €601,992,921.99. A part of the generated economic value was not distributed but retained within the Company.

This share refers to the share of economic resources used, for example, for prepaid taxes and deferred tax assets, amortizations and other entries not included in the Economic Value Distributed. In 2023, the Economic Value Retained for Teddy was equal to € 36,813,140.



# 2023 Impacts

- **Coordination and improved** information flow among nine thematic work groups, the so-called B-Teams, which involve different Teddy functions.
- **Use of the tool SDG** Action Manager to measure the positive contribution given by Teddy to the most important Sustainable Development Goals for our industry.
- **Launch of the continuous monitoring** of the main social and environmental impact-related KPIs.
- **Draft of the ESG policy**, structured on the pillars that are the distinctive features of our “Everyone Can” Manifesto.
- **Publication of the corporate ESG Policy** and Chemical Management Policy.

# Future goals

- **Update** the job profiles and the annual goals for Teddy SpA Senior Managers to integrate environmental and social impacts in a systematic way.
- **Completing** BRM (Brand & Retail Module) self-assessment.
- **Publication** of the Due Diligence policy.



# Partnership is the new leadership

Impact Story

**ANDREW MARTIN**  
Executive Vice President at Cascale

Cascale is a global, non-profit alliance, empowering collaboration to promote more sustainable business practices in the consumer goods industry.

Spanning over 300 retailers, brands, manufacturers, governments, academics, and NGO/nonprofit affiliates around the globe, its aim is to catalyze impact at scale.

Formerly known as SAC-Sustainable Apparel Coalition, Cascale developed several tools including the Higg Index to boost a sustainable industry transformation.

**Why the name change from Sustainable Apparel Coalition to Cascale?  
Has the new name a special meaning?**

**Andrew Martin:** the name Cascale is the result of thoughtful insights into our journey as an organization. “Ca” refers to “collective ambitions,” which is the collective action we try to promote within the Fashion industry. In addition to that, “scale” highlights our ambitions to promote change at scale, as to mirror our efforts to create a movement seeking to shape an industry, the consumer goods industry, that gives back more than it takes to the planet and its people.



**What are the main challenges in the Fashion industry connected to sustainability?**

I think one of the main challenges is the management and improvement of the environmental impact scale. The reduction of CO<sub>2</sub> emissions throughout the entire supply chain, the conversion to renewables and the improvement in energy efficiency are key issues for the Fashion industry. Its aim is to achieve a 45% reduction in greenhouse gas (GHG) emissions by 2030, which is an enormous challenge in terms of scale. Wage increase in the countries where manufacturers are located is also a key issue, as well as overcoming power imbalances that often occur among the different industry players. Furthermore, the industry's fragmented nature can be acknowledged in the approaches adopted by the companies to deal with shared social and environmental challenges. Facing those issues requires significant efforts and investment that must necessarily converge throughout the entire value chain.

**Are the brand members of Cascale truly oriented to achieve a sustainable production and consumption model?**

At Cascale, we try to get involved with the highest number of stakeholders of the production and distribution chain through the different stages of their journey towards sustainability. We have companies such as Patagonia, a leading company on sustainability, and others that are at the beginning and need support to set out their roadmap. Our goal is to encourage exchange among them, guide them all towards a shared roadmap taking into account the regulatory framework and our tool BRM is essential to drive brands and resellers throughout the process. So, there are companies that are just at the beginning and others who have been pioneers: it is like a big “church”, as we call it.

**Could you give us a broad idea about Cascale framework and tools and how it guides fashion brands towards the shared roadmap?**

Cascale framework is based on a holistic



approach to sustainability specifically designed for the clothing market and developed starting from 2009. The main drive for evolution has been so far the creation of tools designed according to a multi-stakeholder approach and largely adopted by the industry, such as the HIGG Index and the BRM. These tools are acknowledged for their credibility, usefulness and a large-scale adoption. We combine long-term thinking with short-term goals, achievable and measurable, which encourage collaboration among stakeholders throughout the entire value chain, harmonizing practices, avoiding duplication and optimizing information exchange and the adoption of the policies. We recognize the synergies between industries and regions and therefore wish to get a large member base involved to drive a collective action at scale, going even beyond the apparel industry. One of our greatest successes was to create a community where stakeholders with different balances of power can collaborate. The next stage is to drive the industry towards a tangible impact, just like we did with our Decarbonization Program, which promotes a massive data collection and a collective

action towards actions aimed at reducing and mitigating emissions.

**Could you better explain the multi-stakeholder approach to the creation of the tools?**

Cascale acts supporting the idea that partnership is the new leadership. We work involving all the players in the value chain, from brands to suppliers, from industry associations to experts on key vertical themes for fashion. The goal is to transform the industry from a system operating according to a silo logic to an interconnected system evolving thanks to a collective action. We collaborate with Textile Exchange, ZDHC Foundation, Fair Wear Foundation and many others. We constantly develop and support initiatives aimed at catalyzing their impact at scale. Our technology business partner is Worldly, a platform exclusive to Cascale tools that became the top one in processing data on the social and environmental impact for apparel and footwear industry.





**How do those tools fit into the new regulatory framework? In the future, will regulatory standards and voluntary-set standards be able to coexist?**

Cascale has always worked to create tools aligned, harmonized and focused on the constant improvement of social and environmental performances, rather than on regulatory compliance. What I think is truly interesting is that regulations are now creating a common base, which can become a “stepping stone” to generate a greater impact. For this to happen a change in the mindset is essential: compliance should not only be a goal to achieve, but the starting point to generate a true impact and a real change, and to go beyond compliance itself. We are very pleased that our CSRD was adopted and our work is actually to ensure to be able to support our members in complying with regulations. Furthermore, thanks to our tools, we try to drive a greater harmonization of policy across jurisdictions, including USA and other countries, because I think that the lack of harmonization among regulations and approaches is the main obstacle.

**In your opinion, what is the keystone that will allow the fashion system to give back more than it takes to the planet and its people?**

I think that a key point is focusing not just on what is manufactured but also on how it is manufactured. It is paramount to invest in the right sources of energy and in waste management not just throughout the supply chain but also up to the end-of-life stage of items. Furthermore, there is the need to acknowledge and reward the suppliers investing in the improvement of their own manufacturing processes and in sustainability. Cascale can play a key role in the process, providing tools like the Higg Index to monitor and measure those improvements, in addition to creating spaces for discussion in order to promote responsible purchasing practices. The attention to “do better” is of the highest importance.

everyone can

# Heal the planet



# The context and the challenge

Climate change is threatening natural balances, from forests to oceans, endangering not only biodiversity but also the well-being of people who depend on these ecosystems. In July 2023, the British scientist Jim Skea, the new chairman of IPCC (Intergovernmental Panel on Climate Change) declared that we can no longer avoid stepping over the threshold of 1.5 degrees because countries have not passed enough ambitious climate policies.

There is strong evidence that shows how transitioning away from fossil fuels is essential. The COP28 climate talks in Dubai ended in a historic deal that for the first time recognizes fossil fuels as a root cause for climate emergency and expressly mentions the transition away from a fossil-based economy.

A 2021 report by BCG highlights how the fashion industry is accountable for a considerable share of global CO<sub>2</sub> emissions, estimated to be around 5%. Besides CO<sub>2</sub>, textile manufacturing can result in the emission of a wide range of pollutants, including chemical discharges and textile waste.

We acknowledge our significant role in the fashion industry's transition to more responsible, sustainable and circular business models. Reducing the environmental impact of manufacturing requires the adoption of more sustainable and cleaner practices throughout the entire supply chain, as well as the elimination of hazardous chemicals. Therefore, responsible management of textile waste and the promotion of more circular production and consumption models are a collective priority.

Equally challenging is the development of materials that meet solid sustainability parameters, while still maintaining acceptable levels of cost and quality. This challenge becomes even more complex in a market where consumers are increasingly aware and demanding.

The complexity of global supply chains is another complex area of work. Tracing the origin of materials and guaranteeing sustainable practices throughout the entire chain can be extremely difficult. Improving transparency and accountability towards more impact-conscious practices along the supply chain is essential.



Solving these challenges requires coordinated and systematic endeavor by companies, governments, NGOs and consumers. It is encouraging to note that we are witnessing a change in the fashion industry; nevertheless, the actions to be taken to engage and improve impacts along the entire production chain are many and require maximum efforts on our part.

In this context, a possible transformation of the fashion supply chain towards greater environmental responsibility is being driven by a set of new European and international regulations that are changing the industry landscape. These regulations offer an unprecedented opportunity to raise the level of collective engagement in the industry, pushing brands to operate with greater transparency and accountability.

It is essential to adapt processes to new sustainability principles, acknowledging that no one can act alone. Only through a collective and coordinated approach, involving all stakeholders, we can effectively accelerate the transition to a virtuous business model.



## EUROPEAN REGULATIONS

Among the main regulations promoting transparency and consumer awareness, there are:

- **Green Claim Directive:** establishes a clear set of guidelines and rules on the use of environmental claims, ensuring that information conveyed to consumers is accurate and verifiable. This helps prevent greenwashing practices and build consumer' trust.
- **Corporate Sustainability Reporting Directive (CSRD):** requires companies to transparently report on their environmental, social, and governance performance.
- **EU taxonomy:** new classification system that identifies sustainable economic activities, thus making it easier for investors and consumers to choose products and services that meet specific environmental standards.
- **Corporate Sustainability Due Diligence Directive (CSDDD):** will require companies to carry out diligent analysis of social and environmental risks along their supply chains.

Among the regulations encouraging circular models for production and consumption:

- **Ecodesign for Sustainable Products Regulation (ESPR):** incentivizes the design of products that are more resource efficient and less harmful to the environment during their life cycle, thus contributing to reduce the overall environmental impact of the industry. It will introduce the Digital Product Passport, which will require brands to report specific information about its life cycle, including its environmental impact. It is designed to support consumers in making informed purchasing decisions.
- **Waste Framework Directive (WFD):** sets goals and standards for waste management, promoting recycling, reuse and waste reduction. It also pushes the industry towards a circular model through the mandatory and harmonized Extended Producer Responsibility (EPR), which will impose a modulated taxation system on brands depending on the sustainable and circular qualities of the product.

# Fibers and textiles: towards increasingly more sustainable collections

In the fashion landscape, the choice of more sustainable materials plays a key role in determining the overall environmental impact. According to the McKinsey's "[Fashion on climate](#)" report (2020), more than 70% of the GHG emissions generated by the fashion system come from upstream activities, in particular from the production of raw materials and their processing, which includes yarn and fabric preparation and wet processing steps.

We are committed to aligning with Textile Exchange's definition of preferred fibers and materials: "A fiber or raw material that consistently delivers reduced impacts and increased benefits for climate, nature, and people against the conventional equivalent, through a holistic approach to transforming production systems".

Textile Exchange is a global non-profit promoting sustainability across the fashion, textile, and apparel industry, committed to building a global fiber and materials production model that positively impacts our planet. Among the various tools available, they have developed the [Preferred Fiber & Materials Matrix](#), an interactive tool to guide sourcing decisions.



The table below shows the scores of the main fibers used by Teddy according to the Preferred Fiber & Materials Matrix:

0 Baseline · 1 Foundational · 2 Improved · 3 Progressive · 4 Transformational

	Climate	Water	Chemistry	Land Use	Biodiversity	Resource Use and Waste	Human Rights	Iniziative Integrity
<b>NATURAL FIBERS</b>								
Recycled Cotton GRS Certified	2	3	3	-	-	2	0	3
Recycled Cotton RCS Certified	2	2	0	-	-	1	0	3
EU Organic Cotton GOTS	1	2	2	2	1	2	0	2
<b>SYNTHETIC FIBERS</b>								
Recycled Polyester GRS Certified	2	3	2	-	-	3	0	3
Polyester	0	0	0	0	0	0	0	-
<b>CELLULOSIC FIBERS</b>								
Viscose	0	0	0	0	0	0	0	-
Lyocell™	0	1	1	4	3	1	1	4

Each material is assessed against the 8 dimensions (Climate, Water, Chemicals, Land Use, Resource Use and Waste, Biodiversity, Human Rights, Ethics and Transparency) shown in the table according to the different performance levels summarized in the following scorecard:

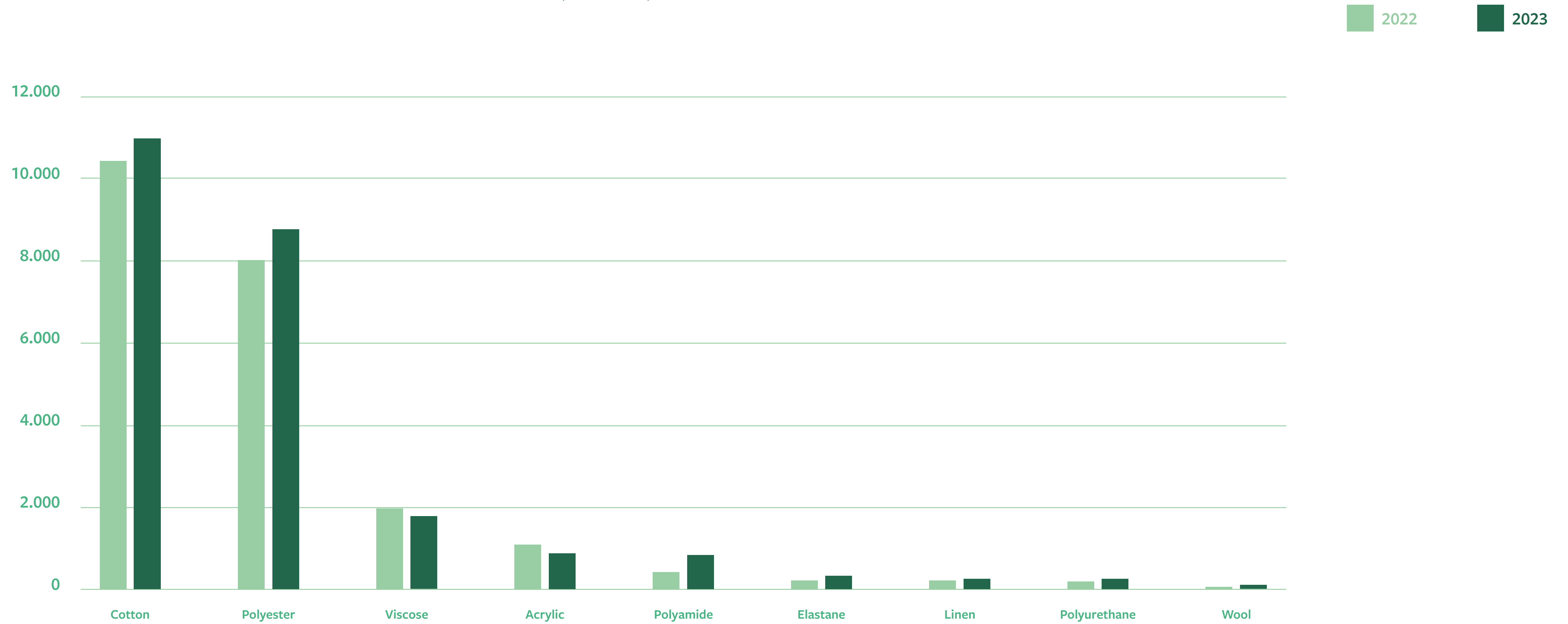
- **0. Baseline:** fiber standard systems with very few initiatives adopted on risk mitigation and harm reduction.
- **1. Foundational:** fiber standard with some basic initiatives focused on risk mitigation and harm reduction, characterized by environmental impact monitoring.
- **2. Improved:** fiber standard with higher engagement in comprehensive harm reduction, annual review of actions.

- **3. Progressive:** fiber standard with clear commitments to positive outcomes and continuous innovation.
- **4. Transformational:** fiber standard adopting regenerative and/or circular actions, with long-term goals set and monitoring of the environmental impact.

At Teddy, we are committed to progressively increasing the volume of fiber from sources with lower environmental impact, certified by accredited bodies, preferring in particular the reduction in the use of virgin natural resources so as not to affect ecosystems.



Below is the table of the main fibers used in our collections in 2023 (UoM: tons).



About 50% of the materials we use are cotton, which is the primary fiber for us. Cotton is a virtuous fiber because it is of natural origin and therefore renewable, but it is also responsible for major environmental impact in terms of water consumption and GHG emissions in the atmosphere, mainly due to intensive cultivation and the use of pesticides.

In 2023, 6,9% of the cotton we purchased came from recycled sources and was Recycled Claim Standard (RCS) certified or Global Recycled Standard (GRS) certified. These global voluntary standards, developed by Textile Exchange, reduce dependency on new crops, water and energy consumption, GHG emissions and textile waste production. Specifically, GRS enables the reduction of harmful impact of production on people and the environment, banning the use of certain harmful chemicals. Through certifications by authorized bodies, it ensures that the recycled content is maintained from raw material to final product, thus its traceability along the chain of custody.

Furthermore, we have 5% of OCS or GOTS-certified organic cotton.

Textile Exchange is a global nonprofit organization that promotes sustainable textiles throughout the supply chain through the dissemination of globally recognized voluntary standards. The main goal is to reduce the environmental impact and improve the social responsibility in the textile production. Among the most recognized certifications developed by Textile Exchange are GRS (Global Recycled Standard), OCS (Organic Content Standard) and RCS (Recycled Claim Standard).

**GRS** ensures recycled content in products and promotes environmental and social criteria throughout the supply chain, helping to reduce waste and improve working conditions.

**OCS** enables tracking and monitoring of organic materials along the supply chain, reducing the use of pesticides and chemical fertilizers, saving water and conserving biodiversity, supporting sustainable agricultural practices and farmer welfare.

**RCS** focuses on traceability of recycled content, ensuring that recycled materials are documented and tracked throughout the entire production process, from material recovery, through subsequent manufacturing steps, to labeling of the finished product.

Another key certification in the industry is the Global Organic Textile Standard (**GOTS**), the world's leading standard for organic fiber textile processing. GOTS promotes reductions in the use of harmful chemicals, water conservation, biodiversity conservation and sustainable agricultural practices, improving farmers' working and living conditions. Certification is issued by independent accredited bodies that conduct audits throughout the production chain.

Among the main synthetic fibers, we use polyester, whose environmental impact is mainly related to its fossil origin. It is a highly-versatile material, easy to recycle, so we are committed to using more and more recycled polyester in our garments.

We prefer recycled fibers in order to decrease at source the production of virgin raw materials and give a new life to production waste and post-consumer recovered fibers.

Overall in 2023 about 12% of our fibers were coming from recycled sources and are RCS-certified or GRS-certified.

In 2023, we also increased the use of man-made cellulosic fibers which guarantee a more sustainable sourcing of the raw material and low-impact production processes. Among these materials, we use Lenzing™ EcoVero™ viscose produced using cellulose pulp derived from responsibly managed forests. In fact, the wood sourced from nature comes from controlled or certified origin that comply with FSC® or PEFC™ standards. Products made with EcoVero™ viscose carry the EU Ecolabel™\* and generate up to 50% lower carbon emissions and water impact compared to conventional viscose according to the Higg MSI.

It follows the table of the main sustainable fibers used in our collections in 2023.

<b>MORE SUSTAINABLE FIBERS</b>	<b>TONS 2022*</b>	<b>TONS 2023*</b>
<b>Recycled polyester</b>	<b>235</b>	<b>1.007</b>
<b>Recycled cotton</b>	<b>381</b>	<b>762</b>
<b>Organic cotton</b>	<b>31</b>	<b>560</b>
<b>EcoVero™</b>	<b>262</b>	<b>287</b>
<b>Livaeco™</b>	<b>3</b>	<b>44</b>

\* Quantities calculated according to the fibers as recorded at the end of the production chain in the period between January 1st, 2022 and December 31st of the year of reference.

The “Everyone Can” hang tag identifies items with a percentage of more sustainable fibers, in order to inform the consumer on the garment sustainability.

# 2023 Impacts

- About **30% of the garments** ordered in the calendar year contain more sustainable fibers that classify them as “**Everyone Can**” garments.
- About **11% in weight of more sustainable fibers** in 2023, up from 4.3% in 2022.

# Future goals

- **Join** in 2024 and get certified to **Textile Exchange’s standards**.
- **By 2025, at least 50 % of garments** ordered containing more sustainable fibers that classify them as “Everyone Can” garments.
- At least **30% in weight of more sustainable raw materials** purchased by 2025\*.

\* It includes GRS and RCS-certified recycled synthetic fibers; GOTS and OCS-certified organic natural fibers; other certified fibers (for example EcoVero™, Repreve®). It does not include: BCI™ cotton.



Being sustainable:

# a matter of justice to future generations

Impact Story

**ENDRIO MARCELLONI**

Terranova Brand Director

**How does Terranova represent the concept of sustainability and how is it reflected in its collections?**

We feel a strong responsibility to mitigate our environmental impacts and fully embrace a resource-conscious approach to the circularity of garments and fabrics. Furthermore, through our collections we wish to encourage social initiatives, which we have always cherished as part of our history.

We favor recycled fibers from both industrial waste and post-consumer materials, because our priority is to strive towards a circularity model.

For this reason, we try to design collections that already take into account the end-of-life,



limiting accessories or facilitating their disassembly and preferring mono-material garments.

**What are the priorities and the main projects connected to sustainability launched in 2023?**

In line with the Group goals, we aim to have at least 30% in weight of more sustainable raw materials purchased by 2025\*.

We currently pay great attention to denim: 25% of the cotton used in our jeans is from recycled sources. However, we are testing several sustainable fibers in order to diversify and maximize the use of reduced environmental impact textiles. Besides the efforts on fibers, Terranova has taken a holistic approach to sustainability, including minimum sustainability criteria for all packaging components.

At the same time, we want to support the territory with social sustainability and local welfare projects. An important initiative launched in 2023 is related to the support of Portofranco, the network of student-support

centers for afterschool activities for upper-secondary school students, accounting for about 40 locations worldwide.

In Romagna, the brand also collaborates with the “Cetacea” Foundation, a national non-profit research organization promoting the protection of the marine ecosystem through the rescue, care and rehabilitation of sea turtles in the Adriatic Sea, as well as outreach and education activities.

In the same region, we also support the Santarcangelo Theatre Festival on a social and environmental level, the longest running contemporary theater festival in Italy that supports emerging artists. For the event we have developed a special upcycling capsule collection from our past collections, an original signature merchandising that allows materials to be given a second life. The payoff printed on T-shirts and bags is “enough is enough”: an important message

*\* It includes GRS and RCS-certified recycled synthetic fibers; GOTS and OCS-certified organic natural fibers; other certified fibers (for example EcoVero™, Repreve®). It does not include: BCI™ cotton.*



highlighting how culture and awareness represent an increasingly necessary combination.

In all our Italian stores, the “Second Chance” used-clothing take-back program is active: through the social cooperative La Fraternità, to which we donate the clothes, we collaborate to collect Terranova garments that are no longer worn and we are committed to ensuring that they are given a second life.

**What strategies does Terranova adopt to support young people and how does it promote the integration of their perspectives into design?**

Terranova is a brand with a pop soul. Today our goal is to work with universities to support emerging young creative talents as they enter the world of work. For these young people to have the chance to design a product that will be then commercialized in the market is a great opportunity. It is from this awareness that we created TRNPOPLAB, an ideas development lab, a place to meet, create and experiment. A space in which “Pop

Your Style” was born, the brand’s first project in collaboration with NABA - Nuova Accademia di Belle Arti (New Academy of Fine Arts) in Milan, which involved the best students of the fashion design course, who presented their own personal collection, designed experimenting with the dynamics and processes characterizing the fashion world, from the design stage to production. They designed fashion items, but made of fabrics composed of recycled and more sustainable content.

The selected collections have been produced and today are for sale on our e-commerce and in a selected list of 10 stores.

In the future, we already plan another project of the same format, in which 50 unsold items will be made available to the students, challenging them to use their creativity to give the garments a second chance and market them, thus creating capsule collections featuring upcycling concepts.

Lastly, at a local level we give support to the Rimini Basketball team through “Special



Crabs”, a basketball project aimed at young people of all ages with disabilities, to whom we provide uniforms. All these projects were launched in 2023 and will be carried on in 2024.

**What is your vision for Terranova?  
How do you envisage future collections?**

The concept of sustainability is deeply embedded in Teddy’s history, our Dream and the resulting corporate culture, which has always been particularly attentive to social and community issues from the very beginning.

On the one hand, being sustainable is a matter of social justice to future generations, to which we all have a great responsibility. On the other hand, we believe it is essential to keep up with the times, in line with the evolving legislations environmental sustainability.

The fashion industry is a major contributor to significant impacts on the environment. Our goal is to create an increasingly sustainable business: designing collections that use certified materials with less impact, always aiming for

innovation, preferring less impactful washes and dyes, and committing to selecting the very best fibers to use within our production processes.



# Coordinated efforts to develop product circularity

As [defined](#) by the Ellen MacArthur Foundation, the circular economy is “a systemic approach to economic development designed to benefit businesses, society, and the environment. In contrast to the ‘take-make-use-waste’ linear model, a circular economy is regenerative by nature and aims to gradually decouple growth from the consumption of finite resources”.

Full life cycle impact is largely generated by upstream product design. According to the [European Commission](#), up to 80% of a product’s environmental impacts can be determined at the design stage.

This is why embracing a circular model implies adopting sound eco-design principles to design products thinking from the outset about their end-of-life stage along with an ecosystemic approach as to take into account the entire value chain and the long-term impacts, replacing whenever possible, virgin raw materials with those sourced from recycled supply chains.

We want these elements to increasingly characterize the way we operate and are working in this direction.

A coordinated effort to develop a circularity model characterizes the path of all Teddy Group brands. The primary goal is to make circularity a distinctive feature at every stage of the production process, starting from the selection of materials.

During 2023, Teddy Group used in its collections **5,890 tons of certified fibers sourced**, representing approximately 24.4% by weight of total materials purchased during the year, thus proving a tangible commitment to circularity. Moreover, the Group is actively working to identify innovative solutions that valorize production and end-of-life garments.

In 2023, we began our study of ecodesign principles as anticipated and defined in the previously mentioned ESPR regulations. This project is aimed at bringing about a change

from a linear to a circular approach in garment design, which will lead us to meet the requirements of European legislation. During 2024, we’ve taken an important step forward: **dedicated ecodesign training sessions**, which involved several departments within the Group, including product development and the sustainability teams, the pattern making and the marketing departments.

## Our brands’ initiatives

Inspired by the shared model, all the brands have developed initiatives aimed at promoting circularity in their products.

On the occasion of Earth Day, on April 22nd 2023, Calliope proudly launched the third edition of its “Zero Waste” collection, the result of the work of its designers who conceived it with the aim of maximizing the use of available fabrics and completely preventing material waste, thanks

to paper patterns carefully designed to allow tailors to use every inch of fabric available.

In addition, Rinascimento has joined “Re-cycle”, a new project promoted by VeePee actively involving fashion brands according to a circularity approach.

Thanks to a co-branding activity in collaboration with the leader in online flash sales, Rinascimento has launched a campaign to collect used multi-brand garments targeting millions users in Italy.

In exchange for the handover of these garments, Rinascimento awarded VeePee members a discount voucher for the purchase of a new garment on its website or in its stores.

“This is a “reverse” sale-event: we usually give products to customers, while in this case we recover it to give it a new life”, says Valentina Corbetta, Veepee’s Italy Country Manager.

Furthermore, the used-clothing take-back program called “Second Chance” in Terranova, Calliope and Rinascimento stores that we launched in collaboration with the social cooperative La Fraternità goes on. La Fraternità is in charge of collecting, selecting and distributing these items for recovery. Profits help provide jobs for disadvantaged people, support local associations, and promote education about product reuse.

### **The efforts on the packaging**

The pursuit of circular models is not only focused on our garments but also embraces packaging: in 2023 we set up a system to collect packaging data and information from our nominated suppliers, both direct and second tier, for which we have defined mandatory minimum requirements related to packaging material characteristics.

A total of our primary and secondary main packaging, as envelopes, cardboards, etc., is sourced from more sustainable sources. All paper shopping bags in our stores are made from FSC® certified paper including FSC®: Mix, FSC®: Recycled.

Nearly 69% of cartons are FSC® certified, composed of material that comes from well-managed FSC®-certified forests and/or recycled materials and/or other controlled sources.

All polybags from Bangladesh are 35% made of polyethylene from recycled sources, and we are working both to gradually increase the percentage of secondary raw material and to extend the requirements on polybags to other sourcing countries.



Il marchio della gestione forestale responsabile

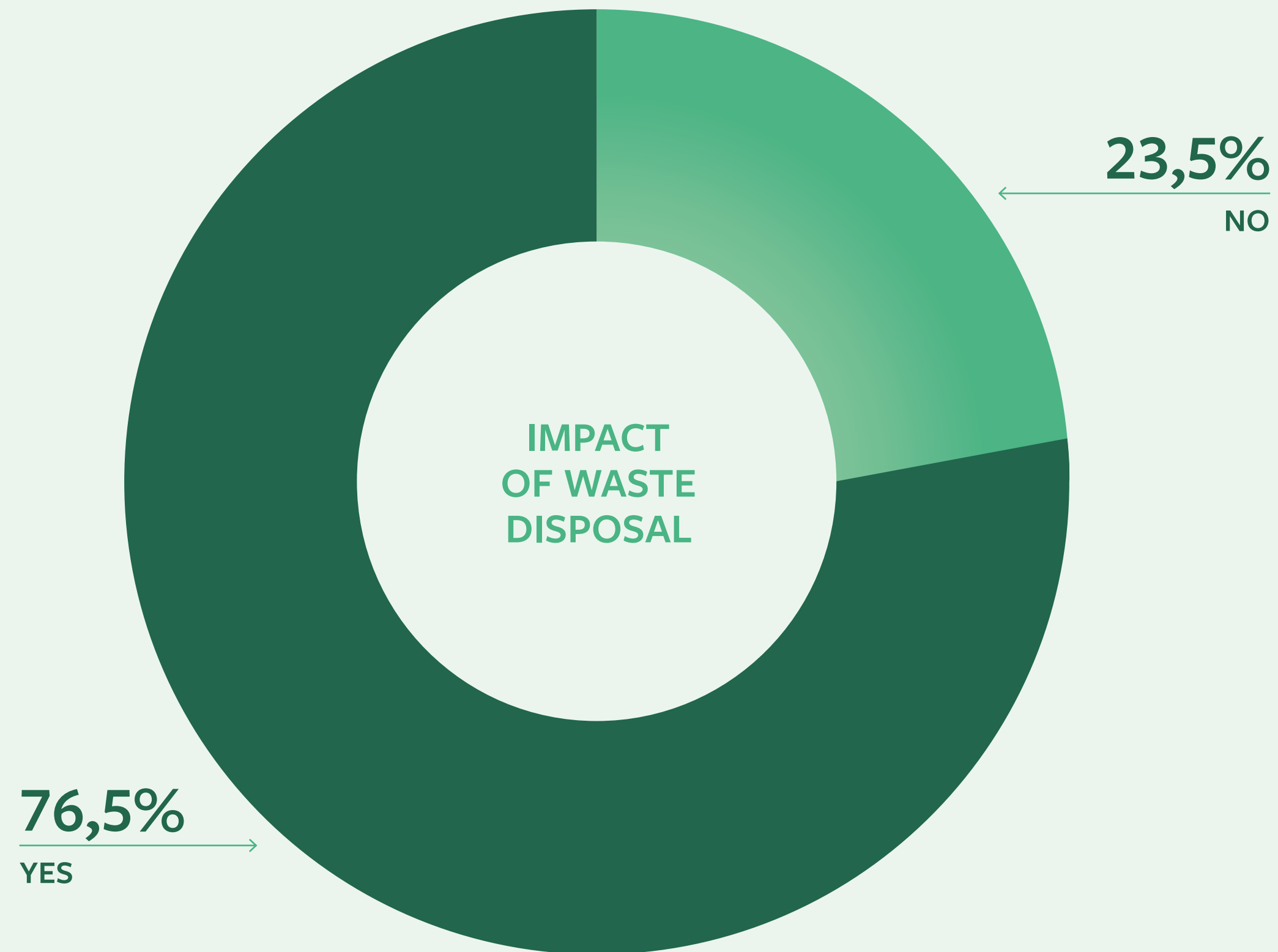
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### **Listening to consumers’ opinions about the environmental impact in product use and end-of-life**

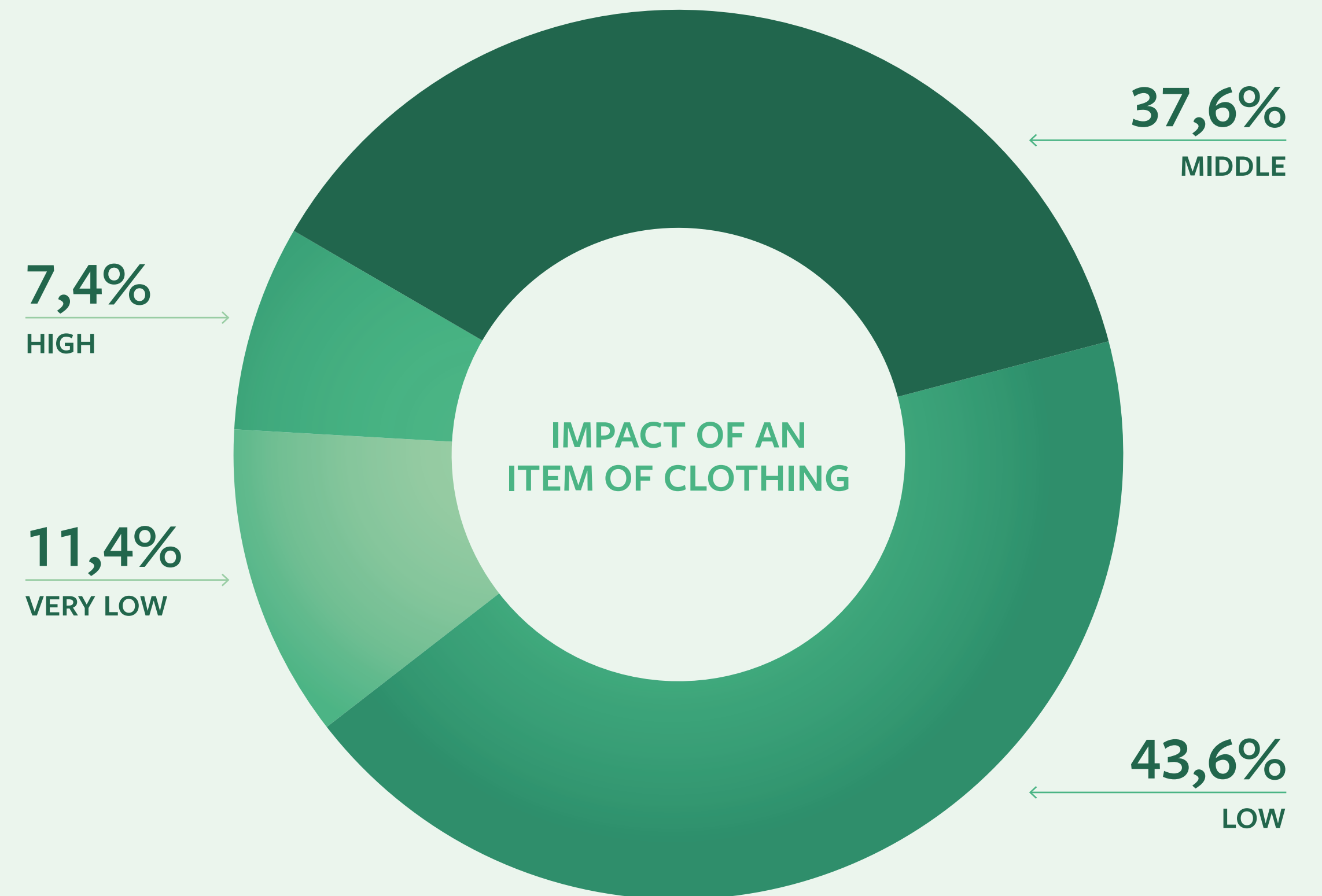
Calliope launched a survey collecting responses from 2,270 customers to better understand their behaviors in the use and end-of-life stages. The results will be useful in undertaking new circularity initiatives in line with customers’ needs and expectations.

An interesting result was to discover that 76% of interviewees are worried about the environmental impact at the disposal stage in garments. At the same time, more than 55% of the respondents do not consider themselves able to assess the environmental impact of an item of clothing in regards to its entire life cycle (from the production of raw materials to disposal after use).

Are you concerned about the environmental impact of disposing of unwanted clothing items?



How are you able to evaluate the environmental impact of an item of clothing regarding its entire life cycle (from the production of raw materials to disposal after use)?



These results highlight the educational role we play and strengthen our sense of responsibility in providing clearer information to increase consumers' awareness in purchasing decisions. Customers aged under 30 are more informed and aware about the sustainability, recycling and reuse of items of clothing. They currently do not seem willing to pay a higher price for sustainable products, but this outlook may change with the increase of available income.

Terranova brand has also launched its own initiatives to increase awareness among customers.

On the website [www.terranovastyle.com/it\\_it/garment-care](http://www.terranovastyle.com/it_it/garment-care) tips and tricks for consumers have been published to extend the life of garments, improve their environmental impact, and help people to play their part even in the use and end-of-life phases of products.

Goals cannot be achieved working alone, and just like increased customers' awareness is essential, a coordinated effort with the other players in the fashion industry is crucial to have a greater positive impact.

For this reason, since 2022, we have joined the Circular Fashion Partnership project, promoted and led by the Global Fashion Agenda (GFA) with the aim of recovering and implementing circular practices

for the management of production waste and byproducts in manufacturing countries.

This initiative focuses on the collection and recycling of textile production waste in manufacturing countries in order to reduce waste and promote more efficient use of resources, reintroducing them into the production cycle and giving them a new life.

Thanks to educational initiatives and awareness campaigns, it seeks to drive fashion brands and manufacturers to implement circular practices in their manufacturing processes, for example by using recycled or recyclable materials and adopting business models that encourage product reuse and recycling. Furthermore, it makes it easier for brands, manufacturers, government organizations and other stakeholders to collaborate with each other to create synergy and promote the adoption of circular practices on a global scale.



## Global Fashion Agenda (GFA)

GFA (Global Fashion Agenda) is a leading non-profit organization in the fashion industry. Founded in 2016, it is actively committed to fostering focused industry efforts on sustainability in fashion through global initiatives and strategic collaborations.

Global Fashion Agenda aims at accelerating a measurable impact in the fashion industry through collective effort, impact improvement strategies, R&D publications, events and institutional commitment oriented to policy evolution.

GFA provides detailed analyses and reports based on the most recent industry data. It is specialized in communicating complex contents on sustainability in an engaging and accessible way, and manages important industry publications such as “The GFA Monitor”, “Fashion CEO Agenda”, “Fashion on Climate”, “Scaling Circularity” and “Pulse of the Fashion Industry”.

The Global Fashion Summit is a multi-stakeholder event acknowledged as a point of reference to discuss the most

challenging environmental, ethical and social issues. It has become the main business event on sustainability in the fashion industry and has attracted more than 1.400 industry stakeholders in Copenhagen and Boston in 2023. The Innovations Forum is a key platform to connect fashion leaders with some of the most promising solution providers.

Through civil commitment, GFA proactively advocates for policy change and supportive measures that reinforce sustainability targets and incentivize necessary change.

GFA also supports impact programs such as the Circular Fashion Partnership, a pre-competitive collaboration to accelerate a circular fashion system in Bangladesh, Cambodia and Vietnam.

“As fashion stakeholders, you have the power to steer this course of change. Looking ahead to 2024, I want to emphasize that the changes we initiate, individually or collectively, transcend the boundaries of the fashion industry and can have a ripple effect across adjacent

sectors. I extend my deepest gratitude to those working tirelessly to amplify our collective message for a net positive industry”.

From the letter to stakeholders by Federica Marchionni, CEO of Global Fashion Agenda



To learn more about GFA visit the website: <https://globalfashionagenda.org/>

# 2023 Impacts

- **12% of our fibers** are sourced **from recycled sources** and are Recycled Claim Standard (RCS)-certified or Global Recycled Standard (GRS)-certified.
- **64.3%** of main primary and secondary packaging sourced from **more sustainable sources**, 80% of which from FSC®-certified paper\*.
- **80% of the paper used is FSC®-certified**, including cardboard boxes, labels and shopping bags.
- **100% FSC®-certified paper** is used for the paper shopping bags in our stores FSC® Certification including FSC® 100%, FSC® Mix, FSC® Recycled.
- **Third edition** of the **“Zero Waste”** collection by Calliope.
- **Upcycling project** promoted by Terranova and Santarcangelo Festival, which allowed items from past seasons to be collected according to a circular and creative approach and an important environmental and social message to be conveyed.
- Rinascimento **joined** the initiative **“Re-cycle”**, a new project promoted by VeePee actively involving fashion brands in a circularity perspective.
- **Launch of Calliope survey** aimed at understanding better customers’ behaviors in the use and end-of-life stage of items.
- **Renewed membership** to the “Circular Fashion Partnership” project to collect and recycle textile production waste in Bangladesh, Cambodia and Vietnam.
- **Launch** of a take-back **new program for the used clothes recovery** in Terranova and Calliope stores. Launch of the take-back program also in Rinascimento stores.

# Future goals

- **Move forward** with the training program on ecodesign principles.
- **Formally establish eco-design principles** for all Teddy brands that represent guidelines for circular garment design along the value chain by the end of 2025.
- **Start a business partnership** for a “re-commerce” project, offering customers in Italy the opportunity to rent or buy second-hand some of the most iconic garments from the Rinascimento collection, including the “**curvy**” category.
- Complete the **packaging mapping** for our subsidiaries.
- Achieve **80% of the volume of FSC® certified cardboard boxes** by the end of 2025.

\* The data reported on the purchase of certified material are results of internal monitoring, and the burden of proving their veracity is on Teddy S.p.A.



# Control of processes respecting health and the environment

To address environmental challenges, we have established an integrated environmental program, called **GEP (Global Environmental Program)**, through which will have us committed to driving the company and its value chain, in the next 10 years, towards achieving the challenging goals in the four impact areas: chemicals, emissions, water and solid waste.

This will require us and our suppliers to work in close collaboration. It was essential for us to fully understand the entire value chain, where the main environmental impacts are generated, and to measure the key resource use at all stages of the manufacturing process of our garments.

During 2023, we invested in a thorough **mapping of our foreign suppliers** and the production processes. This process involved not only the 281 1st-tier suppliers (Tier 1), such as garment manufacturers, but also about 200 2nd-tier suppliers (Tier 2), such as weavers and factories performing wet processing. We thus

assessed potential risks for the four relevant environmental impact areas and identified opportunities to further our sustainability goals throughout our value chain.

Our goal for 2024 is to introduce an **advanced IT System** to track the production and distribution chain down to the Tier 2 suppliers, integrating it with product orders. This system will allow us to assess suppliers' performance with reference to orders and set us ready to implement the Digital Product Passport, an e-document containing detailed information, from its origin to its manufacture.

The traceability of the supply chain will guarantee a greater transparency to final consumers and will be a key step to meet the new regulations related to Due Diligence and Ecodesign. It is an ambitious project in which we wish to integrate all the information we gather directly from Teddy's international teams and our business partners with the data shared in the several platforms made available by the initiatives of which we are members.





In fact, we join the leading international working groups involving major brands in the industry to create a common language with all stakeholders, both in Italy and especially abroad.

As members of **Cascale** (formerly SAC-Sustainable Apparel Coalition), we are adopting Higg Index tools for assessing and monitoring corporate and supply chain performance.

Thanks to the FEM, we are able to draw a clear picture of a factory's environmental impact. Each stage of the production process is analyzed: from water use to waste management, to the use of chemicals and energy use. From the analysis we are able to determine the factors of impact and define actions for improvement.

In 2023, we involved 130 foreign direct suppliers in the mapping process. 68% of them had adopted the Facility Modules of the Higg Index. From the mapping, about 200 Tier 2 suppliers were identified, including weavers and wet processes, such as laundries, dye houses, printers, whose wet processes cause significant environmental impact. Among these Tier 2 business partners, about 50% of them had already adopted the Higg Index.

The use of these tools allows us to have a corrective action plan of environmental practices for our suppliers, and we are investing to ensure a more widespread adoption.



## Cascale, Higg Index, the FEM and FSLM to improve impacts in the value chain

**Cascale** (formerly SAC-Sustainable Apparel Coalition) is a coalition dedicated to driving sustainability in the textile and apparel industry.

Members represent every link in the global value chain. Its recent rebranding is aimed at creating a movement that shapes a more responsible fashion industry through collective action. Its mission is to reduce social and environmental impacts by using the Higg Index suite of tools, designed and developed over the years to set a standardized sustainability assessment tool to address common environmental and social challenges in a more inclusive way, involving brands and manufacturers as well as consumers, governments and NGOs.

**Higg Index** is a suite of key tools developed by Cascale to assess and manage the sustainability practices of brands and textile factories to prevent duplication by optimizing the process of information sharing. There are several modules in the Higg Index, including the Brand & Retail Module (BRM), the Facility Environmental Module (FEM)

and the Facility Social & Labor Module (FSLM), which allow the environmental and social impact of factories in manufacturing countries to be assessed and improved.

The **Brand & Retailer Module (BRM)** is a tool specifically designed for companies operating in the apparel, footwear and textile industry. It provides an assessment of sustainability practices, focusing on the key aspects for the fashion industry and for the active engagement of suppliers.

This tool helps companies to collect data, analyze performances and implement strategies to reduce environmental impact, improve working conditions in manufacturing sites and promote ethical practices throughout the entire supply chain.

The **Facility Environmental Module (FEM)** measures the environmental performances in individual factories in a standardized way. Environmental management systems, energy use, GHG emissions, water use, wastewater, air emissions, waste management and chemical use are measured.

The **Facility Social & Labor Module (FSLM)** assesses social and working conditions within manufacturing factories. It analyzes factors such as respect for workers' rights, wages, quality of work and social impact on the local communities.



To learn more visit the website: <https://cascale.org/>

## Chemicals

Regarding the safety of the finished products, we have long established the [Restricted Substances List \(RSL\)](#) of hazardous chemicals, requiring compliance with limits beyond those enforced by international regulations and stringent compliance criteria. We test all items where potential toxic or harmful chemicals are detected. We adopt selection criteria for materials to be tested so that all the most hazardous variables and 100% of materials for kidswear are covered.

We pay special attention to **the use in processes of chemicals that are potentially harmful to the environment and people**, so in addition to the FEM, we've required suppliers to adopt ZDHC protocols and the connected shared portal "ZDHC GATEWAY". By 2023, 81% of the mapped wet plants had undertaken the ZDHC pathway.



## ZDHC: Driving the production chain towards a more responsible use of chemicals

We do not stop at chemicals detected in products, but have extended the analysis to all substances used in the processes of our supply chain by joining the Zero Discharge of Hazardous Chemicals (ZDHC) program since 2021. ZDHC is a foundation that includes more than 170 companies representing the supply chain of the textile, apparel and footwear sectors, i.e. brands, suppliers and chemical manufacturers. ZDHC's mission is transparent: to help create a world in which the adoption of the highest standard for responsible chemical management leads to the safeguard of life, land, air and water.

ZDHC's Roadmap to Zero Programme, going beyond what are local legislative compliance issues, guides the industry toward eliminating harmful chemicals from its global supply chain.

It does this through two complementary key programs: Supplier to Zero and Brands to Zero. The Supplier to Zero Program focuses on assisting and educating suppliers along the supply chain, driving them to achieve chemical sustainability standards. On the other hand, the Brands

to Zero Program engages fashion brands, making them commit to phase out the use of hazardous chemicals in their products and promote transparency and accountability throughout the entire supply chain.

**Ø ZDHC**

To learn more about ZDHC please visit their website:  
<https://www.roadmaptozero.com/>

In 2023, Teddy achieved the first of the three levels of the Brands To Zero Program promoted by ZDHC, called **“Impact Pioneer”** which was previously recognized with the “Foundational” designation.

We invite our suppliers with wet processing to join the ZDHC’s Program connected to them, called Supplier to Zero. Thanks to the Program, suppliers are guided and assessed for their chemical management performance, according to ZDHC’s guidelines. The pathway for the factories involved starts with special training, for which we require the certificate of attendance.

By 2025 we aim at achieving the second level out of the three, **“Impact Accelerator”**, by committing to increasing the engagement of our supply chain.

To achieve this goal, it is essential to keep on investing in education and training of suppliers who use substances in their processes that are potentially harmful to people and the environment. Great attention is paid to laundries, dye houses, printers and tanneries.

For more information on our chemical management policy, you can consult our MRSL (Manufacturer Restricted Substances List) specifications provided by the ZDHC program and dedicated to manufacturing processes.

The use of these tools allows us to analyze the root causes leading to non-conformities and to create a corrective action plan for our suppliers. This drives us to invest increasingly more in the Program to ensure it is adopted at scale.





# ZDHC: Teddy's journey with the supply chain

Impact Story

## **SIVA PARITI**

Senior Technical Marketing Officer  
BluWin

### **How are you supporting Teddy in responsible chemical management along the entire manufacturing chain?**

BluWin is a business partner of most brand members of ZDHC and SAC (now Cascale). Our role is to connect with the partners of the supply chain of each brand and get them involved in the education and management of ZDHC schemes. When a brand becomes a member, they should meet the requirements for the standards set by ZDHC.

There are three stages in the process taken into account for each plant: input (chemicals entering), processing (use and management) and output (disposal and wastewater). Our priority is to map the entire supply chain,



which means identifying the wet processing procedures for which chemicals are used. They can be used either inside manufacturing factories or external outsourced plants.

According to that information, we provide Teddy with an analysis of data and set out a Corrective Action Plan (RCA-Root Cause Analysis) that we share with the factory in order to monitor improvements.

**Could you please explain the role played by ZDHC in the development of a more responsible chemical management for the Fashion industry?**

ZDHC was established in 2011 and the first voluntary standard was released in 2015. 10 years ago, there were no points of reference for standards to follow.

For example, which chemicals are harmful? What is not authorized to be used? What is the quantity of chemicals that can be used in the processes? How do wastewater and sludge have to be treated? These types of requirements were not standardized: each

brand could adopt different requirements and some countries did not even have them.

Before ZDHC there was no consistency among standards. Thanks to this organization the first unified standard was set for the entire supply chain in the fashion industry. ZDHC introduced the so-called Manufacturer Restricted Substances List (MRSL) for chemical “inputs”. In other words, a list of chemicals that cannot be used. ZDHC published the guidelines each factory must follow in order to manage chemicals and wastewater in a correct way. In addition to that, ZDHC developed a standardized set of requirements to calculate and measure performances.

Teddy became a ZDHC member two years ago, so it is a very “young” member.

ZDHC is a multi-stakeholder organization comprising several signatories from across the industry including Brands, Suppliers, Solution Providers and Chemical Suppliers, NGOs and educational organizations. Among solution providers, Teddy chose BluWin to be given



support in accelerating the implementation of the program and getting suppliers actively involved in the sharing of reports, certifications and the relevant tests. Each category of stakeholders must implement their own plan for improvement, going through a multi-level assessment. Teddy committed to the program called BRANDS TO ZERO, which aims at assessing some important KPIs and specific goals in the development of a responsible chemical management at each stage of the process. In line with these goals, Teddy achieved the first of the three levels of the Brands To Zero program called “Impact Pioneer” (previously called “Foundational”). The next levels to be reached every two years are “Impact Accelerator” and “Impact Champion”.

**What does it imply achieving the “PIONEER” level? And what will the achievement of the following level “ACCELERATOR” mean?**

The “Impact Pioneer” level is mainly focused on policy, its dissemination inside and outside the company and the proactive involvement of

suppliers. The next level, “Impact Accelerator”, will require Teddy to reinforce its commitment and provide the initiative with a large number of suppliers (wet process factories) committed to their specific program: Supplier to Zero. Suppliers will be required to share with Teddy all their process performances using the sharing platform called Gateway.

**What consequences may there be for a company or a supplier that does not meet the requirements to access the next level?**

If they do not raise their level in the dedicated program, they can be demoted or even lose their membership in case of negligence.

**What are the chances for Teddy to achieve the “Accelerator” level?**

I think Teddy is currently truly focused on the target. Luca Galvani (Head of the Sustainability department) and his team are doing a great job in communicating with suppliers and setting deadlines. Therefore, the difficulty





we have is only mapping all the business partners in the supply chain. I am confident because we are working hard.

We are a strong team including NimkarTek Solution Ltd, a Solution Provider with a long-standing experience in chemical management systems. NimkarTek currently helps Teddy to map and collect primary data from suppliers all over the world. They provide suppliers with quality training through an accredited training platform approved by ZDHC.

**What is the feedback from suppliers in the adoption of new practices? Do you observe an active engagement?**

This is an important question. Teddy has recently joined ZDHC, so we are still trying to understand how suppliers are dealing with this. More in general, when we talk to suppliers that already know ZDHC thanks to their experience with other brands, no specific issues are observed. There is a problem when we talk to Teddy's exclusive suppliers that have never heard of ZDHC standards.

It is quite a shock for them because chemical management is a quite difficult topic to deal with. In countries such as Bangladesh and Pakistan where there is a long-track record of supplying and suppliers are already in line with those kinds of requirements, we are required to put in a lower amount of effort. However, we must demand for transparency everywhere, so there is still a long way to go.

**In conclusion, what is the greatest challenge?**

This is a question that requires two answers: one from the brand's perspective, the other from suppliers' perspective. The greatest challenge for the brand is the commitment of its management. Teddy ensured its top management is committed to achieving the goals set. They are even building a traceability platform to allow for full transparency along the entire supply chain, therefore this challenge has been certainly overcome.

On the other hand, from the suppliers' perspective we are encountering more obstacles.



The first challenge is to make manufacturers (Tier 1) be fully transparent, as they are required to communicate with which textile suppliers and wet processing plants they collaborate (Tier 2). We often notice difficulty from their side in communicating comprehensive information and sometimes they are not aware of chemical management practices, so we must provide them with training with the support of ZDHC.

**One of the most challenging requirements we will ask suppliers to meet in the future will be the recovery and reduction of textile waste. Do chemicals negatively affect the recycling of that waste?**

When the aim is to recycle the waste generated by the production cycle, it is mandatory that waste does not contain harmful chemicals. For this reason, a circular model requires chemical management as a minimum requirement to meet.

# 2023 Impacts

- Early **mapping of Tier 2 factories** in the supply chain, involved in wet processes through our direct suppliers.
- Adoption of the Facility Environmental Module **(FEM)** of the **Higg Index** by our direct **Tier 1**, and **Tier 2** suppliers, namely wet-process facilities, such as laundries, dye houses, printers and tanneries.
- Achievement of the **“Impact Pioneer”** level the ZDHC program for the brands, called **BRANDS TO ZERO**. The Program assesses the involvement of production chains and the efforts for the dissemination of the best practices for responsible chemical management.

# Future goals

- **Advance** in the mapping of Tier 2 factories in the supply chain, involved in wet processes through our direct suppliers.
- **Keep on promoting the adoption, compilation and sharing** of the Facility Environmental Module **(FEM)** of the **Higg Index** among our direct Tier 1 suppliers and Tier 2 suppliers.
- Introduce an **advanced IT System to track** the production and distribution chain up to Tier 2 suppliers, integrating it with product orders.
- **Keep the “Impact Pioneer”** level of the ZDHC program for the brands, called BRANDS TO ZERO.
- **Achieve** the **“Impact Accelerator”** level of the ZDHC program for the brands, called BRANDS TO ZERO by 2025.

# Emission reduction. The journey to the 2031 goals

It is essential for us to make an active contribution to decarbonization to achieve the goal of carbon neutrality by 2050 set by the European Union. We have made a voluntary and public commitment to reduce absolute Scope 1 & 2 GHG emissions by 51% by 2031 compared to the base year 2019. Furthermore, by the same deadline, we have set an intensity target for a 51% reduction in GHG emissions per unit of sold product, deriving from activities included in Scope 3, that is from sources that are not directly owned or controlled by the company, such as the supply chain, transportation, product use or disposal.

To base our climate plan on a sound scientific basis, we submitted our strategy to the Science Based Target initiative (SBTi) assessment team, resulting in a commitment to monitor our progress on an annual basis.

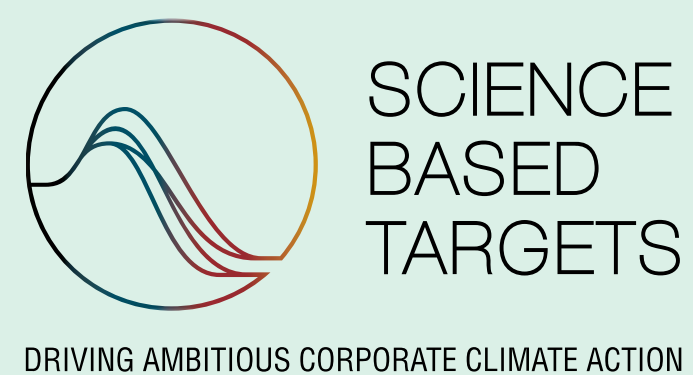


## Science-Based Targets initiative (SBTi).

The Science-Based Targets initiative (SBTi) is an initiative with different partner organizations, including the World Wide Fund for Nature (WWF), the World Resources Institute (WRI), the Carbon Disclosure Project (CDP) and the United Nations Global Compact (UNGC). It was founded in 2015 and aims at enabling businesses to set GHG emissions reduction targets so that the average global temperature rise is limited to 1.5°C compared to pre-industrial temperatures. SBTi guiding principles are based on scientific research and the goals recommended in the 2015 Paris Agreement on climate change. Through the “science-based” targets businesses are encouraged to reduce their GHG emissions in adherence to the global climate targets. This implies the adoption of measures to reduce direct and indirect emissions throughout the entire value chain.

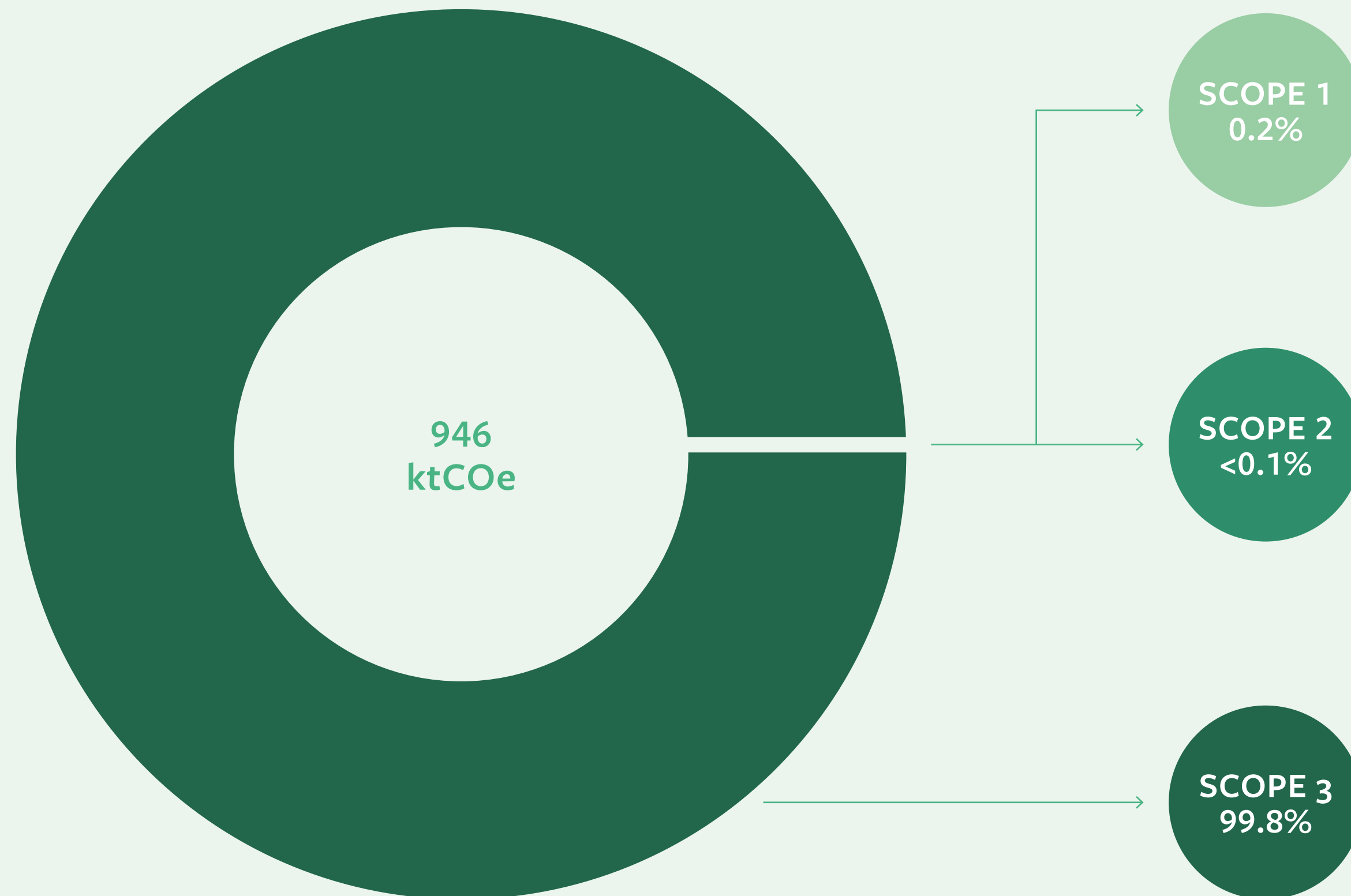
In order to join SBTi, companies must commit themselves to developing and implementing emissions reduction targets that have to be validated by SBTi to guarantee they are sufficiently ambitious and in line with global climate targets.

Since the launch of the Standard Net-Zero by SBTi in October 2021, more than 500 businesses from different countries and industries have set net-zero science-based targets. After COP28, the SBTi is on the cusp of reaching 4,000 companies with validated science-based targets, a number that has almost doubled since COP27.



To learn more about SBTi visit the website:  
<https://sciencebasedtargets.org/>

In 2024, we recalculated our emissions with reference to the previous year, measuring a total CO<sub>2</sub> footprint equal to 946kt CO<sub>2</sub>eq, which can be attributable to Scope 3 category for its 99.8%.



## CARBON FOOTPRINT 2023

### SCOPE 1

Direct GHG emissions

### SCOPE 2

Indirect GHG emissions from electricity, steam, heating & cooling

### SCOPE 3

#### Upstream

- Purchased goods and services
- Capital goods
- Fuels and energy related activities
- Transportation and distribution
- Waste generated in operations
- Business travel
- Employee commuting

#### Downstream

- Transportation and distribution
- Use of sold goods
- End-of-life treatment of products sold
- Franchising

Specifically, an 84% decrease in Scope 1 and Scope 2 emissions compared to 2019 was recorded, thanks to the decrease in the use of company cars and natural gas for heating, to the purchase of certified renewable energy from wind power sources for all our headquarters and most of our directly-operated stores, and energy efficiency measures.

We used renewable energy from wind power accounting for 96% of the energy consumption in our headquarters in Rimini and our directly-operated stores in Italy, with the aim of achieving 100% in the near future. And where the wind does not blow, the sun comes to our rescue, thanks to the expansion of the photovoltaic (PV) system installed at the logistic hub in Gatteo and the installation of two new PV systems at our headquarters in Funo, in the province of Bologna.

We've maximized the use of workspaces in our headquarters and implemented containment policies and measures to limit energy consumption to reduce waste and raise staff awareness.

Thanks to these actions, we've increased our energy efficiency, reducing energy consumption by 18% in our headquarters in Rimini and by 12% in our headquarters in Bologna compared to 2022. We also recorded a significant reduction in heating consumption, with a 45% decrease in Rimini compared to 2022.

Even in the stores we have minimized waste thanks to new energy monitoring systems installed in several Italian stores, which we aim at installing in all our stores. We've installed Building Management Systems (BMS) in 8 stores.

These systems allow energy consumption and resources to be centrally monitored and optimized, thus contributing to curb operating expenses and improve the comfort of the spaces.

In addition to that, we've installed a LED lighting system in order to maximize attention to energy consumption in both our stores and corporate offices.

For our most urgent shipping, we joined the SAF program by Air France in order to boost the use of bio-fuels with a lower carbon footprint: a project that in 2023 has resulted in 10.8-ton reduction in CO2 emissions.

Regarding Scope 3 emissions, the majority of impacts come from purchased goods and services (79.5%), followed by our franchise activities (8.7%) and the use of products sold (6.2%).

In the short term, we have not yet succeeded in reducing Scope 3 emissions, but the long-term trajectory is set: taking into account the growth in volumes expected in the next 10 years and in line with the emissions intensity target, we are going to focus our efforts on progressively increasing the purchase of more sustainable raw materials, encouraging

the use of renewable energy, whose availability is still limited in some countries, and the implementation of energy efficiency measures even in our supply chain and towards our franchisees, with whom we are going to build a common and shared improvement path.

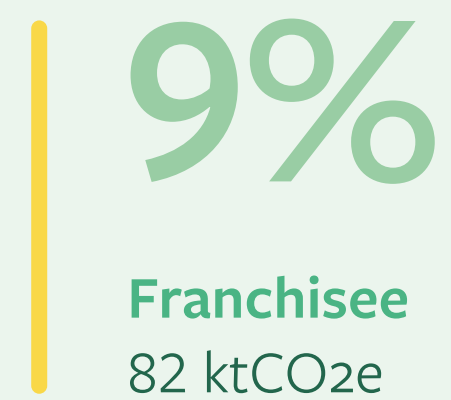
## CARBON FOOTPRINT DETAIL



Impacts from transportation of final raw materials and packaging from suppliers to end consumers.



Impacts from extraction and processing of raw materials and assembly of final products.



Impacts from energy generation and transmission for all franchisee facilities and warehouses.



Impact of machine washing and drying, ironing of garments by consumers, based on global averages.



Impacts of waste generated by retail stores, offices, warehouses, packaging, and end-of-life products.



Includes business travel, capital equipment purchases, employee commuting, and direct energy consumption.



Being aware of the relevance of our indirect emissions and how much it is important to act on the supply chain, we acknowledge that every small action can help to achieve such an important result and that each of us is accountable for such a key goal.

In 2023, we also drafted a list of exemplary sustainable behaviors, identified by the assessment of normal activities carried out in the companies with reference to the workspaces reached by people on a daily basis. A list we aim at disseminating in 2024 by encouraging everyone to adopt increasingly sustainable behaviors at every stage of their everyday life: leaving home, entering offices, accessing and using the workstation and meeting spaces, and leaving the premises.

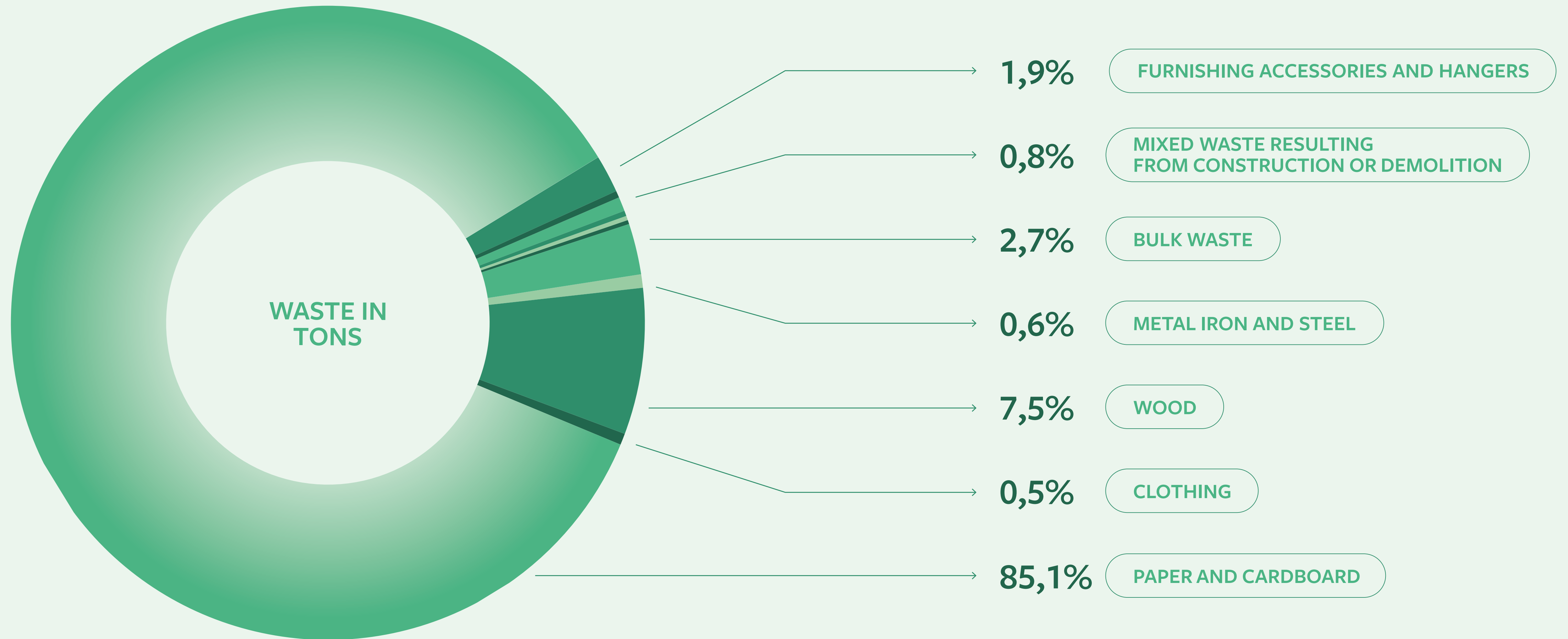
At our headquarters, 92.6% of the waste generated includes wood, paper and cardboard from secondary packaging. Paper from the offices in Rimini and Gatteo is taken to compactors instead of being thrown away through traditional collection to optimize its recycling.

In 2023, we changed the collection systems at our headquarters and logistic hub in Gatteo, increasing the number of recycling bins. We also introduced recycling bins in common spaces and shared a detailed manual on proper waste disposal in order to optimize overall corporate waste management.

Lastly, in 2023, we installed Water Machines in our headquarters in Rimini and Gatteo, thus eliminating the use of 32,000 throwaway plastic bottles (500ml) and reducing CO<sub>2</sub> emissions by 3.5 tons. By the end of 2024 we aim at installing Water Machines also in our headquarters in Bologna, reducing even more our plastic consumption and emissions.



## WASTE per composition, tons (t)



With the help of our business partner NATIVA Srl Società Benefit, throughout 2023, we also carried out an analysis of our store network we called the “Better Store Program”, aimed at optimizing impacts in 5 key impact areas: energy and air; water management; materials and resources (waste management); location and transport (a survey on commuting habits); human experience (indoor environmental quality).

The program consisted of a first stage of measurement and analysis, through assessments in our 14 most representative stores of our three brands Terranova, Rinascimento and Calliope, located throughout Italy.

In the second stage of the survey, thanks to the analysis carried out, we implemented two important tools to lead continuous improvement.

The first is the Handbook **“Green Principles for New Teddy Stores”**, geared towards the design and construction of newly built stores or the stores undergoing significant renovation works. The second is the Handbook **“Operation and Facility Maintenance Green Principles for Existing Teddy Stores”**, which aim is to manage the existing facilities and equipment through partial renovations, create and disseminate internal policies and procedures applicable to the entire store network and targeting the reduction of social and environmental impacts, as well as the improvement of users’ well-being during operation.

In 2024, we will apply these guidelines to a pilot project and later extend them to the entire existing store network. In this way, we will be able to standardize the best practices in the design, building and management procedures of our stores.



# 2023 Impacts

- **Use of renewable energy from wind power accounts for 96%** of our energy needs in our headquarters and the logistic hub in Rimini and for our directly-operated stores in Italy.
- **Increase in energy efficiency:** reduced energy consumption by **18%** in our headquarters in **Rimini** and by **12%** in our headquarters in **Bologna** compared to 2022.
- **Significant reduction in heating consumption:** 45% decrease in Rimini premises compared to 2022.
- **Installation of Building Management System (BMS)** in 8 of our stores.
- **Installation of grid-connected micro filtered water dispensers** in Rimini and Gatteo headquarters.
- **Launch of the “Better Store Program”** through the measurement of environmental impacts of 14 representative stores of our brands throughout Italy.
- **Drafting of the tools “Green Principles for New Teddy Stores” and “Operation and Facility Maintenance Green Principles for Existing Teddy Stores”** to improve social and environmental impacts throughout the store network.

## Note

The data shown are the result of internal monitoring and Teddy takes full responsibility to prove their truthfulness.

# Future goals

- **Reduce Scope 1 and 2 emissions** by 51% by 2031 compared to base year 2019. Reduce Scope 3 emissions per product sold by 51% by 2031 compared to base year 2019.
- **Introduce an application grouping together all the summary (environmental) indicators for Scope 1, 2 and 3** through the collection of primary data in order to monitor the trend of environmental KPIs and at the same time feed into the reports required for the sustainability report and carbon footprint.
- **Kick off** of program to reduce environmental impacts generated by key suppliers based on data obtained through Higg FEM
- **First application pilot** of the “Green Principles for New Teddy Stores” and “Operation and Facility Maintenance Green Principles for Existing Teddy Stores” to the entire store network.
- **Install water machines** in the Bologna headquarter as well, reducing even more plastic consumption and emissions, allowing the bottles’ refill.
- **Install new photovoltaic systems** in our headquarters in Bologna and in part of the directly-managed stores.



# Better store. A project today to build tomorrow

Impact Story

**MARCO VALENTE**

Teddy Facility Management Manager

**What drove you to launch a Programme to improve the environmental impact of Teddy stores?**

The project stems as a natural evolution of the principles of sustainability characterizing our business philosophy. Teddy has always promoted a virtuous business model, aimed at protecting people and the environment inside and outside the company.

We regard it as paramount to redesign our points of sale in terms of sustainability, because they represent our company all over the world. Teddy has always looked at the future, but the future depends on the decisions we take today. It is from this awareness that the Better Store Programme was created.



In the past we had already identified some areas that, in our opinion, had to be improved from a store life cycle perspective, and this program accelerated our intervention.

### **What were the main steps over this journey?**

The program consisted in a first stage of measurement and analysis. We identified the most representative stores for the three brands Terranova, Rinascimento and Calliope and selected 14 of them, located all over Italy. Assessment categories were later identified, that are the 5 key impact areas: energy and air; water management; materials and resources (waste management); location and transport (a survey on commuting habits); human experience (corporate environmental quality).

Therefore, inspections were carried out in the several points of sale to assess their requirements and, after that, a report was prepared with the data collected through an ARC system, a digital platform collecting and using reference data and values to measure and improve the sustainability performances

of the built environment. Lastly, we identified the strengths and the improvements to be made in our stores in terms of sustainability.

The results led us to draft the “Green Design Principles and Operating Guidelines”, with the help of Nativa, providing detailed handbooks for new stores and for the existing ones.

The first Handbook focuses on the design and building of new stores or of those undergoing significant renovation works. The second Handbook aims at managing facilities and equipment already in use in the store, through partial intervention, as well as at developing and disseminating internal policies and procedures to reduce environmental impacts and improve the well-being of users during daily management.

In 2024, we will apply these guidelines to a pilot project and later extend them to the existing store network. In this way, we will be able to standardize best practices for the design, building and management procedures of our stores.

The application of the “Green Design Principles



and Operating Guidelines” makes it easier for us to choose a Green Building standard to adopt. In some selected stores, we will evaluate to obtain LEED environmental certification (Leadership in Energy and Environmental Design), which is the most used and acknowledged Green Building protocol with reference to sustainability at an international level.

This certification is based on a voluntary program that certifies compliance with certain environmental and social criteria that can be applied to any type of building and refers to their entire life cycle, from design to construction. The LEED Green Protocol acknowledges the performances of buildings in key areas such as CO<sub>2</sub> emission reduction, the improvement of indoor environmental quality, materials and resources used, the design and the site choice.

The certification is based on a checklist divided into several categories: when meeting all the prerequisites and summing up the credits awarded in each category, an overall score is obtained that certifies the performance achieved by the building in terms

of environmental sustainability and determines the LEED certification level awarded (Certified, Silver, Gold, Platinum).

**What emerged from the first measurements? What strengths did you find in the stores and what can improvements be made?**

According to the ARC Performance Score of the 14 stores inspected, the average score of the 2023 project was 60/100. At the beginning of our measurements, many criteria for our points of sale could already be met. Over 90% of indoor spaces are mechanically ventilated according to LEED requirements, and high-efficiency filters and automated management systems were adopted. The lighting design is in line with the strictest regulations in terms of reduction of energy consumption.

We use an increasingly higher percentage of energy from renewable sources with guarantee of origin. Furthermore, we extended the life cycle of the furnishings. Some requirements however never depend on our will, but rather on the context in which the point of sale is located.





What emerged from the first measurement is that we have to systematically improve data collection in order to monitor and progressively reduce (energy and water) consumption and waste generation. It is also paramount to draft and disseminate the policies on the design, building, management and maintenance of stores, according to sustainability criteria, to all the directly-operated and franchised points of sale. The goal is to promote the best practices that may lead to a greater acknowledgement of the actions undertaken and greater involvement of internal figures. It will be equally essential to introduce best practices such as water saving devices and flow meters.

The choice of materials for the points of sale is also highly important and must be carefully managed, giving priority to the use of recycled or reused materials, locally sourced and certified for using as little energy as possible throughout the supply chain, and the use of FSC® certified wood and of lower impact materials.

With reference to internal environmental factors,

the need arose to ensure adequate levels of air quality and guarantee thermal and visual comfort in our stores.

### **What were the most important critical issues you had to deal with?**

The most critical issue concerned data collection, because the ecosystem in which we operate has still proved to be inadequate for the development of this type of project.

It was not possible to find waste data on the entire network of stores because we do not have tracking or direct contact with contractors, as is the case in shopping centers.

We started a pilot of about 10 days on a selection of stores to gather more information on the issue and to identify points of improvement and gaps to be compensated.

Finally, we encountered difficulties in some “inherited” points of sale, where the pre-existing electric system was maintained, which did not make some data necessary for measurement available.



### **What are the future challenges for the stores with reference to sustainability?**

We have to focus on strengthening the accountability activities of all the people working at Teddy, starting from directly-operated stores up to the engagement of all our affiliates.

It is important to keep on investing in education and individual accountability to make everyone understand the importance of this project, the LEED Green certification, and, more in general, of our commitment to sustainability. In particular, we are focusing on the training of store managers to raise awareness on the issues of consumption and correct store management.

The outlook is the development of a change-oriented corporate mindset: it is a great challenge, we are aware of it, but it is a necessary process for the creation of a sound culture of the store managers, which will allow us to achieve optimal management of the environmental impact in all our stores.

everyone can

# Care for people



# The context and the challenge

We are a company inspired by a strong sense of belonging that fosters shared experiences among people, thus creating community education. Through our brand initiatives, collections, and the work of our stores, we promote an inclusive idea of fashion, knowing that the value we generate is intrinsically connected to the collaboration with our employees, business partners and customers. At Teddy, we open the doors to those who are looking for an opportunity to grow and for a place where to feel at home.

We are aware of how important the value of each individual is, so we work with the intent of creating an engaging workplace, based on collaboration and continuous growth. We do all this by supporting the desire of those who, together with Teddy, want to build something great, fostering innovation and resourcefulness, as we are aware that everyone, by doing their own, even small, part, can always contribute to making a better world. At Teddy, everyone is encouraged to express their potential, by contributing to the growth of the group. We carry forward the Dream of a company that wishes to grow to care for the community as well. Among the initiatives we support,

in line with our Dream, we are particularly committed to protecting the community, giving our contribution to countering social injustice and promoting equality.

We believe that generating value is our responsibility to a community that has allowed us to grow over the years.

Our bond with the communities and the local areas in which we operate is expressed through our investment in social responsibility. Every year we work on many local, national and international initiatives that have the common goal of supporting vulnerable people in need.



# For others, supporting everyone: Teddy's social impact

Commitment to social responsibility has been ingrained in our corporate culture since Teddy's origins. Giving for us is not a moral duty, but a great opportunity to experience one of the most important pillars of our corporate identity, that is the beauty of selflessness. A natural vocation enshrined even more concretely with the establishment of Gigi Tadei Foundation in 2014, part of the shareholding structure of the Teddy Group.

Still in 2023, we have pursued what, for all of us, is a fundamental challenge, that is to lead the change because the world can become more socially sustainable precisely thanks to the direct and concrete commitment of each of us.

In line with the goals of the Strategic Sustainability Plan 2021-2025 in which it is included, the Corporate Citizenship Scheme is based on the value of giving, aiming at creating a corporate community conscientious about others' needs, with particular attention to the education of young people and the inclusion of vulnerable people in the job market.

This program continues to be an important tool for measuring the activities we carry out and organizing our social commitment necessary to achieve two major goals of change: the first concerns ethics and corporate responsibility which we try to pursue by working together with our collaborators to meet the needs we encounter; the second, on the other hand, concerns the impact on communities, through collaborations with charitable organizations operating both in Italy and abroad.

In particular, thanks to the Induction project, which provides a day of introduction to our corporate identity to the newly hired at our headquarters, the group's social commitment is presented and guests from different charitable organizations are invited to share their experiences. In 2023, 90 people participated in the program. On a Likert scale from 1 to 5, the average rating was 4.7.

We carefully assess the impact of our initiatives, constantly

monitoring their progress and the results achieved, both direct and indirect. The assessment is supported by active listening and interaction with beneficiaries, allowing us to make corrections and improvements to maximize the benefits generated.

The relationship with nonprofit organizations is closely connected to the sharing of the values cherished, and is based on collaboration throughout the life of the project. At an international level, in 2023 the largest project Teddy and the Tadei Foundation jointly share was brought forward: the **Rainbow project**, an initiative of the Pope John XXIII Association, launched 30 years ago in Zambia and later extended to other countries. The aim of the project is to support children in need and orphaned by HIV/AIDS through nutritional and educational support programs and microcredit schemes for families. Another important collaboration is the one that Teddy and the Foundation continue with the world

of education: in particular, the support that has been given over the years to **Karis Foundation schools** in Rimini and **Misha de Vries school** in the Netherlands, aware of the value of every child's right to study and the opportunity to foster a positive education useful in forming men and women of tomorrow.

Parts of the profits was further distributed to two other charitable organizations: the Sisters of Charity Association of the Assumption , a female religious congregation within the Catholic Church operating in the field of home-based care in Italy and Spain; the **Pro Terra Sancta Association**, a nonprofit association that works in the Middle East to promote and implement projects to preserve and enhance the cultural and natural heritage, support local communities and help in humanitarian emergencies.

We are closely linked to the territory of Rimini and the Romagna Riviera. This is one of the reasons why in recent years Terranova has been supporting **Fondazione Cetacea**, a non-profit organization committed to protect the marine ecosystem in the Adriatic Sea and rehabilitate animals in distress, especially sea turtles and cetaceans.

In addition, we are committed to promoting a healthy lifestyle that prevents youth discomfort by funding the **Polisportiva**

**Stella**, a sports association that, thanks to sports, welcomes about 600 children and teenagers from the age of 6. Our support is not just financial: we donate leftover fabrics, garments or semi-finished products from our tailoring department to charitable organizations in the area of Rimini that turn leftovers into small goods manufactured by vulnerable people. In 2023, we donated a total of 2,100 kg of fabric, creating job opportunities for these people and at the same time achieving a reduction in waste .

In Italy, in 2023, we **launched corporate volunteering scheme**, an activity proposed to our employees during office hours so that they can experience the beauty of donating their time and energy, collaborating with non-profit organizations in their activities.

Volunteering involved 542 collaborators (for a total amount of about 722 hours donated) in activities such as free study support for secondary school students with the association **Portofranco**, where volunteers gave their free time to help students in need to study.

In Rimini, they can also volunteer at the agricultural association **“Mille Orti”** , which supports people with intellectual disabilities by cultivating fruit and vegetables, carrying out preparatory works for job placement. Also in 2023, we participated in the **National Food Collection**

**Day** organized by the non-profit Food Bank Foundation, a charitable association collecting food for those in need.

Many colleagues volunteered at a supermarket in Rimini. They distributed flyers and information envelopes, collected and boxed basic food items that were donated by the store's customers. Terranova was the main sponsor of the event.

We also re-enacted the corporate collection in support of the Food Bank , involving our employees and inviting them to donate non-perishable foods to the collection points in our headquarters. For the first time, besides launching the initiative at our headquarters and directly-operated stores, we have extended this opportunity to our franchisee stores.

Teddy employees have the opportunity to promote projects and campaigns to help those most in need, and at the same time are encouraged to directly participate in volunteering experiences with different social organizations and in connection with local, national and international initiatives.

There are several programs we propose to our employees to incentivize them to donate their time with the goal of building something great, sharing something of themselves with the people who work at Teddy. Furthermore, we invite our collaborators to devote their time

to young people through specific Transversal Skills and Orientation Pathways, in collaboration with Rimini schools, involving high school students in training paths within Teddy Group. 16 courses were organized in 2023.

Another activity that generates hours of volunteering is the one promoted by the trilatering **department**. For the initiative, Teddy sewers are involved in the repairing of items of clothing from our collaborators and in exchange donations are made to A.R.O.P (Pediatric Onco-Hematology Association in Rimini), an organization supporting children with oncological diseases hospitalized at the Rimini hospital and their families.

Last but not least, again in 2023, we promoted the “Teddy supports those who are close to your heart” call, **an important initiative that allows employees to propose projects of social realities where they are personally involved or that support a family member, with the possibility of obtaining financial support from the company**. In this way, we can also foster a corporate community sensitive to the needs of others and highlight the social commitment of our employees to contribute to build a better world. In 2023, 19 applications came in for the call and Teddy allocated € 24,000 to support up to 12 charitable organizations recommended by employees.



# Gigi Tadei Foundation

The Gigi Tadei Foundation was established in 2014 and included, along with the other daughters, in the corporate structure of the parent company T&M Holding S.p.A., in memory of Luigi Tadei, Vittorio's son who passed away in 2006.

It aims to preserve, continue and actualize the special passion Vittorio and Luigi Tadei had for young people and the underprivileged through supporting charitable projects in Italy and all over the world. The role of Gigi Tadei Foundation, as a shareholder of T&M Holding S.p.A. Group, represents a formal, regular and lasting commitment by Teddy to donate part of the profits made for charitable purposes.

Although the Gigi Tadei Foundation is a separate entity from Teddy, it plays a key role in guarding Teddy's Dream,

accompanying charitable and social works through the dividends received derived largely from Teddy's profits.

Teddy's employees are supporters and protagonists of this mission, since thanks to their work it is possible to fund the charitable organizations supported by the Foundation.

The Foundation fulfills its purpose through meeting, accompanying and supporting several projects proposed by solidarity and educational organizations with the aim of helping them to achieve their ideal goals and make themselves financially independent.

In addition to the aforementioned Rainbow Project, the main projects supported by the Foundation are the schools of the Karis Foundation, the Polisportiva Stella



Sports Association, and also the Social Cooperative "Amici di Gigi", founded by Valerio Tomaselli, one of Luigi Tadei's friends. This friendship is the ground on which the organization was built, which today welcomes and supports children, teenagers and disabled people offering them help, friendship and welcoming places.

In 2023, the Foundation allocated a total amount of € 700,000 to 15 charitable organizations.

In addition to that the Foundation also promotes projects and events aimed at fostering the growth of a culture of acceptance for young people and the underprivileged in educational, social and corporate environments.



# 2023 Impacts

- **Amount of direct donations made by Teddy:**  
€ 475,600 The amount includes also the valuation of donations in kind.
- **Main organizations supported:**
  - Karis Foundation
  - Rainbow Project -  
Sharing among the people - APG XXIII
  - Sisters of Charity Association  
of the Assumption in Naples
  - APS Portofranco Rimini
  - ADS Polisportiva Stella
  - Misha De Vries School
  - PRO TERRA SANCTA Association
  - Portofranco Association in Milano
  - Cetacean Foundation
  - Food Bank Association
  - UNICEF
- **542 collaborators** involved in **volunteering** activities, for an overall number of about 722 hours of voluntary work donated.
- **Regular training** for newly hired employees on Teddy's values and social commitment, focusing on the Corporate Citizenship Scheme.

# Future goals

- **Increase** the number of collaborators involved in volunteering activities through new experiences.
- **Launch** a new edition of the tender "Teddy supports those that are close to your heart".
- **Promote** procedures and tools facilitating the full inclusion of disabled people within the organization, just like described in our Dream.
- **Activate** a career orientation path for NEET people (Not engaged in Education, Employment or Training) in order to teach and communicate to them the passion for a job.



**Call for Supporters:**

# Teddy supports what is close to your heart

Impact Story

**IDA TUCCI**

Gigi Tadei Foundation Representative

**How did the initiative of the call for Supporters begin and how was it proposed?**

The Corporate Citizenship Scheme also proved to be a key tool for Teddy in 2023: it made our employees play a leading role in the experience of self-giving, with the aim of bringing out the attention to the other and to the communities in which they work, accompanying them in supporting the projects they care for most. When some of them were engaged in an activity in which they were directly involved in the work carried out in a charitable organization, we invited them to apply for the Collaborators' Call , submitting a project linked to the organization with the aim of requesting the company to give a contribution of € 2,000.



### **What are the main features of the call and how can collaborators apply?**

Each employee of the Teddy Group working in Rimini, Bologna, Gatteo, San Marino, Fano, Cernusco and in Terranova, Calliope and Rinascimento directly-operated stores can recommend up to one charitable organization filling out the specific application form.

To participate in the call, the collaborator recommending the charitable organization must meet at least one of the following requirements: having supported or supporting from a financial point of view the named project; volunteering with the charitable organization promoting the project submitted; collaborating or benefitting from the activities of the charitable organization.

The project receiving the funds from the call cannot be nominated by the collaborator for two consecutive years. Once all the application forms have been submitted, the requirements of the several projects are assessed and finally the winners are drawn.

### **What are the winning projects of the Supporter's Call for Proposals in 2023 and what are they specifically about?**

In 2023, 11 projects were selected to be awarded the contribution: 5 in the social field, 3 in the field of scientific research and 3 in the environmental field.

The first is **Rimini for Mutoko**, an association promoting and carrying out social solidarity projects in Italy and abroad to benefit people in situations of disadvantage. After winning the bid, they thanked us for the support with the following beautiful testimony: "Among the several projects we are carrying out, both in Italy and in Mutoko, Zimbabwe, we decided to allocate the funds to the purchase of two airline tickets to bring to Italy two children who need heart surgery and who should arrive in Rimini within the next month. Once the preliminary diagnostic framing in Mutoko has been completed in Rimini, the little patients will be transferred to the cardiac surgery of the Policlinico Sant'Orsola Malpighi in Bologna, where they will undergo surgery



to later return to Rimini for their recovery period before returning to Zimbabwe. Over the years over 400 African children have arrived in Italy to undergo medical treatment. For the year 2024 our association will allocate € 25,000, indicatively referable to 20 trips so your support was truly important!”

The second project is called “**D’là de’ foss**” (Beyond the ditch) APS and is a cultural voluntary association that aims to promote a lifestyle that respect the environmental and the individual, to raise awareness among citizens and institutions on environmental issues of safeguarding and enhancing the territory , to seek a harmonious relationship with nature, to educate people on the conditions of the environment and the territory and inform them about all the projects that may change it, and to support environmental policies aimed at the ecological shift of the economy and society. Thanks to our contribution, we managed to clean up the trails around the area of Pennabilli, in the outskirts of Rimini, facilitating its function as a place of aggregation for people and preserving the surrounding park to allow

people to enjoy trekking in harmony with the nature, allowing this place to be appreciated also through the construction of a playground for children. The **Pro Loco of the town of Sogliano al Rubicone** also operates in the outskirts of Rimini. With this local association we have decided to support a project aimed at carrying out activities involving the elderly of a residential care home with the goal of engaging them in playful and recreational activities.

**RisuonaRimini** is an association gathering all the musicians in Rimini and the surrounding areas who write original music pieces, and involving other art forms such as painting, dance, poetry and photography, aims to promote and carry out events of an artistic and cultural nature in the area. In particular our support helped them to promote their project “Music for Prisons”, which involves the prisoners of Rimini penitentiary. In another city, **Riccione**, we decided to give support to the association **Punto Giovane** that works within the youth ministry of the parishes, in the urban area, and promotes playful-recreational activities with the aim of fostering



relationships among teenagers, thus offering a place where to meet and be listened to. It is an organization that pays attention to the needs of young people for a communal life, living the experience of coexistence as an educational tool.

Then there is **Bimbo tu** (You, child), a hospitality project welcoming and supporting families of patients suffering from neurological diseases in the hospitals of Bologna; and the non-profit organization **Un battito d'ali** (A wingbeat), a nonprofit association taking care of children suffering from congenital heart conditions: they try to overcome the difficulties families experience in their daily life and improve the life quality of children with heart diseases, being also active in raising the awareness on and involving people in the topic. In Bologna there are also the association **L'albero di Cirene** (The tree in Cyrene), purchasing subsistence goods for the people in need in the area, while **AGEOP Research Odv** (Pediatric Hematology Oncology Parents Association), is involved in scientific research for pediatric oncology, taking care of children

and young people with cancer undergoing treatment at the Sant'Orsola Polyclinic.

**Onions Baskin**, in Santarcangelo di Romagna, is a sports association organizing inclusive "baskin" championships in collaboration with associations of wheelchair players.

Baskin stands for "inclusive basketball" in Italian, a sport similar to basketball that was created to allow able-bodied people and disabled people to play together, on the same team. The game allows players with any type of disability to play, as long as they are able to shoot hoops.

Finally, closing this account of the winning projects, there is the social cooperative **Il Cigno**, in Cesena, taking care of the elderly, which uses our contribution as a support to their daily entertainment activities.

# Towards a more sustainable supply chain

In our interaction with suppliers, we are committed to respecting the value of their work and sharing responsibility for current impacts along the entire value chain.

Together, we work towards common goals of constant improvement of environmental impacts and working conditions in local communities, both in Italy and in the developing countries. Through active collaboration, we are able to share our expectations and understand the challenges they face.

First of all, in order to improve, it is essential to know the entire value chain. To be able to keep on generating a positive impact for people, during 2023 we invested in a thorough mapping of suppliers and of the production processes within them. This process involved 130 Tier-1 suppliers, such as garment makers, as well as about 200 Tier-2 suppliers, such as weavers and factories performing

wet processes. We thus identified opportunities to further our sustainability goals throughout our value chain.

During 2023 we have further reinforced the monitoring process of our supply chain, from the selection through evaluation, to continuous improvement of social and environmental performances.



Our **ESG Policy** guides engagement and decision-making toward greater understanding and application of social and environmental standards.

Our **Code of Ethics** describes the values that inspire and guide our actions and the operating principles we intend to share with our suppliers through the **Code of Conduct**.

All our suppliers are required to sign the Code of Conduct annexed to the supply agreement, to ensure compliance with minimum standards on human rights, working conditions and environmental practices. The Code of Conduct draws inspiration from the most important international standards on social compliance and workers' rights (SA8000, ILO and UN Global Compact). The Code provides for workers of the entire supply chain to be informed about the principles described therein and their rights, as well as a mechanism through which they can directly report alleged or actual violations of it to Teddy.

Teddy is dedicated to work with suppliers that, by signing the Code, guarantee transparency and access to inspections, especially in developing countries where regulations and laws often do not guarantee that the principles contained in our Code of Conduct are met; constant monitoring and training are therefore needed.

For new suppliers an **initial assessment** is planned, which will be carried out by Teddy team or by our Solution Provider in order to assess compliance with the standards. Each new factory must be submitted and pass a preliminary assessment on social and environmental criteria before being approved as a reliable supplier. About 90% of garments produced by new suppliers are covered by an initial assessment or already comply with internationally-recognized audit protocols such as BSCI, SMETA, SLCP and BETTER WORK.

By means of a detailed and targeted checklist and in accordance with the Code of Conduct, we regularly conduct **audits** at factories, both with internal teams and independent inspection bodies internationally recognized, interviewing workers, management and analyzing documents on-site documentation to verify compliance with strict social practices. We carefully inspect workplaces and facilities to check issues linked to the safety of workers and of the buildings.

According to the results, we assign a **rating** to suppliers. In case of non-conformities, we share a **corrective action plan** with the supplier and work to support its implementation, involving not only factory managers but also workers, encouraging them to report any risks or issues. A direct relationship is the key to social compliance: we maintain frequent and personal relations personally with our



suppliers through on-site visits to drive partner factories towards expected improvements. We address any resistance through dialogue, highlighting short-term and long-term benefits, with the goal of building lasting collaborations based in mutual trust. In addition, we schedule regular training sessions and seek to stimulate active involvement, with the aim of creating shared value.

We therefore conduct regular plenary meetings with suppliers and factory managers to create an ever-closer relationship to achieve sustainability goals and not just technical and production aspects.

Besides the structure of the audit scheme, suppliers are also involved through international initiatives and working groups in which Teddy is engaged and which provide specific platforms for engagement and data collection:

- **GFA - GLOBAL FASHION AGENDA** with the Circular Fashion Partnership Initiative for the management of post-production waste;
- **Cascale (formerly SAC)** to use the Higg Index to receive suppliers' data on social performance (Higg FSLM module) and environmental performance (Higg FEM module);
- **ZDHC** with its Supplier to Zero Program and the use of ZDHC GATEWAY platform;
- **TEXTILE EXCHANGE** for product certifications.





The path we have taken drives us to aim to have all our suppliers achieve a rating between A (outstanding) and B (excellent).

Rinascimento's supply chain is today mainly located in Italy and our suppliers collaborate with many small and independent workshops. We are concentrating our efforts so that these collaborations are integrated by sound principles of sustainability. To effectively drive these businesses towards a gradual yet decisive change, it is essential to take into consideration the peculiarities of these small realities and understand all the factors regulating their business relations. It is a great challenge, which benefits from the active discussion and dialogue with our suppliers that allow us to share each other's experiences, points of view and above all strengths to make constant improvements.

To prevent inefficiencies and create a common language with all the stakeholders involved, both in Italy and abroad, we adhere to globally recognized and systemic initiatives. We are members of Cascale (formerly SAC) and are disseminating the Facility Social & Labor Module (FSML) tool to guarantee full adoption among our suppliers who wish to be transparent to brands about their social performances. We are also promoting the adoption of the international SLCP (Social Labour Convergence Program) audit protocol that uniformly assesses the social aspects in accordance with

the standards and is recognized and converted directly right into the Higg FSLM.

In 2023, we involved 130 foreign direct suppliers in mapping. 68% of them had adopted the Higg tools. The mapping showed about 200 Tier-2 suppliers, including weavers and suppliers with wet processes. Among those Tier2 partners, a percentage of about 50% had already adopted the Higg.

The use of these tools allows us to have greater transparency of social practices from our suppliers, and we are investing to ensure increasingly widespread adoption.

As Teddy team, we observe a progressive yet steady change, confirming that we are on the right track.

Both brands and manufacturing factories use the data collected to identify strengths and weaknesses, as well as implement jointly defined corrective actions aimed at improving environmental and social performances across the entire value chain. Measures taken may include adopting more efficient technologies, the promotion of safe and fair working conditions, and investments in local communities.



# 2023 Impacts

- **Begin of Tier-2 suppliers' mapping.**
- **Increased dissemination of Higg FSLM** Module among suppliers abroad.
- **77% of garments produced by audited suppliers** come from factories rated A-B-C on a scale of "A" to "E"
- **Organization of training and improvement programs** on social and environmental issues targeting suppliers.

# 2024 Goals

- **Progress in the mapping** of Tier-2 suppliers.
- **Increase the dissemination** of the Higg FSLM.
- **Increase the dissemination** of the SLCP protocol,
- **Introduce an advanced IT System** to track the supply chain up to Tier-2 suppliers, integrating it with product orders. This system will make us link suppliers' performances to orders and, in the future, create a Digital Product Passport complying with the new regulations that will enter into force.
- **Join the Employment Injury Scheme** (EIS) project promoted by the International Labor Organization (ILO) in Bangladesh, an initiative aimed at providing social protection to workers against employment injuries and occupational diseases. *sul lavoro e le malattie professionali.*
- **Set an impact benchmark** on Tier-2 suppliers.
- **Create a central system-based database** on the social auditing performances of factories, adopting an assessment matrix revised according to and in line with the most accepted international standards.

# The people who build Teddy every day

Teddy aims to be the ideal place for those who are looking for a meaningful job career, an experience that adds taste and flavor to existence, beyond the individual dimension, where results go beyond numbers.

Vittorio Tadei understood that for a company to last, it needs the people managing it to understand their value, their desire for happiness, to give everyone the opportunity to fulfill, improve and achieve excellent results, whatever their starting condition. In short, a place in which to grow from a human and professional point of view, and in which to raise future generations as well.

As a group we are also expanding in numbers: in 2023 we created 249 new jobs, +12% compared to the 2022 workforce. It is extremely important that every person joining our company is attracted by Teddy's Dream and may contribute to building a safe, inclusive, collaborative

workplace, grounded on the value of people and the trust placed in them. Out of this profound need came the Induction project, dedicated to the newly hires at our headquarters, which in 2024 will also extend to store associates. . In 2023 the project involved 90 people.

It is a path that allows new colleagues to get straight to the heart of the company, its history and culture, with the effort of conveying to them the values of the Dream, Teddy's social commitment and the Foundation. These are days when colleagues are introduced to our reality and immersed in the history of some of the charity organizations with which Teddy collaborates with, thanks to the dialogue with the people who are part of them, with the aim of achieving a true sharing of experiences.

Teddy keeps on promoting a corporate culture focused on an entrepreneurial spirit, widespread leadership and



teamwork. Our core values, passion and people's sense of belonging have always guided our actions. We have maintained a strong commitment to fostering individual and collective growth, emphasizing the importance of the development and acknowledgement of talents and future leaders.

To guarantee continuous professional development, we encourage individual entrepreneurship with the goal of growing both personally and professionally. In 2023, the process related to the People Development Plans went on, which provides for professional advancement against a specific skill level. This process was further improved, by including additional intermediate steps of growth in the path, so as to motivate our employees even more. The People Development Plans for people went on being developed, which aim to close training gaps and facilitate career advancement. Each year the plan is to work on 2

or 3 skills through different methods: learning on the job, mentorship with the manager or training course.

In addition, in 2023 reform of the remuneration package was envisaged, again with a view to increasing employee motivation and satisfaction.

In line with the commitment to sustainability, during 2023 we invested in the training of our headquarters and store staff. The 400 colleagues in the product teams, store managers, buyers and production managers were trained in presence, with sessions held by the corporate sustainability team for a total of 800 hours of training dedicated to developing a culture of sustainability that increasingly guides our daily decisions.

Furthermore, we introduced a digital training tool, YOOBIC, to facilitate communications between headquarters and stores. It is a multifunctional platform for the hands-on experience of employees, a mobile app created for different industries, including retail. YOOBIC provides business leaders and frontline teams with useful tools to communicate, train and effectively manage activities and processes.

Thanks to streamlined communications, microlearning and digitized task management, the tool drives operational excellence while drastically improving the frontline employee working experience.

We introduced new initiatives including the book tour on our founder's book "The minority shareholder", which was launched in 2023 and continued through 2024, with events in 7 Italian cities and involving more than 600 people from our sales network. This book tour aims to make colleagues working in the stores learn even more about the origin of our company, its purpose and values. Moreover, we have created a community among all coordinators of the companies of the group in Italy, with the aim of increasing mutual knowledge and synergy between their skills to improve the effectiveness of their work in the company.

We deem it important to take care of all the people who collaborate with us and contribute to their well-being.

We do it by ensuring the health and safety of our employees. Teddy promotes a safe and healthy workplace, educating, informing and training employees about the risks in the workplace and the measures to be taken to minimize or prevent those hazards.

We also take care of people by paying special attention to families. Therefore, we offer dedicated care services such as the company day-care center in Rimini and a subsidy for the after-school activities and summer camps, to help employees who have children. In 2024 we also aim to launch a parenting

support project for the childhood and adolescence stages dedicated to employees.

We are committed to guaranteeing full transparency and fairness in all the working procedures, respecting every possible difference in terms of nationality, age, gender, identity, religion, sex orientation, skills. We continue to track and formalize specific metrics on diversity, equity and inclusion.

# 2023 Impacts

- **90 people involved in the Induction program.**  
Average appreciation rating of the participants was 4.7 on a Likert scale from 1 to 5.
- **576 employees trained** on diverse skills during the year (24% out of the total number of employees).
- **400 people involved in in-person training courses on social and environmental topics** with sessions held by the corporate sustainability team, for a total amount of 800 training hours dedicated to the development of a sustainability culture.
- A total of **32,570 training hours** provided.
- **195 employees** who benefitted from **parental leave** (159 women), 94% of them returning to work full-time.

# Future goals

- Increase the **satisfaction of workers** according to the results of the surveys on the working environment, with the aim of achieving 60% of workers satisfied with their job by 2026.
- Further **extending the pool of workers** accessing training.
- **Formalization** of the diversity and inclusion policy.
- **Schedule meetings with workers** about personal development topics, such as parenting and psychophysical well-being.



# Community and sense of belonging: the Induction project

Impact Story

**GIORGIA ZURLO**  
HR Retail Training Specialist  
**VERONICA PULGA**  
HR Specialist

**What motivated the creation of an Induction plan?  
How is sustainability addressed in this project?**

Those who work with Teddy belong to a community, to an extended family, to a company that allows everyone to take on new challenges, building something important for themselves and others. Social sustainability is embedded in our Dream and has always been a founding value of our corporate culture.

In 2023, 90 people participated in the Induction program; coming from Bologna, San Marino, Fano, Rimini and Gatteo. It is a path that allows the new hires to get to the heart of the company, its story and culture, ensuring a continuous transmission over time of the values and social



commitment of Teddy and the Gigi Tadei Foundation. These are days of introduction to corporate identity for new employees, in which Teddy's social commitment is presented, including through representatives of different charitable organizations expressly invited to share their experiences.

Although the training is carried out by our sustainability team, during this training day, which is held at the environmentally-certified logistics hub in Gatteo, we invite the new employees to become aware that everyone can contribute to positive change by doing their own, even small part. At Teddy everyone is encouraged to express their own potential and thus to contribute to the development and success of the group. We therefore always ask our employees what they could do to improve.

#### **What are the main steps of the Induction process?**

Sustainability at the social level is key for Teddy, so during the day we give ample space to learn about the Gigi Tadei Foundation

and Teddy's social commitment. After the initial introductions, in which we tell what we like about Teddy, what differentiates it from other companies and what we would like to improve in, we start with the company mission, explained by Alessandro Bracci, and with the more specific mission of each department.

After that, we move on to the presentation of our brands and the journey we have all taken together towards environmental, social and economic sustainability. This is followed by the video "Vittorio's places", which tells the story of its founder and the origins of the company.

Next, the manager of the Foundation, Ida Tucci, talks about the actions related to Corporate Citizenship, accompanied by a guest from one of the charity organizations we support, who recounts their experience. We later make them have a tour of the logistics hub, a final overview on Teddy figures and lastly a presentation of all the tools available for employees to work with, namely the features of our portals People Net and YOOBIC.



We tell them about the most important company events: the book tour, corporate welfare and finally the process of the People Development Plan, by mapping all the roles in the company and setting goals for each role, the macro-activities and both soft and hard skills required to fill that role.

What can certainly make a difference from time to time is the human capital we have at our disposal. People are the ones who direct the focus of the topics, depending on their curiosity and professional maturity. People often have just arrived at the company, so they express curiosities, fascinated especially by Vittorio's personality and his Dream.

**How is the program perceived by the new hires? How easy is it for them to approach the Teddy language and culture?**

For new hires, our company is very atypical from the start. Many tell us that when they arrive to interview they find colleagues outside in the parking lot already greeting and smiling at each other. This bond that arises outside

for them is not obvious because it means that inside the company we have a way of relating to work that goes beyond deadlines at the professional level.

The new hires often come from companies where this sense of belonging is missing. And here it is quite easy for them to approach Teddy's language and culture; first through their manager, who tells them about Vittorio, so an initial form of acquaintance and Induction they get in their office.

They also receive the "Welcome Kit" which contains a small backpack, a water bottle, Vittorio's book and a welcome letter from Alessandro Bracci.

**What has been the biggest challenge you have encountered?**

We are truly astonished by the practical way young people approach work, always looking for a healthy work environment. Sometimes, however, they are a bit disillusioned and it is not that easy to give a different depth to professional life. So telling the story of a company





that has so many values, that is built on the passion that unites employees and that has its strength in engaging people with these values, but at the same time projecting them into the future, is neither easy nor immediate. Paradoxically, the internal cohesion and more transversal skills characterizing Teddy, although our strength, are not found in other companies.

It is therefore essential to provide a perspective and a growth plan that people can identify with, in order to better align ourselves with today's market.

**Have you adjusted contents and modalities based on the feedback received?  
What are the long-term impacts, including from the point of view of sustainability?**

Induction is a beautiful and intense time of sharing for the new hires, but not only for them. It happened that some people who had already been working in the company for several years wished to do this experience again, to catch up on the latest developments but above restart by taking stock of our origins.

This is also the reason why the book about Vittorio Tadei was written to remind us of who we are and to understand where we want to go by starting from our foundations again, and keep on growing.

The Induction is therefore a program for the new hires but also an important time of sharing for all the people working at Teddy. It is an opportunity to exchange ideas so that we can help each other. The future goal could be to make this an ongoing event.

## ANNEX 1

# Methodology Statement

The structure of the document is based on three main chapters focusing on our three priority impact areas: governance, planet and people.

This document is published annually. The reporting boundary is for Teddy SpA alone, while the data refers to the fiscal year January 1, 2023 - December 31, 2023, and is compared with data from the same period in the previous fiscal year, where available. The Gatteo Distribution Center, all direct stores and stores operated by Teddy through franchise agreements for its brands are included in the scope.

The information reported, reported with reference to Global Reporting Initiative (GRI) standards, refers to issues identified as relevant by stakeholders following the materiality analysis. The reference to GRI Standards reflects our commitment to transparency and accountability in reporting and communicating our activities in support of sustainability.

We are currently adopting the GRI Standards. Therefore, some GRI tables and indicators may be missing or have been omitted in this edition of the report. However, it is important to note that GRI Standards are adopted on a voluntary basis, thus highlighting our commitment to constantly improve the quality and transparency of our reporting.

The topics covered in the report were identified as relevant through a materiality analysis, for which our main stakeholders were involved. The analysis allowed Teddy to pinpoint the priorities and highest-impact areas for the company, ensuring that the report effectively responds to the expectations and interests of our stakeholders.

For further information and details on the document, please contact: [info.sustainability@teddy.it](mailto:info.sustainability@teddy.it).

## ANNEX 2 - GRI CONTENT INDEX

GRI Standard	GRI Standard - Disclosure	Section
<b>GRI 2-1</b>	Organization details	INTRODUCTION - WHO WE ARE

GRI Standard	GRI Standard - Disclosure	Section
<b>GRI 2-6</b>	Activities, value chain and other business relationships	INTRODUCTION - WHO WE ARE EVERYONE CAN CARE FOR PEOPLE - Working for a more sustainable production chain.

## ANNEX 2 - GRI CONTENT INDEX

GRI Standard	GRI Standard - Disclosure
<b>GRI 2-7</b>	Employees

### TOTAL NUMBER OF EMPLOYEES PER TYPE OF CONTRACT AND GENDER

TYPE OF CONTRACT	UNIT	2021			2022			2023		
		MEN	WOMEN	OTHER (Not specified)	MEN	WOMEN	OTHER (Not specified)	MEN	WOMEN	OTHER (Not specified)
Permanent	no.	586	871	-	593	930	-	608	1.010	-
Fixed-term/temporary	no.	138	505	-	140	492	-	172	614	-
Non-guaranteed hours	no.	-	-	-	-	-	-	-	-	-
<b>Total per gender</b>	<b>No.</b>	724	1.376	-	733	1.422	-	780	1.624	-
<b>Total employed workforce</b>	<b>No.</b>	2.100			2.155			2.404		

## ANNEX 2 - GRI CONTENT INDEX

### TOTAL NUMBER OF EMPLOYEES PER TYPE OF CONTRACT AND GENDER

TYPE OF CONTRACT	UNIT	2021			2022			2023		
		MEN	WOMEN	OTHER (Not specified)	MEN	WOMEN	OTHER (Not specified)	MEN	WOMEN	OTHER (Not specified)
Full time	no.	671	1.000	-	674	1.002	-	607	760	-
Part-time	no.	53	376	-	59	420	-	173	864	-
<b>Total per gender</b>	<b>No.</b>	724	1.376	-	733	1.422	-	780	1.624	-
<b>Total employed workforce</b>	<b>No.</b>	2.100			2.155			2.404		

## ANNEX 2 - GRI CONTENT INDEX

GRI Standard	GRI Standard - Disclosure
<b>GRI 2-8</b>	Workers who are not employees

### TOTAL NUMBER OF WORKERS WHO ARE NOT EMPLOYEES PER TYPE OF CONTRACT AND GENDER

TYPE OF CONTRACT	UNIT	2021			2022			2023		
		MEN	WOMEN	OTHER (Not specified)	MEN	WOMEN	OTHER (Not specified)	MEN	WOMEN	OTHER (Not specified)
Interns/apprentices	no.	-	1	-	6	8	-	6	15	-
Agency/temporary workers	no.	21	23	-	8	13	-	5	13	-
<b>Total per gender</b>	<b>No.</b>	21	24	-	14	21	-	11	28	-
<b>Total workers who are not employees</b>	<b>No.</b>	45			35			39		

## ANNEX 2 - GRI CONTENT INDEX

GRI Standard	GRI Standard - Disclosure	Section
<b>GRI 2-9</b>	Governance structure and composition	INTRODUCTION - Teddy S.p.A. governance model

### STRUCTURE OF THE HIGHEST GOVERNANCE BODY

SURNAME AND NAME	AGE RANGE	POSITION	INDEPENDENCE	START DATE	NATIONALITY	GENDER
Bracci Alessandro	50+	Executive	No	28/06/2022	Italian	Man
Tadei Emma	50+	Executive	No	28/06/2022	Italian	Woman
Piccini Marco	50+	Non-Executive	Yes	28/06/2022	Italian	Man

### COMPOSITION OF THE BOARD OF STATUTORY AUDITORS

SURNAME AND NAME	AGE RANGE	POSITION	INDEPENDENCE	START DATE	NATIONALITY	GENDER
Bracci Alessandro	50+	Executive	No	28/06/2022	Italian	Man
Tadei Emma	50+	Executive	No	28/06/2022	Italian	Woman
Piccini Marco	50+	Non-Executive	Yes	28/06/2022	Italian	Man
Maroncelli Ivan	23/05/1968	Deputy member	Yes	26/06/2020	Italian	Man
Teodorani Francesca	10/08/1970	Deputy member	Yes	26/06/2020	Italian	Woman

## ANNEX 2 - GRI CONTENT INDEX

GRI Standard	GRI Standard - Disclosure
<b>GRI 2-26</b>	Mechanisms for seeking advice and raising concerns

Teddy's employees, including members of its strategic, management and control bodies, consultants and collaborators may send, with the utmost guarantee of confidentiality, circumstantial reports of illicit conduct relevant under may send, with the utmost guarantee of confidentiality, circumstantial reports of illicit conduct relevant under the Italian Legislative Decree n. 231/01, violations of the Organization, Management and Control Model or the Code of Ethics and the European regulations as detailed in the Italian Legislative Decree n. 24/2023.

Complaints about products or stores, mere rumors, purely personal issues or disputes, patently unfounded news, and news that is already in the public domain may not be reported.

Any written or oral report can be submitted exclusively through the dedicated ITplatform accessible at the following link: <https://teddy.secure-blowing.com>



## ANNEX 2 - GRI CONTENT INDEX

GRI Standard	GRI Standard - Disclosure
<b>GRI 2-27</b>	Compliance with laws and regulations

### NUMBER OF SIGNIFICANT INSTANCES OF NON-COMPLIANCE WITH LAWS AND REGULATIONS DURING THE REPORTING PERIOD

	UNIT	2022	2023
Instances for which fines were incurred	no.	7	20
Instances for which non-monetary sanctions were incurred	no.	0	0

### TOTAL NUMBER AND MONEY VALUE OF FINES FOR INSTANCES OF NON-COMPLIANCE WITH LAWS AND REGULATIONS THAT WERE PAID DURING THE REPORTING PERIOD

	UNIT	2022	2023
Fines for instances of non-compliance with laws and regulations that occurred in the current reporting period	no.	0	0
	Euros	0	0
Fines for instances of non-compliance with laws and regulations that occurred in previous reporting periods	no.	0	3
	Euros	0	1.059.891,00

## ANNEX 2 - GRI CONTENT INDEX

GRI Standard	GRI Standard - Disclosure
<b>GRI 2-28</b>	Membership associations

It is reported that Teddy is a member of the following associations: Confimprese, Confindustria Romagna. Moreover, it is a member of Community Retail 5.0 promoted by Teha (The European House - Ambrosetti).

GRI Standard	GRI Standard - Disclosure
<b>GRI 2-30</b>	Collective bargaining agreements

### PERCENTAGE OF TOTAL EMPLOYEES COVERED BY COLLECTIVE BARGAINING AGREEMENTS

YEAR	2021	2022	2023
Total employees	2.100	2.155	2.404
Total employees covered by collective bargaining agreements	2.100	2.155	2.404
<b>Percentage of total employees covered by collective bargaining agreements</b>	<b>100%</b>	<b>100%</b>	<b>100%</b>

## ANNEX 2 - GRI CONTENT INDEX

GRI Standard	GRI Standard - Disclosure
<b>GRI 201-1</b>	Direct economic value generated and distributed

	UNIT	2021	2022	2023
Direct economic value generated	Eurs	514.191.932,47	649.921.632,62	638.806.062,10
<b>Economic Value generated (revenues from sales and services, other revenues and income, financial income, foreign exchange gains/losses)</b>	<b>Euros</b>	<b>514.191.932,47</b>	<b>649.921.632,62</b>	<b>638.806.062,10</b>
Revenues from sales and services	Euros	483.834.408,80	607.682.311,90	605.526.887,60
Changes in the unsold stock of work-in-progress, semi finished and finished products	Euros	16.383,85	-1.747,57	159.709,40
Other revenues and income	Euros	29.751.952,00	30.776.470,00	30.194.924,18
Income from equity investments	Euros	147.378,58	10.770.791,15	1.492.634,50
Other financial income	Euros	441.809,24	693.807,14	1.431.906,42
Economic Value Distributed	Euros	485.521.745,87	607.250.384,41	601.992.921,99
Economic Value Distributed to suppliers	Euros	387.990.559,50	491.173.461,32	500.679.619,96
Consumption of raw materials and other materials	Euros	249.653.447,80	324.231.749,00	309.183.891,10
Service costs	Euros	91.815.405,63	112.456.399,41	110.642.681,14
Rentals and operating leases	Euros	49.443.295,79	63.216.672,01	73.395.255,18

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## ANNEX 2 - GRI CONTENT INDEX

	UNIT	2021	2022	2023
Changes in the stocks of raw materials, ancillary materials, consumables and goods	Euros	-11.180.401,32	-16.652.551,63	-824.408,51
Other operating expenses	Euros	8.258.811,60	7.921.192,53	8.282.201,05
Economic Value Distributed to employees	Euros	71.582.312,40	82.991.375,86	89.926.174,23
Labor costs	Euros	71.582.312,40	82.991.375,86	89.926.174,23
Economic Value Distributed to lenders (financial charges)	Euros	8.755.658,54	10.701.061,50	2.727.697,99
Interests and other financial charges	Euros	1.255.658,54	701.061,50	2.277.697,99
Economic Value Distributed to shareholders	Euros	7.500.000,00	10.000.000,00	450.000,00
Discounts	Euros	7.500.000,00	10.000.000,00	
Economic Value Distributed to the Public administration	Euros	9.692.965,43	12.114.865,73	7.735.229,81
Current taxes	Euros	9.692.965,43	12.114.865,73	7.735.229,81
Economic Value Distributed to local areas and communities	Euros	250,00	269.620,00	474.200,00
Contributions to support local associations	Euros	250,00	269.620,00	474.200,00
Economic Value Retained	Euros	28.670.186,60	42.671.248,21	36.813.140,11

## ANNEX 2 - GRI CONTENT INDEX

GRI Standard	GRI Standard - Disclosure
<b>GRI 202-1</b>	Ratios of standard entry level wage by gender compared to local minimum wage

2023		
AVERAGE LOCAL MINIMUM WAGE	AVERAGE WAGE FOR NEWLY HIRED	RATIO
1.436,6	1.807,00	79,50%
1.436,6	1.529,00	93,95%

GRI Standard	GRI Standard - Disclosure
<b>GRI 202-2</b>	Proportion of senior management hired from the local community

PERCENTAGE OF SENIOR MANAGERS AT THE SIGNIFICANT OPERATING SITES HIRED FROM THE LOCAL COMMUNITY	2022	2023
%	72	72

As “senior management” the Committee of Directors was taken as a reference, “local” refers to the town of Rimini and “significant location of operation” to Rimini corporate headquarters

## ANNEX 2 - GRI CONTENT INDEX

GRI Standard	GRI Standard - Disclosure
<b>GRI 203-1</b>	Infrastructure investments and services supported
<b>GRI 203-2</b>	Significant indirect economic impacts

Teddy investment policy is mainly oriented to the expansion of the retail network of points of sale inside shopping centers, retail parks and town centers. Therefore, most of the investments were directed to the renovation and conversions of store facilities and the installation of systems and furniture for retail management.

It may happen that, when leasing sales spaces and therefore being given the retail business licenses, Public Administration may require secondary urban infrastructure works to be carried out.

The opening of points of sale, in many cities and provinces, with also large surface areas, means hiring a large number of employees.

GRI Standard	GRI Standard - Disclosure
<b>GRI 204-1</b>	Proportion of spending on local suppliers

SPENDING ON LOCAL SUPPLIERS	UNIT	2023
Total supply spending	€	450.840.812
On local suppliers	€	164.782.600
Percentage of spending on local suppliers	%	36,55%

Note: local suppliers refer to suppliers located in Italy.

## ANNEX 2 - GRI CONTENT INDEX

GRI Standard	GRI Standard - Disclosure
<b>GRI 205-1</b>	Operations assessed for risks related to corruption

Qualitative risk assessment.

Taking into consideration the relations TEDDY has because of its activity with public stakeholders and authorities or entities and people in charge of a public service, given the risk assessment carried out, areas considered to be at risk, even though managed in collaboration or by the means of third parties, are the following:

1. Management of the relations with public entities in the procedures of opening, closing, renovation, extension of retail stores open to public or wholesale stores, also through external consultants.
2. Management of relations with public entities to be granted financial contributions, subsidies and financing (for example, for training courses), also through external consultants.
3. Management of social security costs of employees.
4. Management of public relations relevant to the employment of people belonging to categories under “protected job programmes”.
5. Management of relations with tax authorities.
6. Management of inspections and audits from public entities.

GRI Standard	GRI Standard - Disclosure
<b>GRI 205-3</b>	Confirmed incidents of corruption and actions taken

No confirmed incidents of corruption reported

GRI Standard	GRI Standard - Disclosure
<b>GRI 206-1</b>	Legal actions for anti-competitive behavior, anti-trust, and monopoly practices

No legal actions under way or completed during the reporting period for anti-competitive behaviors or breach of anti-trust laws and monopoly practices in which Teddy was identified as participating to them.

## ANNEX 2 - GRI CONTENT INDEX

GRI Standard	GRI Standard - Disclosure
<b>GRI 301-1</b>	Materials used by weight or volume
<b>GRI 301-2</b>	Recycled input materials used

	MATERIALS PURCHASED	QUANTITY [tons]	RECYCLED [tons]	RECYCLED [%]
Renewable	Cotton	10.955,51	761,57	7,0%
	Wool	79,80	1,41	1,8%
	Linen	233,49	0	0,0%
	Viscose	1.774,21	0	0,0%
	Lyocell™	3,55	0	0,0%
	Modal	3,21	0	0,0%
	Ramie	4,03	0	0,0%
	Other natural materials	3,34	0	0,0%
Non -Renewable	Polyester	8.735,17	1.007,34	11,5%
	Polyamide	830,57	3,10	0,4%
	Elastane	287,02	0	0,0%
	Acrylic	887,72	0	0,0%
	Polyurethane	229,24	0	0,0%
	Other synthetic materials	145,68	0,13	0,1%
Total materials purchased		24.172,54	1.773,55	7,3%



## ANNEX 2 - GRI CONTENT INDEX

GRI Standard	GRI Standard - Disclosure
<b>GRI 301-3</b>	Reclaimed products and their packaging materials

				2022					2023				
				Recycled sources	More sustainable non-recycled sources	Traditional sources	Certifications		Recycled sources	More sustainable non-recycled sources	Traditional sources	Certifications	
Type of packaging	Material	Origin	End-of-life Recyclability	Weight (kg)			Recycled sources	More sustainable sources	Weight (kg)			Recycled sources	More sustainable sources
Shopping bag	Paper	EU	100%	223.425,00	564.437,00	-	FSC® Recycled	FSC® 100%	8.578,00	203.381,00	6.469,00	FSC® Recycled	FSC® 100%
Box	Cardboard	EU	100%	586.476,00	214.105,00	305.295,00	FSC® Recycled	FSC® Mix	1.181.606,00	286.926,00	3.395,00	FSC® Recycled	FSC® Mix
Box	Cardboard	Extra-EU	N/A	-	1.413.065,00	537.335,00	-	FSC® 100%	-	1.527.980,00	1.345.378,00	-	FSC® 100%
<b>TOTAL PAPER AND CARDBOARD</b>				<b>3.844.138,00</b>					<b>4.563.713,00</b>				
Shopping bags	Polyethylene	EU	100%	9.498,00	-	9.695,00	Blauer Engel	-	36.665,00	-	3.048,00	Blauer Engel	-
Polybag	PP/PE	Extra-EU	100%	-	-	923.000,00	-	-	157.089,00	-	531.623,00	-	-
<b>TOTAL POLYBAG</b>				<b>942.193,00</b>					<b>728.425,00</b>				

## ANNEX 2 - GRI CONTENT INDEX

GRI Standard	GRI Standard - Disclosure
<b>GRI 302-1</b>	Energy consumption within the organization

### ENERGY USED, SOLD, SELF-GENERATED

TYPE OF CONSUMPTION	UNIT	2022		2023	
		TOTAL	TOTAL GJ	TOTAL	TOTAL GJ
<b>ELECTRICITY PURCHASED</b>	<b>kWh</b>	<b>26.293.076</b>	<b>94.655</b>	<b>28.183.387</b>	<b>101.460</b>
for lighting installations	kWh		94.655		101.460
for heating	kWh	26.293.076	0	28.183.387	0
for cooling	kWh		0		0
<i>from renewable sources</i>	kWh	24.770.572	89.174	27.162.874	97.786
<b>ELECTRICITY SELF-GENERATED</b>	<b>kWh</b>	<b>754</b>	<b>3</b>	<b>711</b>	<b>3</b>
Electricity self-generated from renewable sources (ex. photovoltaic)	kWh	754	3	711	3
<i>Self-used</i>	kWh	611	2	613	2
<i>Sold/transferred to the grid</i>	kWh	143	1	98	0

continues → on the next page

## ANNEX 2 - GRI CONTENT INDEX

ENERGY USED, SOLD, SELF-GENERATED					
TYPE OF CONSUMPTION	UNIT	2022		2023	
		TOTAL	TOTAL GJ	TOTAL	TOTAL GJ
Electricity self-generated from non-renewable sources	kWh	0	0	0	0
<i>Self-used</i>	kWh		0		0
<i>Sold/transferred to the grid</i>	kWh		0		0
<b>NATURAL GAS</b>	<b>m<sup>3</sup></b>	<b>178.821</b>	<b>7.111</b>	<b>146.032</b>	<b>5.855</b>
for heating	m <sup>3</sup>	178.821	7.111	146.032	5.855

FUELS USED TO POWER THE CAR FLEET					
BUSINESS USE	UNIT	2022		2023	
		TOTAL	TOTAL GJ	TOTAL	TOTAL GJ
Petrol	liters	4.009	140	17.501	611
No. of vehicles	number		2		163
Diesel fuel (100% mineral diesel)	liters	377.838	14.497	373.322	14.185
No. of vehicles	number		7		167

## ANNEX 2 - GRI CONTENT INDEX

### TOTAL ENERGY CONSUMPTION

TOTAL ENERGY CONSUMPTION	UNIT	2022	2023
<b>Total energy consumption</b>	<b>GJ</b>	<b>101.768</b>	<b>107.317</b>
Renewable energy	GJ	89.176	97.789
Non-renewable energy	GJ	12.592	9.529
% Renewable energy out of the total	%	88%	91%
<b>Car fleet</b>			
Total fuel consumption	GJ	14.637	14.796

GRI Standard	GRI Standard - Disclosure
<b>GRI 302-3</b>	Energy intensity

	UNIT	2022	2023
Energy consumption	GJ	101.767,83	107.317,09
Turnover	€	607.682.311,9	605.526.887,6
Energy intensity	GJ/€	0,000167468804	0,0001772292729

## ANNEX 2 - GRI CONTENT INDEX

GRI Standard	GRI Standard - Disclosure
<b>GRI 303-3</b>	Water Withdrawal

WATER WITHDRAWAL	UNIT	2022		2023	
		Fresh water ( $\leq 1.000$ mg/l Total Dissolved Solids)	Other water ( $> 1.000$ mg/l Total Dissolved Solids)	Fresh water ( $\leq 1.000$ mg/l Total Dissolved Solids)	Other water ( $> 1.000$ mg/l Total Dissolved Solids)
<b>FROM NON WATER-STRESSED AREAS (m<sup>3</sup>)</b>					
Third-party water	m <sup>3</sup>	24.659,00	0,00	24.904,00	0,00
Total Water Withdrawal	m <sup>3</sup>	24.659,00	0,00	24.904,00	0,00
<b>FROM WATER-STRESSED AREAS (m<sup>3</sup>)</b>					
Totale del prelievo idrico	m <sup>3</sup>	0,00	0,00	0,00	0,00
Totale del prelievo idrico	m <sup>3</sup>	24.659,00	0,00	24.904,00	0,00

## ANNEX 2 - GRI CONTENT INDEX

GRI Standard	GRI Standard - Disclosure
<b>GRI 305-1</b>	Direct (Scope 1) GHG emissions

SCOPE 1 EMISSIONS FROM COMBUSTION	UNIT	2022	2023
Natural gas	tCO2eq	354,74	290
Diesel (for company-owned vehicles or vehicles under long-term lease/rental agreements)	tCO2eq	1.013	999
Petrol (for company-owned vehicles or vehicles under long-term lease/rental agreements)	tCO2eq	12	52
Total Scope 1 emissions from combustion	tCO2eq	1.379	1.341

SCOPE 1 EMISSIONS FROM REFRIGERANT GAS LEAKS	UNIT	2023
R407C	tCO2eq	354,74
R410A	tCO2eq	175
Total Scope 1 emissions from refrigerant gas leaks	tCO2eq	263

## ANNEX 2 - GRI CONTENT INDEX

GRI Standard	GRI Standard - Disclosure
<b>GRI 305-2</b>	Energy indirect (Scope 2) GHG emissions

ENERGY INDIRECT (SCOPE 2) GHG EMISSIONS	UNIT	2022		2023	
		Location Based	Market Based	Location Based	Market Based
Energy purchased	tCO2	6.870	698	6.824	425
Scope 2 emissions	tCO2eq	6.869,88	698,17	6.824,48	424,53

## ANNEX 2 - GRI CONTENT INDEX

GRI Standard	GRI Standard - Disclosure
<b>GRI 305-3</b>	Other indirect (Scope 3) GHG emissions

UPSTREAM CATEGORY	DESCRIPTION OF THE UPSTREAM CATEGORY	UNIT	2022	2023
1. Goods and services purchased	Extraction, production and transportation of goods and services purchased or acquired by the reporting Company in the reference year, not otherwise included in categories 2-8.	ktCO2eq	695.523	750.344
2. Capital goods	Extraction, production and transportation of capital goods purchased or acquired by the reporting Company for the reference year.	ktCO2eq	1.775	2.191
3. Energy- and fuel-related activities (not included in Disclosure 302-1)	Extraction, production and transportation of fuels and energy and services purchased or acquired by the reporting Company in the reference year, not included in category 302-1.	ktCO2eq	1.291	1.556
4. Transport and upstream distribution	Transportation and distribution of products purchased by the reporting Company in the reference year including company Tier 1 suppliers and corporate activities (in vehicles and facilities not owned or controlled by the reporting Company). Transportation and distribution services purchased by the reporting Company in the reference year including inbound and outbound logistics (for example, of sold products) and the transportation and distribution between corporate facilities (in vehicles and facilities not owned or controlled by the reporting Company).	ktCO2eq	12.738	13.533

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## ANNEX 2 - GRI CONTENT INDEX

UPSTREAM CATEGORY	DESCRIPTION OF THE UPSTREAM CATEGORY	UNIT	2022	2023
5. Waste generated in operations	Disposal and treatment of waste generated during corporate activities by the reporting Company in the reference year (in facilities not owned or controlled by the reporting Company).	ktCO <sub>2</sub> eq	503	273
6. Business travel	Transport of employees connected to corporate activities by the reporting Company in the reference year (by vehicles not owned or controlled by the reporting Company).	ktCO <sub>2</sub> eq	1.021	1.260
7. Employee commuting	Home-work travelling of employees in the reference year (by vehicles not owned or managed by the reporting Company).	ktCO <sub>2</sub> eq	5.220	6.389
8. Upstream leased assets	Functioning of assets leased by the reporting company (lessee) in the reference year and not included in Disclosure 302-1 - declared by the lessee.	ktCO <sub>2</sub> eq	N/A	N/A
<b>Total upstream emissions</b>		<b>ktCO<sub>2</sub>eq</b>	<b>718.069</b>	<b>775.547</b>

DOWNSTREAM CATEGORIES	DESCRIPTION OF THE DOWNSTREAM CATEGORY	UNIT	2022	2023
9. Downstream transport and distribution	Transportation and distribution of products sold by the reporting Company in the reference year between corporate activities and final consumers (if not paid by the reporting Company) including retail sales and storage (in vehicles and facilities not owned or controlled by the reporting Company).	ktCO <sub>2</sub> eq	1.423	1.431

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## ANNEX 2 - GRI CONTENT INDEX

DOWNSTREAM CATEGORIES	DESCRIPTION OF THE DOWNSTREAM CATEGORY	UNIT	2022	2023
10. Processing of sold products	Processing of intermediate sold products in the reference year by downstream companies (for example, manufacturers).	ktCO <sub>2</sub> eq	N/A	N/A
11. Use of sold products	Final use of goods and services sold by the reporting Company in the reporting year.	ktCO <sub>2</sub> eq	53.324	58.871
12. End-of-life treatment of sold products	Disposal and treatment of waste generated by the products sold by the reporting Company (in the reference year) at the end of their life cycle.	ktCO <sub>2</sub> eq	26.322	26.433
13. Downstream leased assets	Management of goods owned by the reporting company (lessor) and leased to other entities in the reference year, not included in Disclosure 302-1 - reported by the lessor.	ktCO <sub>2</sub> eq	26.322	26.433
14. Franchises	Franchise management in the reference year, not included in Disclosure 302-1 - communicated by the franchisor.	ktCO <sub>2</sub> eq	60.000	82.093
15. Investments	Investment management (including equity debt and project finance investments) in the reference year, not included in Disclosure 302-1.	ktCO <sub>2</sub> eq	N/A	N/A
<b>Total downstream emissions</b>		<b>ktCO<sub>2</sub>eq</b>	<b>141.069</b>	<b>168.829</b>

**TOTAL SCOPE 3 EMISSIONS**

**ktCO<sub>2</sub>eq**

**859.138**

**944.376**

## ANNEX 2 - GRI CONTENT INDEX

GRI Standard	GRI Standard - Disclosure
<b>GRI 305-4</b>	GHG emissions intensity

### GHG EMISSIONS INTENSITY INDEX FOR THE ORGANIZATION, BY DIVIDING THE ABSOLUTE GHG EMISSIONS (THE NUMERATOR) BY TURNOVER (THE DENOMINATOR).

	UNIT	2022	2023
Total Scope 1 emissions	tCO2eq	1.379,31	1.604,61
Total Scope 2 emissions (Market based)	tCO2eq	698,17	424,53
Total Scope 3 emissions	tCO2eq	859.138,21	944.376,11
Total turnover	€	607.682.311,9	605.526.887,6
GHG emissions intensity (Scope 1 + 2)	tCO2eq/€	0,000003	0,000003
GHG emissions intensity (Scope 1 + 2 + 3)	tCO2eq/€	0,001417	0,001563

GRI Standard	GRI Standard - Disclosure
<b>GRI 306-1</b>	Waste generation and significant waste-related impacts

→ The main waste categories disposed of are paper, cardboard and plastics, materials from products packaging unpacked at the points of sale and from warehouse processing operations at operating sites. Most of those waste categories are managed through a reporting form and therefore monitored.

## ANNEX 2 - GRI CONTENT INDEX

GRI Standard	GRI Standard - Disclosure
<b>GRI 306-3,4,5</b>	Waste generated, waste diverted from disposal, waste directed to disposal

# 2023

### WASTE PER COMPOSITION, TONS (t)

COMPOSITION OF WASTE GENERATED (FOR EXAMPLE, BIOMASS, METALS, NON-METAL MINERALS, PLASTICS, TEXTILES, ETC.)	UNIT	TOTAL WASTE GENERATED
Paper and cardboard	tons	816,45
Apparel	tons	4,36
Wood	tons	72,27
Metal - iron and steel	tons	5,50
Bulky waste	tons	25,71
Discarded equipment	tons	1,32
Undifferentiated waste	tons	2,38
Plastic waste	tons	1,16
Mixed construction/demolition waste	tons	8,14
Toner cartridges	tons	0,04
Fluorescent lamps	tons	2,90

continues → on the next page

## ANNEX 2 - GRI CONTENT INDEX

### 2023

#### WASTE PER COMPOSITION, TONS (t)

COMPOSITION OF WASTE GENERATED (FOR EXAMPLE, BIOMASS, METALS, NON-METAL MINERALS, PLASTICS, TEXTILES, ETC.)	UNIT	TOTAL WASTE GENERATED
Metallic and glass earrings	tons	0,09
Fridges and air-conditioners	tons	0,24
Furniture and hangers	tons	18,47
Aqueous liquid waste	tons	0,30
Pressed wool bales	tons	0,32
Clean plasterboard	tons	0,20
Total waste generated	tons	959,86

### 2023

#### WASTE DIRECTED TO DISPOSAL - TONS (t)

WASTE DIRECTED TO DISPOSAL	UNIT	ONSITE	OFFSITE	TOTAL
Hazardous waste	tons	0	2,9	2,9

## ANNEX 2 - GRI CONTENT INDEX

GRI Standard	GRI Standard - Disclosure
<b>GRI 308-1</b>	New suppliers that were screened using environmental criteria

No new suppliers were contracted subject to environmental criteria

GRI Standard	GRI Standard - Disclosure
<b>GRI 401-1</b>	New employee hires and employee turnover

NEW EMPLOYEE HIRES				
NEW HIRES, PER AGE AND GENDER	2023			
	< 30 y.o.	30-50 y.o.	> 50 y.o.	TOTAL
Men	214	69	3	286
Women	713	169	4	886
Other (not specified)				-
Total	927	238	7	1.172

TERMINATIONS				
TERMINATIONS, PER AGE AND GENDER	2023			
	< 30 y.o.	30-50 y.o.	> 50 y.o.	TOTAL
Men	67	40	1	108
Women	195	66	3	264
Other (not specified)				-
Total	262	106	4	372

## ANNEX 2 - GRI CONTENT INDEX

GRI Standard	GRI Standard - Disclosure
<b>GRI 401-3</b>	Parental leave

### PARENTAL LEAVE

EMPLOYEES	UNIT	2022	2023
TOTAL NUMBER OF EMPLOYEES WHO WERE ENTITLED TO PARENTAL LEAVE, PER GENDER			
Men	no.	733	780
Women	no.	1.422	1.624
Other (not specified)	no.		
TOTAL NUMBER OF EMPLOYEES WHO TOOK PARENTAL LEAVE, PER GENDER			
Men	no.	34	36
Women	no.	164	159
Other (not specified)	no.		
TOTAL NUMBER OF EMPLOYEES RETURNED TO WORK IN THE REPORTING PERIOD AFTER PARENTAL LEAVE, PER GENDER			
Men	no.	34	34
Women	no.	151	150
Other (not specified)	no.		

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## ANNEX 2 - GRI CONTENT INDEX

PARENTAL LEAVE			
EMPLOYEES	UNIT	2022	2023
TOTAL NUMBER OF EMPLOYEES WHO SHOULD HAVE RETURNED TO WORK AFTER PARENTAL LEAVE			
Men	no.	34	36
Women	no.	164	159
Other (not specified)	no.		
RETURN TO WORK RATES OF EMPLOYEES WHO TOOK PARENTAL LEAVE, PER GENDER			
Men	%	100%	94%
Women	%	92%	94%
Other (not specified)	%	-	-



## ANNEX 2 - GRI CONTENT INDEX

GRI Standard	GRI Standard - Disclosure
<b>GRI 403-8</b>	Workers covered by an occupational health and safety management system

All our employees and other workers are covered by an occupational health and safety management system

GRI Standard	GRI Standard - Disclosure
<b>GRI 403-9</b>	Work-related injuries

### WORK-RELATED INJURIES

NUMBER OF INJURY CASES	2022	2023
<b>Total number of recordable work-related injuries for all the employees</b>	<b>47</b>	<b>31</b>
of which work-related injuries	46	31
of which high-consequence work-related injuries	1	0
of which fatalities as a result of work-related injuries	0	0
Number of hours worked	3.289.756,24	3.543.386,24

## ANNEX 2 - GRI CONTENT INDEX

### RATES OF INJURY CASES

CALCULATION MULTIPLIER AND RATES	2022	2023
<b>Frequency multiplier</b>	<b>1.000.000</b>	<b>1.000.000</b>
Work-related injuries rate injury cases	13,9827985	8,748693453
High-severity work-related injuries rate	0,3039738803	0
Rate of fatalities as a result of work-related injuries	0	0

GRI Standard	GRI Standard - Disclosure
<b>GRI 403-10</b>	Occupational disease

### WORK-RELATED ILL HEALTH

NUMBER OF CASES OF WORK-RELATED ILL HEALTH	2022	2023
<b>Total number of recordable occupational diseases for all the employees</b>	<b>0</b>	<b>0</b>
of which occupational diseases	0	0
of which high-consequence occupational diseases (see glossary)	0	0
number of fatalities as a result of an occupational disease	0	0

## ANNEX 2 - GRI CONTENT INDEX

GRI Standard	GRI Standard - Disclosure
<b>GRI 405-1</b>	Diversity on employees

### DIVERSITY ON EMPLOYEES

EMPLOYEE CATEGORIES, PER AGE AND GENDER	UNIT	2023			
		MEN	WOMEN	OTHER (NOT SPECIFIED)	TOTAL
<b>Executives</b>					
< 30 y.o.	no.	-	-	-	0
30 ≤ x ≤ 50 y.o.	no.	-	-	-	0
> 50 y.o.	no.	1	-	-	1
Total Executives	No.	1	0	0	1
<b>Senior Managers</b>					
< 30 y.o.	no.	-	-	-	0
30 ≤ x ≤ 50 y.o.	no.	8	4	-	12
> 50 y.o.	no.	13	3	-	16
Total Senior Managers	No.	21	7	0	28

continues → on the next page

## ANNEX 2 - GRI CONTENT INDEX

DIVERSITY ON EMPLOYEES					
EMPLOYEE CATEGORIES, PER AGE AND GENDER	UNIT	2023			
		MEN	WOMEN	OTHER (NOT SPECIFIED)	TOTAL
<b>Office workers</b>					
< 30 y.o.	no.	38	58	-	96
30 ≤ x ≤ 50 y.o.	no.	177	172	-	349
> 50 y.o.	no.	51	52	-	103
Total Office workers	No.	266	282	0	548
<b>Other workforce at corporate headquarters</b>					
< 30 y.o.	no.	3	2	-	5
30 ≤ x ≤ 50 y.o.	no.	42	25	-	67
> 50 y.o.	no.	11	28	-	39
Total Other workforce at corporate headquarters	No.	56	55	0	111
<b>Store managers</b>					
< 30 y.o.	no.	0	33	-	33
30 ≤ x ≤ 50 y.o.	no.	39	109	-	148
> 50 y.o.	no.	0	4	-	4
Total Store managers	No.	39	146	0	185

continues → on the next page

## ANNEX 2 - GRI CONTENT INDEX

DIVERSITY ON EMPLOYEES					
EMPLOYEE CATEGORIES, PER AGE AND GENDER	UNIT	2023			
		MEN	WOMEN	OTHER (NOT SPECIFIED)	TOTAL
<b>Other workforce at the stores</b>					
< 30 y.o.	no.	251	797	-	1.048
30 ≤ x ≤ 50 y.o.	no.	142	316	-	458
> 50 y.o.	no.	4	21	-	25
Total Other workforce at the stores	No.	397	1.134	0	1.531
<b>Total employees</b>					
Total employees, per gender	No.	780	1.624	0	2.404
Total < 30 y.o.	No.	1.072	2.514	0	1.182
Total 30 ≤ x ≤ 50 y.o.	No.	1.480	3.140	0	2.216
Total > 50 y.o.	No.	1.560	3.248	0	2.404
<b>Total employees</b>	<b>No.</b>	<b>2.404</b>			

## ANNEX 2 - GRI CONTENT INDEX

VULNERABLE GROUPS (CATEGORIES UNDER “PROTECTED JOB PROGRAMMES” AS PROVIDED FOR BY APPLICABLE LAWS)				
EMPLOYEE CATEGORIES, PER AGE AND GENDER	2023			
	MEN	WOMEN	OTHER (NOT SPECIFIED)	TOTAL
Executives				0
Senior Managers				0
Office workers	3	18		21
Other workforce at corporate headquarters	8	12		20
Store managers		2		2
Other workforce at the stores	5	10		15
<b>Total vulnerable groups per gender</b>	<b>16</b>	<b>42</b>	<b>0</b>	<b>58</b>
<b>Total employees</b>			<b>58</b>	

## ANNEX 2 - GRI CONTENT INDEX

### COMPOSITION OF THE HIGHEST GOVERNANCE BODY PER GENDER AND AGE

NO. OF PEOPLE	2023				2023			
	< 30 y.o.	30-50 y.o.	> 50 y.o.	TOTAL	< 30 y.o.	30-50 y.o.	> 50 y.o.	TOTAL
Men	-	-	2	2	-	-	2	2
Women	-	-	1	1	-	-	1	1
Other (not specified)	-	-	-	-	-	-	-	-
Total	-	-	3	3	-	-	3	3

### PERCENTAGE OF THE HIGHEST GOVERNANCE BODY PER GENDER AND AGE

%	2022	2023
<b>Gender</b>		
Men	67%	67%
Women	33%	33%
Other (not specified)	0%	0%
<b>Age</b>		
< 30 y.o.	0%	0%
30-50 y.o.	0%	0%
> 50 y.o.	100%	100%

## ANNEX 2 - GRI CONTENT INDEX

GRI Standard	GRI Standard - Disclosure
<b>GRI 405-2</b>	Ratio of basic salary and remuneration of women to men

AVERAGE BASIC SALARY	MEN	WOMEN	REMUNERATION RATIO WOMEN/MEN	GENDER PAY GAP
Executives	_*	-	-	-
Senior Managers	110.813	90.012	81,23%	18,77%
Office workers	45.021	33.439	74,28%	25,72%
Other workforce at corporate headquarters	31.283	30.003	95,91%	4,09%
Store managers	33.065	30.167	91,24%	8,76%
Other workforce at the stores	23.122	22.103	95,59%	4,41%

AVERAGE REMUNERATION	MEN	WOMEN	REMUNERATION RATIO WOMEN/MEN	GENDER PAY GAP
Executives	_*	-	-	-
Senior Managers	180.967	164.959	91,15%	8,85%
Office workers	57.978	38.887	67,07%	32,93%
Other workforce at corporate headquarters	34.596	33.151	95,83%	4,17%
Store managers	35.971	32.362	89,97%	10,03%
Other workforce at the stores	25.772	22.470	87,19%	12,81%

\*As only one executive is reported, remuneration is not disclosed for privacy reasons.



## ANNEX 2 - GRI CONTENT INDEX

GRI Standard	GRI Standard - Disclosure
<b>GRI 406-1</b>	Incidents of discrimination and corrective actions taken

No incidents reported

GRI Standard	GRI Standard - Disclosure
<b>GRI 414-1</b>	New suppliers that were screened using social criteria

	2023
Total new suppliers in the reporting period	114
New suppliers screened using social criteria	67
<b>Percentage of new suppliers assessed using social criteria</b>	<b>58,77%</b>

The category of suppliers screened using social criteria include all the suppliers that already comply with BSCI, SMETA, SLCP, BETTER WORK standards or are audited by Teddy-approved third-party auditors. Those suppliers that manufactured items of clothing for FW23 and SS23 seasons, but not for past seasons, have been included in the calculation.

## ANNEX 2 - GRI CONTENT INDEX

GRI Standard	GRI Standard - Disclosure
<b>GRI 416-2</b>	Incidents of non-compliance concerning the health and safety impacts of products and services

INCIDENTS OF NON-COMPLIANCE WITH LAWS AND/OR VOLUNTARY CODES OF CONDUCT CONCERNING THE HEALTH AND SAFETY IMPACTS OF PRODUCTS AND SERVICES:	2022	2023
Incidents of non-compliance with regulations for which fines or non-monetary sanctions were incurred	NO	NO
Incidents of non-compliance with regulations that resulted in a warning	NO	NO
Incidents of non-compliance with voluntary codes of conduct	NO	NO

## ANNEX 2 - GRI CONTENT INDEX

GRI Standard	GRI Standard - Disclosure
<b>GRI 417-1</b>	Requirements for product and service information and labelling

TYPES OF INFORMATION REQUIRED BY TEDDY PROCEDURES FOR PRODUCT AND SERVICE INFORMATION AND LABELING	2022	2023
The sourcing of components of the product or service	Yes	Yes
Safe use of the product or service	Yes	Yes
Disposal of the product and environmental or social impacts	Yes	Yes
PERCENTAGE OF SIGNIFICANT PRODUCT OR SERVICE CATEGORIES COVERED BY AND/OR ASSESSED FOR COMPLIANCE WITH SUCH PROCEDURES (PRODUCT AND SERVICE INFORMATION AND LABELING)	2022	2023
%	100%	100%

## ANNEX 2 - GRI CONTENT INDEX

GRI Standard	GRI Standard - Disclosure
<b>GRI 417-1</b>	Incidents of non-compliance concerning product and service information and labelling

INCIDENTS OF NON-COMPLIANCE WITH REGULATIONS AND/OR VOLUNTARY CODES OF CONDUCT CONCERNING PRODUCT AND SERVICE INFORMATION AND LABELING	2022	2023
Incidents of non-compliance with regulations for which fines or non-monetary sanctions were incurred	1	0
Incidents of non-compliance with regulations that resulted in a warning	0	0
Incidents of non-compliance with voluntary codes of conduct	0	0

GRI Standard	GRI Standard - Disclosure
<b>GRI 417-3</b>	Incidents of non-compliance concerning marketing communications

→ No litigation or enforcement measures to be reported for year 2023 concerning marketing communications.

GRI Standard	GRI Standard - Disclosure
<b>GRI 418-1</b>	Substantiated complaints concerning breaches of customer privacy and losses of customer data

→ No complaints received concerning breaches of customer privacy and losses of customer data.

# Sustainability Report 2023

## **Analysis, contents and communication project**

Nativa Srl Società Benefit

[www.natalab.com](http://www.natalab.com)

## **Creative concept and design**

Dubo Design

## **Supervised by**

Corporate Communication Office Teddy Group

Sustainability Office Teddy Group

[teddy.it](http://teddy.it) - [everyonecan.teddy.it](http://everyonecan.teddy.it)

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