

# SUSTAINABILITY REPORT 2022



*Gommater*

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# LETTER TO STAKEHOLDERS

Dear readers,

It is with great pleasure and pride that I present to you the first Gommatex sustainability report. For us this is not a point of arrival but a small step along a path that is part of our vision, and which accompanies us in our daily work. This report describes Gommatex's activity, and the results achieved in 2022, illustrating with utmost transparency our commitment in the field of environmental and social sustainability and governance. Our commitment reflects in our endeavour to respect and enhance our entire production chain and human capital, which is an integral part of it, not to mention our focus on the protection and safeguard of the environment.

Since 2016, Gommatex has been focusing on integrating sustainability into its business model as a growth strategy until it finally became the guiding star that directed, directs, and will direct sustainable development in the future. In the same year, Gommatex decided to change profoundly its production plants to embark on the path of zero SVHC, a goal successfully achieved in 2019 with the complete removal of DMF from all our processes. This document summarizes the conduct inspired by our past, with an eye to the future. We have invested huge resources in renewable sources resulting in significant energy savings and allowing us to reduce our environmental impact. Thanks to the use of natural raw materials, we are able to create products through sustainable production processes. This has allowed us to reduce water consumption and minimize the release of CO2 emissions into the atmosphere.

The year 2022 was also characterized by a major focus on research and development to attain new products bearing increasingly sustainable characteristics with a lower environmental impact.

Gommatex is willing to stand out as the spokesperson for sustainable culture while remaining faithful to its role as key player in the Made in Tuscany luxury sector for all our customers and suppliers.

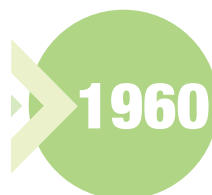


## OUR HISTORY, OUR PATH

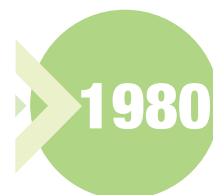
Gommatex was founded in 1960 by Lando Giovannelli, a simple man with visionary ideas. Thanks to his audacity, dedication, and the aid of a close-knit team, he was able to create a unique reality in the sector of fabrics and coated fabrics.

Over the years, by adapting to the continuous demands of the market, the company has been growing exponentially, and stands today alongside prestigious national and international brands. Gommatex has always strived to involve industrial partners with a view to designing and developing increasingly specific and performing products, thus increasing the added value of its finished items.

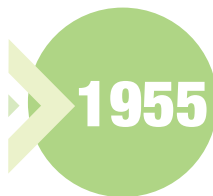
The ongoing search for improvement and attention to sustainability dynamics has allowed the company to constantly deliver innovative products having the least impact on the environment.



Foundation of the Company by Lando Giovannelli



Coagulation and coating plant



Second generation Giuseppe and Gianluca Giovannelli



Construction of the office building



The company enters the luxury market



Third generation: Giacomo Giovannelli



# SUSTAINABLE GROWTH AS A GOAL

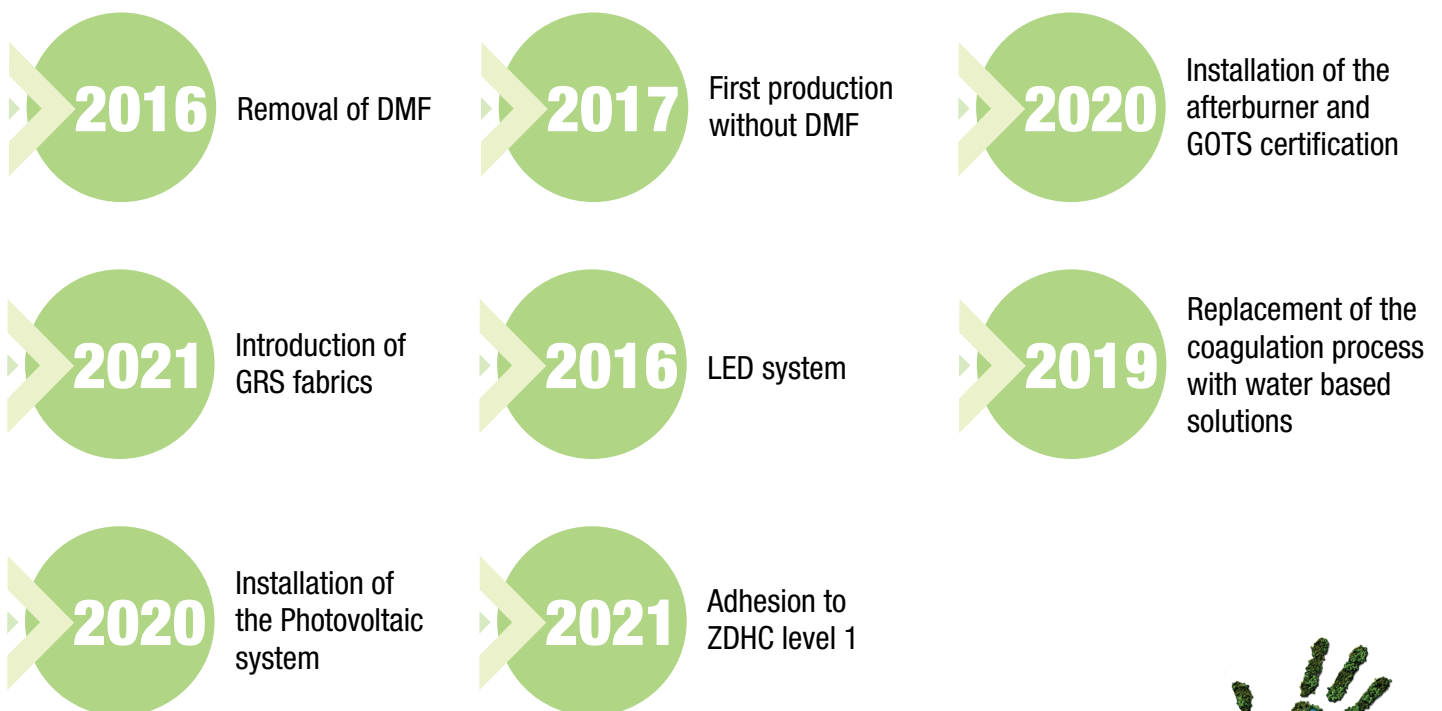
We have been committed all along to growing and improving social, energy, environmental and economic conditions for both our company and the surrounding communities. This came as a result of following and contribute to the UN Sustainable Development Goals and pursuing more sustainable solutions for our production processes, while attaching great importance to our environmental impact.

In 2015, we began experimenting innovative and unique solutions, including replacing the key solvent of polyurethane, known as DMF, with a sustainable alternative. In 2016, we created an innovative product called AKKADUEO consisting in a coagulated and coated fabric in water-based PU, which was immediately launched on the market with great impetus. Unique of its kind, AKKADUEO was able to immediately respond to our customers' demand for quality and began to establish itself as a valid substitute for traditional polyurethane.

Thus, AKKADUEO represents a milestone on which we have developed further product and process evolutions, driven by a single, genuine goal, i.e. SUSTAINABILITY.

At the same time, the introduction of the afterburner and the photovoltaic system into our processes has enabled us to become less and less dependent on fossil fuels.

But we did not stop here; the next step entailed working with recycled, bio-based raw materials...





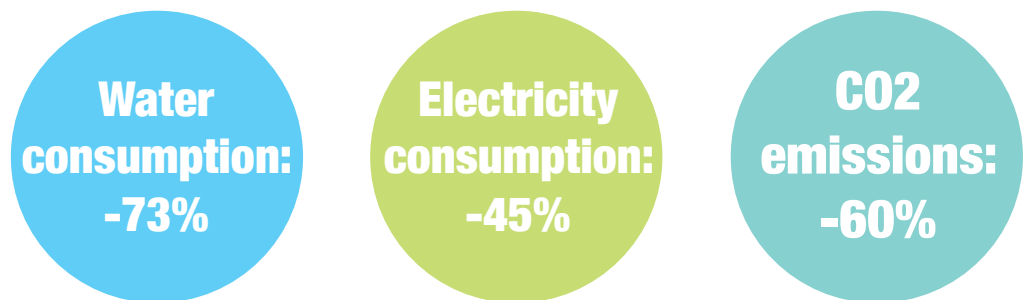


## OUR 2022

In 2022 we took the next leap forward towards sustainability by adopting a unique technology both in Italy and in Europe for water-based coagulation processes. Our innovative product named “AKKADUEO BIO” involves a water-based coagulation process rigorously achieved using bio-based polyurethanes from renewable sources having GOTS (Global Organic Textile Standards) and BlueSign certifications.

The subsequent processing stages see the use of polyurethane products immersed in a hydro alcoholic solution with chemical compounds completely SVHC-free and containing a proportion of polyurethane, likewise BIOBASED.

The technology used for developing “AKKADUEO BIO” was designed to minimize the impact on the resources used in order to reduce energy, water, and natural gas consumption. The following reactions are certified by Bureau Veritas with respect to previous production.



In particular, “AKKADUEO”:

- does not contain any SVHC substances (especially DMF) and Toluene, thus significantly improving a healthy work environment;
- the electric power used comes from renewable sources and water usage is reduced compared to traditional coagulation processes;
- CO2 emissions are minimized compared to traditional production processes and, last but not least, it is made using ANIMAL- FREE products.





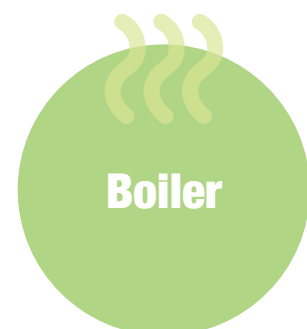
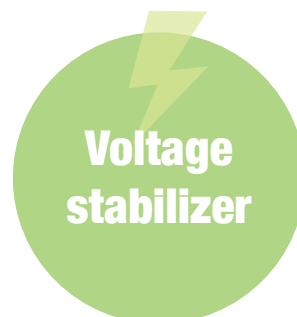
## OUR INCREASING RESPONSIBILITY

Our aim is continue generating benefits for the planet, as well as for humans and animals. For this reason, we are currently pursuing a sustainability strategy to reduce our carbon footprint to zero. We plan to attain this by optimizing our internal processes and promoting initiatives for benefitting the community and the surrounding territory as a whole. Our improvement actions in this respect are planned exclusively around these objectives.

Of course, our growth path could not overlook the continuous search for innovative materials with an increasingly lower environmental impact.

Besides this, we have already identified several sustainable approaches for the near future aimed at reducing our carbon footprint without delay. These include:

- **Upgrade to a higher efficiency boiler:** A new boiler with a higher energy efficiency index compared to the one currently in use.
- **Introduction of an automatic temperature regulation system for our ovens:** This involves the insertion of an automatism to regulate the temperature of our ovens (currently managed by hand) to optimize the coating process in terms of heat consumption;
- **Voltage stabilizer:** This enables optimizing the power supplied to the entire plant, resulting in significant energy savings.





## OUR NUMBERS

100% raw materials and services acquired in Italy

100% of electricity used from renewable sources

Water consumption -13% vs 2021

Waste -17% vs 2021

Training hours +14%



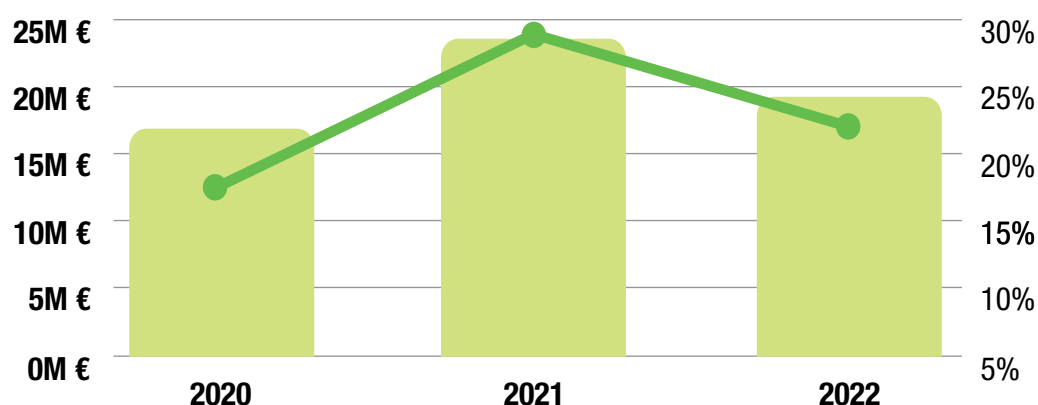


## ECONOMIC SUSTAINABILITY

Our Financial Statements for the year 2022 saw a turnover exceeding 20M€, with +6% CAGR over the 3 years under consideration. An essential factor for such growth was the consolidated relationships established over the years with our historical customers, which enabled us to foster their own growth as well, paired with our ability to provide them with the most up-to-date services and products, and attract new customers.

EBITDA% also grew by approximately 4.9 points over the three years under consideration. This margin increase was made possible also thanks to persistent and constant investments in Research and Development and in our technical-production organization that has allowed the Company to consolidate its economic and financial position over time.

	2020	2021	2022
<b>Turnover</b>	17.910	23.514	20.035
<b>Quantity (ML)</b>	843.103	1.134.530	1.014.043
<b>Quantity (PCS)</b>	1.320.666	1.760.888	1.351.047
<b>EBITDA</b>	19,4%	29,1%	24,3%





## 2. OUR COMMITMENT TO THE ENVIRONMENT

Speaking of energy sustainability, we attach the utmost importance to the surrounding environment and strive to safeguard it in all possible ways, not just by focusing on analyzing consumption patterns, but always trying to identify potential solutions to make the most of the energy available, reduce its usage and research sustainable alternative sources.

We are also fully aware of the increased water risks associated with the climate crisis and as such, we make every effort to increase our resilience and accountability in this respect.

Our intention is to reach a level of sustainable development that is able to meet the needs and demands of the present generation without compromising on the opportunity for future generations to achieve their own needs. With this in mind, we not only analyze how much CO<sub>2</sub> is emitted by the company, but also how much of it is emitted by our employees commuting to work. Besides encouraging sustainable behaviour to help reduce carbon emissions, we have chosen to travel the path of sustainable growth to reduce carbon dioxide emissions to a minimum. To this end, we are currently defining a plan with the ambition to reach zero carbon emissions over the next few years.

Major investments made in this perspective include:

- Energy efficiency, made possible thanks to renewable sources and the afterburner
- Water efficiency
- Emissions abatement



## OUR ATTENTION TOWARD ENERGY EFFICIENCY

The table below summarizes the amount of the consumption of electricity drawn and self-produced by photovoltaics and the consumption of natural gas over the last 3 years.

YEAR	kwh	smc	tep	
			electrical	thermal
2020	1.356.972	178.790	253	147
2021	1.509.172	233.879	282	192
2022	1.560.494	295.985	291	244

Over the years, Gommatex Spalmati srl has been introducing technologies capable of constantly reducing the impact on its production processes caused by electric power drawn from the grid, whether electrical or thermal.

The two main technologies introduced over the years are the photovoltaic system and the afterburner.

Our 500kW photovoltaic system is installed on the roofs of our factory building. It yields over 500,000 kWh of power per year with almost zero carbon impact.

**It affects the reduction of the carbon footprint by 218 tons of CO2 equivalent per year.**

The afterburner, instead, comprises a heat engine designed to keep the temperature of the industrial process's constant. A burnable solvent for creating energy was researched and suppliers were asked to provide alternative non-absorbent blends with high-calorific value. The afterburner system is fed by oven effluents containing solvents that are evacuated in order to obtain a high-quality film. This results in significant annual savings of sm<sup>3</sup> of methane, **with a highly significant reduction in the overall carbon footprint.**





## OUR ATTENTION TO WATER

The company avails itself of a special technology for neutralizing the PH of the water used in its production processes so that it can be discharged safely into the sewer system without causing damage to ecosystems, in full compliance with current legislation.

During 2022, Gommatex Spalmati Srl consumed a total of **557,923 L**.



The tables compare the amounts of water used by Gommatex Spalmati Srl in the years 2020, 2021 and 2022. The efforts made by the company to reduce its water impact resulted in a decrease in water usage in 2021 and even more in 2022.

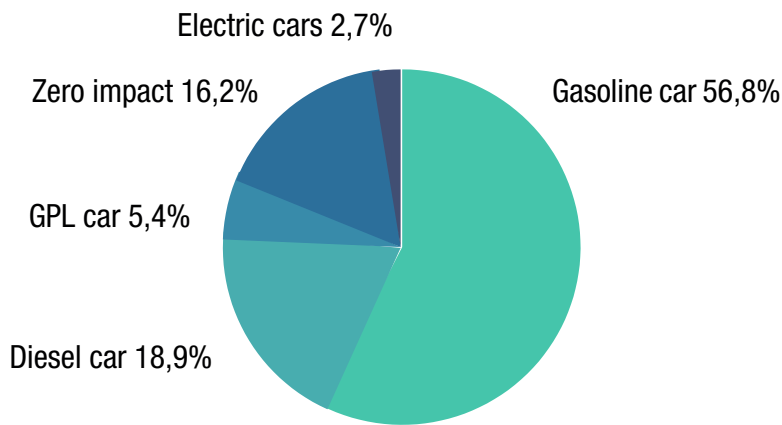




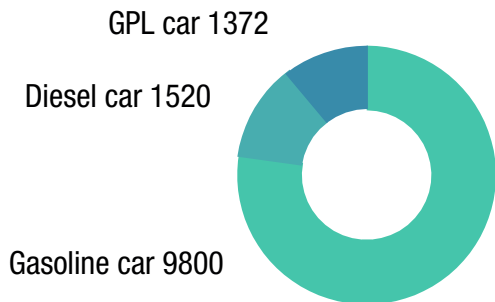
# OUR ATTENTION TO TRANSPORTATION

The amount of CO2 emissions generated by employees that commute to work is regarded by the company as a critical issue. To this end, every year, we encourage the use of non-impactful vehicles. In fact, all company vehicles are hybrid or full electric; thanks to our car sharing policy that foresees the use of hybrid company cars, we were able to avoid 2,8 tonnes of CO2.

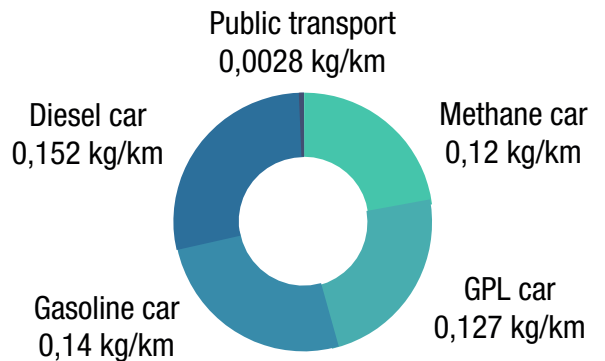
## Employees by type of transport:



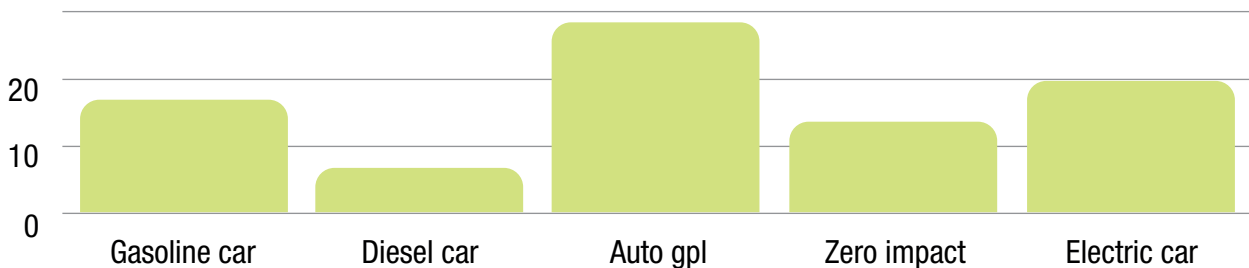
## Kg of CO2 by type of transport



## CO2/km by type of transport



## Average daily distance in kilometers by type of transport





# CARBON FOOTPRINT

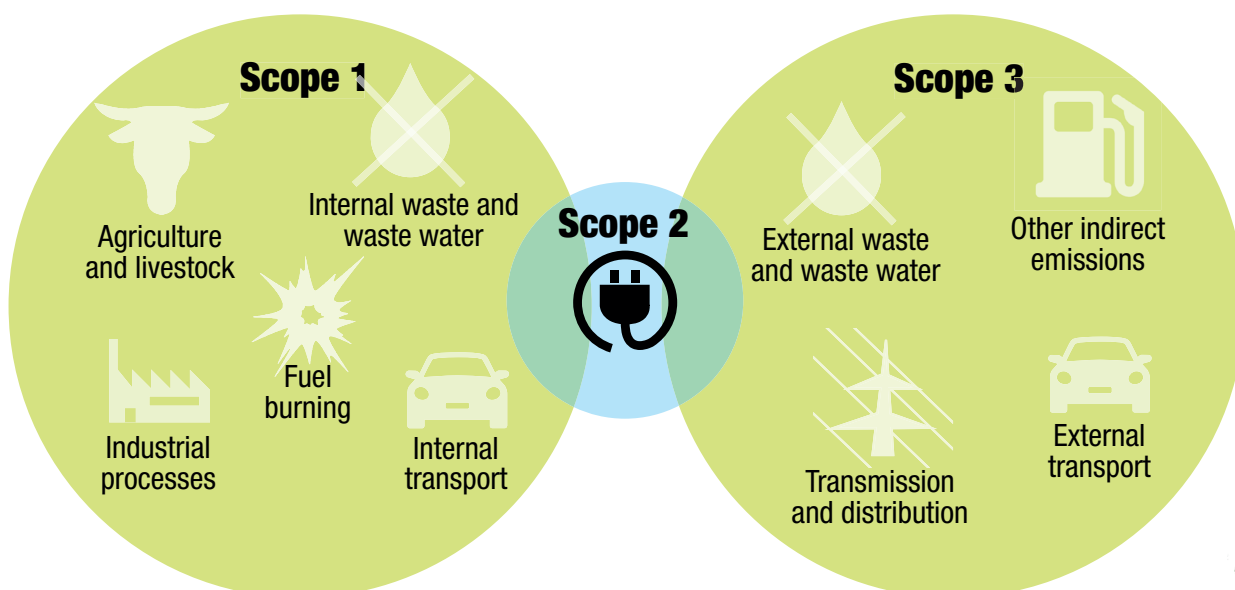
The **carbon footprint** is an environmental performance indicator for estimating the quantity of climate-changing gas emissions (a major culprit in global warming) generated directly or indirectly by an individual, a company, an event, a product or a nation. We take into account all types of greenhouse gas emissions (GHG), which are converted into CO<sub>2</sub> equivalent through specific parameters established worldwide by the IPCC (Intergovernmental Panel on Climate Change) that operates under the patronage of the United Nations.

The measurement used for carbon footprint is expressed in **tonnes of CO<sub>2</sub>**, or CO<sub>2</sub> equivalent if only **carbon dioxide** (CO<sub>2</sub>) emissions or other climate-changing gases are taken into account in the estimate, such as, for example, **methane** (CH<sub>4</sub>), **nitrous oxide** (N<sub>2</sub>O), **hydrofluorocarbons** (HFC), **perfluorocarbons** (PFC) or **sulphur hexafluoride** (SF<sub>6</sub>), as established by the Kyoto Protocol.

We challenge the goal of zeroing our CO<sub>2</sub> emissions by 2030, now shared by many companies. For us, the commitment is to reach it before this date.

The activities carried out by the company generate emissions into the atmosphere, climate-altering gases, with an effect on global warming, generated directly or indirectly. Those of an industrial nature are subject to periodic analysis to ensure full compliance with the applicable limits. There are also numerous other activities, even those not strictly linked to the production process, which generate emissions into the atmosphere, we have considered when determining our carbon footprint.

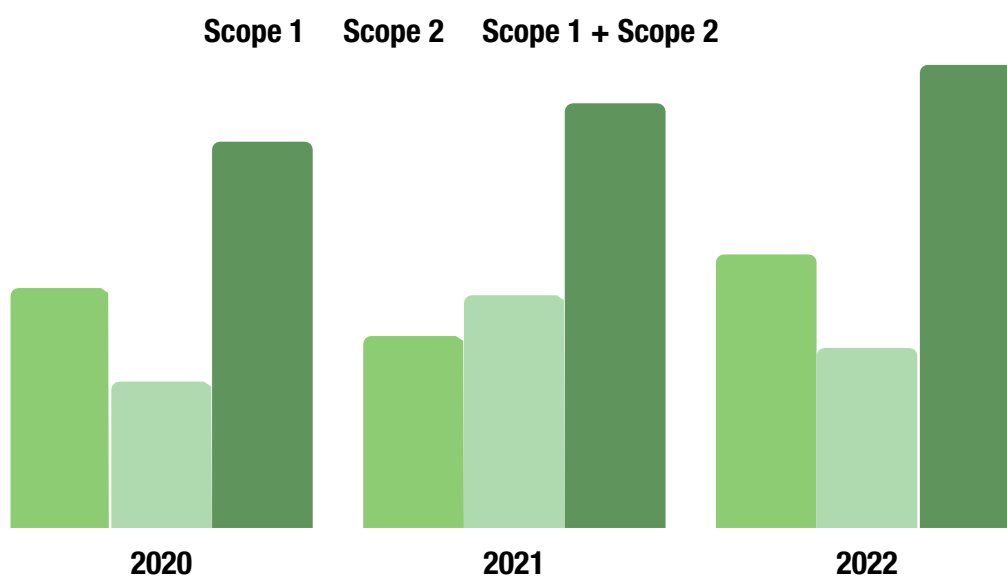
- **Scope 1:** the greenhouse gases emitted by the methane gas purchased and used + the emissions due to the journeys of employees who make with petrol, diesel or gas vehicles to go to work and return home;
- **Scope 2:** greenhouse gases emitted by electricity taken from the grid





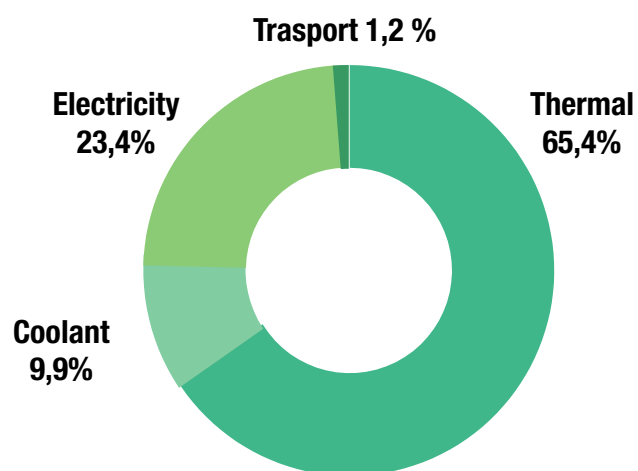
The following table shows the results of the analysis carried out expressed in tons of CO2 equivalent.

	u.m.	2020	2021	2022
Scope emission 1	tons. CO2 eq.	489,15	392,29	557,19
Scope emission 2	tons. CO2 eq.	298,41	474,29	371,18
Scope emission 1 + Scope 2	tons. CO2 eq.	787,56	866,58	928,37

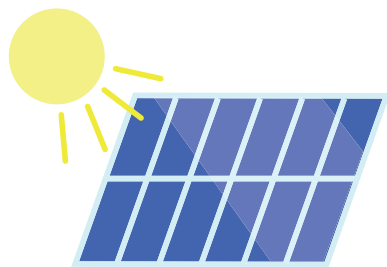


In the last 3 years, the company has introduced new technologies for developing its business, such as the afterburner and the photovoltaic system.

This has led us to diversify the energy supply, thus increasing the thermal contribution.



## HOW WE REDUCE OUR ENVIRONMENTAL IMPACT



**218,13 tons**

OF CO<sub>2</sub> EQUIVALENT LESS THANKS TO THE ENERGY PRODUCED BY A PHOTOVOLTAIC SYSTEM



**157,23 tons**

LESS CO<sub>2</sub> EQUIVALENT THANKS TO PREVENTIVE MAINTENANCE OF REFRIGERATION SYSTEMS

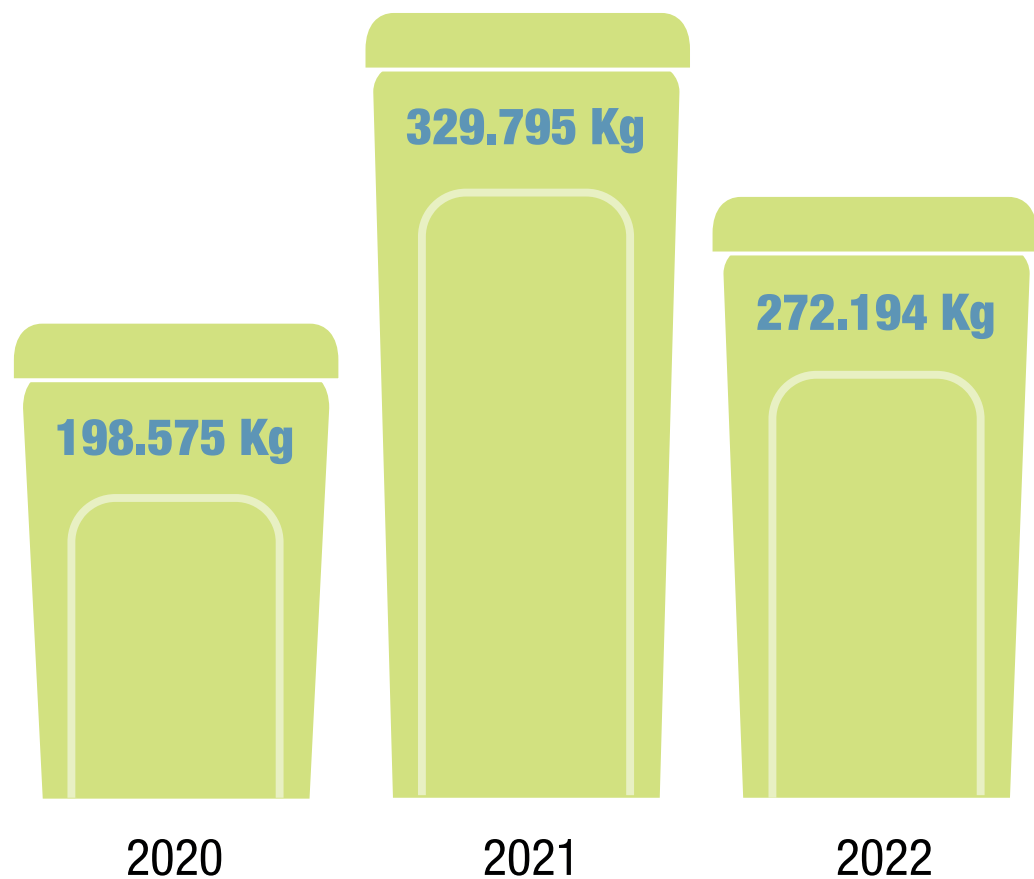
## HOW TO HELP THE PLANET

We have identified a series of actions that go beyond the next 2 years to help our company reach carbon neutrality. Besides this, we have established relationships with local communities to support city reforestation programmes.



## INDUSTRIAL DISCHARGES AND WASTE

We are also strongly committed towards reducing waste, paying attention to waste recovery methods and the development of projects for recycling semi-finished products. It is worth noting that we saw a significant reduction in the amount of waste produced in 2021 compared to 2020, with around 50,000 kg less waste produced.



### 3. OUR COMMITMENT TO THE SOCIETY

Human capital is a fundamental asset for us. We recognize the importance of the contribution of our employees and base our daily relationship on mutual trust and transparency. We make sure all our employees have equal rights, proportionate working hours and adequate wages to ensure dignity of labour, and put into place every measure aimed at protecting the health of our workers.

As far as the company is concerned, we are committed to treating each employee fairly, making sure they all have equal rights, proportionate working hours and adequate wages to ensure dignity of labour, and put in place every measure aimed at protecting the health of our workers.

Defeat  
poverty



Gender  
equality



Decent work  
and economic  
growth



**“Every individual has the power to  
make the world a better place”**

**Sergio Bambarén**





## 3. OUR COMMITMENT TO THE SOCIETY

ANNO	N. OF EMPLOYEES	TOTAL WORKPLACE INJURIES	TOTAL HOUR OF TRAINING
2020	37	1	218
2021	35	2	185
2022	37	3	211

**Team growth:  
+6% compared  
to  
2021**

**Average age  
8% younger  
compared to  
2021**

**+26 hours  
training  
compared to  
2021**

Our commitment in recent years has been focused above all towards removing the gender gap in terms of employment, duties and pay.

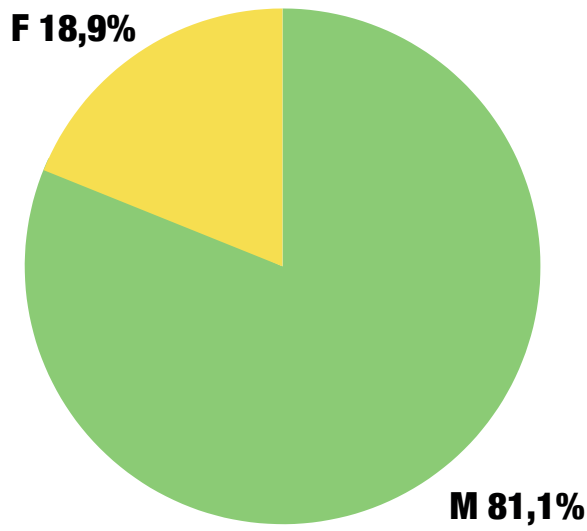
The company is strongly focused on occupational safety management. In this respect, appropriate procedures and written rules have been defined and disseminated in every department at all corporate levels.

The training activities delivered to all our employees were mainly focused on occupational safety. Our company avails itself of dedicated, qualified and skilled staff members to directly provide training to employees, in order to ensure ongoing skill development in line with current legislation.

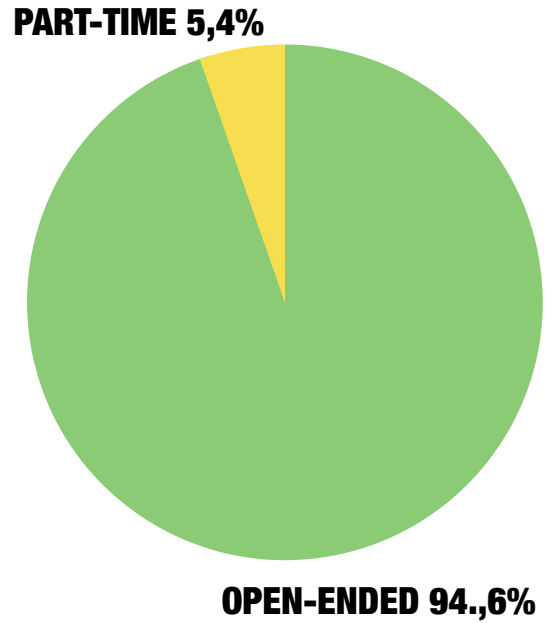




### EMPLOYEES BY GENDER

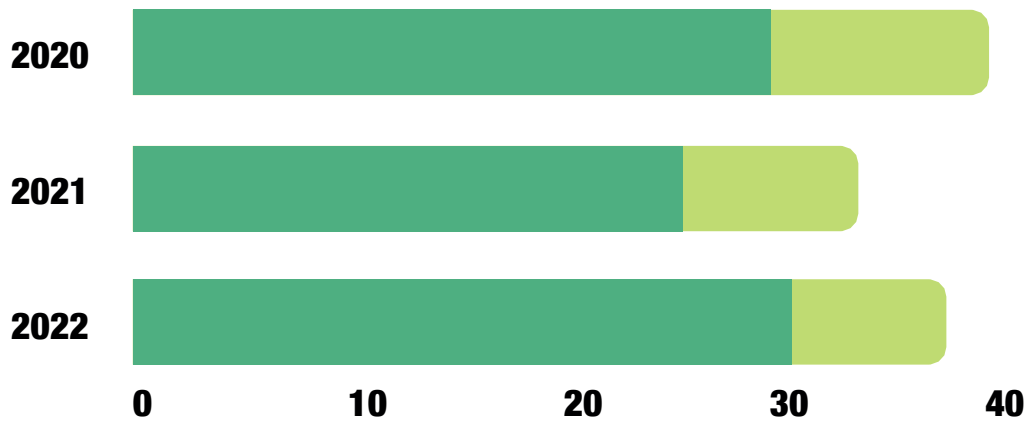


### EMPLOYEES BY CONTRACT



### GOMMATEX STAFF

■ M ■ F





## **GROWT INDEX** (Growth Wellness Safety)

GROWETY INDEX is our social indicator, which has the purpose of demonstrating the level of well-being, growth, and safety present in companies.

A value close to 0 indicates that the company is in an optimal position. The more this value increases, the more the company needs to commit itself to implementing improvements.

$$\text{GROWETY INDEX} = \frac{n \text{ workplace Injuries}}{n \text{ people who underwent training}}$$

The company's GROWETY INDEX turns out to be **0,08**. This means that the company finds itself in a positive and optimal situation in terms of social sustainability.



Our company has been focusing on training courses on safety and the environment, thus obtaining a double positive effect, that is, more hours of training for each employee and an improved corporate situation in terms of workplace injury reduction.





## 4. OUR COMMITMENT TO GOOD GOVERNANCE

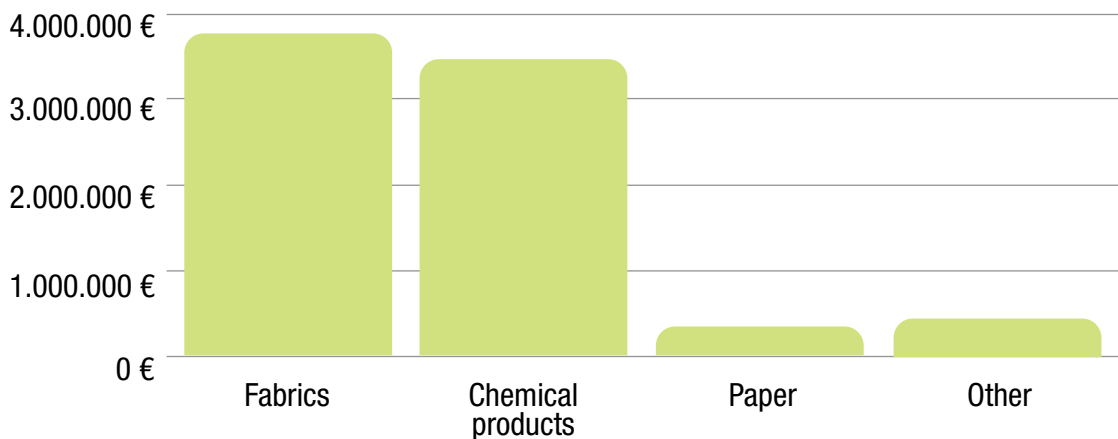
This chapter analyzes the raw materials used by the company in its production processes, with a focus on the expenditure incurred, the geographical area of origin, the amounts discarded and recovered and the comparison with previous years. A detailed description of the most commonly used raw materials is also provided.

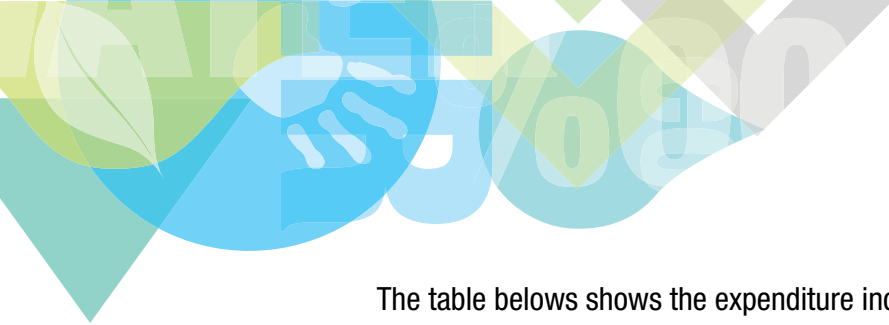
Gommatex is engaged in the manufacture of textile and industrial items, in particular, coagulated and coated polyurethane items for leather goods, footwear, clothing and furnishings.

Our processes involve 3 main types of raw materials, namely, the fabric used for coagulation and coating, chemical products applied to said fabric, and paper, which acts as a support for the fabric. At the end of the process, the paper is removed and can be reused up to 20 times.

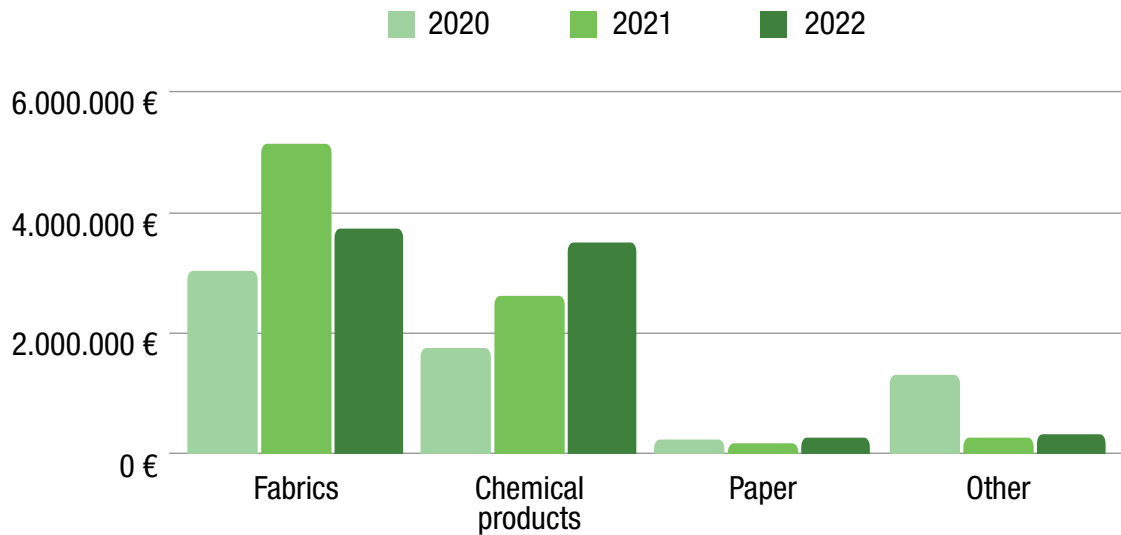


The chart below shows the total expenditure for each raw material in 2022:

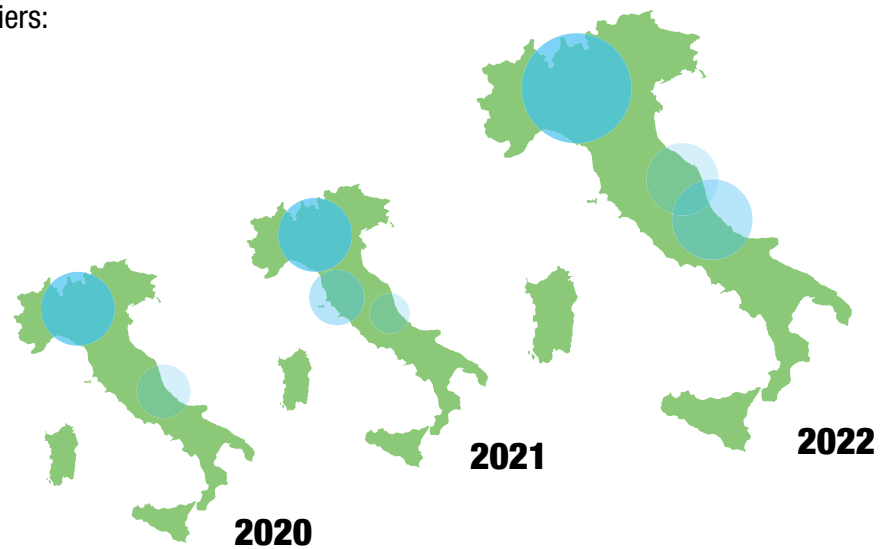




The table belows shows the expenditure incurred in each year under examination and for each of the main raw materials purchased. Fabrics represent the main expenditure component for each year taken into account.



Our company is rigorously committed to purchasing raw materials only from Italian suppliers:



Likewise, **75% of our services** are acquired from within our region in order to grow together with local professional realities.

The **percentage of women in the Board** is **23%**.

Considering the pursuit of customer satisfaction with regard to the products supplied as fundamental, as well as the continuous improvement of company performance, we have pursued and obtained **ISO 9001**.







Sometimes the solution  
is in simplicity



STRIKE OUT

*Gommatex*

Phone: +39 0574 5299

seco@gommatex.it [www.gommatex.com](http://www.gommatex.com)

Address: Via L. Galvani 24 - 59100, Prato  
ITALY

