

Filmar Network

Corporate Social Responsibility Report

N.1 / 2019



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A Letter from the CEO

To our stakeholders: I am pleased to confirm that Filmar Spa is committed to supporting the Sustainable Development Goals of the un 2030 Agenda.

In this Corporate Responsibility Report, we indicate our actions aimed at continuous improvements of the integration of the SDGs in the strategy, culture and daily operations of our company in order to contribute to a more responsible and sustainable fashion system.

Marco Marzoli

About Filmar: our story

Filmar produces and sells cotton yarns made of superior quality with a uniquely Italian feel. Since 1958 Filmar has been passionately seeking out the best ways to finish this ancient material, selected in its most valuable variety: 100% Egyptian cotton. The quality of Egyptian cotton is pursued right from its origins, in the farms and cotton cultivation directly in Egypt. Continuous and substantial investments have led to the creation of new production areas in Italy and Egypt - with a total of 46,000 square meters. Cutting edge machinery ensures an annual production of 7 million kilos of dyed yarn. A well equipped laboratory performs tests and prepares samples. The constant demand

for a better product has led to increasingly innovative solutions and mixes, extraordinary techniques of dyeing and finishing, and new functional and aesthetic performances of the yarn. Processes and products are certified, managed and implemented to protect the environment, as well as the health and safety of both employees and consumers. Filmar always abides by transparency, flexibility and speed to ensure an effective service, in order to meet individual customer needs. With the experience gained in 60 years, Filmar is now an established market leader both in and outside Italy, and is continually penetrating further into global markets.

Our Commitment

Promoting sustainable fashion through a fully transparent, eco-friendly and socially responsible production chain

Since the day of our foundation, quality and technological innovation, combined with sustainable development and ethics, have been the cornerstones of Filmar's business. As member of the UN Global Compact, we are committed to sustainable development and to the enhancement of a more responsible fashion worldwide.

At Filmar, we think that a sustainable business does not simply mean respecting and protecting the environment. Our core beliefs and priorities are the respect of human rights, workers' and consumers' health.

Traceability of the supply chain, transparency of productive processes and social responsibility are the foundations of our business whose strategy is strongly anchored to the Sustainable Development Goals (SDGs) promoted by United Nations in the Agenda 2030. The 2030 Agenda for Sustainable Development is an action plan for people, planet and prosperity signed in September 2015 by the governments of 193 United Nations members states.

It includes 17 Sustainable Development Goals in a wider action plan of a global scale to which the private sector is called to contribute. They represent a set of common aims designed for the international community's future about important matters such as the fight against poverty, eradicating hunger and climate change's issues. It's about "common goals", responsibilities and commitments which have to be undertaken by all nations and individuals for a better a more sustainable world.

As member of the UN Global Compact, we are committed to sustainable development and to the enhancement of a more responsible fashion worldwide.

The value chain

Raw material



Capacity & training programs to schools and farmers' communities



Organic & sustainable cotton farming
R&D of new cotton varieties

Industry



Corporate Health & Safety Policy (ISO45001:2018)
Energy Efficiency & Renewable Energy



Waste & chemicals management (DETOX ZDHC)
Quality management system ISO 9001:2015

Market/Society



Training programmes for fashion & design and industrial schools



Cooperation, engaging governments, textile industry, brands, designers and research institutes

Corporate Responsibility Report

Filmar Corporate Responsibility Report illustrates our commitment and activities to drive positive impacts for environment, people and communities. As we believe that the corporate social responsibility is a lever of development and value creation to achieve a more sustainable growth, we seek to conduct business according to high ethical, legal, social, and environmental standards.

The report is structured along the three main axes of sustainability People, Planet and Prosperity and refers to the UN Sustainable Development Goals. We consider the SDGs as a blueprint for how we can create more positive economic, social and environmental outcomes across our core business activities, to ultimately drive shared value.

We are working according to business strategies that embrace the growth potential of responsible environmental and societal policies.

We have therefore developed our CSR and sustainability strategy by starting assessing the areas of our business and defining where we have a positive or negative impact vis à vis the most relevant SDGs to our business.

Filmar implements a series of activities which are enclosed in its sustainability strategy.

As we believe that the corporate social responsibility is a lever of development and value creation to achieve a more sustainable growth, we seek to conduct business according to high ethical, legal, social, and environmental standards.



GOAL2: End hunger, achieve food security and improve nutrition and promote sustainable agriculture.

We implement projects to support sustainable agriculture methodologies and techniques which increase soil's productivity and benefit farmers' communities



GOAL4: Ensure inclusive and equitable quality education and promote lifelong learning for all.

We establish collaborations between our industry and the schools both in Italy and Egypt to favour a match-making of demand and supply on the job market. We promote educational training to upgrade high schools's curricula. We organize extensive training programmes school-to-work to strengthen students' practical and theoretical knowledge on textile sustainability related topics.



GOAL5: Achieve gender equality and empower all women and girls.

We prevent any form of female discrimination in our and suppliers' operations.



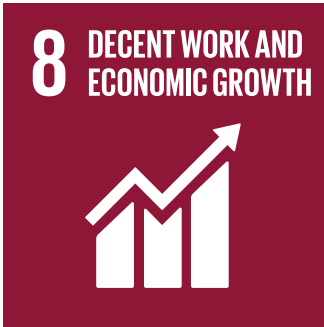
GOAL6: Ensure availability and sustainable management of water and sanitation for all.

We integrated efficient water management systems in our operations



GOAL7: Ensure access to affordable, reliable, sustainable and modern energy for all.

We measure the impact of our use of energy along the supply chain. We invest part of the corporate funds in energy projects in our countries of operation to help meet local need, as well as delivering a return on investment. We review our energy mix to include more renewable energy. Develop and implement firm wide policies to improve energy efficiency in our manufacturing process and distribution systems.



GOAL8: Promote sustained, inclusive and sustainable economic growth, full and productive employment and decent work

We promote capacity building activities for the Egyptian Ministry of Education to support youth employability. We support equal opportunities for all regardless of gender, age, race, beliefs, sexuality and disability. We put programmes in place to support the employment and training of young people in our business (apprentice, internships, trainee programs. We ensure fair working hours in our operations, supply chain and with your contractors and partners. We address workplace safety in our own operations by embedding policies and programmes to reduce workplace accidents and reduce the incidence of work-related disease.



GOAL9: Build resilient infrastructure, promote inclusive and sustainable industrialization and foster innovation

We upgraded our production sites' infrastructure and HQ to make them resource efficient, sustainable and clean.



GOAL10: Reduce income inequality within and among countries

We hire people regardless of gender, age, race, beliefs, sexuality and disability. We support professional career development programmes of the workers. We adopt complaint and control systems for all those working for the company.



GOAL12: Ensure sustainable consumption and production

We work to reduce the resource (incl. energy, water,metals):

a) intensity of the manufacture of our products and/or the delivery of your services including waste relating to the disposal of our products b) inefficiency and eliminate waste in our operations as well as our supply chain. We have management systems in place to address the risks to human health and the environment relating to use of hazardous chemicals and air, water, and soil pollution and contamination: a) in and around our directly owned facilities; b) which may arise in the use of our products; c) may arise in the disposal of our products.



GOAL13: Take urgent action to combat climate change and its impacts

We manage our business's CO2 emissions through investments in low-carbon technologies, or through energy efficiency measures.



GOAL17: Strengthen the means of implementation and revitalize the global partnership for sustainable development

We establish innovative partnerships to unlock valuable opportunities for a sustainable development of the sector.

Planet, People, Prosperity

Environmental Value



Social Value



Shared Value



Enviromental Value



Sustainable procurement of raw materials & traceability



Resource efficiency and cleaner production (RECP)

1. Planet

Since Filmar first started manufacturing, **we** have chosen the philosophy of pursuing excellence in every aspect of work, from raw materials to end-user service by respecting the environment and preserving the quality of natural resources as value added to the business.



1.1 Sustainable procurement of raw materials & traceability

Filmar continues to develop activities in order to increase use of sustainable materials and to invest in the creation of important partnerships throughout its supply chain to create both economic impact in the form of better livelihoods for the farmers contributing in turn to a more sustainable and traceable portfolio of raw materials.

In this regard, Filmar implements projects to support sustainable agriculture methodologies and techniques which increase soil's productivity and benefit farmers' communities in Egypt.

Cotton

Cotton is Filmar's core business.

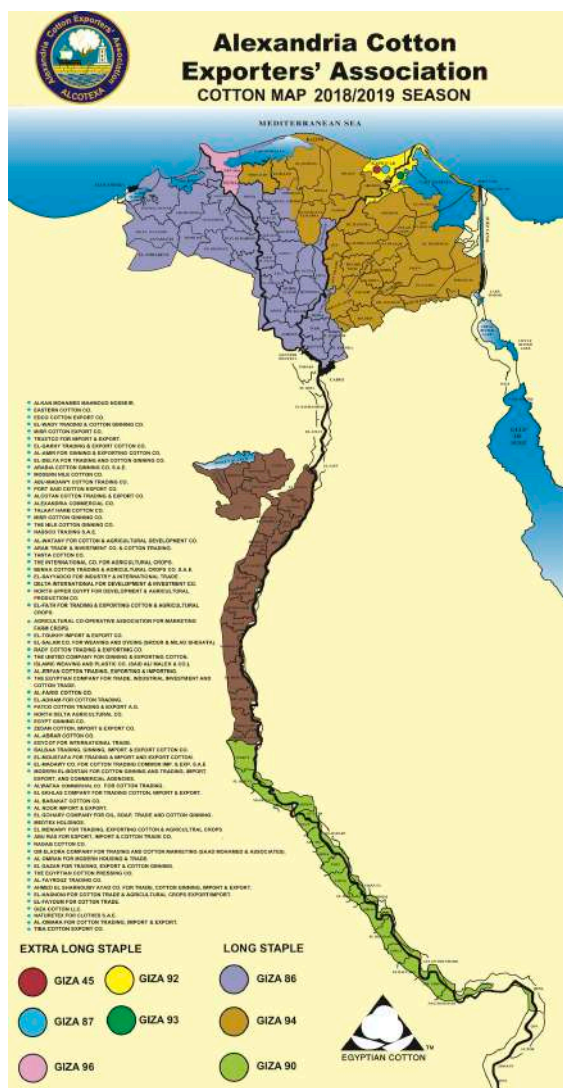
The quality of 100% Egyptian cotton is sought out by Filmar at its true origins, in the Egyptian cotton farms located in the Nile Delta.

The most famous long and extra long staple varieties are cultivated there thanks to the extraordinary fertility of the soil and the climate conditions. Egyptian cottons are capable of generating yarns with very fine counts.

Cotton is planted in late March and handpicked in September in different stages, to allow that cotton bolls are picked when maturity has reached to the right point.

Cotton allows intercropping, guaranteeing the possibility to grow other crops which nurture the soil and provide diversification for farmers.

Filmar implements projects to support sustainable agriculture



Raw materials such as these are very precious and unfortunately the cotton bolls can become polluted with other fibers.

With the aim to minimize cotton's environmental impacts, Filmar is committed to implement a set of actions enclosed in the innovative CSR programme, Cottonforlife, launched in 2015, which intends to create a complete sustainable and transparent cotton value chain.

Accordingly, Filmar works with farmers' communities, sector associations and research centers to extend organic and sustainable cultivation criteria to other varieties of cotton to increase their supply and thus meet the different needs of their customers.

Thanks to the inclusive partnership undertaken by Filmar with UNIDO, Cottonforlife has become from a CSR initiative to a national best practice in the sustainable cotton production. Under the framework of Cottonforlife and "The Egyptian Cotton Project" implemented by UNIDO and funded by the Italian Agency for the Development Cooperation (AICS) to leverage on the Filmar CSR initiative, the two partners have organized in September 2018 "The Cotton Harvest Day" dedicated to discover the true soul of Egyptian cotton with all players of the cotton value chain, with the presentation of cultivation and harvesting best practices aimed at lowering cotton contamination.

The event was followed by a multi-stakeholders roundtable held in Cairo on main topics of cotton sustainability.

COTTON FIBER PROPERTIES COMPARED...				
	Lenght (inch)	Lenght (mm)	HVI Strength	Micronaire
LONG & EXTRA LONG				
GIZA 45	1,43	36,3	43,3	3,0
GIZA 87	1,44	36,6	44,3	3,1
GIZA 88	1,42	36,1	43,7	4,0
GIZA 92	1,33	33,8	46,6	3,6
GIZA 96	1,45	36,8	45,4	3,9
GIZA 86	1,27	32,3	42,4	4,3
GIZA 94	1,33	33,8	41,7	4,2
GIZA 95	1,15	29,2	38,2	4,1
AMERICAN SUPIME	1,42	36,1	41,5	4,0
AUSTRALIAN PIMA	1,40	35,6	39	3,9
PERU PIMA	1,45	36,8	36	3,3
TURKMENISTAN ELS	1,41	35,8	39,4	3,9
TAJIKISTAN ELS	1,41	35,8	37,8	4,0
UZBEKISTAN	1,39	35,3	36,5	4,1
ISRAEL	1,39	35,3	37,5	4,0
SEA ISLAND	1,41	36,8	39	3,4
WEST INDIAN	1,39	35,3	36,8	3,2
XINGJIANG CHINA	1,39	35,3	39,1	3,8
UPLAND COTTON				
SJV " USA "	1,24	31,5	34,7	4,3
GREECE	1,11	28,2	29,5	4,3
SUDAN	1,02	26	27,1	4,3
INDIA (1)	0,91	23	22	4,8
INDIA (2)	0,98	25	25	4,4
INDIA (3)	1,06	27	27	4,3

The Cotton Harvest Day



1. In September 30th, the first “Cotton Harvest Day” was organized in the Governorate of Damietta, in the Nile Delta, dedicated to show best practices in cotton harvesting and to celebrate the first successful cultivation cycle of DEMO cultivation plots started in the framework of The Egyptian Cotton Project

2. A series of demonstrative activities on cotton cultivation and harvest, showcasing the successful first round of premium quality cotton produced.

3. The celebration was organized to promote innovative partnerships on a global scale by putting together different players of the entire cotton value chain.

A roundtable for the sustainability of the Egyptian cotton

Sustainability, traceability and transparency are the three main pillars the market requires in order to stay competitive

1. On Sunday 1st October in Cairo, a round table has been held to discuss main topics of textile sustainability and investment in quality production of long staple and extra-long staple Egyptian cotton, as well as the importance of skills development along the value chain from field to industry, while improving Egyptian cotton performance in the international trade.

2. The roundtable hosted key guests including CEOs of international textile companies such as Filmar, Albini Group, Elvy Weaving SAE, Calzedonia and Camozzi Digital, among other local entrepreneurs, the Minister of Agriculture and Land Reclamation, the Minister of Public Business Sector, Senior Assistant to the Minister of Trade and Industry, Ambassador of Italy to Egypt and the UNIDO Director and Regional representative.

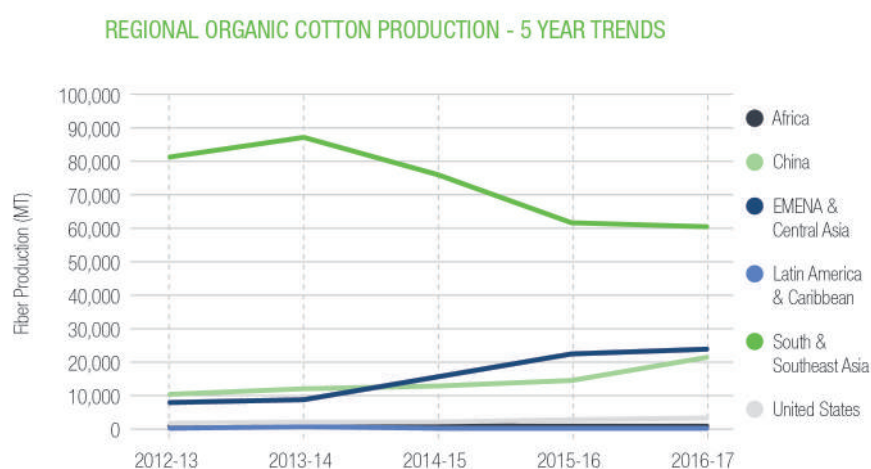
3. “Sustainability, traceability, and transparency are the three main pillars the market requires in order to stay competitive”. This is the message conveyed by the international textile companies participating in the event.



Snapshot on Egyptian organic cotton

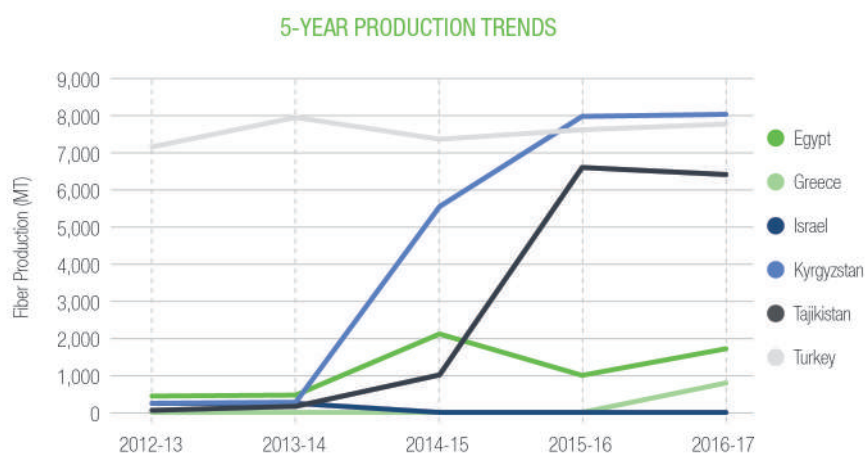
The wider organic sector continues to expand globally, with a 15 percent rise in organic farmland and a 12.5 percent rise in the number of organic producers from 2015 to 2016. Overall, the increase of the global organic production of 10% is a noteworthy trend as a growing number of brands and retailers are setting targets and commitments to increase their use of organic cotton and consequently their demand on the market.

In 2016/2017 the EMENA & Central Asia region (Egypt, Greece, Israel, Kyrgyzstan, Tajikistan and Turkey) reported a 7% rise in organic cotton production. In particular Central Asia (in this case Kyrgyzstan and Tajikistan) experienced a marginal decline in production following the considerable spikes seen over the previous two years, Egypt and Turkey both saw increases.



Source: Regional organic cotton production – 5 year trends “Organic Cotton Market Report 2018” – Textile Exchange

Egypt counts 360 organic farmers in 542 ha of organic certified lands and a total production estimated at 1742 MT fiber with a considerable fiber growth of 70%.



Source: EMENA & Central Asia regions 5 year production trends “Organic Cotton Market Report 2018” –

Textile Exchange

Filmar’s corporate strategy aims to extend the use and production of organic and sustainable cotton. In this regard, we are taking a portfolio approach to sustainable cotton by procuring and supporting the market growth for a variety of more sustainable cotton sources.

a. Organic cotton

Organic cotton can play an important role in helping countries, such as Egypt to achieve the Sustainable Development Goals (SDGs) by building resilient communities through holistic farming systems.



In the Cottonforlife plantations in Egypt, implemented with Sekem and other partners devoted to organic agriculture, cotton is cultivated according to organic guidelines and harvested by hand, in various phases, to guarantee the selection of the most mature cotton bolls.

Cottonforlife cotton production complies with strict environmental and social criteria integrating ecological processes by reducing water consumption, rotating crops maintaining local biodiversity, using natural compost and avoiding the use of toxic and persistent synthetic pesticides and fertilizers as well as genetically modified seeds.

As major tangible output, NILO is the first extra long staple organic cotton, yielded by the Cottonforlife initiative which exquisitely blends GIZA 45 and GIZA 87 cotton fibers, producing the very soul of a one-of-a-kind cotton. A cotton yarn complete eco-friendly, ethical and traceable.

b. Sustainable cotton - BCI

A core component of our sustainable raw materials procurement program is sourcing Better Cotton which is produced by farmers in a way that is measurably better for the environment and farming communities.

The Better Cotton Initiative (BCI) exists to make global cotton production better for the people who produce it, better for the environment it grows in, and better for the sector’s future.

It connects people and organisations throughout the cotton sector, from field to store, to promote measurable and continuing improvements for the environment, farming communities and the economies of cotton producing areas.

In order to meet the growing demand of

sustainable cotton of the fashion brands, Filmar has become a member of BCI through Filmar Nile in Egypt. Filmar SpA is registered in the BCI platform, a digital system that guarantees the possibility of tracking purchases and sales and issuing BCI-output declarations to its customers. Filmar collaborates in Egypt with the United Nations Industrial Development Organization (UNIDO) to ensure that what has been done so far under the Cottonforlife initiative is rolled out to extend the positive impacts that the cultivation and industrial transformation of sustainable cotton produces for people and the environment.

In this regard, with the aim to enhance the production of traceable and sustainable Egyptian cotton for the global market, the company has designed, in collaboration with UNIDO, the stakeholders of the supply chain and the Egyptian government, a pilot initiative for the creation of the first Long and Extra Long staple cotton plantation in Egypt, managed according to the BCI guidelines.

After the Agreement signed by UNIDO and BCI to start piloting the Better Cotton Standard System in Egypt, on November 20th 2018, the Kick Off and presentation of the BCI pilot project has been held in Egypt, in collaboration with the Hugo Boss Group and in the presence of the BCI representatives.

Key actors of the Egyptian cotton value chain have taken part to the event such as UNIDO Director and Regional representative, Italian Agency for Development Cooperation (AICS), the Director of the Cotton Research Institute, Regional Manager of Better

Cottonforlife partners with UNIDO to scale up organic cotton production in Egypt

Cottonforlife, a private sector initiative of FILMAR SpA that has been supporting a group of contracted farmers in Egypt to grow long and extra-long staple organic cotton for the last three years, recently announced that it is being scaled up to a National Project through the United Nations Industrial Development Organization (UNIDO) in response to growing consumer demand and sustainability commitments of brands.

Through the national project, UNIDO and FILMAR are working in coordination with institutional counterparts such as Egypt's Ministry of Trade & Industry and Ministry of Agriculture and Land Reclamation, as well as other national stakeholders, to improve transparency, traceability and sustainability in Egyptian cotton production and industrial processing. The aim is to promote organic and non-contaminated long and extra-long

staple Egyptian cotton by improving the economic, social and environmental performance of cotton growers and processors and strengthening support institutions. The activities will be carried out in coordination with the Cotton Egypt Association to protect the purity of Egyptian cotton and to build new business models with everyone involved in the supply chain, both local and international.

Cottonforlife currently cultivates organic cotton on around 120 ha in Damietta, northeastern Egypt, in partnership with Sekem. The new partnership with UNIDO will allow these demo plots to be rolled out more widely, and the potential to benchmark practices to international standards is also being explored.



Textile Exchange Organic Cotton Market Report 2018

Cotton Initiative, the Senior Advisor of Helvetas Schweiz Intercooperation, as well as CEOs of local and global textile companies and brands who commonly agreed on the crucial role played by joint initiatives to further the country cotton industry's sustainable growth. This activity will make Filmar pioneer in opening the doors to the production of high-quality cotton BCI, offering its customers for the first time ever, the sustainable BCI credits associated with long and extra long staple Egyptian cotton.

A multi-stakeholders pilot program that combines Egyptian sustainable cotton production with stabilized market demand

Aiming to advance Egyptian cotton competitiveness and demand by international markets, the project intends to:

- Introduce cotton production according to the BCI standard and increase the existing production of organic cotton;
- Engage private sector stakeholders for coordinated efforts to stabilize the demand for sustainable Egyptian cotton;
- Elaborate the institutional embedding into the national cotton sector by governmental stakeholders;
- Create modern water stewardships for the particularly sensitive aspect of limited water resources in Egypt;

Under this vision, innovative project components will be integrated to boost the uniqueness of this outstanding raw material and unlock valuable economic opportunities for the cotton industry, in particular:

- Pursuing agro-ecological principles and utilizing measures of bio-control;
- Creating an intertwined capacity building program focusing on education, training and skills development that allows the engagement of senior experts as well as enabling young adults to become the new leadership generation to unfold the future potential of sustainable Egyptian cotton;

c. Innovative green blends

Filmar develops products integrating ethics, quality, aesthetics and specific performances. Through R&D and green technology, Filmar is committed to create blends of cotton and other sustainable fibers that are trendy, innovative and environmentally friendly. The most innovative eco-friendly items which contribute to diversify Filmar’s portfolio are made with both natural and synthetic fibers twisted with Filmar’s cotton.

Cotton

Linen

Hemp

Ramié

Viscose

Micromodal

Cashmere

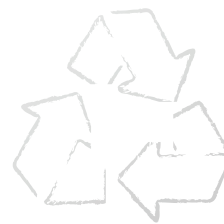
Wool

Silk

Recycled PA

Recycled Polyester

Recycled Nylon



Certifications & commitments

The bio is guaranteed by the Global Organic Textile Standard (GOTS) certification whose standard are fully respected throughout the value chain.

The organic cotton value chain is directly controlled by Filmar, from seed to yarns.

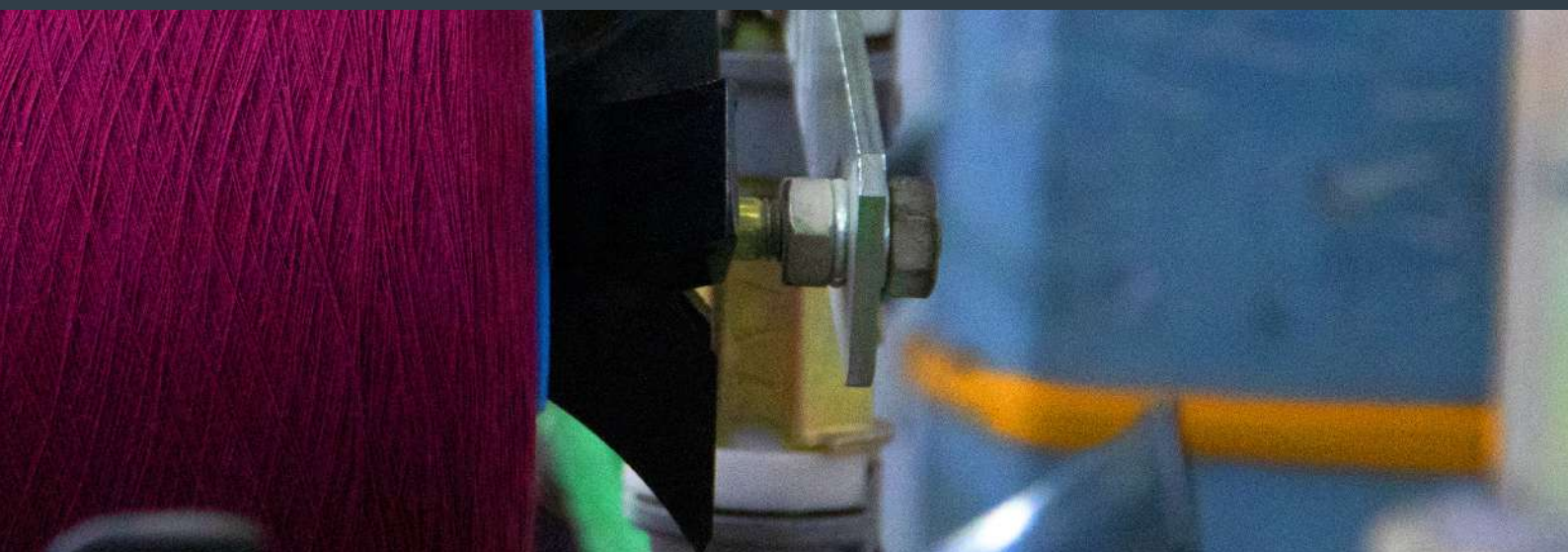
The quality of the Egyptian cotton 100% is sought at the origin, in the cotton plantations in Egypt closed to the Nile Delta, carried out under the Cottonforlife initiative, where the most precious varieties of long and extra long linden are cultivated according to organic disciplines and harvested by hand, to guarantee the selection of the most mature quakers.

Fiber is then processed and dyed with environmentally and safe substances, following certified processes and methodologies that refer to the limits imposed by the Greenpeace DETOX. Overall, the processes along the production chain are costantly monitored by ICEA in order to ensure the compliance with GOTS principles.

With respect to the use of environmentally friendly technologies and fair working conditions, Filmar has obtained the European Certification according to STANDARD 100 by OEKO-TEX® on the human-ecological requirements of the yarns produced and the Textile and Health Association Certification which aims to protect the citizens' health, guaranteeing security and transparency to the final consumer of the textile-clothing product.



Certified by ICEA
GOTS 2016-020





1.2 Resource efficiency and cleaner production (RECP)

Our approach entails the continuous application of preventive environmental strategies to processes, products and services in order to increase efficiency and reduce risks to humans and the environment.

We strive to address the three sustainability dimensions individually and synergistically:

- a) heightened economic performance through improved productive use of resources;
- b) environmental protection by conserving resources and minimizing industry’s impact on the natural environment
- c) social enhancement by protecting the wellbeing of workers and local communities

a. Energy efficiency

Energy efficiency plays an important role in avoiding energy deficits and ensuring longterm energy sustainability.

Filmar measures the impact of its use of energy along the supply chain and develops and implements firm wide policies to improve energy efficiency in its manufacturing process and distribution systems.

Accordingly, Filmar is committed to save energy and as such the whole lighting systems (in offices and industrial plant in Italy) has been turned into LED.

Machinery energy consumption is monitored through regular audits for timely interventions in case of excessive energy absorption.

b. Chemical management

Filmar’s efforts aimed at contributing to minimize the environmental footprint of cotton along with the whole lifecycle starts therefore in the cotton fields and continues along the supply chain with the purpose to offer its customers exclusive cotton yarns which are also safe both for the environment and the people wearing the garments. An effort that involves checking the whole production chain to make sure an efficient resources management system and that no dangerous chemical substances are used during subsequent wet-processing stages.

Filmar guarantees environmentally-friendly processes declaring its commitment to the management of chemicals and waste water in wet processes.

Our approach entails the continuous application of preventive environmental strategies to processes, products and services in order to increase efficiency and reduce risks to humans and the environment

The company constantly works on monitoring the use of responsible dyes and chemicals, through, in particular the Greenpeace DETOX Commitment and the ZDHC guidelines. Filmar's MRSL is updated and published on its website along with the results of tests performed on products and waste waters.



Greenpeace DETOX commitment

By ensuring the compliance with the criteria by these campaigns, Filmar is among the world leaders taking action for a toxic free fashion.

From the 1st June 2016 Filmar takes part to the DETOX Campaign to remove by 2020 11 classes of critical substances used throughout the chain and to better monitor its waste&water management industrial system in line with the DETOX commitment, Filmar is continuously working to eliminate hazardous chemical substances as indicated in our MRSL.

To this end we perform test on our products to make sure that products respond to commitment taken.

We have extended tests to the 11 groups of substances included in our M-RSL as per DETOX standard.

Our products are free from: APEOs Phthalates Brominated and chlorinated flame retardants Azo dyes Organotin compounds PFCs Chlorobenzenes Chlorinated solvents Chlorophenols Short chain chlorinated paraffins Chromium VI (CrVI), Mercury (Hg), Cadmium (Cd).

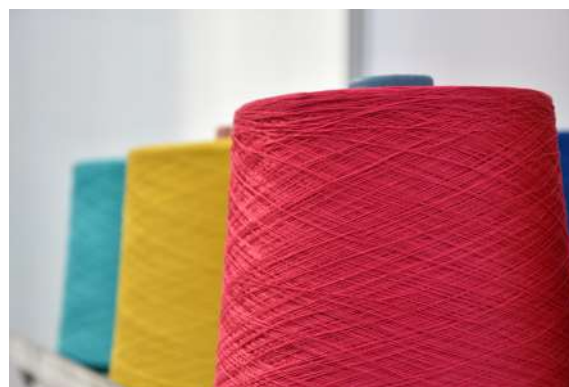
ZDHC Foundation

Recently, the company has embraced the sustainable chemistry and best practices promoted by ZDHC Foundation.

In regard to this commitment, Filmar has organized in cooperation with UNIDO Egypt and in association with Egypt's Ministry of Trade and Industry, a workshop in Cairo on Zero Discharge Of Hazardous Chemicals (ZDHC).

The two-day event that began on 18 th July was held in alliance with the concerned Export Councils and Underwriters Laboratories (UL).

The ZDHC training, which is the first for Egypt, covered sessions on 'Top 10 Issues and Best Practices' and 'Introduction to Chemical Management'.



Lean Manufacturing approaches and processes

In order to optimize the productive use of natural resources, Filmar is the first yarn spinning firm to adopt innovative management approaches such as Lean Manufacturing and Lean Thinking to enable operational efficiencies in the context of the Fourth Industrial Revolution/Industry 4.0. Recently, the company has undertaken the construction of a fully automated warehouse of 4500mq and 12 m high (it will be completed in 2019). The new organization system also includes the use of RFID technology to track products along the production chain and the automation of the logical inbound-outbound process allowing an integrated orders handling and warehouses management of Filmar Spa (Italy) and Filmar Nile Textile (Egypt).

Renewable Energy

Filmar constantly reviews its energy mix to include more renewable energy and invests part of the corporate funds in energy projects in our countries of operation to help meet local need, as well as delivering a return on investment.

On this concern, the company has invested in the realization of a very innovative BIO GAS plant closed to Brescia to provide energy to the community. The Real Scale Plant is located in Bagnolo Mella (BS) Italy has a surface of 35000 m²; it has 4 anaerobic reactors with a total volume of 14000 m³ and it produces 500 Nm³/h or 4.000.000 Nm³/year of biogas (55% CH₄ in. vol.) from chicken poultry manure. It means 8.000.000 kWh/year in electrical energy, in other words the amount of energy needed for a 3000 families. In the meantime the fertilizer section produces 65 tons/day of organic fertilizer with 55% TS (after addition of some further C-sources for 8000 tons/year).

The advantage of this fertilizer is the slow release of the nutrients (N-P-K-Mg-Fe-S) so that there is no loss of nutrients and perfect growing velocity for the vegetables/crops.

All this energy is generated in renewable and sustainable way, without fossil fuels, using materials available in the country. For this reason a strong positive balance to the Greenhouse effect is warranted from the technology, with reduction of CO₂ emitted.

Against burning (with immediate release of C content as CO₂) this plant with 25.000 tons in fertilizer production for year saves more than 10.000 tons of CO₂ emissions in atmosphere.

c. Quality management systems

Filmar adopts management systems to address the risks to human health and the environment relating to use of hazardous chemicals and air, water, and soil pollution and contaminations. Filmar adopts measures according to the international standard ISO 45001:2018 and a Quality Management System for which the company obtained the ISO 9001:2015 certification.





Social Value



Decent work
& workforce
development



Health &
Safety

2. People

Making a difference thanks to human knowledge applied to innovation and sustainability

We value and engage people working with us, caring for their professional growth and by creating respectful work environments.

People and their knowledge and know-how are at the core of our strategies and daily activities.

Quality of products obtained thanks to people who know how to realize transparent, traceable and sustainable processes: this is our added value.

Filmar has always been striving to valorize human resources by investing in training and education in textile for workers and young generations, so that the precious know-how will never be lost. We have defined our business models in a way that they ensure social inclusiveness.



2.1 Decent Work & Workforce Development

Filmar embraces an inclusive model based on the respect of human rights with laws on child protection at every stage of its value chain and beyond.

Our human rights policy is applied to all persons of the company as well as to external stakeholders with whom Filmar Spa maintains solid relationships. Filmar’s Code of Conduct is distributed for acceptance to all Filmar’s employees, suppliers, stakeholders and partners.

The document is available in the company website. (www.filmar.it)
 By pursuing the goal to establish an healthy and stimulating working environment, the company strongly condemned any form of discrimination, whether related to physical condition, disability, opinions, nationality, religion, sex, sexual orientation and gender identity, or any other condition that may give rise to discrimination.



For this reason, the company encourages and promotes equal opportunities and equality at work.

In particular we focus on the following activities:

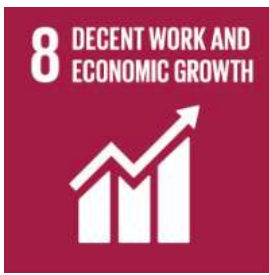
- Career development. Personal and professional growth is encouraged through educational trainings independently of gender, age, race or religion, in particular know-how sharing programs addressed to company's workers (production and maintenance department) which foresee a 15 days "work abroad" training in Filmar Nile in Egypt and/or in Filmar Spa Italy;
- Incentives, rewards and recognitions plan: monitoring results and improvements in work performances;

Furthermore, Filmar promotes at every stage a bidirectional communication system to allow employees to bring to the attention of the top management and HR department, difficulties, successes and challenges.

Filmar adopts communication procedures and internal rules to facilitate disclosures while protecting the privacy of employees.

136 Italian workers
480 Egyptian workers





2.2 Health & safety

In Filmar, an healthy working environment means safe infrastructures, processes and products ensured by a quality Management System in accordance with the standard ISO 45001:2018 for which the company obtained the ISO 9001:2015 certification.

The latter allows efficient and effective management of processes and keeps the company up to date with high performance indices and reduces the risk of complaints, wastes, non-conformity of production processes and related products.

In addition, the management system ISO 9001:2015 adopted by the company, provides documented procedures in the assessment of suppliers, to whom Filmar demands full respect for labour rights in accordance with the Universal Declaration of the United Nations.



Filmar SPA maintains its high commitment to ensure the maximum safety of the establishments



Shared Value



Education & training



Culture, art & territory



Cooperation

3. Prosperity

We are committed to guarantee that benefits and returns are shared among the company, the communities involved and the stakeholders of the cotton supply chain and fashion in general.

We work to develop the communities (people and places) in which we live and work.

We support education and training of youth by partnering with schools and universities.

We strive at building strategic relationships and partnership to create shared value.



3.1 Education

Education & Training

Filmar invests in young people to become agents of change for a more sustainable future.

With the aim to ensure that youngsters acquire a central role in socio-economic development and thus, to foster youth employability in the textile industry, Filmar organizes training courses in the fields of organic agriculture, textile industry and eco-design both in Egypt and Italy thanks to an innovative multi stakeholders partnership and in coordination with the Egyptian Ministries of Education, Agriculture and Industry. It promotes sustainable fashion among young people and organizes informative and awareness campaigns for the adoption of responsible consumption patterns.

Education for young farmers

Filmar supports young Egyptian farmers working in the cotton plantations by providing them with training courses on organic agriculture, innovative methodologies and products-related certifications.

Filmar has been always giving value to the effort of Egyptian farmers involved in these ancient, basic and extraordinary raw material through tangible actions aimed to training and support for everyday life.

Filmar invests in young people to become agents of change for a more sustainable future



Education for agricultural schools

Through Trainings of Trainers (ToT) courses and teaching materials development, Filmar spreads organic agriculture's principles to students and teachers of agricultural schools in Egypt.

Education in agricultural and industrial schools

Filmar works with schools and Universities to promote education and research. We train new generations towards a more responsible production and we help them acquiring skills so that they will be able to turn cotton into their wealth.

Thanks to the partnership with the Italian association ACIMIT, Filmar organizes specific technical training sessions for students on fiber processing also through the use of green technologies.

Supporting youth in fashion & design institutes

Filmar is committed to disseminating the culture of the eco-design and upcycling practices in Fashion&Design schools and Universities in order to promote the creative use of the textiles leftovers and more responsible production models.

Every year, the company donates industrial waste yarns to the Fashion Institute of Technology of Milano, Politecnico di Milano and other Italian Universities while offering interactive theoretical lessons on yarns production and sustainability in the textile industry. The students have also the opportunity to visit Filmar's industrial site in Italy with the aim to show to young generations the heritage hidden behind the exclusive Italian cotton yarns production.

Borg El Arab Industrial School

In 2015, the industrial technical school in Borg El Arab started introducing the specialization of spinning into the school curricula under supervision of Italian experts linking it to the Spinning Facility of Filmar Nile Textile in Borg el Arab for student's practical training. Since, 45 teachers and inspectors from Egyptian schools have attended training courses on new technologies in spinning machines and in printing of textiles, textiles machinery operations and textiles treatments. Moreover, 1000 copies of updated school books have been delivered to teachers and students of the schools benefitting from project's activities. To date, around 55 students are offered **a Rotation program by attending, weekly, two days of practical training at Filmar Nile Textile industrial plant. At the end of the 3rd year participating students will be assessed and selected for employment.**

Damietta Agricultural School

Transforming school farm to organic production

Since Filmar believes in youth and their capacity to invest in the cotton for their future, the company has started assisting the Damietta agricultural school three years ago by offering training for crop rotation, elimination of pesticides, water and energy efficiency, analysis on soil and water in order to obtain the certification by the CERES.

We have worked adopting a bottom up approach and by using reverse mentoring: the young students trained in the school transferred the good practices of sustainable farming to their parents and neighbors who produce cotton.

100 teachers and inspectors from schools all over the country have attended training courses on Cotton & Organic cultivation conducted by Agriculture Research Center and at the meantime, 1000 copies of teaching books were developed for the Damietta school in 2015. Now the same books are used in 134 Egyptian schools for a total of 150,000 students. The model has been positively valued by the Egyptian Ministry of Education and Filmar is now working together on a plan to be implemented with UNIDO to bring the model at full capacity and extend it to other schools at national level.

A study for developing a Biogas Unit in Damietta school has been developed and we expect to proceed with the implementation in 2019.



#sustainablefashion

Rediscovery is a project dedicated to eco-design solutions, such as upcycling and it involves the participation of IUAV University of Venice (Fashion Design and Multimedia Arts Department), Reclaim to Wear by Orsola de Castro, Cairo Fashion Design Center (FDC), Progetto QUID and the Egyptian fashion Brand Marie Louis of the BISHARA textile group supported by the Fondazione San Zeno of Verona, the Alexbank of Intesa San Paolo Group and United Nation Industrial Development Organization (UNIDO).

The project, in the framework of the Cottonforlife Initiative (the first vertical, transparent, seed to clothing organic cotton supply chain in Egypt) supports sustainable fashion through the creative use of textile leftovers and aims at encouraging a stronger match-making among the supply and demand of sustainable skills on the fashion labour market both in Italy and Egypt by educating young generations of fashion designers, teachers, representatives and entrepreneurs of the textile and apparel industry to a circular and sustainable production models

- 8 Italian students & 5 Egyptian students trained in eco-design, upcycling, zero-waste and sustainable production and consumption models;
- 13 capsule collections designed and created in sampling;
- 3 educational modules created on upcycling, zero waste and responsible consumption and production patterns for IUAV and FDC;
- 50 Egyptian teachers, trainers and technicians trained on sustainability-related topic in the textile industry;
- 100 students from FDC and others Egyptian institutes have participated to the teaching sessions;
- 35 young entrepreneurs and fashion designers trained on marketing and business development;
- 7 teaching modules on marketing, business & production management, finance and market analysis developed;
- 1 public event organized to present project's output and results to the textile and fashion community in Egypt
- 3 capsule collections designed and produced (105 items in total produced by Progetto Quid team in limited edition).

Rethink Filoscopia



Skills development for youth

A project aiming to experiment young and creative uses of the mercerized high-quality yarns and to give value to an important accessory such as the socks which is increasingly becoming a detail that can make or break any kind of look.

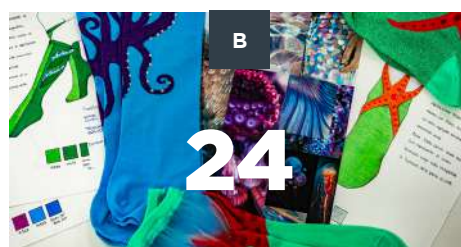
ReThink Filoscopia® Project arises from the synergy between Filmar SpA, the Calzedonia Group and the Ateneo della Moda Machina Lonati, a technical educational Institute for fashion and design.

The strong relationship between the institution and the business world brought to life the ReThink Filoscopia Project to give a young, creative and disruptive image to the mercerized high-end yards, generally associated to classical and traditional productions.



YOUNG STUDENTS

ATTENDING THE TECHNOLOGICAL FASHION STYLIST COURSES AT THE ATENELO DELLA MODA



INNOVATIVE PROJECTS

MANY INSPIRATIONAL THEMES AND DIFFERENT INTERPRETATIONS OF FILOSCOZIA® WERE PRESENTED, RANGING FROM NEW VERSIONS OF "NON-WOVEN HOSIERY" TO UNUSUAL BUT STILL FUNCTIONAL "OVERS", USING TEXTURES AND VOLUMES CAPABLE OF ENHANCING THE CERTIFIED QUALITY OF FILOSCOZIA®



PROPOSALS

HAVE BEEN SELECTED BY THE FILMAR'S AND CALZEDONIA'S CREATIVE TEAM: THE COMPANY THEN SUPPORTED THE YOUNG STUDENTS' TALENT BY OFFERING THEM THE CHANCE TO TURN THEIR IDEA INTO REALITY AND TAKE PART TO THE MANUFACTURING STAGES OF THEIR CREATIONS

Contests & Awards

Feel The Yarn by Consorzio Toscana Filati

Filmar provides young fashion designers from international schools with yarns to develop original creations for the contest Feel The Yarns whose aim is to exalt the potential of the most innovative Italian yarns and to promote the emergence of young design talents in knitwear and fashion.



Lucinda Popp
2013 - England



Eri Naito
2014 - Japan



Edoardo Faccin
2015 - Italy



Adriane Lila Fecke
2016 - Germany



Riko Narita
2017 - Japan



Edoardo Faccin
2018 - Israel

Colorama Award by Filmar

ColorAMA Award is a revolutionary contest promoted by Filmar, designed to inspire and encourage young students from fashion & design schools and Universities all over the world to develop innovative and creative colour and texture proposals for the season.





**COLORAMA
AWARD**

**ColorAMA - the global
palette (January 2017)**

27 Universities
19 Countries
5 Continents

**1° edition ColorAMA
Award (July 2017)**

24 Universities
15 Countries
5 Continents

**2° edition ColorAMA
Award (January 2018)**

18 Universities
12 Countries
4 Continents

**3° edition ColorAMA
Award* (January 2019)**

19 Universities
13 Countries
5 Continents

* ColorAma 3° edition asks students all over the world to develop an innovative and fashionable digital capsule collection through moodboards inspired by at least one of the topics introduced by the Sustainable Development Goals (SDGs) of the United Nation and expressing, at the same time, colour and texture trends for the Spring/Summer season 2020.





3.2 Culture, art & territory

Filmar supports the world of art and culture, which is considered to be the identity of a country. In 2017, the company has sponsored the exhibition held at Palazzo Martinengo with the masterpieces of by Francesco Hayez, Giovanni Boldini, Antonio Canova, Giovanni Segantini and many other authors while in 2018 Filmar contributed to sponsor the wonderful exhibition “PICASSO, DE CHIRICO, MORANDI: 100 masterpieces from XIXth and XXth century” and the “Animals in the Art of the Renaissance” exhibition dedicated to the representation of animals in Italian Renaissance and Baroque painting.



Filmar supports no profit organizations and Foundations such as: Fondazione San Zeno by donating Christmas budget to the development of initiatives aimed at supporting people in need in Italy and abroad; Fondazione Bambini delle Fate in favor of child disability (in particular of the autism spectrum syndrome) and the cultural initiative B-Live Project of the Fondazione Near addressed to youngsters affected by serious diseases which aims at promoting creative training programs based on art and fashion in collaboration with enterprises and fashion brands.

As agent of change and driver of local development, Filmar supports the municipality of Zocco d’Erbusco where it is based by donating two new defibrillators accessible to the public as part of the “Cuore al sicuro” project and financing a € 780.028,28 invitation to tender which is intended to sub-contract the reconstruction of part of the municipality’s streets

Cotton Museum in Cairo

Filmar sponsors the Cotton Museum in Cairo to preserve the history of cotton both in



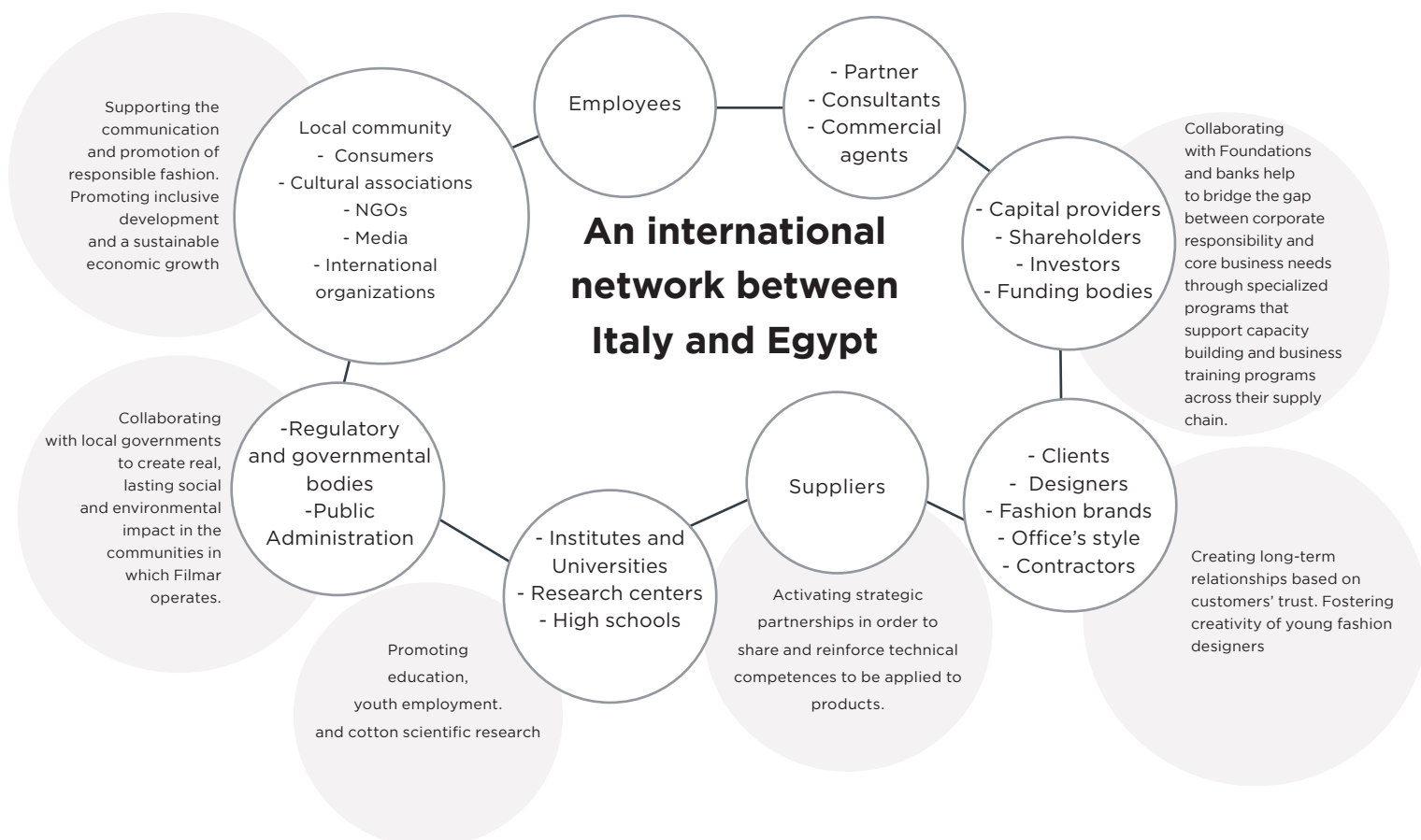


3.3 Cooperation



To implement our action plan based on the 17 Sustainable Development Goals and aimed at enhancing the sustainability of the cotton value chain, We established innovative partnerships to unlock valuable opportunities for a sustainable development of the cotton sector.

Thanks to the passion for ennobling the best cotton in the world, particularly the Egyptian cotton, Filmar has built over the years a network of companies and stakeholders thanks to long-term and inclusive partnerships.



As member of the UN Global Compact, Filmar takes part to the most ambitious multi-stakeholders partnerships in order to advance the Sustainable Development Goals (SDGs) and to achieve high performances in terms of sustainability at each stage of the cotton value chain. Since the beginning, Cottonforlife has been supported by Alexbank of Intesa San Paolo Group and the Egyptian Government which have contributed to make this programme possible.



Filmar SpA

via De Gasperi 65 | 25030 Zocco d'Erbusco (BS) | IT

☎ +39 030 776700 ☎ +39 030 7760123

info@filmar.it

filmar.it

