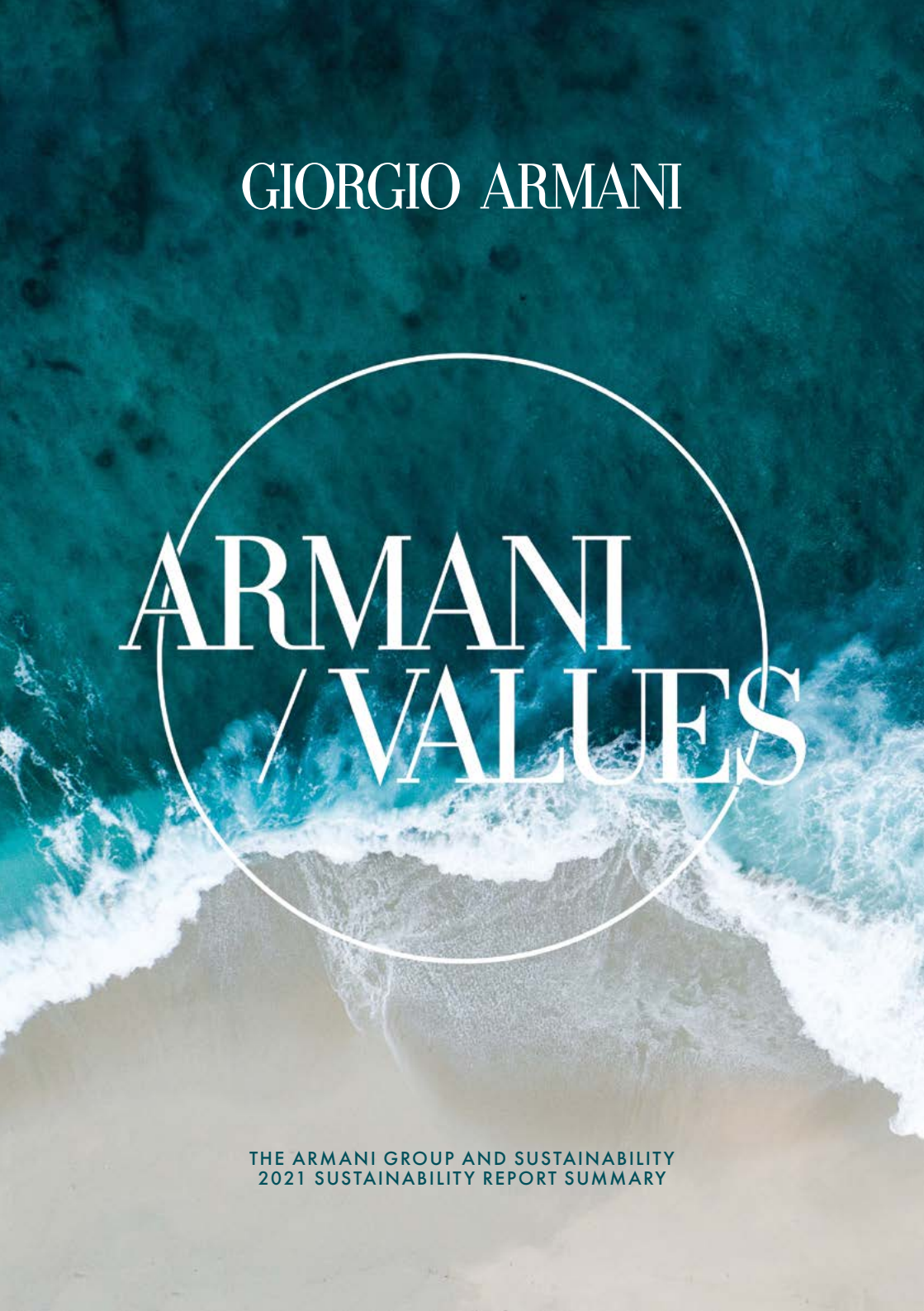


GIORGIO ARMANI



ARMANI
/ VALUES

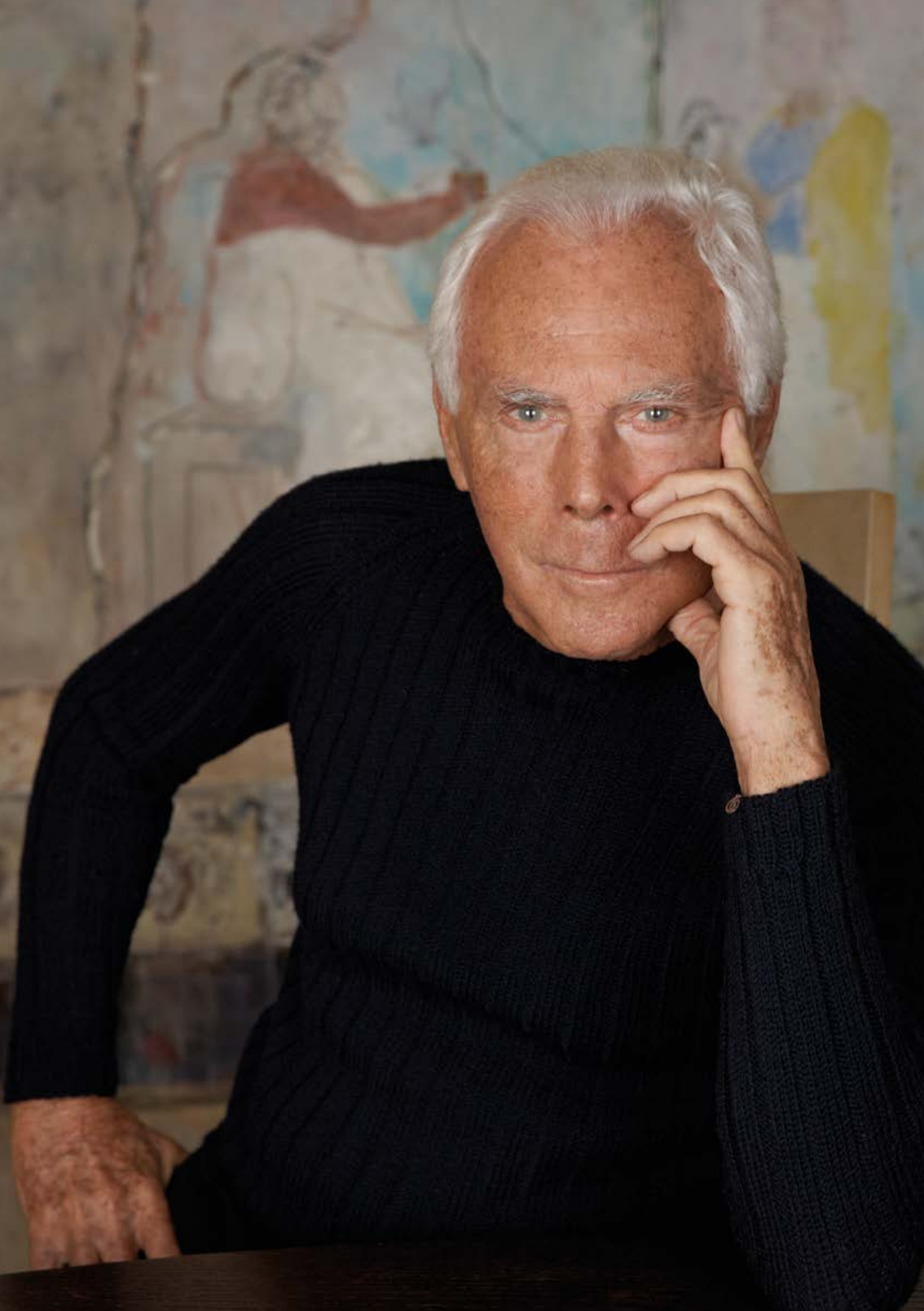
THE ARMANI GROUP AND SUSTAINABILITY
2021 SUSTAINABILITY REPORT SUMMARY



ARMANI / VALUES

Behind the design of our creations
there is a remarkable story to tell.
Beyond style, there is a lifestyle.
Besides our runways there are steps that
lead to a more responsible future.
Authentic and shared values towards
all: the collaborators, the environment, the
community.

Armani/Values.
These are our values.
The values of sustainability.



“Meeting the needs of the present generation without compromising the possibilities of the future generations to satisfy theirs” is the imperative of our times.

Lest it remain just a statement of intentions, these concepts need to be integrated into the company’s values and business strategies that guide its development.

Giorgio Armani
Chairman

The distinctive sensitivity towards the changes that society is undergoing and the complex context in which we find ourselves leads the Armani Group to work towards sustainability with even greater attention and more concretely.

Once again this year, and for the future, the Group confirms and reinforces its commitment to giving value to its people, reducing its environmental impact, developing and supporting the territory where it operates, raising awareness among customers on the aspects of social and environmental sustainability, guiding and leading its suppliers on a path of constant improvement.

The sustainability strategy has been designed to be applied globally and structured with specific goals for each Brand and region.

Andrea Camerana

Sustainability Managing Director appointed within the Board of Directors



2021 IN NUMBERS AND FACTS



NEW SUSTAINABILITY GOVERNANCE

- Sustainability Managing Director appointed within the Board of Directors
- Group Sustainability Director
- Strategic Sustainability Committee

NEW PEOPLE, PLANET, PROSPERITY STRATEGY
Sustainability Plan 2019-2030

NEW MATERIALITY ANALYSIS
Double materiality
~1300 stakeholders involved
10 stakeholder categories involved
~70% response rate



EMPLOYEES
51% of all Senior Executives and Managers are women (out of the total number as of 31/12)
63% of all employees are women (out of the total number as of 31/12)


FINANCIAL TIMES DIVERSITY LEADERS RANKING
 1st in Italy
2nd in Europe
(up 4 positions as compared to 2020)


NEW COVID-19
Covid-19 tests and vaccines made free for all employees



TRAINING
20% more training as compared to 2020

NEW SCIENCE BASED TARGETS (2019 BASELINE)
-50% in Scope 1 and 2 greenhouse gas emissions by 2030
-42% in Scope 3 emissions, by 2029

ENERGY FROM RENEWABLE SOURCES
+26% in energy from renewable sources as compared to 2020
 100% electricity from renewable sources in Italy (goal reached 2 years ahead of schedule)

B2C PACKAGING
 90% plastic free of the 10% remaining plastic, 8% is recycled or biobased

RESULTS
-34% in Scope 1 and 2 market-based emissions, as compared to 2019
-10% in Scope 3 emissions, as compared to 2019 (more maritime shipping)



NEW CODES, GUIDELINES AND CERTIFICATIONS

- Sustainability Code for Suppliers
- Sustainable Materials Guidelines
- ISO 20121 certification for sustainable events

NEW COLLABORATIONS

- Joining Textile Exchange
- Joining the Fashion Task Force of the "Sustainable Markets Initiative"

MAIN PROJECTS AND SUPPORTED GROUPS
Fondazione Umberto Veronesi, Save the Children, WWF, Fondazione Humanitas, Comunità di Sant'Egidio, Acqua for Life, FAI, Obiettivo 3, ForestaMI, Opera San Francesco, Teatro alla Scala

THE ARMANI GROUP IN THE WORLD

- The geographical areas in which the Armani Group directly operates:
- Production sites

Europe: Italy, Belgium, The Netherlands, France, Germany, Austria, Portugal, Spain, the UK, Ireland, Switzerland, Munich, Greece

America: United States, Canada, Mexico, Brazil

Asia: Japan, China with the inclusion of Hong Kong S.A. R., Macau S.A.R.

Rest of the world: Australia



THE SUSTAINABILITY TIMELINE

1996

Exhibition of a **recycled jeans model** at the Museum of Science and Technology in Milan

2003

CA-RI-FE Award for the reintroduction of textile hemp in the Italian fashion sector

2010

Birth of the **Acqua for Life** project

2012

Outfit made from **recycled PET** on the **Golden Globes Red Carpet**

2013

Establishment of the **Corporate Social Responsibility** Department

Publication of **PRSL specifications**

2014

Publication of **codes of conduct** and **first social and environmental audits** performed on the supply chain

Installation of the first **photovoltaic systems** in the buildings located in Via Bergognone, Milan

2015

First Life Cycle Assessment (**LCA**) studies performed on **best sellers** (Project of the Ministry of the Environment)

Armani/Silos opening

2016

Giorgio Armani Foundation establishment

Fur Free Policy and **PETA Fashion Award**

Publication of the "**Guidelines on the Eco-Toxicological Requirements**" by Italy's Camera Nazionale della Moda Italiana – CNMI (National Chamber for Italian Fashion)

2017

Green Carpet Fashion Award

Publication of the "**Guidelines for Chemical Mixtures**" and "**Guidelines for the Sustainability of Retail**"

2018

Armani Sustainability Project (ASP) pilot project

Olimpia Milan Team uniform made from recycled PET

First year of public reporting (**Sustainability Report 2018**)

2019

Sustainability-themed "**Armani Development Program**"

Signing on to the **Fashion Pact**

Opening of the **first Green concept outlet**

2020

Launching of the **Emporio Armani recycled Capsule collection**

Support for the Covid-19 Emergency

2021

Launch of sustainability strategy – People, Planet, Prosperity – and **strengthening of governance**

ISO 20121 certification of the sustainable event "**One Night Only Dubai**"

Communication of the commitment to not use angora wool for all lines collections from the Fall Winter 2022/2023 season

The Armani Group appointed as **Diversity Leader in the Financial Times** ranking

Launch sustainable capsules with yarns and/or fabrics made of materials such as recycled polyester or organic cotton

Publication of the GHG reduction targets, approved by the **Science Based Targets Initiative (SBTi)**

Membership of the "**Sustainable Markets Initiative**" Fashion Task Force

Textile Exchange Membership

Extension of **stakeholder engagement** activities and update of the **Materiality matrix** with a view to **double Materiality**

THE WORLD OF ARMANI

MAIN BRANDS OF THE GROUP

GIORGIO ARMANI

The **Giorgio Armani** collection includes suits, accessories, eyewear and the Giorgio Armani Privé Haute Couture Collection, the highest expression of elegance and refinement in the Armani style.

The **Emporio Armani** collection offers a wide choice of ready-to-wear pieces and accessories – including eyewear, watches and jewellery – from the **EA7** sportswear collection to the kid's line Emporio Armani Junior.

EMPORIO ARMANI

A | X

ARMANI EXCHANGE

The clothing and accessories of the **A|X Armani Exchange** collection address new generations and take inspiration from street culture.

OTHER BUSINESS AREAS

The Armani style extends to the **food & beverage** world, with restaurants, cafes and **Armani/Privé** clubs, to hospitality with **Armani Hotels**, luxury furnishings with **Armani/Casa**, floral creations with **Armani/Fiori**, cosmetics and fragrances with **Armani Beauty** and sweets with **Armani/Dolci**.

The Armani Group operates through production and distribution licensing agreements in select product categories other than textiles/clothing such as **perfumes and cosmetics (L'Oréal)**, **eyewear (Luxottica)**, **watches and semi-precious jewellery (Fossil)** and **sweets (Guido Gobino)**.

After becoming one of the main sponsors of **Olimpia Milano** in 2004, the Armani Group later acquired 100% control of the basketball team in 2008.



APPROACH TO SUSTAINABILITY

“Fighting climate change is a very complex undertaking that requires great dedication and must cover the entire production process. The concept of sustainability, in fact, must be adopted across the board, by producing less and better, selecting raw materials with a low environmental impact, constantly implementing innovative processes, reducing waste and rejects, using renewable energy sources and, in this way, reducing emissions that are harmful for our planet.

Therefore, I am particularly proud of this important step, which testifies to the Group’s determination to continue along the path it has undertaken”.

Giorgio Armani
Chairman

THE VALUES AND THE CONTROL SYSTEM

The Group’s values are formalized within the **Code of Ethics**, which constitutes the cornerstone of the business ethics model and contains the ethical principles and rules of conduct that the organisation shares with all employees, collaborators, and suppliers.

OUR VALUES



INTEGRITY AND SHARING



TRUST



TEAM SPIRIT



DIVERSITY PROTECTION AND PROMOTION



RESPONSIBILITY TOWARDS THE COMMUNITY



TRANSPARENCY AND COMPLETENESS OF INFORMATION



EMPLOYEE WELL-BEING



PROTECTION AND RESPECT FOR THE ENVIRONMENT

CONTROL SYSTEM

In 2021

Zero

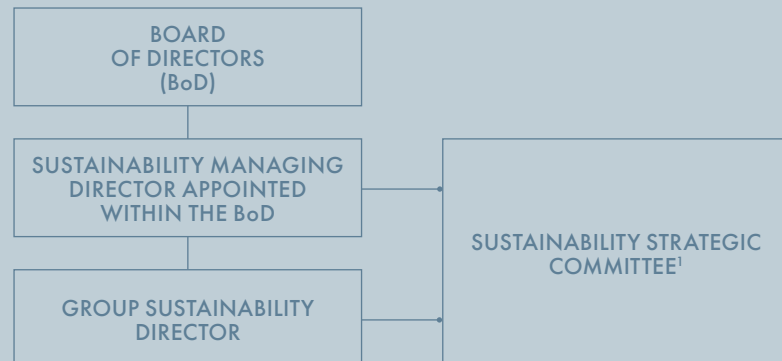
- Cases of discrimination
- Cases of corruption
- Non-compliance with social, environmental, and economic laws
- Legal actions in the field of anti-competitive behaviour, antitrust and monopoly practices

SUSTAINABILITY GOVERNANCE

Giorgio Armani, Chairman and Group Chief Executive Officer, established in 2016 the **Giorgio Armani Foundation** to ensure continuous guidance for the company's future management, as well as to foster and protect the values and principles that have always inspired his creative and entrepreneurial activities.

In 2021, the Group strengthened its **sustainability governance** to turn its commitment into clear and concrete actions aimed at continuous improvement in **ESG (Environmental, Social, Governance)** aspects.

THE SUSTAINABILITY GOVERNANCE MODEL



1. The Sustainability Strategic Committee is composed of: the Sustainability Managing Director within the Board, the Group Sustainability Director, the Commercial Deputy Managing Director, the Operations Deputy Managing Director, the Industrial Deputy Managing Director, and the Global Human Resources Director.



PEOPLE, PLANET, PROSPERITY THE SUSTAINABILITY STRATEGY AND PLAN 2019-2030

With the launch of the **new sustainability strategy**, in 2021 the Armani Group further strengthened the strategic planning process by defining a path based on three priority areas of action consistent with the main international frameworks and the **United Nations Sustainable Development Goals (SDGs): Planet, People, Prosperity**.

For each of the three areas, in line with the results of the materiality analysis, specific improvements of a qualitative-quantitative nature have been identified and planned, which are summarized in the **Group's new Sustainability Plan**.



People's well-being, talent development, inclusion, and uniqueness:

- Diversity, equity, and inclusion
- Women's empowerment
- Employees' well-being and welfare
- Human Capital Development and performance review
- Talent attraction
- Health and Safety
- Employee awareness and training on sustainability

Environmental protection and efficient resources use:

- Greenhouse gas emissions reduction
- Electricity 100% renewable by 2023 in Italy and by 2025 in Europe
- Eco-design and circular economy
- Efficient water resource management
- Purchase of 100% FSC certified paper by 2025 for B2C and by 2030 for B2B
- Biodiversity and ocean protection
- Disposal of single-use plastic and increase of recycled plastic (at least for 50%) by 2025 for B2C packaging and by 2030 for B2B packaging

New business models for creating economic, social, and environmental value, generating profit, and acting for the benefit of the community:

- Use of 25% low-impact raw materials by 2025
- 100% traceability of key raw materials by 2025
- Fair and sustainable relationships with suppliers and assessment of their performance according to social and environmental criteria
- More frequent and effective communication with customers
- Strengthening of product quality, labelling and safety
- Product Digital Passport
- Support and engagement of local communities

SUSTAINABLE DEVELOPMENT GOALS (SDGs)



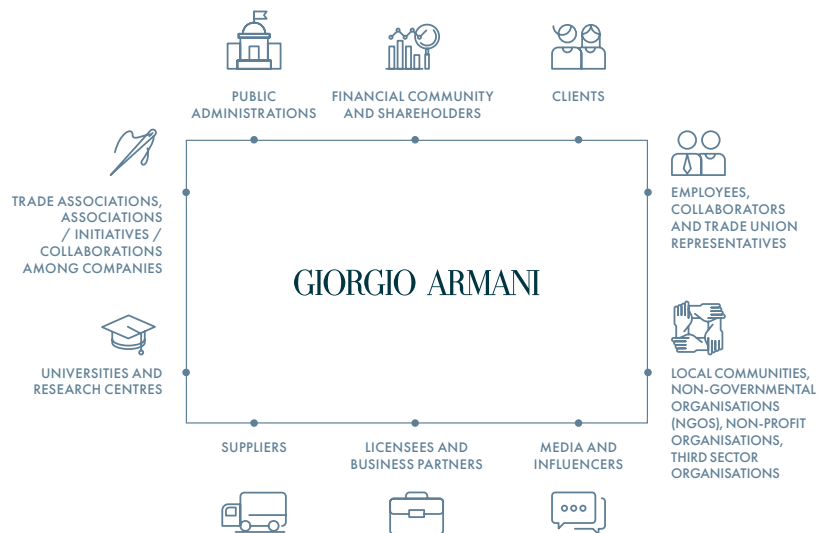
THE MATERIALITY ANALYSIS

The Armani Group conducted a **materiality analysis** to define the most relevant sustainability issues for the Group and its stakeholders.

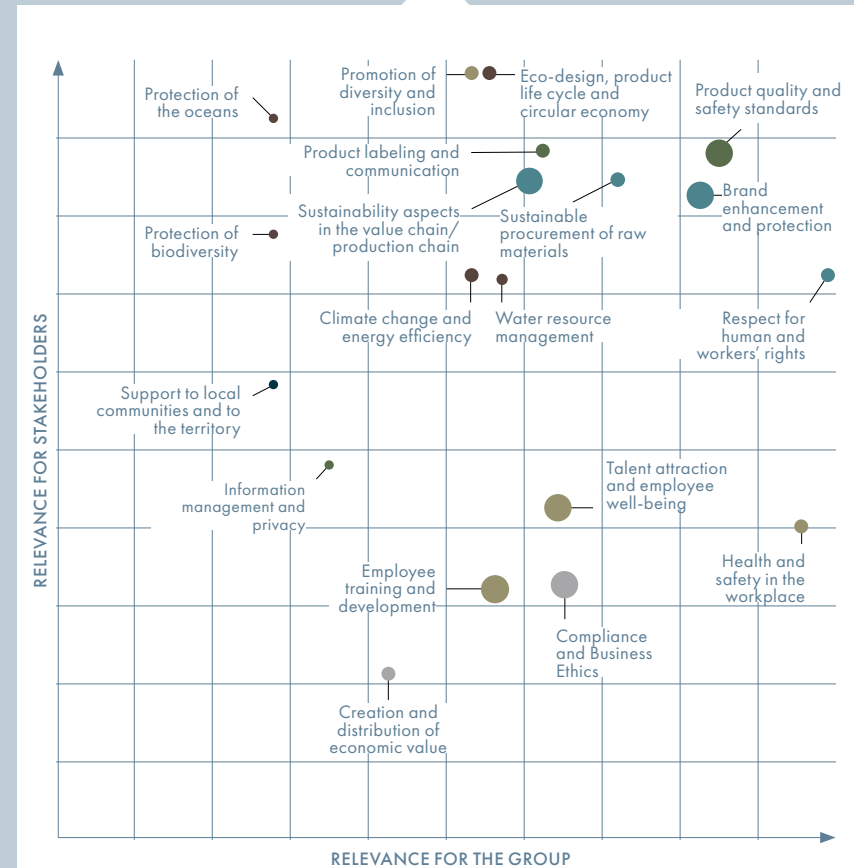
STAKEHOLDER ENGAGEMENT

~1,300 stakeholders involved
10 categories of stakeholders involved
~70% response rate to online questionnaires

MAP OF THE STAKEHOLDERS



MATERIALITY MATRIX



Legend

Macro-area of reference

- PEOPLE ● Employees' well-being and talent development
- PLANET ● Environmental protection and efficient use of resources
- PROSPERITY ● Focus on the customer
- PROSPERITY ● Support and involvement of Communities
- PROSPERITY ● Relevant across the board
- PROSPERITY ● Responsible management of the Supply Chain

THE VALUE OF PEOPLE

The well-being of employees has always been at the centre of our actions, their growth a constant consideration, their talent development the highest objective.

THE GROUP'S EMPLOYEES



8,304

employees as of 31/12/2021 (+1% vs. 2020)

63%

employees
women

55%

employees aged
between 30-50
years old

83%

permanent
contracts

89%

full-time
contracts

DIVERSITY AND INCLUSION (D&I)



The Armani Group reached 1st position in Italy and 2nd in Europe in the Financial Times' **Diversity Leaders** ranking

MAIN INITIATIVES:



Group D&I and Whistleblowing Policy
Drafting of Group Policies



**Armani/Global
Inclusion Project**



**"Diversity and
Discrimination Prevention"**
webinars in collaboration
with Fondazione Umberto
Veronesi



Training on Diversity
in collaboration with
Politecnico di Milano



**Camera Nazionale della
Moda Italiana**
Participation in the HR
roundtable on D&I issues

TRAINING

138,702

Training hours in 2021
(+20% vs. 2020)



≈17
Average training
hours per employee

MAIN TRAINING AND AWARENESS COMPETENCE AREAS



PROFESSIONAL



CODE OF
ETHICS



GOVERNANCE



HEALTH AND
SAFETY



SUSTAINABILITY

WELFARE

In 2021, the **Armani People Care** welfare plan was renewed: an annual fund to spend on medical, social welfare, education, transport, sports, leisure, travel, and culture.

HEALTH AND SAFETY

66
Injuries
in 2021

0
Fatalities or
high-consequence
injuries



Free Covid-19 tests
and vaccines for all
employees



THE VALUE OF THE PLANET

Each item of clothing contains elements of design as well as water, raw materials and many parts taken from nature all around us.

ENVIRONMENTAL PROTECTION AND EFFICIENT USE OF RESOURCES

Energy consumption and greenhouse gas emissions

In 2021 the Group set the following **ambitious targets for reducing climate changing emissions** to contribute to the containment of global warming in line with the Paris Agreement:

By 2030

-50%

Scope 1 and 2
emissions compared
to 2019

By 2029

-42%

Scope 3 emissions coming
from goods and services
purchased and from transport
and distribution
compared to 2019



The Armani Group has defined a concrete action plan for the reduction of its direct and indirect emissions and for the purchase of a growing share of energy from renewable sources, in line with the Sustainable Plan objectives.

ENERGY CONSUMPTION 2021

301,686 GJ

Energy consumed
+7% vs. 2020

225,893 GJ

Electricity consumed

74,947 GJ

Natural gas consumed

27%

Energy from renewable sources
+26% vs. 2020

9,949 tCO₂eq

saved



100% electricity from renewable sources in Italy

Electricity from renewable sources used also in **Spain, Portugal, the UK, and Switzerland**



Target achieved **two years ahead of schedule**



Photovoltaic system in via Bergognone implemented since 2014

GREENHOUSE GAS EMISSIONS (tCO₂eq)²



Circular economy and waste management

The Armani Group particularly values the aspects of a circular economy and is committed to gradually adopting its principles in the realization of its products.

WASTE GENERATED IN 2021

3,227.5 t of waste generated ————— of which **99%** non-hazardous, mainly paper and plastic

64% reused or recycled waste

+3% vs. 2020

2. Greenhouse gas emissions include the Scope 1 direct emissions and the Scope 2 and Scope 3 indirect emissions.

Water resource management

Water resources are the focus of careful management by the Group: both for the greatest possible containment of withdrawals and for the implementation of strict controls which ensure that water discharges comply with relevant regulations.

WATER WITHDRAWAL 2021



288,896 mc of which 94% from aqueduct

13% GAO³ water withdrawal from areas with water stress

Biodiversity and ocean protection

The Group's objective in the coming years will be to integrate projects and initiatives aimed at protecting ecosystems as well as protected and endangered species and promoting regenerative practices into its sustainability strategy.

Zero

GAO in Italy and Hong Kong located within protected areas or areas with a high biodiversity value (Key Biodiversity Areas)

In 2021, the Group renewed its commitment to protecting the oceans through the gradual elimination of single-use plastic in packaging and by increasing the use of recycled plastic.



Animal fur from Fall Winter season 2016/2017

Angora wool from Fall Winter season 2022/2023

3. GAO: Giorgio Armani Operations of the Group.

PACKAGING: INNOVATION FOR LOWER ENVIRONMENTAL IMPACTS

Since 2012, the Armani Group has been engaged in a constant process of reviewing and updating its **B2C customer packaging**, which consist of approximately 90% certified paper and cardboard, with the aim of reducing virgin plastic, using recycled or organic raw materials, simplifying packaging solutions, and increasing the material recyclability and recovery.

90% Plastic-free B2C packaging
of the 10% remaining plastic,
8% is recycled or biobased



MAIN STEPS UNDERTAKEN

(Giorgio Armani, Emporio Armani, A|X Armani Exchange)

| 2013 | 2018 | 2019 | 2021 |
|----------------------------------|-------------------------------------|---|--|
| Elimination of plasticized paper | FSC certification for all packaging | At least 40% of the mono-material packaging is recycled | Updated all license packaging for GA, EA, A X brands |

OUR BRANDS, THE CHOICE OF RAW MATERIALS AND THE PRODUCTION PROCESSES

To fight climate change, the Armani Group has long been committed to researching **materials with a low environmental impact**: there are several initiatives that **involve all the Group's brands**, whose main focus is the selection and use of second-generation raw materials, recycled or regenerated, and from materials that have an organic origin.

Membership



in 2021

25% of low-impact raw materials by 2025



In 2021, the Group also drafted the **Sustainability Requirements document for Raw Materials and Production Processes**, i.e., guidelines that provide instructions for every type of material and are a reference for internal departments such as the style, research and development, and manufacturing and merchandising, and it is also intended for suppliers.

THE VALUE OF PROSPERITY

Our sustainability path has always embraced a wider horizon, travelling beyond the boundaries of fashion, exploring new sustainable paths, for a vision of prosperity that wants to involve the entire community.

RELATIONS WITH THE SUPPLY CHAIN

The Group considers the **collaboration with suppliers** to be extremely important. Through their skills and craftsmanship, suppliers enhance the creations of the Group's brands.

MAIN GEOGRAPHICAL AREAS OF SUPPLIERS



— ITALY — MEDITERRANEAN BASIN
— EUROPE — ASIA

In 2021, the new **Sustainability Code for Suppliers** was drawn up with comprehensive and explanatory guidelines for:

- the containment of the environmental impact of all activities (from the selection of materials to their reuse);
- the respect for the human rights and working conditions of staff employed throughout the value chain.



346



Audits carried out on suppliers during the three-year period 2019-2021

70%



of new suppliers evaluated according to social and environmental criteria in 2021

RELATIONS WITH CUSTOMERS



Since 2021, the Armani Group has been a part of the **Fashion Task Force of the “Sustainable Market Initiative”** to work on a **“Product Digital Passport”**.

Zero

- non-conformity on product safety in 2021
- customer data breach reports in 2021
- product labelling non-compliances in 2021

Since 2018, the **CERTILOGO® platform** has been implemented: an anti-counterfeiting system that, by scanning a QR Code, allows the customer to participate in the authentication process of the Group’s products.



SUSTAINABLE STORE MANAGEMENT

- Protocol on Sustainability Requirements for Shops
 - Guidelines for Real Estate and Interior Design
- drawn up in 2021 to start the environmental certification process for the main offices and stores.

The Armani Group’s initiatives for sustainable development and the circular economy include the **Armani Green Outlets** shopping experience - points of sale made from recycled materials that can be recycled at their end of life.

18 Green Outlets

+7 in 2021
(New openings or restructured of sales outlets)

SUSTAINABLE EVENT MANAGEMENT

Guidelines for the Management of Sustainable Events have been drawn up in accordance with **ISO 20121** standards. They provide recommendations - for all suppliers, sub-suppliers and partners involved - to limit environmental impacts and ensure a positive impact on people during all stages of an event: design, implementation, and decommissioning.

One Night Only Dubai Hotel

- Sustainable event certified ISO 20121
- Environmental impacts reduced to a minimum
- Offsetting residual emissions with REDD+ projects⁴

4. REDD+ projects (Reduction of Emissions from Deforestation and Forest Degradation) Agrocortex and Maisa, aimed at protecting forests and endangered species and supporting of local communities.



RELATIONS WITH COMMUNITIES

The Armani Group recognises its responsibility to the community as one of its core operational values. For this reason, operating directly or indirectly, it has been supporting and promoting important projects for years in cooperation with multiple organisations that support:



MEDICAL AND SCIENTIFIC RESEARCH

- Fondazione Umberto Veronesi
- Fondazione Humanitas per la Ricerca



SOCIAL INCLUSION AND TERRITORY SUPPORT

- Acqua for Life
- Opera San Francesco per i Poveri
- Comunità di Sant'Egidio
- Save the Children
- Obiettivo3



ENVIRONMENTAL PROTECTION

- Italian National Trust (FAI)
- Forestami
- WWF



CULTURE

- Armani/Silos
- Teatro alla Scala
- Amici del MAXXI

GIORGIO ARMANI



Find out more about our commitment to sustainability.

Discover the 2021 Sustainability Report on

[arnanivalues.com](https://www.arnanivalues.com)