

GIORGIO ARMANI

ARMANI  
/ VALUES

THE ARMANI GROUP AND SUSTAINABILITY  
2022 REPORT



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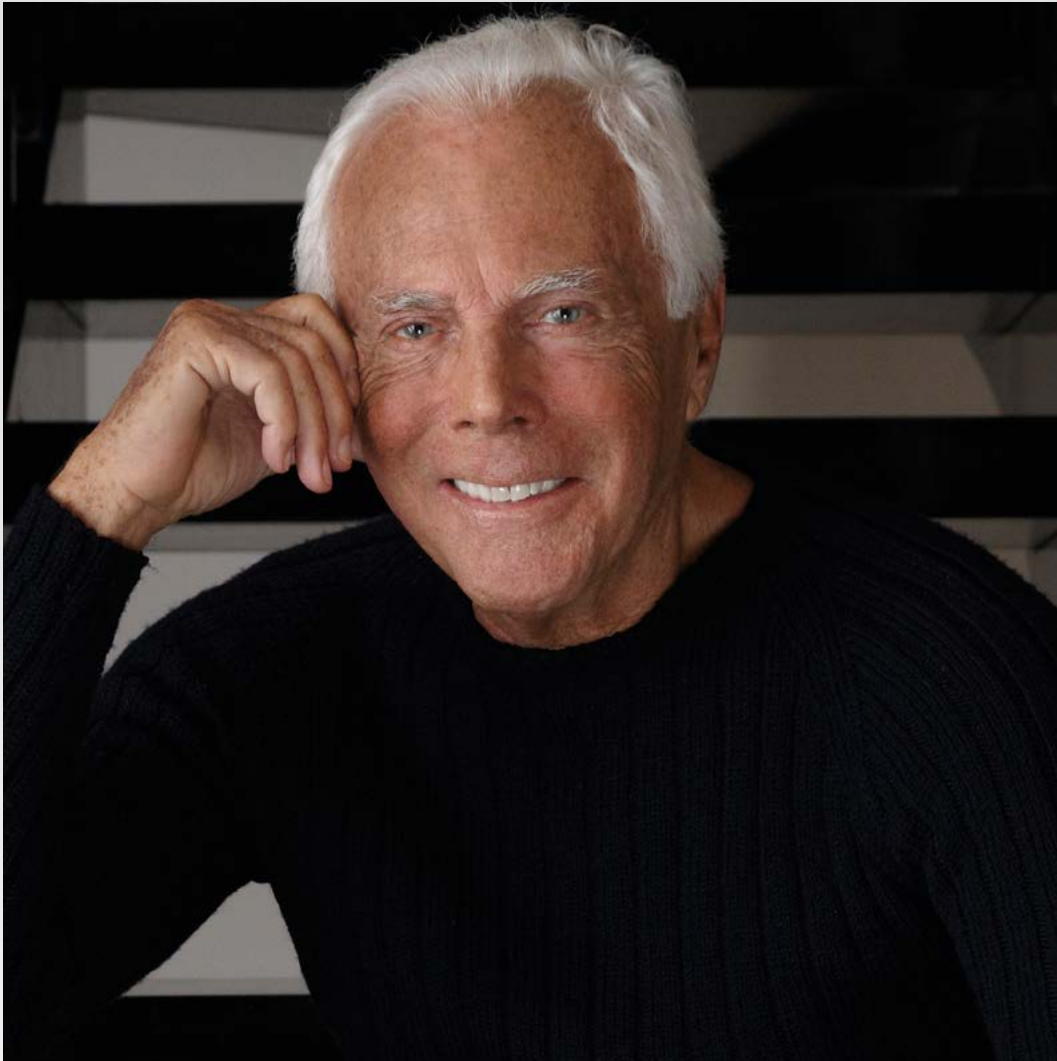
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We do realize that building and securing the future of the planet requires changes in the way we live and do business.

I have always believed in a business model based on a certain set of values that are essential to me and on a notion of fashion that is capable of creating value and fostering employment. We are aware of our privileged position, and with privilege comes responsibility.

**Giorgio Armani**  
Chairman

A handwritten signature in black ink that reads "Giorgio Armani". The signature is fluid and cursive, with a long, sweeping underline.

# OUR COMMITMENT TO SUSTAINABILITY

In 2022, the Group strengthened the integration of sustainability issues into its corporate strategy and promoted the planning process around three priority areas of action, in line with the Sustainable Development Goals identified by the United Nations: People, Planet and Prosperity.

For each of the three areas, specific qualitative and quantitative improvements were identified and planned, in line with the results of the materiality analysis and based on an approach that covers the entire value chain. These improvements are summarised in the Group's 2019-2030 Sustainability Plan. In line with its *less is more* strategy and philosophy, the Group has defined concrete objectives along the entire value chain and implemented a series of targeted actions to achieve them.

With this document, which brings together the efforts of the entire Group and which for the first time has been subjected to *limited assurance* from independent auditors, we aim to share our actions, progress and plans to achieve increasingly challenging goals.

**Andrea Camerana**

Sustainability Managing Director

# 2022 IN NUMBERS AND FACTS



## GOVERNANCE

### SUSTAINABILITY GOVERNANCE

- Double materiality assessment
- Sustainability plan integrated into business strategy
- 12 meetings of the Strategic Sustainability Committee and 3 meetings with members of the Board of Directors



## PEOPLE

### EMPLOYEES

- 8,698 employees
- 51% women senior executives and managers
- 62% women employees



## PLANET

### ATMOSPHERIC EMISSIONS

-60% Scope 1 and 2

Market-based emissions vs. 2019

-17% Scope 3 emissions

(Category 1 and Category 9) vs. 2019



## PROSPERITY

### CERTIFICATIONS

- Sustainable Events: ISO 20121<sup>1</sup> and ISO 14067<sup>2</sup> certified
- Launch of the Emporio Armani Sustainable Capsule Spring Summer 2023 collection: QR Code for sustainability information, ISO 14021<sup>3</sup> certified

1. Management standard for the sustainable organisation of events.

2. Standard for quantifying CO<sub>2</sub> emissions generated throughout the life cycle of a product or service.

3. Standard for the correct formulation of an organisation's self-declared environmental claims.



## FINANCIAL RESULTS



- € 2,352 million of revenue (+16% vs. 2021)
- € 2,374 million of generated economic value

## GLOBAL REPTRAK 100



- 1<sup>st</sup> among Italian fashion companies
- 5<sup>th</sup> in the industry worldwide

## TRAINING



+14% more training vs. 2021

## FINANCIAL TIMES DIVERSITY LEADERS RANKING



Top five in Europe and Italy

## ELECTRICITY FROM RENEWABLE SOURCES



68% electricity from renewable sources at global level  
+33% vs. 2021

## PACKAGING



88% plastic-free B2C packaging

89% of plastic is recycled

74% plastic-free B2B packaging

85% of plastic is recycled or plant based

## SUPPLY CHAIN, RAW MATERIALS

- ESG risk mapping analysis in the supply chain
- Joining the 2025 Sustainable Cotton Challenge
- Joining the Manifesto for regenerative fashion of the Sustainable Markets Initiative (SMI)

## COMMUNICATION

Launch of the Armani/Values website



# 1. APPROACH TOWARDS SUSTAINABILITY

People, Planet, Prosperity

## 2022 IN NUMBERS AND FACTS

### SUSTAINABILITY GOVERNANCE

- Double materiality assessment
- Sustainability plan integrated into business strategy
- 12 meetings of the Strategic Sustainability Committee and 3 meetings with members of the Board of Directors

### FINANCIAL RESULTS



- € 2,352 million of revenue (+16% vs. 2021)
- € 2,374 million of generated economic value

### GLOBAL REPTRAK 100



- 1<sup>st</sup> among Italian fashion companies
- 5<sup>th</sup> in the industry worldwide

## 1.1 THE GROUP WORLDWIDE: BUSINESS AREAS AND BRANDS

The Armani Group focuses on three main brands: Giorgio Armani (GA), Emporio Armani (EA) and A|X Armani Exchange.

Elegant and modern, the **Giorgio Armani** collection includes clothing, accessories, watches, and eyewear and is characterised by excellence in craftsmanship, attention to detail, purity of line and the use of high quality materials. The women’s line responds to the needs of today’s woman, with proposals suitable for different work environments and evening creations. The men’s line rewrites the concept of the classic by focusing on timeless contemporaneity and also offers a “Made-to-Measure” service. The haute couture Giorgio Armani Privé collection - the ultimate expression of the invention, elegance and sophistication of the Armani style - is part of the Giorgio Armani world of luxury. The result of a very high level of craftsmanship, it meets the requirements of a demanding and select customer base.

The **Emporio Armani** line, with its strong dynamic and metropolitan character, reflects the elegant characteristics of the Armani aesthetic in a concise and contemporary language. The collection offers a wide range of clothing and accessories – including eyewear, watches and jewellery from the EA7 sportswear collection to the formal up to the elegant – appealing to different target groups, including children, and offering a modern and innovative taste in fashion. **A|X Armani Exchange** rewrites the codes of metropolitan clothing, bringing the values of the Armani world to a younger audience. The collection is essential, contemporary and inclusive: it proposes accessible and versatile clothing and accessories for a transversal audience, regardless of gender, age or origin, replacing convention with individual expression.

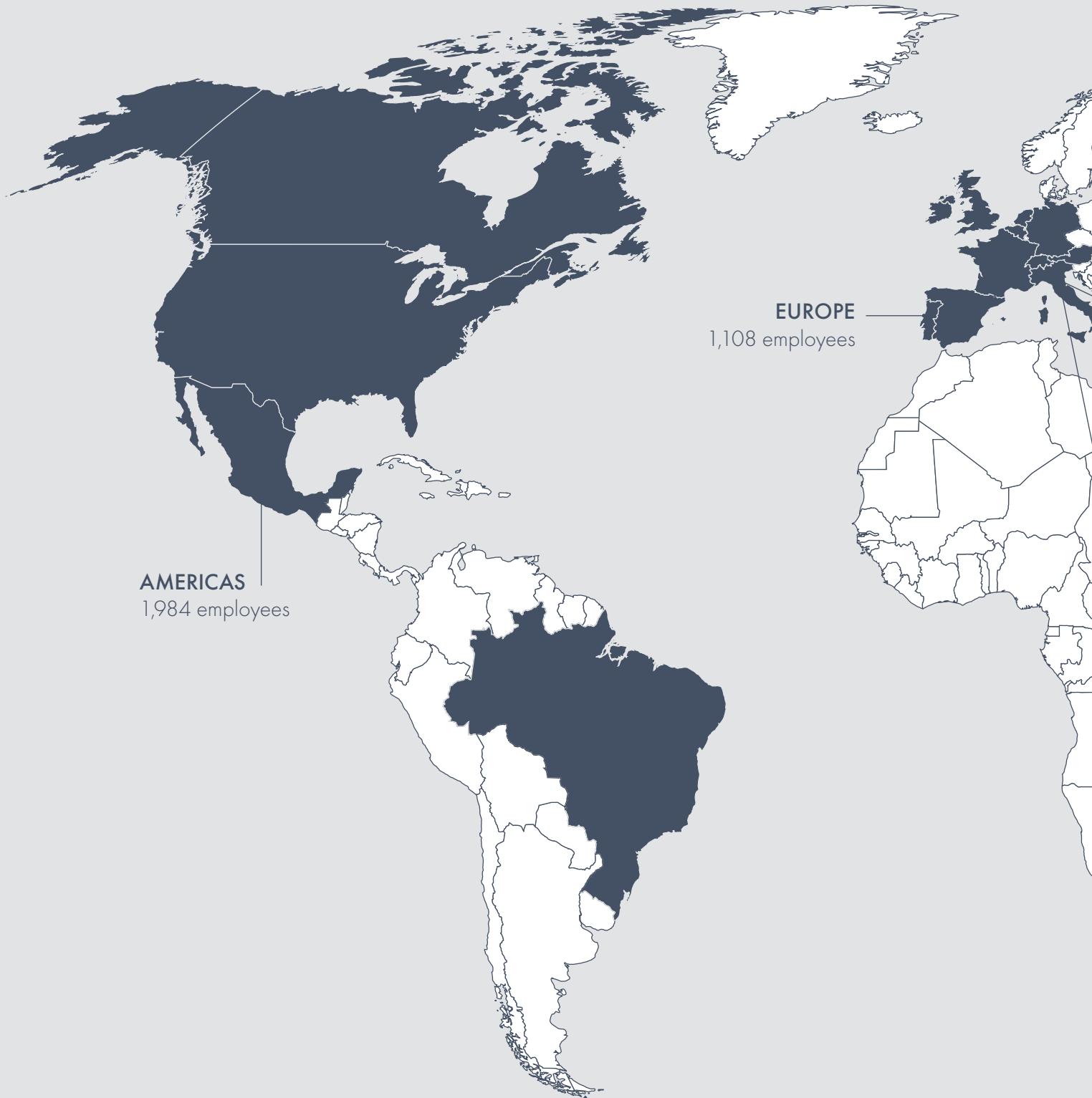
### THE ARMANI GROUP’S MAIN BRANDS



In addition to these brands, the Armani style is also established in the world of **food & beverage**, with Armani restaurants, cafes and clubs, hospitality with **Armani Hotels**, Interior Design and luxury furniture with the **Armani/Casa** brand, flowers with **Armani/Fiori**, cosmetics with **Armani Beauty** and chocolates and sweets with **Armani/Dolci**. In some areas, the Armani Group operates through production and distribution licensing agreements. These agreements give the Group a leading position in categories other than textiles and clothing, such as **cosmetics (L’Oréal)**, **eyewear (Luxottica)**, **watches and semi-precious stones (Fossil)** and **chocolates and sweets (Guido Gobino)**, thanks to the expertise and technological excellence of its licensees.

Finally, since 2008, the Armani Group has been the owner of the **Olimpia Milano basketball** team, which won the Italian championship for the 30<sup>th</sup> time in the 2022-2023 season.





## The Group in the world as of 31/12/2022

The geographical areas in which the Armani Group directly operates<sup>4</sup>:

### **Americas**

United States, Canada, Mexico, Brazil

### **Europe**

Italy, Belgium, The Netherlands, France, Germany, Austria, Portugal, Spain, United Kingdom, Ireland, Switzerland, Monaco, Greece

4. The Group operates in other countries through third-party partners.



### Production hubs

#### Asia-Pacific

Japan, China, Hong Kong SAR, Macau SAR, Malaysia, Singapore

#### Australia

**Italy:** Modena, Trissino (VI), Fossò (VE), Trento, Settimo Torinese (TO), Matelica (MC), Carrè (VI), Inzago (MI) and Vertemate (CO)

## Who we are and how we work

The Armani Group is one of the world's leading fashion and luxury companies and has exemplified timeless elegance and a sophisticated, timeless lifestyle concept for more than 45 years. The Group designs, manufactures, distributes and directly sells fashion and lifestyle products such as clothing, accessories, eyewear, watches, jewellery, cosmetics, perfumes, furniture and furnishings, and is active in the catering and hotel industries.

The Armani Group is an international company capable of creating and distributing wealth in line with the **less is more**<sup>5</sup> strategy. In this way, the Group continues to contribute to the economic growth of the social and environmental context in which it operates, while meeting the interests of its stakeholders.

Giorgio Armani, Founder, Chairman and Chief Executive Officer of Giorgio Armani S.p.A., is directly involved in all the Group's strategic, stylistic, design and business choices.

Giorgio Armani has created a style that is the expression of a precise vision down to the smallest detail, a style that is more than the sum of its parts, and that goes far beyond what you wear. Convinced that ethics and aesthetics must go hand in hand, Giorgio Armani expresses enduring and fundamental values through style. It does so by creating **timeless** objects whose pure and essential design, enhanced by precious materials and craftsmanship, rescues them from the transience of fashions.

A symbol of **elegance**, but also of **practicality** and **modernity**, with a constant focus on quality in every detail, Giorgio Armani embodies the essence of "made in Italy", able to combine timeless style with a **far-sighted view of the future**.

The Armani Group has a cosmopolitan vision and culture with strong roots in the Italian way of life. It is present in most of the major countries of the world with about **8,700 employees** and relies on a suitable distribution network around the world with flagship stores in the most important and prestigious luxury shopping streets.

Through the "Retail" channel, managed by its subsidiaries, the Armani Group distributes directly to end customers the product lines manufactured by its subsidiary **G.A. Operations S.p.A. (GAO)**. The directly managed stores ("DMS") are present in all the main markets in which the Group operates and occupy important positions both in terms of image and commercial relevance. Wholesale distribution is primarily to retailers - Franchisees, Department Stores, specialised multi-brand retailers and Travel Retail and Duty Free operators.

5. By *less is more*, we mean a vision associated with more selective distribution, with smaller collections, not extremely early deliveries and more in tune with the rhythms of the seasons.



In 2022, the Armani Group received an important accolade: it is one of the seven Italian companies included in the **Global RepTrak 100**, the ranking of the 100 companies with the best global reputation, compiled by The RepTrak Company. Up six places from last year, the Group is ranked 47<sup>th</sup> overall, first among Italian fashion companies and fifth in the sector worldwide.

## Armani Hotels & Resorts

Established in 2005 through an agreement between Giorgio Armani S.p.A. and Emaar Properties, Armani Hotels & Resorts<sup>6</sup> are distinguished by their level of service, impeccable design and unparalleled luxury. The exclusive chain, which includes the Armani Hotel Dubai opened in 2010 and the Armani Hotel Milano in 2011, reflects Giorgio Armani's vision of an elegant and harmonious environment.

The opening of the third Armani Hotel in Diriyah Gate (Riyadh), a historic site in Saudi Arabia, was announced in 2022: the hotel, characterised by essential lines and precious materials, will be part of a development project of great geographical and cultural importance for the entire area.

As a fundamental part of the Group's vision, the Armani Hotels closely follow the sustainability guidelines: in 2023, both the Armani Hotel Dubai and the Armani Hotel Milano will be working towards sustainability certifications in the tourism sector.



6. Please note that the figures for Armani Hotels & Resorts are not included in the reporting scope of this document as they are under the direct control of Emaar Properties.

## 1.2 GOVERNANCE, DISTRIBUTION AND VALUE CREATION

### 1.2.1 Governance and Group structure

As of 31 December 2022, the Armani Group is made up of companies located all over the world, almost all of which are 100% controlled by the parent Giorgio Armani S.p.A., headquartered in Milan, which guarantees the Group's operations and staff functions. Giorgio Armani is Chairman of the Board of Directors and Chief Executive Officer.

The production process of the Armani Group is managed by the subsidiary G.A. Operations S.p.A. (GAO) through its plants in Italy and agreements with manufacturers and partners outside the company. GAO also carries out quality control of raw materials and finished products to ensure that the utmost care is taken in the selection, processing and all other stages of the production process. GAO's main production hubs are in Modena, Trissino (VI), Fossò (VE), Trento, Settimo Torinese (TO), Matelica (MC), Carrè (VI), Inzago (MI) and Vertemate (CO).

In 2016, the **Giorgio Armani Foundation** was established, with which the designer wanted to ensure guidance in the future management of the company and the transmission and safeguarding of the values and principles that have always inspired his creative and entrepreneurial activities. This principle was also reflected in the composition of the Board of Directors, which is made up of members of the Armani family and trusted individuals.

The Group has taken all measures required by law to regulate conflicts of interest.

## BOARD OF DIRECTORS AS OF 31 DECEMBER 2022

**Board of Directors**

|                                 |                                  |
|---------------------------------|----------------------------------|
| Giorgio Armani                  | Chairman                         |
| Rosanna Armani                  | Director                         |
| Silvana Armani                  | Director                         |
| Roberta Armani                  | Director                         |
| Pantaleo Dell'Orco              | Director                         |
| Andrea Camerana                 | Sustainability Managing Director |
| Federico Marchetti <sup>7</sup> | Independent director             |

**Board of Directors by gender and age group**

| Age group            | 31 December 2022 |       | 31 December 2021 |       |
|----------------------|------------------|-------|------------------|-------|
|                      | Men              | Women | Men              | Women |
| > 50 years old (no.) | 4                | 3     | 4                | 3     |
| > 50 years old (%)   | 57%              | 43%   | 57%              | 43%   |

**Board of Statutory Auditors**

|                        |                   |
|------------------------|-------------------|
| Marco Terrenghi        | Chairman          |
| Luca Gaiani            | Auditor           |
| Andrea Zoccali         | Auditor           |
| Vieri Chimenti         | Alternate Auditor |
| Maria Cristina Pedroni | Alternate Auditor |

**Supervisory Body**

|                 |          |
|-----------------|----------|
| Paolo Pacciani  | Chairman |
| Marco Terrenghi |          |
| Luca Gaiani     |          |

7. President of the Fashion Task Force of the Sustainable Markets Initiative.

## 1.2.2 Sustainability governance

The Strategic Sustainability Committee - established in 2021 to strengthen governance and comprising the Sustainability Managing Director, the Group Sustainability Director and the Executive Leadership Team<sup>8</sup> - met monthly to translate strategic directions into specific guidelines for approval by the Board of Directors.

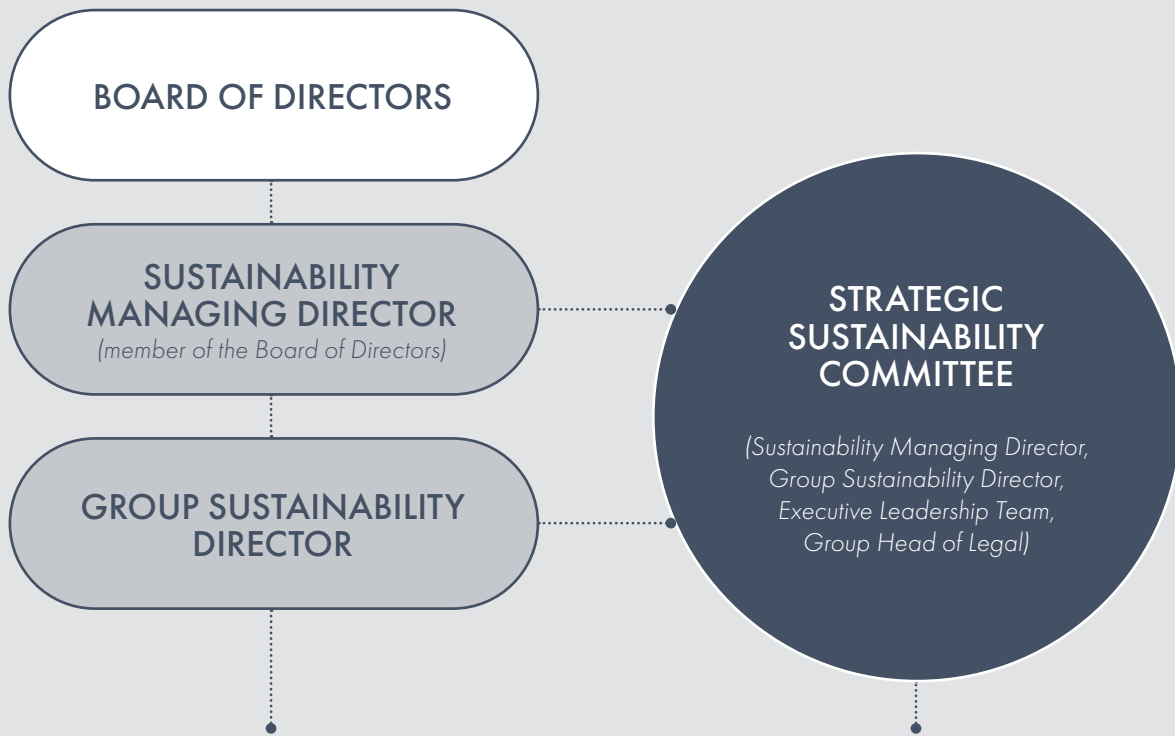
Each meeting was an opportunity to discuss sustainability issues and trends in depth and to approve guidelines and projects that are integrated into the business strategy through social and environmental risk analysis processes within the value chain.

During the year, the Committee met three times with the Chairman and members of the Board of Directors to present strategic projects, new objectives and activities to achieve sustainability performance, and to share updates on the main sustainability trends and developments in the sector in which the Group operates and in its other reference markets.

8. The Sustainability Committee consists of the Sustainability Managing Director, the Sustainability Director and the Executive Leadership Team (Deputy Managing Director Commercial, Deputy Managing Director Operations, Deputy Managing Director Industrial, and Global Human Resources Director). In 2023, this Committee was expanded to include the Group Head of Legal to strengthen its control of legal matters.



THE SUSTAINABILITY GOVERNANCE MODEL<sup>9</sup>



- Leads the strategic definition process in the field of sustainability and develops, in collaboration with the business functions, the initiatives identified to achieve the objectives set, to manage risks/opportunities and for external reporting
- Manages process of identifying social and environmental risks related to business
- Identifies guidelines for managing human and environmental rights related to business and monitors their compliance over time

- Approves, monitors and provides guidelines on performance targets, such as the Group’s strategic sustainability goals in line with the less is more business strategy
- Ensures that the company’s strategy, activities and risks are consistent with the internal and external environment
- Approves and ensures that identified social and environmental risks are consistent with the business
- Approves and ensures that the guidelines for managing human and environmental rights are consistent with the business
- Validates the results of the risk management process by ensuring their consistency with the business and the relevant context

9. For any information on the Group’s sustainability governance, please contact the Director of Sustainability at the following email address: [info@armanivalues.com](mailto:info@armanivalues.com).

### 1.2.3 The values and the control system

The Code of Ethics lists the **values** relevant to the Armani Group that guide and inspire the Group's activities and strategic choices.

#### OUR VALUES



INTEGRITY AND SHARING



TRUST



TEAM SPIRIT



PROTECTION AND PROMOTION OF DIVERSITY



RESPONSIBILITY TOWARDS THE COMMUNITY



TRANSPARENCY AND COMPLETENESS OF INFORMATION



PERSONNEL POLICY



PROTECTION AND RESPECT FOR THE ENVIRONMENT

The **Code of Ethics** is the cornerstone of the Group's business ethics model and contains the ethical principles and rules of conduct that the organisation shares with its employees, collaborators, suppliers and all those who work on behalf of the company.

The adoption and application of the Code of Ethics is essential to promote long-term value creation and distribution processes for all stakeholders. The signing of the Code of Ethics - available online at [www.armanivalues.com](http://www.armanivalues.com) and promoted through direct communications - is a prerequisite for entering into any supply contract or commercial agreement.

The Code of Ethics is an integral part of the **Organisational, Management and Control Model (Model 231)** of Giorgio Armani S.p.A. for the prevention of offences, in accordance with the provisions of Italian Legislative Decree 231/2001 as amended. The model includes a system of rules and principles to ensure compliance with the law in the carrying-out of the Group's activities, and to identify and prevent risk situations.

In this context, an **internal control system** is in place to ensure that decisions are consistent with the company's objectives and values. The control system consists of tools, procedures and regulations that define and guide the structure of information flows and the process of identifying, managing and monitoring risks, with particular attention to those related to corruption. Specific procedures are in place to monitor aspects such as payment authorisations, supplier selection, investments, management of relations with the public administration and gifts. The Supervisory Body (SB) ensures the implementation of Model 231 through regular inspections.

**During 2022, the SB did not come across any cases of actual or alleged corruption on the part of persons working within or on behalf of the Armani Group. There were also no cases of non-compliance with laws and regulations or episodes of discrimination. Finally, in 2022, no legal action was brought against the Armani Group for anti-competitive behaviour, antitrust and monopolistic practices.**

It should also be noted that a **Whistle-blowing policy** was defined in 2022 and published in March 2023.







### 1.2.4 The distribution and value creation model

The Group's 2022 results show a significant improvement compared to 2021, confirming the progressive and clear recovery not only compared to 2020, a year characterised by the global health emergency caused by the Covid-19 pandemic, but also compared to pre-pandemic 2019.

In fact, in 2022, the Armani Group's revenue rose to € 2,352 million, up 16% compared to 2021 (€ 2,019 million).

This important result was achieved despite an international economic and political environment characterised by multiple crisis factors.

**The Group's financial data remains solid** and provides adequate support to the management and self-financing requirements of its investment programmes: at the end of 2022, net cash and cash equivalents amounted to € 1,018 million (€ 1,120 million in 2021), while equity amounted to € 2,145 million (€ 2,108 million in 2021).

#### Highlights (million €)

|   | 2022 <sup>10</sup> | 2021 <sup>10</sup> | 2020 <sup>10</sup> |
|---|--------------------|--------------------|--------------------|
| Consolidated revenues   | 2,352              | 2,019              | 1,599              |
| Gross operating profit before amortisation/depreciation and impairment of non-current assets (Ebitda) | 519                | 435                | 263                |
| Operating profit (loss) (Ebit)  | 214                | 171                | (30)               |
| Profit  | 162                | 170                | 90                 |

10. 2020, 2021 and 2022 results take into account the effects of IFRS 16. For more information on its financial performance, please refer to the Armani Group 2022 Annual Report..

## Value added

Value added is the difference between the value and the intermediate costs of production, and its measurement enables the Group to assess both the economic trend of operations and its ability to create the conditions for the distribution of that economic value to its stakeholders.

The economic value was classified into three levels: generated, distributed and retained by the Group. The latter ensures the financial and economic continuity and stability of the Group.

### GRI 201-1 Direct economic value generated and distributed (k€)

|  | 2022 <sup>10</sup> | 2021 <sup>10</sup> | 2020 <sup>10</sup> |
|--|--------------------|--------------------|--------------------|
| <b>Economic value generated by the Group</b>   | <b>2,374,200</b>   | <b>2,055,577</b>   | <b>1,594,343</b>   |
| Revenue  | 2,352,330          | 2,019,239          | 1,599,067          |
| Other income   | 4,664              | 9,455              | 12,942             |
| Financial income   | 8,037              | 3,995              | 2,680              |
| Impairment losses on financial assets  | -                  | (445)              | -                  |
| Impairment losses on trade receivables   | (1,207)            | (1,687)            | (2,418)            |
| Exchange rate differences  | 14,468             | 29,007             | (13,172)           |
| Proceeds/expenses from the sale of property, plant and equipment and intangible assets | -                  | -                  | -                  |
| Impairment losses on property, plant and equipment and intangible assets               | (4,092)            | (3,987)            | (4,756)            |
| <b>Economic value distributed by the Group</b>   | <b>2,042,925</b>   | <b>1,724,819</b>   | <b>1,302,452</b>   |
| Operating costs  | 1,330,720          | 1,139,146          | 924,500            |
| Remuneration of collaborators  | 500,569            | 450,370            | 412,742            |
| Remuneration of lenders  | 20,993             | 12,935             | 15,997             |
| Remuneration of investors  | 134,955            | 100,035            | 90,060             |
| Remuneration of the Public Administration <sup>11</sup>                                | 53,039             | 20,898             | (145,780)          |
| External donations   | 2,649              | 1,435              | 4,933              |
| <b>Economic value retained by the Group</b>  | <b>331,275</b>     | <b>330,758</b>     | <b>291,891</b>     |
| Amortisation/Depreciation  | 301,201            | 260,050            | 287,863            |
| Provisions   | 2,927              | 852                | 4,277              |
| <b>Reserves (change in)</b>  | <b>27,147</b>      | <b>69,856</b>      | <b>(249)</b>       |

11. With regard to tax issues, the Group complies with the regulations in force in the various areas in which it operates and provides maximum cooperation to the authorities in the event of questions or in-depth investigations.



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 hemp in the Italian fashion sector

2013

Establishment of the **Corporate Social Responsibility** Department

2012

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

2010

Start of the **Acqua for Life** project

2014

**First social and environmental audits** of the supply chain and installation of **photovoltaic systems** at the offices in Via Bergognone, Milan

2015

Opening of **Armani/Silos**

2016

Year of establishment of the **Giorgio Armani Foundation**

**Fur Free Policy**

2020

Launch of the **Emporio Armani recycled Capsule Collection**

2019

Joining **The Fashion Pact** initiative

2018

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



## 2022

Joining the **Manifesto for Regenerative Fashion** of the Sustainable Markets Initiative

Application, for all corporate events, of the **Sustainable Event Management System** certified ISO 20121 and ISO 14067 to calculate 2022 emissions

**Launch of the Emporio Armani**

**Sustainable Capsule** Spring Summer 2023 collection, with QR Code dedicated to sustainability information, ISO 14021 certified

**ESG risk mapping analysis** in the supply chain

**Launch of the Armani/Values website**

## 2021

**Sustainability Governance**, People, Planet, Prosperity Strategy and Double Materiality

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

**Announcement of the commitment not to use angora wool** in the collections of all lines as from the Fall Winter 2022/23 season

Approval of GHG emission reduction targets by **SBTi**

Joining the Fashion Task force of the **Sustainable Markets Initiative and Textile Exchange**

**Launch of sustainable capsules** with yarns and/or fabrics made of recycled polyester or organic cotton

## 1.3 THE SUSTAINABILITY STRATEGY AND THE 2019-2030 SUSTAINABILITY PLAN

In 2021, the new sustainability strategy was launched, defined around three main areas of action: People, Planet and Prosperity.

For each of the three areas, specific qualitative and quantitative objectives were identified in line with the results of the materiality analysis. These objectives are summarised in the **Group's Sustainability Plan**<sup>12</sup>, which is fed by internal strategic planning and analysis processes, reinforced by stakeholder input and participation in national and international working groups, in line with the **Sustainable Development Goals (SDGs)** defined by the United Nations.

12. The 2019-2030 Sustainability Plan is presented in a condensed form compared to the version published in the 2021 Sustainability Report, with some objectives better explained.



STAKEHOLDER EXPECTATIONS / EVOLUTION OF THE INTERNAL AND EXTERNAL CONTEXT

GOVERNANCE, STRATEGY, RISK MANAGEMENT, METRICS AND TARGETS

INNOVATION, CONTINUOUS IMPROVEMENT AND SUSTAINABILITY

LESS IS MORE



PEOPLE

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

- Promoting diversity, equity and inclusion topics;
- Promoting women's empowerment projects;
- Promoting welfare policies and projects;
- Promoting the Human Capital Development project for the performance process;
- Promoting talent attraction policies and projects;
- Promoting awareness-raising processes on health, safety and well-being of employees at work;
- Promoting employee awareness and training, including in the area of sustainability.



PLANET

Environmental protection and efficient use of resources

- Reducing by 2030 absolute Scope 1 and 2 atmospheric emissions by 50% compared to 2019:
  - 100% electricity from renewable sources for all the Group's sites and stores by 2030;
- Reducing by 2029 absolute Scope 3 atmospheric emissions by 42% compared to 2019;
- Promoting eco-design and circular economy projects;
- Promoting tools to measure the impact on water resources in the value chain;
- Purchasing 100% FSC<sup>13</sup> certified paper: B2C by 2025 and B2B by 2030, supporting sustainable forest management;
- Promoting regeneration projects to protect ecosystems, protected and endangered species and biodiversity;
- Promoting the protection of the oceans:
  - Elimination of disposable plastic from packaging: B2C by 2025 and B2B by 2030;
  - Purchase of 100% recycled plastic for at least 50% of plastic packaging: B2C by 2025 and B2B by 2030.



PROSPERITY

New Business Models to create economic, social and environmental value, generate profit and acting for the benefit of the community

- Promoting the sustainable supply of raw materials, in line with the target of achieving 25% lower-impact raw materials by 2025;
- Promoting the target of 100% traceable raw materials by 2030;
- Promoting fair relationships throughout the supply chain;
- Promoting communication with customers and other stakeholders on sustainability issues;
- Promoting policies on quality, labelling, product safety, sustainable labelling;
- Promoting the implementation of the Product Digital Passport and expanding the product-related content available via the QR Code;
- Promoting and measuring the impact of social, environmental and cultural initiatives to support and engage communities around the world.

SDGs of reference



PARTNERSHIP, TRAINING, MONITORING, EVALUATING AND COMMUNICATING

13. FSC: Forest Stewardship Council <https://fsc.org/en>.

## 1.4 MATERIALITY ANALYSIS, ESG RISKS AND OPPORTUNITIES, AND STAKEHOLDERS

The Armani Group reports its main sustainability results and performance in line with the principle of materiality. This principle makes it possible to identify the impacts generated and suffered and, consequently, the issues of greatest strategic interest to the Group and its stakeholders, with a view to creating value in the medium to long term.

The materiality analysis, updated in 2022 and approved by the Strategic Committee on 27 May 2022, is reviewed every two years. The results of the materiality analysis carried out in 2022 are presented below. Further details of the analysis and methodology used can be found in appendix.

### MAP OF THE STAKEHOLDERS





As reported in the 2021 Sustainability Report, the Armani Group undertook an initial exercise to develop double materiality in anticipation of future Corporate Sustainability Reporting Directive (CSRD) requirements.

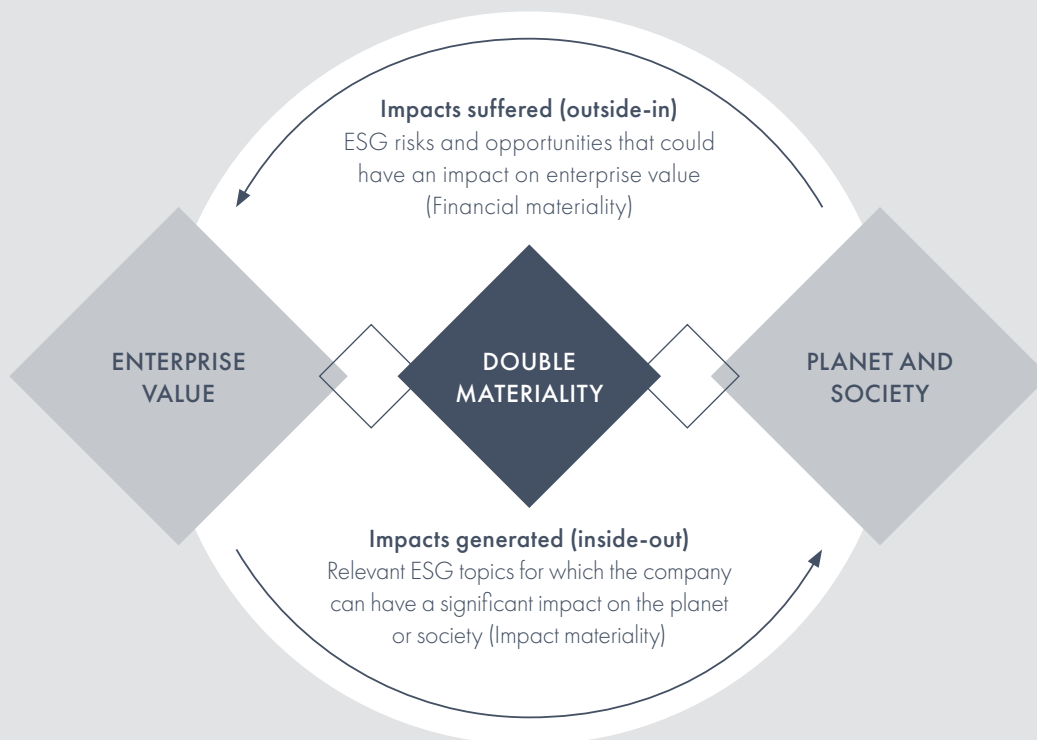
Therefore, a double materiality approach was used to assess sustainability topics:

— **Impact materiality (inside-out)**

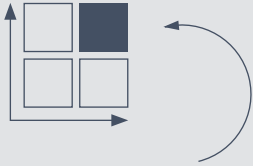
considering the impact of these topics on the environment and society;

— **Financial materiality (outside-in)**

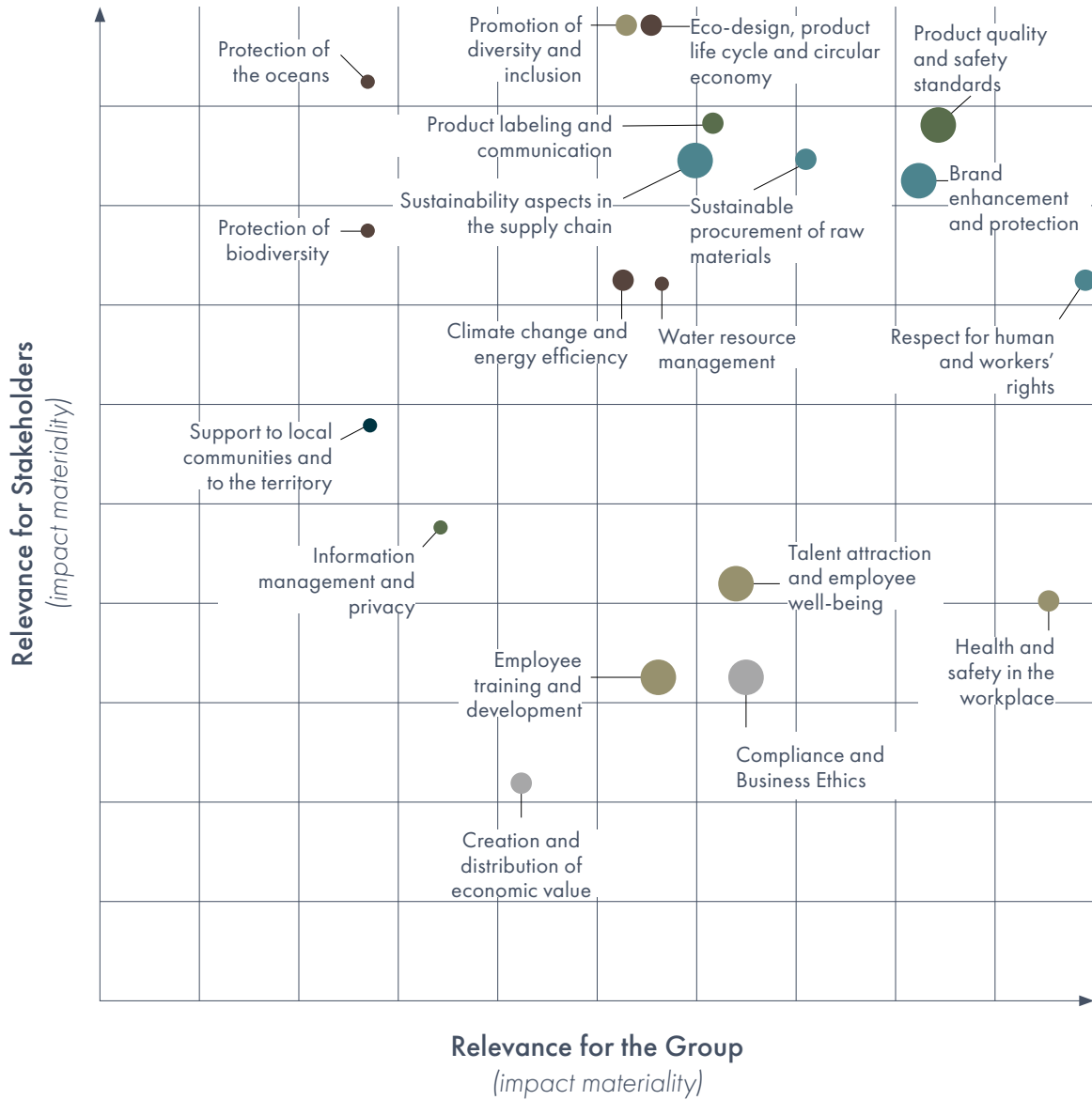
considering the impacts these topics may have on the enterprise value. Specifically, Top Management carried out an initial qualitative assessment of the outside-in impacts, identifying the five most relevant topics and the five least relevant topics taking into account the related outside-in financial impacts.



| PRIORITY<br>AREA OF ACTION                 | ESG MACRO-AREAS   | SUSTAINABILITY TOPICS                               |
|--|---|---|
| PEOPLE                                     | Employee well-being and talent development              | Promotion of diversity and inclusion                |
|  |   | Talent attraction and employee well-being           |
|  |   | Employee training and development                   |
|  |   | Occupational health and safety                      |
| PLANET                                     | Environmental protection and efficient use of resources | Climate change and energy efficiency                |
|  |   | Protection of biodiversity                          |
|  |   | Protection of the oceans                            |
|  |   | Water resource management                           |
|  |   | Eco-design, product life cycle and circular economy |
| PROSPERITY                                 | Support and involvement of Communities                  | Support to local communities and to the territory   |
|  | Customer focus  | Information management and privacy                  |
|  |   | Product quality and safety standards                |
|  |   | Brand enhancement and protection                    |
|  |   | Product labelling and communication                 |
|  | Responsible management of the supply chain              | Respect for human and workers' rights               |
| Sustainability aspects in the supply chain |   |   |
| Sustainable procurement of raw materials   |   |   |
| TOPICS RELEVANT ACROSS THE BOARD           |   | Compliance and business ethics                      |
|  |   | Creation and distribution of economic value         |



MATERIALITY MATRIX



Legend

Financial Materiality  
(Relevance - Size of the circle)



Macro-area of reference  
(Colors)

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

The Armani Group set a materiality threshold of 3.5 out of 5 and, as shown in the materiality matrix, all nineteen sustainability topics were confirmed as relevant to the Group.

Of the nineteen topics, the ten most relevant in terms of impact materiality are in this order:

- Product quality and safety standards;
- Respect for human and workers' rights;
- Brand enhancement and protection;
- Sustainable procurement of raw materials;
- Eco-design, product life cycle and circular economy;
- Promotion of diversity and inclusion;
- Product labelling and communication;
- Sustainability aspects in the supply chain;
- Occupational health and safety;
- Water resource management.

In terms of financial materiality, the six most relevant topics are:

- Product quality and safety standards;
- Brand enhancement and protection;
- Sustainability aspects in the supply chain;
- Talent attraction and employee well-being;
- Compliance and business ethics;
- Employee training and development.

In 2023, with a view to the next update of the materiality analysis scheduled for 2024, the Armani Group engaged all categories of stakeholders worldwide (as indicated in the stakeholder map) to gather feedback on the results of the previous analysis and any suggestions on potential issues to be considered for the next materiality analysis.

This listening activity involved sending an online questionnaire to approximately **1,300 Group stakeholders** and helped to strengthen sustainability awareness and culture, as well as to consolidate stakeholder relationships.

**90% of the stakeholders who responded to the questionnaire confirmed that the material topics identified last year are priorities for the Armani Group.**

Moreover, three topics were identified that may be more relevant in the short to medium term (3-5 years):

- eco-design, product life cycle and circular economy;
- climate change and energy efficiency;
- talent attraction and employee well-being.

These three topics, together with “Sustainability aspects in the supply chain” and “Sustainable procurement of raw materials”, were identified as potentially the most financially relevant topics in the long term.

These results were shared and approved with the Strategic Sustainability Committee at the regular meeting on 26 June 2023 and will be taken into account in the update of the Group’s materiality analysis to be carried out in 2024.

## ESG Risks and Opportunities

During 2022, the **mapping of key external risks and opportunities** related to the sustainability context was strengthened in line with the Group’s strategy and the double materiality analysis described above.

The identified correlation between the Group’s strategic focus areas, the identified materiality topics and the main external risk factors mapped so far is confirmed. In the future, this presentation will continue to be updated as ESG risks/opportunities are progressively understood and measured on the basis of their impact on the Group and its stakeholders.

Indeed, the Group will continue to develop and continuously improve its Enterprise Risk Management (ERM) based on the best international reference frameworks (e.g. COSO Framework).

## STAKEHOLDER ENGAGEMENT

**~1,300**  
stakeholders involved

**10 categories**  
of stakeholders involved

Priority area of action

ESG macro-areas

PEOPLE



Employee well-being and talent development

PLANET



Environmental protection and efficient use of resources

PROSPERITY

Support and involvement of Communities



Customer focus

Responsible management of the supply chain

TOPICS RELEVANT ACROSS THE BOARD

| Relevant sustainability topics                      | Main external factors of inherent risk  |   |
|---|---|---|
| Promotion of diversity and inclusion                | <ul style="list-style-type: none"> <li>• Labour and livelihood crisis</li> <li>• Erosion of social cohesion and widespread youth disillusionment</li> <li>• Skilled labour shortage and staff turnover</li> <li>• Pandemic epidemics and deterioration of mental well-being</li> </ul>  |   |
| Talent attraction and employee well-being           |   |   |
| Employee training and development                   |   |   |
| Occupational health and safety                      |   |   |
| Climate change and energy efficiency                | <ul style="list-style-type: none"> <li>• Climate change, loss of biodiversity and collapse of ecosystems</li> <li>• Failure to act on climate change</li> <li>• Extreme weather events</li> <li>• Environmental damage caused by man</li> <li>• Natural disasters</li> <li>• Damage to human health from pollution</li> </ul>   |   |
| Protection of biodiversity                          |   |   |
| Protection of the oceans                            |   |   |
| Water resource management                           |   |   |
| Eco-design, product life cycle and circular economy |   |   |
| Support to local communities and to the territory   | <ul style="list-style-type: none"> <li>• Cyberattacks</li> <li>• Supply interruptions</li> <li>• Violations of human rights along the supply chain</li> <li>• Third-party ESG non-compliance</li> <li>• Unexpected developments in reference markets</li> <li>• Unavailability of raw materials</li> <li>• Fraud and counterfeiting</li> <li>• Legislative changes</li> </ul> |   |
| Information management and privacy                  |   |   |
| Product quality and safety standards                |   |   |
| Brand enhancement and protection                    |   |   |
| Product labelling and communication                 |   |   |
| Respect for human and workers' rights               |   |   |
| Sustainability aspects in the supply chain          |   |   |
| Sustainable procurement of raw materials            |   |   |
| Compliance and business ethics                      |   | <ul style="list-style-type: none"> <li>• Disruptive legislative and regulatory changes</li> <li>• Debt crisis in major economies</li> <li>• Continued economic stagnation and inflation</li> <li>• Business interruption due to external factors</li> <li>• Macroeconomic developments</li> </ul> |
| Creation and distribution of economic value         |   |   |

## Climate-related risks and opportunities

The Group identifies potential climate-related risks and opportunities by analysing industry literature, benchmark analyses, assessment of trends applicable to the business model and corporate governance, with the aim of comprehensively mapping - and subsequently assessing - all climate-related issues that could have a material impact on the Group's strategy.

The Strategic Sustainability Committee assesses each climate-related risk/opportunity factor, including through stakeholder assessment, for the relevance of the Group's environmental impacts.

The Group monitors significant risk and opportunity factors on an ongoing basis to identify the most appropriate follow-up actions with a view to continuous improvement.

**The following chapters report on the main projects implemented to achieve the objectives of the Group's less is more strategy.**







## 2. PEOPLE

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

### 2022 IN NUMBERS AND FACTS

#### EMPLOYEES

- 8,698 employees
- 51% women senior executives and managers
- 62% women employees

#### FINANCIAL TIMES DIVERSITY LEADERS RANKING



Top five in Europe and Italy

#### TRAINING



+14% more training vs.  
2021

## 2.1 EMPLOYEE WELL-BEING AND TALENT DEVELOPMENT

### 2.1.1 Group employees

As of 31 December 2022, the number of employees of the Armani Group was 8,698, an increase of 5% compared to 2021 and 6% compared to 2020<sup>14</sup>.

**The Group's workforce is 62% female**, confirming the Group's commitment to promoting gender equality: **the percentage of female senior executives and managers is 51%**. Like last year, the Group confirms its focus on **generational diversity** with 2,135 employees under 30 years of age, just over half of the Group's workforce in the 30-50 age group (56%) and 1,683 employees over 50 years of age.

In terms of geographical distribution, the majority of employees are based in Italy (36%), where the Group's headquarters are located. This is followed by Asia-Pacific (26%), the Americas (23%), Europe excluding Italy (13%), and Australia (2%).

**Most of the contracts are full-time and permanent, representing 86% and 83%, respectively**, of all Armani Group employee **contracts**.

As of 31 December 2022, the number of workers who are not employees was 357, mainly belonging to the category of agency workers.

### GRI 405-1 Diversity of governance bodies and employees

#### Number of employees by professional category and gender as of 31/12

| Professional category | 2022         |              |              | 2021 <sup>15</sup> |              |              | 2020 <sup>15</sup> |              |              |
|-----------------------|--------------|--------------|--------------|--------------------|--------------|--------------|--------------------|--------------|--------------|
|                       | Men          | Women        | Total        | Men                | Women        | Total        | Men                | Women        | Total        |
| Senior Executives     | 114          | 67           | 181          | 104                | 64           | 168          | 105                | 64           | 169          |
| Managers              | 577          | 649          | 1,226        | 542                | 623          | 1,165        | 550                | 601          | 1,151        |
| Office workers        | 717          | 1,668        | 2,385        | 717                | 1,646        | 2,363        | 724                | 1,666        | 2,390        |
| Sales force           | 1,259        | 2,264        | 3,523        | 1,080              | 2,161        | 3,241        | 1,113              | 2,174        | 3,287        |
| Workers               | 665          | 718          | 1,383        | 640                | 727          | 1,367        | 527                | 698          | 1,225        |
| <b>Total</b>          | <b>3,332</b> | <b>5,366</b> | <b>8,698</b> | <b>3,083</b>       | <b>5,221</b> | <b>8,304</b> | <b>3,019</b>       | <b>5,203</b> | <b>8,222</b> |

14. It should be noted that, unlike in 2020 and 2021, the 2022 workforce also includes non-guaranteed hours employees - amounting to 76 workers - in accordance with the new GRI standards.

15. The workforce figures for 2020 and 2021 have changed slightly from those published in the 2021 Sustainability Report. In fact, the classification of personnel by professional category, which may follow different logics in different countries depending on the regulations in force, was standardised.

**62%**

women employees

**56%**

employees aged between 30-50 years old

**83%**

permanent contracts

**86%**

full-time contracts

GRI 405-1 Diversity of governance bodies and employees

Number of employees by age group and professional category as of 31/12

| Professional category | 2022           |                 |                |              | 2021 <sup>15</sup> |                 |                |              | 2020 <sup>15</sup> |                 |                |              |
|-----------------------|----------------|-----------------|----------------|--------------|--------------------|-----------------|----------------|--------------|--------------------|-----------------|----------------|--------------|
|                       | < 30 years old | 30-50 years old | > 50 years old | Total        | < 30 years old     | 30-50 years old | > 50 years old | Total        | < 30 years old     | 30-50 years old | > 50 years old | Total        |
| Senior Executives     | 0              | 80              | 101            | 181          | 0                  | 79              | 89             | 168          | 0                  | 100             | 83             | 183          |
| Managers              | 68             | 910             | 248            | 1,226        | 81                 | 843             | 241            | 1,165        | 88                 | 848             | 225            | 1,161        |
| Office workers        | 363            | 1,359           | 663            | 2,385        | 284                | 1,456           | 623            | 2,363        | 370                | 1,522           | 499            | 2,391        |
| Sales force           | 1,313          | 1,917           | 293            | 3,523        | 1,243              | 1,724           | 274            | 3,241        | 1,204              | 1,776           | 303            | 3,283        |
| Workers               | 391            | 614             | 378            | 1,383        | 390                | 587             | 390            | 1,367        | 289                | 548             | 367            | 1,204        |
| <b>Total</b>          | <b>2,135</b>   | <b>4,880</b>    | <b>1,683</b>   | <b>8,698</b> | <b>1,998</b>       | <b>4,689</b>    | <b>1,617</b>   | <b>8,304</b> | <b>1,951</b>       | <b>4,794</b>    | <b>1,477</b>   | <b>8,222</b> |



## GRI 405-1 Diversity of governance bodies and employees

## Number of employees by age and gender as of 31/12

| Age group       | 2022         |              |              | 2021         |              |              | 2020         |              |              |
|-----------------|--------------|--------------|--------------|--------------|--------------|--------------|--------------|--------------|--------------|
|                 | Men          | Women        | Total        | Men          | Women        | Total        | Men          | Women        | Total        |
| < 30 years old  | 960          | 1,175        | 2,135        | 817          | 1,181        | 1,998        | 757          | 1,194        | 1,951        |
| 30-50 years old | 1,758        | 3,122        | 4,880        | 1,687        | 3,002        | 4,689        | 1,747        | 3,047        | 4,794        |
| > 50 years old  | 614          | 1,069        | 1,683        | 579          | 1,038        | 1,617        | 515          | 962          | 1,477        |
| <b>Total</b>    | <b>3,332</b> | <b>5,366</b> | <b>8,698</b> | <b>3,083</b> | <b>5,221</b> | <b>8,304</b> | <b>3,019</b> | <b>5,203</b> | <b>8,222</b> |

## GRI 2-7 Employees

## Number of employees by contract type (permanent, temporary, non-guaranteed hours) and gender as of 31/12

| Type of Contract                   | 2022         |              |              | 2021         |              |              | 2020         |              |              |
|------------------------------------|--------------|--------------|--------------|--------------|--------------|--------------|--------------|--------------|--------------|
|                                    | Men          | Women        | Total        | Men          | Women        | Total        | Men          | Women        | Total        |
| Permanent                          | 2,832        | 4,382        | 7,214        | 2,632        | 4,226        | 6,858        | 2,646        | 4,237        | 6,883        |
| Temporary                          | 466          | 942          | 1,408        | 451          | 995          | 1,446        | 373          | 966          | 1,339        |
| Non-guaranteed hours <sup>14</sup> | 34           | 42           | 76           | -            | -            | -            | -            | -            | -            |
| <b>Total</b>                       | <b>3,332</b> | <b>5,366</b> | <b>8,698</b> | <b>3,083</b> | <b>5,221</b> | <b>8,304</b> | <b>3,019</b> | <b>5,203</b> | <b>8,222</b> |

## GRI 2-7 Employees

## Number of employees by type of contract (full-time, part-time and non-guaranteed hours) and gender as of 31/12

| Type of contract                   | 2022         |              |              | 2021         |              |              | 2020         |              |              |
|------------------------------------|--------------|--------------|--------------|--------------|--------------|--------------|--------------|--------------|--------------|
|                                    | Men          | Women        | Total        | Men          | Women        | Total        | Men          | Women        | Total        |
| Full-Time                          | 2,904        | 4,598        | 7,502        | 2,814        | 4,556        | 7,370        | 2,775        | 4,504        | 7,279        |
| Part-time                          | 394          | 726          | 1,120        | 269          | 665          | 934          | 244          | 699          | 943          |
| Non-guaranteed hours <sup>14</sup> | 34           | 42           | 76           | -            | -            | -            | -            | -            | -            |
| <b>Total</b>                       | <b>3,332</b> | <b>5,366</b> | <b>8,698</b> | <b>3,083</b> | <b>5,221</b> | <b>8,304</b> | <b>3,019</b> | <b>5,203</b> | <b>8,222</b> |

## GRI 2-8 Workers who are not employees

## Number of workers who are not employees by category as of 31/12

| Category of workers | 2022       |
|---------------------|------------|
| Agency workers      | 272        |
| Trainees            | 85         |
| <b>Total</b>        | <b>357</b> |

Group employees are covered by the contracts in force in the countries in which the Group operates. Over the years, a differentiated **remuneration policy** has been implemented for the different professional categories, which for some includes, in addition to a fixed remuneration component, economic incentives linked to performance, in order to promote a sense of belonging to the Group and team spirit.

During 2022, 315 employees of the Armani Group took **parental leave**, of whom 82% were women and 18% men.



## 2.1.2 Diversity, inclusion and equal opportunities

The colour of one's skin, ethnicity, social background, gender, gender identity, age, as well as one's emotional, sexual, political and religious orientation are elements of enrichment for the Armani Group.

The commitment to act free from all forms of discrimination is deeply rooted in the Group's value system.

The Group is committed to spreading the value of diversity throughout the organisation, ensuring career and growth opportunities for all: individual skills and initiatives are the driving force behind this. Diversity is an asset to be enhanced and invested in, inclusion is a moral obligation even before it is a professional one. To support this commitment, the following initiatives were carried out in 2022:

- internal approval of the **Group Diversity & Inclusion (D&I) policy**;
- the launch of the **Armani/Flow** project, developed in collaboration with the Politecnico di Milano, which aims to raise awareness of "invisible" diversity (e.g. diversity of learning styles, behavioural styles, sensory orientations);
- a listening journey using **Focus Group** methodology to gather experiences, thoughts and feelings around D&I topics in the company;
- the start of work and data collection for the **Certification of Gender Equality**;
- participation in the **HR roundtable** of the Camera Nazionale della Moda Italiana (National Chamber of Italian Fashion - CNMI) on D&I topics;
- support for the launch of the **Whistle-blowing** policy, managed by the Group Legal and Corporate Affairs Office;
- the facilitation of two training modules within the **Women's Empowerment** in Fashion Retail course organised by CNMI;
- the collaboration with the Fondazione Umberto Veronesi to explore topics that connect **diversity and prevention**;
- support and collaboration with all areas of the company on D&I topics.

The Armani Group has again been ranked among the top five companies in both Italy and Europe in the **Financial Times Diversity Leaders Index**. Diversity Leaders were identified through an independent survey of more than 100,000 employees across all countries and sectors considered.

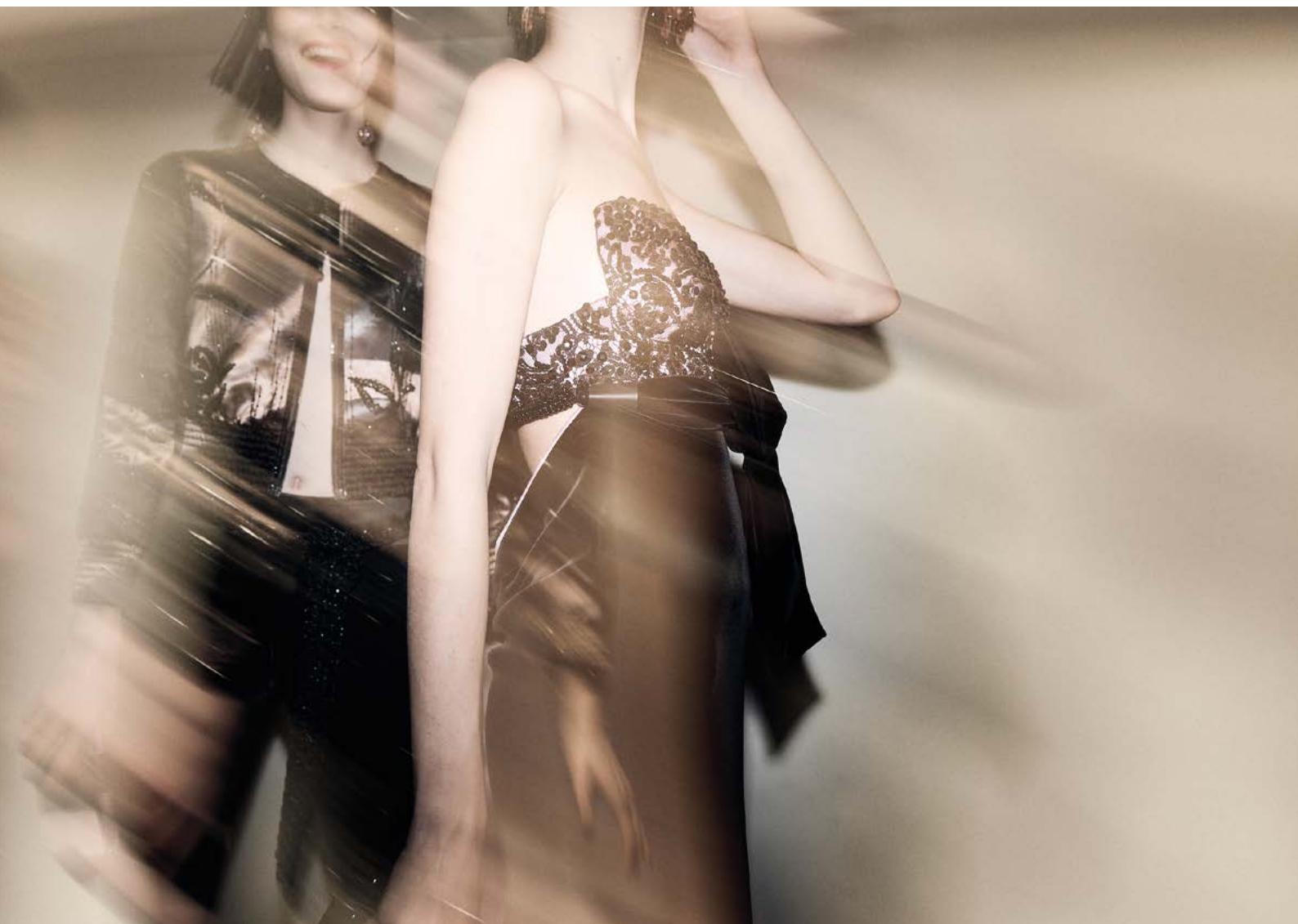




### 2.1.3 Training

For more than ten years, the Armani Group has been engaged in a development and training process that focuses on the growth of the people who, in various ways, contribute to the company's success.

The Group's main objectives are to make a real contribution to the well-being of the people in the organisation, to be the reference point for the development of a continuous learning company model and to promote a positive approach to lifelong learning, encouraging everyone's personal responsibility for their own development, and to act as a competence centre to support all learning, development and D&I processes in the Group.



In 2022, in-house training and talent development continued.

## MAIN INVESTMENT AREAS



TECHNICAL,  
LINGUISTIC AND  
IT AREAS



AREAS OF ACTUAL  
AND EXPECTED  
BEHAVIOUR, BOTH  
AT INDIVIDUAL AND  
TEAM LEVEL



AREAS  
OF LEADERSHIP  
DEVELOPMENT



AREA OF  
ASSESSMENT AND  
DEVELOPMENT OF  
POTENTIAL

In 2022, the training offer of the **GROW@Armani** online platform - active since 2020 and dedicated to the training of people in the Milan offices and production hubs - was expanded with new e-learning courses available in the following five areas:

### — LEARN2BELONG

dedicated to corporate content and the history of Giorgio Armani and his Group (videos, documentaries, books, etc.).

### — LEARN2LEAD

designed for managers, with courses on Leadership development - personal and managerial - and management of collaborators.

### — LEARN2BE

focused on the development of behavioural skills.

### — LEARN2DO

rich in different types of technical content: from language and IT courses to courses in public speaking, effective communication and other business skills.

### — LEARN2THINK

where you can access a library of contents to set your thoughts in motion.

### — EXPANDYOURKNOWLEDGE

which presents open courses of the various learning platforms (e.g. Coursera).

In 2022, the Armani Group provided 158,123 hours of training, with an average of about 18 hours of training per employee. The training activities carried out during the year focused on professional training programmes, health and safety issues, dissemination of the principles of the Code of Ethics and other governance aspects.

**GRI 404-1 Average hours of training per year per employee**

**Average hours of training per employees broken down by professional category and gender<sup>16</sup>**

| Professional category | 2022      |           |           | 2021      |           |           | 2020      |           |           |
|-----------------------|-----------|-----------|-----------|-----------|-----------|-----------|-----------|-----------|-----------|
|                       | Men       | Women     | Total     | Men       | Women     | Total     | Men       | Women     | Total     |
| Senior Executives     | 17        | 19        | 18        | 17        | 20        | 18        | 15        | 19        | 16        |
| Managers              | 21        | 21        | 21        | 21        | 24        | 23        | 18        | 23        | 21        |
| Office workers        | 9         | 8         | 8         | 9         | 7         | 8         | 8         | 7         | 8         |
| Sales force           | 30        | 21        | 24        | 23        | 18        | 20        | 17        | 15        | 16        |
| Workers               | 16        | 21        | 19        | 19        | 20        | 20        | 20        | 11        | 15        |
| <b>Total</b>          | <b>21</b> | <b>17</b> | <b>18</b> | <b>18</b> | <b>16</b> | <b>17</b> | <b>16</b> | <b>13</b> | <b>14</b> |

**GRI 404-1 Average hours of training per year per employee<sup>16</sup>**

**Training hours by type of training**

| Area of competence                              | 2022           | 2021           | 2020           |
|---|----------------|----------------|----------------|
| Management Training                             | 24,833         | 19,756         | 18,653         |
| Professional training                           | 57,959         | 45,838         | 33,240         |
| Language Training                               | 3,480          | 5,398          | 4,283          |
| Code of Ethics (Organisational Model 231, etc.) | 39,797         | 31,590         | 23,676         |
| Health and safety                               | 25,341         | 28,418         | 23,826         |
| Other   | 6,713          | 7,592          | 11,033         |
| <b>Total</b>                                    | <b>158,123</b> | <b>138,592</b> | <b>114,711</b> |

Finally, in 2022, the Sustainability Department carried out **internal awareness-raising activities on sustainability topics**, involving all business units on specific topics such as, for example, the Sustainability Code for Suppliers, materials used and stakeholder engagement (e.g., customers, non-

<sup>16</sup>. With a view to continuous improvement, the reporting scope of training hours was extended in 2022 to include retail and product training of the different brands. In some cases, the hours of training provided were not available by professional category and gender. Therefore, this classification was estimated on the basis of the number of employees belonging to these specific categories. Following the refinement of the calculation method and the scope of data, the figures for 2021 and 2020 were restated from what was previously published.

profit organisations). These awareness-raising activities involved more than 500 employees from different professional backgrounds.

## Talent growth

The Group considers not only the talent expressed as an individual's potential, but also the diversity of talent expressed by each of the people who work for the Group to be fundamental, with a view to inclusion and enrichment. After focusing on identifying the key people and roles to be included in the various development processes, the Group set about:

- designing and implementing assessment processes to confirm the positive assessment of candidates;
- communicating the results of the assessments to all participants and their managers in differentiated, individual sessions;
- designing and implementing cross-functional and individual training courses, based on the results of the assessment as key areas of investment.

## Collaboration with the retail world

The Learning & Development team works continuously with the retail training structures of the various brands. Thanks to this collaboration, several projects were conceived, including the dedicated training programme for the team that opened the first A|X store in Milan, the design of the workshop on Pandemic Fatigue, the support of the online training project on Omnichannel services, and other individual training and development processes dedicated to different figures in the stores. 2022 further consolidated the relationship and synergy with the Retail Training structures serving the various Brands.

An important part of this partnership was the **Armani/Retail Development Program**, which is now in its second year and has become even more effective in its structure and content. The programme was dedicated to retail talent from the Italian stores of all brands. The aim of the next editions of this process will be to expand first at a European level, and then at a global level. Collaboration also continued on individual brand projects and initiatives: coaching, assessment, mystery shopping, team building.

## The dialogue on performance

In 2022, more than half of Armani Group employees (60%) received a **performance review**, including approximately 63% of senior executives, 80% of managers, 38% of office workers, 72% of sales force and 48% of workers.

### GRI 404-3 Percentage of employees receiving regular performance and career development reviews by gender and professional category

| Professional category | 2022       |            |            | 2021       |            |            |
|-----------------------|------------|------------|------------|------------|------------|------------|
|                       | Men        | Women      | Total      | Men        | Women      | Total      |
| Senior Executives     | 56%        | 75%        | 63%        | 60%        | 89%        | 71%        |
| Managers              | 80%        | 81%        | 80%        | 91%        | 100%       | 97%        |
| Office workers        | 40%        | 37%        | 38%        | 40%        | 37%        | 38%        |
| Sales force           | 73%        | 72%        | 72%        | 85%        | 82%        | 83%        |
| Workers               | 60%        | 36%        | 48%        | 62%        | 45%        | 53%        |
| <b>Total</b>          | <b>64%</b> | <b>57%</b> | <b>60%</b> | <b>70%</b> | <b>65%</b> | <b>67%</b> |

The performance review (**Human Capital Development**) at the Italian offices and stores in 2022 involved more than half of the employees, consolidating a process started in 2017 and updated in 2021. Specific evaluation forms, based on role and brand, were prepared for the stores.

This process aims to consolidate the feedback culture within the organisation with a view to continuous improvement. With regard to the in-house process, starting from the competency model that is based on the company's values and defines a leadership model, an evaluation form was developed that allows people to self-evaluate themselves, to receive an evaluation from their manager and in turn to evaluate their managers. The performance review process also helps to clarify individual and team objectives, contributes to the creation of personal development and training plans and is part of other key processes managed by the Group's Human Resources Department, such as the rewarding, job rotation and career development process.

#### 2.1.4 The employee welfare package in Italy

To promote the well-being of its employees, the Armani Group offers a range of services and initiatives that help to improve people's living and working conditions.

The **Armani People Care** welfare plan allows permanent employees in Italy to benefit from an annual allowance for themselves and their families to reimburse medical, social, educational and transport expenses, as well as to purchase leisure, sports, travel, and cultural activities. Employees of G.A. Operations can choose whether to receive the performance bonus in cash or to convert it into welfare or supplementary pension.

Through the Armani People Care portal, available on the company intranet, employees can access conventions, discounts and offers that are renewed every year and include companies operating in different sectors (e.g. food, technology, education, health, wellness and leisure).

Employees also continue to appreciate the **Armani/Fitness gym** at the Via Bergognone premises. The gym, which is open five days a week in six time slots throughout the day, has more than 200 members, including permanent and temporary workers.







## What is new in the welfare plan

The events of recent years have shown how the changes around us can affect our habits and the way we work.

Firstly, the pandemic, which has rapidly pushed companies towards an increasingly flexible and remote work management model. Aware of the complexity experienced by employees during the transition from the emergency phase to the desired normality, the Group introduced a new flexibility measure on a trial basis in 2022, in addition to smart working and flexible office hours. This initiative allows employees to make up overtime hours worked during the month by leaving work early on Fridays, up to a maximum of four hours per Friday.

At a time of strong inflationary pressures and general price increases, especially in large cities, the Group decided to provide concrete support to employees by granting, exclusively for 2022, an **additional welfare bonus worth between € 500 and € 1,000 to corporate, retail and GAO employees**, extending the benefit also to employees hired on fixed-term contracts, generally excluded from the standard welfare plan.

In line with the temporary updates to the welfare regulations, the welfare bonus paid out in December included three new features, which were discussed in detail in a number of special training sessions for employees:



THE POSSIBILITY OF CLAIMING  
A FUEL BONUS



THE REIMBURSEMENT  
OF ELECTRICITY, WATER  
AND GAS BILLS



THE PURCHASE OF VOUCHERS  
(INCLUDING SHOPPING  
VOUCHERS,  
E-COMMERCE, ETC.)

## 2.1.5 Health and safety

Ensuring occupational health and safety has always been an essential requirement for the Group.

In order to ensure the highest standards for all personnel, the Group carries out a careful risk analysis each year in order to introduce updated and specific initiatives for each office - from production hubs to stores - in accordance with the laws in force in each country in which it operates. Regular health surveillance and personnel training as well as structural measures to improve the environment aim to prevent identified risks and take into account company initiatives and changes, new spaces, fittings and equipment.

The following initiatives were implemented at Italian offices and stores in 2022, confirming the Group's focus on occupational health and safety topics:

### — Legionella monitoring campaign

for the Group's two headquarters in Milan, self-control manuals were revised and regular monitoring with environmental sampling was carried out to verify the presence of the bacterium in the water system. A specialised external company carried out work on the cold and hot water sanitary water system, which included cleaning the mechanical parts of the system, passivation using specific chemicals and shock disinfection with biocide products. Moreover, the installation and periodic control of a continuous chlorination system with peroxide dosing was planned for the cold water production network supplying the offices. Finally, environmental monitoring is planned for all Group stores in 2022.

### — Radon investigations<sup>17</sup>

In accordance with Article 16, paragraph 1, letter a of Italian Legislative Decree 101/2020, the Group carries out radon measurements in all underground workplaces. In newly opened stores, monitoring is carried out after the store renovation and fitting out activities have been completed. Measurements are made every eight years when concentrations are below the reference value. Otherwise, the Group defines corrective measures to reduce concentrations to the lowest reasonably achievable level. In 2022, remedial measures were taken in the warehouses and technical rooms at the office of Via Bergognone in Milan and in two stores in Rome and Naples.

17. Radon is a naturally occurring radioactive gas formed in the soil by the radioactive decay of uranium in rocks. It is an odourless, colourless and tasteless noble gas. In enclosed spaces, especially those in contact with the ground, radon can build up to very high concentrations if air exchange is reduced.

**HACCP<sup>18</sup>**

HACCP manuals were finalised in 2022 and compulsory training was provided to the employees of the stores involved. In the previous year, technical inspections were planned to verify the adequacy of facilities and the application of food hygiene regulations.

**Safety in numbers**

In 2022, as activities resumed after the pandemic emergency with the resulting increase in hours worked, there were 88 accidents involving Armani Group employees, with a recordable injury rate of 6.07, a slight increase compared to 2021 and 2019. The most common types of injuries were fractures, sprains and cuts. **1 injury with serious consequences occurred<sup>19</sup>, with a serious injury rate of 0.07. No deaths occurred due to work-related injuries.**

**GRI 403-9 Work-related injuries - Employees<sup>20</sup>**

|   | 2022       | 2021 <sup>21</sup> | 2020 <sup>21</sup> |
|---|------------|--------------------|--------------------|
| <b>Number of recordable work-related injuries</b>                       | <b>88</b>  | <b>66</b>          | <b>65</b>          |
| of which: high-consequence work-related injuries (excluding fatalities) | 1          | 0                  | 2                  |
| of which: number of deaths occurred due to work-related injuries        | 0          | 0                  | 0                  |
| Hours worked  | 14,496,823 | 14,087,765         | 12,857,523         |
| Rate of recordable work-related injuries                                | 6.07       | 4.68               | 5.06               |
| Rate of high-consequence injuries (excluding fatalities)                | 0.07       | 0.00               | 0.16               |
| Rate of fatalities as a result of work-related injuries                 | 0.00       | 0.00               | 0.00               |

18. HACCP - Hazard Analysis and Critical Control Points - is a food control system introduced by the legislator to ensure the safety and hygiene of services and goods intended for sale to satisfy food needs.

19. Work-related injuries resulting in death or inability to return to work for six months.

20. Injury indices are calculated as follows:

- Rate of recordable work-related injuries: number of recordable work-related injuries / number of hours worked \* 1,000,000;
- Rate of high-consequence work-related injuries (excluding fatalities): (number of high-consequence work-related injuries (excluding fatalities) / number of hours worked \* 1,000,000);
- Rate of fatalities as a result of work-related injury: number of fatalities as a result of work-related injury / total number of hours worked \* 1,000,000.

These calculation methods were also used to calculate the injury indexes for workers who are not employees.

21. It is reported that the hours worked in Canada in 2020 and 2021 have been revised. Therefore, the hours worked and injury indices for 2020 and 2021 were restated from those published in the 2021 Sustainability Report.

Finally, 1 injury occurred in 2022 involving a worker who is not an employee of the Group.

**GRI 403-9 Work-related injuries - Workers who are not employees**

|   | 2022     | 2021     | 2020     |
|---|----------|----------|----------|
| <b>Number of recordable work-related injuries</b>                       | <b>1</b> | <b>0</b> | <b>0</b> |
| of which: high-consequence work-related injuries (excluding fatalities) | 0        | 0        | 0        |
| of which: number of deaths occurred due to work-related injuries        | 0        | 0        | 0        |
| Hours worked  | 294,198  | 81,515   | 89,189   |
| Rate of recordable work-related injuries                                | 3.40     | 0.00     | 0.00     |
| Rate of high-consequence injuries (excluding fatalities)                | 0.00     | 0.00     | 0.00     |
| Rate of fatalities as a result of work-related injuries                 | 0.00     | 0.00     | 0.00     |





# 3. PLANET

Every piece of clothing is made designed as though from water, raw materials and so many elements of the nature that surrounds us.

## 2022 IN NUMBERS AND FACTS

### ATMOSPHERIC EMISSIONS

-60% Scope 1 and 2  
Market-based emissions vs. 2019

-17% Scope 3 emissions  
(Category 1 and Category 9) vs. 2019

### PACKAGING



88% plastic-free B2C packaging  
89% of plastic is recycled

74% plastic-free B2B packaging  
85% of plastic is recycled or plant based

### ELECTRICITY FROM RENEWABLE SOURCES



68% electricity from renewable  
sources at global level  
+33% vs. 2021

### 3.1 ENVIRONMENTAL PROTECTION AND EFFICIENT USE OF RESOURCES

The protection of environmental resources is one of the cornerstones of the sustainability strategy of the Armani Group, which is constantly striving to reduce its environmental footprint.

The strategies implemented by the Group to improve its environmental performance focus on the following three macro areas



**Increasing the use of renewable electricity**

and reducing the use of fossil fuels.



**Promoting separate waste collection**

and raising personnel awareness of environmental protection topics.



**Waste minimisation**

and optimisation of water and energy consumption.

In 2021, the **SBTi** (Science Based Targets initiative) approved **the atmospheric emission reduction targets** set by the Group. These targets - which were found to be consistent with measures to limit global warming to below 1.5°C as envisaged by the Paris Agreement - are as follows:



**SCOPE 1 e 2**

**50% reduction compared to 2019 of absolute greenhouse gas emissions by 2030.**



**SCOPE 3**

**42% reduction compared to 2019 in absolute greenhouse gas emissions - related to Category 1 "Purchased goods and services" and Category 9 "Downstream transport and distribution" - by 2029.**

Following the refinement of the quantification of direct and indirect Scope 1, 2 and 3 (Category 1) emissions, the Group will evaluate whether to update the 2019<sup>22</sup> baseline in 2023 and 2024 in order to ensure its representativeness and maintain ambitious targets.

22. Specifically, Scope 1, 2 and 3 emissions in 2019 were calculated from primary data, without using estimates for any missing or partial data. In subsequent years, with a view to continuous improvement, the Group estimated missing or partial information to complete the Scope 1, 2 and 3 disclosure and refined the data collection method.



### 3.1.1 Energy consumption

The Armani Group is committed to constantly monitoring its energy consumption to implement reduction and efficiency measures that contribute to the achievement of climate change mitigation targets.

Therefore, in 2022, the action plan to reduce direct and indirect emissions and to purchase an increasing portion of renewable electricity continued. In line with the objectives of the Sustainability Plan, **the Armani Group increased the share of electricity from renewable sources to approximately 68% of total electricity consumption in 2022** (+33% compared to 2021). In addition to achieving the target of 100% renewable electricity for Italian offices by 2023 in 2021, renewable electricity was purchased in 2022 to cover 100% of the electricity consumed in the Americas.

At Group level, total **energy consumption in 2022** is 298,292 GJ, **slightly lower than in 2021 (-3%)** and higher than in 2019 (+12%) due to the expansion of the reporting scope. Most of this consumption is represented by the electricity purchased by the Armani Group during the year, amounting to 229,928 GJ, and by the **consumption of natural gas** used to heat certain offices and shops and production hubs, which amounted to 68,358 GJ in 2022, **also slightly down from 2021 (-14%)**.

#### GRI 302-1 Energy consumption within the organisation - Energy consumption

| GJ   | 2022           | 2021           | 2020           | 2019           |
|--|----------------|----------------|----------------|----------------|
| <b>Natural gas</b>   | 68,358         | 79,649         | 73,101         | 69,644         |
| <b>Propane gas</b>   | 5              | 0              | 0              | 5              |
| <b>Diesel</b> for heating or production process                            | 0              | 0              | 1,072          | 2,952          |
| <b>A. Total energy from fossil fuels</b>                                   | <b>68,364</b>  | <b>79,649</b>  | <b>74,174</b>  | <b>72,601</b>  |
| <b>Self-produced electricity</b>   | 643            | 548            | 541            | 479            |
| of which from renewable sources (photovoltaic system)                      | 643            | 548            | 541            | 479            |
| <b>Electricity purchased from the grid</b>                                 | 229,285        | 225,843        | 212,166        | 189,193        |
| of which from renewable energy sources (covered by certificates of origin) | 156,276        | 80,271         | 1,408          | 0              |
| <b>B. Total electricity</b>  | <b>229,928</b> | <b>226,391</b> | <b>212,707</b> | <b>189,672</b> |
| <b>(A+B) Total energy consumed</b>   | <b>298,292</b> | <b>306,040</b> | <b>286,880</b> | <b>262,273</b> |
| of which total energy from renewable sources (no.)                         | 156,919        | 80,819         | 1,948          | 479            |
| of which total energy from renewable sources (%)                           | 53%            | 26%            | 1%             | 0%             |

## ELECTRICITY FROM RENEWABLE SOURCES

In 2022, the Group’s commitment to purchase and produce electricity from renewable sources for an increasing coverage of its needs was confirmed. Electricity from renewable sources, accounting for 68% of the electricity consumed, is used in Italy, Switzerland, Spain, Portugal, the United Kingdom, the United States, Canada, Mexico and Brazil.

The Italian office in Via Bergognone produces a portion of its energy requirements through the photovoltaic system installed in 2014. The percentage of electricity from renewable sources purchased in 2022 is detailed below:

**% electricity from renewable sources 2022**

| Country        | 2022 |
|----------------|------|
| Italy          | 100% |
| Switzerland    | 100% |
| Spain          | 100% |
| Portugal       | 100% |
| United States  | 100% |
| Mexico         | 100% |
| Brazil         | 100% |
| Canada         | 100% |
| United Kingdom | 26%  |

The purchase of GO and the use of energy from photovoltaic panels saved a total of about 17 thousand tonnes of CO<sub>2</sub> emissions.

### 3.1.2 Atmospheric greenhouse gas emissions

Atmospheric greenhouse gas emissions are calculated by converting energy consumption into tonnes of carbon dioxide equivalent (tCO<sub>2</sub>eq), using energy source and country-specific emission factors (natural gas, diesel, refrigerant gases<sup>23</sup>, and electricity).

Greenhouse gas emissions, calculated using the GHG Protocol methodology, are broken down into three scopes:

- **Scope 1 - Direct emissions from the combustion of fossil** used in production processes and for heating of offices and from refrigerant gas leaks.
- **Scope 2 - Indirect emissions from the production of electricity used.** The calculation of the Scope 2 Location-based emissions envisages the use of average emission factors related to the specific national energy mix of electricity production; while the calculation of Scope 2 Market-based emissions envisages the use of emission factors defined on a contractual basis with the electricity supplier.
- **Scope 3: Indirect emissions from the company's value chain, upstream and downstream.** Although generated by assets, plants or processes not directly controlled by the company, they are attributable to the company's activities.

In 2022, Scope 1 and Scope 2 emissions decreased compared to 2021 and the 2019 baseline. More specifically, Scope 1 emissions decreased by 9% compared to 2021 and by 27% compared to 2019. Thanks to the increasing purchase of guarantees of origin to cover electricity consumption, Scope 2 Market-based emissions are down by 50% compared to 2021 and 68% compared to 2019. **Total Scope 1 and Scope 2 (Market-based) emissions decreased by 40% compared to 2021 and by 60% compared to 2019.**

23. Emissions from refrigerant gas leaks were calculated and reported for the first time in 2021.

GRI 305-1, GRI 305-2, GRI 305-3 Direct GHG emissions (Scope 1), indirect emissions (Scope 2) and Scope 3 emissions<sup>24</sup>

| GHG emissions - tCO <sub>2</sub> eq |   | 2022    | 2021    | 2020    | 2019    |
|-------------------------------------|---|---------|---------|---------|---------|
| Scope 1 <sup>25</sup>               | Scope 1                                       | 4,173   | 4,583   | 4,211   | 5,681   |
| Scope 2 <sup>26</sup>               | Scope 2 - Location-based                      | 20,993  | 21,718  | 21,386  | 29,633  |
|                                     | Scope 2 - Market-based                        | 7,716   | 15,334  | 24,550  | 24,043  |
| Scope 3                             | Scope 3                                       | 527,526 | 507,970 | 426,427 | 645,395 |
| Total                               | Scope 1, Scope 2 (Location-Based) and Scope 3 | 552,692 | 534,271 | 452,024 | 680,709 |
|                                     | Scope 1, Scope 2 (Market-Based) and Scope 3   | 539,415 | 527,887 | 455,188 | 675,119 |

In terms of Scope 3 indirect emissions, **Category 1**, which relates to the purchase of goods and services, accounts for approximately 88% of the Group’s total Scope 3 emissions. To achieve the emission reduction target approved by SBTi, the Group is committed to progressively identifying and implementing initiatives that will contribute to a significant reduction over the coming years. The Group’s efforts also resulted in the **refinement of the quantification methodology**, through the application of the GHG Protocol’s **average data method** to replace the spend - based approach. In this way, a portion of the “Textiles, wearing apparel and leather products” **category could be enhanced for 2022, covering an amount equal to 16% of the total expenditure, which corresponds to 122,315 tCO<sub>2</sub>eq, representing 26% of the total Category 1 emissions.**

In 2021, **Categories 4 and 9** were also involved in a refinement process of the input data for quantifying emissions: in 2022, this process led to the consolidation of the data collection methodology and a more precise monitoring of the environmental impact of logistics. For **Category 6**, following an improvement in the data collection methodology, it was possible in 2022 to apply the distance-based method<sup>27</sup> to a larger number of companies than in 2021, thus providing more accurate estimates.

24. It should be noted that, following the refinements made to the energy consumption data for 2019, 2020 and 2021, the emissions for these two years have been restated with respect to what was included in the 2021 Sustainability Report. The change in Scope 3 emissions for 2019, 2020 and 2021 due to a refinement in the calculation of these emissions is also noted. Please refer to the paragraph on Scope 3 emissions for more details.

25. The emission factors provided by DEFRA 2022 “UK Government - GHG Conversion Factors for Company Reporting” were used to calculate Scope 1 emissions related to fossil fuel consumption.

26. The emission factors provided by Terna “International Comparisons 2019” were used to calculate the Scope 2 emissions according to the Location-based approach. For the Market-based approach, emission factors provided by AIB, European “Residual Mixes 2021” (source: AIB 2022) were used for European companies and Terna, “International Comparisons 2019” for all others. Scope 2 emissions are expressed in tonnes of CO<sub>2</sub>; however, the percentage of methane and nitrous oxide has a negligible effect on the total greenhouse gas emissions (CO<sub>2</sub> equivalent) as can be inferred from the technical literature of reference.

27. The distance-based method calculates emissions into the atmosphere from employee travel by multiplying the number of kilometres travelled by air and rail by the appropriate emission factor. If the kilometres for a specific route were not available, the distance travelled was estimated using a special tool based on the place of departure and arrival.



Scope 3 emissions were quantified according to the following methodologies, in line with the GHG Protocol:

— **CATEGORY 1 – PURCHASED GOODS AND SERVICES**

The calculation was made according to the spend-based approach, with the application of Eurostat's Environmentally-extended Input-Output factors to each category of expenditure and average data method and with the application of specific emission factors (source: Ecoinvent 3.8 and related literature) to the quantities in kg of materials purchased, where possible.

— **CATEGORY 2 – CAPITAL GOODS**

The calculation was made using the spend - based approach, with the application of Eurostat's Environmentally-Extended Input-Output factors to each category of expenditure.

— **CATEGORY 3 – FUEL- AND ENERGY-RELATED ACTIVITIES**

The quantification was carried out by applying emission factors relating to the extraction, transport and distribution phases of the energy carriers used by the Group (source: DEFRA 2022 and IEA 2022).

— **CATEGORY 4 AND 9 – UPSTREAM AND DOWNSTREAM TRANSPORT AND DISTRIBUTION**

The calculation was based on the distances travelled for the transport and distribution of goods purchased (Category 4) and products sold (Category 9). Distances travelled and quantities transported were multiplied by specific emission factors depending on the means of transport used (source: DEFRA 2022).

— **CATEGORY 5 – WASTE GENERATED BY PRODUCTION PROCESSES AND LOGISTICS**

The calculation was made on the basis of the quantities of waste generated by the Group and their disposal methods, multiplied by specific emission factors (source: DEFRA 2022).

— **CATEGORY 6 – BUSINESS TRAVEL**

The calculation was made on the basis of business trips by multiplying the distances travelled by specific emission factors depending on the means of transport used (source: DEFRA 2022). The category also includes hotel nights for business purposes, which are also measured using DEFRA emission factors.

### — CATEGORY 7 – EMPLOYEE COMMUTING

Data on employee commuting were collected by survey. The kilometres travelled were multiplied by specific emission factors depending on the means of transport used (source: DEFRA 2022). The calculation includes the contribution of average smart working days per country, according to the Group's internal policies.



#### **Sustainable mobility survey**

7,060 employees involved

Response rate of approximately 65%.

In addition to selecting the most commonly used means of transport to go to work, employees were asked to indicate both the use of a secondary means of transport and any suggestions for improving commuting. The Armani Group will take into account the suggestions made to encourage the use of more environmentally friendly vehicles and to meet the needs of its employees.

### — CATEGORY 8 AND 13 – UPSTREAM AND DOWNSTREAM LEASED ASSETS

The calculation was made with the Quantis tool, based on the square metres of space leased by the Armani Group (Category 8) or owned by the Armani Group and rented to third parties (Category 13).

### — CATEGORY 11 – USE OF SOLD PRODUCTS

The emissions associated with sold lamps that consume electricity when used were quantified by multiplying the nominal absorption during their estimated lifetime by specific emission factors (source: Terna 2019).

### — CATEGORY 12 – END-OF-LIFE TREATMENT OF SOLD PRODUCTS

The quantities of materials used for the packaging of sold products were collected in terms of type of material (e.g. paper, plastic, etc.), quantity in kg and/or number of pieces (converted to kg by estimating an average density), and multiplied by specific emission factors (source: DEFRA 2022). In 2022, the Group estimated, for the first time, the impact of end-of-life disposal of sold products. Disposal methods were assumed on a statistical basis based on Eurostat<sup>28</sup>: depending on end-of-life treatment, specific emission factors were applied (source: DEFRA 2022).

### — CATEGORY 14 – FRANCHISES

The calculation was made with the Quantis tool, based on the square metres of franchise spaces.

28. The disposal methods assumed are related to the countries of the European Union.





Categories 10 and 15 are not applicable to the Group's business. The details of Scope 3 emissions for the years 2022, 2021, 2020 and 2019 are given below.

**GRI 305-3 Other indirect GHG emissions (Scope 3)<sup>29</sup>**

| Categories                                 | 2022 tCO <sub>2</sub> eq |               | 2021 tCO <sub>2</sub> eq |               | 2020 tCO <sub>2</sub> eq |               | 2019 tCO <sub>2</sub> eq |               |
|--|--------------------------|---------------|--------------------------|---------------|--------------------------|---------------|--------------------------|---------------|
| 1. Purchased goods and services            | 461,924                  | 87.6%         | 409,836                  | 80.7%         | 344,051                  | 80.7%         | 533,825                  | 82.7%         |
| 2. Capital Goods                           | 12,401                   | 2.4%          | 54,649                   | 10.8%         | 41,843                   | 9.8%          | 23,579                   | 3.7%          |
| 3. Fuel and energy-related activities      | 4,305                    | 0.8%          | 7,034                    | 1.4%          | 5,063                    | 1.2%          | 6,914                    | 1.1%          |
| 4. Upstream transport and distribution     | 7,100                    | 1.3%          | 3,923                    | 0.8%          | 5,476                    | 1.3%          | 17,111                   | 2.7%          |
| 5. Waste generated in operations           | 750                      | 0.1%          | 886                      | 0.2%          | 705                      | 0.2%          | 1,705                    | 0.3%          |
| 6. Business travel                         | 3,856                    | 0.7%          | 3,244                    | 0.6%          | 3,274                    | 0.8%          | 8,491                    | 1.3%          |
| 7. Employee commuting                      | 7,545                    | 1.4%          | 665                      | 0.1%          | 666                      | 0.2%          | 7,447                    | 1.2%          |
| 8. Upstream leased assets                  | 2,546                    | 0.5%          | 302                      | 0.1%          | 302                      | 0.1%          | 302                      | 0.0%          |
| 9. Downstream transport and distribution   | 10,762                   | 2.0%          | 11,178                   | 2.2%          | 9,299                    | 2.2%          | 34,818                   | 5.4%          |
| 10. Processing of sold products            | Not applicable           | -             | Not applicable           | -             | Not applicable           | -             | Not applicable           | -             |
| 11. Use of sold products                   | 73                       | 0.0%          | 107                      | 0.0%          | 105                      | 0.0%          | 165                      | 0.0%          |
| 12. End-of-life treatment of sold products | 4,292 <sup>30</sup>      | 0.8%          | 4,202                    | 0.8%          | 3,852                    | 0.9%          | 1,205                    | 0.2%          |
| 13. Downstream leased assets               | 175                      | 0.0%          | 175                      | 0.0%          | 175                      | 0.0%          | 0                        | 0.0%          |
| 14. Franchises                             | 11,797                   | 2.2%          | 11,770                   | 2.3%          | 11,615                   | 2.7%          | 9,832                    | 1.5%          |
| 15. Investments                            | Not applicable           | -             | Not applicable           | -             | Not applicable           | -             | Not applicable           | -             |
| <b>Total</b>                               | <b>527,526</b>           | <b>100.0%</b> | <b>507,971</b>           | <b>100.0%</b> | <b>426,426</b>           | <b>100.0%</b> | <b>645,394</b>           | <b>100.0%</b> |

29. Categories 1 and 14 were restated for the period from 2019 to 2021 following a revision of the input data. In Category 8, as an addition to previous years, emissions relating to non-owned warehouses used by Armani were also calculated (if the expenditure was not already in Category 1).

30. The reported figure refers to both the end-of-life impact of packaging and the end-of-life impact of the products sold, amounting to 829 tCO<sub>2</sub>eq.

### 3.1.3 Circular economy, waste management and office materials

In 2022, the Armani Group's commitment to integrating circular economy aspects into all stages of product development continued, in line with its *less is more* strategy:



#### AT THE DESIGN STAGE

by promoting environmentally sustainable practices, reuse, recycling and durability characteristics of products and services.



#### AT THE PROCUREMENT STAGE

thanks to the preference for fully or partially recycled, regenerated and/or renewable materials.



#### AT THE MANUFACTURING STAGE

by increasing the efficiency of production processes and constantly striving to limit the production of waste and waste products.



#### AT THE SALES AND AFTER-SALES STAGE

with the promotion of virtuous processes for extending product life. In 2022, the Group launched a **reconditioning service for returned products**, which has restored more than 40 thousand products to a condition similar to when they left the production plants through ironing, stain removal and minor repairs.

Moreover, in line with the **policy on the management of unsold products and inventories** and with the aim of minimising the impact of industrial waste, the Armani Group is committed to ensuring that unsold products and unused materials are reused, recovered and recycled. The initiatives implemented include:

- Group inventories were provided to social enterprises to train and support their vulnerable workers, giving them the opportunity to improve their skills and find dignity in their work.
- During 2022, unsold garments were disposed of for recovery through the involvement of partners specialised in recycling and material recovery.

In 2022, the **global waste generated** showed little increase compared to 2021 (+6%) considering the larger increase in production levels (+24%). The waste generated is **99.8% non-hazardous** and consists mainly of paper and plastic. Mixed packaging followed as non-hazardous waste by weight generated.

### GRI 306-3 Waste generated

#### Total weight of waste generated<sup>31</sup>

| Waste composition (t)                        | 2022         |               | 2021         |               | 2020         |               |
|--|--------------|---------------|--------------|---------------|--------------|---------------|
|  | Hazardous    | Non-hazardous | Hazardous    | Non-hazardous | Hazardous    | Non-hazardous |
| <b>Total</b>                                 | <b>7</b>     | <b>3,313</b>  | <b>6</b>     | <b>3,132</b>  | <b>5</b>     | <b>2,991</b>  |
| of which plastics                            | 0            | 1,191         | 0            | 1,036         | 0            | 1,055         |
| of which paper and cardboard                 | 0            | 1,514         | 0            | 1,428         | 0            | 1,396         |
| of which electronic waste                    | 1            | 0             | 0            | 1             | 1            | 2             |
| Other  | 6            | 608           | 6            | 667           | 5            | 538           |
| <b>Yearly total</b>                          | <b>3,320</b> |               | <b>3,138</b> |               | <b>2,996</b> |               |
| <b>Percentage of hazardous waste (%)</b>     | <b>0.2%</b>  |               | <b>0.2%</b>  |               | <b>0.2%</b>  |               |
| <b>Percentage of non-hazardous waste (%)</b> | <b>99.8%</b> |               | <b>99.8%</b> |               | <b>99.8%</b> |               |

With regard to the method of waste disposal, the Group studied **Italy**, where most of the production hubs and headquarters are located. In 2022, the percentage of waste recycled or reused is 97%, up from the previous year (+3%). The remaining waste is landfilled (3%), incinerated without energy<sup>32</sup> recovery (0.003%) and temporarily stored or subjected to physical and chemical treatment (0.047%).

31. Where not available, data on the amount and type of waste generated in 2022 have been estimated in line with the size of comparable shops/offices/production hubs (in the same geographical area) and the relative composition of the waste generated. Please note that the 2020 and 2021 data were restated from those published in the 2021 Sustainability Report, as a refinement analysis was carried out to identify some inaccuracies. For Americas, Europe and Australia, the waste composition figure reflects an assumed split of 50% paper waste and 50% plastic waste. The Group is committed to progressively refining the data with a view to continuous improvement.

32. Waste incinerated without energy recovery is medical waste.

## Total weight of waste generated by method of disposal - Italy

| Method of disposal (t)                                       | 2022      |               | 2021      |               | 2020      |               |
|--|-----------|---------------|-----------|---------------|-----------|---------------|
|  | Hazardous | Non-hazardous | Hazardous | Non-hazardous | Hazardous | Non-hazardous |
| Reuse  | 0         | 0             | 0         | 14            | 0         | 10            |
| Recycling  | 3         | 896           | 1         | 1,108         | 2         | 972           |
| Incineration (with energy recovery)                          | 0         | 0             | 0         | 15            | 0         | 13            |
| Incineration (without energy recovery)                       | 0         | 0             | 0         | 24            | 0         | 3             |
| Landfill   | 4         | 21            | 4         | 28            | 3         | 32            |
| <b>Total weight of waste generated by method of disposal</b> | <b>7</b>  | <b>917</b>    | <b>5</b>  | <b>1,189</b>  | <b>5</b>  | <b>1,030</b>  |

In 2022, a **waste management survey** was sent to a sample of offices and stores worldwide (13 offices and 81 stores). The aim was to collect information on the types of waste generated, the main causes of waste generation and the extent of separate waste collection. The results of the survey were taken into account to improve the estimates for those offices for which no precise data were available.

The Armani Group, constantly updating the data and information to be reported in the Sustainability Report, reported for the first time the **quantities of materials used for office activities** in 2022. As shown in the table below, 97% of these materials come from renewable sources.

## Total weight of material used for office activities

| Material (t) | Non-renewable | Renewable  | Total      |
|--------------|---------------|------------|------------|
| Paper        | 0             | 142        | 142        |
| Toner        | 2             | 0          | 2          |
| Other        | 2             | 1          | 3          |
| <b>Total</b> | <b>4</b>      | <b>143</b> | <b>147</b> |



### 3.1.4 Water resource management

The Group promotes the responsible use of water resources, which have become increasingly important due to the high frequency of drought-related emergencies around the world.

In 2022, the Group continued its commitment to encourage more efficient water use and waste reduction - especially through training and awareness-raising activities for all personnel - and to involve the production chain, considered of fundamental importance for the integrated management of the water cycle, in the implementation of improvement projects and initiatives.

The Group's water withdrawals are mainly for sanitary services used by employees, air conditioning and catering activities. In 2022, sales revenue totalled 383,613 m<sup>3</sup>, **down by 18% compared with 2021**. Most of the water (95%) is taken from the aqueduct. With regard to water discharges, it should be noted that most of the water is discharged into the sewerage system (96%) and that a small amount of the water withdrawn is not discharged because it is used to feed the steam generators used in production.



**GRI 303-3 Water withdrawal by source<sup>33</sup>**

| m <sup>3</sup>                        | 2022           | 2021           | 2020           |
|---------------------------------------|----------------|----------------|----------------|
| <b>Total water withdrawal</b>         | <b>383,613</b> | <b>466,627</b> | <b>431,914</b> |
| of which third-party water (aqueduct) | 363,427        | 450,137        | 414,999        |
| of which groundwater                  | 20,186         | 16,490         | 16,915         |

**GRI 303-4 Water discharge by destination<sup>34</sup>**

| m <sup>3</sup>                | 2022           | 2021           | 2020           |
|-------------------------------|----------------|----------------|----------------|
| <b>Total water discharges</b> | <b>382,076</b> | <b>465,340</b> | <b>430,085</b> |
| of which in sewerage          | 367,497        | 453,321        | 417,709        |
| of which in surface waters    | 11,856         | 9,970          | 9,850          |
| of which in groundwater       | 2,723          | 2,049          | 2,526          |

11% of the total water withdrawals and discharges are related to the Group's Italian production hubs, for which an analysis was carried out using the World Resources Institute's Aqueduct online tool to check whether withdrawals or discharges took place in water stressed areas. In 2022, 6,006 m<sup>3</sup> of water were withdrawn from **water-stressed areas**<sup>35</sup>, an amount equal to 14% of the total water withdrawn in all Italian production hubs. A slightly smaller quantity (4,469 m<sup>3</sup>) was discharged into water-stressed areas, accounting for 11% of the total hubs.

33. Where not available, data on the quantity and source of water withdrawal were estimated by starting with the annual consumption supplied for one or more sites, dividing it by the m<sup>2</sup> of those sites and multiplying it by the total m<sup>2</sup>. In the event that water withdrawal data were not available for any site of the legal entity, this was estimated from the specific consumption (m<sup>3</sup>/m<sup>2</sup>) of the other legal entities in the same geographical area. It should also be noted that the 2020 and 2021 data were restated from what was published in the 2021 Sustainability Report following the refinement of the estimates made for the American continent.

34. Where not available, the amount of water discharged was estimated to be equal to the amount of water withdrawn and destined for the sewerage system.

35. The GAO of Matelica (Marche, Italy) and Cerreto Guidi (Tuscany, Italy) are located in water-stressed areas.

## 3.2 PROTECTING BIODIVERSITY AND THE OCEANS<sup>36</sup>

In order to pursue its ongoing commitment to the protection of biodiversity, and in line with the strategic approach of “Avoid, Reduce, Restore and Regenerate”, the objectives of the Sustainability Plan and commitments made in international tables<sup>37</sup>, the Group has implemented the following actions in 2022:

- **Refinement of the “Sustainability requirements for raw materials and production processes” guideline and the “Internal operating instructions for the collection of sustainability data and documents”** by improving the information collection process, the traceability of the different supply chains involved and the sharing of an “ECO DESIGN” guide with all Group departments.
- **Intensification of the analysis and in-depth work on the materials used in favour of sustainable alternatives**, with a view to creating the “Composition file and mapping of the fibres used” and the methodology for quantifying the environmental impact.
- **Joining the Material Change Index (MCI) of Textile Exchange**, of which the Group is a member, to refine the development of a sustainable fibre sourcing strategy that better integrates with business activities.
- **Joining the “2025 Sustainable Cotton Challenge” of Textile Exchange** to increase efforts for sustainable cotton sourcing.
- **Joining the “Manifesto for Regenerative Fashion”**, developed by the SMI Fashion Task Force of which the Group is a member, in collaboration with the Circular Bioeconomy Alliance (CBA), whose aim is to provide a catalyst for increasing the adoption of regenerative and low environmental impact farming practices.
- **Strengthening the commitment to adopt sustainable practices in the event management.**
- **Continued support for reforestation and forest conservation projects.**
- **Continued collaboration with WWF** to protect endangered species and dialogue with important animal welfare organisations<sup>38</sup>.
- **Continuation of the Group’s commitment to protect the oceans** by reducing the use of plastic, phasing out virgin plastic, and increasing the use of recycled plastic, as referred to in the next section on packaging.

36. The Armani Group checked whether the G.A. Operations (GAO) in Italy were located in protected areas or areas of high biodiversity value (Key Biodiversity Areas). The analysis carried out confirmed that no GAO is located in or near one of these areas.

37. In 2019, the Group joined The Fashion Pact: one of the most important international initiatives to promote sustainability in fashion, bringing together more than 250 leading fashion and luxury brands with the will to promote a sustainable and virtuous transformation of the industry.

38. The Group adopted a Fur Free policy from 2016 and eliminated the use of Angora Wool from 2021.





## ARMANI GROUP PROJECTS FOR THE PROTECTION OF BIODIVERSITY

### ISO 20121 and ISO 14067 Certified Sustainable Event - Giorgio Armani Neve

On 11 December 2022, the Giorgio Armani Neve Fall Winter 2022/23 collection was presented in St. Moritz with a fashion show held in the space in front of the Olympia Stadium, the historic and evocative setting of two editions of the Winter Olympics (1928 and 1948). The **Giorgio Armani Neve event**, organised in collaboration with the Swiss Tourist Board, **was designed to minimise its environmental impact, in accordance with ISO 20121**. In fact, the Armani Group planned to eliminate disposable plastics, reduce food waste, encourage the reuse and recycling of materials, promote separate waste collection and use LED lighting.

Suppliers were also required to comply with specific social and environmental clauses. The event also received ISO 14067 certification, which attests to the requirements for quantifying carbon footprints. To neutralise all residual greenhouse gas emissions related to the event, the **Armani Group supported a REDD+ project (Cordillera Azul National Park)**. The Group also decided to **make a donation to the Swiss "MortAlive" project**, which is dedicated to the protection and long-term preservation of glaciers worldwide<sup>39</sup>.

39. For more information please refer to <https://coverprojectfoundation.ch/en/morteratsh/>.



### Collaboration with SMI

In 2022, the **Manifesto for Regenerative Fashion** was announced, developed by the SMI Fashion Task Force chaired by Federico Marchetti in collaboration with the Circular Bioeconomy Alliance (CBA), led by Marc Palahi.

By signing the Manifesto, the Armani Group, a member of the Fashion Task Force, commits to contribute to a **gradual transition towards regenerative fashion**: a circular industry that uses newly created or restored territories to promote bio-economic practices that support local communities. Regenerative territories are resilient, rich in biodiversity and free of deforestation and produce a variety of goods and services such as food, energy, and biomaterials, as well as ecosystem services, including carbon sequestration. Such regenerative practices increase the prosperity of local and indigenous communities.

**In 2022, the Group committed to identifying a regenerative agriculture project for cotton, which was announced in 2023.**

### Armani Beauty

After supporting four reforestation projects in 2021 (Brazil, Peru, Zimbabwe, Madagascar) covering a total of more than 14,000 hectares of forest, the brand committed to protect at least 1,500 hectares of forest on the border between the states of Amazonas and Acre in Brazil in 2022. This equates to over 15,000 hectares of forest preserved since the launch of the MY WAY fragrance in 2020: 31,931 tonnes of carbon dioxide were captured through the process of photosynthesis by trees. These **forest conservation actions** allow the brand, which will continue to support similar projects over time, to balance the residual annual carbon emissions generated by MY WAY.

Armani Beauty is committed to achieving carbon neutrality at all its sites by 2025 by improving energy efficiency and using 100% renewable energy.

### Emporio Armani

In September 2022, the time of year dedicated to raising awareness of the importance of protecting the Amazon rainforest, a line of eyewear dedicated to the Amazon was launched, with frames made of bio-acetate and lenses made of partly bio-based materials, adding to the range of sustainable models. To coincide with the launch, the Group made a donation to support the **“Entrepreneurship, Forest and Agroecology” programme to promote socio-biodiversity in the Amazon**, run by the NGO Casa Do Rio on the banks of the Tupana River in the municipality of Careiro, south of Manaus.

### Collaboration with the WWF

The Group renewed its support for WWF Italy, focusing on initiatives to protect the gorilla, one of the species most threatened by poaching. This collaboration has resulted in a programme to increase the number of protected areas in local communities and internationally.

### 3.3 PACKAGING: INNOVATING TO REDUCE ENVIRONMENTAL IMPACT

In 2022, the Armani Group strengthened its commitment to implementing projects to reduce packaging and to select materials with a lower environmental impact, in order to achieve the objectives defined in the Group's Sustainability Plan and in the international tables the Group complies with: eliminate disposable plastics in end-consumer (B2C) packaging by 2025 and business-to-business (B2B) packaging by 2030 and purchase 100% recycled plastic for at least 50% of plastic packaging by 2025 for B2C and 2030 for B2B.

#### 3.3.1 B2C packaging for the end consumer

In 2022, the process of reviewing and updating the B2C packaging started in 2012 continued. As a result, this year we continued to improve our packaging materials by further reducing the use of plastics, particularly virgin plastics, **in favour of organic or recycled materials**. All interventions were also carried out in order to maximise the **recyclability** and **recovery** of individual materials.

This year, the Group extended the collection of packaging data to all Group brands and the e-commerce channel. As shown in the table below, with reference to the paper and cardboard used, which account for 87% of the total packaging, 92% is recycled material and 84% is FSC certified<sup>40</sup>. 88% of the packaging is plastic-free while 89% of the plastic used is recycled. The percentage of virgin plastic used for B2C is therefore 1% of the total packaging. Including the percentage of recycled wood (83% of the wood used), **recycled materials for B2C packaging in 2022 represent 91% of the total packaging**.

#### Packaging B2C<sup>41</sup>

| t                   | 2022          |              |              | 2021 <sup>42</sup> |              |              |
|---------------------|---------------|--------------|--------------|--------------------|--------------|--------------|
|                     | Non-renewable | Renewable    | Total        | Non-renewable      | Renewable    | Total        |
| Paper and cardboard | 0             | 1,609        | <b>1,609</b> | 0                  | 1,595        | <b>1,595</b> |
| Plastic             | 229           | 0            | <b>229</b>   | 266                | 20           | <b>286</b>   |
| Cotton              | 0             | 11           | <b>11</b>    | 0                  | 16           | <b>16</b>    |
| Wood                | 0             | 2            | <b>2</b>     | 0                  | 1            | <b>1</b>     |
| Tin                 | 3             | 0            | <b>3</b>     | 8                  | 0            | <b>8</b>     |
| <b>Total</b>        | <b>232</b>    | <b>1,622</b> | <b>1,854</b> | <b>274</b>         | <b>1,632</b> | <b>1,906</b> |

40. Forest Stewardship Council (FSC) (<https://fsc.org/en>).

41. B2C packaging figures have been calculated from actual data and, when not available, estimations have been made.

42. In 2022, there was a decrease in retail packaging used (-3%) compared to 2021: it should be noted that the 2021 packaging figure, unlike the 2022 data, did not include all Armani/Dolci packaging (with the exception of tin) and paper boxes for e-commerce shipments.

**B2C Packaging<sup>43</sup>**

|   | <b>2022</b>  |
|---|--------------|
| Paper and cardboard (t)                               | 1,609        |
| of which recycled (%)                                 | 92%          |
| of which FSC (%)                                      | 84%          |
| Plastics (t)  | 229          |
| of which recycled and GRS certified <sup>44</sup> (%) | 89%          |
| Cotton (t)  | 11           |
| Wood (t)  | 2            |
| of which recycled (%)                                 | 83%          |
| Tin (t)   | 3            |
| <b>Total (t)</b>                                      | <b>1,854</b> |
| <b>of which recycled (%)</b>                          | <b>91%</b>   |

43. The percentage of recycled component for each type of B2C material can vary between 30% and 100%.

44. Global Recycled Standard (GRS).



## ARMANI BEAUTY PACKAGING

Eco-design is at the heart of Armani Beauty's commitment with the first women's fragrance in a refillable format My Way - introduced in 2020 and extended to My Way Floral, Armani Code and Acqua di Giò Eau de Parfum in 2022 - and with the aim of using this refillable format for all Armani fragrances by 2024.

Armani Beauty uses recycled glass, plastic and metal from the earliest stages of product development and **lighter-weight packaging with certified paper and cardboard from responsibly managed forests (FSC/PEFC)**. To encourage the transition to more sustainable consumption, Armani Beauty also involves its customers in environmental initiatives such as **Gift With Purpose**: for every bottle of perfume and every refill purchased, one or two trees are planted, respectively.

Armani Beauty also offers consumers the opportunity to **return empty packaging to the store** through an initiative in cooperation with the innovative recycling company TerraCycle, implemented for the first time in 2020 in Guangzhou, China.

Starting from 2022, the refillable bottle already used for the My Way fragrance is also available for **My Way Floral**. Compared to using four 50 ml spray bottles, My Way Floral's 50 ml spray and its 150 ml refill bottle guarantee:



A 64% reduction in carbon emissions generated;



A reduction in the use of cardboard (-32%), glass (-55%), plastic (-64%) and metal (-75%) packaging.

The refillable bottle was also extended to **Acqua di Giò Eau de Parfum** and **Armani Code Parfum**. The new refillable bottle of this new perfume is made in a zero-emission French factory. Refilling the 75 ml spray bottle of Armani Code Parfum results in a 38% reduction in glass packaging and a 67% reduction in metal packaging. 15% of the materials used - glass, plastic and metal - for the spray and refill bottles are post-consumer recycled (PCR).

### 3.3.2 B2B packaging for business-to-business industrial transport

For the first time this year, the Armani Group collected data and information on B2B packaging with a view to continuous improvement. This packaging, which is not delivered to the end consumer, is used to transport products from suppliers to GAO and other sites and from GAO to points of sale around the world.

Most of the B2B packaging represented here is logistics-related tertiary packaging (69%). The remainder is packaging used to package the products, which is replaced with packaging bearing the Armani logo before it is sold to the end customer. In 2022, B2B packaging consists mainly of paper and cardboard (73%), predominantly FSC-certified (93%) or recycled (94%), and plastic (26%), predominantly recycled or plant-based (85%). **As a result, 92% of the total B2B packaging is made from recycled paper, cardboard and plastic or from plant-based plastic.** Compared to 2021, there has been a reduction in the amount of packaging used (-13%) and a **strong reduction in the amount of plastic used (-38%)**, due to the **replacement of plastic packaging with paper or cardboard** and, where possible, greater efficiency in the number of products per parcel shipped.

#### B2B Packaging<sup>45</sup>

| t                   | 2022          |              |              | 2021          |              |              |
|---------------------|---------------|--------------|--------------|---------------|--------------|--------------|
|                     | Non-renewable | Renewable    | Total        | Non-renewable | Renewable    | Total        |
| Paper and cardboard | 0             | 2,541        | <b>2,541</b> | 0             | 2,485        | <b>2,485</b> |
| Plastic             | 915           | 1            | <b>916</b>   | 1,227         | 248          | <b>1,475</b> |
| <b>Total</b>        | <b>915</b>    | <b>2,542</b> | <b>3,457</b> | <b>1,227</b>  | <b>2,733</b> | <b>3,960</b> |

#### B2B Packaging<sup>46</sup>

|   | 2022         |
|---|--------------|
| Paper and cardboard (t)                     | 2,541        |
| of which recycled (%)                       | 94%          |
| of which FSC (%)                            | 93%          |
| Plastics (t)                                | 916          |
| of which recycled or plant based (%)        | 85%          |
| <b>Total (t)</b>                            | <b>3,457</b> |
| <b>of which recycled or plant based (%)</b> | <b>92%</b>   |

45. B2B packaging figures have been calculated from actual data and, when not available, estimations have been made.

46. The percentage of recycled component for each type of B2B material can vary between 20% and 100%.





## 4. PROSPERITY

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

### 2022 IN NUMBERS AND FACTS

#### CERTIFICATIONS

- Sustainable Events: ISO 20121 and ISO 14067 certified
- Launch of the Emporio Armani Sustainable Capsule Spring Summer 2023 collection: QR Code for sustainability information, ISO 14021 certified

#### COMMUNICATION

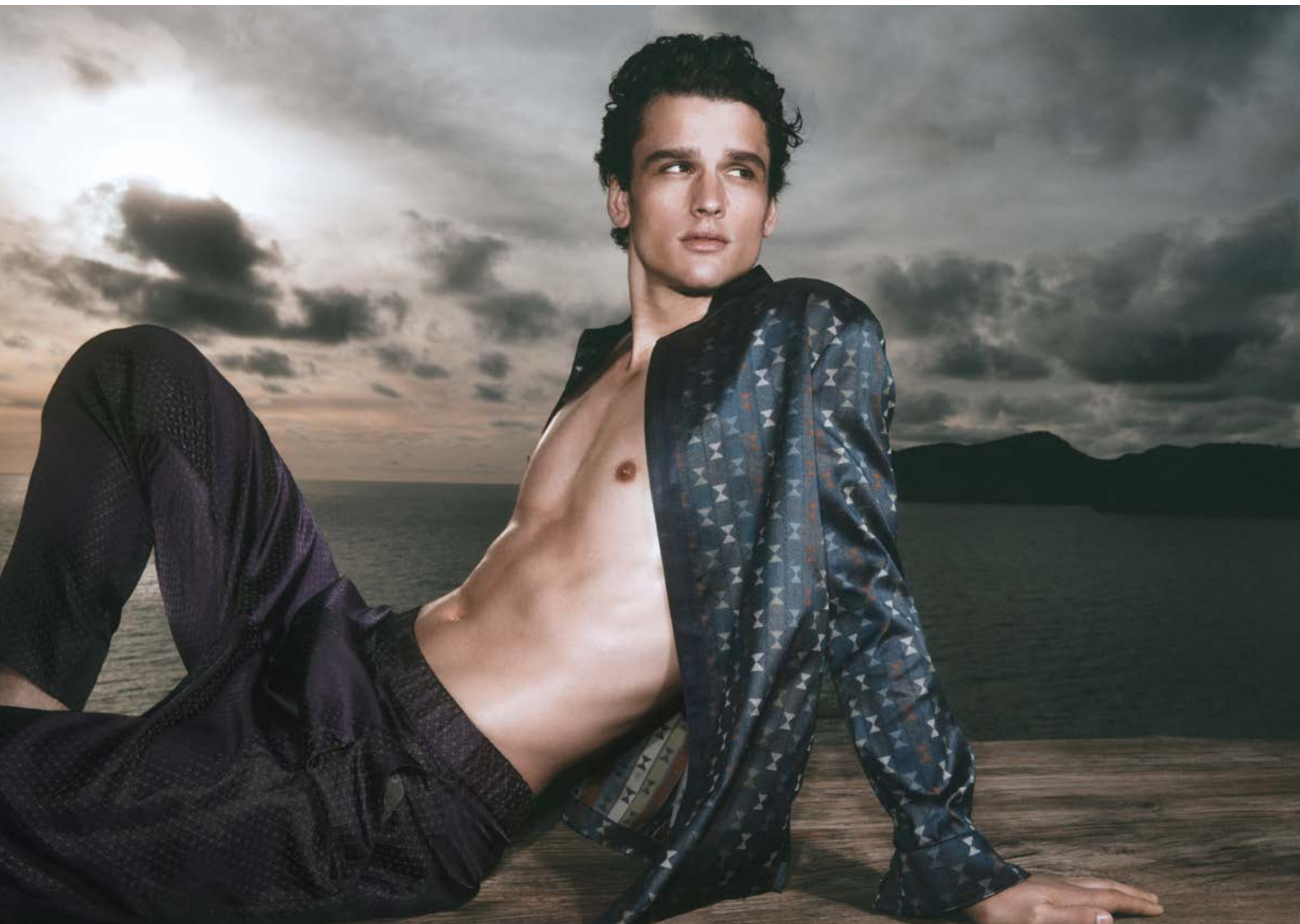
Launch of the Armani/Values website

#### SUPPLY CHAIN, RAW MATERIALS

- ESG risk mapping analysis in the supply chain
- Joining the 2025 Sustainable Cotton Challenge
- Joining the Manifesto for regenerative fashion of the Sustainable Markets Initiative (SMI)

With the adoption of the 2030 Agenda for Sustainable Development and the progressive application of new paradigms regarding the role of private organisations in the broader economic, social and environmental context, the concept of prosperity has taken on a new meaning: it goes beyond the mere element of “growth” and is embodied in a constant sharing of values to promote relationships aimed at well-being, equality and the satisfaction of the prospects and needs of the various stakeholders within communities.

This evolution, particularly in relation to SDG 12 “Ensure sustainable consumption and production patterns”, requires the application of new and virtuous business practices aimed at generating positive long-term impacts for all stakeholders involved, with particular reference to civil society, suppliers, customers and the community at large. Such an approach requires increasing attention to the effective functioning of integrated, multi-stakeholder systems with shared and differentiated responsibilities.



## 4.1 BRANDS, CHOICE OF RAW MATERIALS, PRODUCTION PROCESSES, INNOVATIONS

In order to combat climate change and strengthen its commitment to the preservation of biodiversity and the protection of the oceans, the Armani Group intensified its research into materials with a low environmental impact in 2022: the Group's brands are involved in a number of initiatives focused on the selection and use of recycled or regenerated secondary raw materials and organically grown materials.

The initiatives launched for each of the Group's brands are summarised below.

### GIORGIO ARMANI

In 2022, materials on which research has continued include fibres from organic farming and/or materials in line with animal welfare protocols, responsible forest management and recycled materials.

Giorgio Armani's Made to Measure clothing is the result of the exquisite art of tailoring, combining Armani's style with the exceptional quality of bespoke craftsmanship. The wide range of fabrics available to customers includes, in addition to the classics Prince of Wales, herringbone, houndstooth and materials more closely related to the Giorgio Armani ready-to-wear collections, also vicuna and wools finer than cashmere. The range also includes certified sustainable fabrics such as organic cotton and linen, native wool - whose quality and traceability are guaranteed - and cupro, which is obtained by recovering and recycling unused parts of cotton. The Giorgio Armani Made to Measure collection is also enriched by Made to Order, a service that allows customers to personalise the details of a selection of classic Giorgio Armani garments, including the unstructured jacket, one of the cornerstones of the designer's ready-to-wear collection.

For 2022, more than 30% of Giorgio Armani's international plastic eyewear models<sup>47</sup> were made from bio-acetate and bio-nylon for the arms and fronts.

47. The percentage is calculated on the total number of new plastic models launched in 2022. The models considered refer only to the international part, thus excluding models created ad hoc for certain markets.

## EMPORIO ARMANI

For the Spring Summer 2022 season, Emporio Armani presented a surf-inspired range in organic cotton and recycled materials (nylon, polyester, polyamide).

The range is completed by a watch with a new sporty dial design - the case is made of stainless steel, at least 50% of which is recycled, and the colour insert is made of #tide ocean material® - and an eyewear model, available in four colours, made of polyamide with a bio-based content<sup>48</sup> of at least 50% for the frame and 30% for the lenses.

For the Fall Winter 2022/23 season, a capsule was created that supported the brand's environmental message through garments inspired by the Arctic world, using recycled fabrics, organic cotton, and ice effect prints.

**The collection was also an opportunity to develop an upcycling project with social impact. In fact, from the internal packaging department of GAO Modena, materials were recovered from production waste - scrap material such as end pieces or scraps of flawed fabric - at the prototype and sample stage destined for Cooperativa Alice for the production of some gadgets distributed as gifts to customers who purchased the capsule. Cooperativa Alice, managing the Fair Trade certified Ethicarei production district, provides employment for people from socially and economically fragile groups.**

Moreover, Emporio Armani Junior developed the illustrated game collection The Manga Bear Arctic Crew, an edutainment project in which the Manga Bear and his friends discover the glaciers of the two Poles, with the aim of raising children's awareness of climate change.

48. The percentage of bio-based content, obtained using the international standard ASTM D-6866, indicates the proportion of material produced from renewable sources compared to fossil-based material.



Also for the Emporio Armani line, the Fall Winter 2022/23 season was enriched with the **E-PERFORMANCE** project involving several fabric types (such as jersey, gabardine, piqué) combined with different product types (blouson, trousers, suit, shirt).

Thanks to the innovative spinning system, the fabric offers high comfort and breathability, as well as active thermoregulation thanks to the high insulating power of ZQ-certified pure Merino wool. This project guarantees the quality of the fibre, respect for the environment and animal welfare (mulesing free), economic development and social responsibility, as well as the traceability of the entire wool process. A fibre made from eucalyptus trees grown in sustainable plantations and processed in an environmentally friendly way was also used. In fact, this fibre was obtained from trees grown on selected vacant land that did not involve the destruction of pre-existing flora. Moreover, replanting practices are guaranteed: eucalyptus trees are regenerated so that only the minimum amount of land is used.

The E-PERFORMANCE project will continue in the Spring Summer 2023 and Fall Winter 2023/24 seasons. Part of the Emporio Armani Men's Fall Winter 2022/23 E-PERFORMANCE line, the iconic suit has been chosen as the reference for the pilot project launched by the Armani Group in 2021, in collaboration with UNECE<sup>49</sup> and Cittadellarte - Fondazione Pistoletto<sup>50</sup>, to implement blockchain technology based on traceability, transparency and supply chain due diligence.

In 2019, Giorgio Armani signed a four-year collaboration plan with the Federazione Italia Giuoco Calcio (FIGC) that included the creation of Emporio Armani-designed uniforms for the Italian men's, women's and Under-21 national football teams. For the 2022 European Football Championship, the uniform produced had the following sustainability characteristics:

- **use of ultra-lightweight, thermoregulated wool** for maximum comfort and practicality, and certified (from responsibly managed farms meeting the highest animal welfare standards) for jackets and trousers;
- **use of recycled materials** for shirts and sailor's jackets;
- **use of organic cotton** for denim and t-shirts.

49. United Nations Economic Commission for Europe (UNECE): <https://unece.org/>.

50. <https://www.cittadellarte.it/en/>.

For the Spring Summer 2022 and Fall Winter 2022/23 seasons, Emporio Armani combines its distinctive style with a focus on environmental protection in a series of watches made with an RPET strap or leather from tanneries that meet sustainability standards. In 2022, more than 50% of Emporio Armani's international plastic eyewear models<sup>51</sup> were made from bio-acetate and bio-nylon for the arms and fronts.

In September 2022, the time of year dedicated to raising awareness of the importance of protecting the Amazon rainforest, a line of eyewear dedicated to the Amazon was launched, with frames made from bio-acetate and lenses made from partly bio-based materials, adding to the range of sustainable models. The initiative is part of the brand's global Sustainable Change campaign, which offers a range of eyewear and eyewear cases made with responsible processes and materials.

The first Emporio Armani Kids Collection was also launched, thanks to a collaboration with The Smurfs, already a partner of the Sustainable Development Goals: all the models were made of bio-nylon for the arms and fronts.

Moreover, for the Emporio Armani Capsule Spring Summer 2023 Collection, the Group had its environmental claims checked by an independent third party to:

- **assess the method of traceability of materials** and related information;
- **verify the correct wording of the self-declared environmental claims**, in line with the principles of ISO 14021;
- **assess the adequacy and accuracy of the information provided** to support the environmental claims.

The collection also supported **Artisan Fashion East 2009/Handmade in Africa**, the first social enterprise of the United Nations Ethical Fashion Initiative in sub-Saharan Africa. In collaboration with Artisan Fashion, special limited edition Emporio Armani shopping bags were made in Kenya. Thanks to this project, local artisans, mostly women, receive a fair wage and are thus able to improve their quality of life, with a positive impact on the entire community. All this information and other details are accessible thanks to a digital ID, enabled by a QR Code, which accompanies each garment, in line with the implementation of the project: Product Digital Passport of the SMI Fashion Task Force, of which the Group is a member<sup>52</sup>.

51. The percentage is calculated on the total number of new plastic models launched in 2022. The models considered refer only to the international part, thus excluding models created ad hoc for certain markets.

52. Since 2021, the Armani Group has joined the "Fashion Task Force of the Sustainable Markets Initiative" in order to work on a "Product Digital Passport". The Task Force was created as part of the "Terra Carta" initiative launched in 2021 by the then Prince Charles of Wales, now King Charles III of England. At the same time, the project aims to extend product longevity and enable brands to scale circular business models by promoting full traceability throughout the product lifecycle.





## EA7

The EA7 range with sustainability features mainly included garments made from organic or recycled cotton or recycled polyester.

EA7 is the official outfitter of the Italian Olympic team. At the 2022 Winter Olympics in Beijing<sup>53</sup>, all the uniforms worn by the Italian athletes - the tricolour uniform and cape for the opening ceremony, the podium uniform consisting of a jacket and technical trousers, and the jackets for the Alpine races - were made from recycled down.

## A|X ARMANI EXCHANGE

The main sustainable materials used in the Spring Summer 2022 and Fall Winter 2022/23 collections were organic cotton, recycled cotton, recycled polyester and nylon, recycled wool and viscose obtained through responsible forest management and a production process with reduced environmental impact.

In 2022, A|X Armani Exchange produced a range of watches with straps sourced from tanneries that meet sustainability standards, and around 40% of A|X Armani Exchange's international plastic eyewear models<sup>54</sup> were made using bio-acetate and bio-nylon for arms and fronts.

Finally, to provide customers with more information about the tags and packaging used for the Spring Summer 2022 collection, a video was created, accessible via the Digital Wall or the Aria Virtual Reality app, thanks to a dedicated signage: the "A|X For the Planet" box, which can be scanned with a phone.

53. This confirms Giorgio Armani's relationship with the world of sport, and winter sports in particular, which began with the collaboration with Italian and Swiss ski schools and CONI for the 2014 Sochi and 2018 Pyeongchang Olympic and Paralympic Winter Games, and continued with Beijing 2022.

54. The percentage is calculated on the total number of new plastic models launched in 2022. The models considered refer only to the international part, thus excluding models created ad hoc for certain markets.

## ARMANI/CASA

In line with 2021, Armani/Casa's 2022 collection included the recovery of:

- **Fabrics from the collection in the years before 2022 for the production of travel pillows.**
- **Emerald Quartzite from unused slabs for the production of coffee tables.**

For Christmas 2022, the best customers in Giorgio Armani boutiques received two free Armani/Casa items - the Candle Bag and the Valet Tray - made from out-of-collection Armani/Casa fabrics.

## ARMANI/DOLCI

In 2022, improvements were made on the packaging used. In particular, the plastic inside the chocolate boxes has been replaced by paper, and new QR codes have been introduced to identify the specific disposal of the packaging that makes up the items: through geo-location, the QR codes link to the digital EAD (Eco-labelling) website, which suggests the correct way to dispose of the components.

## ARMANI BEAUTY

Armani Beauty is committed to creating effective formulations, favouring the use of bio-based ingredients, derived from circular processes and in compliance with the most stringent regulations in force, in line with the highest standards of quality and performance.

The ingredients of Armani perfumes include premium Bourbon vanilla from Madagascar and patchouli from Guatemala, obtained through local programmes supporting disadvantaged and economically vulnerable communities and based on fair trade principles, in collaboration with local NGOs. Make-up features naturally nourishing shea butter and argan oil from Burkina Faso, while skincare focuses on Revescentalis "life extract", a rejuvenating ingredient derived from the resurrection plant *Myrothamnus flabellifolia* from Zimbabwe.



## INNOVATION

The increasing focus on supply chain issues in terms of sustainability and technological innovations - with the launch of prototyping and 3D modelling projects, traceability systems, RFID projects and Industry 4.0 - underpins the new industrial strategy, which is fully integrated into the sustainability strategy.

Some updates for 2022 are given below:

### 3D Prototyping

In 2022, 3D prototyping was used for 7% of the footwear in the Giorgio Armani and Emporio Armani lines and to develop variants of certain garments, thus reducing the handling of physical garments.

At the same time, the introduction of **3D printing** for accessories and components has enabled more immediate decisions to be made about the style of garments and accessories. Finally, a digital library of patterns and fabrics has been created for internal use, which will be enriched over the years and will further increase the efficiency of the production process.

### Digital Assets

The Group is working on optimising the still life photographic shooting process, favouring virtual shooting from 3D renderings. This innovation makes it possible to generate a greater volume of assets in a shorter period of time, without the need to move physical products. The adoption of 3D has also made it possible to create more innovative media and communication assets. The use of 3D models for e-commerce and configurators has expanded the possibilities. The development of these digital assets could pave the way for new business models.



## 4.2 RELATIONS WITH THE SUPPLY CHAIN

### 4.2.1 Responsible supply chain management

The application of increasingly sustainable production models is an essential reference point in the development of the ESG culture monitoring and promotion activities that the Group undertakes with its suppliers to create mutual and shared benefits.

The information that the Armani Group collects on the supply chain concerns the reference context, stakeholders, NGOs and other internationally recognised sources in order to map social and environmental risks and guide the Group in its monitoring and control activities.

The **Sustainability Code for Suppliers**, drawn up in 2021 and updated on a regular basis, aims to provide suppliers with guidelines on limiting their environmental impact - from the sourcing of materials to their use - and on respecting the human rights and working conditions of the personnel employed throughout the entire value chain.

The Sustainability Code, together with the technical specifications, the Product Restricted Substances List (PRSL), the Manufacturing Restricted Substances List (MRSL) and the Code of Ethics, forms part of the general purchasing conditions and good industry practices in the social and environmental fields that the Group's suppliers undertake to comply with, enforce and disseminate to their suppliers and sub-contractors.

These initiatives confirm the Group's commitment to work constantly to ensure respect for human rights, both internally and throughout the supply chain. The Group's activities are monitored for compliance with human rights and impact assessments, with a particular focus on production aspects, where the potential risk of incidents of child labour or forced and compulsory labour is higher. Please refer to the following paragraphs for further information on supply chain monitoring and control activities.

### 4.2.2 The Armani Group supply chain

The Armani Group works with a pool of suppliers, consolidated over time and divided into the following four main categories:

#### — SUPPLIERS OF FINISHED PRODUCTS

who make the finished garment according to technical drawings or samples, sourcing the raw materials themselves;

## — SUBCONTRACTORS

to whom the Group entrusts the making of the finished product by providing the necessary technical information and raw materials;

## — SUPPLIERS OF RAW MATERIALS

## — SERVICE PROVIDERS

such as testing laboratories, consultancy and general service providers, logistics and transport.

In relation to the geographical distribution of suppliers' operations, the Group draws on the expertise of partners operating worldwide, with a prevalence in the following geographical areas: Italy, where the largest number of suppliers is concentrated, Europe, the Mediterranean basin and Asia. This distribution is an important strategic choice for the Group, which considers the proximity of the supply chain as a fundamental advantage for constant monitoring and collaboration, also in terms of risk and opportunity management.







## Risk Mapping and Analysis

In 2022, the Armani Group strengthened the **ESG risk analysis** process in its supply chain. This analysis resulted in a mapping that identified ESG monitoring priorities in the value chain.

## Review of the Checklist

In 2022, the checklist used to carry out **social and environmental audits** worldwide was revised to make the tool more manageable, more closely aligned with Group policies and more rigorous in identifying certain critical ESG issues.

## Audit and Monitoring

Analysis, monitoring and audit activities are constantly evolving.

Pending the launch of a platform/management tool, the supplier qualification process is carried out through the request for receipt of the signed Sustainability Code for Suppliers, through the request for documents, certifications and checks of compliance with environmental, human rights and occupational health and safety issues in relation to the processes and products supplied, through risk analyses related to the geographical area and sector.

Moreover, if critical situations, non-compliance or anomalies are identified, either internally or upon external reporting, checks are carried out, even on an interim basis. In such circumstances, the Group always provides for further investigations, immediate comparisons and spot checks with counterparties.

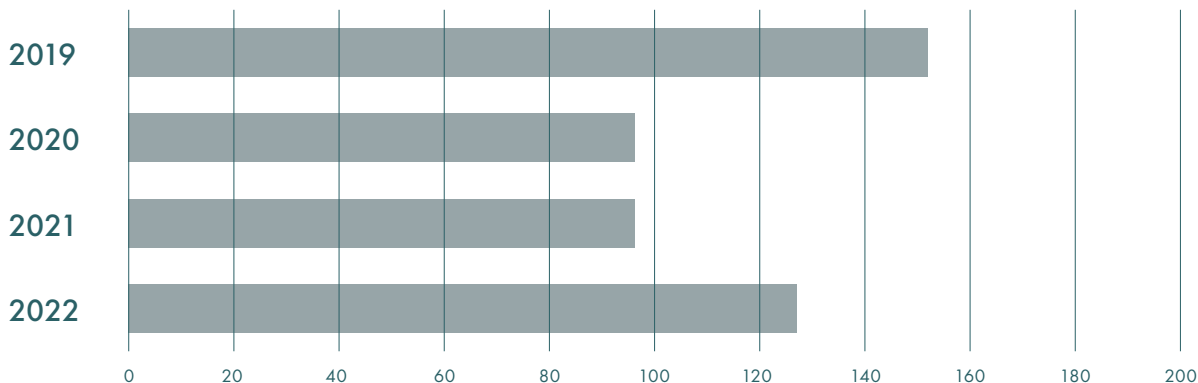
The procedure used by the Armani Group requires suppliers whose rating is below a threshold considered desirable to be guided towards improvement through a corrective action plan, with deadlines set according to the seriousness of the irregularity found.

**The main anomalies found in 2022 mainly concern subcontracting and relate to health and safety and personnel management issues.**

During 2022, new suppliers signed the Sustainability Code for Suppliers, which requires compliance with the environmental and social criteria defined by the Group, and audits were conducted on approximately 10% of new suppliers based on risk analysis from an ESG perspective.

The graph below shows the number of audits carried out from 2019 to 2022 on the Armani Group suppliers.

**NUMBER OF AUDITS CARRIED OUT - SUPPLY CHAIN**



**Analysis of the Living Wage**

As from the second half of 2022, the Group included, in its standard monitoring activities of its global 1<sup>st</sup> and 2<sup>nd</sup> level suppliers, a timely activity of collecting salary data of the audited companies.

To further strengthen the analysis, the Group has joined the **WageIndicator Foundation**, a global, independent, non-profit organisation that collects, analyses and shares information on actual wages, minimum wages, living wages, labour laws, casual and self-employment contracts and collective agreements, whose mission is to ensure greater labour market transparency worldwide for workers, employers, institutions and civil society.

**Joining the International Accord for Health and Safety in the Textile and Garment Industry**

In order to strengthen the monitoring of the value chain and the support of multi-stakeholder initiatives, the Armani Group joined the “International Accord for Health and Safety in the Textile and Garment Industry<sup>55</sup>” in 2022.

55. For more information, please refer to the following link: <https://internationalaccord.org/>.



## 4.3 CUSTOMER RELATIONS

### 4.3.1 Customer Focus, Customer Experience and Product Digital Passport

Guaranteeing the authenticity, quality and safety of the product, as well as protecting privacy, listening and raising awareness of sustainability issues, are essential commitments the Group makes to all its customers to ensure the highest levels of customer experience, innovation and the sharing of common values that make the relationship unique.



**Sustainable  
Markets  
Initiative**

In 2022, the activities of the **SMI “Fashion Task Force”** were strengthened, in line with the legislative requirements concerning the **“Product Digital Passport”** and with the objectives - of the Group’s Sustainability Plan - of increasing the traceability of garments along the supply chain and the communication on sustainability issues to customers.

The activities involved:

- **mapping the necessary information onto IT systems** and finding solutions to fully meet future requirements;
- **the design of a new user experience to display product information** and verify authenticity, accessible via a QR code integrated into each garment. The experience was tested at the launch of the Emporio Armani Sustainable Capsule Spring Summer 2023 collection.

### 4.3.2 Product labelling

The Group operates in a number of markets characterised by a wide variety of product labelling regulations. Therefore, a centralised and highly versatile labelling management system is required.

To facilitate the correct flow of data, the Group uses software to monitor all types of labels applied to products sold in a specific market or to a specific customer. A further rationalisation of the content and layout of product labels is being developed, and will be launched as a pilot project in 2023 for the Spring Summer 2024 season, reducing the amount of ribbon used for printing. As from 2018, the Group has also adopted internal guidelines for the communication of mandatory and voluntary

environmental information to be placed on packaging. This includes, for example, information on the material, proper disposal, recyclability and recycled content of the packaging.

In 2022, the Group carried out a product and category assessment on 30% of the models tested and 85% of the volume produced. **No sanctions were received with regard to product labelling, nor any objections to environmental claims on packaging.**



### 4.3.3 Brand protection

Guaranteeing the value and authenticity of its products has always been a key issue for the Armani Group, which is particularly active in the protection of intangible assets and the fight against counterfeiting, dedicating significant resources to the protection of Intellectual Property rights and by actively collaborating with the main national and international associations in the sector.

The **protection of Intellectual Property Rights** and the **fight against counterfeiting** are the subject matter of a careful strategy by the Armani Group, which aims, on the one hand, to confirm with certainty the existence of valid rights such as trademarks, patents and industrial designs through registration and patenting procedures and, on the other hand, to monitor and protect its intangible assets and all intellectual content traceable to them.

This surveillance activity has evolved considerably over the years, with the use of cutting-edge IT tools based on artificial intelligence that scan the web daily for possible violations. This activity goes hand in hand with the monitoring of the territory by means of accurate customs surveillance and special projects in cooperation with the police forces of most of the industrialised countries of the world. This activity takes the form of continuous enforcement before the competent administrative and judicial offices.

In 2022, the trend already observed in the post-pandemic period of a shift in online counterfeiting activities from websites and marketplaces to social platforms was confirmed. New resources have also been dedicated to combating “digital” offences in the form of Non-Fungible Tokens (NFT) and three-dimensional printed products using artificial intelligence-based algorithms. This frontier may soon become the subject of interesting legal and legislative developments.

The focus on the increasingly important requirements of “**connected product**” and “**traceability**” remained high in 2022. This has reinforced the synergy between the Group’s Intellectual Property Department, Operations and Sustainability Department, which have combined different needs to create significant new features based on a specific **anti-counterfeiting technology**<sup>56</sup>.

<sup>56</sup>. This is an anti-counterfeiting technology implemented on all the Group’s lines, with the exception of Giorgio Armani, from the Spring Summer 2018 season. This technology allows consumers to participate in the Group’s product authentication process, in full respect of their privacy, by simply scanning the QR code on the garment composition labels using a smartphone or other device connected to the Internet.

Therefore, the QR Code is confirmed as a fundamental tool connecting the consumer to the brand to provide the end consumer with information on product traceability and sustainability, values that have become as important as authenticity, in line with the Product Digital Passport project.

### The anti-counterfeiting technology platform as of 31 December 2022

**+1,000,000**

authentications collected  
(+2,500 scans per day)

**+200**

Countries  
involved

**+150 mn**

products connected and traceable  
to the Armani Group

In this regard, it is worth noting that in 2022 the **anti-counterfeiting technology platform** collected more than 1,000,000 authentications (more than 2,500 scans per day) in more than 200 countries, including more than 150 million connected products traceable to the Armani Group as of 31 December 2022.

In 2022, customs surveillance and anti-counterfeiting raids in the territory resulted in:

- **almost 5,500 seizures worldwide.** This year again confirms the trend that Eastern Europe and neighbouring countries (Bulgaria, Russian Federation, Romania, Poland, Czech Republic, Hungary) are among the main producers and collectors of counterfeit products, mainly from China and Turkey, which were again confirmed as the countries with the highest production of counterfeit products. South Africa also joins the list of countries identified last year as major hubs for the distribution of counterfeit products from the Asian, Mediterranean and North African regions - the UK, Greece, Spain, Germany and France. Italy also recorded a significant number of domestic and imported counterfeiting in 2022;
- **closure of approximately 500 websites** dedicated to the marketing of counterfeit products;
- **removal of more than 39,000 advertisements** for the marketing of counterfeit products on digital platforms (marketplaces) 20% of which were in China, achieving 99.9% compliance;
- **nearly 8,800 social media pages and posts banned**, 15% of which were in China, with 98% compliance<sup>57</sup>.

57. In 98% of cases, the complaints made were considered well-founded and the accounts or posts were blacked out.

## CYBERSECURITY

The presence of the digital system in the company and its support for business functions is constantly growing. To ensure adequate protection, the Armani Group continued to strengthen its IT security, consolidating what is already in place and taking steps to increase its resilience to malicious events.

2022 was a year of major changes in IT security and the establishment of a strategy that will guide the Group in the coming years.

In 2022, the ICT<sup>58</sup> department was reorganised and a person was appointed to manage cybersecurity, with the primary goal of increasing the company's security maturity. In this way, governance was optimised, making it possible to monitor what is happening in the world at a centralised level and to intervene even in less manned areas with the appropriate tools and expertise.

**The new Security Operation Centre (SOC), which operates 24 hours a day, 7 days a week,** monitors all security events worldwide and takes immediate action if necessary. The security centre works by receiving all events generated by computers and all other company devices, events that are collected in a Siem and constantly aggregated and reprocessed for effective and efficient monitoring.

During the year, the Group carried out an in-depth **worldwide Cybersecurity Audit** in accordance with the NIST and ISO 27001 international standards; the audit activity included Penetration Test, Vulnerability Assessment and Phishing simulation activities towards the entire global user base.

For some years now, the Group has had technologies for secure web browsing, ZeroTrust smart working connections, and the most advanced email control technologies to protect users from phishing and malware from email.

The Group has a **Business Continuity and Disaster Recovery** solution for critical activities, designed to cope with different types of criticality: from a small inconvenience in a single data centre to cyber attacks and environmental disasters.

58. Information and Communication Technologies.



Special attention was paid to the European GDPR<sup>59</sup> Regulation, which consequently required the drafting and implementation of the following policies:

- **Personal data protection model**
- **Data Subject Rights Management Policy**
- **Access management procedure**
- **Password Management Policy**
- **Third Party Qualification Policy**
- **Regulation on the use of company tools**
- **Data Breach management policy**

59. General Data Protection Regulation 2016/679 (GDPR).



#### 4.3.4 Privacy management

During 2022, the monitoring and updating of internal privacy policies and procedures continued, taking into account the attempted access that occurred last March 2022, following which a personal data breach notification was made to the Italian Data Protection Authority.

A monitoring activity on the dissemination and implementation of the Group's policies and procedures was initiated at the foreign branches, in France, Spain and Germany, in particular, through dedicated meetings held at their offices which will continue during 2023.

In accordance with the annual monitoring plan shared with the Data Protection Officer (DPO), the Group continued to update data privacy notices, policies and records relating to personal data processing, as well as to monitor and respond to requests from data subjects received through the dedicated mailboxes (privacy@giorgioarmani.it and dpo@giorgioarmani.it) and other communication channels provided.

All the actions listed are regularly shared with the Privacy Board, a body that in the Armani Group's organisational model is responsible for defining policies and directing objectives on privacy issues.

#### 4.3.5 Product safety

For years, the Group has paid increasing attention to the safety of its products and production processes. Specific standards have been defined to incentivise the elimination and substitution of used chemicals that are potentially hazardous to humans and the environment.

To ensure product safety, the Group requires its suppliers to constantly comply with the limits in the **Product Restricted Substances List (PRSL)** and monitors the possible presence of banned substances through testing protocols managed by Operations and carried out by ISO 17025-certified laboratories. Products found to be non-compliant with the PRSL parameters are either reworked to eliminate the non-compliance or sent for disposal, depending on the circumstances. The PRSL list is regularly updated based on test results and any changes in the international regulatory framework.

From 2022, suppliers are required to comply with the parameters - defined in the **Manufacturing Restricted Substances List (MRSL)** - for emissions into the water and into the atmosphere.

Despite these procedures, which are designed to ensure systematic control of the Group's supply chain, an incident of non-compliance with product quality regulations was recorded in 2022, exclusively for the Chinese market, resulting in a sanction<sup>60</sup>.

### Product Restricted Substances List (PRSL) and Manufacturing Restricted Substances List (MRSL)

The PRSL and MRSL are the two main documents that guide the entire supply chain to reduce and progressively eliminate potentially hazardous chemicals, in line with regulatory updates and best available technologies.

The result of the collaboration with all the players involved in the production process, in particular suppliers and chemical laboratories, and with the National Chamber of Fashion, the documents list the restricted substances, the maximum permitted levels, the acceptable ranges and the methods of analysis envisaged for each substance.

In order to produce quality products that comply with the most advanced sustainability requirements and to minimise the environmental and social risks associated with the use of chemicals, the Group adopts the following guidelines:

- **"Guidelines on eco-toxicological requirements for clothing, leather goods, footwear and accessories"** on the use of chemicals in products;
- **"Guidelines on eco-toxicological requirements for chemical mixtures and industrial discharges"** on the use of chemicals in production processes;
- **"Good manufacturing practices – guidelines on the use of chemical products in the production lines of fashion"**, sponsored by the Ministry of Ecological Transition and the result of the efforts of the CNMI Chemicals Commission of which the Group is a member.

These documents are being revised and an update will be shared in 2023.

#### 4.3.6 Sustainable store management

In 2022, the process of collecting data and measuring the circularity of stores was launched, in line with the Sustainability Requirements Protocol for Stores and the Real Estate and Interior Design Guidelines developed in 2021; a first pilot was carried out for the A|X shop in London, opened in 2022. The refurbishment of stores using natural, where possible certified, recycled and recyclable materials continued during the year.

<sup>60</sup>The incident of non-compliance resulted in the article being withdrawn from the market and a fine of approximately €6,800.

### 4.3.7 Sustainable event management

The Group is also committed to minimising the environmental and social impact of its events as much as possible

While maintaining the full creative power of the artistic direction, this commitment takes the form of concrete actions implemented in the day-to-day management of the business, broken down into individual business processes and across all functions.

The main activities undertaken are set below:



**Refinement of the Guidelines for the Management of Sustainable Events** that provide recommendations for all suppliers, sub-contractors and partners involved to be taken into account in all phases of an event - design, implementation and dismantling - in order to control and contain environmental impacts, ensuring a positive impact for people and the environment. Some principles by way of example:

- **ensure compliance with applicable environmental, health and safety and labour laws;**
- **give preference to the use of recycled and recyclable materials** and encourage the reuse and recovery of materials used for the event, e.g. by preferring rental to bespoke development of materials and by reusing materials internally or donating them after dismantling;
- **eliminate the use of disposable plastics** in catering and limit the use of plastics in general;
- **use LED lighting;**
- **encourage sustainable mobility.**



**Implementation and certification of the Event Management System and Carbon Footprint (CFP) of events according to internationally recognised standards.**

In 2022, the Group decided to extend the event management system and its certification to all major corporate events. It also decided to become even more rigorous in measuring the impact of its events by aligning its data collection procedures and processes with the ISO 14067 standard and pursuing its principles to achieve certification. The audit was carried out on the Giorgio Armani St. Moritz event of 2022, which was certified. The event was also an opportunity to test a carbon footprint measurement tool that will be launched and made applicable to all Group events by 2023. The tool aims to increase corporate awareness of sustainability issues, the impact of materials from an eco-design perspective and to implement better reporting, management and monitoring of emissions from events.

## Diversity and inclusion awareness campaigns

In 2022, following the success of the 2021 editions, awareness-raising activities on diversity and inclusion issues continued through the promotion of the projects described below:



### **EMPORIO ARMANI LAUNCHES THE SECOND SEASON OF CROSSROADS, A PROJECT FOCUSED ON WOMEN'S EMPOWERMENT**

Fourteen women - actresses, chefs, activists and journalists, each photographed in a different city - were invited to tell their stories, focusing on the key moment in their lives when they found themselves at a crossroads that enabled them to grow and, in many cases, become involved in social work. That is why the project is called Crossroads. It aims to give modern women a voice and celebrate their personality, femininity and talent.



### **EMPORIO ARMANI JUNIOR LAUNCHES THE SECOND EDITION OF PARENTS TALKS**

Seven protagonists of video stories that convey Emporio Armani's spirit of openness and connection with the present, telling the story of parenthood today through different personal experiences and points of view, promoting the value of diversity and raising awareness on contemporary parenting.



## 4.4 RELATIONS WITH THE COMMUNITY

The Armani Group is part of the community in which it operates and is committed to supporting it.

Through the continuation of existing projects and the creation of new valuable relationships, several actions were implemented in the fields of medical and scientific research, the fight against inequalities, culture, environmental protection and sports as a driver of social inclusion.

Each process is based on the values that unite the Group and the relevant associations with which to pool resources and opportunities. It is an active commitment to the social development of the community that leads the Group to identify the projects that best suit its sensibilities and to closely monitor their effectiveness and progress through regular reports, quarterly or half-yearly statements and on-site visits.

### 4.4.1 Long-term collaborations

The ability to set solid long-term goals lies in the value of continuity. 2022 was also crucial in confirming the commitment already started in projects related to relevant social issues through the Giorgio Armani Foundation.

With the aim of promoting medical and scientific progress and ensuring effective and innovative therapies, the Foundation has once again supported the **Fondazione Umberto Veronesi** by donating three scholarships for breast cancer research, the implementation of tele-oncology services and patient follow-up.

The Giorgio Armani Foundation has also renewed its commitment to the younger generation of doctors with the **Fondazione Humanitas per la Ricerca**, which will support the projects of four researchers in the HiPPO (High Profile Postdoctoral Program) in the study of cancer and inflammatory, autoimmune, neurological and osteoarticular pathologies.

In addition to research, caring also means being close to the most vulnerable. Hence, the Giorgio Armani Foundation's willingness to renew its support for **Opera San Francesco per i Poveri**. Thanks in part to this contribution, the association, which operates in the Milan area, has provided more than 17,000 people with reception and canteen services, personal hygiene, cloakrooms, health centre, job orientation and legal advice.

#### 4.4.2 Emergency support

In a year of suffering, conflict and destruction that has relentlessly plagued Ukraine and its neighbouring countries, the Armani Group has made timely intervention the key to responding to global emergencies that require collective humanitarian action.

To provide immediate relief to people forced to flee their homes, the Group joined the **UNHCR** (United Nations High Commissioner for Refugees) fundraising initiative, helping to build a strong humanitarian network that has provided protection, emergency shelter and financial support to 4.32 million people. UNHCR also launched a strategy to support the governments of Bulgaria, Hungary, Poland, Moldova and Romania in their efforts to integrate some 476,000 refugees.

At the same time, a donation of essential clothing for refugees was made and distributed through the **Comunità di Sant'Egidio** and **Croce Rossa Italiana** (the Italian Red Cross). An additional donation was made to the fund set up by the **Municipality of Milan** to welcome refugees in the city, with a particular focus on women and children.

Finally, in 2022, the Group made a donation to the **Clooney Foundation for Justice**, which works to protect human rights in more than forty countries, with a focus on minorities, women and the LGBTQ+ community.

#### 4.4.3 Local contributions

In order to reduce social inequalities and promote inclusion, which is deeply rooted in the territory, the Armani Group has strengthened its solidarity network by supporting active social projects in local communities in the city of Milan.

A donation has been secured for **Save the Children** to provide free education and training in the most disadvantaged suburbs, where school drop-out rates are high and the future of children and young people is at risk. To this end, the association has set up the Punti Luce (Points of Light), centres that support and offer educational, sporting and artistic initiatives run by qualified teachers. In Milan, the Group concentrated its contribution in the Giambellino and Quarto Oggiaro districts. At the same time, the collaboration with the association aimed to contribute to international food security, training and family support programmes.

The Armani Group, which has been a member of the **Convivio** promotion committee since 1992, also contributed to this historic fundraising event by donating a wide range of clothing and accessories. Convivio, a widely recognised event in the Milanese charity sector, presented the new edition of the exhibition-market followed by the Charity Gala. All proceeds from the event were donated to the



**Lombardy section of ANLAIDS** to promote scientific research and prevention programmes against the spread of HIV, to combat the stigma of sexually transmitted infections and to disseminate correct information on prevention, especially among young people.

In 2022, the Armani Group supported the **Quartieri Tranquilli Association** in projects to improve the living conditions of inmates at the San Vittore prison in Milan.

In line with economic, environmental and social sustainability, another of the Group's key objectives has been to support the creation of ethical production districts in the luxury industry. To this end, in Milan, the social tailoring workshop **Cooperativa Alice**, which belongs to the Ethicae Rei district, was selected for a donation aimed at providing professional opportunities to workers from economically vulnerable categories. Thanks in part to the Group's support, the social enterprise is now able to enter the production and design phases of clothing collections, accessory lines and design objects, working with fashion companies with a strong focus on respect for rights.

Finally, during the year, the Group continued to support charitable initiatives throughout the territory, participating in various fundraising events by donating clothing and accessories to auctions and solidarity markets organised by several associations.

#### 4.4.4 Environmental protection

The Armani Group continues its commitment to raising awareness of the importance of respecting nature: the aim is to act in the present to live a concretely sustainable future, protecting the climate and biodiversity.

On the occasion of the **Giorgio Armani Neve** event, the Group supported a REDD+ project (Cordillera Azul National Park) and made a donation to "MortAlive", a Swiss project dedicated to the protection and long-term conservation of glaciers worldwide.

The Group made a donation to **WWF Italia** for the protection of gorillas, one of the species most threatened by poaching. This collaboration has resulted in a programme to increase the number of protected areas in local communities and internationally.

## ACQUA FOR LIFE INITIATIVE

Acqua For Life (AFL) is an initiative focused on universal access to water in water-stressed areas. The project was launched in 2010, the year the United Nations recognised water and sanitation as a human right.

AFL's activities are identified and developed in collaboration with Unicef, WaterAid and Water.org, three main partners working around the world, through an approach that involves installing clean water, sanitation and hygiene systems, educating and raising awareness on Water, Sanitation and Hygiene (WASH) behaviour, and maintaining the activity for at least three consecutive years.

To date, AFL has helped more than 450,000 people and invested more than € 12 million in water projects in 21 countries. By 2030, AFL aims to become a source of clean water for 1 million people. To maximise the impact of its contribution, AFL has also launched a new project with Water.org to provide an innovative financing solution (microcredit) that will provide 85,000 people in Tanzania with affordable finance to develop sustainable water and sanitation solutions by 2023.

To increase the impact of AFL's annual donations, consumers were able to contribute to a number of solidarity initiatives. These initiatives included Human Rights Day, when Armani Beauty invited consumers to do their part in a social media campaign to raise awareness of water scarcity: for every Armani Beauty post shared on consumers' Instagram profiles, AFL donated € 25 to help a family in Tanzania gain sustainable access to clean water. Moreover, every November, Armani Beauty gives Black Friday a new meaning by turning it into Blue Friday and donating 30% of all purchases made on armanibeauty.com during the five days around Black Friday to the AFL initiative. For the third year in a row, the funds were donated to a project in Uganda that supports health facilities, particularly for pregnant women and children.

#### 4.4.5 The enhancement of culture

In 2022, the Group confirmed its commitment as a Private Ordinary Founder of the Fondazione Teatro alla Scala, with a contribution aimed at supporting the artistic offer of excellence appreciated not only by the Milanese community, but also worldwide

Also in favour of culture is the donation to the **Teatro Franco Parenti**. On the occasion of its 50th anniversary, the group highlighted its great value for the city in terms of research and experimentation on scenic communication codes. The "**Amici del MAXXI**" membership was also renewed to support the development of contemporary art events and projects promoted by MAXXI, a Roman cultural institution of national and international importance.



## ARMANI/SILOS

Armani/Silos is the exhibition space opened in 2015 with the aim of preserving, conserving and enhancing the creative heritage of ideas, materials, clothing, designs and images of the Armani Group and making it available to the public and, in particular, to the younger generations of creators, fashion and design schools.

The permanent collection, displayed on the three upper floors of the Silos, consists of around 400 garments and 200 accessories from Giorgio Armani's ready-to-wear collections from the 1980s to the present day. The selection is divided according to certain themes that have inspired and continue to inspire the designer's creative work: Androgynous, Ethnic and Stars.

On the ground floor there are **temporary exhibitions of fashion, architecture and photography**, the latter an art form for which Armani/Silos has become a reference in the city.

On the top floor, the digital archive, accessible free of charge, offers the public workstations, touch-screen tables and a projection area for consultation and study. The digital archive and temporary exhibitions aim to promote understanding and interest in fashion and design in all its aspects, exploring the relationships and interactions between fashion, history, photography, film and art.

In addition to exhibitions, Armani/Silos regularly organises free film festivals in the original language, lectures and workshops.

The Silos also offers the public an important insight into the progress of sustainability in its broadest sense, and in 2022 hosted foundations such as the **One Ocean Foundation**, which promotes studies and research on the protection of the oceans, or **Obiettivo 3**, an association supported by the Armani Group that promotes inclusion through the values of sport.

Armani/Silos wants to be a space open to the city. Always linking its activities to its values and mission, in 2022, it hosted a concert and film festival dedicated to Jazz at the city event JazzMI promoted by the Municipality of Milan.

It also participates in the Ministry of Culture's "Sunday at the Museum" initiative, offering free admission on the first Sunday of every month.

La Scala's premiere was also filmed live by Armani/Silos as part of the 'Prima Diffusa' initiative and made available to the public free of charge.

The attention paid to the new generations and the importance of education is also demonstrated by the support that Armani/Silos gives to **Save the Children's** initiatives to combat the phenomenon of early school leaving. Each exhibition at the Silos is in fact accompanied by a donation, earmarked for the Save the Children Points of Light in Milan Quarto Oggiaro, one of the association's many meeting centres in the area, where young people and children from disadvantaged neighbourhoods receive educational support and have access to art and sports activities.

#### 4.4.6 Collaborations with Universities, younger generations and institutions

##### Collaboration with SDA Bocconi

The Armani Group collaborated with SDA Bocconi on the “Managing Circularity in Fashion & Luxury” project aimed at identifying different circularity options for the reuse of pre-consumer and unsold waste. The activity involved the involvement of some female students of the Executive Master in Luxury Management in benchmarking and desk analysis activities, in particular:

- initial **benchmarking analysis** of circularity and sustainability projects and identification of platforms, start-ups and textile clusters working with waste, linking supply and demand;
- **desk analysis** aimed at highlighting the relevance of companies operating in the textile circularity sector at national and international level.

2022 CNMI Sustainable Fashion Awards.





## Participation in “Il Salone della CSR”

The Armani Group participated in the 2022 edition (3-4-5 October) of Il Salone della CSR e dell’Innovazione sociale (The CSR and Social Innovation Fair), at the L. Bocconi Commercial University in Milan. Open to companies, public and private institutions, non-profit organisations, consortia, social enterprises, non-profit companies, start-ups and other organisations that have developed CSR (Corporate Social Responsibility) or social innovation activities or initiatives, the event offers a rich and varied cultural programme on these topics each year.

### 2022 CNMI SUSTAINABLE FASHION AWARDS

The Camera Nazionale della Moda Italiana (CNMI), in collaboration with the United Nations Ethical Fashion Initiative (EFI), a programme of the International Trade Center, and with the support of the Ministry of Foreign Affairs and International Cooperation, the ICE Agency and the Municipality of Milan, organised the CNMI Sustainable Fashion Awards 2022 ceremony at the Teatro alla Scala in Milan.

The event featured and awarded personalities and virtuous companies in the Italian and international fashion world that have distinguished themselves for their commitment to sustainability in the highest sense, for vision, innovation, commitment to craftsmanship, recognition of differences, circular economy, human rights and environmental justice. The evening began in Piazza Scala, which was decorated for the occasion on the theme of Maestro Michelangelo Pistoletto’s Third Paradise. The fashion show was opened by Giorgio Armani, whose work, characterised by absolute continuity, evolves without losing its essence.

The brand’s identity is rooted in the present, but its spirit is timeless: that is why, without having to look back to the past, the designer chose to show ten garments from the last Giorgio Armani women’s collection for Spring Summer 2023, presented on the same day. Garments that capture the essence of his style: creations infused with glitter and golden details, the perfect synthesis of his vision, for which he received the Visionary Award.

#### 4.4.7 Sports as a driver of inclusion

Embracing diversity for an inclusive community is a practice that requires training. The Armani Group's commitment to this goal has taken the form of promoting sport as an activity that conveys positive values such as integration and respect.

##### Olimpia Milano basketball team

Sponsored by the Armani Group since 2004 and fully acquired in 2008, the Olimpia Milano basketball team has regained a relevant and popular role in European and national basketball thanks to an investment plan and a shrewd selection of players and technical staff.

The company also continued to invest resources in the youth sector to promote the culture of basketball and sports in general among young people. In line with the values of the Armani Group, the company supports initiatives for the sports training of children and young people and is directly involved in fundraising and supporting sports initiatives in some local communities.

From 2019 to 2022, the number of amateur basketball clubs across Italy affiliated to Olimpia thanks to the Armani Junior Program project increased from 110 to 127.

Since its foundation in 2012, the **Euroleague basketball One Team** social responsibility programme, supported by Turkish Airlines and major European teams including Olimpia, has directly or indirectly reached 19,000 participants through social projects carried out by individual teams. Social inclusion, disabilities and gender diversity are some of the topics included in the programme.

The **"Io tifo positivo e gioco di squadra"** project also continues in the schools of Milan and its province (12 classes for 3 schools). Aimed at boys, girls and their parents, it aims to propose the values of sports as an inspiration for human relations, to bring the supporter phenomenon back to the places and times of sports and to cultivate sporting passion without forgetting mutual respect.

In 2022, some 20,000 gadgets - key rings and shopping bags - for supporters were handmade by **Artisan Fashion**, the social enterprise of the Ethical Fashion Initiative<sup>61</sup>, which coordinates the work of numerous artisan cooperatives. The Armani Group works with the Ethical Fashion Initiative (EFI) and its network of social enterprises, creating decent work and rigorously monitoring its impact using EFI's tools.

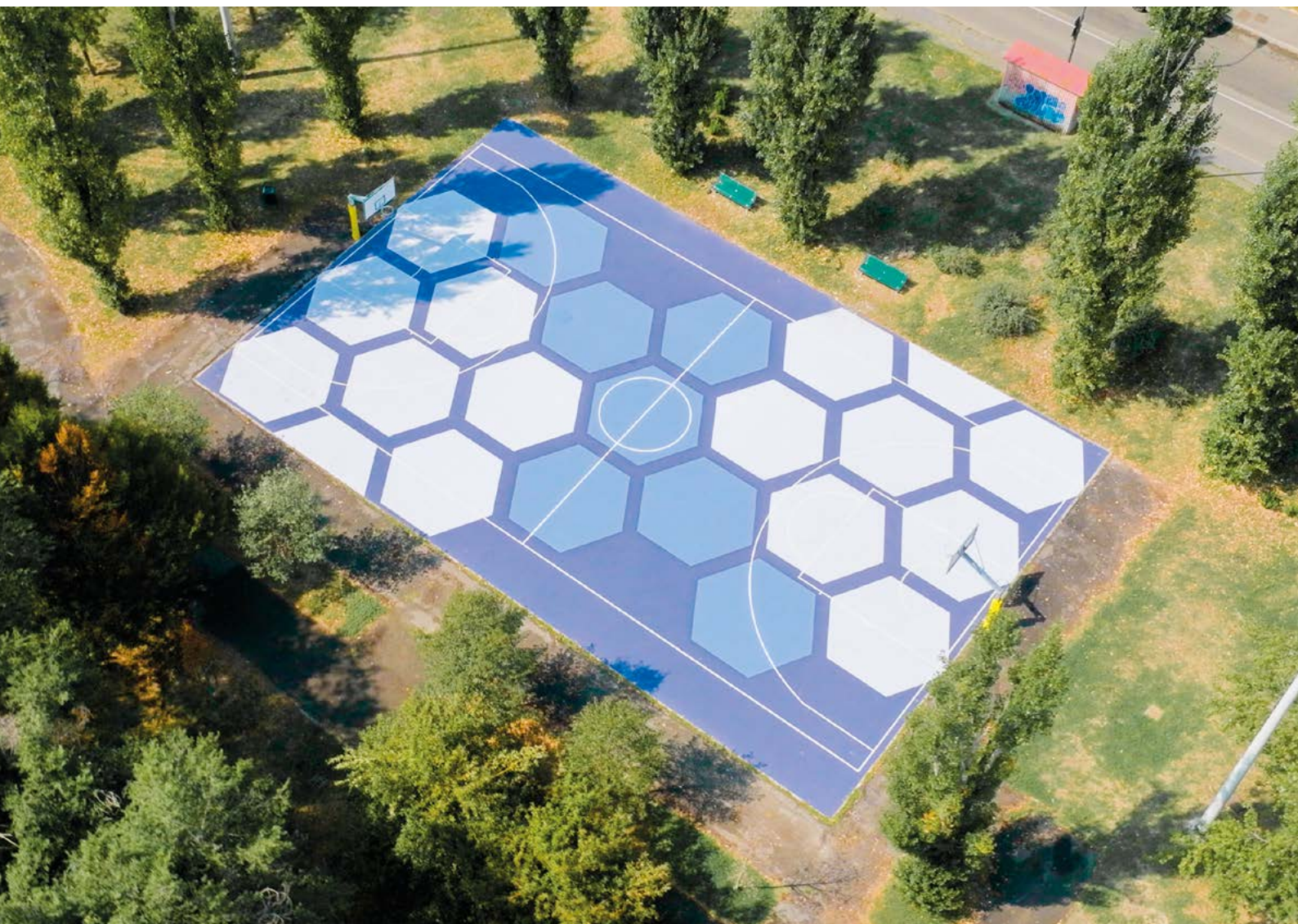
In 2023, the analysis of sustainability projects to be implemented and integrated into the Group's sustainability strategy will continue.

<sup>61</sup>. Ethical Fashion Initiative is a programme of a United Nations agency: the International Trade Centre in Geneva.



Thanks to the Armani Group's close links with the world of basketball, A|X Armani Exchange supported, as technical sponsor, the Milan City Council's project for the **renovation and subsequent maintenance of six street basketball and mini-basketball courts**. Located in central and peripheral areas of the city of Milan, the new playgrounds achieved a practical, aesthetic and social goal. On the one hand, the collaboration with Mapei for innovative urban regeneration solutions, and, on the other hand, the A|X Armani Exchange style declined in specially designed contemporary geometric patterns. Thanks to a joint effort, these new landmarks for sports enthusiasts have expanded opportunities for socialisation and integration across the city.

The **Obiettivo 3** sports club, founded by Alex Zanardi, has received the support of the Armani Group to pursue its goal of encouraging and giving space to athletes with disabilities, accompanying them on their Paralympic journey. The contribution is based on the firm conviction that sport is a fundamental driver of inclusion, effective in overcoming all barriers and prejudices. To promote this value, Armani/Silos hosted the presentation of the travelling exhibition "Passage", a photographic project by Alberto Giuliani linked to the stories of the Obiettivo 3 athletes who took part in the second edition of the Obiettivo Tricolore relay. The narration of each athlete's subjective photo sequence was enriched by a portrait taken at the end of the course, the last souvenir photo before the athlete's life changed.



# METHODOLOGICAL NOTE

This document is the seventh edition of the Armani Group Sustainability Report and describes the main achievements and initiatives in the field of ESG in 2022 (from 1 January to 31 December).

The Report, which is prepared and published annually, has been prepared in accordance with the **GRI Standards** on an “in accordance” basis. In particular, the set of indicators was updated in 2022 in line with the requirements of the GRI Standards in force from 2022. Data for 2021, 2020 and, for energy consumption and emissions only, 2019 are provided for comparison purposes and may be subject to further verification and revisions. Any restatement of comparative data has been highlighted in the text or footnotes.

In line with the GRI Standards, the Armani Group was guided by the principles of materiality, stakeholder inclusiveness, completeness and sustainability context. The principles of balance, accuracy, reliability, comparability, clarity and timeliness were followed with reference to the quality of the reported information.

The reporting content was prepared on the basis of the materiality analysis - carried out in 2022 and confirmed in 2023 through a dedicated survey - which identified the material topics for the Group and its stakeholders and identified the direct and indirect, positive and negative impacts generated. The results of the materiality analysis are presented in paragraph 1.4 “Materiality analysis, ESG risks and opportunities, and stakeholders” of this document.

The scope of the data presented in the Sustainability Report is the same as that presented in the Consolidated Financial Statements as at and for the year ended 31 December, with the exception of two offices of minor importance. It should also be noted that in 2022 the scope was extended to include two new companies established at the end of 2021: Giorgio Armani Malaysia and Giorgio Armani Singapore. On the other hand, there were no significant changes in the supply chain.

The reporting scope of the social and environmental data and information presented in the Sustainability Report is as follows: Giorgio Armani S.p.A., Giorgio Armani Retail S.r.l., G.A. Operations S.p.A., Alia S.r.l., Giorgio Armani Hong Kong Ltd, G.A. Operations Hong Kong Ltd, Giorgio Armani Shanghai Trading Co., Giorgio Armani Canada Corporation, Giorgio Armani Australia Pty Ltd, Giorgio Armani Corporation, Giorgio Armani Japan Co. Ltd, Pallacanestro Olimpia Milano Ssr<sup>62</sup>, Giorgio Armani Brasil Comércio Importação e Exportação Ltda, Caffè 42 Croisette Sas, Giorgio Armani Mexico Import, Giorgio Armani Mexico Retail Corporation, Giorgio Armani Mexico Servicios, Giorgio Armani Macau Ltd, Ultimate SA, Giorgio Armani Monaco SAM, Giorgio Armani Singapore Pte. Ltd. and Giorgio Armani Malaysia Sdn. Bhd.

<sup>62</sup>. It should be noted that, for the company Pallacanestro Olimpia Milano Ssr, environmental data on waste generated, water withdrawals and discharges have been excluded, as they are not significant.

In some cases, estimates have been used, which are duly reported and are continuously being refined and updated. Specifically, estimates were used to calculate energy consumed, atmospheric emissions, waste produced, water withdrawals and discharges, and training hours.

KPMG S.p.A. performed a **limited assurance engagement** on this Report in accordance with the criteria established by ISAE 3000 revised. The engagement was carried out in accordance with the procedures indicated in the "Independent Auditors' Report", included in this document.

The Report was submitted for approval to the BoD of the Armani Group on 12 July 2023.

For any information on this Group Sustainability Report, please contact the Group at the following email address: [info@armanivalues.com](mailto:info@armanivalues.com).

The Report is also available to the public at the web address: [armanivalues.com](http://armanivalues.com).



With a view to continuous improvement, inspired by the recommendations of the **Task Force on Climate-related Financial Disclosures (TCFD)**, the Report includes information relevant to the four focus areas identified by the framework, in particular:

- Governance of the organisation on climate-related risks and opportunities;
- Current and potential impact of climate-related risks and opportunities in relation to the organisation’s business activities, strategy and financial planning;
- Methods used by the organisation to identify, assess and manage climate-related risks;
- Metrics and targets used to assess and manage relevant climate-related risks and opportunities.

The table below lists references to the sections of this document that contain relevant information in relation to the TCFD’s disclosure recommendations.

| TCFD AREA           | CHAPTER/PARAGRAPH OF REFERENCE  |
|---------------------|---|
| GOVERNANCE          | 1.2.1 Governance and structure of the Group                             |
|                     | 1.2.2 Sustainability governance   |
|                     | 1.4 Materiality analysis, ESG risks and opportunities, and stakeholders |
|                     | 3.1.1 Energy consumption  |
|                     | 3.1.2 Atmospheric greenhouse gas emissions                              |
| STRATEGY            | 1.3 The Sustainability Strategy and the 2019-2030 Sustainability Plan   |
|                     | 1.4 Materiality analysis, ESG risks and opportunities, and stakeholders |
| RISK MANAGEMENT     | 1.3 The Sustainability Strategy and the 2019-2030 Sustainability Plan   |
|                     | 1.4 Materiality analysis, ESG risks and opportunities, and stakeholders |
|                     | 3.1.1 Energy consumption  |
|                     | 3.1.2 Atmospheric greenhouse gas emissions                              |
| METRICS AND TARGETS | 4.3.7 Sustainable event management                                      |
|                     | 3.1 Environmental protection and efficient use of resources             |

In addition to the information contained in this document, reference can be made to the Armani Group’s CDP 2023 (Carbon Disclosure Project) questionnaire, available on the CDP website. The Group is committed to improving and refining climate disclosure over time.





(This independent auditors' report has been translated into English solely for the convenience of international readers. Accordingly, only the original Italian version is authoritative.)

# Giorgio Armani Group

**Sustainability report as at 31 December 2022**

(with report of the auditors' thereon)

KPMG S.p.A.

18 July 2023



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 Revisione e organizzazione contabile  
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(This independent auditors' report has been translated into English solely for the convenience of international readers. Accordingly, only the original Italian version is authoritative.)

## Independent auditors' report on the sustainability report

*To the board of directors of  
 Giorgio Armani S.p.A.*

We have been engaged to perform a limited assurance engagement on the 2022 Sustainability report - Armani values (the "sustainability report") of the Giorgio Armani Group (the "group").

### **Directors' responsibility for the sustainability report**

The directors of Giorgio Armani S.p.A. (the "parent") are responsible for the preparation of a sustainability report in accordance with the "Global Reporting Initiative Sustainability Reporting Standards" issued by GRI - Global Reporting Initiative (the "GRI Standards"), as described in the "Methodological note" section of the sustainability report.

The directors are also responsible for such internal control as they determine is necessary to enable the preparation of a sustainability report that is free from material misstatement, whether due to fraud or error.

They are also responsible for defining the group's objectives regarding its sustainability performance and the identification of the stakeholders and the significant aspects to report.

### **Auditors' independence and quality control**

We are independent in compliance with the independence and all other ethical requirements of the Code of Ethics for Professional Accountants issued by the International Ethics Standards Board for Accountants, which is founded on fundamental principles of integrity, objectivity, professional competence and due care, confidentiality and professional behaviour.

Our company applies International Standard on Quality Management 1 (ISQM 1) and, accordingly, maintains a system of quality control including documented policies and procedures regarding compliance with ethical requirements, professional standards and applicable legal and regulatory requirements.

KPMG S.p.A. è una società per azioni di diritto italiano e fa parte del network KPMG di entità indipendenti affiliate a KPMG International Limited, società di diritto inglese

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 Capitale sociale  
 Euro 10.415.500,00 i.v.  
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 Sede legale: Via Vittor Pisani, 25  
 20124 Milano MI ITALIA



**Giorgio Armani Group**  
*Independent auditors' report*  
 31 December 2022

**Auditors' responsibility**

Our responsibility is to express a conclusion, based on the procedures performed, about the compliance of the sustainability report with the requirements of the GRI Standards. We carried out our work in accordance with the criteria established by "International Standard on Assurance Engagements 3000 (revised) - Assurance Engagements other than Audits or Reviews of Historical Financial Information" ("ISAE 3000 revised"), issued by the International Auditing and Assurance Standards Board applicable to limited assurance engagements. This standard requires that we plan and perform the engagement to obtain limited assurance about whether the sustainability report is free from material misstatement.

A limited assurance engagement is less in scope than a reasonable assurance engagement carried out in accordance with ISAE 3000 revised, and consequently does not enable us to obtain assurance that we would become aware of all significant matters and events that might be identified in a reasonable assurance engagement.

The procedures we performed on the sustainability report are based on our professional judgement and include inquiries, primarily of the parent's personnel responsible for the preparation of the information presented in the sustainability report, documental analyses, recalculations and other evidence gathering procedures, as appropriate.

Specifically, we performed the following procedures:

- 1 analysing the reporting of material aspects process, specifically how the reference environment is analysed and understood, how the actual and potential impacts are identified, assessed and prioritised and how the process outcome is validated internally;
- 2 comparing the financial disclosures presented in the "The distribution and value creation model" section of the sustainability report with those included in the group's consolidated financial statements;
- 3 understanding the processes underlying the generation, recording and management of the significant qualitative and quantitative information disclosed in the sustainability report.

Specifically, we held interviews and discussions with the parent's management personnel. We also performed selected procedures on documentation to gather information on the processes and procedures used to gather, combine, process and transmit non-financial data and information to the office that prepares the sustainability report.

Furthermore, with respect to significant information, considering the group's business and characteristics:

- at parent level and with reference to the subsidiaries G.A. Operations S.p.A. and Giorgio Armani Corporation:
  - a) we held interviews and obtained supporting documentation to check the qualitative information presented in the sustainability report;
  - b) we carried out analytical and limited procedures to check, on a sample basis, the correct aggregation of data in the quantitative information;
- we visited Giorgio Armani S.p.A. and Giorgio Armani Corporation, which we have selected on the basis of their business, contribution to the key performance indicators at consolidated level and location, to meet their management and obtain documentary evidence, on a sample basis, supporting the correct application of the procedures and methods used to calculate the indicators.





**Giorgio Armani Group**  
*Independent auditors' report*  
31 December 2022

***Conclusion***

Based on the procedures performed, nothing has come to our attention that causes us to believe that the 2022 Sustainability report of the Giorgio Armani Group has not been prepared, in all material respects, in accordance with the requirements of the GRI Standards, as described in the "Methodological note" section of the sustainability report.

***Other matters***

The 2021, 2020 and 2019 comparative figures presented in the sustainability report have not been examined.

Milan, 18 July 2023

KPMG S.p.A.

(signed on the original)

Emanuele Bazzana  
Director of Audit

# APPENDIX

## MATERIALITY ANALYSIS

In 2022, the Group's materiality matrix was updated taking into account the evolution of the Group's strategic outlook, which was subsequently incorporated into the Group's strategy and sustainability plan, in line with the GRI Standards and based on the documentation available under the Corporate Sustainability Reporting Directive (CSRD).

This process consisted of five main steps:

1. **External and internal context analysis;**
2. **Mapping of the main stakeholder categories;**
3. **Identification of sustainability issues;**
4. **Stakeholder engagement;**
5. **Analysis of results and preparation of the materiality matrix.**

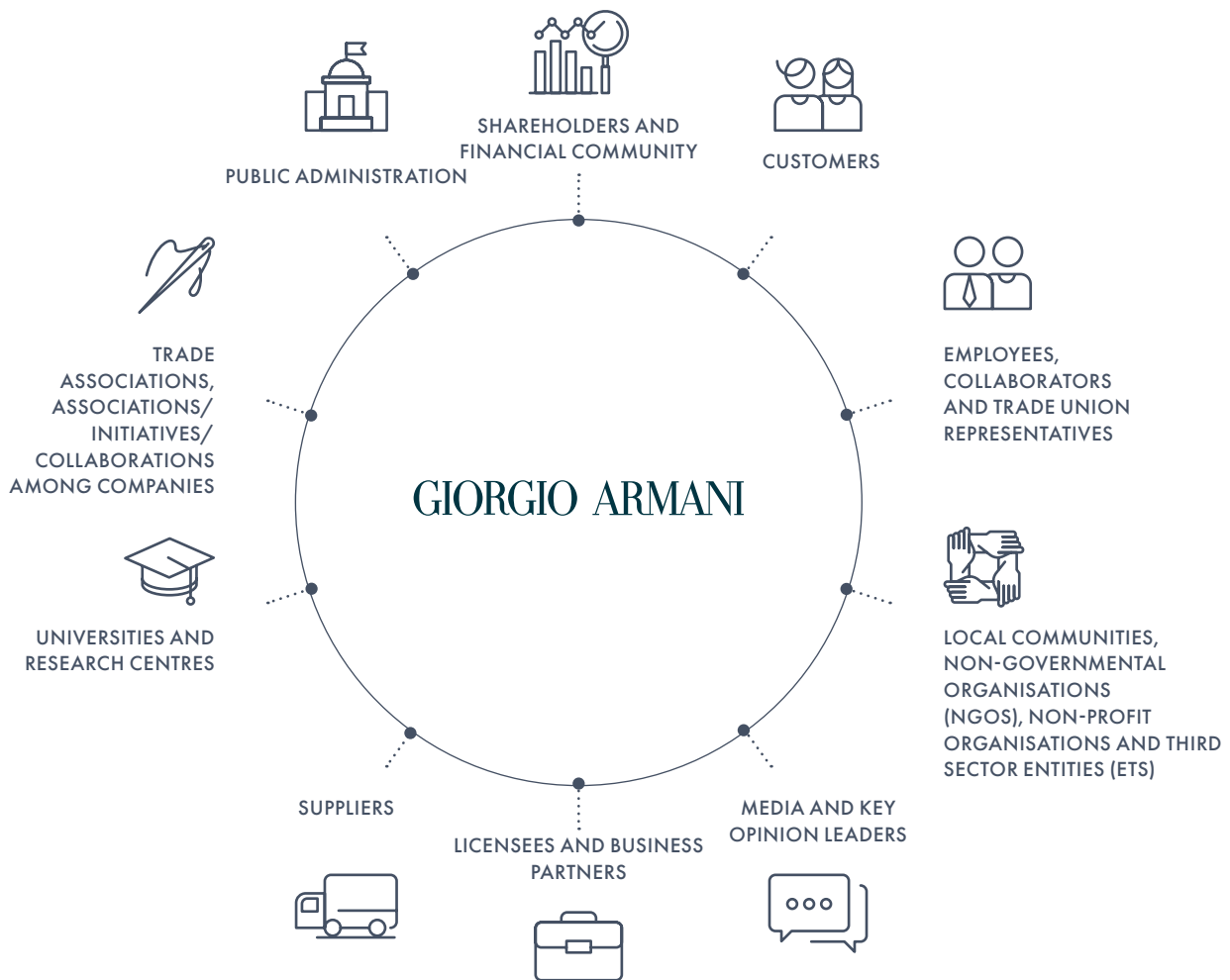
### 1. External and internal context analysis

A context analysis - internal and external - was carried out to identify the main ESG trends. The analysis took into account the main reference legal and regulatory aspects (e.g. regulations on non-financial reporting, circular economy, human rights, anti-corruption and business ethics), documents published by the main players in the Fashion & Luxury sector, some of the main frameworks and reporting guidelines in the field of sustainability (e.g. S&P Yearbook 2022, SASB, WEF - The Global Risks Report 2022) and reference literature documents for the sector (e.g. The Fashion Pact, Manifesto of Sustainability for Italian Fashion).

### 2. Mapping of the main stakeholder categories

Based on the results of the external and internal context analysis carried out, it was possible to identify the categories of stakeholders most relevant to the Group. This process was carried out in accordance with what is defined in the main reference frameworks (e.g. GRI standards, AA1000), taking into account the potential degree of influence/impact that stakeholders have on the organisation and the potential degree of influence/impact that the organisation has on stakeholders.

MAP OF THE STAKEHOLDERS



**3. Identification of sustainability issues**

Based on the results of the previous two phases, the following list of sustainability topics of potential relevance to the Armani Group and its stakeholders was identified.

| PRIORITY AREA OF ACTION                    | ESG MACRO-AREAS   | SUSTAINABILITY TOPICS                               |
|--|---|---|
| PEOPLE                                     | Employee well-being and talent development              | Promotion of diversity and inclusion                |
|  |   | Talent attraction and employee well-being           |
|  |   | Employee training and development                   |
| PLANET                                     | Environmental protection and efficient use of resources | Occupational health and safety                      |
|  |   | Climate change and energy efficiency                |
|  |   | Protection of biodiversity                          |
|  |   | Protection of the oceans                            |
|  |   | Water resource management                           |
| PROSPERITY                                 | Support and involvement of Communities                  | Eco-design, product life cycle and circular economy |
|  |   | Support to local communities and to the territory   |
|  | Customer focus  | Information management and privacy                  |
|  |   | Product quality and safety standards                |
|  |   | Brand enhancement and protection                    |
|  | Responsible management of the supply chain              | Product labelling and communication                 |
|  |   | Respect for human and workers' rights               |
| Sustainability aspects in the supply chain |   |   |
| TOPICS RELEVANT ACROSS THE BOARD           |   | Sustainable procurement of raw materials            |
|  |   | Compliance and business ethics                      |
|  |   | Creation and distribution of economic value         |

#### 4. Stakeholder engagement

Having defined the sustainability issues of potential importance, an extensive stakeholder engagement activity was carried out, which proved to be a fundamental opportunity to listen to and discuss with the Group's top management and its stakeholders. Stakeholders were involved by completing an online questionnaire. In 2022, the questionnaire was sent to about 1,300 stakeholders with a response rate of about 70%. A double materiality approach was used to assess sustainability topics:

- Impact materiality (inside-out) considering the impact of these topics on the environment and the society
- Financial materiality (outside-in) considering the impacts these topics may have on the enterprise value

#### 5. Analysis of results and preparation of the materiality matrix

The materiality matrix, shown in chapter 1.4 "Materiality Analysis, ESG Risks and Opportunities, and Stakeholders", shows the result of the assessments collected in 2022.



## CORRELATION BETWEEN MATERIAL TOPICS AND GENERATED IMPACTS

| MATERIAL TOPICS  | GENERATED IMPACT   | IMPACT TYPE                 |
|--|--|-----------------------------|
| <b>Compliance and business ethics</b>                      | Integrity and transparency in business management (Code of Ethics and Sustainability Code for Suppliers).  | <b>Positive - Current</b>   |
|  | Cases of non-compliance with social and environmental laws and regulations.  | <b>Negative - Potential</b> |
|  | Occurrence of active and passive corruption, anti-competitive behaviour and money laundering.  | <b>Negative - Potential</b> |
| <b>Creation and distribution of economic value</b>         | Creation of long-term value by directing capital towards activities that not only generate economic added value but also protect the environmental and social system and future generations.                             | <b>Positive - Current</b>   |
| <b>Talent attraction and employee well-being</b>           | Attracting and retaining talent by listening to, considering and meeting their needs.  | <b>Positive - Current</b>   |
| <b>Employee training and development</b>                   | Lack of professional growth paths resulting in loss of resources.  | <b>Negative - Potential</b> |
|  | Improving workers' skills through training and professional development.   | <b>Positive - Current</b>   |
| <b>Promotion of diversity and inclusion</b>                | Inclusive working environment that respects diversity.   | <b>Positive - Current</b>   |
|  | Cases of discrimination and failure to protect equal opportunities in personnel selection and remuneration processes.  | <b>Negative - Potential</b> |
| <b>Occupational health and safety</b>                      | Safe and healthy working environments in compliance with current regulations, including through the use of appropriate safety equipment and devices.   | <b>Positive - Current</b>   |
|  | Cases of accidents and/or injuries at work.  | <b>Negative - Current</b>   |
|  | Occupational diseases.   | <b>Negative - Potential</b> |
| <b>Climate change and energy efficiency</b>                | Increased energy consumption due to growth in the company's production activity.   | <b>Negative - Current</b>   |
|  | Generating direct and indirect GHG emissions.  | <b>Negative - Current</b>   |
| <b>Eco-design, product life cycle and circular economy</b> | High product durability and potential recyclability.   | <b>Positive - Current</b>   |
|  | Failure to manage the product responsibly at the end of its life cycle.  | <b>Negative - Potential</b> |
| <b>Water resource management</b>                           | Water withdrawal and consumption as part of the production process.  | <b>Negative - Attuale</b>   |
|  | Spillage of pollutants into the soil.  | <b>Negative - Potential</b> |
| <b>Protection of biodiversity</b>                          | Implementation of projects in collaboration with organisations and institutions for the protection of natural ecosystems, protected and endangered species and oriented towards the promotion of regenerative practices. | <b>Positive - Current</b>   |

| MATERIAL TOPICS                                   | GENERATED IMPACT   | IMPACT TYPE          |
|---|--|----------------------|
| Protection of the oceans                          | Eliminating disposable plastics in packaging and increasing the use of recycled plastics.  | Positive - Potential |
|   | Sustainable procurement of raw materials, with a focus on animal welfare, resource efficiency and impact on soil.  | Positive - Current   |
| Sustainable procurement of raw materials          | Use of environmentally friendly production and packaging materials (plastic-free and recycled).  | Positive - Current   |
|   | Low quality products resulting from the non-procurement of certified raw materials.  | Negative - Potential |
| Sustainability aspects in the supply chain        | Responsible management of procurement processes with a view to transparency and traceability of the entire supply chain.   | Positive - Current   |
|   | Failure to monitor suppliers' compliance with social and environmental requirements.   | Negative - Potential |
| Respect for human and workers' rights             | Human rights violation along the supply chain.   | Negative - Potential |
|   | Developing transparent relations between workforce and management, protecting the freedom of association, collective bargaining and the right of workers' representation.                        | Positive - Current   |
| Product labelling and communication               | Efficient and versatile labelling in compliance with national and international regulations.   | Positive - Current   |
|   | Using innovative tools to inform customers about the sustainability credentials of their purchases, such as the digital passport.  | Positive - Current   |
|   | Unclear communication practices that encourage cases of misleading advertising.  | Negative - Potential |
| Information management and privacy                | Sensitive customer and employee data breach.   | Negative - Potential |
| Product quality and safety standards              | Production of high quality products.   | Positive - Current   |
|   | Potential product defectiveness due to poor quality workmanship.   | Negative - Potential |
|   | Use of chemicals that are harmful to human health and the environment.   | Negative - Potential |
|   | Use of safe raw materials, protecting the health and safety of customers.  | Positive - Current   |
| Brand enhancement and protection                  | Strengthening the brand identity by promoting its values and principles.   | Positive - Current   |
|   | Failure to develop online anti-counterfeiting processes to authenticate purchased products.  | Negative - Potential |
| Support to local communities and to the territory | Developing synergies with local bodies and institutions to establish channels of listening and communication with the local communities in which the Group operates and to identify their needs. | Positive - Current   |
|   | Failure to develop initiatives requested by local communities.   | Negative - Potential |

# GROUP EMPLOYEES AS OF 31/12

## GRI 405-1 Diversity of governance bodies and employees

### Percentage of employees by professional category and gender as of 31/12

| Professional category | 2022         |              |             | 2021 <sup>63</sup> |              |             | 2020 <sup>63</sup> |              |             |
|-----------------------|--------------|--------------|-------------|--------------------|--------------|-------------|--------------------|--------------|-------------|
|                       | Men          | Women        | Total       | Men                | Women        | Total       | Men                | Women        | Total       |
| Senior Executives     | 1.3%         | 0.8%         | 2.1%        | 1.3%               | 0.8%         | 2.0%        | 1.3%               | 0.8%         | 2.1%        |
| Managers              | 6.6%         | 7.5%         | 14.1%       | 6.5%               | 7.5%         | 14.0%       | 6.7%               | 7.3%         | 14.0%       |
| Office workers        | 8.2%         | 19.2%        | 27.4%       | 8.6%               | 19.8%        | 28.5%       | 8.8%               | 20.3%        | 29.1%       |
| Sales force           | 14.5%        | 26.0%        | 40.5%       | 13.0%              | 26.0%        | 39.0%       | 13.5%              | 26.4%        | 40.0%       |
| Workers               | 7.6%         | 8.3%         | 15.9%       | 7.7%               | 8.8%         | 16.5%       | 6.4%               | 8.5%         | 14.9%       |
| <b>Total</b>          | <b>38.3%</b> | <b>61.7%</b> | <b>100%</b> | <b>37.1%</b>       | <b>62.9%</b> | <b>100%</b> | <b>36.7%</b>       | <b>63.3%</b> | <b>100%</b> |

## GRI 405-1 Diversity of governance bodies and employees

### Percentage of employees by age group and professional category as of 31/12

| Professional category | 2022           |                 |                |             | 2021 <sup>63</sup> |                 |                |             | 2020 <sup>63</sup> |                 |                |             |
|-----------------------|----------------|-----------------|----------------|-------------|--------------------|-----------------|----------------|-------------|--------------------|-----------------|----------------|-------------|
|                       | < 30 years old | 30-50 years old | > 50 years old | Total       | < 30 years old     | 30-50 years old | > 50 years old | Total       | < 30 years old     | 30-50 years old | > 50 years old | Total       |
| Senior Executives     | 0.0%           | 0.9%            | 1.2%           | 2.1%        | 0.0%               | 1.0%            | 1.1%           | 2.0%        | 0.0%               | 1.2%            | 1%             | 2.2%        |
| Managers              | 0.8%           | 10.5%           | 2.9%           | 14.1%       | 1.0%               | 10.2%           | 2.9%           | 14.0%       | 1.1%               | 10.3%           | 2.7%           | 14.1%       |
| Office workers        | 4.2%           | 15.6%           | 7.6%           | 27.4%       | 3.4%               | 17.5%           | 7.5%           | 28.5%       | 4.5%               | 18.5%           | 6.1%           | 29.1%       |
| Sales force           | 15.1%          | 22.0%           | 3.4%           | 40.5%       | 15.0%              | 20.8%           | 3.3%           | 39.0%       | 14.6%              | 21.6%           | 3.7%           | 39.9%       |
| Workers               | 4.5%           | 7.1%            | 4.3%           | 15.9%       | 4.7%               | 7.1%            | 4.7%           | 16.5%       | 3.5%               | 6.7%            | 4.5%           | 14.6%       |
| <b>Total</b>          | <b>24.5%</b>   | <b>56.1%</b>    | <b>19.3%</b>   | <b>100%</b> | <b>24.1%</b>       | <b>56.5%</b>    | <b>19.5%</b>   | <b>100%</b> | <b>23.7%</b>       | <b>58.3%</b>    | <b>18%</b>     | <b>100%</b> |

63. The workforce figures for 2020 and 2021 have changed slightly from those published in the 2021 Sustainability Report. In fact, the classification of personnel by professional category, which may follow different logics in different countries depending on the regulations in force, was standardised.



## GRI 2-7 Employees

Number of employees by type of contract (permanent, temporary, non-guaranteed hours<sup>64</sup>), gender and geographical area as of 31/12

| Geographical area | Type of Contract            | 2022         |              |              | 2021         |              |              | 2020         |              |              |
|-------------------|-----------------------------|--------------|--------------|--------------|--------------|--------------|--------------|--------------|--------------|--------------|
|                   |                             | Men          | Women        | Total        | Men          | Women        | Total        | Men          | Women        | Total        |
| ITALY             | Permanent                   | 1,016        | 1,971        | 2,987        | 982          | 1,933        | 2,915        | 992          | 1,967        | 2,959        |
|                   | Temporary                   | 89           | 93           | 182          | 55           | 71           | 126          | 63           | 76           | 139          |
|                   | Non-guaranteed hours        | 0            | 0            | 0            |              |              |              |              |              |              |
|                   | <b>Total Italy</b>          | <b>1,105</b> | <b>2,064</b> | <b>3,169</b> | <b>1,037</b> | <b>2,004</b> | <b>3,041</b> | <b>1,055</b> | <b>2,043</b> | <b>3,098</b> |
| AMERICAS          | Permanent                   | 860          | 971          | 1,831        | 807          | 967          | 1,774        | 795          | 951          | 1,746        |
|                   | Temporary                   | 81           | 72           | 153          | 76           | 113          | 189          | 14           | 32           | 46           |
|                   | Non-guaranteed hours        | 0            | 0            | 0            |              |              |              |              |              |              |
|                   | <b>Total Americas</b>       | <b>941</b>   | <b>1,043</b> | <b>1,984</b> | <b>883</b>   | <b>1,080</b> | <b>1,963</b> | <b>809</b>   | <b>983</b>   | <b>1,792</b> |
| EUROPE            | Permanent                   | 396          | 525          | 921          | 341          | 494          | 835          | 334          | 503          | 837          |
|                   | Temporary                   | 73           | 113          | 186          | 93           | 113          | 206          | 71           | 109          | 180          |
|                   | Non-guaranteed hours        | 1            | 0            | 1            |              |              |              |              |              |              |
|                   | <b>Total Europe</b>         | <b>469</b>   | <b>638</b>   | <b>1,108</b> | <b>434</b>   | <b>607</b>   | <b>1,041</b> | <b>405</b>   | <b>612</b>   | <b>1,017</b> |
| ASIA-PACIFIC      | Permanent                   | 512          | 836          | 1,348        | 464          | 759          | 1,223        | 491          | 749          | 1,240        |
|                   | Temporary                   | 223          | 662          | 885          | 227          | 698          | 925          | 225          | 749          | 974          |
|                   | Non-guaranteed hours        | 9            | 10           | 19           |              |              |              |              |              |              |
|                   | <b>Total Asia-Pacific</b>   | <b>744</b>   | <b>1,508</b> | <b>2,252</b> | <b>691</b>   | <b>1,457</b> | <b>2,148</b> | <b>716</b>   | <b>1,498</b> | <b>2,214</b> |
| AUSTRALIA         | Permanent                   | 48           | 79           | 127          | 38           | 73           | 111          | 34           | 67           | 101          |
|                   | Temporary                   | 0            | 2            | 2            | 0            | 0            | 0            | 0            | 0            | 0            |
|                   | Non-guaranteed hours        | 24           | 32           | 56           |              |              |              |              |              |              |
|                   | <b>Total Australia</b>      | <b>72</b>    | <b>113</b>   | <b>185</b>   | <b>38</b>    | <b>73</b>    | <b>111</b>   | <b>34</b>    | <b>67</b>    | <b>101</b>   |
| <b>Total</b>      | <b>Permanent</b>            | <b>2,832</b> | <b>4,382</b> | <b>7,214</b> | <b>2,632</b> | <b>4,226</b> | <b>6,858</b> | <b>2,646</b> | <b>4,237</b> | <b>6,883</b> |
|                   | <b>Temporary</b>            | <b>466</b>   | <b>942</b>   | <b>1,408</b> | <b>451</b>   | <b>995</b>   | <b>1,446</b> | <b>373</b>   | <b>966</b>   | <b>1,339</b> |
|                   | <b>Non-guaranteed hours</b> | <b>34</b>    | <b>42</b>    | <b>76</b>    |              |              |              |              |              |              |
|                   | <b>Total</b>                | <b>3,332</b> | <b>5,366</b> | <b>8,698</b> | <b>3,083</b> | <b>5,221</b> | <b>8,304</b> | <b>3,019</b> | <b>5,203</b> | <b>8,222</b> |

64. It should be noted that, unlike in 2020 and 2021, the 2022 workforce also includes non-guaranteed hours employees - amounting to 76 workers - in accordance with the new GRI standards.

# GRI – BOUNDARY AND TYPE OF IMPACTS GENERATED

| Material topics   | Reconciliation with GRI Standards  | Scope of the impact | Role of the Armani Group   |
|---|--|---------------------|--|
| <b>Compliance and business ethics</b>   | GRI 3-3 Management of material topics  | Armani Group        | Direct – caused by the Armani Group  |
|   | GRI 205-3 (2016): Confirmed incidents of corruption and actions taken  |                     |  |
|   | GRI 206-1 (2016): Legal actions for anti-competitive behaviour, anti-trust, and monopoly practices                   |                     |  |
| <b>Creation and distribution of economic value</b>  | GRI 3-3 Management of material topics  | Armani Group        | Direct – caused by the Armani Group  |
|   | GRI 201-1 (2016): Direct economic value generated and distributed  |                     |  |
| <b>Talent attraction and employee well-being</b>  | GRI 3-3 Management of material topics  | Armani Group        | Direct – caused by the Armani Group  |
|   | GRI 401-2 (2016): Benefits provided to full-time employees that are not provided to temporary or part-time employees |                     |  |
| <b>Employee training and development</b>  | GRI 3-3 Management of material topics  | Armani Group        | Direct – caused by the Armani Group  |
|   | GRI 404-1 (2016): Average hours of training per year per employee  |                     |  |
|   | GRI 404-3 (2016): Percentage of employees receiving regular performance and career development reviews               |                     |  |
| <b>Promotion of diversity and inclusion</b>   | GRI 3-3 Management of material topics  | Armani Group        | Direct – caused by the Armani Group  |
|   | GRI 405-1 (2016): Diversity of governance bodies and employees   |                     |  |
|   | GRI 406-1 (2016): Incidents of discrimination and corrective actions taken   |                     |  |
| <b>Occupational health and safety</b>   | GRI 3-3 Management of material topics  | Armani Group        | Direct – caused by the Armani Group  |
|   | GRI 403-1 (2018): Occupational health and safety management system   |                     |  |
|   | GRI 403-2 (2018): Hazard identification, risk assessment, and incident investigation                                 |                     | Indirect – Connected to the Armani Group’s activities through business relations |
|   | GRI 403-3 (2018): Occupational health services   |                     |  |
| GRI 403-4 (2018): Worker participation, consultation, and communication on occupational health and safety |  |                     |  |

| Material topics  | Reconciliation with GRI Standards   | Scope of the impact     | Role of the Armani Group   |
|--|---|-------------------------|--|
| <b>Occupational health and safety</b>                      | GRI 403-5 (2018): Worker training on occupational health and safety   | Armani Group            | Direct – caused by the Armani Group  |
|  | GRI 403-6 (2018): Promotion of worker health  |                         |  |
|  | GRI 403-7 (2018): Prevention and mitigation of occupational health and safety impacts directly linked by business relationships                             |                         | Indirect – Connected to the Armani Group’s activities through business relations |
|  | GRI 403-9 (2018): Work-related injuries   |                         |  |
| <b>Climate change and energy efficiency</b>                | GRI 3-3 Management of material topics   | Armani Group            | Direct – caused by the Armani Group  |
|  | GRI 302-1 (2016): Energy consumption within the organization  |                         |  |
|  | GRI 305-1 (2016): Direct (Scope 1) GHG emissions  | Electricity suppliers   | Indirect – Connected to the Armani Group’s activities through business relations |
|  | GRI 305-2 (2016): Energy indirect (Scope 2) GHG emissions   | Partners and Suppliers  |  |
|  | GRI 305-3 (2016): Other indirect (Scope 3) GHG emissions  |                         |  |
| <b>Eco-design, product life cycle and circular economy</b> | GRI 3-3 Management of material topics   | Armani Group            | Direct – caused by the Armani Group  |
|  | GRI 306-1 (2020): Waste generation and significant waste-related impacts  |                         |  |
|  | GRI 306-2 (2020): Management of significant waste-related impacts   | Partners and Suppliers  | Indirect – Connected to the Armani Group’s activities through business relations |
|  | GRI 306-3 (2020): Waste generated   |                         |  |
| <b>Water resource management</b>                           | GRI 3-3 Management of material topics   | Armani Group            | Direct – caused by the Armani Group  |
|  | GRI 303-1 (2018): Interactions with water as a shared resource  |                         |  |
|  | GRI 303-2 (2018): Management of water discharge-related impacts   | Water service providers |  |
|  | GRI 303-3 (2018): Water withdrawal  |                         |  |
| <b>Protection of biodiversity</b>                          | GRI 303-4 (2018): Water discharge   | Armani Group            | Direct – caused by the Armani Group  |
|  | GRI 304-1 (2016): Operational sites owned, leased, managed in, or adjacent to, protected areas and areas of high biodiversity value outside protected areas |                         |  |

| <b>Material topics</b>                                   | <b>Reconciliation with GRI Standards</b>  | <b>Scope of the impact</b> | <b>Role of the Armani Group</b>  |
|--|---|----------------------------|--|
| <b>Protection of the oceans</b>                          | GRI 3-3 Management of material topics   | Armani Group               | Direct – caused by the Armani Group  |
|  |   | Partners and Suppliers     | Indirect – Connected to the Armani Group’s activities through business relations |
| <b>Sustainable procurement of raw materials</b>          | GRI 3-3 Management of material topics   | Armani Group               | Direct – caused by the Armani Group  |
| <b>Sustainability aspects in the supply chain</b>        | GRI 3-3 Management of material topics   | Armani Group               | Direct – caused by the Armani Group  |
|  | GRI 308-1 (2016): New suppliers that were screened using environmental criteria<br>GRI 414-1 (2016): New suppliers that were screened using social criteria | Partners and Suppliers     | Indirect – Connected to the Armani Group’s activities through business relations |
| <b>Respect for human and workers’ rights</b>             | GRI 3-3 Management of material topics   | Armani Group               | Direct – caused by the Armani Group  |
|  |   | Partners and Suppliers     |  |
| <b>Product labelling and communication</b>               | GRI 3-3 Management of material topics   | Armani Group               | Direct – caused by the Armani Group  |
|  | GRI 417- 2 (2016): Incidents of non-compliance concerning product and service information and labelling   |                            |  |
| <b>Information management and privacy</b>                | GRI 3-3 Management of material topics   | Armani Group               | Direct – caused by the Armani Group  |
|  | GRI 418-1 (2016): Substantiated complaints concerning breaches of customer privacy and losses of customer data  |                            |  |
| <b>Product quality and safety standards</b>              | GRI 3-3 Management of material topics   | Armani Group               | Direct – caused by the Armani Group  |
|  | GRI 416-2 (2016): Incidents of non-compliance concerning the health and safety impacts of products and services   |                            |  |
| <b>Brand enhancement and protection</b>                  | GRI 3-3 Management of material topics   | Armani Group               | Direct – caused by the Armani Group  |
| <b>Support to local communities and to the territory</b> | GRI 3-3 Management of material topics   | Armani Group               | Direct – caused by the Armani Group  |
|  | GRI 203-2 (2016): Significant indirect economic impacts   |                            |  |



# GRI CONTENT INDEX

|                                      |  |
|--------------------------------------|--|
| <b>Declaration of use</b>            | The Armani Group reported in accordance with GRI standards for the period from 1 January to 31 December 2022 |
| <b>Used: GRI 1</b>                   | GRI 1 - Foundation 2021  |
| <b>Relevant GRI sector standards</b> | N/A  |

| GRI Standards                                     | Disclosure   | Location  | Omission             |        |             |
|---|--|---|----------------------|--------|-------------|
|   |  |   | OMITTED REQUIREMENTS | REASON | EXPLANATION |
| GENERAL DISCLOSURES                               |  |   |                      |        |             |
|   | 2-1 Organizational details   | 1.1 The Group worldwide: business areas and brands<br>1.2.1. Governance and Group structure                   |                      |        |             |
|   | 2-2 Entities included in the organization's sustainability reporting | Methodological note   |                      |        |             |
|   | 2-3 Reporting period, frequency and contact point                    | Methodological note   |                      |        |             |
|   | 2-4 Restatements of information                                      | Methodological note   |                      |        |             |
|   | 2-5 External assurance   | Methodological note   |                      |        |             |
|   |  | 1.1 The Group worldwide: business areas and brands  |                      |        |             |
| <b>GRI 2<br/>General<br/>Disclosures<br/>2021</b> | 2-6 Activities, value chain and other business relationships         | 4.1 Brands, choice of raw materials, production processes, innovations<br>4.2.2 The Armani Group supply chain |                      |        |             |
|   | 2-7 Employees  | 2.1.1 Group employees<br>Appendix/Group employees as of 31/12   |                      |        |             |
|   | 2-8 Workers who are not employees                                    | 2.1.1 Group employees   |                      |        |             |
|   | 2-9 Governance structure and composition                             | 1.2.1 Governance and Group structure<br>1.2.2 Sustainability governance                                       |                      |        |             |
|   | 2-10 Nomination and selection of the highest governance body         | 1.2.1 Governance and Group structure<br>1.2.2 Sustainability governance                                       |                      |        |             |

| GRI Standards                           | Disclosure   | Location   | Omission             |                            |             |
|---|--|--|----------------------|----------------------------|-------------|
|   |  |  | OMITTED REQUIREMENTS | REASON                     | EXPLANATION |
| GRI 2<br>General<br>Disclosures<br>2021 | 2-11 Chair of the highest governance body  | 1.2.1. Governance and Group structure  |                      |                            |             |
|   | 2-12 Role of the highest governance body in overseeing the management of impacts | 1.2.1 Governance and structure of the Group<br>1.2.2 Sustainability governance   |                      |                            |             |
|   | 2-13 Delegation of responsibility for managing impacts                           | 1.2.1 Governance and structure of the Group<br>1.2.2 Sustainability governance   |                      |                            |             |
|   | 2-14 Role of the highest governance body in sustainability reporting             | 1.2.2 Sustainability governance  |                      |                            |             |
|   | 2-15 Conflicts of interest   | 1.2.1 Governance and Group structure   |                      |                            |             |
|   | 2-16 Communication of critical concerns  | 1.2.2 Sustainability governance  |                      |                            |             |
|   | 2-17 Collective knowledge of the highest governance body                         | 1.2.1 Governance and Group structure   |                      |                            |             |
|   | 2-18 Evaluation of the performance of the highest governance body                |  |                      | Confidentiality obligation |             |
|   | 2-19 Remuneration policies   | 2.1.1 Group employees  |                      |                            |             |
|   | 2-20 Process to determine remuneration   | 2.1.1 Group employees  |                      |                            |             |
|   | 2-21 Annual total compensation ratio   |  |                      | Confidentiality obligation |             |
|   | 2-22 Statement on sustainable development strategy                               | Letter from the Chairman<br>Our commitment to sustainability                     |                      |                            |             |
|   | 2-23 Policy commitments  | 1.2.3 Values and the control system  |                      |                            |             |
|   |  | 4.2.1 Responsible supply chain management<br>4.2.2 The Armani Group supply chain |                      |                            |             |
|   | 2-24 Embedding policy commitments  | Our commitment to sustainability<br>1.2.3 Values and the control system          |                      |                            |             |
|   |  | 4.2.1 Responsible supply chain management<br>4.2.2 The Armani Group supply chain |                      |                            |             |

| GRI Standards   | Disclosure  | Location  | Omission             |        |             |
|---|---|---|----------------------|--------|-------------|
|   |   |   | OMITTED REQUIREMENTS | REASON | EXPLANATION |
| <b>GRI 2<br/>General<br/>Disclosures<br/>2021</b>                       | 2-25 Processes to remediate negative impacts                            | Our commitment to sustainability  |                      |        |             |
|   |   | 1.2.3 Values and the control system                                     |                      |        |             |
|   |   | 4.2.1 Responsible supply chain management                               |                      |        |             |
|   | 2-26 Mechanisms for seeking advice and raising concerns                 | 4.2.2 The Armani Group supply chain                                     |                      |        |             |
|   |   | 1.2.3 Values and the control system                                     |                      |        |             |
|   | 2-27 Compliance with laws and regulations                               | 1.2.3 Values and the control system                                     |                      |        |             |
|   | 2-28 Membership associations  | 1.1 The Group worldwide: business areas and brands                      |                      |        |             |
| 4.1 Brands, choice of raw materials, production processes, innovations  |   |   |                      |        |             |
| 2-29 Approach to stakeholder engagement                                 | 1.4 Materiality analysis, ESG risks and opportunities, and stakeholders |   |                      |        |             |
| 2-30 Collective bargaining agreements                                   | 2.1.1 Group employees   |   |                      |        |             |
| <b>MATERIAL TOPICS</b>  |   |   |                      |        |             |
| <b>GRI 3<br/>Material<br/>Topics</b>                                    | 3-1 Process to determine material topics                                | 1.4 Materiality analysis, ESG risks and opportunities, and stakeholders |                      |        |             |
|   |   | Appendix  |                      |        |             |
|   | 3-2 List of material topics   | GRI – Boundary and type of impacts generated                            |                      |        |             |
| 1.4 Materiality analysis, ESG risks and opportunities, and stakeholders |   |   |                      |        |             |
|   |   | Appendix  |                      |        |             |
|   |   | GRI – Boundary and type of impacts generated                            |                      |        |             |
| <b>COMPLIANCE AND BUSINESS ETHICS</b>                                   |   |   |                      |        |             |
| <b>GRI 3<br/>Material<br/>topics – 2021</b>                             | 3-3 Management of material topics                                       | 1.2.3 Values and the control system                                     |                      |        |             |
| <b>GRI 205<br/>Anticorruption (2016)</b>                                | 205-3 Confirmed incidents of corruption and actions taken               | 1.2.3 Values and the control system                                     |                      |        |             |



| GRI Standards  | Disclosure   | Location   | Omission             |        |             |
|--|--|--|----------------------|--------|-------------|
|  |  |  | OMITTED REQUIREMENTS | REASON | EXPLANATION |
| <b>GRI 206: Anti-competitive behaviour (2016)</b>      | 206-1 Legal actions for anti-competitive behaviour, anti-trust, and monopoly practices                   | 1.2.3 Values and the control system                |                      |        |             |
| CREATION AND DISTRIBUTION OF ECONOMIC VALUE            |  |  |                      |        |             |
| <b>GRI 3 Material topics – 2021</b>                    | 3-3 Management of material topics  | 1.2.4 The distribution and value creation model    |                      |        |             |
| <b>GRI 201: Economic performance (2016)</b>            | 201-1 Direct economic value generated and distributed  | 1.2.4 The distribution and value creation model    |                      |        |             |
| TALENT ATTRACTION AND EMPLOYEE WELL-BEING              |  |  |                      |        |             |
| <b>GRI 3 Material topics – 2021</b>                    | 3-3 Management of material topics  | 2.1.4 The employee welfare package in Italy        |                      |        |             |
| <b>GRI 401: Employment (2016)</b>                      | 401-2 Benefits provided to full-time employees that are not provided to temporary or part-time employees | 2.1.4 The employee welfare package in Italy        |                      |        |             |
| EMPLOYEE TRAINING AND DEVELOPMENT                      |  |  |                      |        |             |
| <b>GRI 3 Material topics – 2021</b>                    | 3-3 Management of material topics  | 2.1.3. Training                                    |                      |        |             |
| <b>GRI 404: Training and education (2016)</b>          | 404-1 Average hours of training per year per employee  | 2.1.3. Training                                    |                      |        |             |
|  | 404-3 Percentage of employees receiving regular performance and career development reviews               | 2.1.3. Training                                    |                      |        |             |
| PROMOTION OF DIVERSITY AND INCLUSION                   |  |  |                      |        |             |
| <b>GRI 3 Material topics – 2021</b>                    | 3-3 Management of material topics  | 2.1.2 Diversity, inclusion and equal opportunities |                      |        |             |
| <b>GRI 405: Diversity and equal opportunity (2016)</b> | 405-1 Diversity of governance bodies and employees   | 2.1.1 Group employees                              |                      |        |             |
|  |  | Appendix/Group employees as of 31/12               |                      |        |             |
| <b>GRI 406: Non-discrimination (2016)</b>              | 406-1 Incidents of discrimination and corrective actions taken   | 1.2.3 The values and the control system            |                      |        |             |
| HEALTH AND SAFETY IN THE WORKPLACE                     |  |  |                      |        |             |
| <b>GRI 3 Material topics – 2021</b>                    | 3-3 Management of material topics  | 2.1.5 Health and safety                            |                      |        |             |

| GRI Standards   | Disclosure  | Location  | Omission             |        |             |
|---|---|---|----------------------|--------|-------------|
|   |   |   | OMITTED REQUIREMENTS | REASON | EXPLANATION |
| <b>GRI 403: Occupational Health and Safety (2018)</b> | 403-1 Occupational health and safety management system  | 2.1.5 Health and safety                                       |                      |        |             |
|   | 403-2 Hazard identification, risk assessment, and incident investigation  | 2.1.5 Health and safety                                       |                      |        |             |
|   | 403-3 Occupational health services  | 2.1.5 Health and safety                                       |                      |        |             |
|   | 403-4 Worker participation, consultation, and communication on occupational health and safety                       | 2.1.5 Health and safety                                       |                      |        |             |
|   | 403-5 Worker training on occupational health and safety   | 2.1.5 Health and safety<br>2.1.3. Training                    |                      |        |             |
|   | 403-6 Promotion of worker health  | 2.1.5 Health and safety                                       |                      |        |             |
|   | 403-7 Prevention and mitigation of occupational health and safety impacts directly linked by business relationships | 2.1.5 Health and safety                                       |                      |        |             |
|   | 403-9 Work-related injuries   | 2.1.5 Health and safety                                       |                      |        |             |
| CLIMATE CHANGE AND ENERGY EFFICIENCY                  |   |   |                      |        |             |
| <b>GRI 3 Material topics – 2021</b>                   | 3-3 Management of material topics   | 3.1 Environmental protection and efficient use of resources   |                      |        |             |
| <b>GRI 302: Energy (2016)</b>                         | 302-1 Energy consumption within the organization  | 3.1.1   Energy consumption                                    |                      |        |             |
| <b>GRI 305: Emissions (2016)</b>                      | 305-1 Direct (Scope 1) GHG emissions  | 3.1.2 Atmospheric greenhouse gas emissions                    |                      |        |             |
|   | 305-2 Energy indirect (Scope 2) GHG emissions   | 3.1.2 Atmospheric greenhouse gas emissions                    |                      |        |             |
|   | 305-3 Other indirect (Scope 3) GHG emissions  | 3.1.2 Atmospheric greenhouse gas emissions                    |                      |        |             |
| ECO-DESIGN, PRODUCT LIFE CYCLE AND CIRCULAR ECONOMY   |   |   |                      |        |             |
| <b>GRI 3 Material topics – 2021</b>                   | 3-3 Gestione dei temi materiali   | 3.1.3 Circular economy, waste management and office materials |                      |        |             |
| <b>GRI 306: Waste (2020)</b>                          | 306-1 Waste generation and significant waste-related impacts  | 3.1.3 Circular economy, waste management and office materials |                      |        |             |
|   | 306-2 Management of significant waste-related impacts   | 3.1.3 Circular economy, waste management and office materials |                      |        |             |
|   | 306-3 Waste generated   | 3.1.3 Circular economy, waste management and office materials |                      |        |             |

| GRI Standards  | Disclosure  | Location   | Omission             |        |             |
|--|---|--|----------------------|--------|-------------|
|  |   |  | OMITTED REQUIREMENTS | REASON | EXPLANATION |
| WATER RESOURCE MANAGEMENT                                |   |  |                      |        |             |
| <b>GRI 3 Material topics – 2021</b>                      | 3-3 Management of material topics   | 3.1.4 Water resource management  |                      |        |             |
|  | 303-1 Interactions with water as a shared resource  | 3.1.4 Water resource management  |                      |        |             |
| <b>GRI 303: Water and effluents (2018)</b>               | 303-2 Management of water discharge-related impacts   | 3.1.4 Water resource management  |                      |        |             |
|  | 303-3 Water withdrawal  | 3.1.4 Water resource management  |                      |        |             |
|  | 303-4 Water discharge   | 3.1.4 Water resource management  |                      |        |             |
| PROTECTION OF BIODIVERSITY                               |   |  |                      |        |             |
| <b>GRI 3 Material topics – 2021</b>                      | 3-3 Management of material topics   | 3.2 Protecting biodiversity and the oceans                             |                      |        |             |
| <b>GRI 304: Biodiversity (2016)</b>                      | 304-1 Operational sites owned, leased, managed in, or adjacent to, protected areas and areas of high biodiversity value outside protected areas | 3.2 Protecting biodiversity and the oceans                             |                      |        |             |
| PROTECTION OF THE OCEANS                                 |   |  |                      |        |             |
| <b>GRI 3 Material topics – 2021</b>                      | 3-3 Management of material topics   | 3.2 Protecting biodiversity and the oceans                             |                      |        |             |
|  |   | 3.3 Packaging: innovating to reduce environmental impact               |                      |        |             |
| SUSTAINABLE PROCUREMENT OF RAW MATERIALS                 |   |  |                      |        |             |
| <b>GRI 3 Material topics – 2021</b>                      | 3-3 Management of material topics   | 4.1 Brands, choice of raw materials, production processes, innovations |                      |        |             |
| SUSTAINABILITY ASPECTS IN THE SUPPLY CHAIN               |   |  |                      |        |             |
| <b>GRI 3 Material topics – 2021</b>                      | 3-3 Management of material topics   | 4.2 Relations with the supply chain                                    |                      |        |             |
| <b>GRI 308: Supplier Environmental Assessment (2016)</b> | 308-1 New suppliers that were screened using environmental criteria   | 4.2.2 The Armani Group supply chain                                    |                      |        |             |
| <b>GRI 414: Supplier Social Assessment (2016)</b>        | 414-1 New suppliers that were screened using social criteria  | 4.2.2 The Armani Group supply chain                                    |                      |        |             |

| GRI Standards                                     | Disclosure  | Location   | Omission             |        |             |
|---|---|--|----------------------|--------|-------------|
|   |   |  | OMITTED REQUIREMENTS | REASON | EXPLANATION |
| RESPECT FOR HUMAN AND WORKERS' RIGHTS             |   |  |                      |        |             |
| <b>GRI 3 Material topics – 2021</b>               | 3-3 Management of material topics   | 1.2.2 Sustainability governance<br>4.2 Relations with the supply chain |                      |        |             |
| PRODUCT LABELLING AND COMMUNICATION               |   |  |                      |        |             |
| <b>GRI 3 Material topics – 2021</b>               | 3-3 Management of material topics   | 4.3.2 Product labelling  |                      |        |             |
| <b>GRI 417: Marketing and Labelling (2016)</b>    | 417-2 Incidents of non-compliance concerning product and service information and labelling          | 4.3.2 Product labelling  |                      |        |             |
| INFORMATION MANAGEMENT AND PRIVACY                |   |  |                      |        |             |
| <b>GRI 3 Material topics – 2021</b>               | 3-3 Management of material topics   | 4.3.4 Privacy management   |                      |        |             |
| <b>GRI 418: Customer privacy (2016)</b>           | 418-1: Substantiated complaints concerning breaches of customer privacy and losses of customer data | 4.3.4 Privacy management   |                      |        |             |
| PRODUCT QUALITY AND SAFETY STANDARDS              |   |  |                      |        |             |
| <b>GRI 3 – Material topics – 2021</b>             | 3-3 Management of material topics   | 4.3.5 Product safety   |                      |        |             |
| <b>GRI 416: Customer Health and Safety (2016)</b> | 416-2 Incidents of non-compliance concerning the health and safety impacts of products and services | 4.3.5 Product safety   |                      |        |             |
| BRAND ENHANCEMENT AND PROTECTION                  |   |  |                      |        |             |
| <b>GRI 3 Material topics – 2021</b>               | 3-3 Management of material topics   | 4.3.3 Brand protection   |                      |        |             |
| SUPPORT TO LOCAL COMMUNITIES AND TO THE TERRITORY |   |  |                      |        |             |
| <b>GRI 3 Material topics – 2021</b>               | 3-3 Management of material topics   | 4.4 Relations with the community                                       |                      |        |             |
| <b>GRI 203: Indirect economic impacts (2016)</b>  | 203-2 Significant indirect economic impacts   | 4.4 Relations with the community                                       |                      |        |             |



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