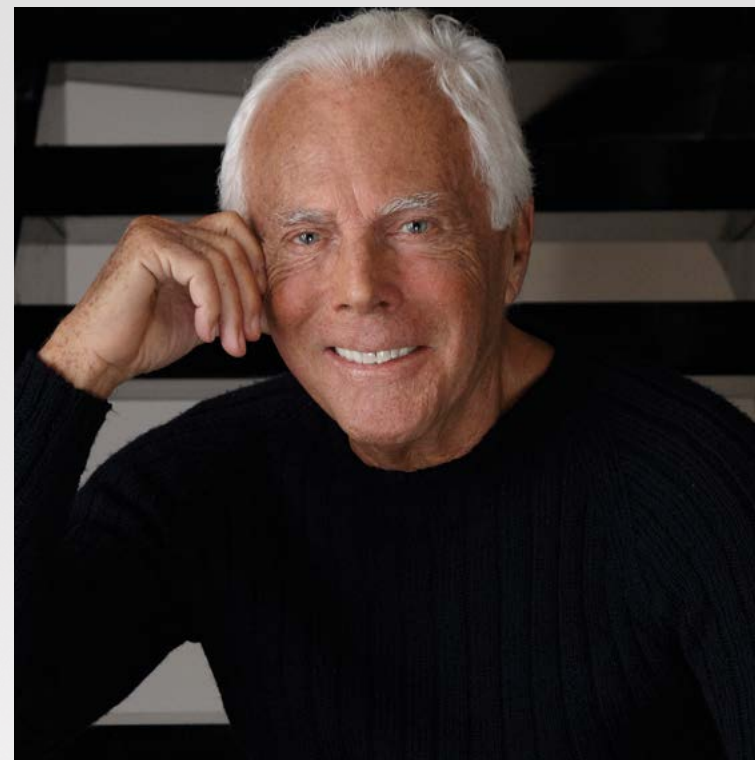


GIORGIO ARMANI

ARMANI
/ VALUES

THE ARMANI GROUP AND SUSTAINABILITY
2022 SUSTAINABILITY REPORT SUMMARY



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 of Giorgio Armani in black ink.

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 is a summary of the Group's Sustainability Report¹, we aim to share our actions and progress made to achieve our sustainability goals.

Andrea Camerana
Sustainability Managing Director

¹. The Sustainability Report has been subjected for the first time to limited assurance from independent Auditors.



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

FINANCIAL RESULTS



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

GLOBAL REPTRAK 100



- 1st among Italian fashion companies
- 5th in the industry worldwide



PEOPLE

EMPLOYEES

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

TRAINING



- +14% more training vs. 2021

FINANCIAL TIMES DIVERSITY LEADERS RANKING



Top five in Europe and Italy



PLANET

ATMOSPHERIC EMISSIONS

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

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

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



PROSPERITY

CERTIFICATIONS

- Sustainable Events: ISO 20121² and ISO 14067³ certified
- Launch of the Emporio Armani Sustainable Capsule Spring Summer 2023 collection: QR Code for sustainability information, ISO 14021⁴ certified

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)

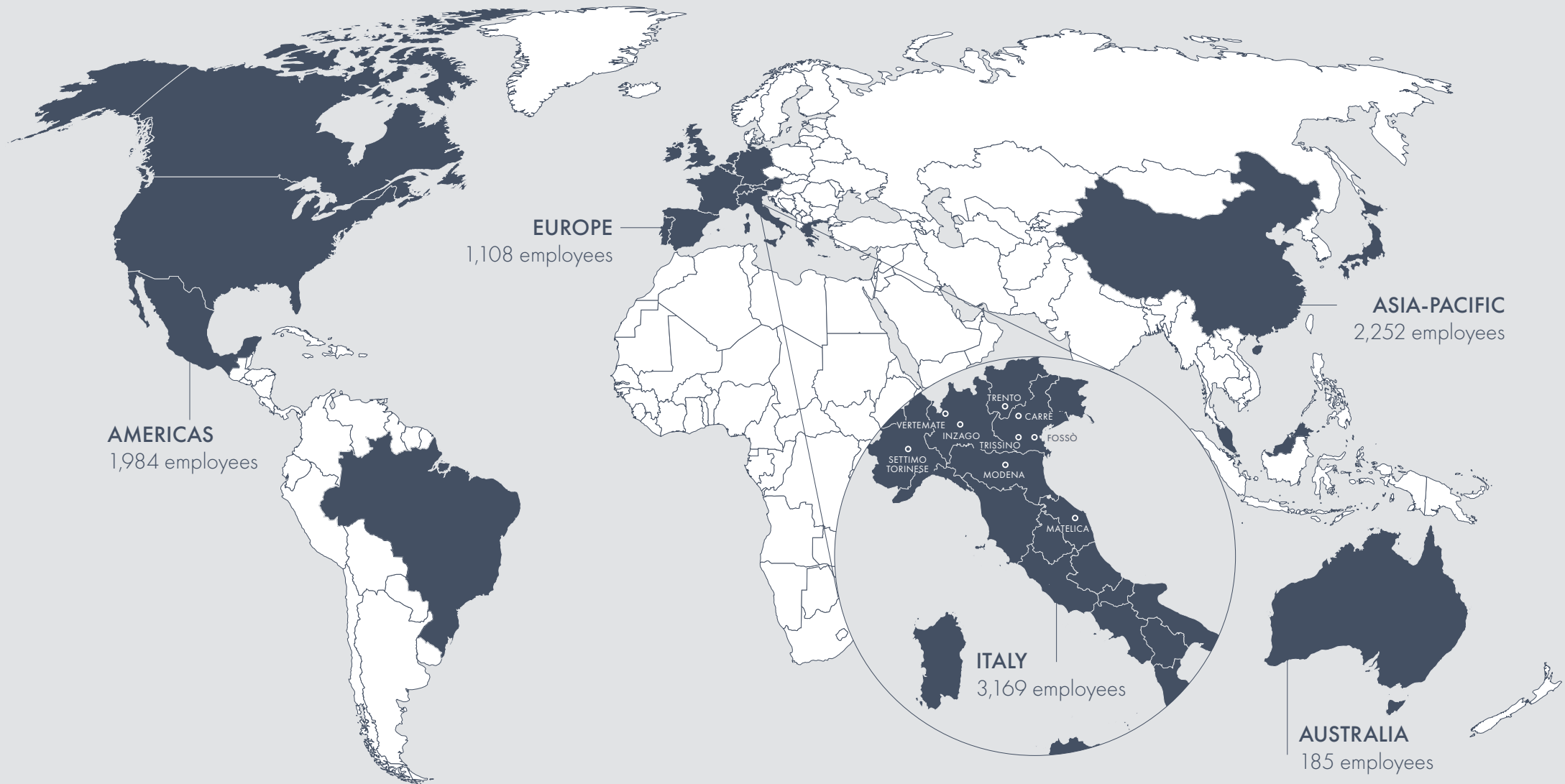
COMMUNICATION

Launch of the Armani/Values website

2. Management standard for the sustainable organisation of events.

3. Standard for quantifying CO₂ emissions generated throughout the life cycle of a product or service.

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



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

The geographical areas in which the Armani Group directly operates⁵:

Americas

United States, Canada, Mexico, Brazil

Europe

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

Asia-Pacific

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

Australia

Production hubs

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

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

THE
SUSTAINABILITY
TIMELINE



THE ARMANI WORLD

THE ARMANI GROUP'S MAIN BRANDS

GIORGIO ARMANI

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 **Emporio Armani** 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.

EMPORIO ARMANI

A | X

ARMANI EXCHANGE

A|X Armani Exchange rewrites the codes of metropolitan clothing with an essential, contemporary, and inclusive collection. It proposes accessible and versatile clothing and accessories for a transversal audience, regardless of gender, age or origin, replacing convention with individual expression.

OTHER BUSINESS AREAS

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**.

The Armani Group operates through production and distribution licensing agreements 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)**.

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



APPROACH TOWARDS SUSTAINABILITY

People, Planet, Prosperity

THE VALUES AND THE CONTROL SYSTEM

The Group's values are listed in the Code of Ethics, which represents the cornerstone of the Group's business ethics model and contains the ethical principles and rules of conduct that the organisation shares with employees, collaborators, suppliers, and all those who work on behalf of the company.

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 CONTROL SYSTEM

In 2022

Zero

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

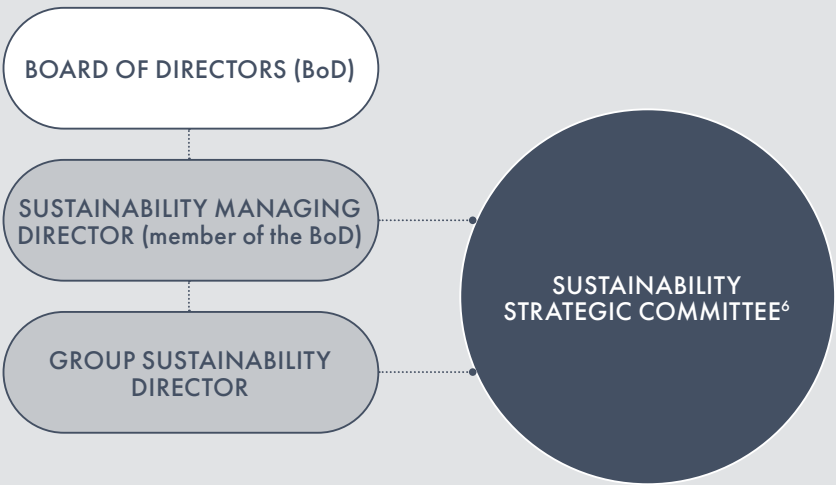
A **Whistle-blowing policy** was defined in 2022 and published in March 2023.

THE SUSTAINABILITY GOVERNANCE

Giorgio Armani, Chairman and Group Chief Executive Officer of the Group, has established in 2016 the **Giorgio Armani Foundation** to ensure guidance in the future management of the company and the transmission and safeguarding of the values and principles that have always inspired the founder's creative and entrepreneurial activities.

In 2021, the Group strengthened its **sustainability governance** to transform its commitment into clear and concrete actions aimed at continuous improvement in the **ESG (Environmental, Social, Governance)** area. In 2022, the **Strategic Sustainability Committee** met monthly to translate strategic objectives into specific guidelines to be submitted to the Board of Directors for approval.

THE SUSTAINABILITY GOVERNANCE MODEL



6. The Sustainability Committee consists of the Sustainability Managing Director, the Group 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.



PEOPLE, PLANET, PROSPERITY 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 and summarised in the **Group's Sustainability Plan**, 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.



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

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

Environmental protection and efficient resources use:

- Greenhouse gas emissions reduction
- Electricity 100% from renewable sources by 2030 in all Group's sites and stores
- Eco-design and circular economy
- Efficient water resource management
- Purchase of 100% FSC⁷ certified paper by 2025 for B2C and by 2030 for B2B
- Biodiversity and ocean protection
- Elimination of disposable plastic from packaging and purchase of 100% recycled plastic for at least 50% of plastic packaging: B2C by 2025 and B2B by 2030

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

- Use of 25% lower-impact raw materials by 2025
- 100% traceability of raw materials by 2030
- Fair relationships throughout the supply chain
- More frequent and effective communication with customers
- Strengthening of product quality, labelling and safety
- Product Digital Passport
- Support and engagement of local communities

SUSTAINABLE DEVELOPMENT GOALS (SDGs)



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

THE MATERIALITY ANALYSIS

Every two years, the Armani Group conducts a **materiality analysis** to identify sustainability issues in the People, Planet and Prosperity areas that are relevant to the Group and its stakeholders.

On these issues, defined as material, the Group focuses its commitment and defines its sustainability objectives. In 2022, the Group's employees and key external stakeholder categories assessed the materiality of sustainability issues through an online questionnaire. The **materiality matrix** below shows the results of the assessment conducted in 2022: the topics on the top right are considered the most relevant.

In 2023, in view of the next update of the materiality analysis scheduled for 2024, the Armani Group involved all categories of stakeholders globally to collect feedback with respect to the outcomes of the previous analysis and potential issues to be taken into account for the next materiality analysis.

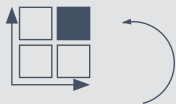
This engagement activity involved sending an online questionnaire to about **1,300 Group stakeholders** and allowed both to strengthen sustainability awareness and culture and to consolidate stakeholder relations.



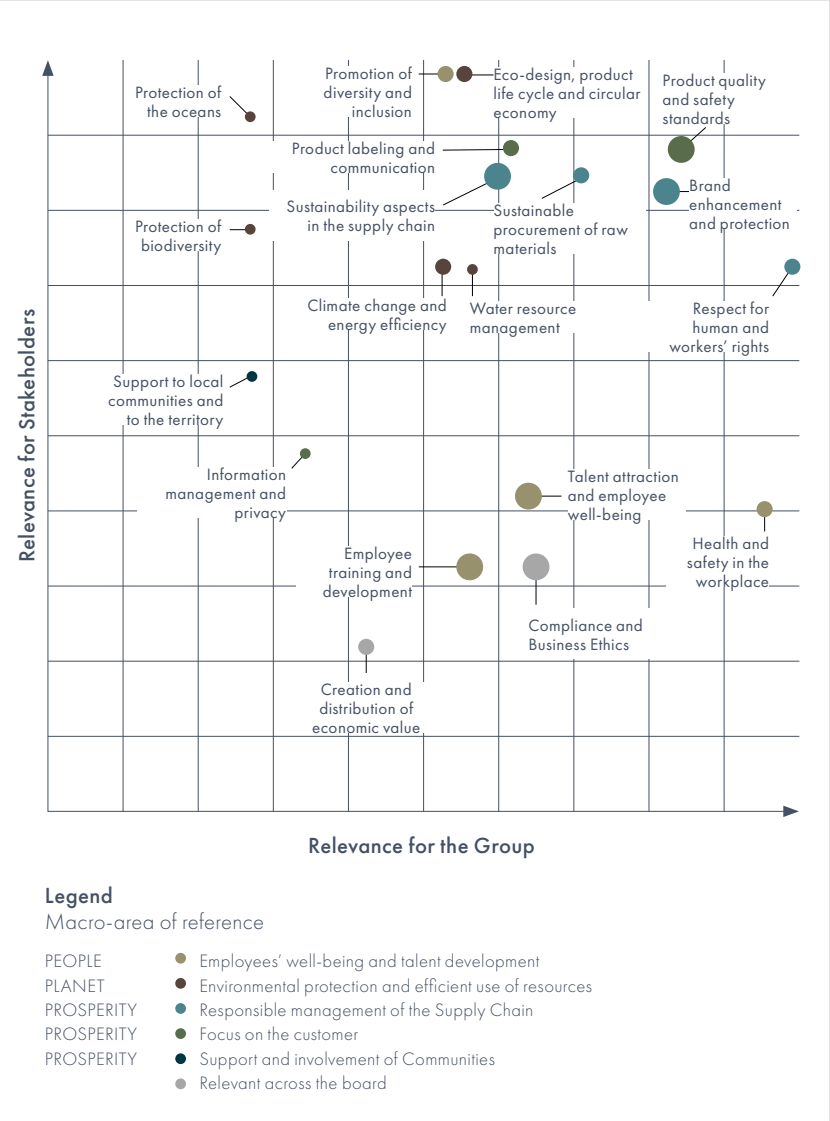
90% of the stakeholders who responded to the questionnaire confirm that the material issues identified last year are priorities for the Armani Group.

MAP OF THE STAKEHOLDERS





MATERIALITY MATRIX



PEOPLE

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

GROUP EMPLOYEES



8,698

employees as of 31/12/2022 (+5% vs. 2021⁸)

62%

women
employees

56%

employees
aged 30-50

51%

women senior
executives
and managers

83%

permanent
contracts

86%

full-time
contracts

DIVERSITY AND INCLUSION (D&I)

MAIN INITIATIVES:



Internal approval of
the **Group Diversity &
Inclusion (D&I) policy**



Launch of the **Armani/
Flow** project on "invisible"
diversity



Start of work and
data collection for the
**Certification of Gender
Equality**



Participation in the **CNMI
HR roundtable** on D&I
topics



Training on **Women's
Empowerment** organised
by CNMI⁹



Webinars in collaboration
with **Fondazione Umberto
Veronesi** on D&I

8. 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.

9. Camera Nazionale della Moda Italiana (National Chamber of Italian Fashion).

TRAINING

158,123

training hours in 2022
(+14% vs. 2021)



≈18

average training
hours per employee

MAIN TRAINING AND AWARENESS COMPETENCE AREAS

PROFESSIONAL

MANAGEMENT

CODE OF ETHICS

HEALTH AND SAFETY

SUSTAINABILITY

WELFARE

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.

HEALTH AND SAFETY



88

Injuries involving Armani Group employees

0

Fatalities due to work-related injuries



ENVIRONMENTAL PROTECTION AND EFFICIENT USE OF RESOURCES

Energy consumption and atmospheric emissions¹⁰

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

By 2030

-50%

Scope 1 and Scope 2 greenhouse gas emissions compared to 2019

By 2029

-42%

Scope 3 emissions related to purchased goods and services and downstream transport and distribution compared to 2019



In 2022, the action plan to reduce emissions and to purchase an increasing portion of electricity from renewable sources 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).

-60%

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

-17%

Scope 3 emissions (from purchased goods and services and downstream transport and distribution) vs. 2019

68%

electricity from renewable sources

+33%

vs. 2021

PLANET

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

¹⁰ **Scope 1** are direct emissions from the combustion of fossil fuels used, for example, for heating, **Scope 2** are indirect emissions from the production of electricity used and **Scope 3** are indirect emissions from the company's value chain, upstream and downstream.



100% electricity from renewable sources in Italy, Switzerland, Spain, Portugal, Canada, United States, Mexico, and Brazil

Circular economy and waste management

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



Photovoltaic system in the Italian office in Via Bergognone since 2014



97% waste recycled in Italy

Water resource management

In 2022, the Group continued its efforts to promote **responsible use of water resources**, encouraging more efficient use of water and reducing waste. Controls are also in place to ensure water discharges comply with applicable regulations.



383,613 mc
-18% vs. 2021

14%
GAO¹¹ water withdrawal from areas with water stress

Biodiversity and ocean protection

In 2022 - in line with the strategic approach of "**Avoid, Reduce, Restore and Regenerate**", the objectives of the Sustainability Plan and commitments made in international tables - the Group has implemented several actions aimed at protecting the ecosystems, protected and endangered species, and promoting regenerative practises:

- Joining the "Manifesto for Regenerative Fashion" of SMI
- Intensification of the analysis on the materials used in favour of sustainable alternatives
- Adoption of sustainable practices in the event management
- Support for reforestation and forest conservation projects
- Collaboration with WWF to protect endangered species and dialogue with important animal welfare organisations

In 2022, 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 has continued.

11. GAO (G.A. Operations) are production hubs located in Italy.



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 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.



88%
Plastic-free B2C
packaging

89% of plastic is recycled



over 90%
recycled
B2C and B2B
packaging

74%
Plastic-free B2B
packaging

85% of plastic is recycled
or plant-based



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.

BRANDS, CHOICE OF RAW MATERIALS, AND PRODUCTION PROCESSES

To combat climate change, the Armani Group intensified its **research into materials with a lower environmental impact**: there are several initiatives **involving all the Group's brands**, the main focus of which is the selection and use of recycled or regenerated secondary raw materials and organically grown materials.



Joining the **2025 Sustainable Cotton Challenge** of Textile Exchange



Emporio Armani Sustainable Capsule Fall Winter 2022/23 collection with an upcycling project with social impact in collaboration with Cooperativa Alice



Launch of the Emporio Armani Sustainable Capsule Spring Summer 2023 collection: QR Code for sustainability information, ISO 14021¹² certified.

In 2022, the Group also refined the **Sustainability Requirements for Materials and Processes**: guidelines that provide instructions for each type of material and are a reference for internal departments - from styling, research and development to production and merchandising - and suppliers.

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

RELATIONS WITH THE SUPPLY CHAIN

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.

In 2022, the Group carried out a **social and environmental risk mapping analysis of suppliers** to identify ESG monitoring priorities in the value chain.

MAIN GEOGRAPHICAL AREAS OF SUPPLIERS



ITALY
EUROPE
MEDITERRANEAN BASIN
ASIA

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.

Every year, the Group carries out **social and environmental audits** on a sample of suppliers. In 2022 the Group included in its monitoring activities the analysis of salary data (**Living Wage**), also thanks to its membership of the **WageIndicator Foundation**, a non-profit organisation whose mission is to ensure greater labour market transparency worldwide.

In 2022, the Group also joined the **International Accord for Health and Safety in the Textile and Garment Industry**, an accord that promotes workplace safety in the textile industry.



319

Audits carried out on suppliers
in the period 2020-2022



CUSTOMER RELATIONS



In 2022, the activities of the **Sustainable Markets Initiative Fashion Task Force** were strengthened, in line with the legislative requirements concerning the **Product Digital Passport** and with the objectives of increasing the traceability of garments along the supply chain and the communication on sustainability issues to customers.

From 2018 an **anti-counterfeiting technology platform** has been implemented which, by scanning a QR Code, allows consumers to participate in the product authentication process.



THE ANTI-COUNTERFEITING TECHNOLOGY PLATFORM
as of 31 December 2022

+1,000,000
authentications
(+2,500 scans per day)

+200
Countries
involved

+150 mn
connected products
traceable to the
Armani Group

In 2022, the ICT¹³ department was reorganised, and a person was appointed to manage **cybersecurity**, with the primary goal of increasing the company's security maturity.

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

13. Information and Communication Technologies.

SUSTAINABLE EVENT MANAGEMENT

The Group is also committed to minimising the environmental and social impact of its events as much as possible. In 2022, the following activities were implemented:



Refinement of the Guidelines for the Management of Sustainable Events that provide recommendations for all suppliers, sub-contractors and partners involved to be considered 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.



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

SUSTAINABLE EVENT GIORGIO ARMANI NEVE - ST. MORITZ

- Sustainable event ISO 20121¹⁴ and ISO 14067¹⁵ certified
- Neutralisation of residual greenhouse gas emissions related to the event with a REDD+¹⁶ project (Cordillera Azul National Park)
- Support to the swiss “MortAlive¹⁷” project for glacier protection

14. Management standard for the sustainable organisation of events.
15. Standard for quantifying CO₂ emissions generated throughout the life cycle of a product or service.
16. Reduction of Emissions from Deforestation and Forest Degradation
17. For more information, please visit <https://coverprojectfoundation.ch/en/morteratsh/>

RELATIONS WITH THE COMMUNITY

The Armani Group recognises that **responsibility towards the community** is one of the founding values of its business. For this reason, operating directly or indirectly, it has been supporting and promoting important projects for many years in collaboration with multiple organisations in support of:



MEDICAL AND SCIENTIFIC RESEARCH

- Fondazione Umberto Veronesi
- Fondazione Humanitas per la Ricerca



ENVIRONMENTAL PROTECTION

- WWF Italia
- MortAlive



CULTURE

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



UNIVERSITIES AND INSTITUTIONS

- SDA Bocconi
- Il Salone della CSR
- 2022 CNMI Fashion Awards



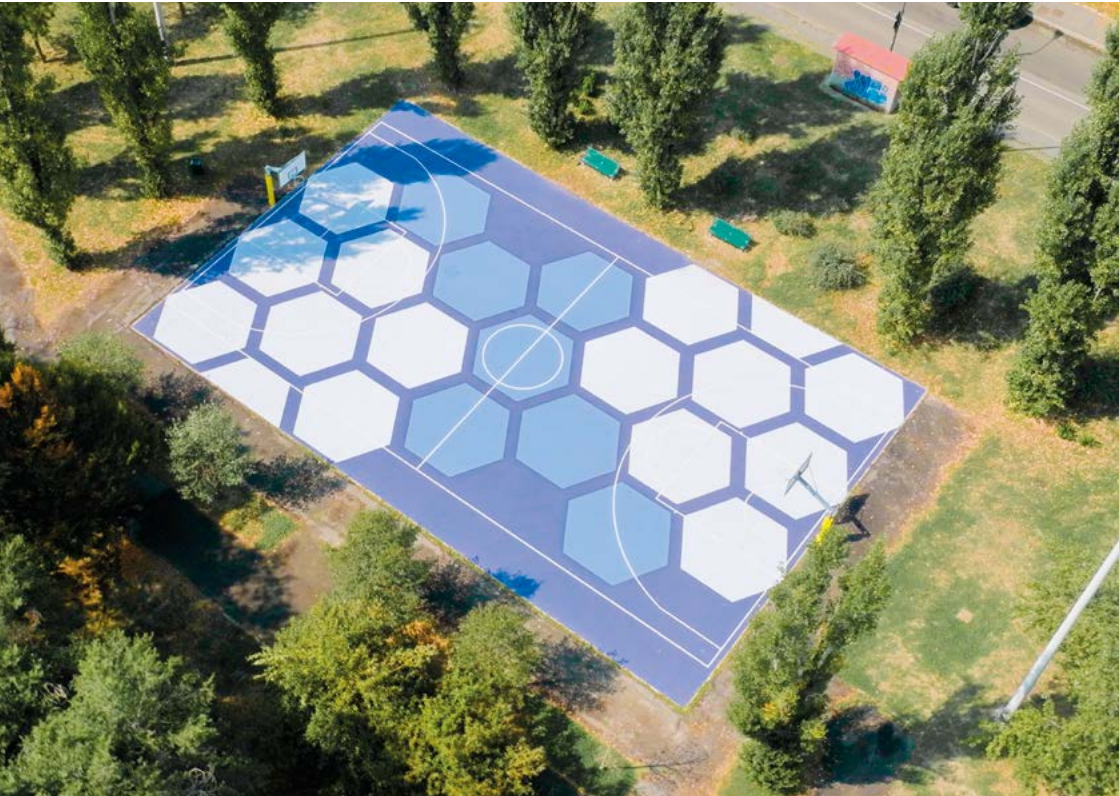
SOCIAL INCLUSION AND TERRITORY SUPPORT

- Opera San Francesco per i Poveri
- UNHCR
- Comunità di Sant'Egidio
- Croce Rossa Italiana
- Save the Children
- ANLAIDS
- Cooperativa Alice
- Clooney Foundation for Justice
- Acqua for Life



SPORT

- Olimpia Milano basketball team
- Obiettivo 3
- Renovation of street basketball and mini-basketball courts



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VIA BORGONUOVO, 11 20121 MILANO
2023

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2022 Sustainability Report

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