

GIORGIO ARMANI

ARMANI / VALUES

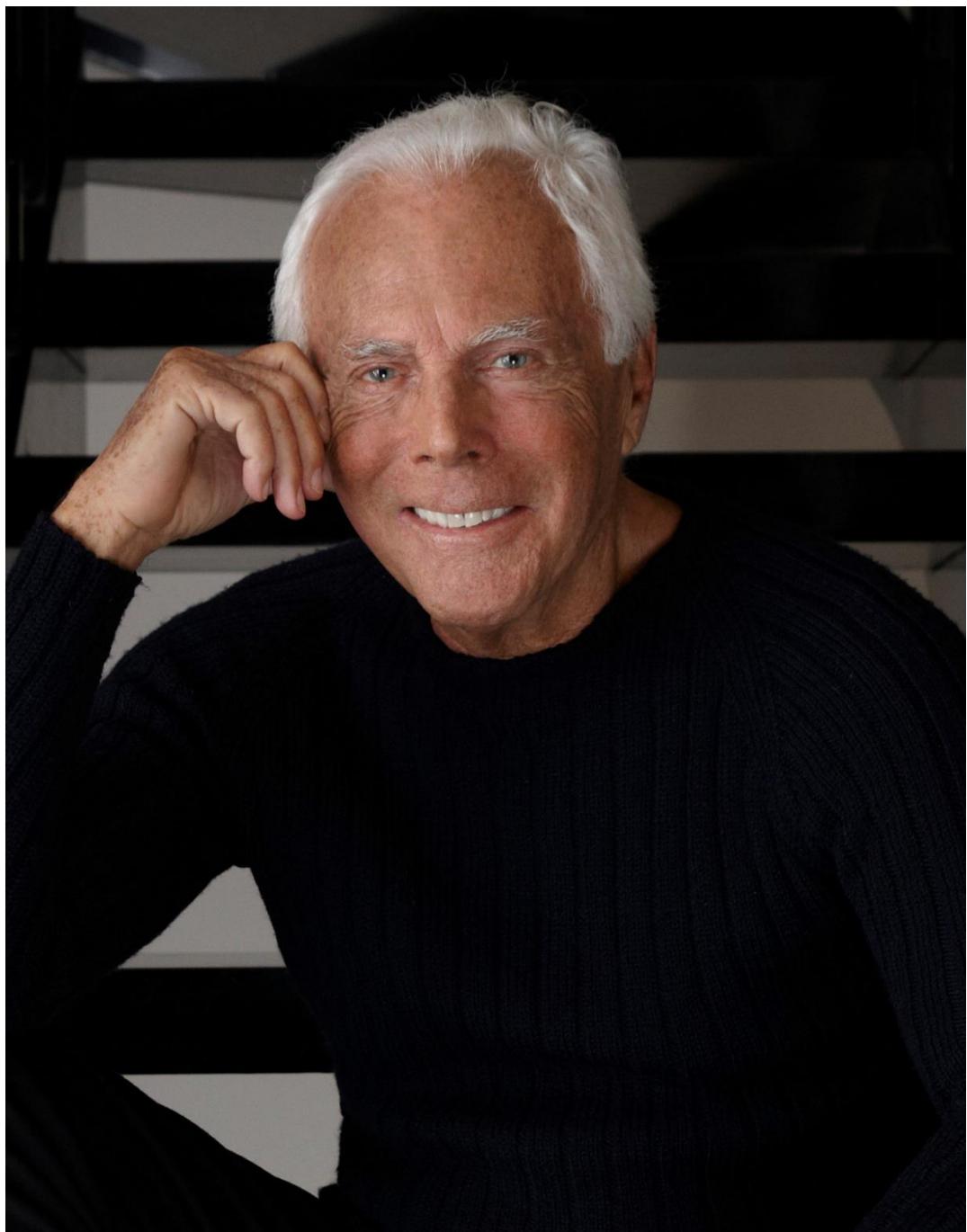
THE ARMANI GROUP AND SUSTAINABILITY
2023 REPORT



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Sustainability is not an easy goal, but a path that must be followed with perseverance and determination to achieve real change and lasting results.

Giorgio Armani
Chairman

A handwritten signature in black ink that reads "Giorgio Armani". The signature is fluid and cursive, with a large, stylized "G" at the beginning.

OUR COMMITMENT TO SUSTAINABILITY

In 2023, the Armani Group continued to pursue the objectives summarised in the 2019-2030 Sustainability Plan in the 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 renewed materiality analysis and based on an approach that covers the entire value chain. Several long-term projects have also been launched, such as growing regenerative cotton and working with environmental protection associations.

The Group recognises that sustainability is not an immediate goal, but rather a journey of continuous improvement that requires unwavering commitment and the ability to learn and grow. As a result, the Group is not discouraged by the emergence of critical issues but, guided by its core values, tackles them with determination.

Notwithstanding the increased efforts made in recent years to manage and monitor the supply chain, the critical issues that have arisen¹ have led the Group to make a significant commitment to accelerate and further strengthen the governance and control of the supply chain, also through the adoption of technological solutions that can help prevent future problems and identify new potential risk factors in a timely manner, in line with the new sustainability guidelines.

With this document we want to share our actions, our progress and our commitment.

Andrea Camerana

Board member of Giorgio Armani S.p.A.

¹ Please refer to the chapter “Events after the reporting period”.

METHODOLOGICAL NOTE

This document is the eighth edition of the Armani Group Sustainability Report - hereafter also referred to as "the Report" - and describes the main ESG achievements and initiatives in 2023 (1 January to 31 December).

The Report, which is prepared and published annually on a voluntary basis, has been prepared in accordance with the GRI Standards on an "in accordance" basis. Data for 2022, 2021 and, for energy consumption and emissions, 2020 and 2019 are provided for comparison purposes. 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 relevance, stakeholder inclusiveness, comprehensiveness and context of its operations. The principles of balance, accuracy, reliability, comparability and clarity were followed with reference to the quality of the reported information.

The Group has further deepened its analysis of the materiality of the impacts generated in order to update its materiality analysis, a tool that defines the reporting topics of this document. The aim is to gradually align with the requirements of the new Corporate Sustainability Reporting Directive (CSRD)².

The results of the materiality analysis, which is updated every two years, 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 Report³ is the same as that of the Group Consolidated Financial Statements for the year ended 31 December, with the exception of two representative offices of minor importance and the company Giorgio Armani Bahrain, which was consolidated at the end of December 2023. It should also be noted that in 2023 the reporting boundary was extended to include three new companies established during the year: Giorgio Armani Arabia Trading LLC, Giorgio Armani Middle East FZ-LLC⁴ and Giorgio Armani Doha W.L.L.

The cases where estimates had to be used are duly noted in the document. Specifically, estimates were used to calculate energy consumption, emissions into the atmosphere, waste produced and disposed of, water withdrawals and discharges, and training hours provided.

This Sustainability Report is subjected to a limited assurance engagement in accordance with the criteria set out in ISAE 3000 revised by KPMG S.p.A. The assurance engagement is carried out in accordance with the procedures indicated in the "Independent Auditors' Report", included in this document.

² Directive (EU) 2022/2464 of the European Parliament and of the Council of the European Union amending Regulation (EU) 537/2014, Directive 2004/109/EC, Directive 2006/43/EC and Directive 2013/34/EU as regards corporate sustainability reporting.

³ The reporting boundary 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., Pallacanestro Olimpia Milano Srl, Giorgio Armani Shanghai Trading Co., Giorgio Armani Hong Kong Limited, G.A. Operations Hong Kong Ltd, Giorgio Armani Macau Ltd, Giorgio Armani Japan Co. Ltd, Giorgio Armani Singapore Pte. Ltd., Giorgio Armani Malaysia Sdn. Bhd, Giorgio Armani Australia Pty Ltd, Giorgio Armani Canada Corporation, Giorgio Armani Corporation, Giorgio Armani Brasil Comércio Importação e Exportação Ltda, Giorgio Armani Mexico Import, Giorgio Armani Mexico Retail Corporation, Giorgio Armani Mexico Servicios, Alia France Sas (new name for Caffè Croisette Sas from April 2024), Ultimate SA, Giorgio Armani Monaco SAM, Giorgio Armani Arabia Trading LLC, Giorgio Armani Middle East FZ-LLC and Giorgio Armani Doha W.L.L.

⁴ It should be noted that environmental data for Giorgio Armani Middle East FZ-LLC have been excluded as it is not significant. It is actually a two-person company based in Dubai and operational from September 2023.

This Report and the materiality analysis were submitted to the Board of Directors of Giorgio Armani S.p.A. for approval on 30 January 2025.

For any information on the Sustainability Report, please contact the Group at the following email address: info@armanivalues.com

With a view to continuous improvement, inspired by the recommendations of the Task Force on Climate-related Financial Disclosures (TCFD), this document 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	Paragraph
Governance	1.2.1 Governance and Group structure 1.2.2 Sustainability governance 1.4 Materiality analysis, ESG risks and opportunities and stakeholders 3.1.1 Energy consumption 3.1.2 Emissions into the atmosphere
Strategy	1.3 The 2019-2030 Sustainability strategy and Plan 1.4 Materiality analysis, ESG risks and opportunities and stakeholders
Risk management	1.3 The 2019-2030 Sustainability strategy and Plan 1.4 Materiality analysis, ESG risks and opportunities and stakeholders 3.1.1 Energy consumption 3.1.2 Emissions into the atmosphere 4.3.8 Sustainable event management
Metrics and targets	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 2024 (Carbon Disclosure Project) questionnaire, available on the [CDP website](#).

EVENTS AFTER THE REPORTING PERIOD

On 5 April 2024, the Court of Milan notified the subsidiary G.A. Operations S.p.A. of a decree placing it under judicial administration for a period of one year. The measure is based on inspections that led the Milan Public Prosecutor's Office to charge the owners of four Italian subcontractors of two direct Italian suppliers of G.A. Operations S.p.A. with the offence of illegal intermediation and labour exploitation. It should be noted that the total amount of products purchased in 2023 from the two direct suppliers mentioned above represents 0.5% of the total amount of products purchased by the subsidiary G.A. Operations S.p.A.

On 9 July 2024, G.A. Operations S.p.A. and its parent Giorgio Armani S.p.A. received a notice from the Italian Antitrust Authority ("Autorità Garante della Comunicazione e del Mercato (AGCM)") about the commencement of proceedings and request for information regarding the institutional communications contained in the Armani/Values website, following the opening of the judicial administration proceedings.

The Group is providing the Judicial Administration and the Antitrust Authority with all necessary information with a view to cooperation.

The Group continues to pursue a strategy of continuous improvement in the process of supplier selection, evaluation and monitoring, recognising the importance of this process and reaffirming its zero-tolerance policy on these issues by promoting ethical behaviour and communication.

The Group is monitoring the development of the above investigations and reiterates its position that it is not involved in the alleged facts.



2023 IN NUMBERS AND FACTS

GOVERNANCE

SUSTAINABILITY GOVERNANCE

- Stakeholder engagement on impact materiality through surveys
- 2019-2030 Sustainability Plan integrated into business strategy
- Monthly meetings of the Strategic Sustainability Committee and quarterly meetings with members of the Board of Directors and the Chairman

PEOPLE

EMPLOYEES

- 9,077 employees as of 31/12/2023
 - 62% women employees
 - 50% women executives and managers⁵

TRAINING

+30% training hours compared to 2022

PLANET

EMISSIONS INTO THE ATMOSPHERE

- -57% absolute Scope 1 and 2 Market-based emissions compared to 2019: target⁶ achieved
- -20% absolute Scope 3 emissions (category 1 and category 9) compared to 2019: reduction target in line with the objectives defined

ELECTRICITY FROM RENEWABLE SOURCES

- 76% (+8% compared to 2022): target in line with the defined objectives

PROTECTION OF THE OCEANS AND PACKAGING

- Partnership with One Ocean Foundation to protect marine ecosystems
- 85% plastic-free B2C and B2B packaging: target in line with the defined objectives
 - 47% of plastic is recycled or plant-based

⁵ This includes employees who manage a department and/or one or more individuals, as well as store managers.

⁶ Target approved by SBTi (Science Based Targets initiative):

- 50% reduction compared to 2019 in absolute Scope 1 and 2 Market-based greenhouse gas emissions by 2030
- 42% reduction compared to 2019 in absolute Scope 3 greenhouse gas emissions - related to category 1 "Purchased goods and services" and category 9 "Downstream transport and distribution" - by 2029.

PROSPERITY

PROJECTS - CERTIFICATIONS - COMMUNITY

- One Night Only Venezia: ISO 20121⁷ and ISO 14067⁸ certified event
- Launch of Apulia Regenerative Cotton Project
- Social impact projects with stock recovery
- Joining the Monitor for Circular Fashion and the Monitor for Furniture Pact of SDA Bocconi
- Ongoing support for community projects: Fondazione Humanitas per la Ricerca, Save the Children, Fondazione Umberto Veronesi and Opera San Francesco per i Poveri.

SUPPLY CHAIN

- 638 sustainability audits on suppliers and subcontractors were carried out in the period from 2019 to 2023:
 - 339 in the three-year period from 2019 to 2021
 - 299 in the two-year period from 2022 to 2023
 - 172 in 2023 (≈57% of the cost of production generated by façons manufacturers and finished product suppliers)
- Signing the Commitment to Responsible Recruitment launched by AAFA/FLA⁹
- Joining the Open Supply Chain Hub¹⁰ and the Employment Injury Scheme pilot project with ILO in Bangladesh¹¹
- Launch of ESG supplier survey using the Synesgy platform of Cribis and identification of key suppliers
- Re-signing of the International Accord for Health and Safety in the Textile and Garment Industry¹² and rejoining the WageIndicator Foundation¹³

⁷ Management standards for the sustainable organisation of events.

⁸ Standards for quantifying the CO₂ emissions generated throughout the life cycle of a product or service.

⁹ American Apparel & Footwear Association and Fair Labor Association.

¹⁰ Accessible and collaborative online supply chain mapping platform used and populated by stakeholders from all sectors worldwide.

¹¹ The International Labour Organization (ILO) is working in Bangladesh to establish an occupational injury protection scheme for the textile sector through the Employment Injury Scheme (EIS) pilot project, a national insurance programme to strengthen medical and health care for workers with permanent disabilities and long-term compensation for family members of deceased workers.

¹² For more information, please refer to the following link: <https://internationalaccord.org/>

¹³ A global, independent, non-profit organisation that collects, analyses and shares information on real 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.

1. APPROACH TO SUSTAINABILITY

PEOPLE, PLANET, PROSPERITY



1.1 The Group worldwide: business areas and brands

The Armani Group, hereinafter also referred to as "the Group", focuses on three main brands: **Giorgio Armani**, **Emporio Armani** and **A|X Armani Exchange**.

The **Giorgio Armani** collection includes clothing, accessories, watches and eyewear and is characterised by attention to detail, purity of line and the use of high-quality materials. The men's line offers a "Made-to-Measure" service and the **Giorgio Armani Privé haute couture** women's collection, one-of-a-kind garments made to order and sold worldwide, is the result of a very high level of craftsmanship and meets the requirements of a demanding and select customer base.

GIORGIO ARMANI

EMPORIO ARMANI

The **Emporio Armani** line 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.

A | X
ARMANI EXCHANGE

The **A|X Armani Exchange** collections offer affordable and versatile garments and accessories - including watches and eyewear. Departing from conventional norms, they present an unconventional approach to style and identity, embodying a lifestyle that is firmly rooted in street culture.

Other Armani brands

ARMANI / DOLCI

ARMANI
beauty

ARMANI / CASA

ARMANI
Hotels & Resorts

ARMANI / FIORI

Armani Partnerships and Licence Agreements

Armani Hotels & Resort (Emaar)

Eyewear (EssilorLuxottica)

Cosmetics and perfumes (L'Oréal)

Watches and semi-precious stones (Fossil)

Chocolates and sweets (Guido Gobino)

The Armani Group has owned the **Pallacanestro Olimpia Milano** team since 2008.

Who we are and how we work

The Armani Group, one of the world's leading fashion and luxury companies, has been a symbol of **elegance** in the world for almost 50 years through a sophisticated and timeless lifestyle concept. Giorgio Armani, Founder, Chairman and Chief Executive Officer of Giorgio Armani S.p.A., is the driving force behind this vision. He is directly involved in all the Group's strategic, stylistic, design and business decisions.

The Armani Group has an international presence and continues to create and share wealth by contributing to the economic growth of the social and environmental context in which it operates, in line with the interests of its stakeholders.

Through the **Retail** channel, managed by its subsidiaries, the Armani Group distributes the product lines manufactured by its subsidiary **G.A. Operations S.p.A. (GAO)** directly to end customers. The directly managed stores 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.

THE GROUP IN THE WORLD AS OF 31/12/2023



The geographical areas in which the Armani Group operates directly are¹⁴:

- **Americas:** United States, Canada, Mexico, Brazil
- **Europe:** Belgium, the Netherlands, France, Germany, Austria, Portugal, Spain, United Kingdom, Ireland, Switzerland, Monaco, Greece
- **Italy**
- **Asia-Pacific:** Japan, China, Hong Kong SAR, Macau SAR, Malaysia, Singapore
- **Australia**
- **Middle East:** Qatar, Saudi Arabia, United Arab Emirates (Dubai)

G.A. Operations (GAO):

- **Italy:** Baggiovara (MO), Trissino (VI), Fossò (VE), Mattarello (TN), Settimo Torinese (TO), Matelica (MC), Carrè (VI), Inzago (MI) and Vertemate (CO).

1.2 Governance, distribution and value creation

1.2.1 Governance and Group structure

As of 31 December 2023, the Armani Group is made up of companies located all over the world and almost entirely controlled by the parent **Giorgio Armani S.p.A.**, headquartered in Milan.

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, in Italy and abroad. GAO also carries out quality control on raw materials and finished products. GAO's production sites are in Baggiovara (MO), Trissino (VI), Fossò (VE), Mattarello (TN), 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 the founder's creative and entrepreneurial activities.

The Group has taken the measures required by law in terms of conflicts of interest. In particular, the Group has adopted a Code of Ethics which sets out the principles of transparency, fairness and impartiality and has appointed a Supervisory Body (in accordance with Italian Legislative Decree 231/2001) to monitor compliance with the rules on conflicts of interest and internal procedures.

CONTROL AND SUPERVISORY BODIES AS OF 31 DECEMBER 2023

Board of Directors of Giorgio Armani S.p.A.		
Giorgio Armani	Chairman	Executive
Rosanna Armani	Board member	Non-Executive
Silvana Armani	Board member	Executive
Roberta Armani	Board member	Executive
Pantaleo Dell'Orco	Board member	Executive
Andrea Camerana	Board member	Non-Executive
Federico Marchetti	Independent Board member	Non-Executive

¹⁴ The Group operates in other countries through third-party partners.

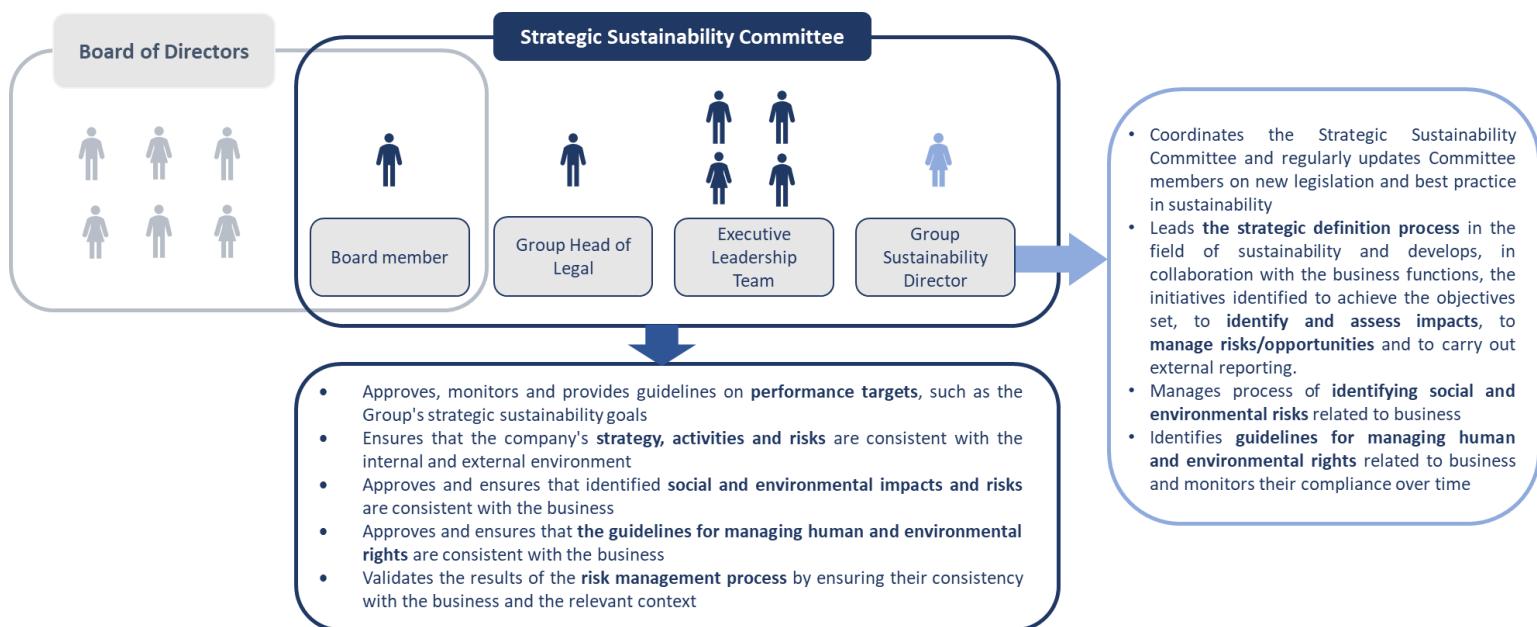
Board of Statutory Auditors	
Marco Terrenghi	Chairman
Luca Gaiani	Statutory Auditor
Andrea Zoccali	Statutory Auditor
Vieri Chimenti	Alternate Auditor
Maria Cristina Pedroni	Alternate Auditor

Supervisory Body ¹⁵	
Paolo Pacciani	Chairman
Marco Terrenghi	
Luca Gaiani	

1.2.2 Sustainability governance

During 2023, the **Strategic Sustainability Committee** - composed of a Board member of Giorgio Armani S.p.A., the Executive Leadership Team¹⁶, the Group Head of Legal and the Group Sustainability Director¹⁷ - met monthly to discuss issues, projects, objectives and results, and to assess and approve the process for defining material topics. The Strategic Committee also provided regular updates to the Chairman and the full Board of Directors.

The sustainability governance model¹⁸



¹⁵ A new Supervisory Body was appointed on 24/05/2024.

¹⁶ The Executive Leadership Team consists of the following persons: Deputy Managing Director Commercial, Deputy Managing Director Operations, Deputy Managing Director Industrial and Global Human Resources Director.

¹⁷ To raise awareness of ESG risks in the supply chain, the Group Sustainability Director was appointed as a member of the Board of Directors of G.A. Operations S.p.A. in April 2024.

¹⁸ For information on the Group's sustainability governance, please contact the Director of Sustainability at the following e-mail address: info@armanivalue.com

1.2.3 The values and the control system

The activities and strategic choices of the Armani Group are guided by the Group's values, which are set out in the **Code of Ethics**.

The **Code of Ethics** 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. Its signing by suppliers is a prerequisite for entering into any supply contract or commercial agreement.



The Armani Group's values

The **Organisational, Management and Control Model (Model 231)** includes a system of rules and principles aimed at ensuring compliance with the law in the carrying out of the Group's activities and to identify and prevent risk situations.

There is an **internal control system** consisting 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.

In accordance with Italian Legislative Decree no. 23/2024, the **whistleblowing procedure** has been updated and made available to all recipients on the Group's website. The current procedure uses a third-party company to ensure the confidentiality of the reporter.

The **Supervisory Body (SB)** ensures the implementation of Model 231 through regular inspections. In 2023, 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.

In 2023, no legal action was brought against the Armani Group for anti-competitive behaviour, antitrust and monopolistic practices. For 2024, please refer to the chapter "Events after the reporting period" at the beginning of this document. Finally, there were no cases of non-compliance with laws and regulations.

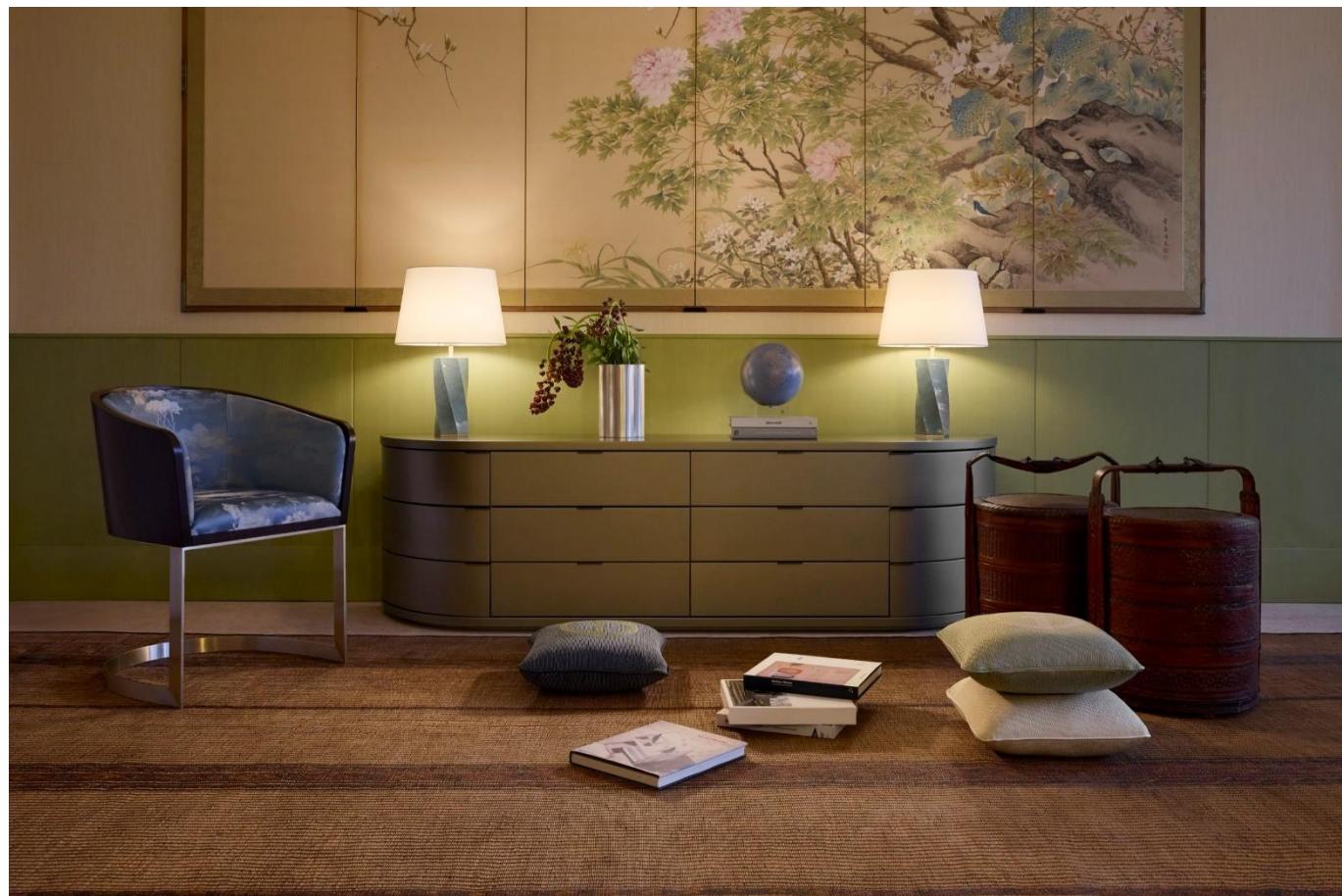
1.2.4 Economic value generated, distributed and retained

The Group's results remain positive in 2023: consolidated revenues of the Armani Group as a whole increased to **€ 2,445 million**, up 4% at current exchange rates compared to 2022 (€ 2,352 million), with a consolidated profit of € 163 million, essentially stable compared to the previous year. In this highly complex context, the capital and financial strength of the Armani Group, its traditional geographical balance and careful management of resources have enabled it to achieve positive results and consolidate its market position.

The Group's financial position remains robust and provides adequate support to the management and self-financing requirements of its investment programmes: at the end of 2023, net cash and cash equivalents amounted to € 946 million (€ 1,018 million as of 31 December 2022), while equity amounted to € 2,117 million (€ 2,145 million in 2022).

HIGHLIGHTS (million €) ¹⁹	2023	2022	2021
Consolidated revenue	2,445	2,352	2,019
Gross operating result before amortisation/depreciation and impairment losses on non-current assets (EBITDA)	523	519	435
Operating profit (EBIT)	215	214	171
Profit	163	162	170

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. In 2023, the **economic value generated** by the Armani Group was **€ 2,478 million** (+4% compared to 2022). During the year, **88%** of the economic value generated - amounting to € 2,190 million - **was distributed to stakeholders** (+7% compared to 2022).



Armani/Casa

¹⁹ 2021, 2022 and 2023 results take into account the effects of IFRS 16. For further information on the Group's financial performance, please refer to the Consolidated Financial Statements of the Armani Group as of 31 December 2023, which have been prepared in accordance with the International Financial Reporting Standards ("IFRS") issued by the International Accounting Standards Board ("IASB") and endorsed by the European Commission.

THE SUSTAINABILITY TIMELINE

1996 – Exhibition of a recycled jeans model at the Museum of Science and Technology in Milan

2003 – CA-RI-FE Award for the reintroduction of textile hemp in the Italian fashion sector

2010 – Start of the Acqua for Life project

2012 – Outfit made from recycled PET on the Golden Globes Red Carpet

2013 – Establishment of the Corporate Social Responsibility Department

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

2016 – Fur Free Policy

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

2019 – Joining “The Fashion Pact” initiative

2020 – Launch of the Emporio Armani recycled Capsule Collection

2021 – Sustainability Governance, People, Planet, Prosperity Strategy and Double Materiality

2021 – ISO 20121 certification of the sustainable event One Night Only Dubai

2021 – Announcement of the commitment not to use angora wool in the collections of all lines as from the Fall Winter 2022/23 season

2021 – Launch of the sustainable capsules with yarns and/or fabrics made from materials such as recycled polyester or organic cotton

2021 – Approval of absolute emission into the atmosphere reduction targets by SBTi

2021 – Joining the Fashion Task force of the Sustainable Markets Initiative and Textile Exchange

2022 – Joining the Manifesto for Regenerative Fashion of the Sustainable Markets Initiative

2022 – Application of the ISO 20121 and ISO 14067 for sustainable event management system and emission calculation

2022 – Launch of the Emporio Armani Sustainable Capsule Spring Summer 2023 collection, with QR Code dedicated to sustainability information, in line with the ISO 14021 standard

2022 – ESG risk mapping analysis in the supply chain

2022 – Launch of the Armani/Values website

2023 – Launch of Apulia Regenerative Cotton Project

2023 – Launch of ESG supplier survey and identification of key suppliers

2023 – Collaboration with ILO and joining the Open Supply Chain Hub

2023 – Signing the “Commitment to Responsible Recruitment”

2023 – Launch of the ESGeo platform for environmental and social data collection

2023 – Social impact projects with stock recovery

2023 – Partnership with One Ocean Foundation to protect marine ecosystems

2023 – Continuation of the partnership with Forestami

1.3 The 2019-2030 Sustainability strategy and Plan

In 2021, the **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**, 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.



STAKEHOLDER EXPECTATIONS / EVOLUTION OF THE INTERNAL AND EXTERNAL CONTEXT

GOVERNANCE, STRATEGY, RISK MANAGEMENT, METRICS AND TARGETS

INNOVATION, CONTINUOUS IMPROVEMENT AND SUSTAINABILITY

The 2019-2030 Sustainability Plan

PEOPLE

People's well-being, talent development, inclusion and uniqueness, through policies and projects that promote:

- Diversity, equity and inclusion
- Women's empowerment
- Employee well-being and welfare
- *Human Capital Development* and performance review
- Attracting talents
- Health and safety
- Employee awareness and training, including in the area of sustainability

PLANET

Environmental protection and efficient use of resources:

- Reduction of emissions into the atmosphere:
 - *-50% absolute Scope 1 and 2 Market-based emissions compared to 2019 by 2030*
 - *-42% absolute Scope 3 emissions compared to 2019 by 2029 (Categories 1 and 9)*
- 100% electricity from renewable sources for all the Group's offices and stores by 2030
- Eco-design and circularity projects
- Tools to measure the impact on water resources in the value chain
- 100% FSC certified paper²⁰: B2C by 2025 and B2B by 2030, supporting sustainable forest management
- Regeneration projects to protect ecosystems, protected and endangered species and biodiversity
- Protecting the oceans:
 - *Elimination of problematic or unnecessary plastics from packaging²¹: 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

Promoting social and environmental initiatives that are integrated into the business and benefit the community through the implementation of:

- Policies and procedures for the sustainable supply of raw materials, in line with the target of achieving 25% lower-impact raw materials by 2025
- Traceability systems for 100% of raw materials by 2030
- Fair relationships throughout the supply chain, respecting human rights and the environment
- Digital Product Passport technologies (via QR Codes), in order to inform about product-related content
- Quality policy, labelling, product safety
- Innovative projects (e.g., regenerative agriculture) to reduce environmental impacts
- Projects that have a social and environmental impact on communities around the world

PARTNERSHIP, TRAINING, MONITORING, EVALUATING AND COMMUNICATING

SDGs of reference



²⁰ FSC: Forest Stewardship Council <https://fsc.org/en>.

²¹ According to the definition of The Fashion Pact, it is sufficient for plastic to meet one of the following criteria to be considered problematic or unnecessary: it cannot be reused or recycled; it contains, or its production requires, hazardous chemical substances that pose a significant risk to human health or the environment (applying the precautionary principle); it can be avoided or replaced by reusable alternatives; it makes it difficult or impossible to recycle other plastic items; it is likely to be discarded or dispersed in the environment. For more information, please refer to this link: <https://www.thefashionpact.org/wp-content/uploads/2023/07/the-fashion-pact-packaging-guide.pdf>.

1.4 Materiality analysis, ESG risks and opportunities and stakeholders

The Armani Group reports its main results and performance on sustainability in line with the **principle of impact materiality**. This principle makes it possible to identify the potential impacts generated 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 at the beginning of 2024 in accordance with the GRI Standards and inspired by the documentation available under the Corporate Sustainability Reporting Directive (CSRD), was approved by the Strategic Sustainability Committee on 12 December 2024.

Specifically, the process of updating the materiality matrix consisted of five main steps:

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 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, including the most recent ones (e.g. Double Materiality Guidelines issued by EFRAG, S&P Yearbook 2023, SASB) 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 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.



3. Impact identification:

Based on the results of the previous phases, it was possible to identify a list of generated (inside-out) impacts on the economy, the environment and people, including impacts on human rights that are potentially relevant to the Armani Group and its stakeholders. For more details on inside-out impacts, please refer to the paragraph “Correlation between material topics and generated impacts” in the Appendix.

4. Stakeholder engagement:

A stakeholder engagement activity was also carried out, which proved to be a fundamental opportunity to listen to and discuss with the Group’s Top Management and its stakeholders to gather an assessment of the impacts generated by the Group (*Impact Materiality*)²².

The stakeholders and the Top Management of the Armani Group were involved in completing an online questionnaire. In 2023, the questionnaire was sent to about **540 stakeholders and Top Management** with a response rate of about 50%. Finally, the impacts generated by the Group were associated with the sustainability topics presented below:

PRIORITY AREAS OF ACTION	SUSTAINABILITY TOPICS
PEOPLE	Promotion of diversity and inclusion
	Talent attraction and employee well-being
	Employee training and development
	Occupational health and safety
PLANET	Climate change and energy efficiency
	Protection of land and marine biodiversity
	Water resource management
	Eco-design, product life cycle and circular economy
PROSPERITY	Support to local communities and to the territory
	Information management and privacy
	Product quality and safety standards
	Brand enhancement and protection
	Product labelling and communication
	Respect for human and workers' rights
	Sustainability topics in the supply chain
	Sustainable procurement of raw materials
TOPICS SIGNIFICANT ACROSS THE BOARD	Compliance and business ethics
	Creation and distribution of economic value
	Innovation

²² Potentially significant impacts were assessed by scoring them on a scale from 1 (very low significance) to 5 (very high significance) considering:

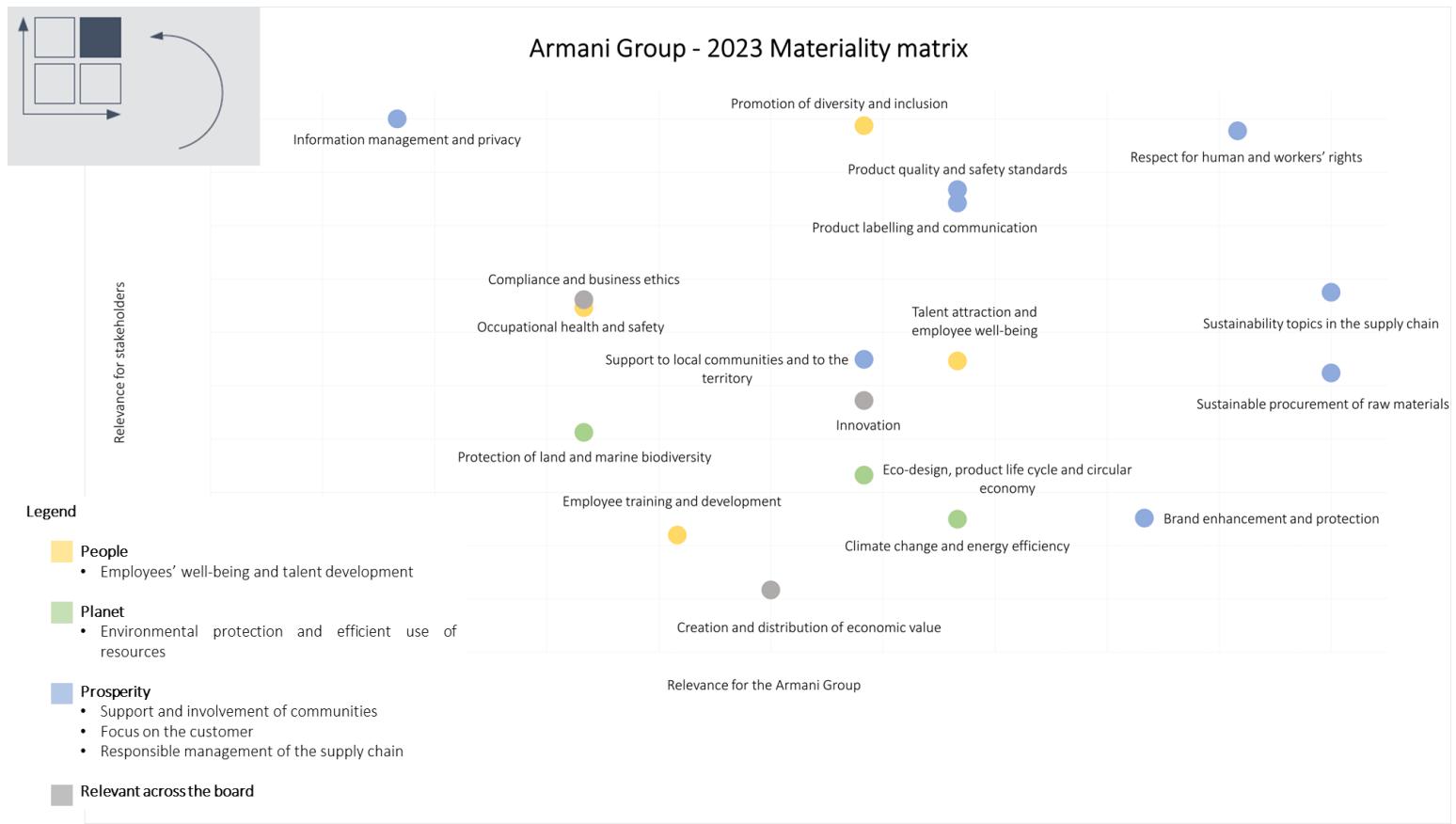
- **Scale**, i.e. how severe/beneficial the impact is, including whether or not the impact is reversible
- **Extent**, i.e. the spread of the impact (e.g. the number of people affected)
- **Probability**, i.e. the degree of likelihood that the impact itself will occur (for potential impacts).

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

The assessments gathered during the stakeholder engagement process were consolidated and processed to present the material topics in a single graphical element: the materiality matrix²³.

This matrix shows:

- on the x-axis, the aggregate Top Management vote for each topic based on the assessment of the impact generated.
- on the y-axis, the aggregate stakeholder votes for each topic based on the significance of the impact. For the purposes of this assessment, each category of stakeholder has been weighted equally regardless of the sample size. Specifically, clustered averages by stakeholder type were identified to then calculate the final average so that the results on the x-axis took all external stakeholders into account equally.



Of the nineteen topics in the materiality matrix, the eight most significant and prioritised in terms of Impact Materiality are:

- Respect for human and workers' rights
- Sustainability topics in the supply chain
- Sustainable procurement of raw materials
- Product quality and safety standards
- Product labelling and communication
- Promotion of diversity and inclusion
- Talent attraction and employee well-being
- Support to local communities and to the territory

²³ The matrix shows the Armani Group's nineteen sustainability topics, all of which are material, using a score of 3.2 out of 5 as the materiality threshold.

In terms of significance to Top Management, the top two priorities are “sustainability topics in the supply chain” and “sustainable procurement of raw materials”. In terms of stakeholder significance, the most important topics are “information and privacy management”, “promotion of diversity and inclusion” and “respect for human and workers’ rights”²⁴.

This year’s results were shared and approved at the regular Strategic Sustainability Committee meeting on 12 December 2024.

An initial mapping²⁵ of the main risks and opportunities for future CSRD requirements was initiated in 2024. The Group has defined an ESG Risk Universe²⁶ in order to map priority ESG risks and opportunities (outside-in), taking into account the EFRAG guidelines on double materiality and the COSO ESG Framework²⁷.

During 2024-2025, the Group will complete this analysis by having the inherent risks and opportunities assessed and clustered into sustainability topics in order to carry out an initial double materiality analysis in line with the principles of the new Directive.



Armani/Fiori

²⁴ Comparing the results of the materiality analysis carried out at the beginning of 2024 with those of the previous year, we can see that “talent attraction and employee well-being” and “support to local communities and to the territory” are among the eight most material topics, replacing “brand enhancement and protection” and “eco-design, product life cycle and circular economy”.

²⁵ As a preparatory activity for the CSRD approach, this initial identification of risks and opportunities was not subject to limited assurance by the Independent Auditor.

²⁶ The ESG Risk Universe is a tool to visualise in one document the different ESG risks that could have a financial impact, the risk owners and the mitigation activities. This document allows companies to monitor the controls in place at a universal level, to review possible synergies within the Group to optimise ESG risk management, and to monitor at Group level the ESG risk mitigation initiatives that could be implemented by the different business units. This provides the company with an up-to-date snapshot of the Group’s potential ESG risks.

²⁷ The EFRAG (European Financial Reporting Advisory Group) is a technical body that develops guidelines for reporting practices in line with EU regulations; specifically, for the analysis of double materiality, reference is made to the standards required by the CSRD. The COSO ESG Framework is a study on internal control systems for companies in relation to sustainability that is shared by the Committee of Sponsoring Organizations (COSO). It aims to provide guidance on ESG disclosure and facilitate internal decision-making processes on sustainability issues.

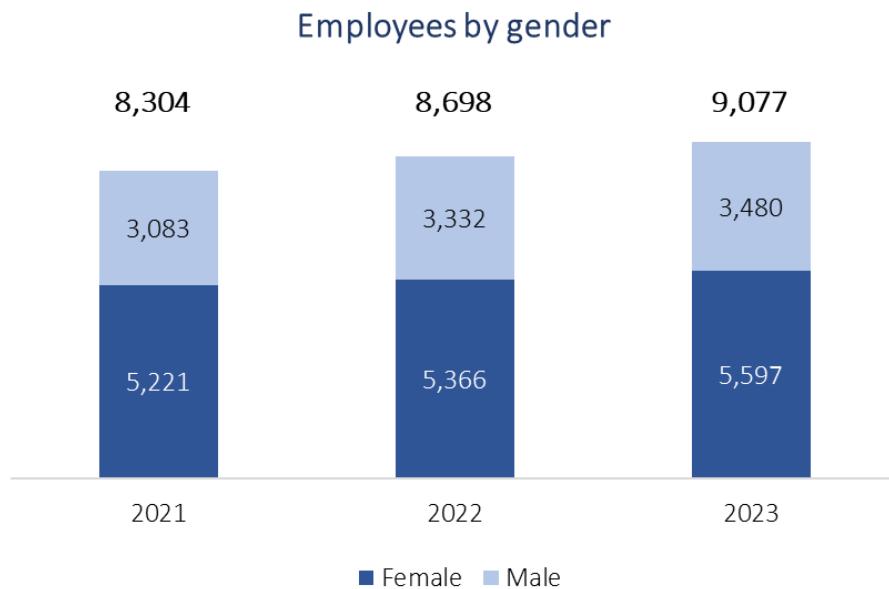
2. PEOPLE



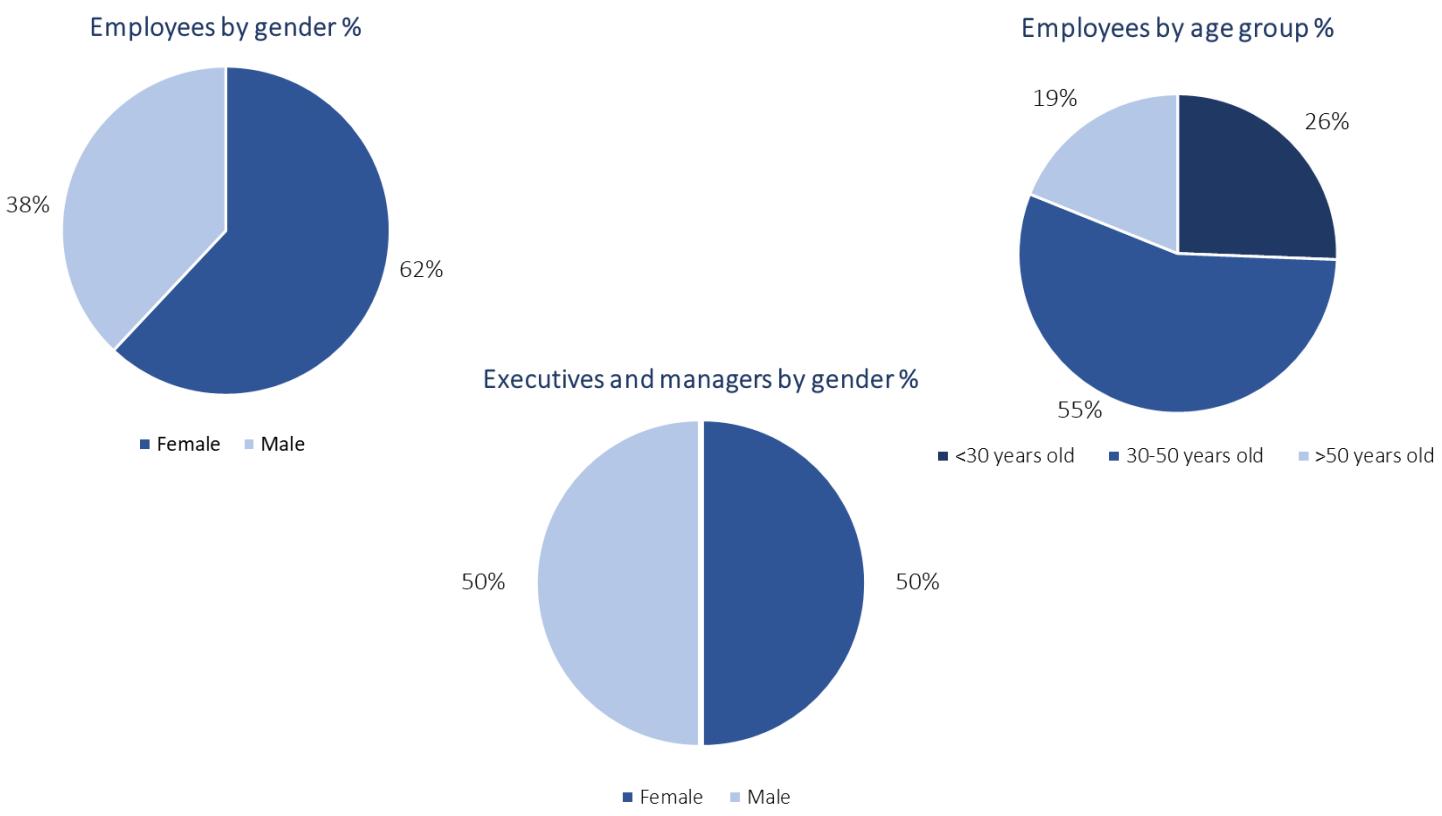
2.1 Our people

2.1.1 Group employees

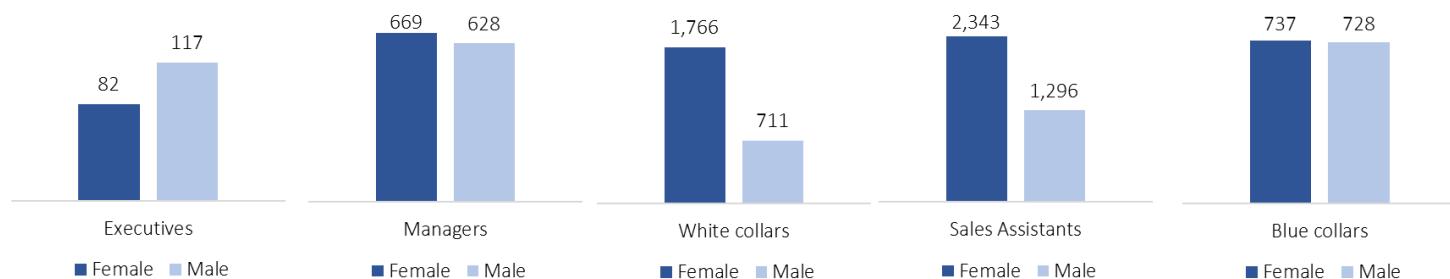
As of 31 December 2023, the Armani Group had **9,077** employees, an increase compared to 2022 (+4%, or 379 more employees). This growth was mainly due to the entry of companies in the Middle East region and the opening of new stores.



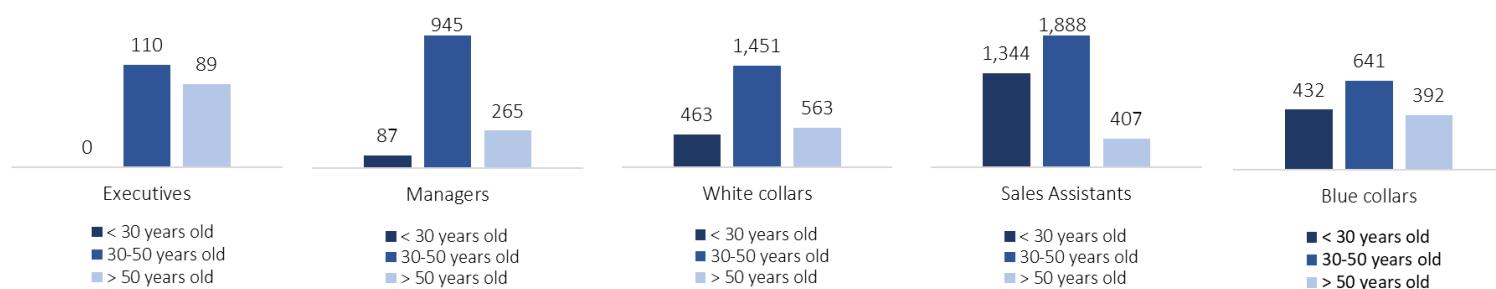
The majority of the workforce is female (62%) and 50% of the Group's managers and executives are women. This confirms our commitment to **promoting gender equality and generational diversity**, as shown in the graphs below:



Number of employees by gender and professional category

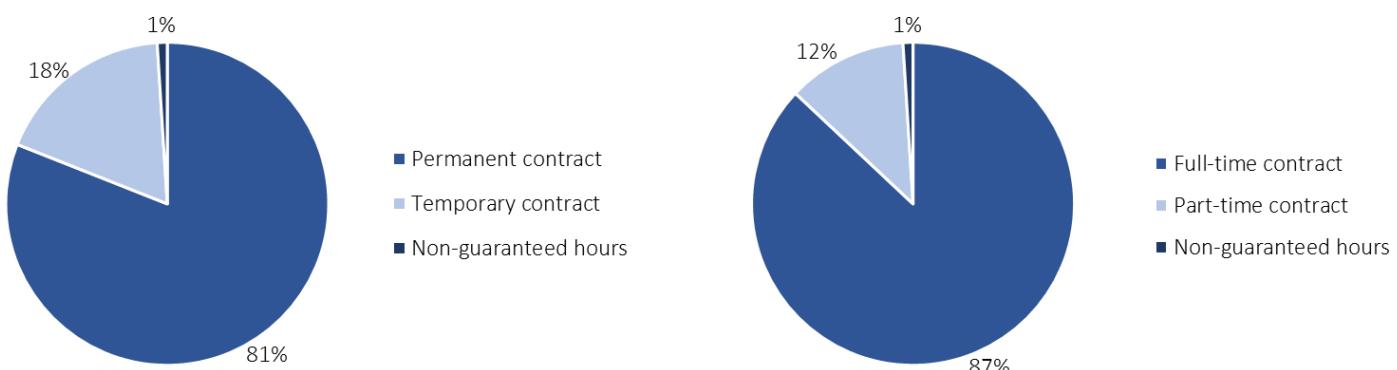


Number of employees by professional category and age group



The main types of contracts are **permanent** (81%) and **full-time** (87%).

Employees by type of contracts



During 2023, 373 employees of the Armani Group took **parental leave**, of whom 84% were women and 16% men.

The Group has **collective bargaining agreements** covering all employees in Italy, Austria, Belgium, France²⁸, the Netherlands, Switzerland, Spain, Portugal and Brazil, covering approximately 45% of employees at Group level. In all countries where there are no such agreements, employment contracts comply with local regulations. Over the years, differentiated **remuneration policies** have been implemented for the different professional categories, which for some include, 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.

²⁸ Reference is made here to employees of the French subsidiary, excluding Alia France Sas.

2.1.2 Workers who are not employees

In 2023, the Group was able to count on the support of **workers who are not employees**: 97 interns and 74 agency workers²⁹.

For more information on human resources data, please refer to the chapter in the Appendix.

2.2 Diversity, inclusion and equal opportunities

In 2023, the Armani Group pursued numerous initiatives to increase diversity and promote fairness and inclusion, to ensure equal opportunities for professional development, and to create a welcoming and equitable working environment. During the year, there were no cases of discrimination involving employees and workers who are not employees.

At least once a quarter, the Group Head of Diversity & Inclusion brings activities and projects in this area to the attention and analysis of the Strategic Sustainability Committee to take appropriate action to effectively pursue the objectives of the Strategic Sustainability Plan.

The 2023 initiatives of Giorgio Armani S.p.A.

- Drafting of the Group Diversity and Inclusion Policy (under approval)
- Launch of The Language of Respect workshop in response to requests from 2022 Focus Group
- Launch of the pilot version of the Inclusive Leadership workshop for all managers in the company
- Continuation of work and data collection for the Gender Equality Certification
- Participation in the HR round table of the Camera Nazionale della Moda Italiana (National Chamber of Italian Fashion) on Diversity, Equity & Inclusion topics (DE&I)
- Organisation of the webinar “Non sei sola (You are not alone)” on violence against women, organised in collaboration with the “Una, nessuna, centomila” Foundation
- Collaboration with the Umberto Veronesi Foundation to explore topics that connect diversity and prevention

2.3 Employee training and development

The main objectives of the Group's employee **training and development** process are to:

- make a real contribution to the well-being of the people in the organisation
- be the benchmark for moving towards a continuous learning business model
- promote a positive approach to lifelong learning, to encourage everyone's personal responsibility for their own development and to act as a centre of excellence to support all the Group's learning and development and diversity, equity and inclusion processes.

Training areas

Leadership development

Technical, linguistic and IT

Assessment and development of one's potential

Improvement of professional skills and knowledge

Knowledge and cross-cultural development

Actual and expected behaviour, both at individual and team level

²⁹ Workers who are not employees are reported for the first time on a full-time equivalent (FTE) basis. Therefore, comparisons with previous years are not available. The figures represent the number of full-time equivalent workers that the Group needed to carry out its activities during the year.

LEADERSHIP DEVELOPMENT PROCESSES

In 2023, the Armani Group invested in training and developing the management skills of people managers and function managers. A **six-step process** - three of which have been implemented and three of which are currently being designed and launched as a pilot - has been put in place to provide the skills and tools needed to support people's **management growth**.



In 2023, the Armani Group provided **204,920³⁰ hours of training**, with an average of **23 hours of training per employee**, an increase of **30% compared to 2022**. Training activities during the year included professional, managerial, technical and language training and awareness programmes on diversity, equity and inclusion, health and safety, Model 231, sustainability and cyber security, as detailed below.

Training hours by course - 2023	Hours	%
Professional training, anti-corruption, Code of Ethics, Model 231, whistleblowing	134,219	65%
Health and safety training	40,730	20%
Management training	16,012	8%
Language training	6,340	3%
Diversity & Inclusion and Sustainability training	5,304	3%
Cyber security training	2,315	1%
Total	204,920	100%

³⁰ It should be noted that in some cases, the hours of training provided to employees during the year were not available by professional category and gender. Therefore, this classification was estimated on the basis of the number of employees as of 31 December belonging to these specific categories. This estimate covered approximately 3% of the training hours provided at Group level.

TRAINING IN THE WORLD OF RETAIL

Each year, each brand organises training activities for its store personnel, focusing on coaching, assessment, mystery shopping and team building. The following are some of the projects carried out in 2023:

Induction training

On the occasion of the opening of the A|X store in Rome, training sessions were held with the participation of several in-house trainers from the Retail world and in the field, focusing on client engagement, retail operations, retail merchandising and visual merchandising

Organised GAO tours

The Emporio Armani team visited GAO Modena and GAO Trissino to strengthen relations with the company

Armani/Retail Development Program

A development and training project involving a pool of talents from the Italian and European stores of the various brands, from which the company draws to fill management vacancies in the Group's stores

DIALOGUE ON PERFORMANCE

The performance review process helps to clarify individual and team objectives, contributes to the creation of personal development and training plans and is part of other key processes, such as the rewarding, job rotation and career development process.

In 2023, more than half of Armani Group employees (62%) received at least one performance review in line with the **performance review process (Human Capital Development)**.

Employees who received a performance review %



The performance review process is based on an appraisal form that allows employees to assess themselves, receive an assessment from their manager and in turn assess their managers. Specific evaluation forms, based on role and brand, were prepared for the stores.

2.4 The employee welfare package in Italy

The employee welfare package consists of the following services:

Armani/Fitness gym

Based in the office in Via Bergognone, Milan, it has over 300 members, including permanent and temporary employees. It is open five days a week with six time slots throughout the day.



Armani/Fitness gym

Refund of utilities expenses

Permanent employees with dependent children can use the welfare amount to claim the reimbursement of electricity, water and gas bills and purchase vouchers, (e.g., shopping vouchers, petrol, e-commerce).



Cycl-e Around

Tax consultancy

A tax consultancy system is available at a subsidised cost to assist permanent employees with tax returns and 730 forms.

Olimpia Summer Camp

In July 2023, the children of employees born between 2007 and 2015 were offered the opportunity to attend the Olimpia Summer Camp at a reduced price at a sports centre in Milan.

Work from home and flexible hours

Permanent and temporary employees of Giorgio Armani S.p.A. can take advantage of work from home and flexible office hours to encourage a better work-life balance.

Management By Objective (MBO)

For employees who received an MBO, part of the bonus was paid as a welfare allowance, giving them the opportunity to use the services offered by the Armani People Care portal.

Cycl-e Around

An eco-friendly transport initiative launched in collaboration with Pirelli, which allows employees to use electric bicycles free of charge at the Milan offices in Via Bergognone and Via Borgonuovo.

Pallacanestro Olimpia Milano tickets

Access to free tickets for the basketball team's championship and Euro League games at the Assago Forum in Milan.

2.5 Health and safety

The Group is committed to providing a safe and healthy working environment in accordance with the regulations in force in the countries in which it operates, and to promoting structural measures to improve it.

As for its Italian premises, the Group promotes workers' awareness of work-related risks through regular **health surveillance activities**, the provision of **specific training courses** and the planning of **periodic audits**. Workers' health and safety risks are identified and assessed with the involvement of specialists, department managers and workers' representatives. The management of accidents and injuries is monitored by the **Head of the Prevention and Protection Service**, who, together with the workers' representative for safety and all the safety officers, analyses the accidents that have occurred during the annual periodic meeting, with the aim of resolving any critical issues that have arisen and preventing accidents from recurring.

At Group level, the **recordable work-related injuries rate³¹** in 2023 is **5.52** and shows a slight decrease compared to 2022 due to the increase in hours worked. The most common types of injuries were fractures, sprains and cuts. Of the 89 accidents that occurred, 58 required at least one day's absence from work. **No deaths due to work-related injuries or high-consequence injuries occurred.** In 2023, there were no accidents involving workers who are not employees.



³¹ Rate of recordable work-related injuries: number of recordable work-related injuries / number of hours worked *1,000,000.

3. PLANET



3.1 Environmental protection and efficient use of resources

The Armani Group is committed to reducing its environmental footprint by promoting the conservation and efficient use of natural resources. Indeed, the protection of the environment is one of the cornerstones of the Armani Group's sustainability strategy.

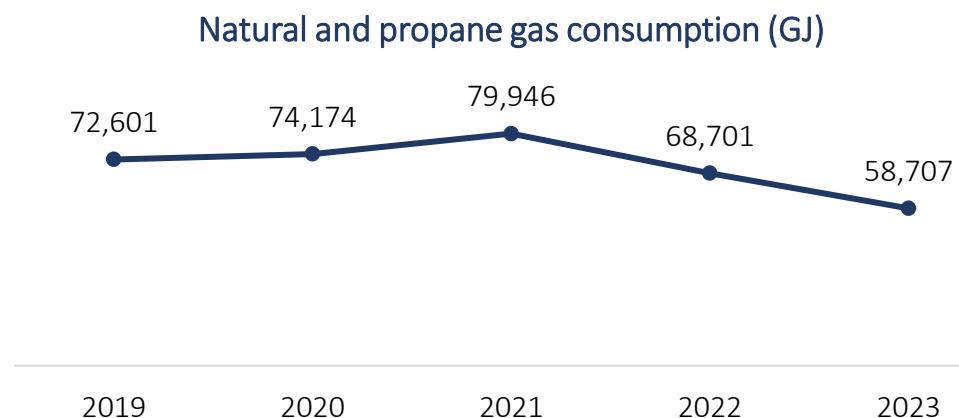
The strategies implemented by the Group to improve its environmental performance focus on the following three macro areas:

- increasing the use of **electricity from renewable sources** and reducing the use of fossil fuels
- promoting **separate waste collection** and raising personnel awareness of environmental protection topics
- **minimising waste** and optimising water and energy consumption.

3.1.1 Energy consumption

The Armani Group is continuously committed to monitoring and reducing its energy consumption by implementing efficiency measures, reducing the use of fossil fuels and increasing the use of electricity from renewable sources.

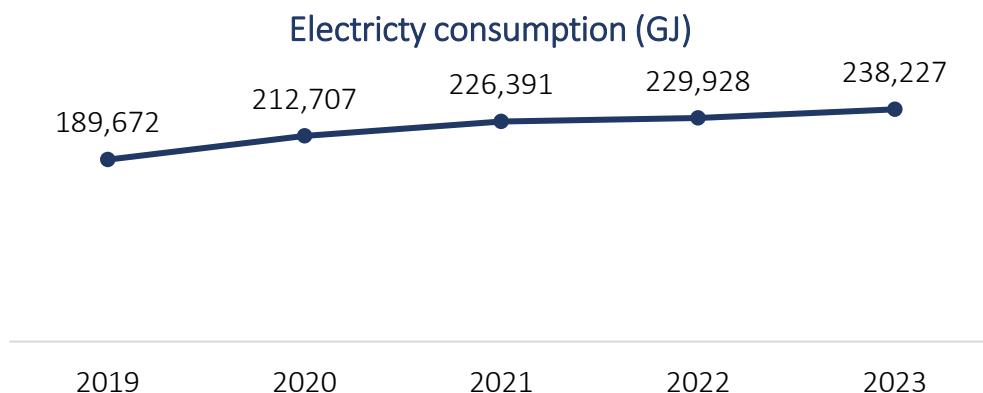
In 2023, the downward trend in the consumption of **natural gas** and **propane** used to heat the Group's premises and production processes was confirmed (**-15% compared to 2022**), even if it is based on a broader scope that includes the consumption of natural gas by the companies Pallacanestro Olimpia Milano³² and Giorgio Armani Doha.



This year, for the first time, the Group's energy consumption included the consumption of petrol, diesel and natural gas associated with the use of company cars worldwide, amounting to 16,815 GJ. This integration - in addition to the expansion of the scope - justifies the 10% increase in total energy consumption from fossil sources from 68,701 GJ in 2022 to 75,522 GJ in 2023.

³² Pallacanestro Olimpia Milano Ssrl was included in the scope of environmental data for the first time in 2023 to ensure the completeness of the reporting boundary. In previous years, only emissions into the atmosphere were considered as Scope 3 category 8 and no data on energy consumption, waste generated, water withdrawals and discharges were collected.

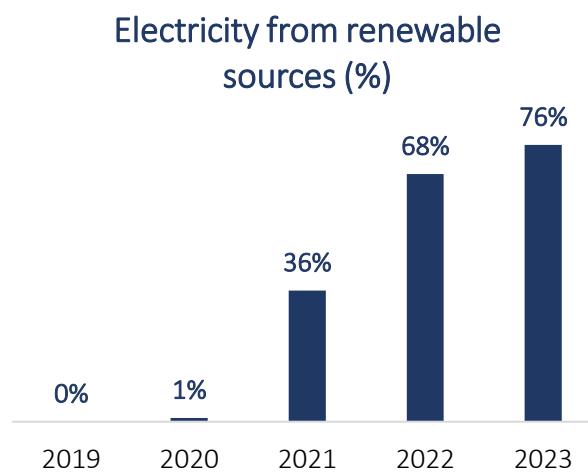
In terms of **electricity**, total consumption increased by 4% compared to 2022, but this increase takes into account the expansion of the scope - with the inclusion of Pallacanestro Olimpia Milano, Giorgio Armani Doha and Giorgio Armani Arabia Trading - and the inclusion of electricity consumption related to the use of electric, hybrid and plug-in hybrid company cars.



The share of **electricity from renewable sources** increased from 68% in 2022 to **76%** in 2023. In the following 13 countries where the Group operates, **100%** of the electricity consumed comes **from renewable sources**: Italy, Spain, Portugal, Switzerland, Canada, the United States, Mexico, Brazil, China, Macau SAR, Hong Kong SAR, Malaysia and Singapore. In the United Kingdom, 77% of electricity came from renewable sources.

The office in Via Bergognone in Milan covers a portion of Giorgio Armani S.p.A.'s energy requirements (approximately 2%) through the **photovoltaic system** installed in 2014. During 2023, **photovoltaic panels were installed at GAO Modena** and came into operation in April 2024.

At the office in Via Bergognone in Milan, charging points for electric vehicles and a free electric shuttle service between the Via Bergognone and Via Borgonuovo offices in Milan are available to all employees.



For more information on energy consumption, please refer to the dedicated section in the Appendix.

3.1.2 Emissions into the atmosphere

In 2021, the SBTi (Science Based Targets initiative) approved the absolute atmospheric emission reduction targets set by the Armani Group and in line with the 1.5°C scenario:

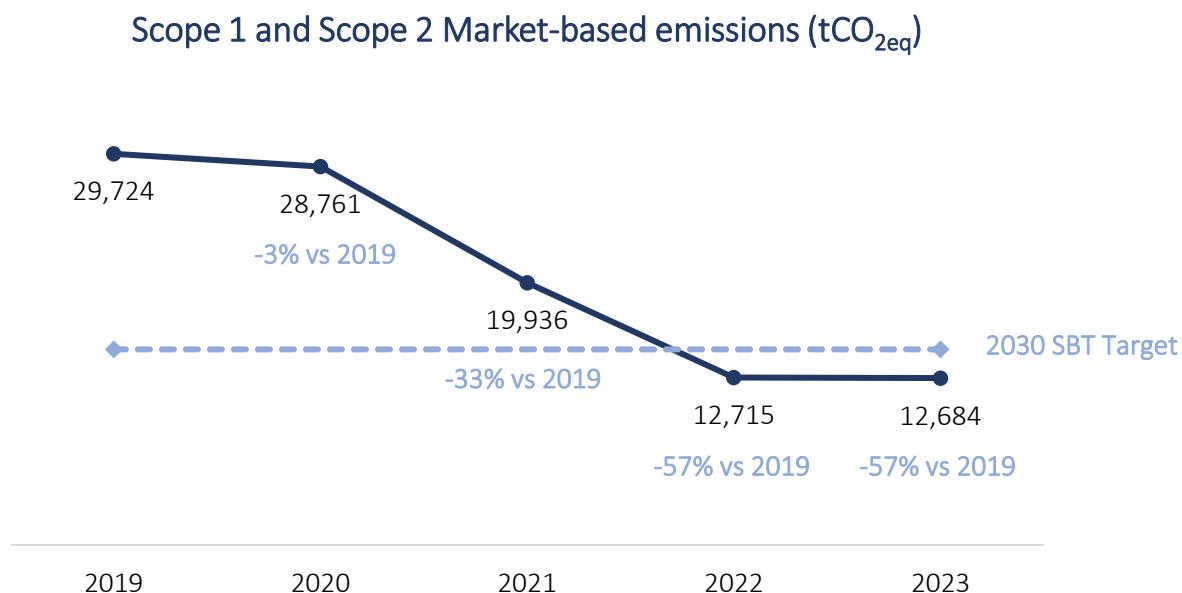
- **Reduce** absolute **Scope 1 and 2 Market-based** greenhouse gas emissions **by 50%** compared to 2019 by 2030
- **Reduce** absolute **Scope 3** greenhouse gas emissions **by 42%** compared to 2019, for categories 1 "Purchased goods and services" and 9 "Downstream transport and distribution" by 2029.

The Armani Group calculates direct and indirect carbon dioxide emissions³³ into the atmosphere on an annual basis using the GHG Protocol methodology. This data is monitored to assess progress towards the emission reduction targets validated by SBTi and analysed by the Sustainability Committee.

2023 GHG emissions	tCO ₂ eq	%
Scope 1	5,448	1%
Scope 2 Market-based	7,236	1%
Scope 3 - Category 1	443,022	84%
Scope 3 - Category 2	15,913	3%
Scope 3 - Category 4	4,486	1%
Scope 3 - Category 9	13,296	3%
Scope 3 - Other categories	37,807	7%
Total	527,208	100%

Scope 1 and Scope 2 emissions

As shown in the chart below, the Group **has reduced** its absolute emissions **by 57%** compared to 2019 in terms of Scope 1 and Scope 2 Market-based emissions and **has achieved its 50% reduction target by 2030 ahead of schedule**.



³³ Greenhouse gas emissions are calculated in their breakdown into three Scopes:

- **Scope 1:** direct emissions from the combustion of fossil fuels used in production processes, heating of premises, use of company cars and refrigerant gas leaks into the atmosphere.
- **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 supply 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.

More specifically, in 2023:

- there was a decrease in Scope 2 Market-based emissions (-15%) due to the purchase of Guarantees of Origin (GO)³⁴ to cover an increasing percentage of electricity consumption (76%)
- there was an increase in Scope 1 emissions (+30%) due to the expansion of the scope, the introduction of fossil fuel consumption of company cars and an increase in refrigerant gas leakage.

Scope 3 emissions

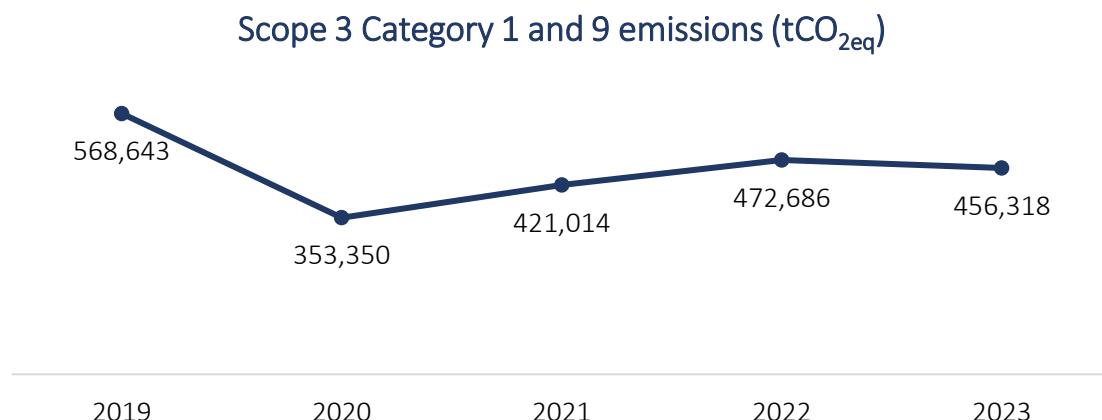
In terms of indirect **Scope 3** emissions, there was an **absolute reduction**:

- of **20%** compared to 2019, mainly due to the introduction of fibres with a lower environmental impact and route efficiency activities for upstream and downstream transportation.

To achieve the absolute emission reduction target approved by SBTi, the Group is committed to progressively identifying and implementing initiatives that will contribute to a reduction over the coming years and, specifically, through these main areas of intervention:

- increase the volume of preferred³⁵ materials by applying the “Sustainability requirements for raw materials and production processes” guidelines
- initiatives and projects that follow the principles of regenerative agriculture
- supporting initiatives and projects to decarbonise the supply chain.

The following is a breakdown of Scope 3 emissions for the two categories for which the Group has declared a reduction target in line with the SBTi targets.



For more information on the emissions into the atmosphere, please refer to the section in the Appendix.

³⁴ The Guarantee of Origin (GO) is an electronic certification attesting the renewable origin of the sources used by IGO-qualified plants. Each GO corresponds to 1 MWh of renewable energy produced and is issued once a month at the request of the producer for each MWh of electricity fed into the network. All GO certificates are issued, transferred and cancelled electronically via the dedicated web portal.

³⁵ As defined by the Textile Exchange, “preferred” is a fibre or raw material that, through a holistic approach to transforming production systems, consistently delivers lower impacts and greater benefits for climate, nature and people than the conventional equivalent.

3.1.3 Water resource management

The Armani Group's **water withdrawals** are mainly for sanitary services used by employees, air conditioning and catering activities. In 2023, they amounted to 317,593³⁶ m³ and most of the water (92%) is taken from the aqueduct.

With regard to **water discharges** of 315,835 m³, it should be noted that most of the water is discharged into the sewerage system (94%) and that a small amount of the water withdrawn is not discharged because it is used to feed the steam generators used in production.

For more information, please refer to the dedicated section in the Appendix.

3.2 Protecting biodiversity and the oceans

The Armani Group is committed to implementing activities to combat climate change and to ensure continued support for reforestation projects and projects for the protection of oceans, in line with the objectives of the Sustainability Plan and the Fashion Pact³⁷.

This commitment is also reflected in a focus on the environmental impact of materials and participation in initiatives and programmes aimed at protecting ecosystems and biodiversity³⁸.

In line with the strategic approach of "**Avoid, Reduce, Restore and Regenerate**", the Group has implemented the following activities to protect terrestrial and marine ecosystems:

- implementation of the "**Sustainability requirements for raw materials and production processes**" guideline: the Armani Group is committed to carefully selecting the materials it uses, giving preference to certified, organic and recycled materials. Compared to all materials used, **preferred³⁵ fibres increased by 57%** in 2023 compared to 2022. Cotton is one of the main fibres used by the Group which is why it has decided to launch a multi-year experimental project: the Apulia Regenerative Cotton Project, described in the box below.
- continuous support for reforestation and forest conservation projects: the collaboration and support for **Forestami³⁹** continues and, on Earth Day, the Emporio Armani Project for Earth Day initiative was launched in synergy with **Treedom**, the platform that promotes agroforestry projects around the world. The Group's support contributed to the creation of a forest and the planting of 1,000 trees in Africa, Latin America and Asia, which can be geolocated using a special QR code. Since 2019, Armani Beauty has supported five forest conservation projects in Zimbabwe, Brazil, Indonesia and Peru. In 2023, on the occasion of the launch of *Acqua di Giò*, Armani Beauty extended its support to the reforestation project in the **Lacandón National Park** in Guatemala, the country of origin of the patchouli fragrance.

³⁶ In 2023, the methodology for estimating water withdrawals was refined for those premises where a point-in-time figure was not available. For more information, please refer to the paragraph in the Appendix.

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 intention to promote a sustainable and virtuous transformation of the industry.

³⁸ The Armani Group checked whether the sites of G.A. Operations (GAO) in Italy were in protected areas or areas of high biodiversity value (Key Biodiversity Areas). The analysis carried out confirmed that no GAO site is in or near one of these areas.

³⁹ The Group's active involvement in Forestami's activities began in 2020, and to strengthen the collaboration and advance long-term goals, another high-impact project for the entire community in Milan was launched and will be implemented from 2024.

- continuing the Group's commitment to protecting the oceans, reducing the use of plastic and increasing the use of recycled plastic⁴⁰, in line with the objectives of The Fashion Pact⁴¹.

APULIA REGENERATIVE COTTON PROJECT

On World Environment Day 2023, the Armani Group announced the “**Apulia Regenerative Cotton Project**” in collaboration with the Fashion Task Force of the Sustainable Markets Initiative and the Circular Bioeconomy Alliance, both founded by HRH King Charles III.

The focus of this **scientific experiment** is the development of a cotton field in Apulia according to the regenerative cultivation system. The aim is to produce cotton with a reduced environmental impact through the use of **agroforestry systems**, while at the same time increasing **landscape diversity, soil fertility, water savings and biodiversity-related ecosystem services**. Following the initial planting of cotton on one hectare of land starting in May 2023, cultivation will gradually expand to a total agricultural area of five hectares from 2024.

Within five years, this agricultural site will be one of the first on-site trials in Europe to test agroforestry cotton with alternative tree species and regenerative practices. Regular scientific reports will evaluate the characteristics of the cultivated cotton, the environmental impact and the production levels of the areas concerned.



Regenerative cotton field in Apulia and cotton harvesting

⁴⁰ For more information, please refer to the paragraph on packaging.

⁴¹ Eliminate problematic or unnecessary plastics from B2C packaging by 2025 and from B2B packaging by 2030 and ensure that at least half of plastic packaging is made from 100% recycled material by 2025 for B2C and 2030 for B2B. As defined by The Fashion Pact, problematic or unnecessary plastic is plastic that meets at least one of the following criteria: it cannot be reused or recycled; it contains, or its production requires, hazardous chemical substances that pose a significant risk to human health or the environment (applying the precautionary principle); it can be avoided or replaced by reusable alternatives; it makes it difficult or impossible to recycle other plastic items; it is likely to be discarded or dispersed in the environment. For more information please go to the following link: <https://www.thefashionpact.org/wp-content/uploads/2023/07/the-fashion-pact-packaging-guide.pdf>

3.2.1 Protecting the oceans

On World Oceans Day, the Group announced its partnership with **One Ocean Foundation**, the Italian non-profit organisation dedicated to protecting marine ecosystems and promoting the Blue Economy. Through this collaboration, the Armani Group is helping to protect the oceans from plastic pollution, overfishing, acidification and loss of biodiversity.

In particular, the Armani Group supported two main initiatives in 2023:

- the restoration and conservation of the **coastal dunes** on the beach of west Capriccioli in Arzachena, Sardinia, areas of great value for marine and coastal biodiversity
- the support for a scientific research project to raise awareness of the **interconnection between mountain and marine ecosystems**⁴².

Moreover, during the **One Night Only Venezia** event, the Armani Group decided to make a donation to the non-profit organisation **We are here Venice** for research aimed at protecting the lagoon and helping the community to understand and appreciate this unique environment.

Finally, the Group's commitment to protecting the oceans is reflected in its efforts to reduce the use of plastics, as reported in the following section.



Capriccioli Ovest, Arzachena, Sardinia (Italy)

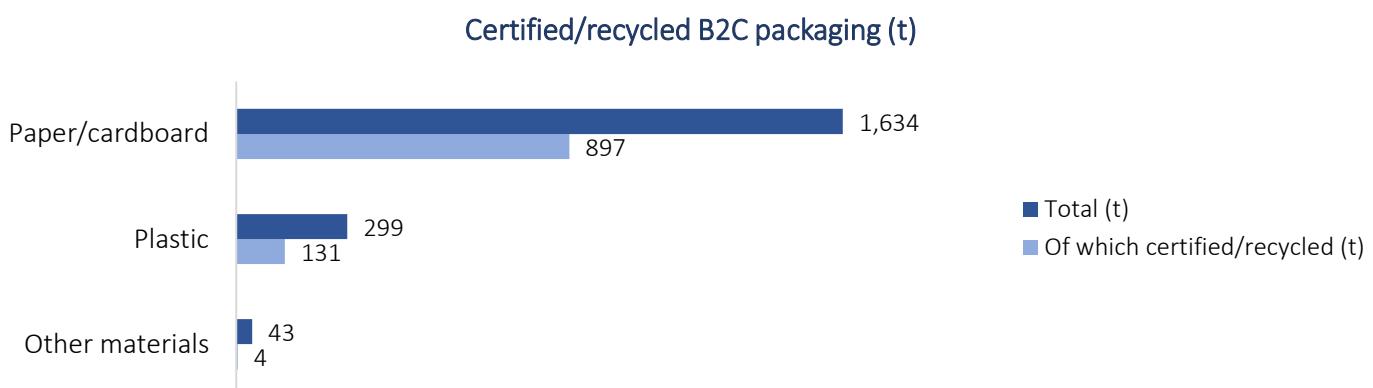
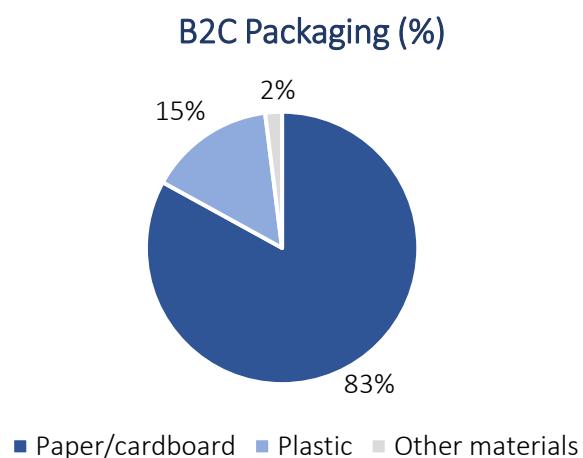
⁴² The melting of glaciers, exacerbated by climate change, can release substances that have been trapped in ice sheets for millennia, contributing to increased levels of environmental pollution, including impacts on the health of the marine ecosystem.

3.3 Packaging

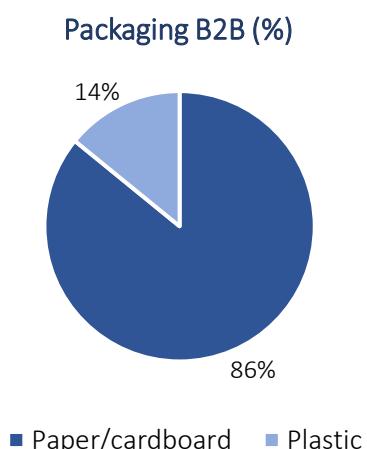
The Group is in the process of reviewing and updating its packaging to **reduce the use of plastic** in favour of other materials such as paper, cardboard and textile fibres, and to **increase the use of recycled and certified materials**. All interventions were also carried out to maximise the **recyclability** and recovery of individual materials.

3.3.1 Packaging for the B2C end consumer

In 2023, **paper and cardboard** packaging accounts for 83% of total B2C packaging. The main packaging categories are boxes, gift boxes, shopping bags, tissue paper and tags. 55% of the paper and cardboard is FSC-certified and/or recycled. **Plastic** packaging, mainly polybags, garment bags and underwear boxes, accounts for 15% of B2C packaging and is 42% certified⁴³ and recycled. The remaining packaging (2%) is made from **cotton, wood, metal and other materials** and is 35% certified and/or recycled. Looking at all B2C packaging, 52% is certified and/or recycled.



3.3.2 Packaging for the B2B business-to-business industrial transport



The majority of industrial B2B packaging - used to transport products from suppliers to warehouses and then to stores - consists of logistics-related tertiary packaging (74%).

In 2023, B2B packaging consists mainly of **paper and cardboard** (86%), predominantly FSC-certified and/or recycled (90%), and **plastic** (14%), 51% certified and recycled or plant-based.

⁴³ Reference certifications: Global Recycle Standard (GRS), Recycled Claim Standard (RCS), TÜV OK Compost.



For more information, please refer to the dedicated section in the Appendix.

3.4 Circular economy, waste management and materials used for office activities

In line with its sustainability strategy, the Armani Group is committed to integrating circular economy principles into all phases of product development: from design to sourcing, manufacturing, distribution and after-sales.

In 2023, the **reconditioning service for returned products** launched in 2022 enabled more than 124,000 products to be returned to the first life cycle stream through ironing, stain removal and minor repairs.

Moreover, in line with the **policy on the management of unsold products and inventories**, the Armani Group is committed to ensuring that unsold products and unused materials are reused, recovered and recycled and/or used for social impact projects through the involvement of non-profit companies.

3.4.1 Waste generated

The **waste generated** at Group level in 2023 is approximately 3,400 tonnes, representing a 2% increase compared to 2022 due to the expansion of the reporting boundary to include the companies Pallacanestro Olimpia Milano, Giorgio Armani Doha and Giorgio Armani Arabia Trading, and the fact that the waste collected by municipal companies in Italy was not estimated in 2022.

Waste generated in 2023 refers to **all Group premises worldwide**: GAO premises, offices and stores. Where point-in-time figures were not available, the Group estimated the waste generated based on the square metres of premises space. For the Milan offices and the GAO premises in Italy, all waste reported on the Waste Identification Forms was considered and only waste generated by employees in the offices and collected by the municipal companies responsible for waste collection and disposal was estimated. In this way, the Group kept track of all sources of waste and the estimated waste was classified according to the following assumption: 30% plastic, 60% paper and cardboard and 10% unsorted waste.

The percentage of **waste sent for reuse or recovery** in 2023 is **76%**. In this case, it was assumed that all estimated plastic, paper and cardboard waste was recovered, while estimated unsorted waste was classified as landfilled.

In terms of industrial waste produced by the **GAO Italia** premises, 494 tonnes of waste were produced in 2023, a **decrease of 23% compared to 2022**. The main types of waste produced were paper and cardboard, mixed packaging and textile waste. The percentage of hazardous waste⁴⁴ was 2.54%. With regard to the disposal of industrial waste, **98% was sent for recycling or recovery**.

3.4.2 Materials used for office activities

Globally, the use of printer paper and toner was **reduced** by **4%** in 2023 compared to 2022. **25%** of the paper used is **recycled** and **70%** is **FSC-certified**.

For more information, please refer to the dedicated section in the Appendix.



⁴⁴ Waste has hazardous properties if it is explosive, combustible, flammable, irritant, toxic, carcinogenic, corrosive, infectious, mutagenic, sensitising, ecotoxic.

4. PROSPERITY



4.1 Relations with the supply chain

4.1.1 Supply chain management

For production in its own factories and for external productions, the Armani Group, through G.A. Operations S.p.A., works with a pool of suppliers which are subject to constant monitoring over time and who are divided into the following four categories:

- suppliers of **raw materials**
- **façon manufacturers** to whom the Group entrusts the making of the finished product by providing the necessary technical information and raw materials
- suppliers of **finished products** who make the finished garment according to technical drawings or samples, sourcing the raw materials themselves
- **service** providers such as testing laboratories, consultancy and general service providers, logistics and transport.

The following are the main activities undertaken by the Group in recent years in relation to supply chain reporting, management and monitoring.

Relations with the supply chain

The Armani Group is committed to developing activities to monitor and promote ESG culture in its **relations with suppliers**.

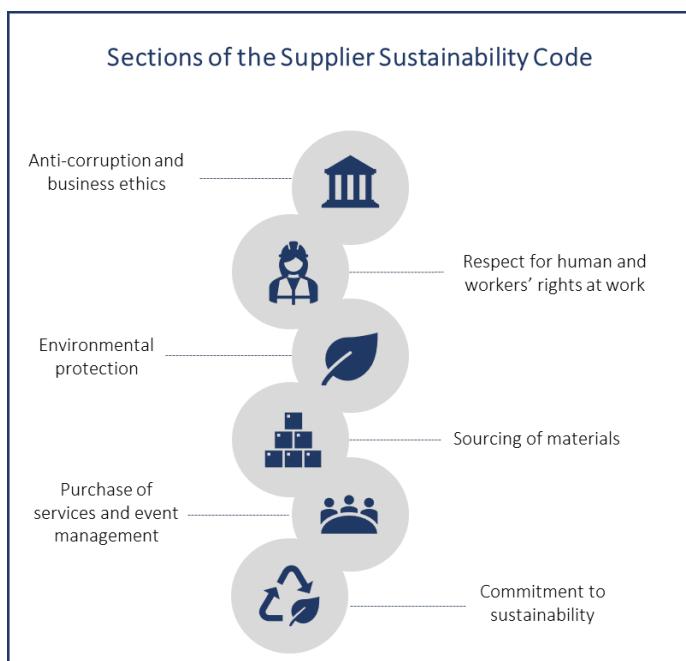
The Group has **mapped the social and environmental risks of suppliers and subcontractors** in order to monitor and control its supply chain.

The Armani Group requires its suppliers to sign and comply with the **Supplier Sustainability Code**, which is included in the general purchasing conditions.

Issued in 2022 and based on the principles of the United Nations International Labour Organisation (ILO) conventions, Human Rights conventions and international certification standards, the **Supplier Sustainability Code** aims to provide guidance to suppliers on respecting the human rights and working conditions of their employees and limiting their environmental impact, from the sourcing to the use of materials and throughout the 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 subcontractors.

During 2023, all new suppliers signed the Supplier Sustainability Code, which requires compliance with the environmental and social criteria defined by the Group. Moreover, 11% of new suppliers - representing



52% of the cost of production generated by façon manufacturers and finished product suppliers - underwent ESG assessment questionnaires and/or environmental and corporate audits.

4.1.2 Supply chain assessment

Purpose of the audit process

The audit process is designed to ensure that the supplier complies with the requirements of the Armani Group Supplier Sustainability Code regarding human rights, working conditions, health and safety and the environment. These are audits carried out by third-party auditors designed to monitor and mitigate risks related to outsourced activities and to activate continuous improvement processes.

Audit management

The audit is carried out by qualified and certified auditors in the relevant areas and an annual calibration of the auditors' approaches is carried out to ensure that audit activities are treated equally.

Audits are carried out in accordance with the main international reference standards (e.g., UNI EN ISO 19011⁴⁵), which are based on a risk-based approach and aim to stimulate a process of continuous improvement through the Plan-Do-Check-Act methodology.

The ultimate objective is therefore to identify non-compliance so that corrective, remedial and enhancement actions can be considered.

Stages of the audit process:

The audit is carried out in a semi-announced and unannounced mode.

The main activities that characterise the audit process are as follows:

- ***Risk assessment and identification of audit priorities***

The risk assessment of each supplier and subcontractor is based on a risk matrix that takes into account the critical indicators of the Armani Group's supply chain and those specific to the sector.

The level of potential risk is assigned to each supplier or subcontractor in one of four categories (low, medium, high or critical) and allows audit priorities to be set, with the aim of optimising available resources by focusing audit activities on the most critical areas of their supply chain.

- ***Planning***

Audit planning is prioritised based on the following main criteria: associated risk factor, turnover and volume, reputation, external reports, supply chain complexity, previous audit results, financial results, surveys/questionnaires, possible awards/certifications.

- ***Documentary analysis (before, during and after the visit)***

- ***On-site audits***

Audits include on-site visits, documentary analysis and interviews with a representative sample of workers. The duration of the visit can vary from one to three days, depending on the number of employees and complexity.

The audit is carried out using agreed checklists covering all aspects of the Supplier Sustainability Code. The checklist is a tool to guide the audit activity, collecting all evidence for the preparation of the final audit report and corrective action plan. The contents of the checklist, as well as the Supplier Sustainability Code, are regularly updated in order to reflect legislative and regulatory developments and to best cover all aspects of sustainability.

⁴⁵ ISO 19011: Guidelines for auditing management systems.

- ***Audit report***

An audit report is produced following the on-site audit visit. Depending on the level of risk resulting from the assessment, a periodic monitoring plan (Corrective Action Plan) will be agreed with the supplier.

Each audit report shows the result of the audit carried out according to a defined audit rating:

Rating	Description
A	Fully compliant
B	Compliant with observations
C	Presence of minor findings/non-compliance
D	Presence of major findings/non-compliance
E	Presence of serious findings/non-compliance

The suppliers whose rating is below a threshold considered desirable are guided towards improvement through a corrective action plan, with deadlines set according to the seriousness of the finding or non-compliance identified.

Suppliers whose overall assessment is found to be unacceptable (e.g., non-compliance on personnel management and health and safety issues) are required to take immediate action and, in the event of non-compliance, the relationship will be terminated.

- ***Management of non-compliance and corrective actions***

The supplier receives a document detailing the non-compliances and the corrective actions required. Corrective actions to address non-compliances are monitored for timing of implementation and effectiveness with subsequent follow-up activities. If non-compliances are not resolved, termination of the relationship with the supplier will be considered. The supplier receives an improved rating if the non-compliance is successfully resolved. This rating is monitored over time.

Number of audits on suppliers and subcontractors

Since 2014, the Group has been carrying out **annual social and environmental audits** on a sample of suppliers and subcontractors.

In the period from 2019 to 2023, the Group carried out **638 sustainability audits**, more specifically:

- 339 audits were carried out in the three-year period from 2019 to 2021
- 299 audits were carried out in the two-year period from 2022 to 2023
- 172 audits were carried out in 2023 (covering approximately 57% of the cost of production generated by façon manufacturers and finished product suppliers).

During 2024, 300 audits are planned, covering around 70% of the cost of production generated by façon manufacturers and finished product suppliers.

Based on the 172 audits carried out in 2023, the main results are set out below:

- 70% of the suppliers and subcontractors audited received a rating of A-B-C, while the remaining percentage - corresponding to 49 suppliers and subcontractors - received a rating of D-E and have taken corrective action to address the non-compliances identified
- of the **49 critical cases rated D-E**:

- in 25 cases the audits led to the termination of the relationship with the supplier or subcontractors
- in 5 cases the suppliers or subcontractors achieved an improvement in their rating following the implementation of the proposed corrective actions
- in 19 cases, further analyses of the suppliers or subcontractors concerned are underway.

4.1.3 Activities in the supply chain

The Armani Group implements actions and projects to ensure respect for workers throughout its value chain. Some of the activities and initiatives undertaken are listed below:

- The Group's main product suppliers (raw materials and finished products suppliers and facon manufacturers) are subject to **economic and financial analysis** through reliability and soundness checks. This activity is carried out through the continuous monitoring of approximately 600 Italian and 150 foreign suppliers, with the support of the main international databases (such as Cribis and Orbis), with the review of the scores assigned on a monthly basis, as well as through the analysis of financial statements and the determination of economic and financial indicators for the main foreign suppliers.
- In the second half of 2023, the Group formalised the “on-boarding” **supplier management process**, which aims to improve the governance, traceability, efficiency and effectiveness of procurement management, starting with the selection of new suppliers.
- **Living Wage Analysis:** in 2023, the Group continued to monitor the living wage in the various countries where suppliers and subcontractors operate. The Group then carried out an analysis of the companies' pay levels compared to the estimated living wage level in the area where the company operates to identify potential critical issues. The result of this analysis is used to classify the supplier's risk and define the improvement actions to be taken.
- Joining the **Employment Injury Scheme (EIS)** pilot project promoted by the International Labour Organisation (ILO) in Bangladesh⁴⁶.
- Re-signing of the **Accord for Health and Safety in the Textile and Garment Industry**⁴⁷ and rejoining the **Wageindicators Foundation**⁴⁸.
- Joining the **Open Supply Hub**⁴⁹.

⁴⁶ The International Labour Organization (ILO) is working in Bangladesh to create an occupational injury protection scheme for the textile sector through the Employment Injury Scheme (EIS) pilot project, a national insurance programme to increase medical and health care for workers with permanent disabilities and long-term compensation for family members of deceased workers.

⁴⁷ For more information, please refer to the following link: <https://internationalaccord.org/>

⁴⁸ As in 2022, 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 real 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.

⁴⁹ Accessible and collaborative online supply chain mapping platform used and populated by stakeholders from all sectors worldwide.

- Joining the **Fashion Transparency Index** survey: in 2023, the Armani Group joined the **Fashion Transparency Index** survey of the Fashion Revolution organisation, which assesses the performance of 250 fashion brands and retailers on human rights and environmental criteria⁵⁰.
- Joining as a signatory the **AAFA/FLA⁵¹ Industry Commitment to Responsible Recruitment**: the Armani Group signed the responsible recruitment commitment, which aims to address and prevent potential risks of violations of human rights for migrant workers in the global supply chain.
- **Launch of the ESG Survey**: in 2023, the Armani Group submitted the Synesgy⁵² self-assessment questionnaire to a sample of suppliers to map the ESG maturity of their supply chains. It should be noted that 48% of the responding suppliers⁵³ have photovoltaic panels, 17% purchase 100% electricity from renewable sources from the grid and 41% hold at least one of the following certifications: ISO 14001, ISO 50001 and OHSAS 18001/ISO 45001.



⁵⁰ For more information, please refer to the following link: <https://www.fashionrevolution.org/fashion-transparency-index-2023/>.

⁵¹ The AAFA/FLA Industry Commitment to Responsible Recruitment is a commitment promoted by the American Apparel & Footwear Association and the Fair Labor Association to encourage textile, apparel, footwear and travel brands to commit to the fair treatment of foreign migrant workers. For more information, please refer to the following link: <https://www.aafaglobal.org/commitment>.

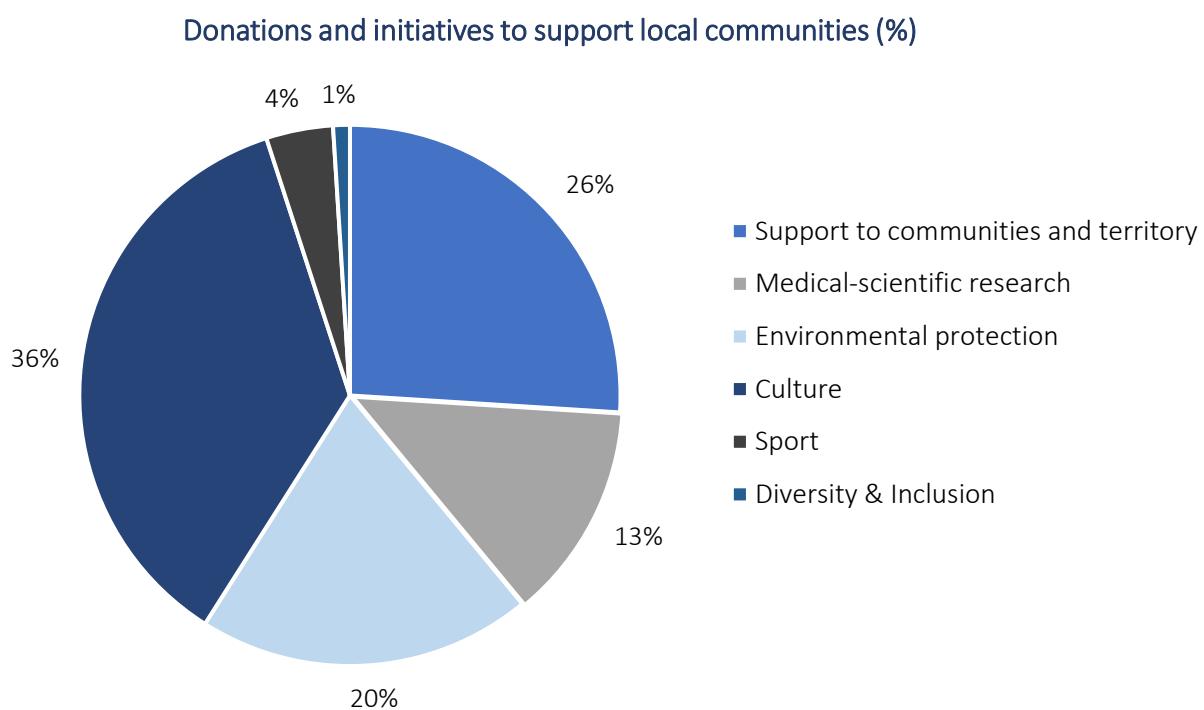
⁵² CRIBIS platform, which enables the collection and management of information on the sustainability of companies through an ESG self-assessment, complete with assessment, benchmarks and indication of the development plan to be implemented. For more information, please refer to the following link: <https://www.synesgy.com/en/>.

⁵³ Approximately 50% of key suppliers - representing 60% of total cost of production generated by façons manufacturers and finished product suppliers - responded to the questionnaire.

4.2 Relations with the community

Aware of the positive impact that supporting the community can have, the Armani Group, thanks to valuable relationships in the areas where it operates, continuously supports initiatives in the fields of medical-scientific research, the fight against inequality, culture, environmental protection and social integration through sport.

The chart below shows the breakdown of the Armani Group's collaborations and donations during the year by subject:



The boxes below describe the main projects supported by the Giorgio Armani Foundation and the Group.

Associations supported by the Giorgio Armani Foundation

Opera San Francesco per i Poveri, a point of reference for the most vulnerable people in the Milan area, with canteen services, personal hygiene, cloakrooms, health centre, job orientation and legal advice (since 2016).

Fondazione Humanitas per la Ricerca through innovative immunological therapies.

The internal hospital of **Comunità di San Patrignano** to replace an ultrasound scanner that allows patients in recovery to undergo emergency and preventive diagnostic examinations.

"Una casa con il cuore" (A house with a heart) of the Archdiocese of Siena-Colle di Val d'Elsa-Montalcino for the promotion of a cosy space for the maintenance of family relations for the inmates of the San Gimignano prison and the Siena prison.

Fondazione Umberto Veronesi to continue the PALM research project, which aims to launch the first clinical trial in Europe of CAR-Natural Killer cell therapy for the treatment of paediatric acute myeloid leukaemia.

Save the Children for its "Emergenza fame" (Hunger emergency) project, which brought clean water to 2,250 people in Somalia by delivering water tankers to health centres and distributing hygiene kits to families with children suffering from acute malnutrition.

The organisations supported by the Armani Group:

Humanitarian and solidarity alliances

The Armani Group has supported **UNICEF**'s fundraising efforts to provide first aid kits, distribute drinking water, food and blankets, and set up shelters for displaced families in the earthquake-hit areas of Turkey and Syria.

The Armani NOBU Restaurant and the restaurant Emporio Armani joined forces with **Ristoranti contro la Fame** (Restaurants Against Hunger) to support the international humanitarian organisation **Azione contro la Fame** (Action Against Hunger). From 16 October, World Food Day, until the end of the year, the solidarity dishes on the menus of the two restaurants helped raising funds to promote a healthy and balanced diet for the most vulnerable families.

The Armani Group renewed its collaboration with **Ethicarei**, the production district that aims to promote the social and professional reintegration of women in fragile social and economic conditions through a network of workshops spread throughout Italy. In coordination with the social tailoring workshop **Cooperative Alice**, three of these workshops were involved in the production of a series of Emporio Armani tote bags, using materials donated by the Group, to mark the International Day for the Elimination of Violence against Women on 25 November.

A similar collaboration took place on Earth Day 2023 with the launch of a special collection of Emporio Armani tote bags, made from stock from four workshops in the Ethicarei production district.



Armani Nobu Restaurant

©Davide Lovatti

Medical and scientific research

The Armani Group supported the **Horizon Foundation**'s first project to raise awareness and funds for medical research into retinitis pigmentosa. In 2023, the Founder, who suffers from this disease for which there is currently no cure, led a sailing expedition across the Atlantic Ocean.

The Armani Group supported the **IEO -Monzino Foundation** to promote fundraising for the Research of the European Institute of Oncology and the Monzino Cardiology Centre at the "GLAM-SET!" event.

Environmental protection

The Armani Group joined the fundraising campaign launched by the **Italian region Emilia-Romagna** to help the areas hit by the floods in May 2023.

The **Acqua for Life (AFL)** environmental and social project has been running for over ten years thanks to the Armani Beauty initiative. Acqua For Life (AFL) is an initiative focusing on universal access to drinking water in water-stressed areas. The programme includes the installation of clean water, sanitation and hygiene systems, education and awareness-raising on Water, Sanitation and Hygiene (WASH) behaviour.

The Armani Group supported the "Spiagge e Fondali Puliti" (Clean Beaches and Seabed) **Legambiente campaign**: during the summer season, the 200 volunteers involved collected 730 kg of waste from the beaches of Capocotta (RM), Vico Equense (NA) and Reggio Calabria.

Enhancing culture and education

The Armani Group confirmed its commitment as a **Founding Supporter of the Fondazione Teatro alla Scala** to support its artistic programme of excellence.

Following the award of an **honorary degree** in Global Business Management to Giorgio Armani at the **Università Cattolica del Sacro Cuore** in Piacenza, the Armani Group donated two scholarships to the most deserving students on the same course, to support their university careers.

Sports as a driver of inclusion

Continued support for **Obiettivo3**, the sports association founded by Alex Zanardi to provide professional and financial support to athletes with disabilities on their way to the Paralympics.

EA7 Emporio Armani supported the **Italian National Solidarity Team** at the international **Homeless World Cup** tournament. The contribution was earmarked to support the sporting activities of homeless people, providing new opportunities for education and redemption through sports.

With the aim of raising awareness of climate change, EA7 Emporio Armani sponsored **In Extremis - Last run against climate change**, the sporting project created by ultra-marathon runner Ivana Di Martino, by providing technical running gear characterised by the responsible use of materials and manufacturing processes that minimise environmental impact.



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 promoting understanding and interest in fashion and design. Armani/Silos is in fact a place where it is possible to explore the interactions between fashion, history, photography, cinema and art, making the wealth of knowledge and materials available to the public and, in particular, to new generations of designers and creatives, through the permanent collection of clothes, thematic exhibitions, publications, the historical archive and cultural meetings.

4.3 Customer relations

4.3.1 Customer Focus, Customer Experience and Digital Product Passport (DPP)⁵⁴

Guaranteeing the authenticity, quality and safety of the product, as well as protecting privacy and raising awareness of sustainability issues, are essential commitments the Group makes to all its customers.

In 2023, the Armani Group continued its commitment to promoting digital ID through the Sustainable Markets Initiative Fashion Task Force, of which it is a member: the **Digital Product Passport** is being tested on approximately 29,000 garments, using a **QR code** to display product information in addition to authentication.

In 2023, the pilot project that the Armani Group launched in 2021 in collaboration with **UNECE**⁵⁵ (United Nations Economic Commission for Europe) and Cittadellarte - Fondazione Pistoletto to implement blockchain technology for traceability and due diligence in the wool value chain continued.



Armani/Silos

⁵⁴ Since 2021, the Armani Group has been a member of the Fashion Task Force of the Sustainable Markets Initiative: <https://www.sustainable-markets.org/taskforces/fashion-taskforce>.

⁵⁵ For more information please refer to the following link: <https://unece.org/trade/documents/2023/11/session-documents/updated-report-blockchain-pilots-project-garment-and>.

4.3.2 Product labelling

The Group operates in several 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 Armani Group uses a **product labelling software** to monitor all types of labels applied to products sold in a specific market. For the 2024 Spring Summer season, a project was introduced to rationalise the content and layout of the labels of the various product types, reducing the amount of ribbon used for printing.

In 2023, there were no cases of non-compliance with product labelling.

4.3.3 Brand protection

The Armani Group has always been committed to the fight against counterfeiting and devotes significant resources to the protection of Intellectual Property rights such as trademarks, patents, industrial design, domain names, keywords and copyrights. This commitment is designed to guarantee the value and authenticity of its own products. It also ensures that the patents of others are fully respected.

The Group also works closely with customs authorities in countries where an anti-counterfeiting monitoring service is active, and uses effective brand protection tools on the Internet, such as the QR code mentioned in the previous paragraph.

4.3.4 Privacy management

Under the supervision of the Privacy Board, the following activities were carried out in 2023:

- Adoption and implementation of the Group's privacy policies and procedures in foreign subsidiaries
- Updating of data privacy notices, policies and records related to the processing of personal data, as well as monitoring and responding to requests from data subjects received through the dedicated e-mail boxes (privacy@giorgioarmani.it and dpo@giorgioarmani.it) and other communication channels provided
- Launch of privacy training for office personnel and medical staff of Pallacanestro Olimpia Milano Ssrl
- Updating the data retention period to five years.

4.3.5 Product safety

To ensure product safety, the Armani Group requires its suppliers to constantly comply with the limits in the **Product Restricted Substances List (pRSL)** and the parameters defined in the **Manufacturing Restricted Substances List (mRSL)** for emissions into the water and into the atmosphere.

The Armani Group also monitors the possible presence of prohibited substances through testing protocols managed by GAO and carried out by ISO 17025 certified laboratories.

In order to ensure the compliance with the most advanced sustainability requirements and to minimise the environmental and social risks associated with the use of chemicals, the Group adopted the following guidelines in 2023:

- “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 CNMI⁵⁶ Chemicals Commission of which the Group is a member.

Two cases of non-compliance with Chinese product quality regulations were recorded in 2023, resulting in a fine of € 255 and the withdrawal of the two items from the market.

4.3.6 Cyber security management

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.

In 2023, the Group extended the use of Identity Provider to more applications, thereby expanding the use of Multifactor Authenticator. Employee training on IT security systems and practices, such as anti-phishing campaigns was increased. Moreover, new applications launched in 2023 benefited from the “Security by Design” approach, which integrates security and privacy aspects from the application design phase.

4.3.7 Innovation

In 2023, there was an increase in the use of 3D prototyping, which was introduced in 2022 and applied especially to the EA7, A|X Armani Exchange, Giorgio Armani Men's and Emporio Armani Men's collections.

It was also decided during the year to invest in the purchase of two printers that are innovative in terms of print quality and speed, to further reduce the costs of external maquette services. This makes it possible to internalise a large part of prototype projects, while guaranteeing privacy, reducing delivery times by about half and speeding up decisions in the style and design department. The investment in 3D printing will involve GAO, Armani/Casa and the accessories and leather goods division, and a greater synergy between the individual GAOs will be promoted to reduce time and costs in all areas of research and product development.

Since 2023, the Armani Group has been collaborating with the **Monitor for Circular Fashion**, a multi-stakeholder project involving leading fashion companies and supply chain players that aims to identify Key Performance Indicators (KPIs) for circularity, with the scientific contribution of the **SDA Bocconi Sustainability Lab**. The project welcomes virtuous companies and promotes best practices in circular fashion, enhancing technical, managerial and scientific skills to contribute to the transition towards circular business models.

Since 2023, the Armani Group has been collaborating with the **Monitor for Furniture Pact**, a multi-stakeholder observatory that brings together leading companies in the furniture sector and players in the supply chain, with the scientific contribution of the **SDA Bocconi Sustainability Lab**, with the aim of helping companies in the wood furniture supply chain to adopt even more sustainable management models, reinforcing the path started by various players a few years ago. The project approach is collaborative and

⁵⁶ Camera Nazionale della Moda Italiana (National Chamber for Italian Fashion).

aims to strengthen existing initiatives while encouraging innovation and environmental and social responsibility within the supply chain.

4.3.8 Sustainable event management

As from 2021, events organised by the Armani Group (fashion shows and special events) are designed and executed to minimise their social and environmental impact. In addition to signing the Supplier Sustainability Code, all suppliers and subcontractors involved are required to comply with the **Guidelines for the Management of Sustainable Events**, which outline the requirements to be applied in pursuit of this goal.

Guidelines for the management of sustainable events

- ensure compliance with applicable environmental, health and safety and labour laws;
- prefer the use of recycled and recyclable materials, encourage the reuse and recovery of used materials and prefer to rent rather than buy;
- promote separate waste collection practices and the elimination of food waste;
- eliminate the use of disposable plastics in catering and reduce the use of plastics in general;
- use LED lighting;
- encourage sustainable mobility (e.g. electric cars for hire).

The Group's events are implemented in such a way as to be certified in accordance with the **ISO 20121 - Event sustainability management systems** and **ISO 14067 - Carbon footprint of products**. For each event, data on the environmental impact (e.g., energy consumption, distance travelled by participants and means of transport used to reach the event, type of meals consumed, materials used to set up the event) are collected and entered into a tool⁵⁷ that automatically converts all inputs into carbon dioxide emissions.

In 2023, the tool was used to calculate the impact of the Emporio Armani and Giorgio Armani Spring Summer 2024 women's collections fashion shows in September, the One Night Only Venezia special event and the Giorgio Armani Retail Meeting Europe event.

⁵⁷ The tool was developed by a not-for-profit organisation that supports companies on their journey towards sustainability, decarbonisation and sustainable management and was verified by an independent certification body.

One Night Only - Venice

On the 80th edition of the Venice International Film Festival, Giorgio Armani returned to Venice to celebrate the city with a new **One Night Only**. One Night Only Venezia opened with a Giorgio Armani Privé fashion show featuring a selection of Haute Couture looks, including Venice-inspired dresses.

As with previous events in Dubai and St. Moritz, One Night Only Venezia 2023 was designed to minimise its environmental impact in accordance with **ISO 20121**. The event included reusing and recycling materials, promoting separate waste collection, eliminating disposable plastics, eliminating food waste and using LED lighting.

All residual greenhouse gas emissions related to the event were offset by supporting environmental projects in the Venice Lagoon - managed by **Sea the Change** and **Blue Valley** - with the aim of preserving its ecological balance and promoting the restoration of the related ecosystems and biodiversity. The Armani Group has also decided to support with a donation the non-profit organisation **We are here Venice** and the non-profit foundation **Venetian Heritage** that supports and finances initiatives to promote and safeguard Venice's artistic heritage throughout the world. The contribution will be used for the conservative restoration of a selection of works from the collection of the Giorgio Franchetti Gallery at Ca' d'Oro and for the enhancement of the collection itself.



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APPENDIX



Economic and Governance Data

BOARD OF DIRECTORS BY AGE GROUP AND GENDER

GRI 405-1 Diversity of governance bodies and employees

Age group	31 December 2023		31 December 2022		31 December 2021	
	Male	Female	Male	Female	Male	Female
> 50 years old (no.)	4	3	4	3	4	3
> 50 years old (%)	57%	43%	57%	43%	57%	43%

ECONOMIC VALUE

GRI 201-1 Direct economic value generated and distributed

(in thousands of Euros)	2023	2022	2021
Economic value generated by the Group	2,478,399	2,374,200	2,055,577
Revenue	2,445,063	2,352,330	2,019,239
Other income	3,523	4,664	9,455
Financial income	35,126	8,037	3,995
Impairment losses on financial assets	-	-	(445)
Impairment losses on trade receivables	(78)	(1,207)	(1,687)
Exchange rate differences	(4,440)	14,468	29,007
Gains/losses on the sale of property, plant and equipment and intangible assets	-	-	-
Depreciation, amortisation and impairment losses on property, plant and equipment and intangible assets	(795)	(4,092)	(3,987)
Economic value distributed by the Group	2,190,152	2,042,925	1,724,819
Operating costs	1,393,775	1,330,720	1,139,146
Remuneration of collaborators	529,314	500,569	450,370
Remuneration of lenders	21,496	20,993	12,935
Remuneration of investors	182,590	134,955	100,035
Remuneration of the Public Administration ⁵⁸	61,257	53,039	20,898
External donations	1,720	2,649	1,435
Economic value retained by the Group	288,247	331,275	330,758
Amortisation/Depreciation	306,724	301,201	260,050
Provisions	847	2,927	852
Reserves (change in)	(19,324)	27,147	69,856

⁵⁸ 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.

Human resources data

EMPLOYEES AND WORKERS WHO ARE NOT EMPLOYEES

GRI 2-7 Employees

Type of contract	2023			2022			2021 ⁵⁹		
	Male	Female	Total	Male	Female	Total	Male	Female	Total
Permanent contract	2,888	4,494	7,382	2,832	4,382	7,214	2,632	4,226	6,858
Temporary contract	575	1,067	1,642	466	942	1,408	451	995	1,446
Non-guaranteed hours	17	36	53	34	42	76	-	-	-
Total	3,480	5,597	9,077	3,332	5,366	8,698	3,083	5,221	8,304

Type of contract	2023			2022			2021 ⁵⁹		
	Male	Female	Total	Male	Female	Total	Male	Female	Total
Full-time	3,074	4,828	7,902	2,904	4,598	7,502	2,814	4,556	7,370
Part-time	389	733	1,122	394	726	1,120	269	665	934
Non-guaranteed hours	17	36	53	34	42	76	-	-	-
Total	3,480	5,597	9,077	3,332	5,366	8,698	3,083	5,221	8,304

⁵⁹ It should be noted that the workforce as of 31 December 2021, unlike the workforce in subsequent years, does not include non-guaranteed hours employees.

Number of employees by type of contract (permanent, fixed-term, non-guaranteed hours), gender and geographical area as of 31/12

Geographical area	Type of contract	2023			2022			2021 ⁵⁹		
		Male	Female	Total	Male	Female	Total	Male	Female	Total
ITALY	Permanent contract	1,029	2,028	3,057	1,016	1,971	2,987	982	1,933	2,915
	Temporary contract	106	141	247	89	93	182	55	71	126
	Non-guaranteed hours	0	0	0	0	0	0			
	Total Italy	1,135	2,169	3,304	1,105	2,064	3,169	1,037	2,004	3,041
AMERICAS	Permanent contract	823	993	1,816	860	971	1,831	807	967	1,774
	Temporary contract	98	121	219	81	72	153	76	113	189
	Non-guaranteed hours	0	0	0	0	0	0			
	Total Americas	921	1,114	2,035	941	1,043	1,984	883	1,080	1,963
EUROPE	Permanent contract	424	533	957	396	525	921	341	494	835
	Temporary contract	73	126	199	73	113	186	93	113	206
	Non-guaranteed hours	1	0	1	1	0	1			
	Total Europe	498	659	1,157	470	638	1,108	434	607	1,041
ASIA-PACIFIC	Permanent contract	555	849	1,404	512	836	1,348	464	759	1,223
	Temporary contract	206	629	835	223	662	885	227	698	925
	Non-guaranteed hours	5	19	24	9	10	19			
	Total Asia-Pacific	766	1,497	2,263	744	1,508	2,252	691	1,457	2,148
AUSTRALIA	Permanent contract	57	91	148	48	79	127	38	73	111
	Temporary contract	0	2	2	0	2	2	0	0	0
	Non-guaranteed hours	11	17	28	24	32	56			
	Total Australia	68	110	178	72	113	185	38	73	111
MIDDLE EAST	Permanent contract	0	0	0						
	Temporary contract	92	48	140						
	Non-guaranteed hours	0	0	0						
	Total Middle East	92	48	140						
TOTAL	Permanent contract	2,888	4,494	7,382	2,832	4,382	7,214	2,632	4,226	6,858
	Temporary contract	575	1,067	1,642	466	942	1,408	451	995	1,446
	Non-guaranteed hours	17	36	53	34	42	76	0	0	0
	Total	3,480	5,597	9,077	3,332	5,366	8,698	3,083	5,221	8,304

Number of employees by professional category and gender as of 31/12 (no.)									
Professional category	2023			2022			2021 ⁵⁹		
	Male	Female	Total	Male	Female	Total	Male	Female	Total
Executives	117	82	199	114	67	181	104	64	168
Managers	628	669	1,297	577	649	1,226	542	623	1,165
White collars	711	1,766	2,477	717	1,668	2,385	717	1,646	2,363
Sales assistants	1,296	2,343	3,639	1,259	2,264	3,523	1,080	2,161	3,241
Blue collars	728	737	1,465	665	718	1,383	640	727	1,367
Total	3,480	5,597	9,077	3,332	5,366	8,698	3,083	5,221	8,304

Number of employees by professional category and gender as of 31/12 (%)									
Professional category	2023			2022			2021 ⁵⁹		
	Male	Female	Total	Male	Female	Total	Male	Female	Total
Executives	1.3%	0.9%	2.2%	1.3%	0.8%	2.1%	1.3%	0.8%	2.0%
Managers	6.9%	7.4%	14.3%	6.6%	7.5%	14.1%	6.5%	7.5%	14.0%
White collars	7.8%	19.5%	27.3%	8.2%	19.2%	27.4%	8.6%	19.8%	28.5%
Sales assistants	14.3%	25.8%	40.1%	14.5%	26.0%	40.5%	13.0%	26.0%	39.0%
Blue collars	8.0%	8.1%	16.1%	7.6%	8.3%	15.9%	7.7%	8.8%	16.5%
Total	38.3%	61.7%	100.0%	38.3%	61.7%	100.0%	37.1%	62.9%	100.0%

Number of employees by age group and gender as of 31/12 (no.)									
Age group	2023			2022			2021 ⁵⁹		
	Male	Female	Total	Male	Female	Total	Male	Female	Total
< 30 years old	1,002	1,324	2,326	960	1,175	2,135	817	1,181	1,998
30-50 years old	1,870	3,165	5,035	1,758	3,122	4,880	1,687	3,002	4,689
> 50 years old	608	1,108	1,716	614	1,069	1,683	579	1,038	1,617
Total	3,480	5,597	9,077	3,332	5,366	8,698	3,083	5,221	8,304

Number of employees by age group and professional category as of 31/12 (no.)

Professional category	2023				2022				2021 ⁵⁹			
	< 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
Executives	0	110	89	199	0	80	101	181	0	79	89	168
Managers	87	945	265	1,297	68	910	248	1,226	81	843	241	1,165
White collars	463	1,451	563	2,477	363	1,359	663	2,385	284	1,456	623	2,363
Sales assistants	1,344	1,888	407	3,639	1,313	1,917	293	3,523	1,243	1,724	274	3,241
Blue collars	432	641	392	1,465	391	614	378	1,383	390	587	390	1,367
Total	2,326	5,035	1,716	9,077	2,135	4,880	1,683	8,698	1,998	4,689	1,617	8,304

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

Professional category	2023				2022				2021 ⁵⁹			
	< 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
Executives	0.0%	1.2%	1.0%	2.2%	0.0%	0.9%	1.2%	2.1%	0.0%	1.0%	1.1%	2.0%
Managers	1.0%	10.4%	2.9%	14.3%	0.8%	10.5%	2.9%	14.1%	1.0%	10.2%	2.9%	14.0%
White collars	5.1%	16.0%	6.2%	27.3%	4.2%	15.6%	7.6%	27.4%	3.4%	17.5%	7.5%	28.5%
Sales assistants	14.8%	20.8%	4.5%	40.1%	15.1%	22.0%	3.4%	40.5%	15.0%	20.8%	3.3%	39.0%
Blue collars	4.7%	7.1%	4.3%	16.1%	4.5%	7.1%	4.3%	15.9%	4.7%	7.1%	4.7%	16.5%
Total	25.6%	55.5%	18.9%	100%	24.5%	56.1%	19.3%	100%	24.1%	56.5%	19.5%	100%

GRI 2-8 Workers who are not employees⁶⁰

Workers who are not employees as of 31/12 (FTE)	
Category of workers	2023
Interns	97
Agency workers	74
Total	171

⁶⁰ Please note that the variation in the number of workers who are not employees compared to previous years is not included, as the FTE (Full-Time Equivalent) value has been collected for the first time in 2023.

EMPLOYEE TRAINING AND DEVELOPMENT

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

Professional category	Average hours of training per employee by professional category and gender (no.)								
	2023			2022			2021		
	Male	Female	Total	Male	Female	Total	Male	Female	Total
Executives	19	22	20	17	19	18	17	20	18
Managers	26	27	27	21	21	21	21	24	23
White collars	10	10	10	9	8	8	9	7	8
Sales assistants	38	31	33	30	21	24	23	18	20
Blue collars	16	12	14	16	21	19	19	20	20
Total	25	21	23	21	17	18	18	16	17

Training hours by course (no.)			
Type of Course	2023	2022	2021
Professional training, anti-corruption, Code of Ethics, Model 231	134,219	97,756	77,428
Health and safety training	40,730	25,341	28,418
Management training	16,012	24,833	19,756
Language training	6,340	3,480	5,398
Diversity & Inclusion and Sustainability training	5,304	6,713	7,592
Cyber security training	2,315		
Total	204,920	158,123	138,592

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

Employee category	Percentage of employees receiving regular performance and career development reviews by gender and employee category (%)								
	2023			2022			2021		
	Male	Female	Total	Male	Female	Total	Male	Female	Total
Executives	54%	70%	60%	56%	75%	63%	60%	89%	71%
Managers	66%	73%	70%	80%	81%	80%	91%	100%	97%
White collars	42%	42%	42%	40%	37%	38%	40%	37%	38%
Sales assistants	82%	79%	80%	73%	72%	72%	85%	82%	83%
Blue collars	56%	36%	46%	60%	36%	48%	62%	45%	53%
Total	65%	61%	62%	64%	57%	60%	70%	65%	67%

WORK-RELATED INJURIES

GRI 403-9 Work-related injuries

Work-related injuries - Employees ⁶¹ (no.)			
	2023	2022	2021 ⁶²
Number of recordable work-related injuries	89	88	66
<i>of which: high-consequence work-related injuries (excluding fatalities)</i>	0	1	0
<i>of which: number of fatalities occurred as a result of work-related injury</i>	0	0	0
Hours worked	16,119,147	14,496,823	14,194,584
Rate of recordable work-related injuries	5.52	6.07	4.65
Rate of high-consequence work-related injuries (excluding fatalities)	0.00	0.07	0.00
Rate of fatalities as a result of work-related injury	0.00	0.00	0.00

Work-related injuries - Workers who are not employees (no.)			
	2023	2022	2021
Number of recordable work-related injuries	0	1	0
<i>of which: high-consequence work-related injuries (excluding fatalities)</i>	0	0	0
<i>of which: number of fatalities occurred as a result of work-related injury</i>	0	0	0
Hours worked	271,628	294,198	81,515
Rate of recordable work-related injuries	0.00	3.40	0.00
Rate of high-consequence work-related injuries (excluding fatalities)	0.00	0.00	0.00
Rate of fatalities as a result of work-related injury	0.00	0.00	0.00

⁶¹ 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 rates for workers who are not employees.

⁶² It should be noted that the hours worked in 2021 have been restated compared to those published in previous Sustainability Reports as the hours worked by the Monaco, Greece and Switzerland branches were not included. As a result, the recordable work-related injury rate also changed slightly.

Environmental data

ENERGY CONSUMPTION AND EMISSIONS INTO THE ATMOSPHERE

GRI 302-1 Energy consumption within the organisation

Energy consumption					
GJ	2023	2022	2021	2020	2019
Natural gas for heating or production process	58,704	68,696 ⁶³	79,946 ⁶⁴	73,101	69,644
Propane gas for heating or production process	3	5	0	0	5
Diesel for heating or production process	0	0	0	1,072	2,952
Diesel for company fleet ⁶⁵	15,421				
Petrol for company fleet ⁶⁵	1,393				
Methane for company fleet ⁶⁵	1				
A. Total energy from fossil fuels	75,522	68,701	79,946	74,173	72,601
Self-generated electricity	652	643	548	541	479
of which from renewable sources (photovoltaic system)	652	643	548	541	479
Electricity purchased from the grid ⁶⁶	237,575	229,285	225,843	212,166	189,193
of which from renewable energy sources (covered by Guarantees of Origin)	180,022	156,276	80,271	1,408	0
B. Total energy consumed	238,227	229,928	226,391	212,707	189,672
(A+B) Total energy consumed	313,749	298,629	306,337	286,880	262,273
of which from renewable sources (no.)	180,674	156,919	80,819	1,949	479
of which from renewable sources (%)	58%	53%	26%	1%	0%

⁶³ It should be noted that the 2022 natural gas consumption has been restated compared to that published in the 2022 Sustainability Report due to a change in the consumption of Giorgio Armani Corporation and Giorgio Armani Corporation Canada.

⁶⁴ It should be noted that the natural gas consumption for 2021 has been restated compared to that published in the previous Sustainability Reports due to a change in the consumption of Giorgio Armani Corporation Canada.

⁶⁵ It should be noted that from 2023, the Group has included the fuel consumption of company cars used worldwide.

⁶⁶ It should be noted that the consumption of electricity purchased from the grid in 2023 includes the electricity used to recharge electric, hybrid and plug-in hybrid company cars. It should also be noted that, from 2021 onwards, the Group has been providing an estimate of the electricity consumption in the reference year for all premises worldwide for which no point-in-time figure is available. The estimate is made using a consumption index per square metre, which is derived from the ratio of the consumption of the other premises of the same company to the square metres of floor space.

GRI 305-1 Direct (Scope 1) GHG emissions
 GRI 305-2 Energy indirect (Scope 2) GHG emissions
 GRI 305-3 Other indirect (Scope 3) GHG emissions

GHG emissions (Scope 1, Scope 2 and Scope 3) ⁶⁷						
tCO ₂ eq		2023	2022	2021	2020	2019
Scope 1 ⁶⁸	Scope 1	5,448	4,185	4,602	4,211	5,681
Scope 2 ⁶⁹	Scope 2 - Location-based	23,715	21,808	21,718	21,386	29,633
	Scope 2 - Market-based	7,236	8,530	15,334	24,550	24,043
Scope 3	Scope 3	514,524	527,526	507,971	426,427	645,395
Total	Scope 1, Scope 2 (Location-Based) and Scope 3	543,687	553,519	534,291	452,024	680,709
	Scope 1, Scope 2 (Market-Based) and Scope 3	527,208	540,241	527,907	455,188	675,119



⁶⁷ It should be noted that the 2021 and 2022 Scope 1 emissions have been restated compared to those published in previous Sustainability Reports due to the change in natural gas consumption by Giorgio Armani Corporation and Giorgio Armani Corporation Canada. It should also be noted that the Scope 2 Location and Market-based emissions for 2022 have been restated as the emissions from Giorgio Armani Hong Kong were not included due to an error in the emission factors used.

⁶⁸ 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.

⁶⁹ 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 by Terna (“International Comparisons 2019”) for all other companies. Scope 2 emissions are expressed in tonnes of CO₂; however, the percentage of methane and nitrous oxide has a negligible effect on the total greenhouse gas emissions (CO₂ equivalent) as can be inferred from the technical literature of reference.

Scope 3 Emissions (tCO ₂ eq)											
Categories		2023		2022		2021		2020		2019	
1	Purchased goods and services	443,022 ⁷⁰	86.1%	461,924	87.6%	409,836	80.7%	344,051	80.7%	533,825	82.7%
2	Capital Goods	15,913	3.1%	12,401	2.4%	54,649	10.8%	41,843	9.8%	23,579	3.7%
3	Fuel-and-energy-related activities	4,194	0.8%	4,305	0.8%	7,034	1.4%	5,063	1.2%	6,914	1.1%
4	Upstream transportation and distribution	4,486 ⁷¹	0.9%	7,100	1.3%	3,923	0.8%	5,476	1.3%	17,111	2.7%
5	Waste generated in operations	592	0.1%	750	0.1%	886	0.2%	705	0.2%	1,705	0.3%
6	Business travel	7,684 ⁷²	1.5%	3,856	0.7%	3,244	0.6%	3,274	0.8%	8,491	1.3%
7	Employee commuting	6,624	1.3%	7,545	1.4%	665	0.1%	666	0.2%	7,447	1.2%
8	Upstream leased assets	2,642 ⁷³	0.5%	2,546	0.5%	302	0.1%	302	0.1%	302	0.0%
9	Downstream transportation and distribution	13,296	2.6%	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	
11	Use of sold products	33	0.0%	73	0.0%	107	0.0%	105	0.0%	165	0.0%
12	End-of-life treatment of sold products	4,281 ⁷⁴	0.8%	4,292	0.8%	4,202	0.8%	3,852	0.9%	1,205	0.2%
13	Downstream leased assets	107	0.0%	175	0.0%	175	0.0%	175	0.0%	0	0.0%
14	Franchises	11,650	2.3%	11,797	2.2%	11,770	2.3%	11,615	2.7%	9,832	1.5%
15	Investments	Not applicable				Not applicable				Not applicable	
Total		514,524	100.0%	527,526	100.0%	507,971	100.0%	426,426	100.0%	645,394	100.0%

⁷⁰ The refinement of the quantification methodology, by using the average-data method instead of the spend-based method, made it possible to evaluate a separate portion of the “Textiles, wearing apparel and leather products” category, covering an amount equal to 15% of the total expenditure, which corresponds to 118,145 tCO₂eq, or 27% of the total Category 1 emissions.

⁷¹ In 2023, a route efficiency measure by the Armani Group led to a reduction in Category 4 emissions compared to 2022.

⁷² Category 6 emissions increased in 2023 due to the full resumption of business travel after Covid-19.

⁷³ As from 2023, the contribution of the Pallacanestro Olimpia Milano premises was no longer included in Category 8 as it was included in Scope 1 and 2.

⁷⁴ The reported figure refers to the end-of-life impact of both packaging and products sold, amounting to 815 tCO₂eq.

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 method, with the application of Eurostat's Environmentally-extended Input-Output factors to each category of expenditure, and average-data method, with the application of specific emission factors (source: Ecoinvent 3.9.1 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 method, 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, transportation and distribution phases of the energy carriers used by the Group (source: DEFRA 2023 and IEA 2023)
- **Categories 4 and 9 - Upstream and downstream transportation and distribution:** the calculation was based on the distances travelled for the transportation 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 2023)
- **Category 5 - Waste generated in operations:** 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 2023)
- **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 2023). The category also includes nights in hotels for business purposes, which are also measured using DEFRA emission factors
- **Category 7 - Employee commuting:** data on employee commuting were collected through a questionnaire. The kilometres travelled were multiplied by specific emission factors depending on the means of transport used (source: DEFRA 2023). The calculation includes the contribution of average work from home days per country, according to the Group's internal policies
- **Categories 8 and 13 - Upstream and downstream leased assets:** the calculation of the annual energy consumption was made with the Curb 2.1 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). The energy consumption was then multiplied by the emission factors according to the geographical location of the premises, following the Location-based approach (source: AIB 2023, Terna 2019)
- **Category 11 - Use of sold products:** the emissions associated with sold lamps which 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), quantity in kg and/or number of pieces (converted to kg by estimating an average density), and multiplied by specific emission factors (source: Ecoinvent 3.9.1). In 2023, the Group estimated, like in 2022, the impact of end-of-life disposal of products sold. Disposal methods were assumed on a statistical

SUSTAINABLE MOBILITY SURVEY

5,018 employees involved

Response rate of approximately 72%

basis based on Eurostat⁷⁵: depending on end-of-life treatment, specific emission factors were applied (source: DEFRA 2023)

- **Category 14 - Franchises:** in 2023, the Group's emissions related to franchises were calculated based on energy consumption estimated on a per square metre basis using the Curb 2.1 database. The emissions were then calculated by applying the emission factors for the specific geographical location of the premises, following the Location-based approach (source: AIB 2023, Terna 2019). Categories 10 and 15 are not applicable to the Group's business.

WATER WITHDRAWAL AND DISCHARGE

The tables below show the total water withdrawals and discharges at **Group⁷⁶** level. It should be noted that a small percentage of the water withdrawn was not discharged because it was used to feed steam generators for production activities.

GRI 303-3 Water withdrawal by source

Water withdrawal by source			
m ³	2023	2022	2021
Total water withdrawal	317,592	383,613	466,627
of which third-party water (aqueduct)	292,227	363,427	450,137
of which groundwater	25,365	20,186	16,490

GRI 303-4 Water discharge by destination

Water discharge by destination ⁷⁷			
m ³	2023	2022	2021
Total water discharges	315,835	382,076	465,340
of which sewerage	295,649	367,497	453,321
of which surface water	16,689	11,856	9,970
of which groundwater	3,497	2,723	2,049

In terms of **industrial water withdrawals** - related to the **GAO Italia** premises - there was an increase in 2023 compared to 2022, mainly due to an increase in the number of exceptional Saturday opening days at GAO Trento. With the exception of GAO Trento, the **total water withdrawal by the remaining GAO premises decreased slightly** compared to the previous year. The main sources of supply are groundwater (56%) and aqueducts (44%).

Water-stressed areas - GAO

Withdrawals from water-stressed areas:
12% of total water withdrawn by GAO

Discharges in water-stressed areas:
8% of total water discharged by GAO

For **industrial water discharges**, most of the water was discharged to the sewerage system (54%); followed by discharges to surface water (38%) and groundwater (8%).

⁷⁵ The disposal methods assumed are related to the countries of the European Union.

⁷⁶ It should be noted that, in 2023, the methodology for estimating water withdrawals for those premises for which a point-in-time figure was not available was refined from an estimate of consumption per square metre to an estimate of consumption per person.

⁷⁷ 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.

B2C AND B2B PACKAGING⁷⁸

B2C Packaging (t)	2023		
	Non-renewable (t)	Renewable (t)	Total (t)
Paper/Cardboard	0.0	1,633.7	1,633.7
Plastic	298.7	0.7	299.4
Metals	4.0	0.0	4.0
Wood	0.0	2.2	2.2
Cotton	0.0	25.1	25.1
Other materials	5.9	6.0	11.9
TOTAL	308.6	1,667.7	1,976.3

Packaging B2C		2023
Paper/cardboard (t)		1,633.7
of which certified and/or recycled (%)		55%
Plastic (t)		299.4
of which certified and/or recycled (%)		42%
Metals (t)		4.0
Wood (t)		2.2
Cotton (t)		25.1
Other materials (t)		11.9
of which certified and/or recycled (%)		35%
Total (t)		1,976.3
of which certified and/or recycled (%)		52%

B2B Packaging (t)	2023		
	Non-renewable (t)	Renewable (t)	Total (t)
Paper/Cardboard	0.0	2,257.3	2,257.3
Plastic	368.4	2.7	371.1
Other materials	0.0	0.6	0.6
Total	368.4	2,260.5	2,628.9

B2B Packaging		2023
Paper/cardboard (t)		2,257.3
of which certified and/or recycled (%)		90%
Plastic (t)		371.1
of which certified and/or recycled (%)		51%
Other materials (t)		0.6
of which certified and/or recycled (%)		0%
TOTAL (t)		2,628.9
of which certified and/or recycled (%)		85%

⁷⁸ In 2023, the data collection methodology for both B2C and B2B packaging was refined, and the reporting boundary was extended. It has therefore been decided not to show a comparison with the two previous years, as they are no longer comparable. The Group is refining the calculation in order to make the data comparable over time.

WASTE GENERATED AND MATERIALS USED FOR OFFICE ACTIVITIES

The table below shows the total amount of hazardous⁷⁹ and non-hazardous waste generated at Group level, broken down by type:

GRI 306-3 Waste generated

Total weight of waste generated ⁸⁰						
Waste composition	2023		2022		2021	
	Hazardous	Non-hazardous	Hazardous	Non-hazardous	Hazardous	Non-hazardous
Total waste generated (t)	13.1	3,386.8	7.0	3,314.1	6.2	3,132.7
<i>of which plastic (t)</i>	0.0	783.3	0.0	1,191.1	0.0	1,036.4
<i>of which paper and cardboard (t)</i>	0.0	1,709.5	0.0	1,514.4	0.0	1,428.6
<i>of which electronic waste (t)</i>	0.5	4.2	1.4	0.3	0.0	0.5
<i>of which other (t)</i>	12.6	889.8	5.6	608.3	6.2	667.2
Yearly total (t)	3,399.9		3,321.1		3,138.9	
Hazardous waste (%)	0.4%		0.2%		0.2%	
Non-hazardous waste (%)	99.6%		99.8%		99.8%	

The table below shows the total amount of paper and toner used for printers in all Group premises:

Total weight of materials used for office activities						
Material (t)	2023			2022		
	Non-renewable	Renewable	Total	Non-renewable	Renewable	Total
Paper	0.0	67.8	67.8	0.0	71.3	71.3
<i>of which recycled</i>	0.0	16.6	16.6	0.0	6.3	6.3
<i>of which FSC-certified</i>	0.0	47.0	47.0	0.0	20.0	20.0
Toner	1.7	0.0	1.7	2.0	0.0	2.0
Total	1.7	67.8	69.5	2.0	71.3	73.3

⁷⁹ Waste has hazardous properties if it is explosive, combustible, flammable, irritant, toxic, carcinogenic, corrosive, infectious, mutagenic, sensitising, ecotoxic.

⁸⁰ Where not available, data on the amount and type of waste generated in 2023 has been estimated in line with the size of comparable stores/offices/production sites (in the same Region) and the relative composition of the waste generated. For the estimated waste, the waste composition figure reflects an assumed split of 60% paper and cardboard waste, 30% plastic waste and 10% unsorted waste. The Group is committed to progressively refining the data with a view to continuous improvement.

Correlation between material topics and generated impacts

Material topics	Generated impacts	Description	Impact type	
Compliance and business ethics	Negative impact on people and economic systems caused by unethical business behaviour	Anti-competitive behaviour, monopolistic practices, corruption with negative effects on the economy and markets	Negative	Potential
	Internal/external communication not aligned with organisation's values	Non-transparent and ineffective communication to stakeholders about the Group's values and actions	Negative	Potential
	Non-compliance with tax laws and regulations	Negative impact on the economy of the country in which the Group operates due to non-payment of taxes due	Negative	Potential
	Cases of active and passive corruption	Occurrence of active and passive corruption, anti-competitive behaviour and money laundering	Negative	Potential
	Non-compliance with social and environmental laws, regulations and standards	Non-compliance with applicable laws, regulations, internal and external standards with indirect economic impact on stakeholders	Negative	Potential
Creation and distribution of economic value	Generation and distribution of economic value	Direct and indirect positive economic impacts generated by the Group's business activities for employees, local communities and other stakeholders	Positive	Actual
Innovation	Development of sustainable and innovative product design	Promotion of sustainable product design, including through investment in research and development to improve product durability and recyclability	Positive	Actual
	Process technological innovation	Positive impact on people and economic systems generated by process technological innovation	Positive	Actual
Talent attraction and employee well-being	Competitive remuneration policies for employees	Fair remuneration policies that value the skills of workers in a way that also attracts, motivates and retains people with the right professional qualities	Positive	Potential
	Employee well-being	Promoting employee well-being through the implementation of well-being activities, dedicated benefits and listening tools	Positive	Actual
Employee training and development	Developing and improving the skills of employees through training activities	Improving workers' skills through professional development also linked to growth targets and customised	Positive	Actual

Material topics	Generated impacts	Description	Impact type	
Promotion of diversity and inclusion		evaluation systems (e.g., career development plans)		
	Cases of discrimination	Negative impact on employee satisfaction and motivation due to cases of discrimination based on culture, ethnic origin, gender, sexual orientation, religion, nationality, age, political opinion, trade union affiliation, marital status, physical or mental disability and any other status or personal characteristic.	Negative	Potential
	Creating an inclusive working environment that respects cultural diversity	Enhancing diversity and promoting an inclusive company environment through company activities and initiatives	Positive	Potential
Occupational health and safety	Lack of diversity in control bodies	Lack of a homogeneous governance body in terms of gender and background, leading to a lack of representation and possible "Groupthink"	Negative	Potential
	Work-related injuries	Work-related injuries or other accidents with negative consequences for the health of direct employees or workers who are not employees.	Negative	Actual
	Safe and healthy working environments	Safe and healthy working environments in compliance with current regulations, including through the use of appropriate safety equipment and devices	Positive	Actual
Climate change and energy efficiency	Occupational diseases	Unhealthy or risky production processes and working environments that cause illness	Negative	Potential
	Energy consumption	Consumption of energy from renewable and non-renewable sources with consequent negative impact on the environment and reduction of energy stocks.	Negative	Actual
	Generating direct and indirect GHG emissions (Scope 1 and 2)	Contribution to climate change through direct and indirect GHG emissions related to activities carried out at Group premises	Negative	Actual
	Generating indirect GHG emissions (Scope 3)	Generation of indirect climate-changing emissions produced in the value chain as a result of the activities carried out	Negative	Actual
	Waste generation	Environmental impacts related to the generation of hazardous	Negative	Actual

Material topics	Generated impacts	Description	Impact type	
Eco-design, product life cycle and circular economy		and non-hazardous waste and its improper disposal		
	Failure to manage the product responsibly at the end of its life cycle	Non-responsible product management due to lack of control over upstream and downstream processes in the value chain	Negative	Potential
	Recycling and reuse of waste and industrial symbiosis activities	Reuse and reintroduction into the production process of scrap following recovery, recycling and reconditioning operations, also with a view to the circular economy.	Positive	Actual
	Depletion of natural resources	Using natural resources and reducing their availability	Negative	Actual
Water resource management	Water resource consumption	Withdrawal and consumption of water resources in the Group production processes with impact on water availability	Negative	Actual
	Contamination of soil and groundwater from water discharges	Spillage of pollutants into soil and groundwater as a result of the Group's production activities, resulting in groundwater contamination.	Negative	Potential
Protection of land and marine biodiversity	Contribution to biodiversity loss	Development of industrial activities that may cause damage to biodiversity (land and marine ecosystems), such as alteration of pre-existing environmental conditions and use of pesticides (such as herbicides, insecticides, fungicides, nematicides and rodenticides) on non-target organisms	Negative	Potential
	Protection of the oceans	Eliminating problematic or unnecessary plastics in packaging and increasing the use of recycled plastics	Positive	Actual
	Developing activities to protect biodiversity	Implementation of non-core projects and in collaboration with organisations and institutions for the protection of natural ecosystems, protected and endangered species and oriented towards the promotion of regenerative practices	Positive	Actual
Sustainable procurement of raw materials	Sustainable procurement of raw materials	Sustainable procurement of raw materials, with a focus on animal welfare, resource efficiency and impact on soil	Positive	Potential
	Non-procurement of certified raw materials	Creation of products that do not meet the sustainability	Negative	Potential

Material topics	Generated impacts	Description	Impact type	
		requirements of the market and result from the non-procurement of certified raw materials		
Sustainability topics in the supply chain	Environmental and social impacts along the supply chain	Negative impacts resulting from the procurement of goods and services from suppliers, particularly in terms of their environmental and social impacts.	Negative	Potential
	Creation of a traceable supply chain	Implementing methods and procedures to trace the source, origin or conditions of production of raw materials and finished products.	Positive	Potential
Respect for human and workers' rights	Cases of violations of human rights within the organisation and its supply chain	Human rights violation along the supply chain and within the Group, such as the right to freedom of association and collective bargaining, child labour and forced or compulsory labour.	Negative	Potential
	Transparent industrial relations	Developing transparent relations between workforce and management, protecting the freedom of association, collective bargaining and the right of workers' representation	Positive	Actual
Product labelling and communication	Efficient labelling practices	Efficient labelling in compliance with national and international regulations	Positive	Actual
	Innovative customer information	Using innovative tools to inform customers about the sustainability credentials of their purchases, such as the digital product passport: an authenticity and traceability system that allows the end customer to receive immediate feedback on the nature of the garment they have purchased	Positive	Actual
	Misleading advertising and marketing strategies	Negative impact on customers and end users due to misleading communication and misrepresentation in labelling or product presentation	Negative	Potential
Information management and privacy	Data breach, data loss and poor IT security management	Failure to apply optimal data management practices to the detriment of privacy and the protection of sensitive data	Negative	Potential
Product quality and safety standards	Safe and high-quality product line	Developing products that meet quality and safety criteria in line with industry best practice, through the careful and	Positive	Actual

Material topics	Generated impacts	Description	Impact type	
Brand enhancement and protection		meticulous selection of its suppliers and rigorous checks before putting them into production through accurate verifications		
	Use of harmful chemical substances	Negative impact on the health of product users and/or the environment due to the use of chemicals and/or raw materials that are harmful to human health and the environment	Negative	Potential
Brand enhancement and protection	Brand identity	Strengthening the brand identity by promoting its values and principles. Enhancement of the brand's characteristic identity and promotion of programmes and activities to encourage recognition and positioning among all stakeholders (e.g., employees, customers, suppliers)	Positive	Actual
	Anti-counterfeiting	Failure to develop online anti-counterfeiting processes to authenticate purchased products through management and prevention tools (Brand Protection and Intellectual Property).	Negative	Potential
Support to local communities and to the territory	Economic support to local community associations	Support to local development through contributions and donations to local associations	Positive	Actual
	Developing synergies	Developing synergies with local bodies and institutions to establish channels of listening and communication with the local communities in which the Group operates	Positive	Actual
	Positive economic impact on local communities	Contributing to the development of professional opportunities where the Group operates with consequent direct/indirect economic impact on local communities	Positive	Actual

GRI - Boundary and type of impacts generated

Material topics	Reconciliation with GRI Standards	Scope of the impact	Role of the Armani Group
Compliance and business ethics	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		
Creation and distribution of economic value	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		
Innovation	GRI 3-3 Management of material topics	Armani Group	Direct - caused by the Armani Group
Talent attraction and employee well-being	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		
Employee training and development	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		
Promotion of diversity and inclusion	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		
Occupational health and safety	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		Indirect - Connected to the Armani Group's activities through business relations
	GRI 403-2 (2018): Hazard identification, risk assessment, and incident investigation		

Material topics	Reconciliation with GRI Standards	Scope of the impact	Role of the Armani Group
	GRI 403-3 (2018): Occupational health services GRI 403-4 (2018): Worker participation, consultation, and communication on occupational health and safety GRI 403-5 (2018): Worker training on occupational health and safety 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 GRI 403-9 (2018): Work-related injuries		
Climate change and energy efficiency	GRI 3-3 Management of material topics GRI 302-1 (2016): Energy consumption within the organization GRI 305-1 (2016): Direct (Scope 1) GHG emissions GRI 305-2 (2016): Energy indirect (Scope 2) GHG emissions GRI 305-3 (2016): Other indirect (Scope 3) GHG emissions	Armani Group Electricity providers Partners and Suppliers	Direct - caused by the Armani Group Indirect - Connected to the Armani Group's activities through business relations
Eco-design, product life cycle and circular economy	GRI 3-3 Management of material topics GRI 306-1 (2020): Waste generation and significant waste-related impacts GRI 306-2 (2020): Management of significant waste-related impacts GRI 306-3 (2020): Waste generated	Armani Group Partners and Suppliers	Direct - caused by the Armani Group Indirect - Connected to the Armani Group's activities through business relations
Water resource management	GRI 3-3 Management of material topics GRI 303-1 (2018): Interactions with water as a shared resource GRI 303-2 (2018): Management of water discharge-related impacts GRI 303-3 (2018): Water withdrawal	Armani Group Water service providers	Direct - caused by the Armani Group

Material topics	Reconciliation with GRI Standards	Scope of the impact	Role of the Armani Group
	GRI 303-4 (2018): Water discharge		
Protection of land and marine biodiversity	GRI 3-3 Management of material topics GRI 304-1 (2016): Operational sites owned, leased, managed in, or adjacent to, protected areas and areas of high biodiversity value outside protected areas	Armani Group Partners and suppliers	Direct - caused by the Armani Group Indirect - Connected to the Armani Group's activities through business relations
Sustainable procurement of raw materials	GRI 3-3 Management of material topics	Armani Group	Direct - caused by the Armani Group
Sustainability topics in the supply chain	GRI 3-3 Management of material topics GRI 308-1 (2016): New suppliers that were screened using environmental criteria GRI 414-1 (2016): New suppliers that were screened using social criteria	Armani Group Partners and suppliers	Direct - caused by the Armani Group Indirect - Connected to the Armani Group's activities through business relations
Respect for human and workers' rights	GRI 3-3 Management of material topics	Armani Group Partners and Suppliers	Direct - caused by the Armani Group
Product labelling and communication	GRI 3-3 Management of material topics GRI 417- 2 (2016): Incidents of non-compliance concerning product and service information and labelling	Armani Group	Direct - caused by the Armani Group
Information management and privacy	GRI 3-3 Management of material topics GRI 418-1 (2016): Substantiated complaints concerning breaches of customer privacy and losses of customer data	Armani Group	Direct - caused by the Armani Group
Product quality and safety standards	GRI 3-3 Management of material topics GRI 416-2 (2016): Incidents of non-compliance concerning the health and safety impacts of products and services	Armani Group	Direct - caused by the Armani Group
Brand enhancement and protection	GRI 3-3 Management of material topics	Armani Group	Direct - caused by the Armani Group
Support to local communities and to the territory	GRI 3-3 Management of material topics	Armani Group	Direct - caused by the Armani Group



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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

*The board of directors of
Giorgio Armani S.p.A.*

We have been engaged to perform a limited assurance engagement on the 2023 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 accordance with the ethics and independence principles of the Code of Ethics for Professional Accountants issued by the International Ethics Standards Board for Accountants, based on the fundamental principles of integrity, objectivity, professional competence and diligence, confidentiality and professional behaviour.

During the year covered by this engagement, our company applied International Standard on Quality Control 1 (ISQC Italia 1) and, accordingly, maintained 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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Giorgio Armani Group
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31 December 2023

Auditors' responsibilities

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 (IAASB) 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 company'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 "Economic value generated, distributed and retained" 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;



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- we visited Giorgio Armani Corporation e G.A. Operations S.p.A.'s Priolo Modena production site, 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.

Conclusions

Based on the procedures performed, nothing has come to our attention that causes us to believe that the 2023 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 aspects

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

Milan, 4 February 2025

KPMG S.p.A.

(signed on the original)

Emanuele Bazzana
Director of Audit

GRI content index

Declaration of use	The Armani Group reported in accordance with GRI standards for the period from 1 January to 31 December 2023
Used: GRI 1	GRI 1 - Foundation 2021
Relevant GRI sector standards	N/A

GRI standards	Disclosure	Location	Omission		
			Omitted requirements	Reason	Explanation
GENERAL DISCLOSURES					
GRI 2 – General disclosures (2021)	2-1 Organizational details	1.1 The Group worldwide: business areas and brands 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			
	2-6 Activities, value chain and other business relationships	1.1 The Group worldwide: business areas and brands 4.1.1 Supply chain management			
	2-7 Employees	2.1.1 Group employees Appendix/Human resources data			
	2-8 Workers who are not employees	2.1.2 Workers not employed by the Group Appendix/Human resources data			
	2-9 Governance structure and composition	1.2.1. Governance and Group structure 1.2.2 Sustainability governance			
	2-10 Nomination and selection of the highest governance body	1.2.1. Governance and Group structure 1.2.2 Sustainability governance			
	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 Group structure 1.2.2 Sustainability governance			
	2-13 Delegation of responsibility for managing impacts	1.2.1 Governance and Group structure 1.2.2 Sustainability governance			
	2-14 Role of the highest governance	1.2.2 Sustainability governance			

GRI standards	Disclosure	Location	Omission		
			Omitted requirements	Reason	Explanation
GRI 2 – General disclosures (2021)	body in sustainability reporting				
	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 constraints	
	2-19 Remuneration policies			Confidentiality constraints	
	2-20 Process to determine remuneration	2.1.1 Group employees			
	2-21 Annual total compensation ratio			Confidentiality constraints	
	2-22 Statement on sustainable development strategy	Letter from the Chairman Our commitment to sustainability			
	2-23 Policy commitments	Our commitment to sustainability 1.2.3 The values and the control system 4.1.1 Supply chain management			
	2-24 Embedding policy commitments	Our commitment to sustainability 1.2.3 The values and the control system 4.1.1 Supply chain management			
	2-25 Processes to remediate negative impacts	Our commitment to sustainability 1.2.3 The values and the control system 4.1.1 Supply chain management			
	2-26 Mechanisms for seeking advice and raising concerns	1.2.3 The values and the control system			
	2-27 Compliance with laws and regulations	1.2.3 The values and the control system			
	2-28 Membership associations	1.1 The Group worldwide: business areas and brands			
	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			

GRI standards	Disclosure	Location	Omission		
			Omitted requirements	Reason	Explanation
MATERIAL TOPICS					
GRI 3 – Material topics (2021)	3-1 Process to determine material topics	1.4 Materiality analysis, ESG risks and opportunities and stakeholders Appendix/GRI - Boundary and type of impacts generated			
	3-2 List of material topics	1.4 Materiality analysis, ESG risks and opportunities and stakeholders Appendix/GRI - Boundary and type of impacts generated			
COMPLIANCE AND BUSINESS ETHICS					
GRI 3 – Material topics (2021)	3-3 Management of material topics	1.2.3 The values and the control system			
GRI 205 – Anti-corruption (2016)	205-3 Confirmed incidents of corruption and actions taken	1.2.3 The values and the control system			
GRI 206 – Anti-competitive Behaviour (2016)	206-1 Legal actions for anti-competitive behaviour, anti-trust, and monopoly practices	1.2.3 The values and the control system			
CREATION AND DISTRIBUTION OF ECONOMIC VALUE					
GRI 3 – Material topics (2021)	3-3 Management of material topics	1.2.4 Economic value generated, distributed and retained			
GRI 201 – Economic Performance (2016)	201-1 Direct economic value generated and distributed	1.2.4 Economic value generated, distributed and retained Appendix/ Economic and Governance Data			
INNOVATION					
GRI 3 – Material topics (2021)	3-3 Management of material topics	4.3.7 Innovation			
TALENT ATTRACTION AND EMPLOYEE WELL-BEING					
GRI 3 – Material topics (2021)	3-3 Management of material topics	2.1.1 Group employees 2.4 The employee welfare package in Italy			
GRI 401 – Employment (2016)	401-2 Benefits provided to full-time employees that are not provided to temporary or parttime employees	2.4 The employee welfare package in Italy			
EMPLOYEE TRAINING AND DEVELOPMENT					
GRI 3 – Material topics (2021)	3-3 Management of material topics	2.3 Employee training and development			
GRI 404: Training and	404-1 Average hours of training per year per employee	2.3 Employee training and development Appendix - Human resources data			

GRI standards	Disclosure	Location	Omission		
			Omitted requirements	Reason	Explanation
Education (2016)	404-3 Percentage of employees receiving regular performance and career development reviews	2.3 Employee training and development Appendix - Human resources data			
PROMOTION OF DIVERSITY AND INCLUSION					
GRI 3 – Material topics (2021)	3-3 Management of material topics	2.2 Diversity, inclusion and equal opportunities			
GRI 405 – Diversity and Equal Opportunity (2016)	405-1 Diversity of governance bodies and employees	2.1.1 Group employees Appendix - Human resources data			
GRI 406 – Non-discrimination (2016)	406-1 Incidents of discrimination and corrective actions taken	2.2 Diversity, inclusion and equal opportunities			
OCCUPATIONAL HEALTH AND SAFETY					
GRI 3 – Material topics (2021)	3-3 Management of material topics	2.5 Health and safety			
GRI 403 – Occupational Health and Safety (2018)	403-1 Occupational health and safety management system	2.5 Health and safety			
	403-2 Hazard identification, risk assessment, and incident investigation	2.5 Health and safety			
	403-3 Occupational health services	2.5 Health and safety			
	403-4 Worker participation, consultation, and communication on occupational health and safety	2.5 Health and safety			
	403-5 Worker training on occupational health and safety	2.5 Health and safety 2.3 Employee training and development			
	403-6 Promotion of worker health	2.5 Health and safety			
	403-7 Prevention and mitigation of occupational health and safety impacts directly linked by business relationships	2.5 Health and safety			
	403-9 Work-related injuries	2.5 Health and safety Appendix - Human resources data			

GRI standards	Disclosure	Location	Omission		
			Omitted requirements	Reason	Explanation
CLIMATE CHANGE AND ENERGY EFFICIENCY					
GRI 3 – Material topics (2021)	3-3 Management of material topics	3.1 Environmental protection and efficient use of resources			
GRI 302 – Energy (2016)	302-1 Energy consumption within the organization	3.1.1 Energy consumption Appendix - Environmental data			
GRI 305 – Emissions (2016)	305-1 Direct (Scope 1) GHG emissions	3.1.2 Emissions into the atmosphere Appendix - Environmental data			
	305-2 Energy indirect (Scope 2) GHG emissions	3.1.2 Emissions into the atmosphere Appendix - Environmental data			
	305-3 Other indirect (Scope 3) GHG emissions	3.1.2 Emissions into the atmosphere Appendix - Environmental data			
ECO-DESIGN, PRODUCT LIFE CYCLE AND CIRCULAR ECONOMY					
GRI 3 – Material topics (2021)	3-3 Management of material topics	3.4 Circular economy, waste management and materials used for office activities			
GRI 306 – Waste (2020)	306-1 Waste generation and significant waste-related impacts	3.4 Circular economy, waste management and materials used for office activities			
	306-2 Management of significant waste related impacts	3.4 Circular economy, waste management and materials used for office activities			
	306-3 Waste generated	3.4 Circular economy, waste management and materials used for office activities Appendix - Environmental data			
WATER RESOURCE MANAGEMENT					
GRI 3 – Material topics (2021)	3-3 Management of material topics	3.1.3 Water resource management			
GRI 303 – Water and Effluents (2018)	303-1 Interactions with water as a shared resource	3.1.3 Water resource management			
	303-2 Management of water discharge related impacts	3.1.3 Water resource management			
	303-3 Water withdrawal	3.1.3 Water resource management Appendix - Environmental data			

GRI standards	Disclosure	Location	Omission		
			Omitted requirements	Reason	Explanation
	303-4 Water discharge	3.1.3 Water resource management Appendix - Environmental data			
PROTECTION OF LAND AND MARINE BIODIVERSITY					
GRI 3 – Material topics (2021)	3-3 Management of material topics	3.2 Protecting biodiversity and the oceans 3.3. Packaging			
GRI 304 – Biodiversity (2016)	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			
SUSTAINABLE PROCUREMENT OF RAW MATERIALS					
GRI 3 – Material topics (2021)	3-3 Management of material topics	3.2 Protecting biodiversity and the oceans 4.3 Customer relations			
SUSTAINABILITY TOPICS IN THE SUPPLY CHAIN					
GRI 3 – Material topics (2021)	3-3 Management of material topics	4.1 Relations with the supply chain			
GRI 308 – Supplier Environmental Assessment (2016)	308-1 New suppliers that were screened using environmental criteria	4.1.1 Supply chain management			
GRI 414 – Supplier Social Assessment (2016)	414-1 New suppliers that were screened using social criteria	4.1.1 Supply chain management			
RESPECT FOR HUMAN AND WORKERS' RIGHTS					
GRI 3 – Material topics (2021)	3-3 Management of material topics	1.2.2 Sustainability governance 4.1 Relations with the supply chain			
PRODUCT LABELLING AND COMMUNICATION					
GRI 3 – Material topics (2021)	3-3 Management of material topics	4.3.2 Product labelling			
GRI 417 – Marketing and Labelling (2016)	417-2 Incidents of non-compliance concerning product and service information and labelling	4.3.2 Product labelling			
INFORMATION MANAGEMENT AND PRIVACY					
GRI 3 – Material topics (2021)	3-3 Management of material topics	4.3.4 Privacy management			

GRI standards	Disclosure	Location	Omission		
			Omitted requirements	Reason	Explanation
GRI 418: Customer Privacy (2016)	418-1 Substantiated complaints concerning breaches of customer privacy and losses of customer data	4.3.4 Privacy management			
PRODUCT QUALITY AND SAFETY STANDARDS					
GRI 3 – Material topics (2021)	3-3 Management of material topics	4.3.5 Product safety			
GRI 416 – Customer Health and Safety (2016)	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					
GRI 3 – Material topics (2021)	3-3 Management of material topics	4.3.3 Brand protection			
SUPPORT TO LOCAL COMMUNITIES AND TO THE TERRITORY					
GRI 3 – Material topics (2021)	3-3 Management of material topics s	4.2 Relations with the community			



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