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SUSTAINABILITY REPORT 2024



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LETTER TO STAKEHOLDERS

Dear Stakeholders,

With this report, we would like to share the evolution of the journey undertaken by Gruppo Florence, which, during 2024, took further steps toward the creation of an integrated, sustainable and cutting-edge manufacturing cluster, always inspired by the values of Tradition, Excellence, Innovation, and Sustainability.

In the past year, we continued with determination to strengthen our governance system, further consolidating the integration of ESG best practices. This journey has enabled us to expand our positive impact along the entire value chain, promoting increasingly sustainable, responsible, and shared growth. We also further structured our ESG strategy: the appointment of Valentina Boffi as Chief Sustainability Officer - with experience gained in leading luxury companies - marked the start of a new phase for the entire Group, based on a systemic, integrated, and proactive approach. We established the Supply Chain Committee, which operates under my responsibility, and is chaired by the Chief Sustainability Officer, with the aim of ensuring responsible, transparent, and consistent management of our supply chain.

The Committee meets monthly to monitor audits, assess risks, and promote continuous improvement. We further strengthened our footprint in international sustainability programs with Gruppo Florence becoming an associate member of the Global Fashion Agenda, actively participating in the Global Fashion Summit, and contributing our industrial perspective to the international debate on the sustainable transformation of fashion.

On the social front, we embarked on a structured path to obtain SA8000 ethical and social certification, and ISO 45001 certification for occupational health and safety. We also strengthened our procedure for the ethical and social qualification of the supply chain through a rigorous system of audits, grading, corrective actions and, when necessary, phase-out, which allows us to anticipate risks, and protect our customers, promoting a reliable, safe, and transparent supply chain. The C-Levels involved in running the business since 2022 are also assessed against ESG targets, thus confirming strategic alignment at every level of our organization.

We also embarked on a structured path to verticalization and insourcing, with investments aimed at strengthening our direct production capacity to ensure greater control, flexibility, and resilience in support of our brands. In this sense, Gruppo Florence evolves from supplier to key partner, presenting itself as an enabler of the transformation desired by the luxury market - from traceability to sustainability, and from quality to speed of execution.

On the environmental front, we started a journey to decarbonization commitment with the Science-Based Targets initiative (SBTi), and strengthened the certification of our operating companies, expanding the adoption of voluntary environmental management systems such as ISO 14001. We also partnered with Weturn, a European project for materials circularity, testifying our commitment to pro-

moting increasingly regenerative production models. This approach reflects our willingness to go beyond European regulatory requirements, and take the lead in promoting more advanced voluntary manufacturing models.

Our ambition is to combine operational strictness, industrial vision, and transformative drive. We don't just comply with standards: we want to actively contribute to defining the new parameters of sustainable manufacturing excellence.

With this third sustainability report, we confirm our commitment to a transparent, responsible, and regenerative value chain. We do this in a constant dialogue with our stakeholders, in the knowledge that sustainability is a concrete lever of competitiveness and reputation, now more than ever.



Yours sincerely,
Attila Kiss
CEO, Gruppo Florence

METHODOLOGICAL NOTE

This is the third Sustainability Report (hereinafter also referred to as the “Report”), which is prepared and published by Gruppo Florence S.p.A. on a voluntary basis with the aim of providing its stakeholders with information and disclosures, in a transparent manner, about the commitment and results achieved during 2024 in the environmental, social and governance (ESG) areas, including any impact on human rights.

The Report has been prepared in accordance with the Sustainability Reporting Standards of the Global Reporting Initiative (GRI) in their most recent version (GRI Standards 2021), adopting the “with reference to” approach that has enabled the Group to select the most relevant indicators to describe its ESG performance in an accurate manner.

The Report has been prepared according to the basic principles of the GRI guidelines - balance, clarity, accuracy, timeliness, comparability, completeness, and reliability - in order to ensure the quality and transparency of the information we provide, as well as the appropriateness of the way it is presented. In support of consultation, the GRI Content Index is made available, which makes it easy to identify the indicators associated with each material topic.

The Sustainability Report 2024 is part of the journey started in 2022 to report on those sustainability issues that are relevant to Gruppo Florence. With the aim of gradually aligning with the regulatory requirements prescribed by the Corporate Sustainability Report-

ing Directive (CSRD), the Group conducted, during the year, a first double materiality exercise, which is also referred to below as double materiality, aimed at integrating the analysis of the impacts generated on the environment and people with a preliminary assessment of the risks and opportunities that sustainability issues can entail on economic and financial performance. This exercise enabled the updating of the analysis of impacts which had been already carried out according to the impact materiality perspective provided for in the GRI Standards, thus strengthening the methodological and strategic basis of reporting. With regard to the provisions of the methodological standards adopted in this document, reporting is limited to the material topics identified according to the impact materiality approach, as described in chapter 2.1 Priorities and material topics: materiality analysis, page 34.

The qualitative and quantitative information provided herein refers to the financial year from 1 January 2024 to 31 December 2024 and is compared with the financial years 2022 and 2023 in order to facilitate understanding of the Group’s performance and development dynamics.

The information provided herein refers to the operating companies that fall within the scope of consolidation of Gruppo Florence S.p.A. with headquarters in Milan, and offices in Florence. Throughout the year, the Group continued to expand and consolidate

its presence in the “Made in Italy” luxury clothing sector through new strategic acquisitions, both at national and international level, as detailed within chapter 1.3 Stronger governance for an ethical, safe and resilient business, page 25.

All limitations with respect to the described scope of consolidation are clearly reported herein through specific footnotes. These circumstances are mainly attributable to the partial unavailability of data from some companies included in the scope of reporting. Gruppo Florence strives to ensure the timeliness and reliability of the information provided on an ongoing

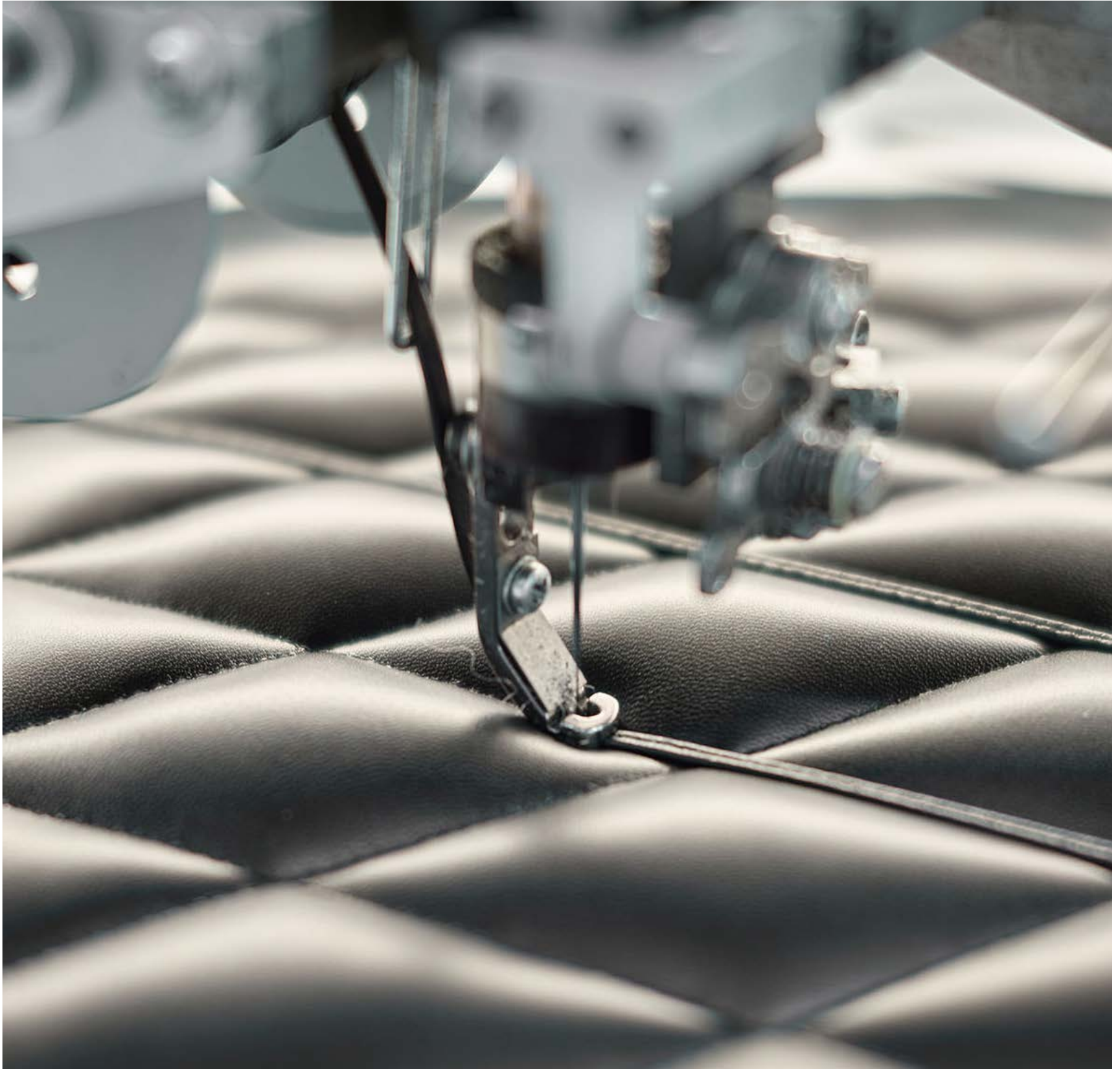
“balance, clarity,
accuracy, timeliness,
comparability,
completeness,
and reliability”

ing basis. However, where complete and verifiable data could not be found, estimates were used, which are also duly reported within the document.

The following is a summary of the main limitations and estimates used in the process of drafting the document:

- due to the non-complete availability of information for Pph Eurotex sp.z o.o., Ambra SH.P.K., Durantina S.r.l.,





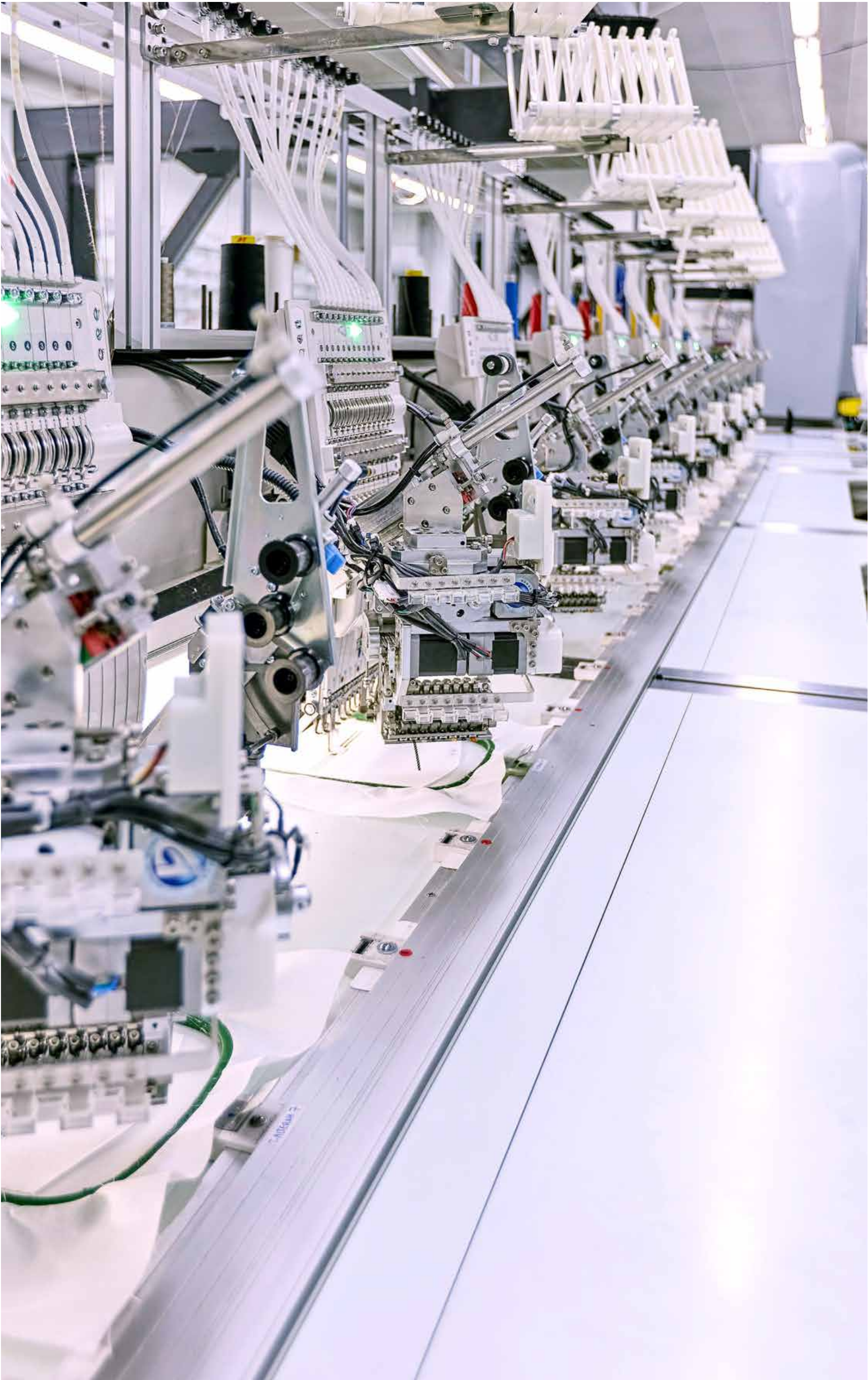
CIM S.a.r.l., and P.A.E.C.O. Design Textil S.A. in this document, the following indicators do not take into account any foreign companies: employees by professional category and age group, non-employee workers, employees by hours worked, average training hours by professional category, employees who left the organization during the year (and negative turnover rate), salaries and wages by gender, median of the annual total remuneration, and periodic appraisal of employee performance;

- the figure for hours worked, which is useful for the purpose of calculating the occupational injury rate, is also estimated for the years 2022 and 2023. In addition, the figure does not include the SNG Group with its subsidiaries, the Tessile Logama Group, and the foreign companies Pph Eurotex sp.z o.o., Ambra SH.P.K., Durantina S.r.l., CIM S.a.r.l., and P.A.E.C.O. Design Textil Design S.A.;
- the figure for the weight of materials used has been estimated in a significant manner for the year 2023, and to a lesser extent for 2024. This circumstance is due to the reporting of materials into the system by using different units of measurement adopted according to the different types of the raw materials purchased by the Group.

For the present sustainability reporting period, the Group has chosen to subject the document to limited review in order to

ensure greater reliability of information, in accordance with the “International Standard on Assurance Engagements ISAE 3000 (Revised) - Assurance Engagements Other than Audits or Reviews of Historical Financial Information”, issued by the International Auditing and Assurance Standards Board (IAASB), on the part of EY S.p.A.. All quantitative indicators that do not refer to any general or topic-specific disclosure of the GRI Standards, shown at the pages indicated in the Content Index, are not subject to any limited review on the part of EY S.p.A..

For more details regarding the information provided herein, you may contact the function responsible for the preparation of the report at the following address: esg@gruppoflorence.com.



INDUS—
TRIAL
EVOLU—
TION
AND
VISION
FOR THE
LUXURY
OF
TOMOR—
ROW

GRUPPO FLORENCE 2024: GROWTH, INDUSTRIAL VISION, AND ACTIVE SUSTAINABILITY

In 2024, Gruppo Florence strengthened its role as a leading manufacturing platform for the fashion and luxury industry, with a model that integrates sustainable innovation, industrial vision, and enhancement of local areas. The entry of Permira, finalized in November 2023, marked a crucial step for the Group, enabling a new development phase based on industrial growth, verticalization, and ESG leadership. The Group now has 38 laboratories with 4,544 employees distributed in 9 Italian regions, working with more than 100 international brands.

PERMIRA AND GRUPPO FLORENCE: PARTNERSHIP FOR A STRATEGIC EVOLUTION

The acquisition of the majority stake by Permira, a global fund classified as an "Article 8" under the Sustainable Finance Disclosure Regulation (SFDR), has accelerated Gruppo Florence's ambition to become the European manufacturing platform for high-end fashion. The reinvestment by management, entrepreneurs and VAM Investments, combined with the permanence of Fondo Italiano d'Investimento, confirms the robustness and long-term continuity of the project. The capital injected now supports a strategy of selective growth, digitalization, upgrading of in-house production capacity, and the reinforcement of sustainability governance.

ORIGINS, IDENTITY AND SUSTAINABLE PROJECTION

Founded in 2020, Gruppo Florence has to date integrated 38 manufacturing workshops with vertical excellence, becoming an innovative and resilient industrial model. The founding approach has remained unchanged: integrating without

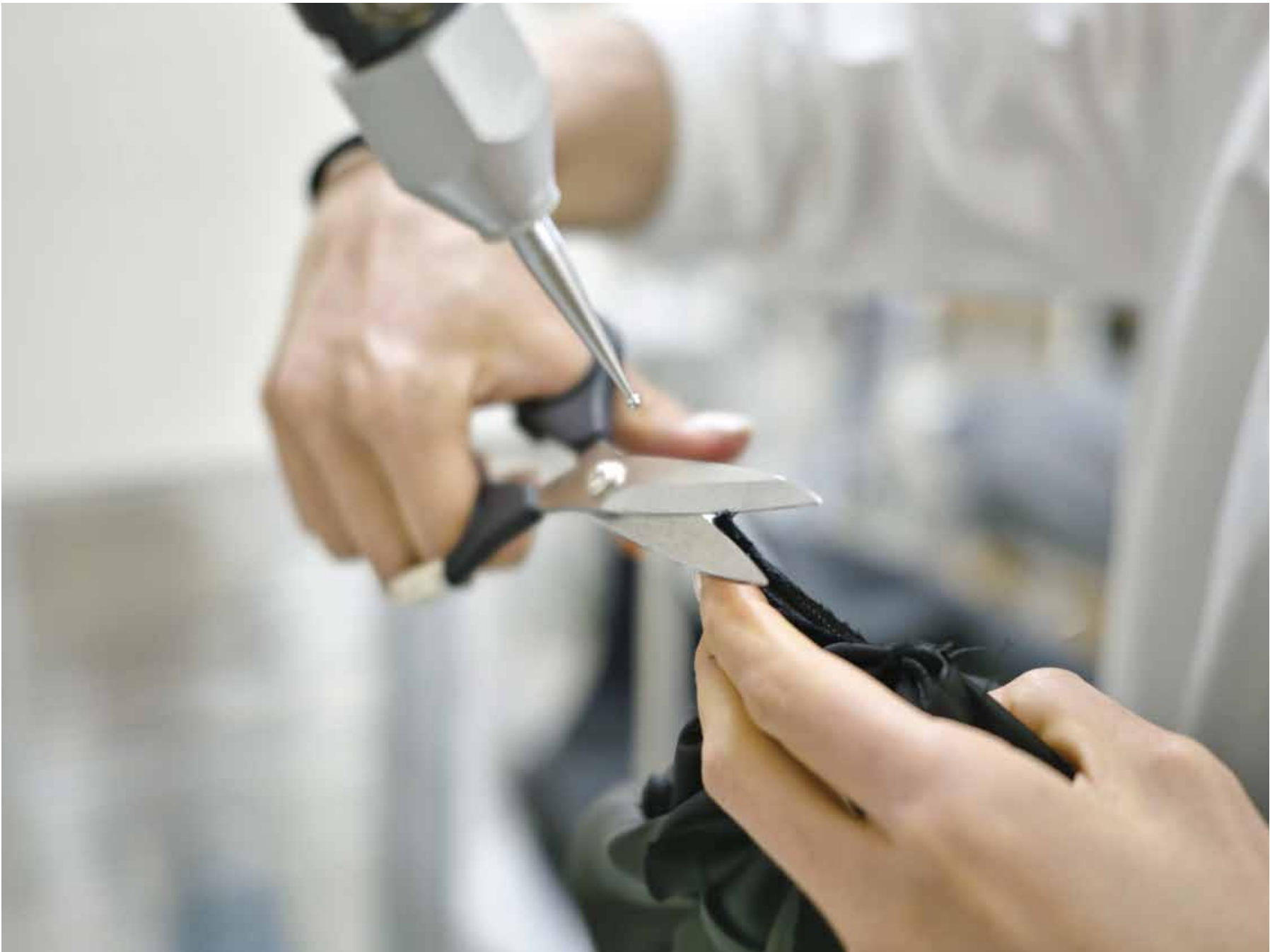
standardizing, enhancing local skills and identities, and investing in production capacity, human capital, and sustainable innovation over the long term.

REGENERATING THE SUPPLY CHAIN: CIRCULAR INNOVATION AND ACTIVE COLLABORATION

In 2024, the Group launched a partnership with WeTurn, a European platform for closed-loop textile recycling, promoting a regenerative economy model capable of reintegrating waste materials into production processes. The initiative, which is already operational on some pilot projects, is part of the strategy to reduce Scope 3 emissions, and develop traceable, responsible, and resilient supply chains.

Again, in 2024, Gruppo Florence joined the associates of the Global Fashion Agenda, actively participating in the Global Fashion Summit, and bringing its industrial perspective to the international debate on the sustainable transition of fashion, thus confirming the Group's intention to give its contribution as a key player in redefining industry standards.





**AN INTEGRATED SYSTEM
TO ENABLE LUXURY BRANDS.**

With its presence in 9 Italian regions, Gruppo Florence represents an industrial system that blends artisanal heritage and capacity of transformation. Its business units cover the entire luxury value chain:

READY-TO-WEAR

It is an all-encompassing business unit, which provides high-quality clothing and accessories to its customers. Our products are made with meticulous attention to detail, and aim for excellence, from the first prototype to the final stages of manufacturing.

INTERMEDIATE PROCESSING

It is a business unit that serves as an asset of creativity, and know-how through techniques and processing that are capable of enriching and embellishing garments and accessories. The offer is broad, and limitless in imagination: embroidery, weaving, appliqué combined with modern printing technologies, and techniques for washing materials and finished products.

SHOES

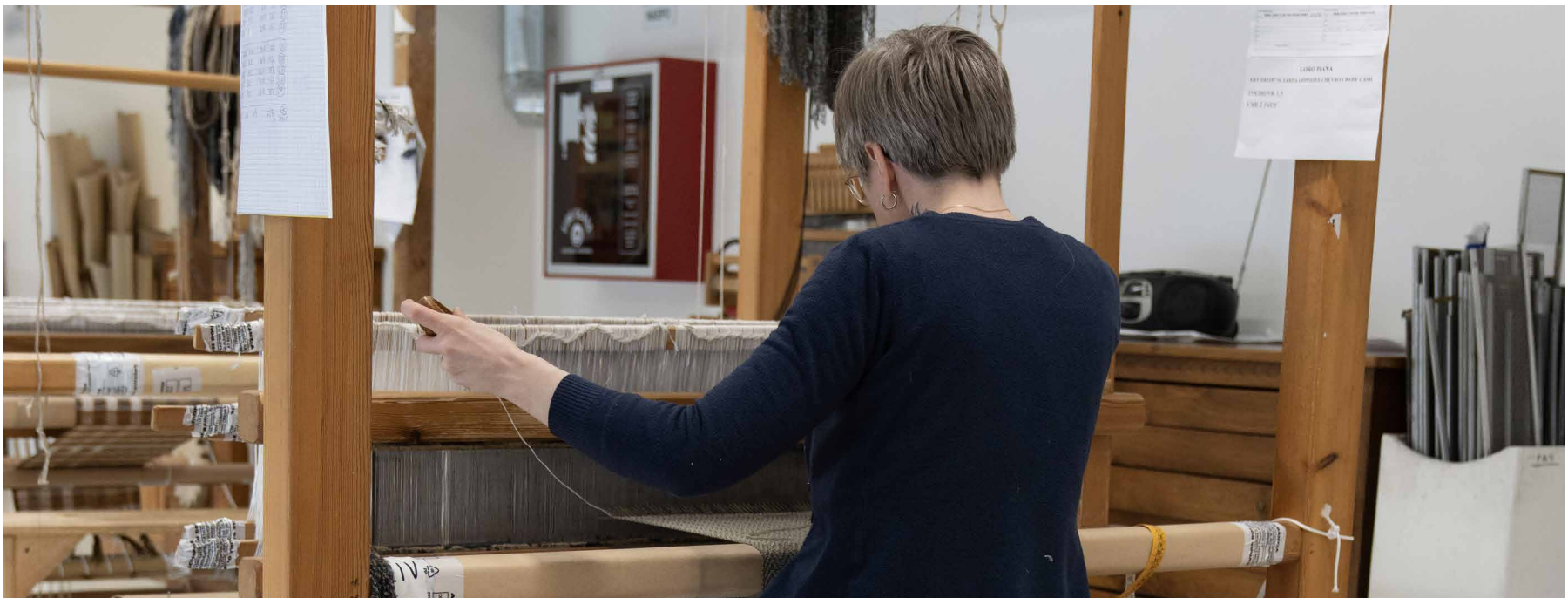
It is a business unit that is proud of its commitment to quality and craftsmanship, combining traditional and modern processes to create elegant and casual shoes that will last you a long time. Every stage of shoe manufacture is attended to in minute detail, from the selection of the best materials to precision work on finishing.

LEATHER GOODS

It is a business unit dedicated to supporting brands and designers in the design and manufacture of bags, wallets, belts, and accessories. Laboratories of excellence are equipped to interpret and support brands, and their creative teams in the product development and manufacturing process, providing the multiple skills of prototyping, industrialization, craftsmanship, and product management.

Thanks to this model, the Gruppo Florence is increasingly serving as an industrial enabler for luxury brands, combining strategic vision, sustainability, and capacity of execution.

STORIES OF ITALY'S INDUSTRIAL EXCEL— LENCE



ANTICA
VALSERCHIO

EMPLOYEES: 107
ITEM / YEAR: 770.700

THE ART
OF WEAVING
BETWEEN
HISTORY
AND
MODERNITY

Antica Valserchio embodies the essence of Made in Italy, with a passion for precision and craftsmanship. It is the only Italian company with four technologies for orthogonal fabrics: hand, shuttle, heddle and jacquard weaving.



BAR
BETTA

EMPLOYEES: 161
ITEM / YEAR: 249.398

50 YEARS OF
EXCELLENCE IN
JERSEY WORK
FOR LUXURY
BRANDS
WORLDWIDE

Barbetta produces complete collections for men's, women's and children's clothing, and manages every stage of the production process in-house, using advanced systems for the processing of fabrics and accessories.



LO—
RENZA

EMPLOYEES: 38
ITEM / YEAR: 131.532

ENCHANTED SHOES: ART AND MASTERY IN EVERY DETAIL

Since 1996, **Lorenza** has specialized in creations representing the best of Made in Italy craftsmanship. Attention to detail, passion, and experience are an expression of the company's know-how of excellence.



CAM

EMPLOYEES: 35
ITEM / YEAR: 42.418

MAKERS AND WITNESSES OF ITALIAN KNOW-HOW

A leading company in total look clothing of luxury fashion, it is appreciated and sought after for the extraordinary quality it infuses into the making of its garments, combining traditional craftsmanship and innovation in a skillful way.

TUSCAN HAND— CRAFTED EXCELLENCE: 20 YEARS OF LUXURY CREATIONS IN THE LEATHER AND FUR INDUSTRY

Ciemmecci Fashion stands out as the handcrafted excellence in the leather and fur industry. Through impeccable use of advanced design techniques, the company has earned an unquestionable reputation among the most prestigious luxury fashion houses.



CIEMME—
CI

EMPLOYEES: 97
ITEM / YEAR: 22.411



ELLE DUE

EMPLOYEES: 93
ITEM / YEAR: 39.540

A WOMAN'S PASSION: AN ELEGANT HISTORY OF PERFECTION AND CHARM

Since 1976 **Elledue** has been a model of refinement for the luxury tailoring industry. The creation of magnificent outerwear for women is the result of the most sophisticated haute couture workmanship, which enables the company to stand out in the international luxury market.



EMME GI

EMPLOYEES: 30
ITEM / YEAR: 45.512

SINCE 1880, A HISTORY OF PRESTIGE, MASTERY AND LOVE FOR TRADITION

Thanks to its 100 years of experience, **Emmegi** is a model of aesthetic refinement, and functional optimization, expressed in every garment through a deep knowledge of techniques to respond to all market demands.



FACO PEL

EMPLOYEES: 49
ITEM / YEAR: 207.347

MORE THAN 100 YEARS OF EXPERIENCE, AND FOUR GENERATIONS OF HATTERS

Facopel stands as a symbol of refinement in the production of handcrafted hats of exceptional quality, thanks to the experience accumulated over the years, and the continuous search for new solutions. Passion, knowledge and tailoring skills.



FRE
DIANI

EMPLOYEES: 44
ITEM / YEAR: 43.846

THE ART OF
PATTERNMAK—
ING HANDED
DOWN FROM
GENERATION TO
GENERATION

Founded in 1992 by Massimo Frediani, **Frediani** specializes in pattern design for men's and women's clothing, and advises the most prestigious brands thanks to creativity, mastery, and a solid family tradition.



GIUN
TINI

EMPLOYEES: 161
ITEM / YEAR: 255.171

THE
SOUL
OF
TAI—
LORED
LUXURY

From prototype to delivery, and from the creation of garments for fashion shows, to sampling and manufacturing. Thanks to its ability to manage and optimize a complex production process, it operates with the support of Eurotex and Ambra.

IF IT CAN BE
IMAGINED,
IT CAN
BE
DONE.
FOR 40 YEARS,
PASSION
FOR
THE
PRODUCT

Ideal Blue with Durantina Textile Srl supports designers and the most innovative brands in the entire process of Denim manufacturing, from the idea to the industrialization of a successful product, with creative solutions and advanced technologies.



IDEAL
BLUE

EMPLOYEES: 153
ITEM / YEAR: 237.623

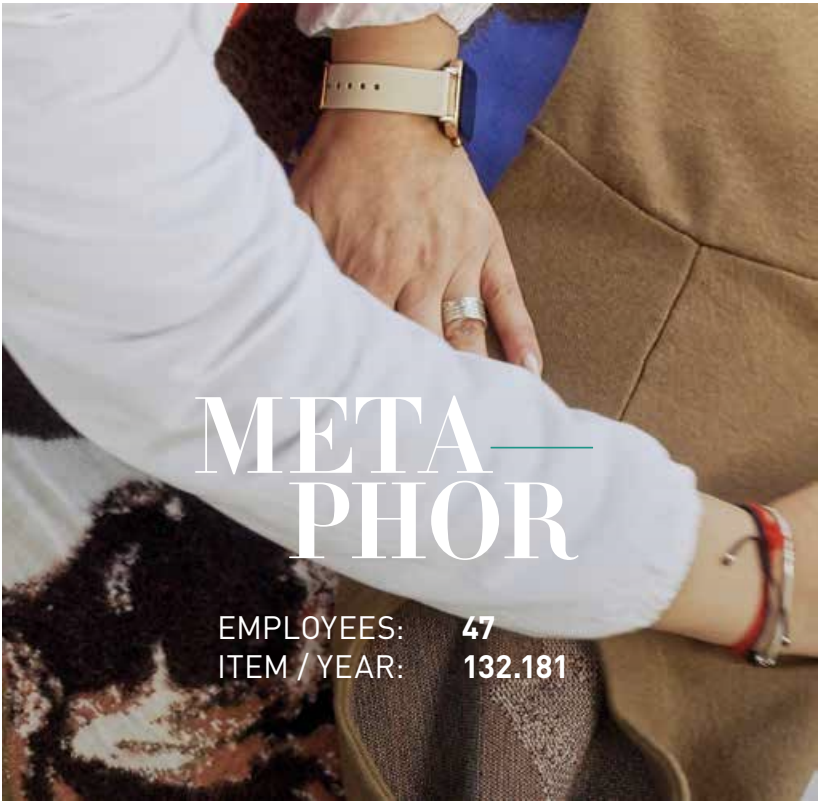
KNITWEAR OF EXCELLENCE SINCE 1956: WHERE THE VISIBLE MEETS THE INVISIBLE, CREATING VALUE WITHOUT BOUNDARIES

Expertise, experience and constant pursuit of quality characterize the history of **Mely's**, combining Italian tailoring tradition, and technological innovation. It offers customized and original solutions to the most important global fashion houses.



ME
LY'S

EMPLOYEES: 133
ITEM / YEAR: 70.256



META
PHOR

EMPLOYEES: 47
ITEM / YEAR: 132.181



NOVA
RESE

EMPLOYEES: 204
ITEM / YEAR: 234.123

PASSION, RESEARCH, AND CRAFTS— MAN— SHIP

With over 30 years of experience in the industry, **Metaphor** stands out for its constant innovation in style, and production methods of excellent knitwear, strengthening its position as a leading company in high-tech knitwear.

MASTERY, IN— TRAPRENEUR— SHIP, AND STRATEGY FOR OVER 70 YEARS

Novarese, together with **Bison**, is constantly searching for means, techniques, and methods of production to evolve over time by embracing global market trends, and preserve the manufacturing art of the Marche region to reinterpret it.



ART OF KNITWEAR AT THE TOP: CREATIVITY, ELEGANCE, EFFICIENCY

For more than 70 years, **Leonello Spagnol** has been in the luxury knitwear business, offering refined workmanship from the highest quality raw materials, in a continuous search for perfection in the service of luxury needs.



THE PERFECT HARMONY OF ELEGANCE, INNOVATION, CRAFTSMAN— SHIP SINCE 1985

Since 1985, **Erika** has been creating garments of extreme elegance, technical innovation, and a deep knowledge of craftsmanship. Tailoring tradition blends with technological evolution to create works of mastery for major brands.



A PERFECT BALANCE BETWEEN INNOVATION AND CRAFTS— MANSHIP. KEEPERS OF THE FABRIC, AN EYE ON THE FUTURE

Founded by Stefano Romolini and Erika Gerda Cesari in 1988, **Manifatture Cesari** has a long experience in jersey processing in the luxury industry. In covering the entire production process, the company ensures reliability, and utmost care in the product.



RED PIXEL

EMPLOYEES: 5

INNOVATION AND EXPERT CRAFTS— MANSHIP: THE PERFECT BALANCE

In high fashion, a designer's vision is the soul of every collection. Turning this vision into reality, and applying it to a luxury product, requires the utmost dedication and mastery. This is where **Red Pixel** excels.



SI PAFF77

EMPLOYEES: 46
ITEM / YEAR: 300.000

LUXURY SHIRTS COMBINING ELEGANCE AND PRECISION

SIPAFF is a fine manufacturer in the tailoring of shirts for the most prestigious fashion houses and celebrates the best of sartorial art in each of its garments with support from CIM.



ABC RICAMI

EMPLOYEES: 59

THE ART OF EMBROIDERY COMBINING TRADI— TION, INNOVA— TION AND STYLE

The Style Department is the beating heart of **ABC Ricami**, where talented designers create collections and sketches. Specialization in leather embroidery is a determining factor in attracting luxury brands and strengthening the company's position as a partner of excellence.

CRAFTSMANSHIP EXCELLENCE IN LEATHER GOODS PRODUCTION SINCE 1935

Aware of the importance of tradition, but ready to embrace innovation as a driver for growth, **Alba** team is seeking new technologies and innovative processes on an ongoing basis to improve the quality of its products.



ALBA

EMPLOYEES: 60
ITEM / YEAR: 164.000



EFFEBI

EMPLOYEES: 72
ITEM / YEAR: 88.530

EXPERTISE IN CREATING ELEGANCE WITH LEATHER

The art of leather goods is a legacy of great relevance to Florence and Tuscany, characterized by the quality of raw materials, and ancient craftsmanship handed down from generation to generation.



TREND

EMPLOYEES: 78
ITEM / YEAR: 80.687

AVANT-GARDE AND UNIQUENESS IN THE LEATHER GOODS LUXURY

With an original & innovative approach, **Trend**, with support from Trend Manifattura, stands out as a strategic partner, responsive and ready to understand customers' needs in order to offer a tailor-made, quality service.



OFFICINA CIEMMECI

EMPLOYEES: 44

CRAFTS— MANSHIP PRESTIGE AND TECHNOLOGI— CAL PROGRESS COME TOGETHER IN A MARRIAGE OF STYLE AND REFINEMENT

Officina Ciemmecci represents a Made in Italy celebration where respect for tradition, and the search for innovation, give life to exclusive masterpieces for the most prestigious luxury brands, through airbrush sprays, and the creative use of digital prints and washes.



PARMA MODA

EMPLOYEES: 146
ITEM / YEAR: 33.717



PIGO LOTTI

EMPLOYEES: 34
ITEM / YEAR: 46.921

THE VAL— UE OF LIGHT— NESS

Parmamoda is a company that stands out for its great expertise in creating exclusive clothes, using impalpable fabrics that are expertly shaped to give form to real creative dreams.

A TALE OF MASTERY, TECHNOLOGY, AND TRANS— FORMATION SINCE 1979

Just like in the Renaissance workshops of Perugia, where passion and expertise were handed down from generation to generation, **Pigolotti** combines craftsmanship with new technologies, in constant research on jersey.



LABEL SYSTEM

EMPLOYEES: 32

TURNING DREAMS INTO MAS— TER— PIECES

Since 1982, **Label System** has been providing versatility and expertise to lead international luxury brands to shape unique creations. Every request becomes an opportunity to innovate and offer tailor-made solutions.



STYLE UP

EMPLOYEES: 43
ITEM / YEAR: 70.000

THE HISTORICAL ARCHIVE, A SOURCE OF INSPIRATION

Style up historical archive is a timeless place that collects about 7,000 knitwear items, and continues to grow day by day telling the story of the constant search for innovation and excellence.

DEN— IM, FROM SPORTS— WEAR TO CLAS— SIC CLOTH— ING

Moda Italia stands out for its ability to combine tradition and innovation in the clothing and sportswear sector. After originally specializing in the manufacturing of denim, the company has also extended its expertise to more classic garments, such as pants and semi-classic jackets.



MODA ITALIA

EMPLOYEES: 46
ITEM / YEAR: 79.071



LO
GAMA

EMPLOYEES: 97
ITEM / YEAR: 50.845

SARTORIAL ART AND INNO— VATION IN EVERY JACKET

Logama is an example of excellence in the Italian fashion scene, in a highly specialized niche: the manufacturing of women's full- and half-canvas sartorial jackets, in a perfect synthesis of sartorial tradition and innovation.



PA&
CO

EMPLOYEES: 132
ITEM / YEAR: 224.498

EXCEL— LENCE IN KNITWEAR SER— VICES

PA&CO distinguishes itself by creating knitwear garments that combine fine materials, and cutting-edge workmanship. Each collection stems from an unwavering commitment to searching for innovative and sustainable materials.



MARY
FASHION

EMPLOYEES: 110
ITEM / YEAR: 101.185

WE BE— LIEVE IN BEAUTY, ART AND HIGH-END MANU— FAC— TURING

The company is committed to promoting a universal ideal of quality, respecting people, skills, hard work, and dedication in building every day a new balance between different knowledge, by focusing on the abilities of men and women to give meaning to their gestures.



IPS

EMPLOYEES: 240
ITEM / YEAR: 162.998

STRONG COMMIT— MENT TO RE— SEARCH AND DE— VELOP— MENT

IPS enhances the extraordinary innovative and craftsmanship skills of Italian manufacturing in the luxury industry and is committed to investing resources and money in creativity and craftsmanship, creating a strong and reliable network dedicated to research and experimentation.



EFFE
2

EMPLOYEES: 76
ITEM / YEAR: 198.284

AN OPEN APPROACH TO INNO— VATION

Effe 2 soul is rooted in research, experimentation, and innovation, based on an “Open Innovation” approach, investing in research and services with the goal of minimizing environmental impact, and improving process efficiency.



RICAMI
NBM

EMPLOYEES: 54

THE ART OF EMBROIDERY, SERVING STYLE

Ricami NBM represents excellence in the field of embroidery for luxury fashion. Thanks to its of traditional craftsmanship and technological innovation, Ricami NBM is an ideal partner for exclusive products of the highest quality.



TAC—
CETTI

EMPLOYEES: 223
ITEM / YEAR: 204.320

FOOTWEAR
SINCE 1800:
ART MEETS
INNOVATION:
TIMELESS
ELEGANCE

Taccetti is the pinnacle of excellence in fashion footwear manufacturing. Passion, craftsmanship, and innovation are manifested in uniquely charming shoes that capture the essence of style and sophistication.



RICAMI—
FICIO GS

EMPLOYEES: 94

FROM
DREAM TO
DECORATION:
EXPERT
EMBROI—
DERY

Craftsmanship, technological innovation, and attention to detail make Ricamificio GS a benchmark in the industry, cementing its reputation for global excellence in the art of embroidery and decoration.

THE
AR—
CHIVE,
THE
BEST
PLACE
TO
GET
IN—
SPIRED

The historical archive is a treasure of creativity and craftsmanship. With over 60 years of experience, Carollo offers a collection of about 3,000 iconic pieces, showcasing the company's excellence and innovation. Designers and brands can explore and draw inspiration, thanks to our expertise.



CA—
ROLLO

EMPLOYEES: 24
ITEM / YEAR: 48.108



“FLO REN CE”

The name **Flōrentia** derives from the Latin **Flōrentes**, which was used to indicate its lush plains.

/ **Flōrens** / adj. Latin flourishing, blooming, lush.

/ **Flōrentia** / n. Latin noun that appears during the early Etruscan settlements, which adopted the Latin epithet **flōrentes**.

/ **Florence** / n. (geogr.) English for Firenze, the Italian name for the city of Florence.

Florence is not just the name of a famous city. It's not just the cradle of high-quality textile manufacturing since the Middle Ages. And it's not just the epicenter of the thought revolution that, with humanism, placed the human being at the center, as well as the cradle of the Italian Renaissance. It's not just a place, but a state of mind.

Photo by Mateus Campos Felipe

AN ECOSYSTEM OF VALUE TO SUPPORT OUR BRANDS

The Gruppo Florence's mission is to build an advanced industrial ecosystem for luxury brands, which is a model that promotes Italian manufacturing excellence, sustainable transformation, the transfer of knowledge, and digital and

technological innovation. The Group acts as an industrial enabler, enhancing local identities and artisanal skills within a future-oriented integrated system.

THE FOUNDING ARCHITECTURES OF THE FLORENCE MOD

MANUFACTURA

The foundations of Gruppo Florence rest on the valuable legacy of expertise of the companies that embody the Italian Value in global manufacturing. In this context, the fundamental stages of design, prototyping, engineering, production, and quality control of the various operating entities converge in the clothing, footwear, leather goods, and intermediate processing sectors.

AUXILIUM

Gruppo Florence's commitment is aimed at making a tangible contribution to economic, social, and environmental sustainability through the control of the entire production chain, the verification and monitoring of the chemicals it uses, the path to measuring, and reducing the carbon footprint, and projects supporting the path to circularity in the luxury industry.

ACADEMIA

It is the Group's training program aimed at developing new talents, ennobling the workforce, and professional skills that belong to Italy's cultural and manufacturing heritage, through projects within and outside the perimeter of its companies.

ENZYME

As a reaction accelerator, it is an open community of innovators, entrepreneurs, and creatives working together on the transformation of the luxury supply chain. In adopting a collaborative and interdisciplinary approach, it seeks innovative solutions to design, test, and expand new projects on products, technology, and sustainability.

FORMING THE FUTURE WITH TODAY'S KNOW-HOW

Gruppo Florence considers training a strategic asset. The challenge of generational turnover is addressed through a widespread commitment to the enhancement of artisan skills, and the attractiveness of fashion trades..

- **Accademia Diffusa:** in-house operating courses developed with Mita, Polimoda, and the Tuscany Regional Government, aimed at young and unemployed people, to train new professional staff;
- **Adopt a School (... or rather a thousand!):** a project active in 8 regions with 17 partner schools, aimed at strengthening the link between the education system and industry;
- **Skill workshops:** upskilling programs for employees, 3D

courses, managerial training with BIG Academy, and programs for the second generation of the Group's entrepreneurs;

- **Design and Emerging Talents:** support for young creatives and international schools (e.g., Central Saint Martins), with access to technology, production, and mentoring;
- **Excellence Tour:** program aimed at supply chain partners to strengthen their managerial, organizational, and traceable skills.

THE HANDS OF FASHION - RECOUNTING WORK, VALUING PEOPLE

In 2024 Gruppo Florence launched the project "The Hands of Fashion - made by young people, for young people", a visual and narrative campaign documenting and enhancing the Italian manufacturing through a contemporary language, which consisted of a docufilm, and a photographic campaign, made in collaboration with Central Saint Martins in London, and involved an under-30 team composed of a reporter, a photographer, and a designer.

The film, which was presented during the Milan Fashion Week, explores five of the Group's workshops, telling the stories, ges-

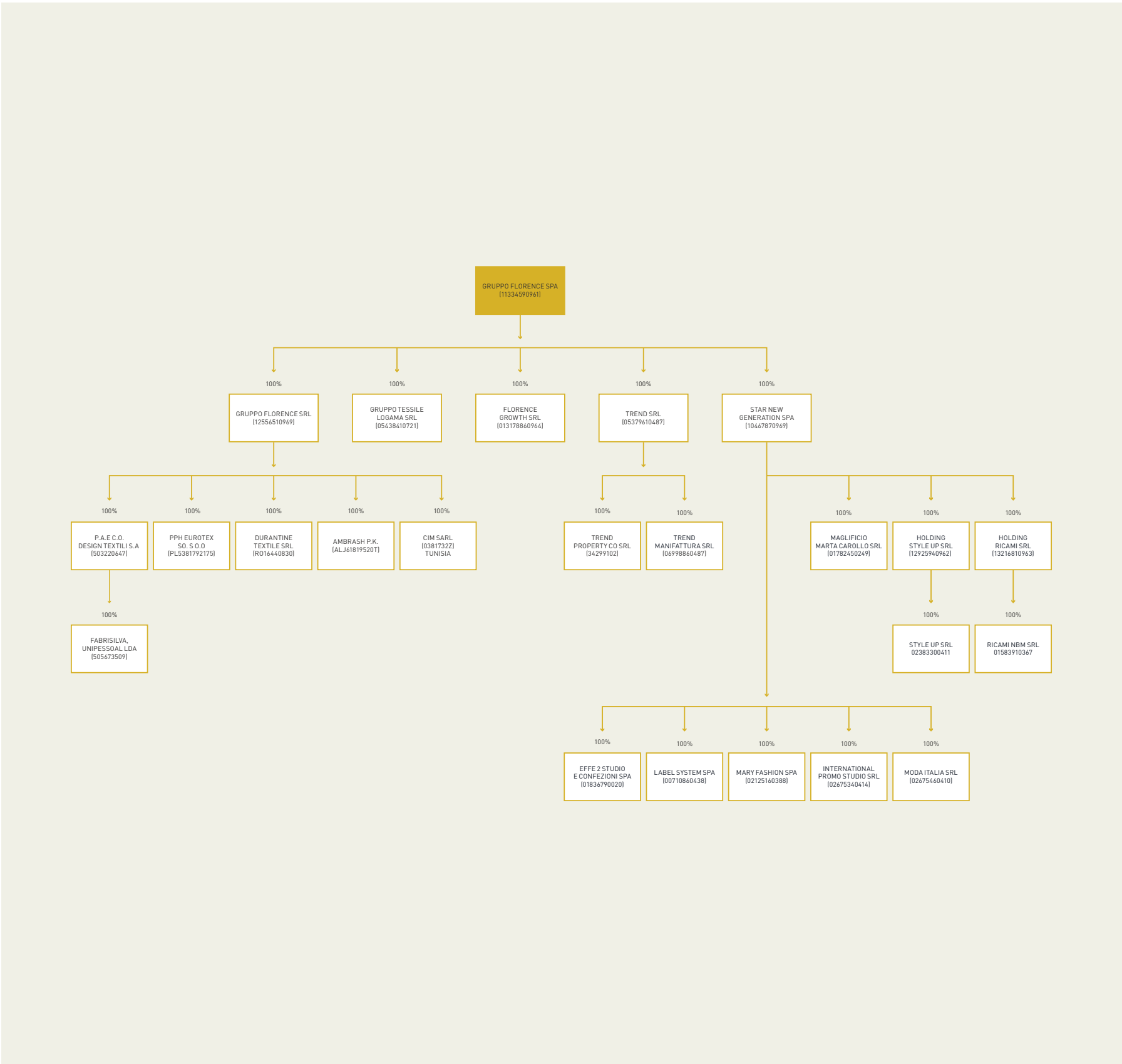
tures, and values of the people who shape Made in Italy every day. The photographic campaign, signed by school students, produced more than one hundred authentic portraits of employees, which were returned to the protagonists, and used as an employer branding and awareness-raising tools in schools. This initiative, external to the training courses, responds to the objective of promoting the cultural and social sustainability of the supply chain: it spreads a new narrative of manufacturing work, brings new generations closer to the sector, and strengthens the sense of identity and belonging in local areas and communities.

STRONGER GOVERNANCE FOR AN ETHICAL, SAFE AND RESILIENT BUSINESS

During 2024, the Gruppo Florence continued its work to strengthen its corporate structure under the leadership of Permira, an international investment firm, and the Group’s majority shareholder since May 2023. Permira works alongside its historical partners Vam Investments and Fondo Italiano d’Investimento, and more recently Star Capital, together with the Management and entrepreneurs who have been committed to the Group’s industrial project from the beginning.

As of 31 December 2024, the Group consisted of the parent com-

pany Gruppo Florence S.p.A. and the subsidiaries under their control, including Gruppo Florence S.r.l., which is the Group’s main operating company. In addition, continuing the Group’s acquisition strategy in 2024 the corporate perimeter was extended to Gruppo Star New Generation (SNG), which includes 8 companies specializing in the manufacturing of runway and ready-to-wear garments for all categories of the fashion industry, and Gruppo Tessile Logama. The Group’s expansion program also continued abroad with the acquisition of the Portuguese company P.A.E.C.O. Design Textil S.A. and its subsidiary.



PICTURE 1 – ORGANIZATIONAL STRUCTURE OF THE GRUPPO FLORENCE AT 31.12.2024

The Gruppo Florence is characterized by an organizational structure based on transparency, a clear distribution of responsibilities, and a precise definition of roles, rules, and processes. This model ensures honesty and fairness in operations, both manufacturing and administration, and, more generally, in all business practices. The organizational structure is a key element in the evolution of the process of integration of the Group’s various manufacturing entities, fostering a balance between operational autonomy, entrepreneurial dynamism, and solid control safeguards aimed at ensuring the legitimacy and ethics of the decision-making process.

The administration system adopted by the Group is a traditional one involving the Board of Directors (BoD), and the Board of Statutory Auditors. The BoD, which is the central body of corporate governance, is composed of 11 members, including 8 men and 3 women, appointed by the shareholders’ meeting through an evaluation based on qualifications, proven experience, and interviews. Francesco Trapani serves as Chairman of the Board of Directors¹ while the role of Chief Executive Officer is held by Attila Kiss. The remaining members of the Board do not hold any executive authority or qualify as independent directors

Below is the composition of the BoD of the parent company Gruppo Florence S.p.A.:

Members of the Board of Directors	UoM	2022			2023			2024		
		Men	Women	Total	Men	Women	Total	Men	Women	Total
Number of the members of governing bodies	n.	11	1	12	8	2	10	8	3	11
Age less than 30 years	no.	-	-	-	-	-	-	-	-	-
Age between 30 and 50 years (inclusive)	no.	8	1	9	3	1	4	3	1	4
Age over 50 years	no.	3	-	3	5	1	6	5	2	7
Percentage	%	92	8	100	80	20	100	73	27	100
Age less than 30 years	%	-	-	-	-	-	-	-	-	-
Age between 30 and 50 years (inclusive)	%	67	8	75	30	10	40	27	9	36
Age over 50 years	%	25	-	25	50	10	60	45	18	64

TABLE NO. 1 – MEMBERS OF THE BOARD OF DIRECTORS

The parent company’s Board of Directors is responsible for setting the guidelines of the Group’s strategic direction and management, both ordinary and extraordinary, including approval of corporate policies, and the main official documents, including this Sustainability Report. Currently, there are no formal measures or procedures in place to ensure the BoD’s direct involvement in ESG (Environmental, Social, Governance) issues. However, a member of the Board also participates in the Supply Chain Committee, a collective body in charge of promoting ethical principles and sustainability within the production chain; the composition, responsibilities, and functioning of the Committee are described in the following paragraphs, and in chapter 4.2 The Group’s role in promoting a more sustainable Made in Italy supply chain, page 69.

In addition, ESG issues are regularly addressed as part of the monthly meetings of the Strategy Committee, which are dedicated to monitoring corporate performance in line with the defined strategic direction. Finally, it is the responsibility of the Chief Executive Officer to implement the sustainability strategy established by the BoD, as well as to supervise any related policies, processes, and objectives.
As at 31 December 2024, the Gruppo Florence’s Board of Statutory Auditors was composed of 3 standing auditors and 2 alternate auditors, and performed control and supervisory duties

over the administration of the company, verifying compliance with the provisions of the law and the articles of incorporation.

As at the date of this report, the Group was engaged in formalizing structured procedures aimed at ensuring sound and transparent governance. In particular, a procedure aimed at the prevention and management of potential conflicts of interest was in the process of being defined, as was a risk analysis project, which will also include the provision for formal systems for the disclosure of critical issues (if any), and the application of any appropriate oversight measures.
An integral part of the Gruppo Florence’s governance, the Committee for Responsible Supply Chain Management is a collective advisory body which was established by the Board of Directors in 2024, with the aim of promoting the adoption of sustainable and responsible practices throughout the supply chain. The Committee is composed as follows::

- Chief Sustainability Officer;
- CSR & Supply Chain Qualification function contact person;
- Director of the Ready-to-Wear Business Unit;
- Director of the Shoes & Leather Goods Business Unit;
- Two independent members, one of whom belongs to the BoD of Gruppo Florence.

1 The chairman of the BoD is not a senior manager of Gruppo Florence.

The full effectiveness of the Committee is based on a solid and continuous collaboration between the ESG and Operations functions.

The Committee meets on a monthly basis, and plays a key role in overseeing the implementation of procedures, monitoring suppliers’ ESG performance, and assessing any critical situation. At the organizational level, the Gruppo Florence is structured with a central ESG team, supported by local staff members present in most divisions. Although these staff members are only partially involved in ESG activities, they also hold other operational roles within their respective entities.

The central team is responsible for setting strategic guidelines, ensuring the consistency of actions with corporate sustainability goals, and supporting local staff in implementing ESG initiatives at the operational level. ESG issues are overseen through a Group ESG department divided into three specialized functional areas, each of which is dedicated to a specific field of sustainability, and coordinated under the supervision of the Chief Sustainability Officer. The CSR & Supply Chain Qualification function is responsible for assessing

and monitoring partners throughout the supply chain. Its goal is to promote responsible practices, in line with the Group’s ethical principles and values, through a rigorous qualification and control process. The Climate Change team, on the other hand, deals with the management of environmental issues, with a focus on key issues such as energy efficiency, safe and sustainable management of chemicals, proper waste management geared towards circularity, and implementation of policies aimed at decarbonization.

Finally, the Reporting & Tracking team is responsible for the collection, processing, and reporting of sustainability data, ensuring transparency and alignment with required standards. In addition, the team manages major system certification schemes, including ISO 14001, ISO 45001, and SA8000, and oversees product certifications, ensuring compliance with regulations and standards required by the market

Members of the Committee for Responsible Management of the Supply Chain	UoM	2024		
		Men	Women	Total
Number of the members of governing bodies	n.	4	2	6
Age less than 30 years	n.	-	-	-
Age between 30 and 50 years (inclusive)	n.	-	2	2
Age over 50 years	n.	4	-	4
Percentage	%			
Age less than 30 years	%	-	-	-
Age between 30 and 50 years (inclusive)	%	-	33	33
Age over 50 years	%	67	-	67

TABLE NO. 2 - MEMBERS OF THE COMMITTEE FOR RESPONSIBLE MANAGEMENT OF THE SUPPLY CHAIN



ETHICAL BUSINESS CONDUCT

The Group recognizes that inadequate management of governance processes can lead to significant risks, including incidents of bribery and corruption, with possible negative economic consequences for markets, local communities, and consumers. Given its type of business, the Group is potentially exposed to corruption risks in specific areas of operation, such as the processes to gain orders, quality control, and market pricing. However, these risks are effectively mitigated through the adoption and implementation of the Organizational and Management Model in accordance with Legislative Decree no. 231/2001, which provides for prevention and monitoring tools focused on the issue of corruption.

In 2024, a provisional version of the Organizational and Compliance Model under Legislative Decree no. 231/2001 (hereinafter “Model 231”) was implemented following the reorganization of the Group’s Italian companies, which is essential to standardize the mechanisms for preventing crimes. During the year, the most relevant predicate offenses, and the areas of greatest risk for the Group’s entities were identified through the involvement of executives, plant directors and managers from the various divisions. This process led to the final formalization of Model 231 for both Gruppo Florence S.r.l., and the parent company in early 2025. Adoption of the Model will be gradually extended to investee companies, with local supervisory boards to ensure standardized oversight throughout the Group.

In order to promote its full awareness and application, the Model will be made available on a company internal platform, accessible to all employees. In addition, the Group will deliver specific training sessions, scheduled to begin in September 2025.

The Group has appointed a Supervisory Board (SB), which is responsible for establishing, on a periodical basis, whether the Model has been actually implemented, is adequate to prevent the offences referred to in Legislative Decree no. 231/2001, and meets the requirements of soundness and functionality over time. In accordance with Article 6 of the same decree, the Gruppo Florence has also established a computerized Whistleblowing system to enable all of the Group’s stakeholders to report any suspected unlawful acts and irregularities to the Supervisory Board, including:

- alleged unlawful acts among those set forth in the Organizational Model 231;
- violation of the principles of transparency, fairness, and professionalism;
- violations related to Occupational Health and Safety;
- violations related to environmental issues;
- attempted or actual acts of corruption;
- misuse of company assets;
- illegal and/or fraudulent activities to the detriment of cus-

tomers or of the Public Administration.

The single reporting channel, which can be accessed directly from the company website, allows reports to be sent both in written and oral form, with tools that ensure anonymity and voice masking, in line with what is defined within the Whistleblowing Procedure. In order for the Supervisory Board to proceed with establishing whether the information it receives is true, and with applying any necessary measures if it is confirmed that offences have been actually committed, the relevant reports must be based on precise and consistent factual elements, and must provide any useful evidence, such as, for example, the parties involved, the place, and the period of time.

The Whistleblowing system, together with Model 231 and the Code of Ethics, is a key pillar in the prevention of misconduct in the conduct of business, and along the value chain, promoting an ethical business culture for the benefit of all stakeholders.

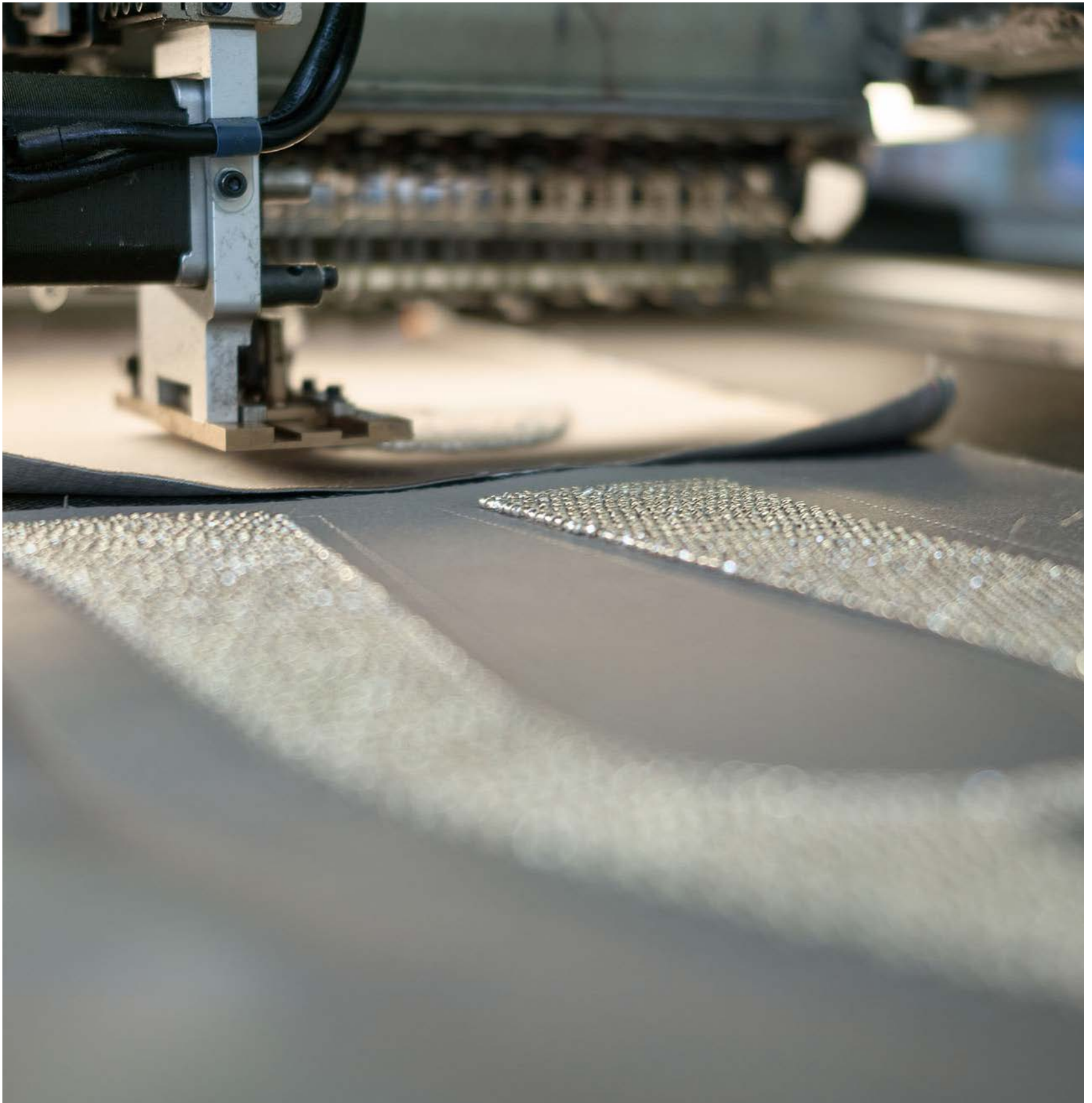
The principles of honesty and accountability that guide the Group’s operations are formalized in the Code of Ethics, which is inspired by internationally recognized fundamental principles regarding human and labor rights. The Code of Ethics, updated during the reporting year, is shared with key stakeholders, such as employees, suppliers, and business partners, laying down the rules of conduct to be observed in business activities, and in relations with stakeholders. The update to the Code of Ethics was presented at a dedicated meeting between the Chief Executive Officer of the Gruppo Florence and their employees, aimed at promoting its dissemination, and encouraging the conscious adoption of the principles on the part of all internal stakeholders. In addition, the Group held a training session in 2024 for all employees, which was aimed at further exploring the fundamental principles of the Code of Ethics.

All anti-corruption procedures were duly communicated to the members of the Board of Directors. However, it should be noted that no specific training was delivered on anti-corruption during 2024.

The Group adopts a robust monitoring and auditing system, both in-house and extended to the supply chain, aimed at preventing any anti-competitive behavior, and any instance of non-compliance with laws and regulations, including voluntary ones, which could generate adverse economic and social impacts. As part of these activities, particular attention is also paid to protecting customers’ intellectual property rights, which is ensured through adherence to a structured brand protection policy, formalized during the phase of sales.

During 2024, none of the Group companies was involved in incidents of corruption, or any other form of misconduct, nor were there any cases of non-compliance with laws and/or regulations, confirming the effectiveness of the safeguards and control systems they have adopted. Furthermore, there were no legal proceedings relating to anti-competitive behavior, or any alleged violation of antitrust regulations.





DATA PRIVACY AND CYBER SECURITY

In the context of its operations, and daily interactions with key stakeholders – including employees, suppliers, customers, vendors, and partners –, the Gruppo Florence recognizes data protection as a strategic priority. Responsible management of sensitive information is essential to mitigate any potential adverse impact arising from violations of privacy, and any loss, or misuse of data.

In line with the principles of the Code of Ethics, any access to personal data will be regulated by increasingly stringent measures, and permitted only to those company functions and departments that need it for legitimate purposes. The Group is increasingly adopting advanced systems to ensure utmost security of all information in order to prevent any unauthorized access, improper alteration, or accidental destruction of data. In this context, the IT infrastructure centralization program is a key element in ensuring uniform security standards across all company functions and departments. Among the measures that are currently being implemented is multi-factor authentication, aimed at strengthening access protection, and preventing any cyber security risk. Although a structured training plan is still in the process of

being defined, the Group has already taken actions to raise awareness of cyber security, with a particular focus on the risks associated with phishing, and the conscious management of credentials. A comprehensive training program will be put in place after completion of the IT infrastructure centralization process.

In order to assess the effectiveness of the security measures it has adopted, the Group uses the number of tickets received as a key indicator, which is useful for identifying critical issues, and calibrating the necessary technical support. As from the second half of 2025, a dedicated KPI (Key Performance Indicator) will be applied to track thwarted cyberattacks, and mitigated risks, strengthening the prevention and resilience capabilities of the IT infrastructure. The active involvement of internal stakeholders is a fundamental resource for guiding the Group's actions, and continuously improving measures in the area of data and sensitive information protection.

During 2024, no substantiated complaints were received regarding violations of privacy on the part of customers, or any other stakeholders

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ANIMAL WELFARE

Respect for animal welfare is a founding ethical principle for the Gruppo Florence, as it is essential for promoting a responsible and sustainable fashion industry. The Group’s commitment is evident both in the definition of good company practices, and in its strict adherence to the ethical standards imposed by the international brands with which it collaborates, which have developed stringent requirements in terms of traceability, transparency, and protection of animals throughout the entire production chain.

Through its Code of Ethics, the Group formalizes its commitment to promoting production practices that exclude any form of mistreatment, exploitation, or suffering of animals, in line with a broader strategy aimed at protecting the ecosystem and its natural capital.

The Group recognizes the adverse impact of failing to respect the physical and psychological well-being of animals in the manufacturing activities of its supply chain. In order to mitigate this impact, the Group is committed to promoting active and ongoing dialogue with its business partners, with a view to encouraging alignment with its ethical principles. In addition, for all of its suppliers, the Group has implemented a process for assessing their ESG performance, which includes, among other things, signing the Company’s Code of Ethics. For more details on the assessment process, please refer to chapter 4.2.1 Supplier evaluation: a key lever for sustainability, page 69.

In support of its customers’ collections, the Gruppo Florence promotes the use of animal-based materials from certified supply chains, such as, for example, wool that complies with the Responsible Wool Standard (RWS), and the Nativa Precious Fiber (NPF) certification, as well as feathers certified according to the Responsible Down Standard (RDS), and

leather from Leather Working Group (LWG) certified suppliers. In 2024, there was the certification of 3 of the group’s manufacturing sites, and 5 processing suppliers included in the Group’s Scope Certificates. The guarantee of traceability that is also extended to production processes is a concrete action in support of the adoption of responsible breeding practices. Internationally recognized certifications play a fundamental role in this process, ensuring greater transparency throughout the entire supply chain, promoting standards that reduce animal suffering, and protecting the physical and psychological well-being of animals involved in the breeding and harvesting phases.

Being aware of the challenges and responsibilities associated with animal welfare management, Gruppo Florence is committed to gradually strengthening its practices in this area, including through the adoption of digital tools, such as, for example, traceability software. The Group is actively involved in projects developed with numerous customers who require high standards of traceability and transparency throughout the entire value chain, with a particular focus on the sustain-

“a concrete action in support of the adoption of responsible breeding practices.”

ability of raw materials, and the protection of animal welfare.

In line with industry’s best practices, the goal is to contribute to the construction of a fashion system that is increasingly ethical, transparent, and respectful of animals.



SUSTAINABILITY AND INNOVATION: GRUPPO FLORENCE JOINS THE GLOBAL FASHION AGENDA NETWORK

In 2024, Gruppo Florence started collaboration with Global Fashion Agenda (GFA), an organization founded in 2009, and recognized as the leading international forum dedicated to accelerating collective action for sustainability in the fashion industry.

GFA aims to guide the transformation of the sector towards a net positive industry, i.e., one that gives back more to society and the environment than it takes. The organization promotes a shared approach to the main challenges of sustainability, going beyond differences in market segment, company size, or geographical area.

In collaboration with its partners, the GFA sets the global agenda for sustainability in fashion, encouraging pre-competitive dialogue, and fostering the adoption of concrete actions and programs aimed at systemic change in the sector.

In this context, Gruppo Florence has joined the GFA network as an Associate Partner, strengthening its commitment to increasingly responsible, inclusive, and regenerative fashion at a global level.

In particular, the Group's objectives in joining the association include:

- accessing insights and regulatory developments: the Group benefits from exclusive reports, updates on international policies, and scenario analyses useful for guiding strategic decisions, as well as contributing to and influencing the association's lobbying activities;

- actively participating in discussion forums, including the Global Fashion Summit, the leading international forum on sustainability in the fashion industry;

- accessing GFA training content, including annual masterclasses.

From 21 to 23 May 2024, the Group's Chief Executive Officer, Attila Kiss, participated as a speaker at the Global Fashion Summit in Copenhagen,

**“a more efficient,
transparent, and
sustainable industrial
model”**

sharing the Group's experience in integrating the production chain, with a particular focus on how aggregation can facilitate the collection of energy data to support customers' decarbonization plans. His speech highlighted how overcoming the fragmentation of the production system is a key lever for building a more efficient, transparent, and sustainable industrial model.



STRAT— EGY AND PRIOR— ITIES FOR A RE— SPON— SIBLE BUSI— NESS

PRIORITIES AND MATERIAL TOPICS: MATERIALITY ANALYSIS

The 2024 Sustainability Report is part of a structured process of analyzing the sustainability issues that are most relevant to the Gruppo Florence, which began in 2022 with the aim of developing a shared ESG strategy consistent with the Group and its various entities.

During 2024, with the aim of strengthening its commitment to sustainability, and embarking on a path to a gradual alignment with the Corporate Sustainability Reporting Directive (CSRD), the Gruppo Florence carried out a double materiality analysis for the first time.

This process made it possible, on the one hand, to update the analysis of the impacts generated by the Group and its business relationships on the environment and people - already identified previously according to GRI impact materiality - and, on the other hand, to identify and assess the risks and opportunities that sustainability issues may have on the Group's economic and financial performance. However, it should be noted that this document, prepared in accordance with GRI Standards, reports only on issues that are relevant from the point of view of impact materiality, in line with the methodological requirements of the Standards themselves.

The materiality analysis was divided into several phases, as described below, actively involving the main corporate functions, and adopting a structured methodology aimed at ensuring the accuracy, consistency, and completeness of the results.

VALUE CHAIN MAPPING: as a first step, the Gruppo Florence proceeded with mapping the Group's value chain, with the aim of clearly representing all the activities and processes that generate value. Upstream, the Gruppo Florence interacts with a diverse network of key stakeholders, including brands, investors, and regulatory bodies that contribute to business development, as well as specialist suppliers - including processing suppliers, raw and intermediate material suppliers, and service providers. In addition, trade associations and research institutes contribute to monitoring industry trends.

The Group's core business is divided into four main phases: design and development, procurement of raw materials, production (sampling, ironing, washing, cutting, assembly, embroidery, etc.) and, finally, packaging and logistics. Key cross-sector functions and departments support the entire process. Downstream, the product is distributed through a network of distributors and logistics partners, generating value for the Gruppo Florence's client brands and end users. The Group also interacts with local communities, strengthening its integrated and collaborative approach.

ANALYSIS OF THE INTERNAL AND EXTERNAL ESG CONTEXT: subsequently, the Group conducted an in-depth analysis of the main sustainability trends relevant to the sector and the environment in which the Gruppo Florence operates. This analysis integrated external sources - such as ESG regulations, industry benchmarks, macroeconomic scenarios, and

the main reporting standards - with company documentation in order to identify emerging issues, and any potential short-, medium-, and long-term sustainability challenges and opportunities.

IDENTIFICATION OF A LONG-LIST OF POTENTIALLY MATERIAL IROs (IMPACTS, RISKS, AND OPPORTUNITIES): based on the above steps, an initial list of ESG issues potentially relevant to the Group was drawn up, considering the impacts, risks, and opportunities to be assessed.

ASSESSMENT OF THE LONG-LIST OF IROs: key company functions and departments - including Finance, Legal Affairs, Operations, Human Resources, and ESG - were directly involved in assessing impacts, risks, and opportunities in order to ensure a comprehensive reporting of various internal perspectives. Each IRO was assessed by using a structured methodology, which involved the application of objective criteria, and materiality thresholds.

The impact assessment considered the probability of occurrence, and the severity or significance, calculated by considering three key parameters: scale, scope, and degree of irremediability (for adverse impacts). When an impact involves one or more fundamental rights enshrined in the Universal Declaration of Human Rights, the parameter relating to the severity of the impact is automatically considered to be maximum. Risks and opportunities were also assessed on the basis of probability of occurrence and magnitude.

The final assessment, obtained by multiplying the probability factor by the severity/significance coefficient (impacts) or magnitude (risks and opportunities), was integrated into a matrix, validated by Top Management, which made it possible to determine the material IROs.

“developing a shared ESG strategy consistent with the Group and its various entities”

IDENTIFICATION OF MATERIAL ESG TOPICS: based on the assessment of the IROs, the Gruppo Florence identified the sustainability issues relevant to the Group, which were submitted for validation by Top Management, the Board of Directors, and the company top managers in order to ensure full alignment with the Group's key priorities and stakeholder expectations.

The table below shows the results of impact materiality analysis, including the material topics for the Group and any related impacts.

Material topic	Associated impact	Type of impact	Positioning in the value chain	Description of the impact
Climate change	Contribution to climate change	Negative, Current	Upstream Own operations Downstream	Contribution to climate change generated by greenhouse gas (GHG) emissions due to direct and indirect energy consumption by the Gruppo Florence (Scopes 1 and 2) and the value chain (Scope 3). In particular, GHG emissions derive from the washing and processing of leather and fabrics, and the use of related machinery, the manufacturing and use of natural materials and synthetic fibers, and, finally, logistics activities for the shipment of raw materials, and semi-finished and finished products.
Energy management	Energy consumption and efficiency	Negative, Current	Upstream Own operations	Energy consumption from fossil fuels linked to the Gruppo Florence's direct operations and its value chain can lead to an increase in greenhouse gas (GHG) emissions, and generate adverse social and economic impacts on surrounding communities, which could face higher energy prices, and reduced availability of resources.
Air and water pollution	Air pollution from value chain operations	Negative, Current	Upstream	Contribution to air pollution and damage to human health due to emissions of pollutants other than greenhouse gases (e.g., NOx, SOx, PM, VOCs, particulate matter) resulting from the Group's value chain activities. In particular, the leather industry could have an impact on air quality due to emissions of substances such as NH3, PM 2.5, and NOx resulting from leather treatment and processing.
	Microplastics	Negative, Current	Upstream Downstream	The use of synthetic textiles to manufacture the Group's products, and the resulting potential release of microplastics (during the manufacturing process/use, such as washing) can lead to environmental damage (e.g., water pollution), or harm to human health.
	Water pollution from production processes	Negative, Current	Upstream	Contribution to groundwater and/or surface water pollution resulting from the production processes of the Group's suppliers that require the use of chemicals such as heavy metals (e.g., lead), phthalates, or DEHP listed in the European E-PRTR register during the treatment of certain materials, mainly in tanning activities.
	Water pollution from the manufacturing of natural raw materials and animal-based raw materials	Negative, Current	Upstream	The use of chemicals, substances of concern and/or of very high concern (e.g., formaldehydes, azo dyes, heavy metals, or PFASs) along the Group's value chain can have significant environmental impacts that could pose ecological and human health risks.
Substances of concern and customer health and safety	Substances of concern	Negative, Current	Upstream Downstream	The use of chemicals, substances of concern and/or of very high concern (e.g., formaldehydes, azo dyes, heavy metals, or PFASs) along the Group's value chain can have significant environmental impacts that could pose ecological and human health risks.
Water protection	Water consumption in the value chain	Negative, Current	Upstream	The manufacturing of natural materials, such as cotton and leather, involves extensive use of water for irrigation. Water consumption in agricultural processes can contribute to water scarcity in the areas where suppliers operate, particularly in water-stressed areas.
	Water consumption in own operations	Negative, Current	Upstream	The water consumed during the Group's garment ironing, dyeing, and washing processes can lead to the depletion of local water resources. In water-stressed areas, this direct withdrawal for manufacturing operations increases pressure on already limited water resources, thus impacting the environment and the community.
Biodiversity and ecosystems	Impact of the value chain on biodiversity	Negative, Current	Upstream	Value chain activities lead to resource depletion due to the use of materials with high environmental impact. The cultivation of materials such as cotton requires the use of pesticides and chemical fertilizers, which can worsen soil quality, and reduce biodiversity in cultivated areas. Livestock breeding for leather manufacturing often involves converting forests and grasslands into pastures or fodder crops. The activities of the Group's material suppliers can contribute to the destruction of habitats and biodiversity, thus compromising the ecological balance of the areas where cultivation and livestock breeding take place.
Circular economy	Material inflow	Negative, Current	Upstream Own operations	The sourcing of virgin raw materials contributes to the depletion of natural resources, environmental degradation, and the destruction of habitats.
	Waste generation associated with production and packaging processes	Negative, Current	Upstream Own operations	The waste generated (including waste from disposable packaging and logistics packaging materials such as plastic, paper, and cardboard) must be managed through specific treatment, transport, disposal, and recycling procedures, which can cause environmental damage (e.g., soil and water contamination, degradation of local landscapes, and pressure on the natural environment) and social impacts (e.g., impact on local communities due to the effects on health from waste treatment).

TABLE 3 - MATERIALITY ANALYSIS OF THE GRUPPO FLORENCE

Material topic	Associated impact	Type of impact	Positioning in the value chain	Description of the impact
Human resources management and employee well-being	Reduction in working hours for employees and non-employee workers	Negative, Potential	Own operations	Reduced demand could lead to a reduction in working hours, or the termination of employment, with an adverse impact on the Gruppo Florence's own workforce (employees and non-employee workers).
	Adequate wages	Positive, Current	Own operations	Improved employment stability of staff through the payment of competitive salaries, including for employees working in countries with a lower per capita income.
	Strengthening of social dialogue and collective bargaining agreements	Positive, Current	Own operations	The presence of trade unions and works councils in the workplace contributes to the creation of a working environment in which employees are listened to and understood, and their needs are taken into consideration.
Health and safety	Occurrence of accidents at work/occupational diseases	Negative, Current	Own operations	Accidents and occupational diseases caused by failure to comply with company rules, procedures, and regulations, as well as insufficient monitoring of their application, have an adverse impact on the health and safety of the Gruppo Florence's workers.
Training and skills development	Training of employees in personal, professional, and technical skills	Positive, Current	Own operations	Training courses delivered by the Gruppo Florence to its employees has a positive impact on the development of organizational, interpersonal, and technical skills, thus contributing significantly to the professional growth of individuals, and the competitiveness of the fashion industry.
Responsible supply chain	Non-compliance with working conditions and fair treatment among manufacturing, raw material, and indirect suppliers	Negative, Potential	Upstream	Inadequate working conditions and/or incidents of discrimination in the workplace of manufacturing, raw material, and indirect suppliers. Such situations may arise either due to the ineffectiveness of the qualification and monitoring procedure for processing suppliers, or due to the absence of checks on raw material suppliers (generally chosen by the Group's customers) and indirect suppliers.
	Non-compliance in terms of health and safety among manufacturing, raw material, and indirect suppliers	Negative, Potential	Upstream	Non-compliance in terms of health and safety in the workplace of manufacturing, raw material, and indirect suppliers. These situations may arise either due to the ineffectiveness of the procedure for qualifying and monitoring processing suppliers, or due to the absence of controls on raw material suppliers (generally chosen by the Group's customers) and indirect suppliers.
	Fair payment practices	Negative, Potential	Upstream	In the fashion industry, compliance with payment terms and conditions is not always guaranteed, with an adverse impact on suppliers who may have to delay payment to their workers.
Protection of human rights	Failure to protect human rights among processing, raw material, and indirect suppliers	Negative, Potential	Upstream	Non-compliance in terms of protection of human rights, forced and child labor of employees of manufacturing, raw material, and indirect suppliers. Such situations may occur either due to the ineffectiveness of the qualification procedure and monitoring of processing suppliers, or due to the absence of controls on raw material suppliers (generally chosen by the Group's customers), and indirect suppliers.
Involvement of affected communities	Community growth through CSR initiatives	Positive, Potential	Downstream	Promoting the cultural, economic and social growth of the local community by implementing activities that encourage the creation of job opportunities, and social and cultural programs. In particular, the Gruppo Florence collaborates with institutions such as Mita and Polimoda to deliver training to unemployed people, providing both theoretical and practical skills. In addition, the Gruppo Florence collaborates with Italian design schools, providing students with the opportunity to develop their creative ideas by making its technologies available for learning.
Data privacy and cyber security	Improper data management and cyber security	Negative, Potential	Upstream Own operations Downstream	Improper handling of sensitive data and information can have an adverse impact on customers and employees, and their privacy.
Ethical business	Dissemination of an ethical and sustainable business culture	Positive, Current	Upstream Own operations Downstream	Promoting a culture that is conscious, sustainable, and respectful of human rights, both in direct operations and in the value chain, through the adoption of company policies (e.g., Code of Ethics), specific organizational checks, and training activities. This raises awareness, resulting in positive impacts on employees, and throughout the value chain, and, ultimately on the society.
	Protection of whistle-blowers	Positive, Current	Upstream	Attraverso l'implementazione di un sistema di whistle-blowing, accessibile a tutti gli stakeholder del Gruppo, è possibile segnalare condotte illecite in modo anonimo. Questa attività consente di ridurre le condotte illecite nello svolgimento delle attività aziendali e lungo la catena del valore, con benefici sia per l'azienda che per la società nel suo complesso.
	Incidents of bribery and corruption	Negative, Potential	Upstream Own operations Downstream	Incidents of bribery and corruption with possible adverse economic impacts on markets, local communities, and consumers.
Animal welfare	Animal welfare in manufacturing activities	Negative, Current	Upstream	Failure to respect the physical and psychological well-being of animals in the Group's value chain manufacturing activities.

TABLE 3 – MATERIALITY ANALYSIS OF THE GRUPPO FLORENCE

STRATEGY AND OBJECTIVES: SUSTAIN— ABILITY AGENDA

As from 2022, the Gruppo Florence started a strategic planning process that took shape in the Sustainability Agenda, i.e. the Sustainability Plan, following the first exercise to identify those sustainability issues that are relevant to the Group. In 2024, the Sustainability Agenda continued to represent the relevant framework for the Group's sustainable action, confirming itself as a dynamic tool, capable of evolving with the regulatory and strategic environment, according to the Group's needs and requirements. Following the update of the 2024 materiality analysis, the Group integrated these revisions into the Sustainability Plan, ensuring alignment between newly-updated priorities, and high-level strategic objectives.

"Creating value for the luxury fashion system through an integrated and sustainable platform – a symbol of Italian manufacturing excellence".

The Plan brings together objectives for addressing the main environmental, social and economic challenges, in line with the Gruppo Florence's long-term strategic vision. A vision that, over time, has gradually become ingrained in the corporate culture, and continues to guide manufacturing and operational activities, integrating the principles of sustainability into the supply chain as well, with the aim of protecting natural resources, promoting people's well-being, and contributing to the development of a more ethical and resilient fashion ecosystem.

The Sustainability Agenda is based on three pillars - Environment, Production, Social - which constitute the main lines of the Group's commitment. Each of these areas provides measurable objectives and specific initiatives, which the Gruppo Florence is committed to pursuing in line with the United Nations Sustainable Development Goals (SDGs). The 17 SDGs continue to represent a shared reference point for the Group to address major global challenges, from combating climate change to promoting inclusion, from respecting human rights to safeguarding natural resources.

In 2024, too, monitoring the progress of the work under the Sustainability Agenda continued to be a central part of the annual reporting process. The program is guided by the Group's ESG function in close collaboration with the Board of Directors, the Top Management, and other key stake-

holders, including Permira. Initiatives are considered and analyzed on a monthly basis, ensuring ongoing and structured discussion. This approach allows not only for precise assessment of achievements, but also for updating and refining key priorities, ensuring that the Plan remains consistent with emerging industry challenges, and the evolving regulatory environment.

The first pillar, "Scaling circularity for the Planet", dedicated to the environment, focuses on a set of initiatives aimed at strengthening the Group's environmental profile. Procurement of energy from renewable sources, adoption of energy efficiency solutions, and responsible management of chemicals continue to be the main operational levers within the Group's climate strategy. For more details about the initiatives and major achievements in these areas, please see chapter 3. Scaling circularity for the Planet - Challenges and opportunities, page 41.

The second pillar, "Scaling the new Italian excellence, between tradition and innovation", keeps central the goal of generating value in a lasting and sustainable way along the supply chain, through a virtuous balance between craftsmanship and new technologies. The innovation projects, and results achieved during the year are presented within

"Creating value for the luxury fashion system through an integrated and sustainable platform"

chapter 4. Redefining Italy's excellence: tradition, innovation and social impact, page 63.

Finally, the third pillar, "Designing a respectful environment for our people", reaffirms the Gruppo Florence's commitment to the protection of human rights, and the promotion of respect for people within production processes and the entire supply chain. For more details about the actions and progress made by the Group during the year, please see chapter 5. People at the center: work culture, well-being and growth, page 77.



Pillar	Temi materiali	Obiettivo di alto livello	SDGs
Scaling circularity for the planet	<ol style="list-style-type: none"> 1. Climate change 2. Energy management 3. Air and water pollution 4. Substances of concern and consumer health and safety 5. Protection of water resources 6. Biodiversity and ecosystems 7. Circular economy 	<ul style="list-style-type: none"> • Reduce climate-altering emissions and air pollution along the entire value chain through energy efficiency, the use of renewable energy sources, and the implementation of advanced performance monitoring systems. • Reduce the environmental impact of production processes and end products through responsible management of natural resources (energy, water, and raw materials), and by promoting good circularity practices. • Phase out hazardous chemicals from processes and products to protect consumer health, reduce environmental risks, and prevent contamination of water resources. • Mitigate impacts on ecosystems through sustainable procurement, and reducing the environmental footprint of raw materials and production processes. 	
Shaping the new Italian excellence, between tradition and innovation	<ol style="list-style-type: none"> 1. Ethical governance 2. Sustainable procurement 3. Protection of human rights 4. Animal welfare 5. Community engagement 6. Data privacy and cyber security 	<ul style="list-style-type: none"> • Ensure ethical behavior throughout the value chain, protecting human rights, and combating corruption through supplier due diligence practices, and the promotion of transparent and responsible governance. • Promote social and economic development, and create opportunities for communities by supporting initiatives to improve collective well-being, foster inclusion, and strengthen local resilience. • Ensure data security and privacy protection with robust and up-to-date IT systems. 	
Designing a respectful environment for our people	<ol style="list-style-type: none"> 1. Human resources management and employee well-being 2. Health and safety 3. Training and skills development 	<ul style="list-style-type: none"> • Ensure safe, inclusive working environments geared to people's psychological and physical well-being. • Invest in continuous training, and professional and personal development of human capital throughout the supply chain. 	

TABLE 4 - SUSTAINABILITY AGENDA OF THE GRUPPO FLORENCE



SUSTAINABILITY AND INTEGRATED RESPONSIBILITY: SYSTEM CERTIFICATIONS

The Gruppo Florence is undertaking a strategic and globally significant transformation, orienting its activities towards sustainability and social responsibility in an integrated way. This evolution is taking shape through the adoption of an Integrated Management System (IMS), which incorporates the main international management and sustainability standards.

The Integrated Management System (IMS) implemented by the Gruppo Florence is a structured set of procedures and forms designed to describe and regulate the operational processes that take place within the various divisions and functions of the Holding company. This system aims to ensure effective management of business activities, focusing on quality, safety, environment and social responsibilities. The IMS has been designed to meet the requirements of major international standards, including:

- ISO 14001, which covers environmental management, aiming to reduce the environmental impact of business activities;
- ISO 45001, which lays down the requirements for an occupational health and safety management system, aiming to ensure a safe and healthy working environment;
- SA8000, which focuses on corporate social responsibility, promoting respect for workers' rights and business ethics.

The procedures and forms adopted are designed to facilitate compliance with these regulations, helping to improve operational efficiency, safety, sustainability, and employee well-being.

In 2024, the Group achieved multi-site certification, which highlights not only the adoption of the IMS, but also an inclusive approach that spans various manufacturing locations and divisions, ensuring uniform alignment with corporate best practices on a global scale. Planning to extend these certifications to all divisions by 2026 is a concrete manifestation of the Group's intention to implement a positive and long-lasting impact on all its operations, thus strengthening its leadership in the field of sustainability and social responsibility.

Currently, 100% of the Italian companies that were in the Gruppo Florence perimeter as of December 2023 have obtained the international certifications ISO 14001 and ISO 45001,

which respectively attest effective environmental management aimed at reducing the ecological impact of business activities, and to an occupational health and safety protection system that is essential for preventing accidents, and ensuring a protected environment for employees.

At the same time, the Group has embarked on a structured path to obtain SA8000 certification, which has already been successfully achieved at 13 sites. This achievement is further confirmation of the Group's concrete commitment to promoting and ensuring ethical and decent working conditions throughout the supply chain. The certified sites also include the headquarters, which include the Milan and Florence offices, which in turn are being audit-

“towards sustainability and social responsibility”

ed by the third-party body DNV. At this stage, the integrated management system was also audited, in which the SA8000 component is distinguished by a centralization of the Human Resources function, testifying to a consistent and coordinated approach to managing the requirements of the standard.

These recognitions testify to the Gruppo Florence's intention to strengthen an increasingly responsible, safe and sustainable production model for the benefit of customers, partners, and the entire industry.

With the ambitious goal of further extending these certifications to the entire organization, the Gruppo Florence is establishing itself as a leader in the international arena not only for its adoption of responsible and sustainable practices, but also as a model of reliability and innovation. This certification program is a key strategic move to strengthen global competitiveness, enhance corporate reputation, and demonstrate an ongoing commitment to the environment, and the workers' health and rights, in line with the challenges and opportunities of the future.



SCALING
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EFFICIENT MANAGEMENT OF ENERGY RESOURCES

Climate change, caused primarily by greenhouse gas (GHG) emissions, is one of the most urgent and complex challenges today because of its direct and potentially irreversible effects on the environment, biodiversity, and the well-being of communities. Considering this, a fundamental rethinking of traditional economic models is needed. In

this context, the Gruppo Florence - along with the entire industrial sector - is called upon to adopt a production paradigm based on the responsible use of energy and water resources and materials, and the adoption of sustainable processes, thus contributing to the mitigation of the effects of climate change.

Energy consumption resulting from the use of fossil sources, both in direct operations and along the entire value chain of the Gruppo Florence, leads to increased greenhouse gas (GHG) emissions, and can generate negative social and economic consequences for neighboring communities, which risk facing higher energy costs, and a reduction in available resources.

In order to mitigate this adverse impact, the Gruppo Florence has embarked on a structured path to monitor and optimize energy consumption, promoting procurement from renewable sources.

This commitment falls within the framework of the responsibilities spelled out in the Code of Ethics, and the Integrated Corporate Policy, the latter of which complies with the requirements of the standard ISO 14001, adopted as a reference for the definition of objectives for the continuous improvement of business performance, with particular attention to environmental issues.

As from July 2024, a 100% renewable energy procurement plan, certified through Guarantees of Origin, was implemented with the goal of covering more than 90% of the company's electricity utilities by 2025.

At the same time, a procedure was launched to select a single supplier of electricity and natural gas, aimed at entering into a framework agreement as from 1 January 2025. The initiative made it possible to rationalize existing contracts, and improve the operational and environmental efficiency of energy supply.

For the Gruppo Florence, the active involvement of stakeholders - including suppliers and business partners - is a key element in promoting concrete and long-lasting sustainable practices.

By integrating these players into decision-making processes, it is possible not only to share objectives, but also to find realistic operational solutions aligned with the needs of the entire supply chain. During 2024,

work also commenced on a structured program of energy diagnosis of the Group's manufacturing facilities, which was aimed at designing energy models customized for each site. The intervention consisted of three main phases:

- 1.** collecting and analyzing energy consumption data, with the indication of quantities consumed, the types of energy carriers used, and their respective purposes, such as air conditioning and production processes (e.g., steam generation);
- 2.** mapping of facilities and systems, including installed technologies, powers, and energy input and output flows;
- 3.** defining efficiency improvement and decarbonization scenarios, including feasibility studies for the installation of PV systems, and the gradual electrification of thermal plants, with the aim of reducing natural gas consumption, and increasing energy autonomy.



Technological solutions aimed at energy efficiency, and the reduction of climate-altering emissions, were adopted as part of the modernization of some manufacturing sites under the control of the Group's divisions - Parmamoda, Melys, Taccetti and Facopel. The main measures implemented included the replacement of gas-fired boilers with high-efficiency

heat pumps, and the installation of PV systems to produce energy from renewable sources.

In 2024, the Gruppo Florence's total energy consumption was 120,688.97 GJ, recording an increase from the previous year, which was mainly attributable to the expansion of the Group's organizational perimeter giv-

en by the acquisition of new operating companies, and, consequently, an increase in overall energy requirements.

Energy consumption – Gruppo Florence ²	UoM	2022	2023	2024
Self-produced (renewable) energy ³	GJ	3,007.59	4,608.80	6,624.23
of which consumed	GJ	1,986.21	3,229.62	4,194.00
of which sold	GJ	1,021.38	1,379.18	2,430.22
Purchased energy	GJ	30,255.30	43,808.11	52,385.12
of which from non-renewable sources	GJ	24,571.13	37,383.81	32,525.04
of which from renewable sources	GJ	5,684.17	6,424.30	19,860.08
Purchased steam	GJ	57.55	-	-
Total fuels	GJ	38,287.66	48,284.02	64,109.84
For heating and processes (non-renewable)	GJ	24,253.03	27,750.41	33,055.69
of which Natural Gas	GJ	23,448.89	26,784.83	30,570.16
of which LPG	GJ	794.06	937.86	2,485.53
of which Diesel oil	GJ	10.08	27.72	-
For motor vehicle traction (non-renewable) ⁴	GJ	14,034.63	20,533.61	31,054.15
of which Gasoline ⁵	GJ	1,883.74	2,121.14	3,996.47
of which Diesel oil	GJ	12,150.89	18,211.09	26,988.63
of which LPG	GJ		201.38	69,05.00
Total energy consumed by the Gruppo Florence	GJ	71,608.10	96,700.93	120,688.97

TABLE 5 – TOTAL ENERGY CONSUMPTION

² The figure for energy consumption in 2022 and 2023 has been refined from what was reported in the previous Sustainability Report following an improvement in the reporting process of the LPG consumption.

³ Self-produced energy through PV panels installed on some Group sites.

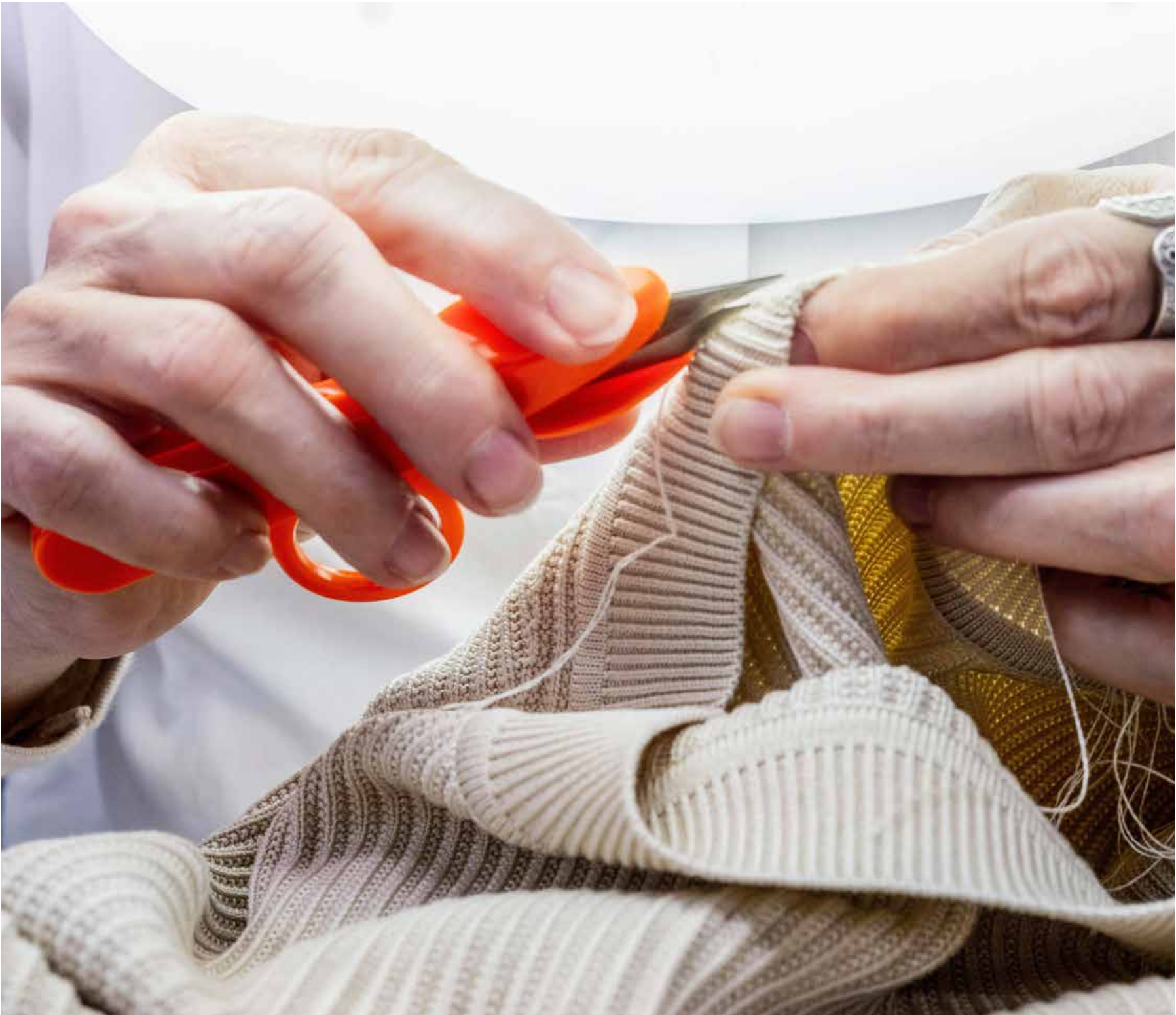
⁴ For consumption data for the year 2024 reported in monetary units without any breakdown by type of fuel, it was assumed that 85% of the fuel was diesel oil, and 15% gasoline. In using the average prices of diesel fuel and gasoline, the expenditure figures were converted to volume units.

⁵ This figure includes the fuel (gasoline) used for hybrid vehicles owned by the Gruppo Florence.

The table below shows the energy intensity figure as at 31 December 2024.

Gruppo Florence energy intensity ⁶	UdM	2022	2023	2024
Total energy consumed	GJ	71,608.10	96,700.93	120,688.97
Turnover – Gruppo Florence ⁷	€th.	532,443.47	692,616.77	608,285.34
Energy consumed/Turnover	GJ/€th.	0.13	0.14	0.20
Number of employees	no.	2,550	3,665	4,544
Energy consumed/Employees	GJ/no.	28.08	26.38	26.56

TABLE 6 – ENERGY INTENSITY



⁶ The figure for energy intensity in 2022 and 2023 has been updated from what was reported in the previous Sustainability Report following the refinement of the calculation method of energy consumption

⁷ Economic value generated by the Group during the year.

DECARBONIZATION AND CLIMATE ACTION: OUR COMMITMENT TO NEUTRALITY

The Gruppo Florence's climate impact is determined by greenhouse gas (GHG) emissions, which are attributable both to direct and indirect energy consumption (Scopes 1 and 2), and - to an even greater extent - to the operations of its value chain (Scope 3). The main emission sources include the procurement, manufacturing, and processing of natural materials and synthetic fibers, the washing and treatment processes of leather and textiles, the use of industrial machinery, and logistics operations related to the transport of raw materials, and semi-finished and finished products.

In 2024, the Group strengthened its commitment to the measurement and management of climate-altering emissions by updating the calculation of its carbon footprint - Scopes 1, 2 and 3 - in accordance with the principles laid down in the Greenhouse Gas Protocol.

This has enabled a gradual refinement of the methodological approach it has adopted, expanding the coverage and quality of the data collected thanks to the structured involvement of all the Group's operating companies, with the support of the central Climate Change team, and the centralization process implemented by the Group during the year. Indeed, a more structured and integrated governing system has enabled detailed tracking of operations and purchases, thus improving the accuracy and overall quality of the data they have collected. In addition to ensuring more robust data for carbon footprint calculations, this approach supports more efficient and strategic management of resources, thus facilitating analysis, monitoring, and definition of improvement plans. In order to ensure data consistency and comparability, the

Group updated its carbon footprint in Scopes 1 and 2 for the year 2023, applying a single methodology for all divisions and companies in the perimeter as of 31 December 2023.

In order to define organizational boundaries, the Gruppo Florence has adopted the operational control approach, including in its GHG inventory all facilities (both owned and leased) and vehicles (both owned and leased) over which it exercises direct control. This choice reflects the way in which the Group manages its activities, and makes operational decisions with impacts on climate-altering emissions.

The Scope 1 emissions inventory, equal to 4,100 tCO₂e, includes the consumption of fossil fuels (diesel oil, LPG, gasoline) for company buildings and vehicles, as well as the use of refrigerants. Scope 2 emissions, on the other hand, are calculated in relation to electricity consumption at owned and leased sites by also taking account of any purchase of Guarantees of Origin (GO), and in-house power generation from renewable sources. In 2024, GHG emissions were 4,010 tCO₂e, calculated by using the market-based method while location-based emissions were 3,460 tCO₂e (compared to 2,894 tCO₂e in 2023).

In order to ensure accuracy and transparency in the calculations, the Gruppo Florence uses the Ecoinvent 3.10, DEFRA (Department for Environment, Food & Rural Affairs), and EPA-EEIO (Environmental Protection Agency - Environmentally-Extended Input-Output) 2021 database. For Scope 2 emissions calculations, data are obtained directly from energy bills of European sites, ensuring consistency with the



methodology applied in 2023, and ensuring continuity in reporting. To fill any gaps in the data, the Gruppo Florence referred to version 2.0 of the Product Environmental Footprint Category Rules (PEFCR) for Clothing and Footwear, the main source for environmental assessment of products in the fashion and sports goods industry.

In 2024, the Gruppo Florence also updated the calculation of indirect emissions (Scope 3) by conducting a new materiality analysis of the 15 categories envisaged under the GHG Protocol for the Group.

This process led to the inclusion of the 7 categories already reported in 2023, as well as of four new categories that were deemed to be material, thus expanding the scope of reporting, with the aim of improving the understanding of environmental impact along the entire value chain. Below are the categories that the Group has identified as being material:

- **Category 1:** Purchased Goods and Services;
- **Category 2:** Capital Goods;
- **Category 3:** Fuel- and Energy-Related Activities Not Included in Scope 1 or Scope 2;
- **Category 4:** Upstream Transportation and Distribution;
- **Category 5:** Waste Generated in Operations;
- **Category 6:** Business Travel;
- **Category 7:** Employee Commuting;
- **Category 9:** Downstream transport and distribution;
- **Category 10:** Processing of sold products;
- **Category 11:** Use of sold products;
- **Category 12:** End of life treatment of sold products.

Approximately 98% of these emissions are attributable to Scope 3 emissions, as can be seen in the chart below, with

Total emissions – Gruppo Florence	UoM	2022 ⁷	2023 ⁸	2024
Scope 1 ¹⁰	tCO2e	2,493	3,067	4,100
Scope 2 (Market Based) ¹¹	tCO2e	3,684	4,523	4,010
Scope 3	tCO2e	-	304,323	312,574
Cat 1: Purchased Goods and Services ¹²	tCO2e	-	290,380	293,119
Cat 2: Capital Goods	tCO2e	-	4,911	2,717
Cat 3: Fuel- and Energy-Related Activities Not Included in Scope 1 or Scope 2 ¹³	tCO2e	-	2,563	3,286
Cat 4: Upstream Transportation and Distribution	tCO2e	-	1,044	1,987
Cat 5: Waste Generated in Operations	tCO2e	-	625	5
Cat 6: Business Travel	tCO2e	-	122	406
Cat 7: Employee Commuting	tCO2e	-	4,678	6,045
Cat 9: Downstream transportation and distribution	tCO2e	-	-	422
Cat 10: Processing of sold products	tCO2e	-	-	26
Cat 11: Use of sold products	tCO2e	-	-	2,296
Cat 12: End of life treatment of sold products	tCO2e	-	-	2,265
Total emissions	tCO2e	6,177	311,913	320,684

TABLE 7 - SCOPE 1, SCOPE 2 AND SCOPE 3 EMISSIONS

the remaining share being attributable to Scope 1 and Scope 2 emissions. In quantifying the carbon footprint, the Gruppo Florence has mainly used primary data, i.e., specific data collected from individual divisions, companies, and manufacturing sites. Where such data was not available, the Group has used secondary data from official sources. . The table below shows the Group's emission intensity figure

calculated by considering Scope 1 direct, and Scope 2 indirect emissions; in the three-year period, the parameterized turnover figure remained stable while emission intensity per employee showed a decline. Thanks to the availability of data on two consecutive financial years (2023 and 2024), the Group is now in a solid position to embark on a path to set scientifically validated decarbonization targets.

8 For the calculation of Scope 1 emissions in 2022, the internationally recognized ISPRA (Italian Institute for Environmental Protection and Research) - NIR (National Inventory Report) 2022 and UK DEFRA 2022 conversion and emission Factors were used. For the calculation of Scope 2 emissions according to Market Based, AIB Residual Mix [2022] conversion factors were used. The Scope 3 figure is not available for the year 2022 because it was calculated from the year 2023, as reported within the text.

9 The Scope 3 figure, categories 9, 10, 11 and 12, is not available for 2023 because it was calculated as from 2024.

10 The 2022 and 2023 Scope 1 emissions figure has been updated from what was previously published due to the refinement of the energy consumption reporting methodology.

11 The 2023 Scope 2 (Market Based) emissions figure has been updated from what was previously published due to the refinement of the calculation methodology.

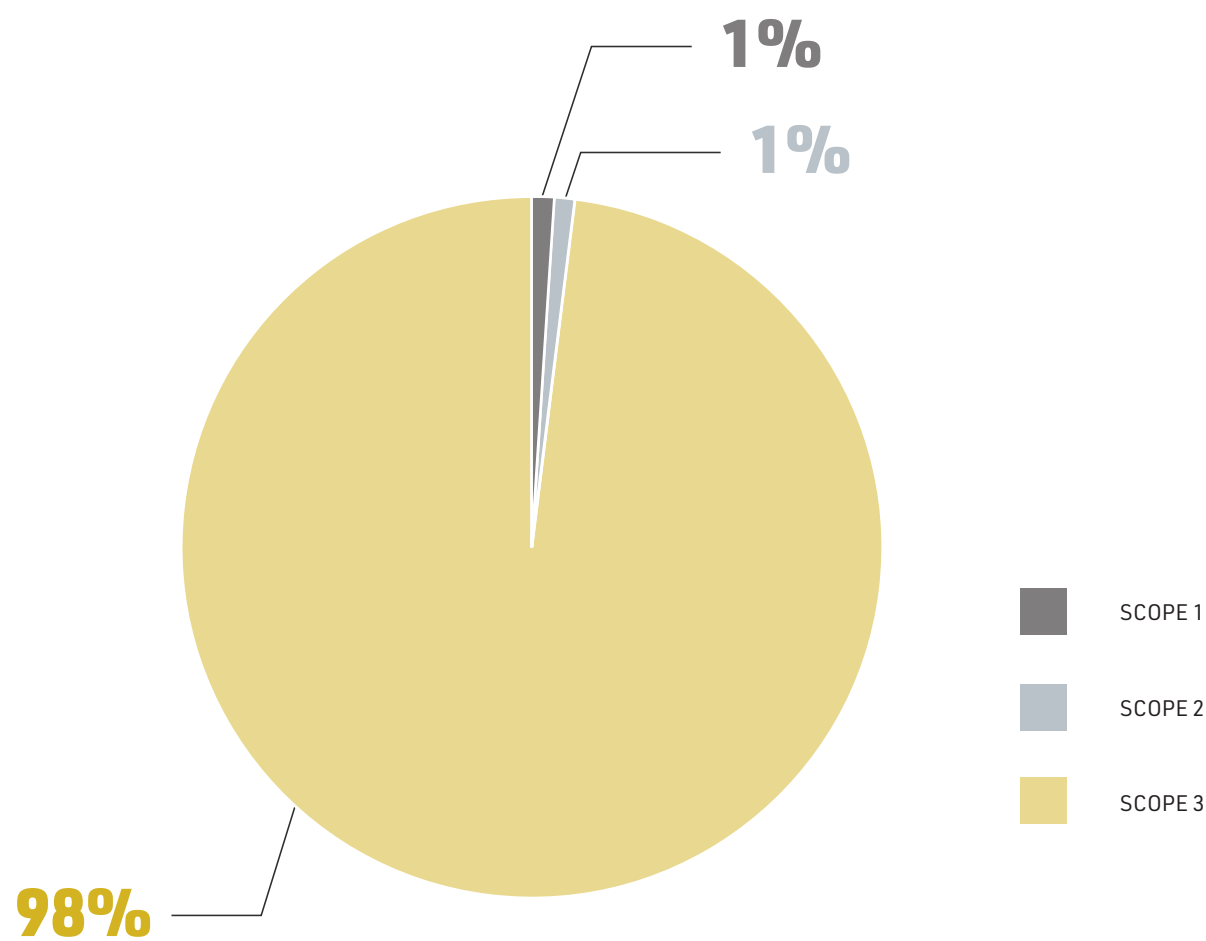
12 The 2023 Scope 3 - Category 1 emissions figure has been updated from what was previously published following a refinement of the calculation methodology which involves the application of a more accurate emission factor for cashmere, which considers the geographic origin of purchased materials, predominantly China and Mongolia. Emission values refer to the share of materials relevant to the Gruppo Florence; therefore, they do not represent the entire volume of materials purchased during the reporting period.

13 The 2023 Scope 3 - Category 3 emissions figure has been updated from what was previously published due to the refinement of the Scope 1 and Scope 2 calculation methodology as further detailed in the notes above.

For this purpose, a formal commitment to the Science-Based Targets initiative (SBTi) is scheduled to be submitted in 2025, with the aim of setting emission reduction targets in line with scenarios to limit global warming to within 1.5°C.

The adoption of a structured, science-based approach to emis-

sions management is a crucial step in the Gruppo Florence's climate transition journey, and is part of a broader strategy of integrated sustainability and environmental responsibility.



PICTURE 2 - CARBON FOOTPRINT - GRUPPO FLORENCE

Emission intensity – Gruppo Florence ¹⁴	UoM	2022	2023	2024
Total emissions (Scopes 1 and 2)	tCO2e	6,177	7,590	8,110
Turnover – Gruppo Florence ¹⁵	€th.	532,443.47	692,616.77	608,285.34
Total emissions/Turnover	tCO2e/€th.	0.012	0.011	0.013
Number of employees	No. of employees	2,550	3,665	4,544
Total emissions/Employees	tCO2e/No. of employees	2.422	2.071	1.785

TABLE 8 – EMISSION INTENSITY

¹⁴ In order to promote comparability of the figure, the emission intensity calculation does not consider Scope 3 emissions, which are calculated as from the year 2023. In addition, the 2022 and 2023 figure for Scope 1 emissions, and the 2023 figure for Scope 2 emissions, have been updated from what was published within the previous Sustainability Report following a refinement of the calculation methodology as better detailed in the relevant tables.

¹⁵ Economic value generated by the Group during the year.



TRANSITION TO A CIRCULAR FASHION SYSTEM

PROCUREMENT OF MATERIALS

The Gruppo Florence recognizes that its manufacturing activities generate significant environmental impacts, particularly in relation to raw material sources, and waste management. The use of virgin materials can contribute to the depletion of natural resources, and the loss of biodiversity while production and packaging processes result in the generation of waste that, if not properly managed, can pose environmental and social risks to the local areas and communities involved in treatment and disposal operations.

In being aware of these impacts, the Group is committed to promoting sustainable procurement policies, encouraging the adoption of recycled, certified, or renewable materials, in accordance with the principles of circular economy, although the selection of raw materials is largely determined by the Group’s client brands. In 2024, the Gruppo

Florence sourced raw materials characterized by high sustainability standards to support its customers’ collections. These include GOTS and GRS- certified, and recycled-origin, fabrics, yarns, and linings, as well as certified feathers, hides, and wool, in respect of animal welfare, as described in more detail in chapter 1.3.3 Animal welfare, page XX. These internationally-recognized certifications guarantee the use of natural fibers, recycled materials, or materials from cruelty-free processes, ensuring the protection of the ecosystem, and respect for workers’ rights along the supply chain. The Group, in this process of sourcing certified raw materials, acts as a guarantor of batch traceability at all intermediate stages of processing until the finished product is made

.

The table below provides a list of the Group’s manufacturing sites and processing suppliers holding such certifications

Certification	Gruppo Florence manufacturing sites	Processing suppliers ¹⁶
GOTS (Global Organic Textile Standard)	10	22
GRS (Global Recycle Standard)	2	-
RDS (Responsible Down Standard)	1	-
NPF (Nativa Precious Fiber)	2	2
RWS (Responsible Wool Standard)	2	3

TABLE 9 - CERTIFICATIONS OF MATERIALS USED BY THE GRUPPO FLORENCE

During 2024, the Gruppo Florence reinforced its commitment to the search for innovative and sustainable solutions by collaborating with Spiber Inc., a leading company in the development of bio-based materials. On the Smart Closet event, an initiative focused on promoting a new model of clothing based on key values such as responsibility, transparency and sustainability along the entire supply chain, the Group presented two garments made with Brewed Protein™, an innovative fiber inspired by biological processes, a symbol of the evolution towards a more conscious fashion. In parallel, the first applied research was launched to extend the use of the material in the luxury fashion industry, with the presentation of prototypes developed by the Group’s divisions in collaboration with specialist partners. This activity is part of the

Group’s broader efforts to integrate advanced technologies and sustainability into design and production.

The table below shows the materials purchased by the Gruppo Florence during 2024, classified into two macro-categories: renewable materials and non-renewable materials. Renewable materials are those derived from natural resources that regenerate in times compatible with ecological cycles and agricultural processes, and include fibers of natural origin such as cotton, wool, cashmere, silk, linen, and tanned leather, as well as paper and cardboard used for packaging. In contrast, non-renewable materials come from fossil or mineral resources that do not regenerate in the short term, and include synthetic fibers and fabrics, plastics, and acces-

16 Processing suppliers included in the Scope Certificate (SC) of the Gruppo Florence

sories made from composite or polymeric materials.

The high-quality standard demanded by client brands, which carefully select fine materials for their collections, together with the Gruppo Florence’s commitment to promoting responsible and sustainable procurement practices, has enabled it to maintain a significant share of renewable materials in its total purchases. In 2024, more than 66% of the materials sourced by the Group were from renewable resources. It should be noted that the change in the percentage from 2023 was mainly attributable to a significant refinement in the data collection and monitoring process. As also explored in more detail in the chapter on emissions, the adoption of more accurate

systems has enabled a more accurate mapping of purchased materials, and their relative weight, analyzing almost all of the relevant expenditure in 2024, against a coverage of about 60% in 2023. Year after year, the Gruppo Florence renews its commitment to ensuring a robust, transparent, and consistent reporting of its performance.

Materials used ¹⁸	UoM ¹⁹	2023 ²⁰	2024
Renewable	ton	2,433	2,698
Non-renewable	ton	338	1,417
Total	ton	2,771	4,115

TABLE 10 – CLASSIFICATION OF RENEWABLE AND NON-RENEWABLE MATERIALS

RESPONSIBLE WASTE MANAGEMENT

The Gruppo Florence is committed to promoting circularity in the fashion industry through careful management, and ongoing control of the waste it generates in its production process. Waste materials generated by the various divisions are temporarily stored at their respective sites, and then delivered to third-party operators specialized in disposal, who, in compliance with the regulations in force in Italy, issue the Waste Identification Form (FIR) detailing the types of waste collected, and its final destination. On an annual basis, the Group prepares the Single Environmental Declaration Form (MUD), which provides an overall view of the waste generated and managed throughout the year.

The Group’s most frequent waste includes textile and leather scraps, and packaging materials such as plastic, paper and cardboard, in addition to various other types of mixed packaging. Although most of the waste generated is classified as non-hazardous, some of the Group’s activities generate waste with chemical or biological characteristics that pose risks to human health and the environment, such as toxic, corrosive or reactive substances. In order to limit these potential impacts, the Gruppo Florence adopts a dedicated process for managing hazardous waste, ensuring that it is disposed of only in authorized and controlled facilities.

In parallel to an ever more accurate waste management, the Group aims, under the “Cut physical, everywhere” program, to reduce the number of physical prototypes made in the pre-production phase in favor of 3D digital models. At the same time, the initiative gives the Group’s customers greater flexibility in their prototyping, and industrialization activities, thus avoiding the consumption of unnecessary physical materials during these phases of creative and technical experimentation.

During 2024, the Group generated a total of 1,472.98 tons of waste, a figure up from 2023 mainly due to the expansion of the company’s perimeter. Of these, 1,439.90 tons consisted of non-hazardous waste while hazardous waste amounted to 33.08 tons, showing a sharp decrease (-48%) compared to the previous year.

Most of the waste generated (84%) by the Gruppo Florence is sent for recovery rather than disposal. The limited proportion of waste sent to landfill reflects the Group’s actual commitment to implementing an efficient waste management program geared towards both improving overall operational efficiency, and reducing waste disposal costs

17 The actual weight of the materials was measured for 95% of the purchased items mapped and analyzed while for the remaining 5% the weight was estimated as further detailed in the note below.

18 Values expressed in total tons refer to the share of materials that are relevant to the Gruppo Florence; therefore, they do not represent the entire volume of materials purchased during the reporting period..

19 Where the weight is not available for some types of materials, it has been estimated from the unit of measurement in the system (e.g., linear meters, square meters, pieces, etc.), assigning an average weight depending on the material.

20 The figure refers to 59% of the total materials purchased in the year 2023. For the remaining portion, in fact, it was not possible to determine the weight based on the unit of measurement in the system due to the lack of robustness of information on the composition of the material. It is specified that this indicator was collected and reported for the first time in 2023: the figure for the year 2022 is therefore not available.

Total waste generated	2022	2023	2024
Non-hazardous waste (ton)	852.26	1,201.57	1,439.90
Fabric	216.96	277.13	557.65
Leather	32.14	239.91	138.57
Paper and cardboard	194.90	191.18	183.82
Plastic	29.97	64.35	39.54
Wood	10.69	25.61	24.78
Iron and steel	19.70	11.80	13.73
Glass	3.63	-	-
Mixed packaging	244.09	301.97	357.74
Aqueous solutions	3.63	25.23	9.59
Absorbent and filter materials	-	31.90	1.70
Discarded equipment and components	1.34	2.86	2.45
Unsorted waste	89.68	7.97	54.34
Sludge	-	-	36.90
Other waste	5.53	21.66	19.10
Hazardous waste (ton)	17.33	63.11	33.08
Absorbent and filter materials	1.33	12.33	4.24
Paints, varnishes and solvents	0.06	12.31	7.20
Spray cans	0.27	0.76	-
Waste sealant adhesives	0.42	9.60	2.78
Contaminated packaging	3.47	24.94	11.41
Discarded equipment and components	0.47	0.03	1.54
Aqueous solutions	5.00	1.26	0.09
Sludge	-	0.45	0.43
Other waste	6.31	1.43	5.40
Total waste generated (ton)	869.59	1,264.68	1,472.98

TABLE 11 – TOTAL WASTE GENERATED BY TYPE

Total waste destined for recovery	2022	2023	2024
Non-hazardous waste (ton)	753.85	1,066.13	1,204.95
Fabric	216.74	247.77	529.65
Leather	29.01	227.45	137.05
Paper and cardboard	192.52	190.48	171.94
Plastic	29.94	64.35	32.65
Wood	10.69	25.61	24.78
Iron and steel	19.58	11.80	13.13
Glass	3.63	-	-
Mixed packaging	243.08	252.08	269.24
Aqueous solutions	0.10	0.30	-
Absorbent and filter materials	-	14.13	0.55
Discarded equipment and components	1.34	2.86	2.45
Unsorted waste	7.48	7.97	4.61
Sludge	-	-	0.90
Other waste	2.93	21.33	18.00
Hazardous waste (ton)	6.55	33.91	25.76
Absorbent and filter materials	0.03	1.08	1.89
Paints, varnishes and solvents	0.06	8.99	6.41
Spray cans	0.19	0.76	-
Waste sealant adhesives	0.42	0.38	1.91
Contaminated packaging	1.48	21.33	9.38
Discarded equipment and components	0.47	0.03	1.54
Aqueous solutions	-	-	-
Sludge	-	0.45	0.43
Other waste	3.90	0.89	4.22
Total waste recovered (ton)	760.40	1,100.04	1,230.70

TABLE 12 – WASTE DESTINED FOR RECOVERY BY TYPE OF WASTE

The table below shows the data on the main recovery methods used by the Group.

Methods of waste recovery ²¹	2022	2023	2024
Non-hazardous waste (ton)	753.85	1,066.13	1,204.95
Reuse	16.46	-	-
Recycling	68.57	162.95	393.12
Other recovery operations	668.82	903.17	811.83
Hazardous waste (ton)	6.55	33.91	25.76
Reuse	-	-	-
Recycling	-	-	-
Other recovery operations	6.55	33.91	25.76

TABLE 13 - WASTE DESTINED FOR RECOVERY BY TYPE OF TREATMENT



21 “Other recovery operations” include delivery with destination from R6 to R13. It should be noted that for 2022 the subsidiaries Ambra SH.P.K, Antica Valserchio S.r.l., and Emmegi did not give any evidence of the share of waste destined for recycling or reuse; therefore, the quantities of waste “not sent to landfills” flow into the item “other recovery operations.”

Recycling and recovery operations are entrusted to specialist centers operated by third parties, which are in charge of collecting and processing waste. The table below shows a detailed overview of waste destined for disposal.

Total waste destined for disposal	2022	2023	2024
Non-hazardous waste (ton)	98.41	135.45	234.95
Fabric	0.22	29.36	28.00
Leather	3.13	12.46	1.52
Paper and cardboard	2.38	0.70	11.88
Plastic	0.03	-	6.89
Wood	-	-	-
Iron and steel	0.12	-	0.60
Glass	-	-	-
Mixed packaging	4.20	49.89	88.50
Aqueous solutions	3.53	24.94	9.59
Absorbent and filter materials	-	17.77	1.15
Discarded equipment and components	-	-	-
Unsorted waste	82.20	-	49.73
Sludge	-	-	36.00
Other waste	9.25	0.33	1.10
Hazardous waste (ton)	10.79	29.21	7.32
Absorbent and filter materials	1.30	11.26	2.36
Paints, varnishes and solvents	-	3.32	0.79
Spray cans	0.08	-	-
Waste sealant adhesives	-	9.22	0.87
Contaminated packaging	1.99	3.61	2.03
Discarded equipment and components	-	-	-
Aqueous solutions	5.00	1.26	0.09
Sludge	-	-	-
Other waste	2.41	0.54	1.19
Total waste disposed (ton)	109.19	164.65	242.28

TABLE 14 - WASTE DESTINED FOR DISPOSAL BY TYPE OF WASTE



The table below shows the data on the main disposal methods that the Gruppo Florence used in the reporting years under consideration..

Total waste destined for disposal	2022	2023	2024
Non-hazardous waste (ton)	98,41	135,45	234,95
Incineration without energy recovery	-	27.62	-
Landfill	84.84	107.83	234.95
other disposal operations ²²	13.57	-	-
Hazardous waste (ton)	10.78	29.21	7.32
Incineration without energy recovery	-	-	-
Landfill	7.08	29.21	7.32
other disposal operations	3.70	-	-

TABLE 15 - WASTE DESTINED FOR DISPOSAL BY TYPE OF TREATMENT

²² It should be noted that for 2022 the subsidiary Luciano Barbetta S.r.l. did not give any evidence of the share of waste destined for disposal; therefore, the quantities of such waste flow into the item “other disposal operations.”

ALLIANCES FOR ADVANCED RECYCLING: THE PARTNERSHIP WITH WETURN

In October 2024, the Gruppo Florence entered into a partnership with Weturn, a company specializing in collecting and processing textile waste for its transformation into new textile materials, in line with the principles of circular economy.

This partnership is an important step forward in the Group's sustainability strategy thanks to the adoption of a virtuous process of upcycling waste materials. Until now, such materials - although sent for recycling - were mainly destined for downcycling streams, with applications in sectors such as construction and automotive.

The project was initially activated in three divisions of the Group, in the denim and jersey business lines, through the implementation of a structured system of identification, sorting, and collection of 100% cotton waste generated during the cutting phases. The material thus selected is then sorted into homogeneous batches by color, texture and weight, and then routed to Weturn's recycling network to be transformed into new regenerated yarns, ready to be reintroduced into production processes, and used in future apparel collections.

In its first two months of operation, the project resulted in the collection of about 9,000 kilograms of 100% cotton material. The Group intends to gradually extend the initiative to other divi-

sions that generate waste of the same quality, with the aim of increasing the volumes destined for this new circular stream.

This initiative is part of a broader effort to reduce indirect emissions along the value chain, which account for up

“In its first two months of operation, the project resulted in the collection of about **9.000 kilograms of 100% cotton material**”

to 70-80% of the carbon footprint of a textile product, and is a concrete example of circular economy, capable of enhancing the value of the entire supply chain through a more responsible, efficient, and low environmental impact production model.



OUR COMMITMENT TO SAFE— GUARDING WATER RESOURCES

Responsible management of water resources is one of the main environmental challenges for the fashion industry: the Gruppo Florence is aware of the potential adverse impacts associated with its direct and indirect operations. Firstly, the sourcing of natural materials along the supply chain - such as cotton or leather - involves intensive use of water for agricultural irrigation. This consumption, concentrated in geographical areas that are often already subject to water stress, can exacerbate local water scarcity. In addition, processes typical of some third-party processing, such as dyeing and washing fabrics, for example in denim or knitwear, require large volumes of water, further contributing to pressure on water resources. Finally, the Group's direct operations, such as ironing, dyeing, and washing garments, also involve significant water withdrawals that can adversely affect local ecosystems, and the availability of drinking water for communities.

In order to address these impacts, the Gruppo Florence and its subsidiaries have long been committed to systematically monitoring water consumption, and taking measures to reduce it, limit-

ing waste, and promoting more efficient use of water in production processes.

During 2024, Gruppo Florence S.r.l. extended the ISO 14001-compliant environmental management system to all its divisions, thus confirming its intention to strengthen the preventive approach in environmental management. This key step will enable greater harmonization in the analysis and monitoring of consumption.

The Group's water consumption is mainly attributable to civil use, except for some processes involving wet processing (e.g., washing). During 2024, the Gruppo Florence's total water withdrawal for both production and civilian purposes amounted to 53.14 ML. The figure, on a perimeter change basis, was up slightly from the previous year. About 78% of the Group's withdrawals during 2024 came from third-party water sources, including municipal aqueducts.

The water used in the production processes is disposed of in full compliance with the environmental rules and regulations. Most of the water discharges

pertaining to the companies' buildings can be assimilated to those for civilian use, since they mainly result from the use of toilets, restrooms etc.. Where industrial water discharges are operating, plants and facilities are provided with a special permit issued by the Regional Government (e.g., Single Environmental Authorization - AUA), which defines the frequency of renewal, and discharge limits, in terms of both quantity and quality. The Group divisions and/or companies that resort to the use of chemicals added in liquid form provide for the purification of contaminated volumes directly at the manufacturing site; when this is not made possible, water is withdrawn and managed by third parties specialized in the management of contaminated wastewater.

The details of the Group's water discharges during the reporting years under consideration are given below. The total amount of the Gruppo Florence's water discharges corresponds to the total withdrawals for 2024 too, and for this reason the Group's net water consumption is considered to be equal to zero.

Water withdrawn by source	2022	2023	2024
Groundwater (ML)	10.96	8.51	11.83
of which freshwater	-	-	-
of which other water	10.96	8.51	11.83
of which in water-stressed areas ²³	7.54	5.40	9.27
Third-party water (ML)	28.92	33.62	41.31
of which freshwater	28.92	33.62	41.31
of which other water	-	-	-
of which in water-stressed areas	24.61	25.93	35.76
Total withdrawals	39.88	42.13	53.14

TABLE 16 – WATER WITHDRAWALS BY SOURCE

²³ Water-stressed areas were defined based on data made available by World Resource Institute (WRI) at the following address: <https://resourcewatch.org/data/explore?section=All+data&selectedCollection=&zoom=4.374459551818541&lat=46.79122343673394&lng=11.594244839640208&pitch=0&bearing=0&basemap=dark&labels=light&layers=%255B%257B%2522dataset%2522%253A%2522c66d7f3a-d1a8-488f-af8b-302b0f2c3840%2522%252C%2522opacity%2522%253A1%252C%2522layer%2522%253A%2522fdf06d8c-72e9-48a7-80f1-27bd5f19342c%2522%257D%255D&a-oi=&page=1&sort=most-viewed&sortDirection=-1&topics=%255B%2522water%2522%255D>

Water discharged by destination	2022	2023	2024
Water discharged to surface (ML)	7.42	7.28	6.14
of which freshwater	-	-	-
of which other water	7.42	7.28	6.14
of which in water-stressed areas	4.00	4.17	3.59
Water discharged to third-party systems (ML)	32.46	34.85	46.99
of which freshwater	-	-	-
of which other water	32.46	34.85	46.99
of which in water-stressed areas	28.15	27.16	41.44
Total discharges	39.88	42.13	53.14

TABLE 17 – WATER DISCHARGES BY DESTINATION



RESPONSIBLE MANAGEMENT OF CHEMICALS

The use of chemicals, which is necessary in processes along the entire Gruppo Florence value chain, such as leather treatment and garment washing and finishing, represents a potentially significant environmental and social impact. If not properly managed at all stages, from storage and handling to final use and disposal, including any potential releases to water bodies, chemicals can generate adverse effects on the environment and people.

The Group therefore considers the responsible management of chemicals throughout the supply chain to be a priority, as an essential element of environmental protection, and occupational health and safety. The Gruppo Florence has formalized its commitment to this issue in its Code of Ethics and Integrated Corporate Policy, in accordance with the requirements of ISO 14001 environmental certification, committing to a gradual reduction of hazardous substances, and the promotion of a preventive approach to chemical risk management.

As from 2023, the Group joined, as a Signatory Friend, the international ZDHC (Zero Discharge of Hazardous Chemicals) program, which promotes the adoption of common practices and standards aimed at reducing and eliminating the release of toxic and harmful chemicals in the textile, apparel, and footwear sectors. The fact of having joined ZDHC enables the Group to align with industry best practices in traceability, chemical safety, and transparency throughout the supply chain, and to use monitoring tools that enable compliance with the standard.

Furthermore, a program was set in motion during 2024, with completion scheduled for 2025, to extend the scope of the divisions involved in the company's Chemical Management system, which will lead to the development and implementation of an autonomous integrated system of the Gruppo Florence, involving the entire production chain of raw material procurement, and high-risk chemical processing.

The Gruppo Florence's objective is to support customers by offering all the necessary guarantees for the adoption of best practices on the part of suppliers in the production chain, with

particular attention to those who represent the highest risk.

The Chemical Management System (CMS) will enable the Group to manage data and KPIs with centralized and protected tools. A pivotal element of the system will be the definition of a Gruppo Florence proprietary Product Restricted Substances List (PRSL), developed on the ZDHC Manufacturing Restricted Substances List (MRSL) guidelines, and in accordance with the standards of major customers. The PRSL will ensure control over the use of substances along all activities in the value chain, reducing any associated chemical risks.

It is also planned to establish a company protocol intended to become the operational reference for all divisions and supply chain partners. This protocol governs the mapping of substances used, the assessment of risks to human health and the environment, the audit of compliance with current regulations, and the adoption of traceability measures throughout the supply chain, promoting the use of less impactful alternatives wherever possible.

In addition, the system integrates periodic performance monitoring through the collection of data on the use of substances, and the gradual reduction of environmental impacts.

The Chemical Management system also includes training activities for company staff, with the aim of disseminating best practices for safe and sustainable use of chemicals. In parallel, there is dedicated supply chain training to raise awareness of the environmental and social impacts of using chemicals, and provide effective tools for monitoring and regulatory compliance.

Finally, the Group invests in research and development to identify alternative technical solutions and materials that can reduce the use of hazardous substances, and improve the efficiency and sustainability of production processes, with the aim of contributing to the transition to low-impact production models.



PREVENTION OF WATER AND AIR POLLUTION

Promoting proper management of chemicals along the value chain is a crucial element in preventing any potential adverse impact related to pollution. Certain stages of the Gruppo Florence's value chain, such as, for example, the manufacturing of raw materials of natural and animal origin, as well as fabric dyeing processes, may involve risks of water contamination. Downstream stages, such as the washing of garments containing synthetic fibers, also potentially contribute to water pollution through the release of microplastics into the environment. Although these activities do not fall directly within its operations, the Group recognizes its indirect influence on the impacts generated along the value chain.

In this context, the Gruppo Florence promotes responsible water resource management among its business partners, including through awareness-raising and training activities, with the aim of improving wastewater use, disposal and discharge practices, thus contributing to the reduction of water pollution resulting from value chain operations. In addition, some customers involve the Group in specific water footprint measurement projects, aimed at monitoring the proper management of water resources along the different stages of the production cycle, and developing plans of action to optimize their use.

The Gruppo Florence is also aware of the potential environmental and health impacts resulting from emissions of pollutants other than greenhouse gases - such as nitrogen

oxides (NO_x), sulfur oxides (SO_x), volatile organic compounds (VOCs), and fine particulate matter (PM_{2.5}) - related in particular to upstream leather supply chain processes. In fact, tanning processes can result in emissions of ammonia (NH₃), particulate matter, and nitrogen oxides, with adverse effects on air quality and human health.

In the process of selecting and monitoring suppliers, as described in chapter 4.2.1 Supplier evaluation: a key lever for sustainability, page 69, the Group verifies whether there is compliance with applicable environmental regulations, including any valid permits for emissions into the atmosphere. In addition, through its audit work, the Gruppo Florence ascertains that processing suppliers adopt appropriate waste management methods, ensuring storage, treatment, and disposal that comply with legal requirements, in order to prevent the risk of environmental contamination, and any damage to surrounding ecosystems.

Through these tools of control, monitoring, and awareness-raising aimed at its business partners, the Gruppo Florence is committed to promoting continuous improvement in environmental performance along the entire value chain, with the aim of gradually reducing any adverse impacts on the environment, and human health resulting from manufacturing activities that are indirectly related to its business model.



FIRST STEPS TOWARDS PROTECTING BIODIVERSITY



Biodiversity represents the variety and richness of life on earth - from complex ecosystems to invisible microorganisms -, and is fundamental to the functioning of natural systems on which human health, food safety, water quality and climate stability depend. Its loss can have systemic and irreversible effects, even compromising the ecological and economic foundations of manufacturing activities.

In 2024, the Gruppo Florence updated the analysis of its manufacturing and operating sites, including those of subsidiaries, with the aim of assessing any possible interference with protected natural areas. The analysis included a spot check of the geographical position of each site in relation to the European ecological network Natura 2000²¹, which protects habitats and species of special conservation importance.

The results showed that none of the Group's sites fall within Natura 2000 protected areas, and only a few are located within a radius of about 5 km from these areas, but without causing any significant direct impact on ecosystems.

The most significant impacts may occur upstream in the value chain, particularly at the raw material sourcing stage. The use of conventionally grown cotton, for example, often involves intensive use of pesticides and fertilizers, con-

tributing to soil degradation, and the loss of biodiversity in agricultural lands. Likewise, leather manufacturing can be associated with the conversion of natural habitats into pas-

“Biodiversity represents the variety and richness of life on earth”

ture or fodder crops, resulting in the simplification of ecosystems.

Preserving biodiversity is not only an ethical or environmental duty, but a key lever to ensure the resilience of supply chains in the long term. In line with major international standards, the Gruppo Florence will continue to strengthen its commitment to the issue by fostering dialogue with its industrial partners, and integrating biodiversity protection criteria into decision-making and raw material selection processes wherever possible.

²² “Natura 2000” (<https://natura2000.eea.europa.eu/>) is the European network of protected natural areas, established to protect biodiversity in the member countries of the European Union.



RE—
DEFIN—
ING
ITALY'S
EXCELLENCE:
TRADITION,
INNO—
VATION
AND
SOCIAL
IMPACT

GENERATING SHARED VALUE IN TERRITORIES AND FOR COMMUNITIES

The Gruppo Florence is actively engaged in the generation of shared value, contributing to the economic and social development of the communities in which it operates, in line with the principles of social responsibility that have always guided its operations. Thanks to its strategic position in the luxury fashion production chain, the Group plays a key role in the sector, extending its positive impact to a wide range of stakeholders: suppliers, employees, customers, and local communities.

In this context, the Group stands out for a social responsibility policy that incorporates inclusion, training, and skills development, with the aim of promoting employment and entrepreneurial growth, even in peripheral areas, contributing to local cohesion, and strengthening local economy. In collaboration with leading fashion institutes such as Polimoda and ITS Mita Academy, the Group offers training courses to unemployed people, combining theoretical skills and practical applications to facilitate their inclusion in the world of labor, and transform creative ideas into concrete projects, thanks to access to advanced technologies and innovative learning tools.

An emblematic example of the Group's training approach is "Accademia Diffusa", a project implemented in collaboration with specialist institutes such as Polimoda, ITS Mita Academy, Istituto San Carlo of Turin, and IT Buzzi. Aimed at job seekers, the program offers courses providing professional expertise to key staff in the fashion supply chain

- including tailors, prototypists and pattern makers -, and specialist training that combines practice and theory. The partner schools play an active role in refining the educational programs, offering refresher courses and suggestions to make the courses ever more adherent to the needs of the labor market. In addition, the Group monitors the retention rate of participants and new entrants on an ongoing basis in order to assess the effectiveness of training initiatives in the medium to long term. In completing this commitment, the "Active Policies" project promotes the recruitment of personnel under targeted employment programs in the company workforce, promoting labor inclusion, and contributing to the diversification of professional profiles within the Group.

Regarding school orientation and the promotion of fashion-related professions, the Gruppo Florence actively participates in the "Adopt a school (...or rather a thousand!)" project, which was created to bring high school students - particularly those from peripheral geographical areas - to the world of labor. During classroom orientation meetings, held by staff from the Group's divisions, the business processes and career opportunities in the fashion supply chain are explained. At the end of the sessions, students fill out a satisfaction questionnaire that allows them to gather valuable feedback. Precisely because of this feedback, a practical test was replaced in the 2024-2025 school year with insights into business processes, in response to requests made directly by students. This change made the experience more meaningful, enhancing understanding of indus-



EVG&D		UoM	2022 ²⁵	2023 ²⁶	2024 ²⁷
Direct economic value generated	Total	€th.	532,919	692,617	608,285
	Value of production Income from equity investments Other financial income Foreign exchange gains	€th.	532,919	692,617	608,285
Economic value distributed	Total	€th.	468,228	637,552	617,611
	Costs for raw materials Costs for services Costs for leases and rentals Changes in inventories of raw materials Sundry operating costs (net of tax)	€th.	350,170	459,559	381,968
	Personnel costs		88,128	122,223	149,784
	Interest and other financial costs Foreign exchange losses Dividends distributed in the year		7,844	34,195	78,202
	Current and prepaid income taxes		21,720	21,186	7,452
	Donations Sponsorships Membership fees		366	389	205
Economic value retained ²⁸	Total	€th.	64,691	55,065	(9,326)

TABLE 18 – ECONOMIC VALUE GENERATED AND DISTRIBUTED

try trends, and the professional prospects offered by the sector. The project has already produced concrete results, with several internship placements on the part of the Group.

Through these interventions, the Gruppo Florence is committed to promoting an equitable, sustainable, and long-term oriented distribution of economic value, thus contributing concretely to the growth of people - particularly young people - of partner companies and local areas, with a view to shared development.

At the economic level, the total value distributed to stakeholders reached Euro 617,611,220.67 during 2024. As shown in the tables below, this value is broken down into financial costs and charges through which the Group transfers economic value to various categories of stakeholders, including:

- Group suppliers who receive a value corresponding to the costs incurred by the Group and subsidiaries in obtaining raw materials and services;

- third parties who hold ownership of assets used by the Group;

- the personnel employed by Gruppo Florence S.p.A. and its subsidiaries;

- banks through the payment of interest and financial charges;

- the Treasury through the payment of taxes;

- the communities and association groups in which the Gruppo Florence divisions participate through the disbursement of donations, sponsorships, and membership fees.

The EVG&D (Economic Value Generated and Distributed) indicator allows the Gruppo Florence to measure the economic value intended to support the financial and social growth of the external environment in which it operates. This tool reflects an essential element of the Group’s sustainability strategy.

²⁵ Economic data are calculated as the sum of the statutory financial statements of individual companies, net of intercompany items.

²⁶ Economic data are calculated as the sum of the statutory financial statements of individual companies, net of intercompany items.

²⁷ Economic data used are those of the consolidated financial statements of Gruppo Florence S.p.A., as prepared according to the international accounting standards (IFRS).

²⁸ With regard to the year 2024, there is no economic value retained because the amount of value distributed by the Gruppo Florence is higher than that actually generated.

The table below shows a detailed breakdown of the economic value generated and distributed by country and business units. Given the high concentration of production plants in its territory, the prevailing share of direct economic value is attributable to Italy. A smaller part is, however, generated and distributed in Poland, Albania, Romania, Turkey and Portugal. The predominant business unit in terms of business volume is that of Ready to Wear (RTW), which includes tailoring, knitwear, Cut & Trim (C&T), and headwear operations.

In 2024, the Gruppo Florence continued to benefit from forms of financial aid disbursed by governments and public author-

ities, totaling Euro 1,891,112.03. These grants proved to be crucial in facing the economic challenges of the period, and ensuring the continuity and stability of the Group's operations.

Public aid took several forms, including tax relief and tax credits of Euro 1,019,430.98, incentives of Euro 856,570.57, and other economic benefits of Euro 15,110.49. These tools have made it possible to free up financial resources to be also used, among other things, for strategic investments in line with the company's sustainable development goals.

EVG&D	Breakdown by Country	UoM	2022	2023	2024
Direct economic value generated	Total	€th.	532,919	692,617	608,285
	of which Italy	€th.	529,938	686,272	603,351
	of which Poland		48	706	537
	of which Albania		2,906	5,580	4,424
	of which Romania		27	15	1
	of which Tunisia		-	44	(27)
	of which Portugal		-	-	0
Economic value distributed	Total	€th.	468,228	637,552	617,611
	of which Italy	€th.	459,169	620,702	600,448
	of which Poland		3,890	7,180	4,869
	of which Albania		4,613	7,817	9,906
	of which Romania		555	632	709
	of which Tunisia		-	1,221	1,679
	of which Portugal		-	-	0
Economic value retained ²⁹	Total	€th.	64,691	55,065	(9,326)
	of which Italy	€th.	64,100	55,249	2,903
	of which Poland		318	489	(4,332)
	of which Albania		218	(968)	(5,482)
	of which Romania		56	52	(709)
	of which Tunisia		-	244	(1,705)
	of which Portugal		-	-	0

TABLE 19 - ECONOMIC VALUE GENERATED AND DISTRIBUTED BY COUNTRY

29 Ibid.

EVG&D	Breakdown by BU	UoM	2022	2023	2024
Direct economic value generated	Total	€th.	532,919	692,617	608,285
	of which RTW	€th.	397,132	474,488	474,658
	of which IP (and associated intermediate processing)		4,996	78,546	18,164
	of which Footwear		130,790	118,208	74,300
	of which Leather Goods		-	21,375	41,163
Economic value distributed	Total	€th.	468,228	637,552	617,611
	of which RTW	€th.	340,987	437,186	458,457
	of which IP (and associated intermediate processing)		5,391	66,865	22,554
	of which Footwear		121,850	114,153	88,538
	of which Leather Goods		-	19,348	48,062
Economic value retained ³⁰	Total	€th.	65,287	55,065	(9,326)
	of which RTW	€th.	56,461	42,034	16,201
	of which IP (and associated intermediate processing)		298	10,451	(4,390)
	of which Footwear		8,528	(247)	(14,237)
	of which Leather Goods		-	2,826	(6,899)

TABLE 20 - ECONOMIC VALUE GENERATED AND DISTRIBUTED BY BU

Financial aid received from the government	Breakdown by Type	UoM	2022	2023	2024
Economic value of financial aid received from the government	Total	€th.	5,670	1,312	1,891
	Tax relief and tax credits	€th.	5,019	59	1,019
	Subsidies		-	270	-
	Grants		105	980	-
	Premiums		-	-	-
	Suspension of payments		11	-	-
	Financial aid granted by credit agencies		-	-	-
	Incentives		531	3	857
	Other benefits		4	-	15

TABLE 21 - FINANCIAL AID RECEIVED FROM THE GOVERNMENT BY TYPE

30 Ibid.

Financial aid received from the government	Breakdown by Country	UoM	2022	2023	2024
Economic value of financial aid received from the government	Total	€th.	5,670	1,312	1,891
	of which Italy	€th.	5,636	1,312	1,880
	of which Poland		34	-	1
	of which Albania		-	-	10
	of which Romania		-	-	0
	of which Tunisia		-	-	0
	of which Portugal		-	-	0

TABLE 22 – FINANCIAL AID RECEIVED FROM THE GOVERNMENT BY COUNTRY

Gruppo Florence adopts an approach to economic decisions and operations based on the principles of prudence, fairness, legality and transparency. The Group’s structure mainly consists of Italian companies, together with some foreign entities, none of which are based in areas classified as non-co-operative or privileged taxation jurisdictions under the Italian tax law. The Group’s tax orientation is marked by the utmost honesty and regulatory compliance, excluding any recourse to aggressive tax planning practices aimed exclusively at achieving tax advantages.

Responsibility for tax matters within the Group lies with the Group Chief Financial Officer, with the advice provided by well-established tax firms, and specialist advisors, who maintain direct relations with the Parent Company and its subsidiaries. This ensures careful preliminary analysis to mitigate any potential tax risks. In addition, tax governance is fully integrated into business strategy: the Group’s top management is constantly informed about the tax impacts of stra-

tegic operations, to ensure that every decision is consistent with the Gruppo Florence’s values and prudential approach.

The Gruppo Florence condemns the adoption of elusive schemes or artificial structures, and strictly adheres to the options permitted by law. In line with this approach, relations with tax authorities are based on open and collaborative dialogue, making use, where appropriate, of prior consultation tools such as tax rulings.

The Group also promotes the dissemination of company tax culture, through ongoing active support by third-party advisors, to ensure that staff members are able to handle the determination, settlement, and fulfillment of tax obligations in a proper and timely manner, thus reducing the risk of violations.



THE GROUP'S ROLE IN PROMOTING A MORE SUSTAINABLE MADE IN ITALY SUPPLY CHAIN



SUPPLIER EVALUATION: A KEY LEVER FOR SUSTAINABILITY

The Gruppo Florence is committed to ensuring that the principles of honesty, accountability, and respect for fundamental rights extend throughout the production chain, beyond the company's boundaries. Indeed, the Group is aware of the potential adverse impacts associated with unfair practices in the supply chain, resulting from ineffective application of supplier qualification procedures, or the lack of systematic checks.

In order to mitigate these impacts, and strengthen the oversight of ethical and social principles along the supply chain,

the Gruppo Florence enhanced its supplier qualification and monitoring system in 2024, expanding any existing procedure, and providing for new protocols for even more rigorous and structured management of the supply chain. The structured and centralized process is managed through close collaboration between the CSR & Supply Chain Qualification, Legal Affairs, Finance, and Operations teams, and the local resources of Group companies. Specifically, the CSR & Supply Chain Qualification team is responsible for, among other things, coordinating audits, assessing results, and monitoring the achievement of objectives while the Legal Affairs and Finance teams oversee issues of regula-

tory and tax compliance. The Operations team, on the other hand, contributes to the selection and management of suppliers based on the assessment of the expertise needed to meet current and future market demand. To support the system, local contact persons of Group companies actively contribute to supply chain mapping, supplier engagement, and operational coordination of their audit and improvement work.

The responsibility for overseeing the overall governance of supply chain management lies with the Supply Chain Committee, which has been operational since 12 April 2024.

THE SUPPLY CHAIN COMMITTEE IS BORN: SHARED GOVERNANCE FOR COMPREHENSIVE AND CONTINUOUS MONITORING OF THE SUPPLY CHAIN

The Supply Chain Committee has the main task of ensuring ethical, responsible, and proper management of the Gruppo Florence's supply chain. In terms of operations, the committee reports to the Group CEO, and is chaired by the Chief Sustainability Officer. Its members include the CSR and Supply Chain Qualification Manager, representatives of GF Operations, and selected third-party members, including independent directors of the Board, and representatives of Permira, the Group's major shareholder.

A key element of the effectiveness of the Committee's work is the close collaboration between the ESG and Operations functions, which enables the translation of supply chain monitoring and qualification activities into concrete actions, aimed at improving the overall performance of the supply chain.

The main functions of the Supply Chain Committee include:

- supervising the proper implementation of the ESG qualification and monitoring work of the GF supply chain carried out by the ESG function, as well as discussing and investigating the main risk areas in the supply chain;
- based on the quantitative information provided by the ESG function, monitoring the progress of audits on

subcontractors, and the status of follow-up activities;

- identifying and defining supply chain performance KPIs;
- identifying and monitoring the progression of risk mitigation actions.

“ensuring ethical, responsible, and proper management of the Gruppo Florence's supply chain.”

Each Committee meeting involves the preparation of minutes, which are subsequently shared with all members. All plans of action defined and agreed upon within the Committee are duly minuted.



At present, the evaluation (or qualification) process is structured on an integrated three-stage model: onboarding, qualification, and monitoring.

The onboarding phase applies to all suppliers, both domestic and European, and involves the collection of information through a self-declaration questionnaire on three main areas, legal compliance (with regard to crimes under Legislative Decree no. 231/2001), payments of tax and social security contributions (through official documents such as DURC, single document of regularity of contributions, and DM10), and chemical compliance (in line with regulations such as REACH and Proposition 65). For processing suppliers, specific information is also required with regard to the types of contracts, the composition of workforce, working hours and conditions, safety, and any associated potential risk. Upon completion of onboarding, all suppliers must sign the Group’s Code of Ethics, and General Terms and Conditions of Supply.

The second qualification phase concerns only processing suppliers, and involves - among the various steps covered by the procedure - the performance of structured on-site audits conducted by internal auditors, or specialist third-party entities. The audit is carried out by using standardized checklists developed by the Group, and involves the review of photographic evidence, and supporting documentation, with the aim of establishing whether there is compliance with regulations and procedures in the ESG area (e.g., on freedom of association, health and safety, waste management, etc.). In the case of suppliers involved in wet or chemical processing, any additional environmental information is required, including possession of necessary permits, and compliance with emission limits. Audit results are recorded in a shared evaluation grid, which is also used to determine the frequency of any subsequent audits, which can vary from 3 to 18 months depending on the level of compliance that is found.

Finally, the continuous monitoring phase includes maintenance audits and follow-up activities to verify whether any non-conformities have been resolved, with the aim of ensuring that all suppliers operate in accordance with the Group’s ethical and social system, and with national and international regulations, including International Labor Organization (ILO) Conventions, the Consolidated Act on Occupational Safety, and environmental regulations. This process is governed by the Procedure for ethical and social qualification and monitoring of the Supply Chain, which was updated during 2024, and is operated by the CSR & Supply Chain Qualification team.

In order to ensure consistency and awareness within the organization, a training program was also delivered in 2024 to all divisions and entities of the holding company, aimed at strengthening knowledge of qualification and monitoring procedures, improving cross-function collaboration, and promoting a culture of shared responsibility along the supply chain.

The information on processing suppliers is provided below, including newly-acquired suppliers, who have undergone an assessment of social and environmental impacts. To this end, it should be noted that, as from 2024, the Gruppo Florence defined as “active” those suppliers used and paid even once in the previous 12 months. Regarding environmental assessment, it is also specified that most of the Gruppo Florence’s processing suppliers specialize in operations with low environmental impact, such as embroidery, assembly, and packaging. During audits, the Group adopts a checklist which also includes environmental criteria, such as waste management, and possession of all environmental authorizations. However, since the activities carried out by many workshops do not generate any significant

“an integrated three-stage model: onboarding, qualification, and monitoring.”

environmental impact, and are not among those subject to any authorization requirements, several questions on the checklist are not applicable in their operational environment

Out of a total of 1,053 active suppliers, there were 685 entities qualified according to social and environmental criteria in 2024. This number, equal to 65% of the total number of active processing suppliers within the Group’s supply chain, nevertheless accounts for 92% of the total expenditure incurred in the year for the supply of processing operations.

This approach underscores the Group’s intention to focus its qualifications and monitoring work on suppliers who are considered to be strategic, who are entrusted with the main job orders, or with whom there is an ongoing relationship. Among the suppliers subject to evaluation, there was the reporting of significant social impacts for 296 (43%), and of significant environmental impacts for 24 (4%), with respect to which any appropriate corrective actions were defined and taken³¹.

Number of processing suppliers with social assessment	2022	2023	2024
Total number of processing suppliers assessed in relation to social impacts ³²	353	571	685
Absolute number (percentage) of processing suppliers on whom significant social impacts ³³ have been identified and actions have been defined	79 (22%)	191 (33%)	296 (43%)

TABLE 23 – NUMBER OF PROCESSING SUPPLIERS WITH SOCIAL ASSESSMENT

³¹ The Gruppo Florence also identifies corrective actions following the reporting of minor social and environmental impacts during audits.

³² Processing suppliers for which an appraisal is available on ethical and social performance carried out directly by the Gruppo Florence and/or by the customer, since the incorporation of Gruppo Florence S.p.A.

³³ In the evaluation matrix with a range from 1 to 4, where 1 indicates the highest significance, and 4 the lowest, processing suppliers who obtained a qualification result between 1 and 2 are included in the stated value.

Percentage of expenditure of processing suppliers assessed according to social criteria and with significant impacts out of total processing expenditure	2022	2023	2024 ³⁴
Processing suppliers assessed in relation to social impacts ³⁵	-	-	92%
Processing suppliers on whom significant social impacts ³⁶ have been identified and actions have been defined	-	-	39%

TABLE 24 – PERCENTAGE OF EXPENDITURE OF PROCESSING SUPPLIERS ASSESSED ACCORDING TO SOCIAL CRITERIA AND WITH SIGNIFICANT IMPACTS OUT OF TOTAL PROCESSING EXPENDITURE

New processing suppliers	2022	2023	2024
Number of new processing suppliers (arising from company acquisitions)	-	60	395
Absolute number (percentage) of new processing suppliers assessed in relation to social impacts	-	58 (97%)	193 (49%)

TABLE 25 – NEW PROCESSING SUPPLIERS ASSESSED IN RELATION TO SOCIAL IMPACTS

Percentage of expenditure (on total processing expenditure) on new processing suppliers	2022	2023	2024 ³⁷
New processing suppliers (arising form company acquisitions)	-	-	18%
New processing suppliers assessed in relation to social impacts	-	-	13%

TABLE 26 – PERCENTAGE OF EXPENDITURE (ON TOTAL PROCESSING EXPENDITURE) ON NEW PROCESSING SUPPLIERS

Number of processing suppliers with environmental assessment ³⁸	2022	2023	2024
Total number of processing suppliers assessed in relation to environmental impacts	-	571	685
Absolute number (percentage) of processing suppliers on whom significant environmental impacts ³⁹ have been identified and actions have been defined ⁴⁰	-	4 (0%)	24 (4%)

TABLE 27 – NUMBER OF PROCESSING SUPPLIERS WITH ENVIRONMENTAL ASSESSMENT

34 Total expenditure related to purchases of processing made by the Gruppo Florence in the period from 1 January to 31 December 2024 from active suppliers. For information on new suppliers rising from company acquisitions, only expenditure attributable to them is considered.

35 Processing suppliers for which an appraisal is available on ethical and social performance carried out directly by the Gruppo Florence and/or by the customer, since the incorporation of Gruppo Florence S.p.A.

36 In the evaluation matrix with a range from 1 to 4, where 1 indicates the highest significance, and 4 the lowest, processing suppliers who obtained a qualification result between 1 and 2 are included in the stated value.

37 Total expenditure related to purchases of processing made by the Gruppo Florence in the period from 1 January to 31 December 2024 from active suppliers. For information on new suppliers resulting from company acquisitions, only expenditure attributable to them is considered.

38 Most of the Gruppo Florence’s processing suppliers specialize in operations with low environmental impact, such as embroidery, assembly, and packaging. During audits, the Group adopts a checklist that also includes environmental criteria, such as waste management, and possession of all environmental authorizations. However, since the activities carried out by many workshops do not generate any significant environmental impacts, and are not among those subject to any authorization requirements, several questions on the checklist are not applicable in their operational environment. The environmental assessment was strengthened as from 2023, which is why the figure for 2022 is not available.

39 In the evaluation matrix with a range from 1 to 4, where 1 indicates the highest significance, and 4 the lowest, processing suppliers who obtained a qualification result between 1 and 2 are included in the stated value.

40 The value takes into account only those processing operations that are part of processes with significant environmental impact, such as those in laundries and uppers factories.

Percentage of expenditure of processing suppliers assessed according to environmental criteria and with significant impacts out of total processing expenditure	2022	2023	2024 ⁴¹
Processing suppliers assessed in relation to environmental impacts ⁴²	-	-	92%
Processing suppliers on whom significant environmental impacts ⁴³ have been identified and actions have been defined ⁴⁴	-	-	2%

TABLE 28 – PERCENTAGE OF EXPENDITURE OF PROCESSING SUPPLIERS ASSESSED ACCORDING TO ENVIRONMENTAL CRITERIA AND WITH SIGNIFICANT IMPACTS OUT OF TOTAL PROCESSING EXPENDITURE

New processing suppliers ⁴⁵	2022	2023	2024
Number of new processing suppliers (arising from company acquisitions)	-	60	395
Absolute number (percentage) of new processing suppliers assessed in relation to environmental impacts	-	58 (97%)	193 (49%)

TABLE 29 – NUMBER OF NEW PROCESSING SUPPLIERS ASSESSED IN RELATION TO ENVIRONMENTAL IMPACTS

Regarding new processing suppliers acquired as a result of the Group’s extraordinary transactions during the year, about 50% were subject to evaluation in relation to social and environmental impacts, accounting for more than 75% of total expenditure on new processing suppliers. The acquisitions, two of which were completed in the second half of the year (31 May and 20 November, respectively) limited the possibility of completing the qualification of the entire group of new processing suppliers during the year; however, the evaluation work continued during 2025. .

This confirms the Gruppo Florence’s commitment to gradually extend its due diligence standards even to those entities more recently integrated into the value chain. During the reporting year, the Gruppo Florence also applied a new procedure to make additions to the existing procedure for ethical and social qualification, and monitoring of the Supply Chain, dedicated to overseeing the operations of home-based workers employed by processing suppliers. Home-based workers are those professionals and artisans who perform manual and specialist work at their homes, which includes highly crafted processing such as hand embroidery.

They represent a distinctive element of the Group’s manufacturing tradition, and contribute to the preservation of production excellence. The procedure therefore aims to define clear criteria for the management and control of this professional category, ensuring high standards both within the Group’s divisions and companies, and at companies in the supply chain, nationally and internationally.

Companies in the supply chain are required to guarantee home-based workers an adequate rate of pay, determined according to their contractual classification, including any expected surcharges, and ensuring that they are paid a fair remuneration compared to their colleagues who perform the same task at company sites. Suppliers must also ensure that documentation of the work they perform is filed on a monthly basis. In the case of installation of machinery at home, it is essential that the supplier ensures adequate maintenance, in compliance with current occupational health and safety regulations. In addition, there is an obligation to subject workers to medical examinations, provide specific training, and ensure the availability of personal protective equipment where required by risk assessments. Finally, it is required that the sanitary and hygienic conditions of home workplaces meet the required standards, ensuring a safe and suitable environment for the performance of their work.

As part of the audits conducted, there are additional steps applicable in specific cases of employment of home-based workers. These in-depth examinations involve a documentary analysis aimed at verifying the contractual classification, the application of hourly rates, and applicable surcharges based on the number of hours worked by employees, as well as the consistency between the mode of reporting the processing performed, the time of completion, and the amount paid. Availability is also requested to carry out on-site inspections at the premises where employees work, so as to verify the environments, with full respect for employees, and subject to their prior authorization.

⁴¹ Total expenditure related to purchases of processing made by the Gruppo Florence in the period from 1 January to 31 December 2024 from active suppliers. For information on new suppliers arising from company acquisitions, only expenditure attributable to them is considered.

⁴² Most of the Gruppo Florence’s processing suppliers specialize in operations with low environmental impact, such as embroidery, assembly, and packaging. During audits, the Group adopts a checklist that also includes environmental criteria, such as waste management, and possession of all environmental authorizations. However, since the activities carried out by many workshops do not generate any significant environmental impacts, and are not among those subject to any authorization requirements, several questions on the checklist are not applicable in their operational environment.

⁴³ In the evaluation matrix with a range from 1 to 4, where 1 indicates the highest significance, and 4 the lowest, processing suppliers who obtained a qualification result between 1 and 2 are included in the stated value.

⁴⁴ The value takes into account only those processing operations that are part of processes with significant environmental impact, such as those in laundries and uppers factories.

⁴⁵ Most of the Gruppo Florence’s processing suppliers specialize in operations with low environmental impact, such as embroidery, assembly, and packaging. During audits, the Group adopts a checklist that also includes environmental criteria, such as waste management, and possession of all environmental authorizations. However, since the activities carried out by many workshops do not generate any significant environmental impacts, and are not among those subject to any authorization requirements, several questions on the checklist are not applicable in their operational environment. The environmental assessment was strengthened as from 2023, which is why the figure for 2022 is not available.

Percentage of expenditure (on total processing expenditure) on new processing suppliersi ⁴⁶	2022	2023	2024 ⁴⁷
New processing suppliers (arising from company acquisitions)	-	-	18%
New processing suppliers assessed in relation to environmental impacts	-	-	13%

TABLE 30 - PERCENTAGE OF EXPENDITURE (ON TOTAL PROCESSING EXPENDITURE) ON NEW PROCESSING SUPPLIERS

Finally, in 2024, the Gruppo Florence formalized the supplier deactivation procedure, establishing the criteria and operating procedures for suspending laboratories, whether domestic or international, involved in the manufacturing of the Group’s articles, following any serious or repeated critical issues. This measure is applied when significant irregularities are found, such as the lack, or any non-compliance of the DURC (Documento Unico di Regolarità Contributiva, Certificate of Payment of Social Security Contributions), serious violations of labor regulations, or any situations referable to forced labor or risk of illegal labor exploitation. Reactivation of a supplier requires a new qualification process, conducted by the CSR & Supply Chain Qualification team through specific audits aimed at verifying the resolution of previous critical issues, as per the procedure for ethical and social qualification, and monitoring of the Supply Chain. Only if there is a positive outcome can the CSR & Supply Chain Qualification team make a

formal request to the Finance department to unblock the supplier, thus ensuring that the relationship with the supplier is restored in full compliance with the Group’s ethical, social, and regulatory standards.

To support the process of qualification, audit and monitoring of processing suppliers, the Group makes use of the Supply Chain Management (SCM) platform, an integrated IT system that enables comprehensive tracking, and accurate mapping of active processing suppliers (related documentation, and outcomes of audits), helping to reduce operational effort, strengthen control mechanisms, and promote greater transparency in processes. In this way, the platform is a strategic element in consolidating the robustness, efficiency, and resilience of the supply chain assessment and management system.



⁴⁶ Most of the Gruppo Florence’s processing suppliers specialize in operations with low environmental impact, such as embroidery, assembly, and packaging. During audits, the Group adopts a checklist that also includes environmental criteria, such as waste management, and possession of all environmental authorizations. However, since the activities carried out by many workshops do not generate any significant environmental impacts, and are not among those subject to any authorization requirements, several questions on the checklist are not applicable in their operational environment.

⁴⁷ Total expenditure related to purchases of processing made by the Gruppo Florence in the period from 1 January to 31 December 2024 from active suppliers. For information on new suppliers arising from company acquisitions, only expenditure attributable to them is considered.



**HUMAN RIGHTS AS A PILLAR
OF SUPPLIER QUALIFICATION**

The Gruppo Florence formalizes its commitment to human rights within its Code of Ethics, which lays down principles and guidelines aimed at ensuring respect for fundamental rights throughout all business practices. In accordance with the Code, and in compliance with international human rights standards, the Group adopts a structured approach to the prevention of any possible violation along the value chain.

Through a specific procedure of ethical and social qualification and monitoring of processing suppliers, the Group is committed to ensuring full respect for the rights of the people involved in production processes, preventing practices attributable to forced or compulsory labor, employment of child labor, or restrictions on freedom of association.

Adherence to SA8000 certification, which has been successfully achieved by 13 sites, including the Milan and Florence offices (for further details, please see the paragraph on “Sustainability and integrated responsibility: system certifications” on page 39), represents, in this sense, an additional tool for supervision and accountability, ensuring that the Group within its own organization, and in the monitoring of its suppliers, operates in compliance with the highest standards in the areas of social responsibility, and decent working conditions.

The tools adopted by the Group include specific indicators for identifying situations of exploitation, such as work constrained by physical or psychological coercion, the denial of rest, vacation or leave, the imposition of arbitrary pay deductions, or the inability to freely withdraw from the employment contract. Particular attention is paid to

smaller and fragmented production entities, where these risks may occur in a less visible and structured manner.

The Group also assesses respect for freedom of association and collective bargaining, in accordance with International Labor Organization (ILO) Conventions nos. 87 and 98. The risk of restrictions in this regard is considered to be more significant at smaller workshops operating in local areas where union protection may be less guaranteed than the levels provided in EU countries. Conversely, this risk is considered to be residual in the case of raw material suppliers, which generally operate within more organized and union-represented facilities.

Furthermore, the Gruppo Florence considers the employment of children below the minimum legal age to be totally unacceptable in accordance with ILO Convention no. 138 on child labor, and Convention no. 182 on the worst forms of child labor. The presence of minors in manufacturing activities seriously undermines the physical, mental and emotional development of children, in addition to violating their dignity and fundamental rights.

Through the consistent application of this management and control system, the Gruppo Florence strengthens its commitment to the protection of human rights throughout the supply chain, anticipating risks, and promoting fair and decent working conditions.



PEOPLE
AT
THE
CEN—
TER:
WORK
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TURE,
WELL-BEING,
AND
GROWTH

PEOPLE’S WELL-BEING AS A STRATEGIC ASSET

The Gruppo Florence places the well-being of its people at the center of its sustainability vision, being aware that the long-term success of the Group is based on the value, commitment, and growth of its people.

For this reason, the Group is strongly committed to promoting a corporate culture based on respect, collaboration, and continuous empowerment, both personal and professional, with a view to creating a working environment that allows the full expression of individual and collective potential.

The Human Resources function, centralized since 2023, plays a key role in creating a positive working environment, ensuring ongoing and consistent oversight of HR processes and policies within the Group, which is characterized by a complex and constantly evolving corporate structure.

Also in 2024, the Gruppo Florence’s process of continuous domestic and international expansion led to an increase of about 24% in the company’s workforce, from 3,665 to 4,544 people, as shown in the table below.

Employees by contract ⁴⁸	UoM	2022			2023			2024		
		Men	Women	Total	Men	Women	Total	Men	Women	Total
Total employees at 31/12	no.	518	2,032	2,550	748	2,917	3,665	934	3,610	4,544
Italy	no.	474	1,416	1,890	684	1,958	2,642	854	2,522	3,376
Open-ended contract	no.	454	1,350	1,804	629	1,825	2,454	827	2,436	3,263
Fixed-term contract	no.	20	66	86	55	133	188	25	85	110
Workers with non-guaranteed hours	no.	-	-	-	-	-	-	2	1	3
Poland	no.	7	151	158	8	159	167	7	145	152
Albania	no.	34	425	459	31	483	514	31	488	519
Romania	no.	3	40	43	17	95	112	16	98	114
Tunisia	no.	-	-	-	8	222	230	8	243	251
Portugal	no.	-	-	-	-	-	-	18	114	132

TABLE 31 - EMPLOYEES BY CONTRACT

The Gruppo Florence takes an approach geared towards ensuring stable working conditions, and competitive wages and salaries, making a concrete contribution to the economic security, and well-being of its employees and workers. As of 31 December 2024, 97% of the staff were employed under permanent employment contracts.

The remaining portion was composed of temporary workers, whose placement is aimed at permanent employment wherever possible. A very small percentage were workers with non-guaranteed hours, employed mainly to meet specific production needs and requirements.

The Group operates in an environment characterized by seasonal fluctuations in demand, which may require rapid adaptation of

the workforce. The Gruppo Florence is actively engaged in limiting the adverse impact on employees and associates resulting from such production fluctuations, such as reduced working hours, and downsizing the workforce, with a view to accountability, and continuity of employment.

In this context, the presence of union representatives and workers’ representative bodies takes on a key role, ensuring that everyone’s demands are heard and acted on, fostering a participatory working environment that is attentive to the needs of its employees and workers. In addition, all Group employees, including those working in foreign offices, are covered by collective labor agreements designed to guarantee fair rights, safeguards, and working conditions for all employees.

⁴⁸ The headcount calculation methodology at 31/12 of the reporting years has been used.

In 2024, the majority of contracts in Italy were full-time, accounting for about 97% of the total. At the same time, there was an increase in part-time contracts, confirming the Group’s commitment to respond flexibly to the diverse individual needs of its workers. Indeed, the Gruppo Florence recognizes the importance of fostering work-life balance as a strategic lever for people’s well-being, motivation, and productivity, and promotes flexibility-oriented organizational solutions such as, for example, agile working.

In addition, a project was launched in 2024 to promote a healthy and inclusive working environment, contributing to the prevention of psychological distress. The initiative, developed in collaboration with Mindwork - a platform specializing in psychological support for businesses - offers an on-line psychological counseling service, which can be accessed

in an anonymous, private, and confidential manner. The service is available anywhere, both in Italy and abroad, and is to be used exclusively outside working hours and spaces. Each employee can take advantage of up to six individual interviews with a psychologist from the Mindwork team.

In addition to employees, the Group also relies on collaboration from non-employee workers, including interns, temporary workers, and consultants. Temporary workers, who accounted for more than 70% of non-employee workers in 2024, are mainly employed to ensure operational flexibility, and respond promptly to changes in production volumes.

The placement of interns, which is subject to annual variations depending on available training opportunities, is a concrete commitment by the Group towards the involvement and

Employees by worked hours ⁴⁹	UoM	2022			2023			2024 ⁵⁰		
		Men	Women	Total	Men	Women	Total	Men	Women	Total
Total employees at 31/12	no.	518	2,032	2,550	748	2,917	3,665	934	3,610	4,544
Italy	no.	474	1,416	1,890	684	1,958	2,642	854	2,522	3,376
Full-time	no.	463	1,313	1,776	673	1,809	2,482	837	2,302	3,139
Part time	no.	9	105	114	11	149	160	17	220	237
Poland	no.	7	151	158	8	159	167	7	145	152
Albania	no.	34	425	459	31	483	514	31	488	519
Romania	no.	3	40	43	17	95	112	16	98	114
Tunisia	no.	-	-	-	8	222	230	8	243	251
Portugal	no.	-	-	-	-	-	-	18	114	132

TABLE 32 – EMPLOYEES BY WORKED HOURS

Non-employee workers ⁵¹	UoM	2022			2023			2024 ⁴⁹		
		Men	Women	Total	Men	Women	Total	Men	Women	Total
Total non-employee workers at 31/12	no.	41	60	101	37	111	148	35	103	138
Interns	no.	3	3	6	6	28	34	3	11	14
Temporary workers	no.	19	49	68	26	82	108	22	76	98
Third-party collaborators	no.	19	8	27	5	2	7	10	16	26

TABLE 33 – NON-EMPLOYEE WORKERS

training of talented young people, offering concrete opportunities for professional growth. Finally, the use of third-party collaborators responds to the need to add specialist skills within the organization.

In a dynamic and demanding industry such as fashion, the Gruppo Florence is committed to combining manufacturing

excellence with constant attention to human values in order to contribute to positive change within the value chain. The principles of fairness, respect and inclusion form the foundation of the Gruppo Florence’s culture, and guide the Group’s activities on a daily basis, from personnel selection to career development programs.

⁴⁹ Ibid.

⁵⁰ The breakdown by hours worked for foreign companies Pph Eurotex sp.z o.o., Ambra SH.P.K., Durantina S.r.l., CIM Sarl and P.A.E.C.O. Design Textil S.A. is not available.

⁵¹ The data for the foreign companies Pph Eurotex sp.z o.o., Ambra SH.P.K., Durantina S.r.l., CIM Sarl and P.A.E.C.O. Design Textil S.A. are not available: the scope of the indicator therefore only includes the Group’s Italian companies.

As of 31 December 2024, women accounted for 75% of total employees, with a predominant concentration in operational and clerical roles, in line with the fashion industry, historically marked by a high female presence. Conversely, in the top management levels, a higher incidence of male staff is observed, which continues to be a priority area for the Group in order to promote a more equitable gender representation in roles of responsibility.

Within the Organization, all employees are required to abide by the ethical principles, and rules of conduct, laid down in the company’s Code of Ethics. The Gruppo Florence has organized dedicated training sessions to promote its dissemination, and strengthen any behavior consistent with the Group’s values.

In 2024, the commitment to the prevention of misconduct, abuse and discrimination in the workplace was further strengthened through the implementation of an IT whistleblowing system that complies with current regulations.

The system allows all stakeholders, both internal and external, to report any non-compliant conduct in an anonymous and safe manner, representing a fundamental safeguard to protect the honesty of the working environment, promote transparency, and discourage any behavior contrary to company values. During the year, there were no reports of incidents of discrimination established. For more details on the operation of the whistleblowing channel, please see chapter 1.3 Stronger governance for an ethical, safe and resilient business, page 25.

The Gruppo Florence takes a fair and inclusive approach starting with personnel selection, which is done solely on the basis of merit and competence. Recruitment policies are designed to enhance diversity, ensuring equal opportunities for candidates from different professional and cultural backgrounds.

The Gruppo Florence regularly monitors the composition of its human capital according to key diversity parameters, as detailed in the table below.

Employees by professional category, age, gender and Country ⁵²	UoM	2022			2023			2024		
		Men	Women	Total	Men	Women	Total	Men	Women	Total
Total employees at 31/12	no.	518	2,032	2,550	748	2,917	3,665	934	3,610	4,544
Italy	no.	474	1,416	1,890	684	1,958	2,642	854	2,522	3,376
Manual workers	no.	330	1,014	1,344	456	1,392	1,848	506	1,732	2,238
Age less than 30 years	no.	57	127	184	90	210	300	84	231	315
Age between 30 and 50 years (inclusive)	no.	147	437	584	230	632	862	253	777	1,030
Age over 50 years	no.	126	450	576	136	550	686	169	724	893
Office workers	no.	123	388	511	182	534	716	246	738	984
Age less than 30 years	no.	22	52	74	34	91	125	41	117	158
Age between 30 and 50 years (inclusive)	no.	53	221	274	85	305	390	120	398	518
Age over 50 years	no.	48	115	163	63	138	201	85	223	308
Middle managers	no.	9	11	20	25	24	49	48	28	76
Age less than 30 years	no.	-	-	-	-	-	-	1	-	1
Age between 30 and 50 years (inclusive)	no.	4	8	12	14	19	33	31	19	50
Age over 50 years	no.	5	3	8	11	5	16	16	9	25
Executives	no.	12	3	15	21	8	29	54	24	78
Age less than 30 years	no.	-	-	-	-	-	-	-	1	1
Age between 30 and 50 years (inclusive)	no.	6	1	7	10	4	14	21	10	31
Age over 50 years	no.	6	2	8	11	4	15	33	13	46
Poland	no.	7	151	158	8	159	167	7	145	152
Albania	no.	34	425	459	31	483	514	31	488	519
Romania	no.	3	40	43	17	95	112	16	98	114
Tunisia	no.	-	-	-	8	222	230	8	243	251
Portugal	no.	-	-	-	-	-	-	18	114	132

TABLE 34/A – EMPLOYEES BY AGE GROUP

⁵² The headcount calculation methodology at 31/12 for the reporting years has been used. In addition, the breakdown by professional category for the foreign companies Pph Eurotex sp.z o.o., Ambra SH.P.K., Durantina S.r.l., CIM S.arl and P.A.E.C.O. Design Textil S.A. is not available.



Employees by professional category, age, gender and Country ⁵²	UoM	2022			2023			2024		
		Men	Women	Total	Men	Women	Total	Men	Women	Total
Percentuali rispetto al totale 31/12	%	20	80	100	20	80	100	25	75	100
Italy	%	19	55	74	19	54	73	18	56	74
Manual workers	%	13	40	53	12	39	51	11	38	49
Age less than 30 years	%	2	5	7	3	6	9	2	5	7
Age between 30 and 50 years (inclusive)	%	6	17	23	6	17	23	5	17	22
Age over 50 years	%	5	18	23	4	15	19	4	16	20
Office workers	%	5	15	20	4	15	19	5	16	21
Age less than 30 years	%	1	2	3	2	2	4	1	2	3
Age between 30 and 50 years (inclusive)	%	2	9	11	2	8	10	2	9	11
Age over 50 years	%	2	4	6	1	4	5	2	5	7
Middle managers	%	-	-	1	1	1	2	1	1	2
Age less than 30 years	%	-	-	-	-	-	-	-	-	-
Age between 30 and 50 years (inclusive)	%	-	-	-	-	1	1	1	-	1
Age over 50 years	%	-	-	-	1	-	1	-	1	1
Executives	%	-	-	1	1	-	1	1	1	2
Age less than 30 years	%	-	-	-	-	-	-	-	-	-
Age between 30 and 50 years (inclusive)	%	-	-	-	-	-	-	-	1	1
Age over 50 years	%	-	-	-	-	-	-	1	-	1
Poland	%	-	6	6	-	4	4	-	3	3
Albania	%	1	17	18	1	13	14	1	10	11
Romania	%	-	2	2	-	3	3	-	2	2
Tunisia	%	-	-	-	-	6	6	-	5	5
Portugal	%	-	-	-	-	-	-	-	3	3

TABLE 34/B - EMPLOYEES BY AGE GROUP

The table below shows new hires
for the year 2024.

no. of New hires	UoM	2022 ⁵³			2023 ⁵⁴			2024		
		Men	Women	Total	Men	Women	Total	Men	Women	Total
Total new hires at 31/12	no.	109	283	392	147	541	688	139	467	606
Italy	no.	109	283	392	136	335	471	136	319	455
Age less than 30 years	no.	30	69	99	49	97	146	31	74	105
Age between 30 and 50 years (inclusive)	no.	47	143	190	62	161	223	67	129	196
Age over 50 years	no.	32	71	103	25	77	102	38	116	154
Poland	no.	-	-	-	1	16	17	-	3	3
Age less than 30 years	no.	-	-	-	-	-	-	-	-	-
Age between 30 and 50 years (inclusive)	no.	-	-	-	-	-	-	-	2	2
Age over 50 years	no.	-	-	-	-	-	-	-	1	1
Albania	no.	-	-	-	9	127	136	3	71	74
Age less than 30 years	no.	-	-	-	-	-	-	-	15	15
Age between 30 and 50 years (inclusive)	no.	-	-	-	-	-	-	2	46	48
Age over 50 years	no.	-	-	-	-	-	-	1	10	11
Romania	no.	-	-	-	1	3	4	0	19	19
Age less than 30 years	no.	-	-	-	-	-	-	-	2	2
Age between 30 and 50 years (inclusive)	no.	-	-	-	-	-	-	-	12	12
Age over 50 years	no.	-	-	-	-	-	-	-	5	5
Tunisia	no.	-	-	-	-	60	60	-	55	55
Age less than 30 years	no.	-	-	-	-	-	-	-	24	24
Age between 30 and 50 years (inclusive)	no.	-	-	-	-	-	-	-	30	30
Age over 50 years	no.	-	-	-	-	-	-	-	1	1
Portugal	no.	-	-	-	-	-	-	0	0	0
Age less than 30 years	no.	-	-	-	-	-	-	-	-	-
Age between 30 and 50 years (inclusive)	no.	-	-	-	-	-	-	-	-	-
Age over 50 years	no.	-	-	-	-	-	-	-	-	-

TABLE 35 – NEW HIRES

⁵³ The data for the foreign companies Pph Eurotex sp.z o.o., Ambra SH.P.K., and Durantina S.r.l. are not available: therefore, the reporting boundary with reference to the year 2022 includes only the Italian companies of the Group.

⁵⁴ The breakdown by age group for the foreign companies Pph Eurotex sp.z o.o., Ambra SH.P.K., Durantina S.r.l. and CIM S.a.r.l. is not available.

Rate of new hires (positive turnover)	UdM	2022 ⁵⁵			2023 ⁵⁶			2024		
		Men	Women	Total	Men	Women	Total	Men	Women	Total
Percentages compared to the total at 31/12		23	20	21	20	19	19	15	13	13
Italy	%	23	20	21	20	17	18	16	13	13
Age less than 30 years	%	38	39	38	40	32	34	25	21	22
Age between 30 and 50 years (inclusive)	%	22	21	22	18	47	66	16	11	12
Age over 50 years	%	17	12	14	11	11	11	13	12	12
Poland	%	-	-	-	13	10	10	-	2	2
Age less than 30 years	%	-	-	-	-	-	-	-	-	-
Age between 30 and 50 years (inclusive)	%	-	-	-	-	-	-	-	3	3
Age over 50 years	%	-	-	-	-	-	-	-	1	1
Albania	%	-	-	-	29	26	26	10	15	14
Age less than 30 years	%	-	-	-	-	-	-	-	22	20
Age between 30 and 50 years (inclusive)	%	-	-	-	-	-	-	13	14	14
Age over 50 years	%	-	-	-	-	-	-	13	10	10
Romania	%	-	-	-	6	3	4	-	19	17
Age less than 30 years	%	-	-	-	-	-	-	-	67	50
Age between 30 and 50 years (inclusive)	%	-	-	-	-	-	-	-	24	19
Age over 50 years	%	-	-	-	-	-	-	-	11	10
Tunisia	%	-	-	-	-	27	26	-	23	22
Age less than 30 years	%	-	-	-	-	-	-	-	42	42
Age between 30 and 50 years (inclusive)	%	-	-	-	-	-	-	-	18	18
Age over 50 years	%	-	-	-	-	-	-	-	5	4
Portugal	%	-	-	-	-			0	0	0
Age less than 30 years	%	-	-	-	-	-	-	-	-	-
Age between 30 and 50 years (inclusive)	%	-	-	-	-	-	-	-	-	-
Age over 50 years	%	-	-	-	-	-	-	-	-	-

TABLE 36 – POSITIVE TURNOVER

55
The data for the foreign companies Pph Eurotex sp.z o.o., Ambra SH.P.K., Durantina S.r.l. were not available in 2022: therefore, the reporting boundary with reference to the year 2022 includes only the Italian companies of the Group.

56
The breakdown by age group for the foreign companies Pph Eurotex sp.z o.o., Ambra SH.P.K., Durantina S.r.l. and CIM S.a.r.l. is not available.

During the year, the Gruppo Florence saw 606 new hires, of which more than 77% were women. New hires were mainly in the operating offices in Italy, Albania and Tunisia, reflecting the ongoing strengthening of the Group’s footprint in key areas and regions. The figure for termination of employment

is available only for Italy, where a total of 393 exits were recorded, including 293 women and 100 men. The turnover rate related to Italian personnel stood at 12%.

no. of Exits ⁵⁷	UoM	2023			2024		
		Men	Women	Total	Men	Women	Total
Total for Italy	no.	70	151	221	100	293	393
Age less than 30 years	no.	31	30	61	30	52	82
Age between 30 and 50 years (inclusive)	no.	23	71	94	38	114	152
Age over 50 years	no.	16	50	66	32	127	159

TABLE 37 - EXITS

Rate of exits (negative turnover) ⁵⁸	UoM	2023			2024		
		Men	Women	Total	Men	Women	Total
Total for Italy	%	10	8	8	12	12	12
Age less than 30 years	%.	25	10	14	24	15	17
Age between 30 and 50 years (inclusive)	%	7	7	7	9	9	9
Age over 50 years	%	7	7	7	11	13	13

TABLE 38 - NEGATIVE TURNOVER



⁵⁷ The data for the foreign companies Pph Eurotex sp.z o.o., Ambra SH.P.K., Durantina S.r.l., CIM Sarl and P.A.E.C.O. Design Textil S.A. were not available: the scope of the indicator therefore only includes the Group’s Italian companies.

⁵⁸ Ibid.

SKILLS AND THE FUTURE: INVESTING IN CONTINUOUS TRAINING



The Gruppo Florence recognizes the importance of ensuring a working environment that fosters the professional and personal growth of its employees, in order to increase satisfaction and motivation of its staff during working activities. The Gruppo Florence actively invests in its human capital, training talents intended to support and guide the future development of the Group. By focusing on training, the Group aspires to become a leading company in the fashion industry, which is capable of developing innovative and effective solutions to address key issues such as the sustainable management of resources, the adoption of environmentally friendly manufacturing practices, and the implementation of new advanced technologies for the transmission of information throughout the production chain. Moreover, this approach enables the Group to respond proactively to the dynamics of a constantly changing environment.

During 2024, the Gruppo Florence continued to enhance its training offering, which is managed by the Talent function of the Human Resources Department. The main training initiatives include technical courses concerning Time and Methods, aimed at providing the skills needed to optimize processes, and improve production performance, and modeling training programs. There are also customs training courses, aimed mainly at the Supply Chain, Logistics, Administration, and Purchasing teams, and language training for corporate staff such as HR, H&S, AF&C, R&D, Business Transformation, and Product Management at the group divisions. At the same time, the Group invests in the development of managerial skills through targeted initiatives, including the “Leader of the Future” training program, individual coaching sessions, and the Master Big Academy. Customized team-building sessions designed to strengthen collaboration among work teams complete the offering. In order to ensure continuous improvement of the training courses that are offered, the programs include follow-up meetings to assess the quality of delivery, and the level of engagement.

In 2024, the Gruppo Florence continued its investment in training with conviction, recognizing its strategic value not only for the development of the technical and soft skills of its employees, but also as a tool to promote active involvement in the pursuit of business objectives, and the adoption

of good sustainability practices. Within this framework, work continued on the training course dedicated to sustainability, consisting of 10 sessions lasting 2.5 hours each. Participants had access to recordings and educational materials for each meeting. A total of 6 employees took part in the program.

In compliance with the regulatory provisions of Legislative Decree no. 81/2008, and the State-Regions Agreements of 2011, the Gruppo Florence ensures that all employees receive mandatory and structured training in occupational health and safety. This training is a fundamental pillar in the Organization's prevention and protection strategy, detailed in chapter 5.3 Our commitment to occupational health and safety, page XX. All employees participate in general and specific training courses, calibrated according to the task they perform, and the level of risk involved. To these must be added training courses for staff members with special responsibilities or roles in the field of safety, such as supervisors, emergency responders, forklift drivers, and Workers' Safety Representatives (RLS). Safety training is updated on an ongoing basis in relation to regulatory, technological and organizational developments, and is a key lever for creating a business culture based on prevention, individual empowerment, and collective protection.

Enhancing the value of human capital also translates into a structured and merit-based pay approach that recognizes commitment, results and individual growth. In addition to being an essential tool for recognizing the value of people, remuneration is a key lever for motivating, satisfying and retaining talent, helping strengthening an inclusive working environment geared towards excellence, and the realization of individual potential. In terms of remuneration, the Group adopts a fair and structured policy aimed at ensuring competitive wages and salaries, even in countries with lower per capita income, and in line with professional profiles, job functions, contractual classification, and experience of candidates.

A structured Group-wide system is being developed for periodic performance review in order to ensure a dynamic and merit-based remuneration structure. This tool designed by the Personnel Department with the support of the Group CEO

at the budgeting stage will make it possible to assess achievements in an objective manner, identify areas for improvement and opportunities for growth, and update remuneration in a manner consistent with people’s career paths.

In 2024, there were 75 employees undergoing periodic performance appraisal, including 24 office workers, 29 middle managers, and 22 executives. The participants are equally distributed between men (44) and women (31). In addition, at present, some employment contracts provide for pay increase plans which include bonuses linked to the achievement of specific business objectives (Management by Objectives, MBO), with the

aim of aligning individual performance with the Group's strategy and goals. These measures testify to the company's concrete commitment to creating a competitive, transparent, and merit-oriented working environment in which all staff members can express their potential to the fullest.

The table below shows the figures relating to the ratio of wages and salaries to the remuneration by gender and professional category, and the figure on the annual total remuneration rate, which is calculated as the ratio of the annual total remuneration of the highest-paid person to the median annual total remuneration of all employees.

Total hours of trainin ⁵⁹	UoM	2022			2023			2024		
		Men	Women	Total	Men	Women	Total	Men	Women	Total
Total	hours	2,161	4,947	7,097	684	3,963	4,647	4,547	7,532	12,079
Manual workers	hours	1,411	2,946	4,357	334	2,242	2,576	1,642	4,151	5,793
Office workers	hours	643	1,939	2,573	221	1,647	1,868	1,580	2,897	4,477
Middle Managers	hours	48	62	110	71	26	97	605	164	769
Executives	hours	68	-	68	58	48	106	720	320	1,040
Average Hours	hours	4.2	2.6	2.7	1.0	2.0	1.7	5.0	3.0	4.0
Manual workers	hours	3.8	2.0	2.3	1.5	1.6	1.3	3.2	2.4	2.6
Office workers	hours	5.0	4.5	4.6	1.2	3.0	2.6	6.4	3.9	4.5
Middle Managers	hours	4.8	5.6	5.2	2.8	1.0	1.9	12.6	5.9	10.1
Executives	hours	5.6	-	2.7	2.7	6.0	3.6	13.3	13.3	13.3

TABLE 39 – TOTAL AND AVERAGE HOURS OF TRAINING

Employees subjected to periodic performance appraisal ⁶⁰	UoM	2023			2024		
		Men	Women	Total	Men	Women	Total
Total employees at 31/12	no.	30	15	45	44	31	75
Manual workers	no.	-	-	-	-	-	-
Office workers	no.	10	3	13	10	14	24
Middle managers	no.	7	7	14	18	11	29
Executives	no.	13	5	18	16	6	22
Percentage of employees at 31/12	%	4	1	2	5	1	2
Manual workers	%	-	-	-	-	-	-
Office workers	%	5	1	2	4	2	2
Middle managers	%	28	29	29	38	39	38
Executives	%	62	63	62	30	25	28

TABLE 40 – EMPLOYEES SUBJECTED TO PERIODIC PERFORMANCE APPRAISAL

⁵⁹ The breakdown by professional category for the foreign companies Pph Eurotex sp.z o.o., Ambra SH.P.K., Durantina S.r.l., CIM S.a.r.l. and P.A.E.C.O. Design Textil S.A. is not available: the scope of the indicator therefore only includes the Group's Italian companies.

⁶⁰ Ibid.

The Gruppo Florence aims to definitively eliminate any pay gap based on gender by committing to balance the salaries paid to its employees, regardless of gender, and any other individual characteristics.

In being aware that pay equity is a key element in building an inclusive working environment, the Group intends to continue its efforts to reduce pay gaps within its own Organization.

This commitment is confirmed in this reporting document, which shows an increase in the average salary ratio by gender for top management staff compared to 2023.

During 2024, the Gruppo Florence recorded a constant annual total remuneration rate of 16% compared to 2023.

Average salary ratio by gender ⁶¹	UoM	2022			2023			2024		
		Men	Women	Ratio	Men	Women	Ratio	Men	Women	Ratio
Manual workers	€	24,414	22,463	0.9	24,456	22,498	0.9	27,204	23,982	0.9
Office workers	€	37,269	31,875	0.9	36,811	31,114	0.9	39,291	32,840	0.8
Middle managers	€	78,651	70,219	0.9	72,239	78,420	1.1	72,890	84,046	1.2
Executives	€	122,567	89,167	0.7	139,107	103,991	0.8	157,351	131,729	0.8

TABLE 41 – RATIO OF BASIC SALARY TO REMUNERATION OF WOMEN COMPARED TO MEN

Average remuneration ratio by gender ⁶²	UoM	2022			2023			2024		
		Men	Women	Ratio	Men	Women	Ratio	Men	Women	Ratio
Manual workers	€	-	-	-	24,456	22,498	0.9	28,313	24,753	0.9
Office workers	€	-	-	-	37,036	31,169	0.8	40,699	34,096	0.8
Middle managers	€	-	-	-	74,343	82,912	1.1	78,203	89,402	1.1
Executives	€	-	-	-	175,493	127,053	0.7	179,692	143,144	0.8

TABLE 42 – RATIO OF REMUNERATION OF WOMEN COMPARED TO MEN

Annual total remuneration rate ⁶³	UoM	2022	2023	2024
Total annual remuneration of the highest-paid individual in the organization	€	200,000	378,462	408,398
Median of the annual total remuneration of all employees, excluding the highest-paid individual	€	23,077	23,101	25,354
Annual total remuneration rate	%	9	16	16

TABLE 43 – ANNUAL TOTAL REMUNERATION RATE

⁶¹ Ibid.

⁶² Ibid.

⁶³ Ibid.

OUR COMMITMENT TO OCCUPATIONAL HEALTH AND SAFETY



Occupational health and safety are a key pillar for the Group. In 2024 the Gruppo Florence continued to strengthen the culture of occupational health and safety through the adoption of an integrated management system compliant with standard ISO45001⁶⁴, and the continuous promotion of measures to mitigate occupational risks, as well as activities to monitor

and update procedures. The Group's commitment is geared towards ensuring full compliance with regulations, and reducing the number of occupational injuries and diseases, protecting the mental and physical health of its workers.

⁶⁴ The integrated management system has been implemented by Gruppo Florence S.r.l.

PROTECTING EMPLOYEES: HEALTH AND SAFETY AS A PRIORITY

During 2024 the Gruppo Florence obtained certification of its Health and Safety Management System according to the ISO45001 standard, and certified by DNV.

The system consists of Group procedures and specific Operational Procedures for the management of Health and Safety issues: it currently has 44 for workers' health and safety alone.

The year 2024 saw the HS Function engaged in the revision of the Risk Assessment Documents; in this regard, a single form for drafting the document has been drawn up, as well as specific assessment criteria have been set out for each specific risk, but the same for all Divisions: this has made it possible to ensure the same risk assessment approach.

As far as Health Surveillance is concerned, the choice was made to use a single provider which would accompany the Gruppo Florence in the standardization of the processes underlying the issue, and that consisted in the definition of a Health Protocol equal for each homogeneous division (RTW, LG, IP, FW), and a single health coordination which would act as a contact department for the various Company Doctors appointed in each division.

Regarding the delivery of Safety Training, the choice was made to use a single provider

which could ensure standardization of service in terms of quality of content delivery, and which could also allow economies of scale in terms of scheduling of training sessions and number of participants.

On the occasion of the "World Safety Day", which falls on 28 April, both for 2024 and for 2025, interactive events were organized, and

“developing
awareness of the
importance of
safety behavior”

information materials were disseminated, which were aimed at developing awareness of the importance of safety behavior that each of us must adopt, and increase in order to make our environments and daily actions “safer.”



Within the Gruppo Florence, the cross-sector management of health and safety-related activities is entrusted to a dedicated in-house team, composed of the Safety Director, Prevention and Protection Service Managers (RSPPs), supervisors in charge of individual divisions and companies, and third-party professionals, such as consultants and company doctors. In compliance with Article 35 of Legislative Decree no. 81/2008, the team meets annually to analyze significant events, identify potential areas of risk, assess the adequacy of measures in place, and plan corrective or improvement actions, with a focus on the areas with the greatest exposure.

The Gruppo Florence is composed of various manufacturing entities, with varying levels of risk depending on the specific activities carried out by each plant or factory. Each manufacturing site has an up-to-date Risk Assessment Document (DVR), prepared according to a structured process that makes it possible to ensure a complete analysis in accordance with the requirements of Legislative Decree no. 81/2008. The DVR includes a detailed analysis of the workplaces and the work performed, with the identification of the main company tasks and duties, divided into standardized macro-categories. Based on this classification, it is possible to precisely identify the sources of risk present in the various working environments, and any prevention and protection measures already adopted for risk mitigation. The document also includes the definition of the operational checks necessary to ensure that risk is maintained within acceptable levels, as well as providing, when appropriate, for further improvement actions aimed at a gradual reduction of any residual risk.

Alongside the DVR, the Single Document for the Assessment of Risks from Interference (DUVRI, Documento Unico di Valutazione dei rischi da Interferenze) is also prepared in order to also ensure effective safety supervision for third-party workers involved in activities at the Group’s sites, such as, for example, staff members in charge of cleaning, maintenance, or any other auxiliary services.

The assessment documents are updated periodically, both in accordance with the deadlines stipulated in the regulations,

and following significant changes to processes, workplaces, or following the adoption of new legislative provisions published in the Official Gazette. In compliance with Legislative Decree no. 81/2008, each manufacturing site also organizes an annual meeting aimed at analyzing any significant events and changes that occurred during the year, identifying critical issues, and planning any corrective or improvement actions.

The risk assessments contained in the DVR form the basis for defining the Health Protocol, drawn up by the Company Doctor, which includes a list of task-specific health checks to be carried out on an annual basis. This approach makes it possible to monitor the health status of workers according to the duties they perform, and any related risk factors. Upon completion of the health checks, the Company Doctor issues a Certificate of fitness for work. Health surveillance plays a key role in the prevention of work-related diseases, helping to identify early any clinical conditions that may interfere with work activities, and take any corrective measures or organizational adjustments, if necessary. The Company Doctor may also request specialist medical examinations to investigate complex situations in depth, and performs a supportive and listening function for any employees in need of health counseling.

In order to ensure effective coordination among the various offices, the Group has provided for the appointment of a Coordinating Company Doctor, with the task of harmonizing health protocols, and ensuring a standardized approach to the management of workers’ health throughout the country.

Under the relevant National Collective Labor Agreement (CCNL), the Group offers its workers access to a supplementary healthcare fund through SANIMODA, which allows them to take advantage of healthcare benefits that are complementary to the National Health Service. Membership in the fund is supported by a monthly contribution paid entirely by the company.

The table below shows the data on the number and rate of occupational injuries⁶⁵ for the three-year period 2022-2024.

Occupational injuries ⁶⁶	2022		2023		2024 ⁶⁷	
	No.	Rate (%)	No.	Rate (%)	No.	Rate (%)
Number of hours worked	4,387,166		5,328,960		4,248,331	
Number and rate of accidents at work	13	3.0	9	1.7	18	4.24

TABLE 44 – OCCUPATIONAL INJURIES

During the period under review, the Gruppo Florence experienced an accident trend characterized by an improvement in 2023 compared to 2022, followed, however, by an increase in 2024. During the year, the total number of accidents was 18, corresponding to a rate of 4.24%. Despite the overall increase, the severity of accidents remained low, with no particularly serious events or irreversible consequences. The main causes of accidents were attributed to moments of distraction, underscoring the need to continue to strengthen

safety awareness and training campaigns. In addition, no occupational diseases were reported during 2024.

In order to effectively and structurally manage all issues related to occupational health and safety, the Gruppo Florence, and the companies that are part of the group, have adopted an occupational health and safety management system that protects all Group employees, as highlighted in the table below. For Gruppo Florence S.r.l., the Group’s

⁶⁵ The occupational injury rate is calculated as the ratio of the number of recordable injuries to the number of hours worked, multiplied by 1,000,000.

⁶⁶ For the years 2022 and 2023, the figure for hours worked is estimated from hours envisaged as per contract. The estimate does not include the foreign companies Pph Eurotex sp.z o.o., Ambra SH.P.K., Durantina S.r.l., CIM S.a.r.l., and P.A.E.C.O. Design Textil S.A.

⁶⁷ The figure does not include the SNG Group and its subsidiaries, Gruppo Tessile Logama, nor the foreign companies Pph Eurotex sp.z o.o., Ambra SH.P.K., Durantina S.r.l., CIM S.a.r.l and P.A.E.C.O. Design Textil S.A.

Employees covered by an occupational health and safety management system	2022		2023		2024	
	no.	%	no.	%	no.	%
Total employees	2,250	100	3,665	100	4,544	100
Workers covered by an occupational health and safety management system	2,250	100	3,665	100	4,544	100
Workers covered by a system subject to internal audit	-	-	3,665	100	4,544	100
Workers covered by an externally certified occupational health and safety management system (ISO 45001)	494	19	550	15	2,732	60

TABLE 45 – WORKERS COVERED BY AN OCCUPATIONAL HEALTH AND SAFETY MANAGEMENT SYSTEM

main operating entity, this system is ISO45001-certified as mentioned above.

The Gruppo Florence recognizes the importance of promoting a health and safety culture that extends beyond the boundaries of the Organization, actively involving the value chain as well. With this in mind, processing suppliers undergo a qualification process that involves the evaluation of specific health and safety criteria, as well as ethical and social issues. This process allows each supplier to be graded

according to the level of compliance found, and, where necessary, a follow-up plan is defined to verify the resolution of any non-conformities found. Further details on the supplier qualification and monitoring process can be found in chapter 4. Redefining Italy’s excellence: tradition, innovation and social impact, page 63.



GRI CONTENT INDEX

STATEMENT OF USE		The Gruppo Florence has reported information with reference to GRI Standards for the period from 1 January 2024 to 31 December 2024.	
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	2-2 Entities included in the organization's sustainability reporting	Methodological Note	Pag. 4
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	2-4 Restatements of information	Methodological Note	Pag. 4
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	2-7 Employees	People's well-being as a strategic asset	Pag. 78, 79
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	2-14 Role of the highest governance body in sustainability reporting	Stronger governance for an ethical, safe and resilient business	Pag. 26, 27
	2-15 Conflicts of interest	Stronger governance for an ethical, safe and resilient business	Pag. 26
	2-16 Communication of critical concerns	Stronger governance for an ethical, safe and resilient business	Pag. 26
	2-17 Collective knowledge of the highest governance body	Stronger governance for an ethical, safe and resilient business	Pag. 26, 27
	2-20 Process to determine remuneration	People's well-being as a strategic asset	Pag. 85, 86
	2-21 a) Annual total compensation ratio	People's well-being as a strategic asset	Pag. 87
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	2-26 Mechanisms for seeking advice and raising concerns	Stronger governance for an ethical, safe and resilient business People's well-being as a strategic asset	Pag. 26 Pag. 80
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	205-3 Confirmed incidents of corruption and actions taken	Stronger governance for an ethical, safe and resilient business	Pag. 25, 26
GRI 206 - ANTI-COMPETITIVE BEHAVIOR 2016	206-1 Legal actions for anti-competitive behavior, anti-trust, and monopoly practices	Stronger governance for an ethical, safe and resilient business	Pag. 28
DATA PRIVACY AND CYBER SECURITY			
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GRI 418 – CUSTOMER PRIVACY 2016	418-1 Substantiated complaints concerning breaches of customer privacy and losses of customer data	Data privacy and cyber security	Pag. 29
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GRUPPO FLORENCE S.P.A.

Sustainability Report as of December 31, 2024

Independent auditors' report on the "Sustainability Report 2024"

Independent auditors' report on the "Sustainability Report 2024" (Translation from the original Italian text)

To the Board of Directors of
Gruppo Florence S.p.A.

We have been appointed to perform a limited assurance engagement on the "Sustainability Report 2024" (hereinafter "Sustainability Report") of Gruppo Florence S.p.A. and its subsidiaries (hereinafter "Gruppo Florence" or "the Group") for the year ended on 31st December 2024.

Responsibilities of Directors on the Sustainability Report

The Directors of Gruppo Florence S.p.A. are responsible for the preparation of the Sustainability Report in accordance with the "*Global Reporting Initiative Sustainability Reporting Standards*" issued by GRI - *Global Reporting Initiative* ("GRI Standards"), as described in the paragraph "*Methodological note*" and with reference to the selection of the GRI Standards indicated in the paragraph "*GRI Content Index*" of the Sustainability Report.

The Directors are also responsible for that part of internal control that they consider necessary in order to allow the preparation of a Sustainability Report that is free from material misstatements caused by fraud or not intentional behaviors or events.

The Directors are also responsible for defining the commitments of Gruppo Florence regarding the sustainability performance, as well as for the identification of the stakeholders and of the significant matters to report.

Auditors' independence and quality control

We are independent in accordance with the ethics and independence principles of the *International Code of Ethics for Professional Accountants (including International Independence Standards) (IESBA Code)* issued by the *International Ethics Standards Board for Accountants*, based on fundamental principles of integrity, objectivity, professional competence and diligence, confidentiality and professional behavior.

Our audit firm applies the International Standard on Quality Management 1 (ISQM Italia 1) and, as a result, maintains a quality control system that includes documented policies and procedures regarding compliance with ethical requirements, professional standards and applicable laws and regulations.

Auditors' responsibility

It is our responsibility to express, on the basis of the procedures performed, a conclusion about the compliance of the Sustainability Report with the requirements of the GRI Standards. Our work has been performed in accordance with the principle "*International Standard on Assurance Engagements ISAE 3000 (Revised) - Assurance Engagements Other than Audits or Reviews of Historical Financial Information*" (hereinafter "*ISAE 3000 Revised*"), issued by the *International Auditing and Assurance Standards Board (IAASB)* for limited assurance engagements. This principle requires the planning and execution of procedures in order to obtain a limited assurance that the Sustainability Report is free from material misstatements.

Therefore, the extent of work performed in our examination was lower than that required for a full examination according to the *ISAE 3000 Revised* ("*reasonable assurance engagement*") and, hence, it does not provide assurance that we have become aware of all significant matters and events that would be identified during a reasonable assurance engagement.

The procedures performed on the Sustainability Report were based on our professional judgment and included inquiries, primarily with Company's personnel responsible for the preparation of the information included in the Sustainability Report, documents analysis, recalculations and other procedures in order to obtain evidence considered appropriate.

In particular, we have performed the following procedures:

1. analysis of the process relating to the definition of material aspects included in the Sustainability Report, with reference to the methods of analysis and understanding of the reference context, the identification, assessment and prioritization of actual and potential impacts and the internal validation of the process outcome;
2. comparison of economic and financial data and information included in the paragraph "*Generating shared value in local areas and for communities*" of the Sustainability Report with those included in the Group's consolidated financial statement;
3. understanding of the processes that lead to the generation, detection and management of significant qualitative and quantitative information included in the Sustainability Report. In particular, we have conducted interviews and discussions with the management of Gruppo Florence S.p.A. and with the personnel of the divisions in Montelupo Fiorentino (Taccetti S.r.l.), Urbania (SNG Group - International Promo Studio) and Castelnuovo Di Garfagnana (Antica Valserchio S.r.l.) and we have performed limited documentary evidence procedures, in order to collect information about the processes and procedures that support the collection, aggregation, processing and transmission of non-financial data and information to the management responsible for the preparation of the Sustainability Report.

Furthermore, for significant information, considering the Group's activities and characteristics:

- at Group level
 - a) with reference to the qualitative information included in the Sustainability Report, we carried out inquiries and acquired supporting documentation to verify its consistency with the available evidence;
 - b) with reference to quantitative information, we have performed both analytical procedures and limited assurance procedures to ascertain on a sample basis the correct aggregation of data.
- For the divisions in Montelupo Fiorentino (Taccetti S.r.l.), Urbania (SNG Group - International Promo Studio) and Castelnuovo Di Garfagnana (Antica Valserchio S.r.l.), that we have selected based on their activity, relevance to the consolidated performance indicators and location, we have carried out site visits during which we have had discussions with management and have obtained evidence about the appropriate application of the procedures and the calculation methods used to determine the indicators.

Conclusion

Based on the procedures performed, nothing has come to our attention that causes us to believe that the Sustainability Report of Gruppo Florence for the year ended on 31st December 2024 has not been prepared, in all material aspects, in accordance with the requirements of the GRI Standards, as described in the paragraph “*Methodological note*” and with reference to the selection of the GRI Standards indicated in the paragraph “*GRI Content Index*” of the Sustainability Report.

Firenze, 29 luglio 2025

EY S.p.A.
Signed by: Andrea Eronidi, Auditor

This report has been translated into the English language solely for the convenience of international readers.

This sustainability report was curated by the
ESG Department of Gruppo Florence
with the support of all the companies mentioned in the 2024 report
and the consultancy of PwC.
Design by we associates,
edited in July 2025,
printed in September 2025

A young woman with brown hair tied back, wearing a black button-down shirt and a gold chain necklace, is smiling and holding a large white sign. She is standing in a factory or workshop with sewing machines and lights visible in the background. The sign has the text 'le mani della moda' written in blue cursive. At the bottom of the sign is a circular logo with '(GF)' in the center and 'GRUPPO FLORENCE CRAFTED LUXURY GROUP' around the perimeter.

le
mani
della
moda

