(GF) VIEW

GRUPPO FLORENCE
MAGAZINE

JUNE MMXXVI
SPECIAL EDITION
MILAN, ITALY

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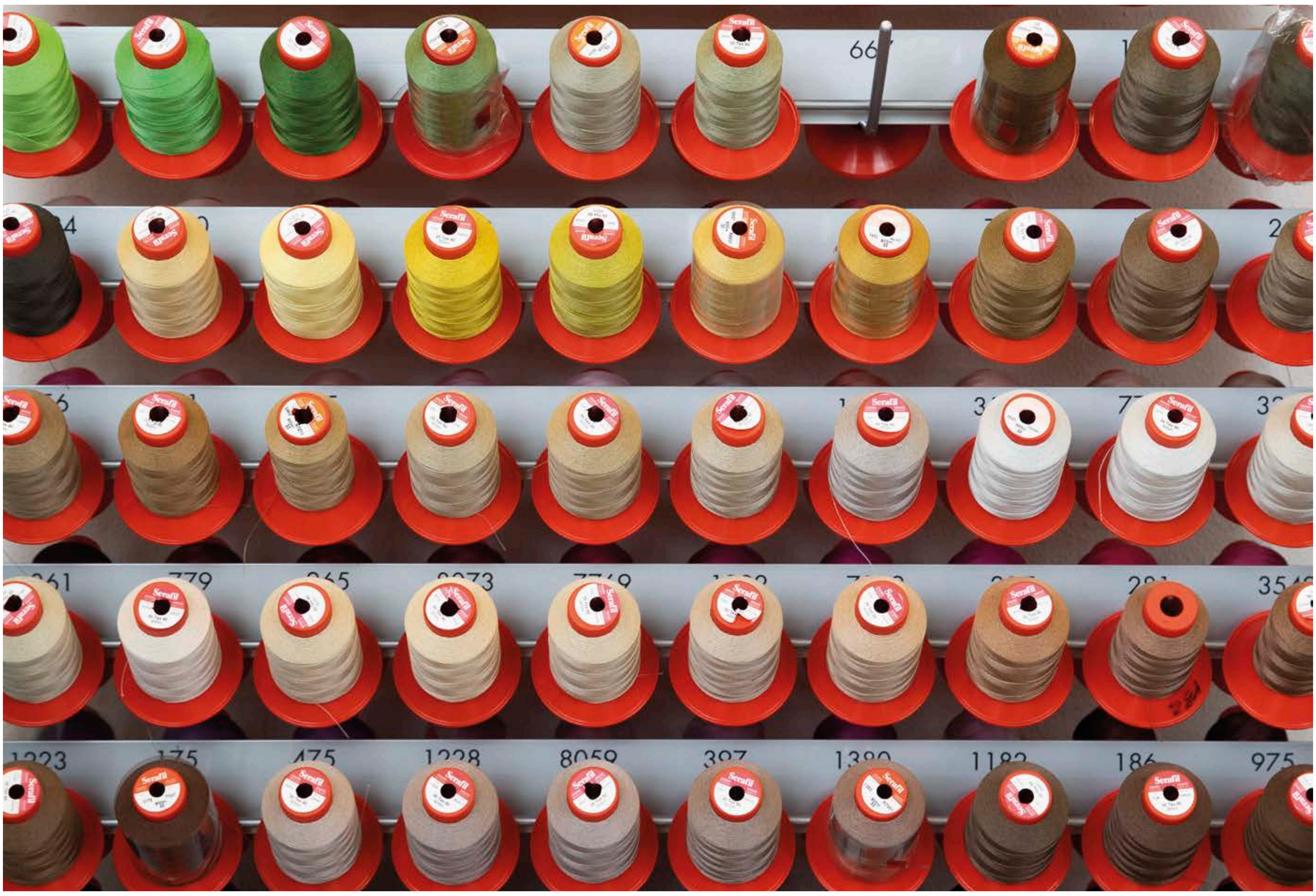
2025 SUSTAINABILITY REPORT



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Dear Stakeholders,

2025 has confirmed the extent to which the luxury sector is undergoing a profound transformation, where manufacturing excellence, transparency, social responsibility and supply chain control are becoming increasingly central to brands' competitiveness and reputation. Against this backdrop, Gruppo Florence continues to strengthen its role as a strategic industrial partner for high-end Made in Italy, promoting a model based on integration, innovation and sustainability.

During the year, we further consolidated our ESG journey, embedding environmental, social and governance criteria more structurally into the Group's strategies and industrial processes. We strengthened the governance of sustainability topics by introducing ESG Coordinators across the different divisions and reinforced the role of the supply chain, developing more structured audit, monitoring and continuous improvement activities across the entire value chain.

On the environmental front, we continued to maintain ISO 14001 and ISO 45001 certifications. At the same time, we further expanded SA8000 certification, supported by training programs aimed at fostering a culture of sustainability, safety and social responsibility across the Group's divisions.

In parallel, we consolidated our Chemical Management System (CMS) and strengthened our international commitment to sustainable supply chain practices, particularly in divisions exposed to chemical risk, while further expanding our participation in initiatives promoted by ZDHC.

In 2025, the Science Based Targets initiative (SBTi) approved Gruppo Florence's climate targets, confirming the strength of our decarbonization pathway and the alignment of our industrial strategy with internationally recognized scientific standards. We also increased the use of renewable energy, reaching 100% of the Group's Italian sites, and continued to invest in increasingly responsible and efficient manufacturing processes.

At the same time, we continued our path of industrial and production integration, strengthening manufacturing capabilities, specialization and direct control over the supply chain. Innovation remains a cornerstone of our industrial strategy. For Gruppo Florence, innovation means creating connections between competencies, integrating diverse know-how and turning collaboration among companies into new processes, services and production solutions.

This is exemplified by FELTHOS, the new premium regenerated and traceable felt developed through the upcycling of high-end textile surplus, representing a tangible expression of our vision of regenerative and circular manufacturing.

We also believe that sustainability is driven by people. For this reason, we continue to invest in programs focused on wellbeing, training and professional development, while strengthening the Academia Diffusa initiatives to foster intergenerational knowledge transfer and support the development of future craftspeople.

During the year, we also continued to engage with schools, universities and higher education institutions through joint projects, company talks, workshops and initiatives focused on the evolution of Italian manufacturing and the enhancement of know-how. This is also the context of the "Adopt a School (...or rather a thousand!)" project, developed in collaboration with Altagamma, with the aim of bringing younger generations closer to Made in Italy craftsmanship and creating a tangible bridge between education and industry. The cultural project "The Hands of Fashion" also continued to grow, promoting a contemporary narrative of Italian manufacturing and the value of artisanal skills through the creative language of younger generations. A project created by youth for youth designed to bring new generations closer to Made in Italy craftsmanship and to communicate, in an authentic way, the human and cultural value of manufacturing.

In 2025, the project also launched a new collaboration with Polimoda, further strengthening the dialogue between industry, creativity, education and local communities. Today, "The Hands of Fashion" represents an important tool for cultural promotion, attractiveness and employer branding for the Group.

Our ambition remains to combine industrial vision, transformational capacity and operational discipline, actively contributing to the definition of new models of sustainable excellence in the luxury sector.

With this fourth Sustainability Report, we reaffirm our commitment to an increasingly transparent, responsible and integrated value chain, convinced that sustainability, innovation and quality are key drivers of competitiveness and long-term value creation.

Sincerely,
Attila Kiss
President, Gruppo Florence

MEA—
SUR—
ING
CHANGE:

Data, method, transparency

METHODOLOGICAL NOTE

This document is the fourth Sustainability Report (hereinafter also referred to as "Report") prepared and published on a voluntary basis to transparently report to stakeholders the commitment and results achieved during 2025 in the environmental, social and governance (ESG) areas, including aspects relating to human rights.

The Report was prepared in accordance with the Global Reporting Initiative (GRI) Sustainability Reporting Standards - GRI Standards 2021 version - adopting the "with reference to" approach, which allowed the Group to select the most relevant indicators to report its sustainability performance effectively.

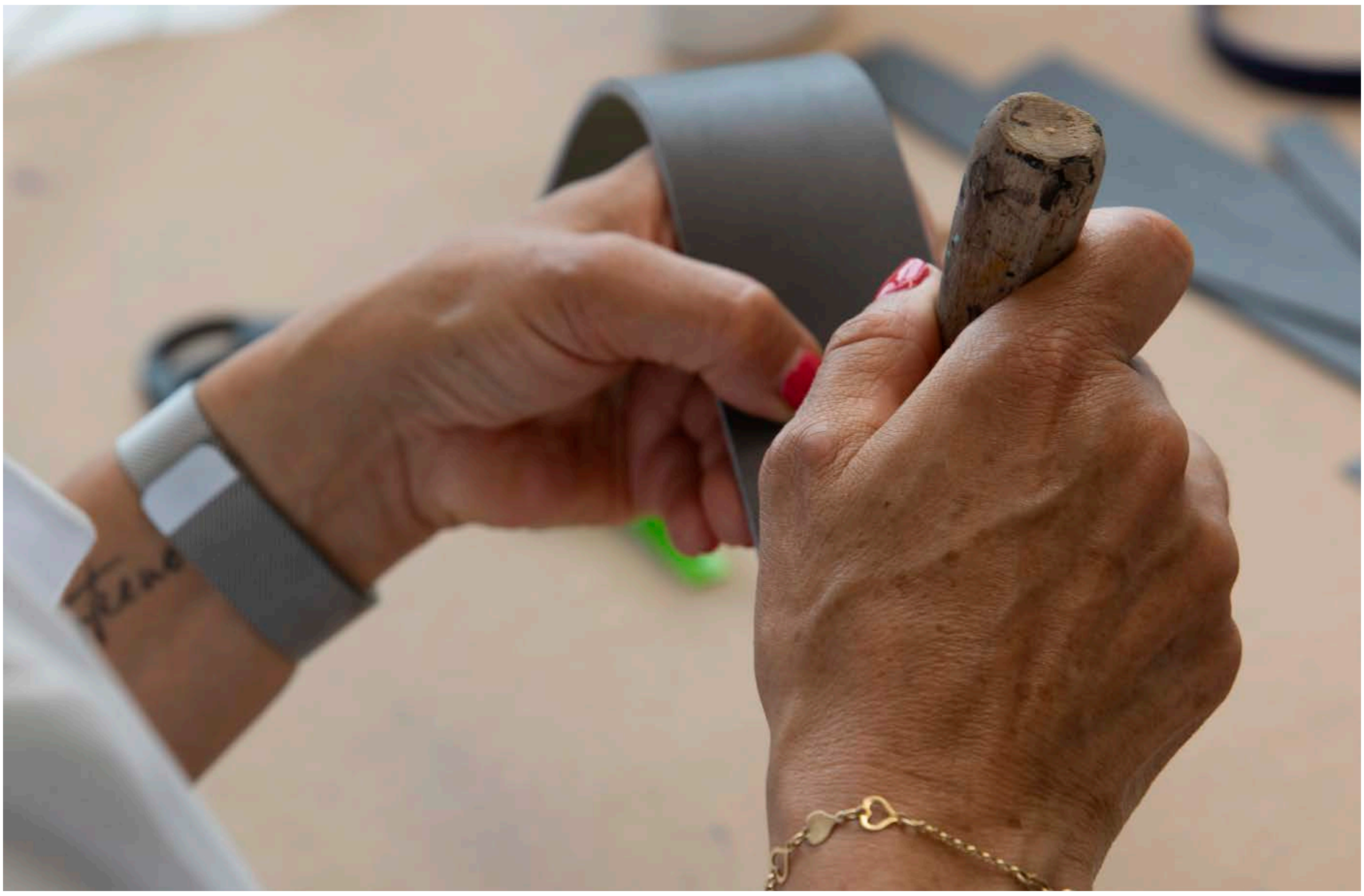
The preparation of the Report was based on the fundamental principles of the GRI guidelines - balance, clarity, accuracy, timeliness, comparability, completeness and reliability - to ensure the quality and transparency of the information disclosed, as well as the appropriateness of its presentation. To support consultation, the GRI Content Index is available, enabling the immediate identification of the indicators associated with each material topic.

The 2025 Sustainability Report continues the reporting journey launched in 2022, through which Gruppo Florence communicates its performance each year with regards to the sustainability topics considered material. In 2024, with the aim of progressively aligning with the regulatory requirements introduced by the Corporate Sustainability Reporting Directive (CSRD), the Group carried out its first double materiality assessment (hereinafter also referred to as "double materiality"), aimed at integrating the analysis of impacts on the environment and people with a preliminary assessment of the risks and opportunities that sustainability topics may pose to the Group's financial performance. The validity of the impact materiality analysis, as presented in this document, in line with the methodological standards adopted, was also confirmed for the 2025 reporting year, as described in Chapter 2.1 Priorities and material topics: materiality analysis, p. 24.

> "... transparently report to stakeholders the commitment and results achieved..."

The qualitative and quantitative information contained in this document refers to the companies included in Gruppo Florence's scope of consolidation for the financial year from 1 January 2025 to 31 December 2025. The information is compared with the data for fiscal years 2023 and 2024, to facilitate the interpretation of the Group's performance and its evolution over the three-year period.

Any limitations relating to the scope of consolidation are clearly indicated in the document through dedicated footnotes. These circumstances are mainly attributable to the partial unavailability of data from certain companies included in the reporting scope. In particular, within this document the following indicators do not include 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 by occupational category and age group, non-employee workers, employees by worked hours, average training hours by occupational category (with the exception



of health and safety training hours, for which the Group has data for the entire scope); employees who left the organization during the year (and negative turnover), salary and remuneration by gender, the median of total annual remuneration and periodic performance evaluation of employees.

Gruppo Florence is constantly committed to ensuring the timeliness and reliability of the information provided; however, where complete and verifiable data was not available, estimates were used, which are duly indicated within the document. In particular, the figure relating to the weight of purchased materials, where not directly available, was estimated accordingly.

For this sustainability reporting exercise, to further enhance the reliability of the information disclosed, the Group chose to subject the document to a limited assurance engagement (limited assurance) in accordance with the standard "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), performed by EY S.p.A. The quantitative indicators not relating to any general or topic-specific disclosure of the GRI Standards, reported on the pages indicated in the Content Index, are not subject to the limited assurance engagement.

To request further information about the contents of this document, you may contact the function responsible for its preparation at the address esg@gruppoflorence.com.

Niccolò Cerbone
PATTERN MAKER

"My name is Niccolò and I am a pattern maker, currently an apprentice. I studied at an academy in Milan, and now I am learning and growing in this company in the leather goods sector as a pattern maker. I mainly work on patterns for luxury brands. I chose this career because I have always liked hand drawing and design. Here at the company, I also learned how to work with computers, use AutoCAD, and other digital tools that make the work easier. I think we are building a solid future here."

THE EVO— LUTION OF LUXURY:

Industrial transformation and new expectations

GRUPPO FLORENCE 2025: GROWTH, INDUSTRIAL VISION, AND ACTIVE SUSTAINABILITY

In 2025, the luxury sector continues to undergo a phase of profound transformation. Brands today demand not only manufacturing excellence, but also speed of execution, the ability to innovate, supply-chain integration, measurable sustainability, and industrial partners capable of supporting increasingly complex processes. In this scenario, Gruppo Florence is strengthening its position as a leading industrial platform for high-end Made in Italy, further evolving its organizational model to respond ever more effectively to the market's evolving demands. The Group's journey continues along a growth trajectory built on the integration of skills, the enhancement of local capabilities, and a long-term industrial vision capable of combining manufacturing heritage, technological innovation and sustainable transformation.

The goal is to build an advanced industrial ecosystem in which craftsmanship, production capacity and a hands-on entrepreneurial culture can engage in dialogue with the contemporary challenges of international luxury.

In this path of consolidation and transformation, the evolution of the Group's governance continues to play a key role. Permira's entry, completed in November 2023, marked a crucial strategic step, opening a new phase of industrial development and organizational strengthening. Permira, a global fund classified as "Article 8" under the Sustainable Finance Disclosure Regulation (SFDR), supports Gruppo Florence's growth path through investments aimed at driving sustainable value creation, innovation and international competitiveness.

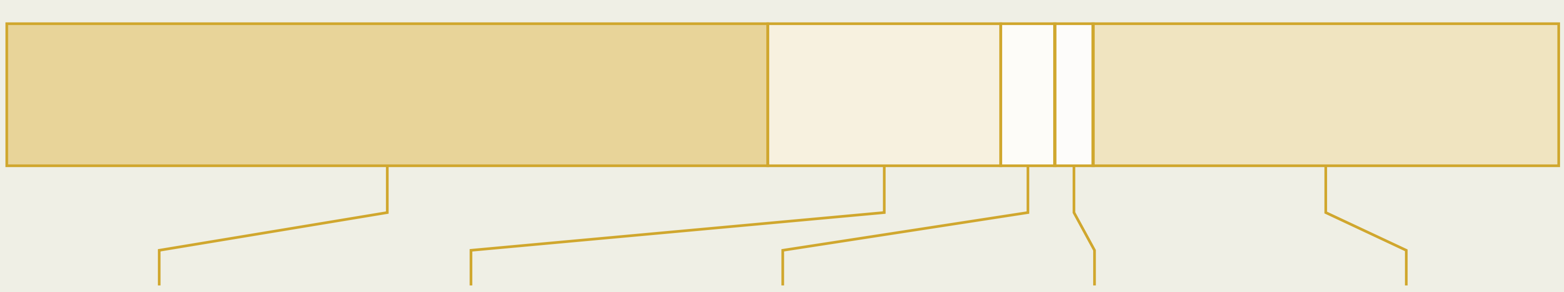
Alongside Permira, the reinvestment by management, the founding entrepreneurs and VAM Investments, together with the continued presence of the Italian Investment Fund, confirms the continuity of the Group's industrial strategy and alignment around a shared long-term vision.

This broad and complementary governance structure helps support the Group's selective growth, the strengthening of internal production capacity, the digitalization of processes and the further development of ESG oversight.

Gruppo Florence's governance model is rooted in the integration of the founders' entrepreneurial vision, the management's managerial expertise, the strength of its financial partners, and the excellence of manufacturing know-how expressed by the Group's Divisions. This distinctive balance enables the Group to combine industrial growth, entrepre-

THE STRUCTURE OF THE GROUP TODAY

Gruppo Florence is an integrated Italian industrial platform serving leading global luxury brands. Since May 2023, it has been controlled by the international investment firm **Permira**, alongside **VAM Investments**, **Star Capital**, and **Fondo Italiano d'Investimento**, together with the Group's management and the entrepreneurs who have embraced the industrial project. The Group's distinctive governance model is based on close collaboration between the entrepreneurial spirit of its founders, the managerial expertise of its leadership team, the strength of its financial partners, and the excellence of the manufacturing know-how within the Group's Divisions.



PERMIRA

A global investment company founded in 1985 that supports successful companies with growth ambitions through long-term majority and minority investments in private equity and credit.

VAM INVESTMENTS

An Italian investment company founded in 2011 that supports leading companies in their growth journey and long-term value creation, leveraging capital from high-profile partners and investors.

FONDO ITALIANO D'INVESTIMENTO

Since 2010, it has promoted the competitiveness of the Italian industrial system by supporting the growth of Italian companies and contributing to the development of the country's real economy.

STAR CAPITAL

Star Capital SGR S.p.A. is an independent asset management company investing in Italian SMEs, with over 20 years of experience in closed-end funds and full management ownership since 2010.

MANAGING DIRECTORS & MANAGEMENT

Former entrepreneurs, now Group shareholders and Managing Directors of their respective companies and the Chief Executive Officer with the Group's key directors.

neurial continuity, and the capacity for innovation within a long-term perspective.
Founded in 2020, Gruppo Florence brings together 37 manufacturing companies, primarily located across nine Italian regions, though it maintains a smaller presence abroad. The Group employs over 4,500 people and maintains active collaborations with more than 100 international luxury brands. This represents a widespread industrial ecosystem that enhances diverse production capabilities while maintaining quality, expertise and a strong culture of craftsmanship at its core. The Group's approach continues to be based on a key principle: integration without standardization. The companies retain their own specialization and accumulated expertise, while operating within a more structured industrial system capable of generating synergies, attracting investment and fostering shared innovation.

In parallel, in 2025 Gruppo Florence continued to strengthen its path toward increasingly responsible manufacturing, integrating ESG topics into the Group's industrial and operational strategies. This commitment reflects the Group's determination to actively contribute to the evolution of the luxury industry by promoting a model in which industrial growth, innovation and sustainability develop in an integrated manner.
The various projects and initiatives implemented in the ESG area are presented in detail in the following chapters of this Report.

SPECIALIZATION AND INTEGRATION IN SERVICE OF BRANDS

To respond ever more effectively to the evolution of the luxury market, Gruppo Florence has developed an industrial model based on specialized Business Units, able to oversee the sector's main product categories and support brands throughout the entire product development cycle. With an industrial presence spanning the whole of Italy, the Group brings together manufacturing expertise, technical specializations, and complementary production capabilities, combining artisanal savoir-faire, technological innovation, and direct control over the supply chain. Building on the Business Units, Gruppo Florence has progressively developed a Business Line-based organizatio-

READY-TO WEAR

The Ready-to-Wear Business Unit brings together specialized expertise in the creation of high-end apparel and accessories. The companies in the network support brands across all stages of the production process – from prototyping to final production – with a quality-driven approach, strong execution discipline, and a sharp focus on detail, hallmark features of Italian luxury manufacturing.

SHOES

The Shoes Business Unit combines traditional processes and advanced technologies to produce high-quality footwear. Every stage of the production process — from material selection to finishing work — is managed with careful oversight of technical expertise, industrialization, and quality control, in line with the standards of Italian manufacturing excellence.

LEATHER GOODS

The Leather Goods Business Unit supports brands in the development and production of handbags, small leather goods, belts and accessories, providing integrated expertise in design, prototyping, industrialization, craftsmanship and product management.

INTERMEDIATE PROCESSING

The Intermediate Processing Business Unit represents a strong combination of creativity, technical research and manufacturing know-how. Through specialist processes such as embroidery, weaving, appliqués, prints and innovative treatments, this area contributes to enhancing and enriching fashion products, combining artisanal tradition with contemporary experimentation.

nal model, with the aim of ensuring customers benefit from an increasingly specialized process across the value chain. This model enables the integration of manufacturing, design and industrial expertise, promoting greater coordination across the different stages of product development while ensuring operational efficiency, flexibility and strategic coherence.

The Business Lines currently active within the Group are:

- Woven
- Knitwear
- Lightwear and Jersey
- Soft Accessories
- Denim
- Leatherwear
- Shoes & Intermediate Process
- Leathergoods

The business line setup is today one of the Group's distinguishing features: a structure capable of integrating artisanal savoir-faire and an advanced industrial approach, fostering collaboration among the companies in the network, the development of cross-functional skills, and a greater ability to respond to the challenges of contemporary luxury.

"The whole is greater than the sum of its parts."

Through this integrated model, Gruppo Florence strengthens its positioning as a strategic industrial partner for luxury brands, bringing together expertise, sustainability, innovation, and manufacturing capacity to support the sector's transformation.

CURRENT BUSINESS UNITS

READY TO WEAR						FOOTWEAR		LEATHER GOODS		IP
WOVEN	KNITWEAR	LIGHTWEAR & JERSEY	SOFT ACCESSORIES	DENIM	LEATHER-WEAR	FORMAL	INFORMAL	LLG	SLG	ALL
CAM OUTERWEAR	ERIKA LUXURY KNITWEAR	BARBETTA CREATIVE JERSEY	ANTICA VALSERCHIO THE ART OF WEAVING	Ideal Blue DENIM EVOLUTION	CIEMMECI FASHION LEATHER	taccetti FOOTWEAR SINCE 1880	lorenza ART OF FOOTWEAR	EFFEBI LUXURY BAGS	A.L.B.A. LEATHER GOODS SINCE 1935	ABC RICAMI LUXURY EMBROIDERY
ELLEDUE CREATIVE TAILORING	MELY'S KNITWEAR SINCE 1956	MANIFATTURE CESARI THE ART OF JERSEY	Facopel HAT FACTORY	IPS INTERNATIONAL PROMO STUDIO RESEARCH AND INNOVATION			NOVARESE QUALITY FOOTWEAR	Trend BEST OF BAGS		label SYSTEM TRIDIMENSIONAL ART
EMMEGI TAILORING SINCE 1880	Metaphor RESEARCH IN KNITWEAR	EFFE2 INNOVATIVE JERSEY		MODA ITALIA QUALITY AND CRAFTMASHIP						OFFICINA CIEMMECI THE ART OF LEATHER
FREDIANI PATTERN MAKING	[illegible] LIMITLESS KNITWEAR	pa&co VISIONARY JERSEY								redpixel ENNOBLING ARTISTS
Giuntini TUSCAN TAILORING	STYLE UP CREATIVE KNITWEAR	Pigolotti JERSEY EVOLUTION								Ricamificio G.S. EMBELLISHMENT EXPERTS
LOGAMA TAILORING & LUXURY		MARYFASHION THE ART OF LIGHTNESS								RICAMI NBM EMBROIDERY EXCELLENCE
		PARMAMODA THE POWER OF LIGHTNESS								
		SIPAFF 77 SHIRTS EXPERTS								

25 READY TO WEAR | **3 FOOTWEAR** | **3 LEATHER GOODS** | **6 IP**

37 DIVISIONS

THE FOUNDATIONAL ARCHITECTURES OF GRUPPO FLORENCE'S MODEL

The Group's industrial evolution is built on four strategic pillars - Manufactura, Auxilium, Academia and Enzyme - which represent the directions through which Gruppo Florence interprets its role as an advanced industrial platform for contemporary luxury.

MANUFACTURA

Manufactura represents the Group's manufacturing core and the expression of the Italian Value in high-end manufacturing. A heritage of expertise that supports the entire product life cycle, integrating creativity, industrialization and process control. The activities overseen include:

- creative support for designers through technical analysis and materials research;
- pattern making, development and prototyping;
- industrialization and definition of production cycles;
- production of sample collections;
- industrial production, process monitoring and quality control.

An integrated approach that makes it possible to combine craftsmanship, innovation and production capacity in the service of luxury brands.

AUXILIUM

Auxilium embodies the Group's commitment to responsible and sustainable manufacturing.

Through increasingly structured oversight of ESG topics, Gruppo Florence promotes control of the production supply chain, monitoring of chemical processes, measurement of the environmental footprint and the development of initiatives geared toward circularity in the luxury industry.

The Auxilium model integrates environmental sustainability, social responsibility and governance throughout the entire value chain, helping to build a supply chain that is more transparent, resilient and long-term oriented.

ACADEMIA

Academia is the set of training initiatives developed by Gruppo Florence to enhance manufacturing skills and support the growth of the next generations of Made in Italy manufacturing.

Among the main programs:

- Leader of the Future, a pathway dedicated to the second generation of entrepreneurs to support their managerial and strategic development;
- Academia Diffusa, an internal training initiative dedicated to the integration and growth of new resources;
- Adopt a School, (...or rather, a Thousand!), a project developed with vocational institutes and local schools in the areas where the Group operates to strengthen the link between business, community and education.

Through Academia, Gruppo Florence contributes to passing on manufacturing skills and to enhancing Italy's cultural and productive heritage.

ENZYME

Enzyme represents the Group's innovation platform: a collaborative ecosystem where entrepreneurs, industrial capabilities and shared know-how generate new solutions to transform the luxury supply chain.

The model is built on participatory governance and a co-creation-oriented approach, fostering synergies among companies, expertise and technologies.
Innovation is developed along three main lines:

- Process: evolution of organizational models, supply-chain integration, sustainability and continuous training;
- Product: development of innovative technical and manufacturing solutions;
- Service: shared research and development, vertical control of the supply chain and greater operational speed.

Through Enzyme, Gruppo Florence promotes a dynamic industrial model open to innovation, capable of interpreting the needs of contemporary luxury in an evolving way.

THE HANDS OF FASHION – TELLING THE VALUE OF ITALIAN CRAFTSMANSHIP

In 2025, Gruppo Florence continued the cultural project "The Hands of Fashion", an initiative created to enhance Italy's manufacturing heritage through the eyes of the new generations.

After the success of the first episode, the project evolved with the production of the docufilm The Hands of Fashion – Episode 2, dedicated to President Francesco Trapani, who from 2020 until his passing in September 2025 accompanied the Group's growth journey and the strengthening of Italian luxury manufacturing. Made with the creative contribution of students from Polimoda's Undergraduate course in Fashion Art Direction and produced by Class TV Moda, the docufilm tells the story of five Group workshops — Barbetta, Elledue, Effebi, Ideal Blue and Logama — through stories of passion, intergenerational transmission and craftsmanship skills.

From Salento, to the Marche, and on to Tuscany, the film offers an authentic portrait of Made in Italy manufacturing, placing people and the value of Italian know-how at the center. The project reaffirms Gruppo Florence's commitment to promoting a contemporary narrative of luxury manufacturing, capable of bringing young people closer to fashion trades through creative and cultural languages.

Alongside the film, the initiative includes a campaign; a photographic project dedicated to the Group's workforce, awareness-raising activities in schools, participation in international festivals, and an immersive exhibition created during the Milano Fashion Week at the Group's headquarters.

During 2025, The Hands of Fashion – Episode 2 has received major international recognition, including:

- Best Fashion Film – Mannheim Arts and Film Festival
- Director's Choice Award – Sarajevo Fashion Film Festival
- Official Selection – London Fashion Film Festival
- Nomination – Canadian International Fashion Film Festival
- Nomination – Amicorti International Film Festival

The initiative was also developed with the support and patronage of institutions and partners from the worlds of education, culture and fashion, strengthening Gruppo Florence's role as an active promoter of the cultural and social sustainability of the luxury supply chain.

STRONGER GOVERNANCE FOR AN ETHICAL, SAFE AND RESILIENT BUSINESS

During the reporting period, the Group's development led to the strengthening of the existing operating structure, through the inclusion of new operating sites and laboratories to support production activities. This approach fits within the logic of industrial and operational consolidation, aimed at supporting the Group's organic growth and improving efficiency and production capacity within the current organizational setup.
Gruppo Florence adopts an organizational structure based on principles of transparency, clarity in the allocation of responsibilities, and the clear definition of roles, rules and processes. This framework supports integrity and fairness in the conduct of production and administrative activities and, more generally, in all business practices.

The governance system adopted by the Group is the traditional model, based on the presence of the Board of Directors (BoD) and the Board of Statutory Auditors. The G.F. S.p.A.'s BoD, central body of corporate governance, is made up of 11 members, including 7 men and 4 women, appointed by

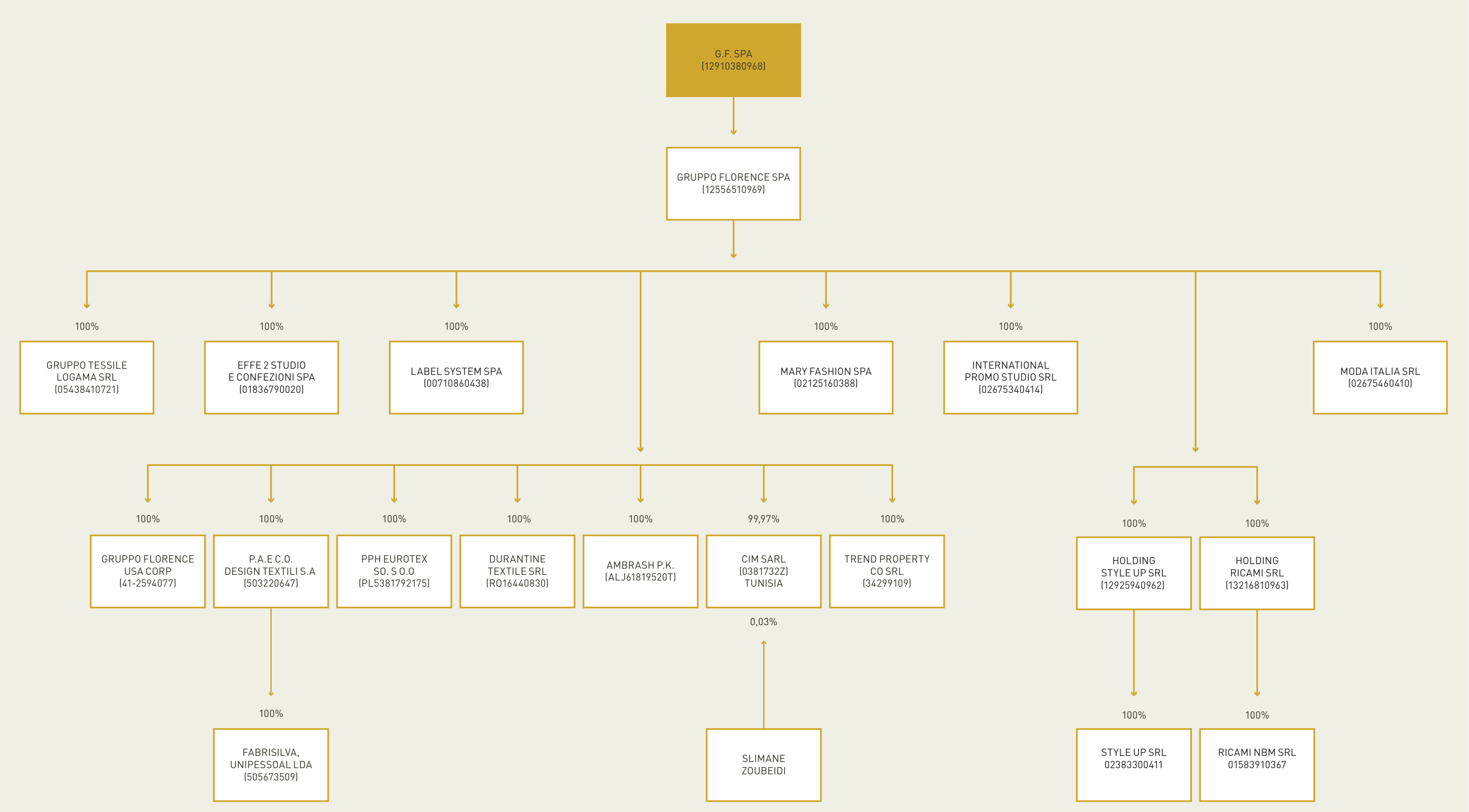


FIGURE 1 - GRUPPO FLORENCE ORGANIZATIONAL STRUCTURE AT 31.12.2025

the shareholders' meeting through an assessment based on qualifications, proven experience and interviews.
Francesco Trapani served as Chairman of the Board of Directors[1] until September 2025, after which the role was taken over by Beatrice Ballini, while the role of Chief Executive Officer is held by Attila Kiss. The remaining Board members do not hold executive powers and do not have the status of independent directors.

Below is the breakdown of the composition of the parent company G.F. S.p.A.'s Board of Directors as at 31 December 2025.

Members of the Board of Directors	UoM	2023			2024			2025		
		Men	Women	Total	Men	Women	Total	Men	Women	Total
Number of members of governance bodies	n.	8	2	10	8	3	11	7	4	11
Age under 30	n.	-	-	-	-	-	-	-	-	-
Age between 30 and 50 years (inclusive)	n.	3	1	4	3	1	4	3	1	4
Age over 50	n.	5	1	6	5	2	7	4	3	7
Percentage	%	80	20	100	73	27	100	64	36	100
Age under 30	%	-	-	-	-	-	-	-	-	-
Age between 30 and 50 years (inclusive)	%	30	10	40	27	9	36	27	9	36
Age over 50	%	50	10	60	45	18	64	36	27	64

TABLE 1 - MEMBERS OF THE BOARD OF DIRECTORS

The responsibility for the strategic direction and oversight of the Group's management, with reference to both ordinary and extraordinary activities, rests with the Board of Directors. Supporting the Board of Directors is the Board of Statutory Auditors, consisting of 3 standing members, including the Chair, and 2 alternate statutory auditors, responsible for overseeing corporate administration and ensuring compliance with applicable regulations and the provisions of the Articles of Association.

In performing its duties, the Board of Directors (BoD) approves the main company policies and key institutional and strategic documents, including this Sustainability Report. With regard to ESG (environmental, social and governance) matters, no formal governance structures or procedures have currently been defined to ensure the direct and systematic involvement of the Board of Directors.

These matters are, however, overseen by the Strategic Council, a dedicated body that meets on a monthly basis to monitor the company's performance in line with its strategic direction.
In addition, a member of the Board of Directors serves on the Supply Chain Committee, a collegiate body established to support the dissemination of ethical and sustainability principles across the value chain.

The Supply Chain Committee, an integral part of the Group's governance, is composed as follows:

- Chief Sustainability Officer;
- Representative of the CSR & Supply Chain Qualification function;
- Director of the Ready to Wear Business Unit;
- Director of the Shoes & Leather Goods & Intermediate Processing Business Unit;
- Two independent members, one of whom sits on the Board of Directors of Gruppo Florence.

The Supply Chain Committee meets monthly and oversees the implementation of adopted procedures, monitors suppliers' ESG performance and analyses any critical issues that may arise along the supply chain. The Committee's effectiveness is underpinned by strong, ongoing collaboration between ESG functions and Operations.

From an organizational standpoint, in 2025 the Group continued its evolution of both its industrial and organizational model, based on a structure organized into Business Lines. In line with this model, the ESG function was progressively adapted and realigned to the new structure, with the aim of strengthening the integration of ESG topics into business

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

Members of the Supply Chain Committee	UoM	2024			2025		
		Men	Women	Total	Men	Women	Total
Number of members of governance bodies	n.	4	2	6	4	2	6
Age under 30	n.	-	-	-	-	-	-
Age between 30 and 50 years (inclusive)	n.	-	2	2	-	2	2
Age over 50	n.	4	-	4	4	-	4
Percentage	%	67	33	100	67	33	100
Age under 30	%	-	-	-	-	-	-
Age between 30 and 50 years (inclusive)	%	-	33	33	-	33	33
Age over 50	%	67	-	67	67	-	67

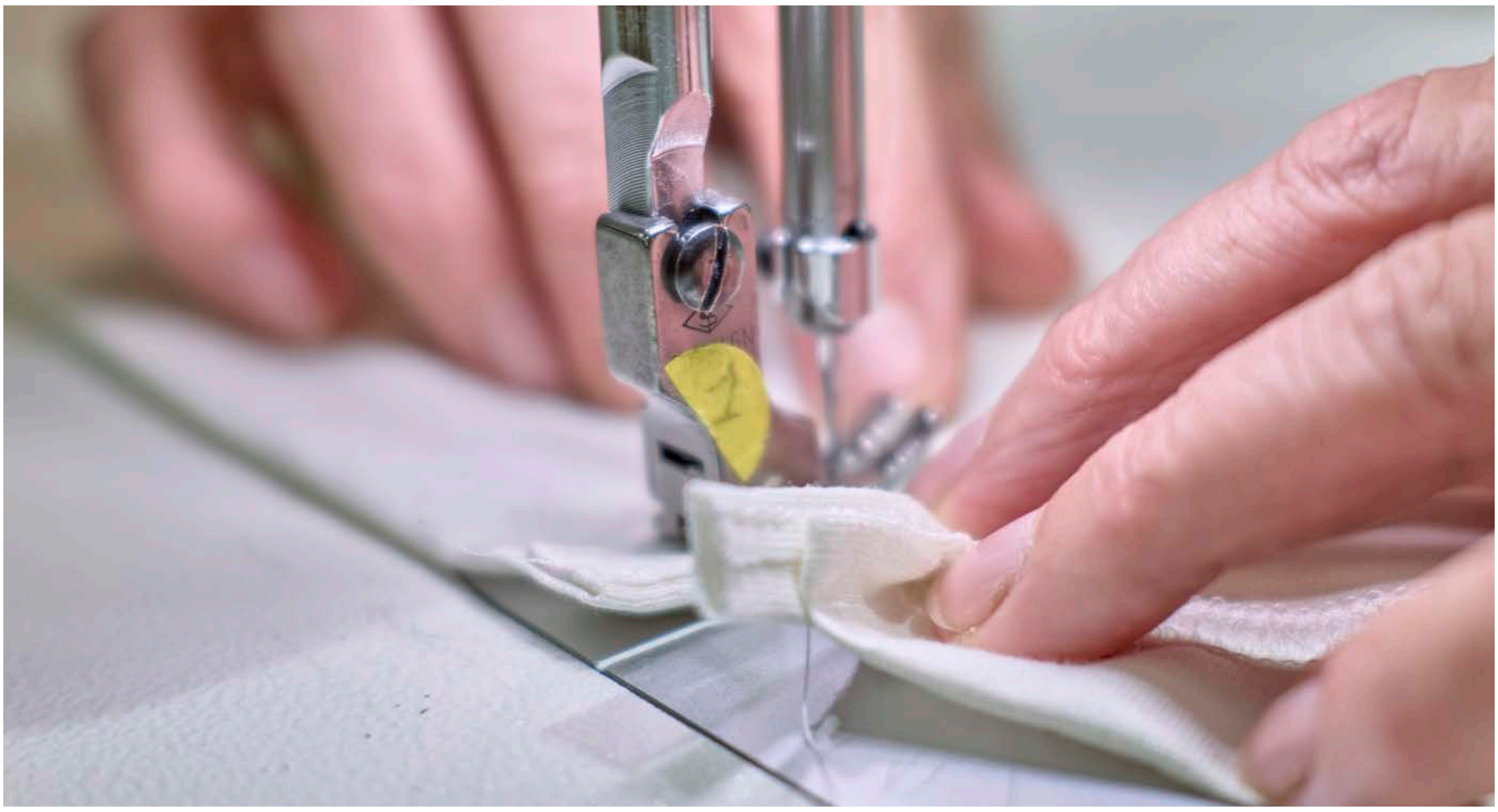
TABLE 2 - MEMBERS OF THE SUPPLY CHAIN COMMITTEE

processes, improving coordination between central and operational functions and enhancing the effectiveness of support provided to the divisions in implementing sustainability initiatives.

In line with this approach, the role of ESG Business Line Coordinator was introduced, with the aim of making the ESG function increasingly effective and aligned with business needs.
This role supports the Business Line Director in coordinating ESG activities at Business Line level, while also assisting divisions in the implementation of Group guidelines. The ESG Business Line Coordinators work transversally across the main ESG areas (Corporate Social Responsibility, Environment and Climate Change, Certifications and Reporting), ensuring consistency, monitoring, and operational support for sustainability initiatives.

Oversight of ESG topics remains the responsibility of the Group-level function, structured into the three specialist areas already described in previous years, coordinated by the Chief Sustainability Officer.

The model is further supported by local points of contact in most divisions who, in addition to their operational responsibilities, contribute to the dissemination and oversight of ESG initiatives at entity level.



ETHICAL BUSINESS CONDUCT

The Group is aware that inadequately structured governance of decision-making and control processes can expose the organization to significant risks, including incidents of corruption and extortion or potential conflicts of interest, with possible negative consequences for all relevant stakeholders.

In this regard, Gruppo Florence has formally adopted an Organization and Management Model compliant with Legislative Decree (Leg. Decree) 231/2001, with the aim of preventing the commission of offences during business activities and promoting ethical and responsible conduct, while strengthening a culture of compliance and integrity. The 231 Model is a central element of the Group's governance system, integrating with the company's policies and the Integrated Management System providing an additional safeguard for the trust of customers, partners and stakeholders.

The Model is intended to identify the main risk within the Group's operating context - such as, for example, the management of financial flows, procurement processes, and the health and safety of the operators involved - and to define appropriate prevention and mitigation measures. The 231 Model is structured as a comprehensive system of procedures, the Code of Ethics and internal control tools, which define roles, responsibilities and decision-making flows within the various corporate entities.

The definitive version of the 231 Organizational Model became operational in early 2025, concluding a process launched during 2024 when, following the reorganization of the Group's Italian companies, Gruppo Florence had implemented an interim version, with the aim of standardizing crime-prevention safeguards and strengthening internal control mechanisms.
During 2025, the 231 Model was made accessible to employees via the company app, while at production sites it is also available on noticeboards. In the same year, preparatory activities were carried out for the training program dedicated to the 231 Model, intended for the entire company population in Italy, and launched starting in early 2026, with the aim of raising awareness and encouraging the adoption of behaviors consistent with the company's principles and culture. The training is delivered both online, for staff with a company account, and through in-person sessions organized across the various divisions for workers without access to a computer workstation. All sessions include a final test and the issuance of a certificate of participation.
The system is overseen by the Supervisory Body (SB), an autonomous and independent body, responsible for verifying on a periodic basis the effective implementation of the Model, its adequacy in preventing the offences envisaged by Legislative Decree 231/2001, and the ongoing maintenance of its robustness and effectiveness.

> "The 231 Model is a central element of the Group's governance system..."

In order to prevent and counter unlawful conduct in the performance of activities, Gruppo Florence has established an IT-based whistleblowing system, allowing all the Group's stakeholders to report to the Supervisory Body suspected of unlawful acts and irregularities, including:

- alleged unlawful acts among those envisaged by the 231 Organizational Model;
- breach of the principles of transparency, fairness, professionalism;
- violations relating to Workers' Health and Safety;
- violations relating to environmental issues;
- acts of corruption, attempted or actual;
- misuse of company assets;
- unlawful and/or fraudulent activities to the detriment of customers or the Public Administration.

Reports may be submitted via a dedicated platform available on the company website, which allows the submission of both written reports and voice messages, ensuring the protection of the reporter's confidentiality through anonymization and voice-masking mechanisms, in line with the internal procedure. For the purposes of proper assessment

by the Supervisory Body, reports must be detailed and based on consistent factual elements, including, where possible, information useful for reconstructing the facts, such as the parties involved, the context, and the relevant time period.

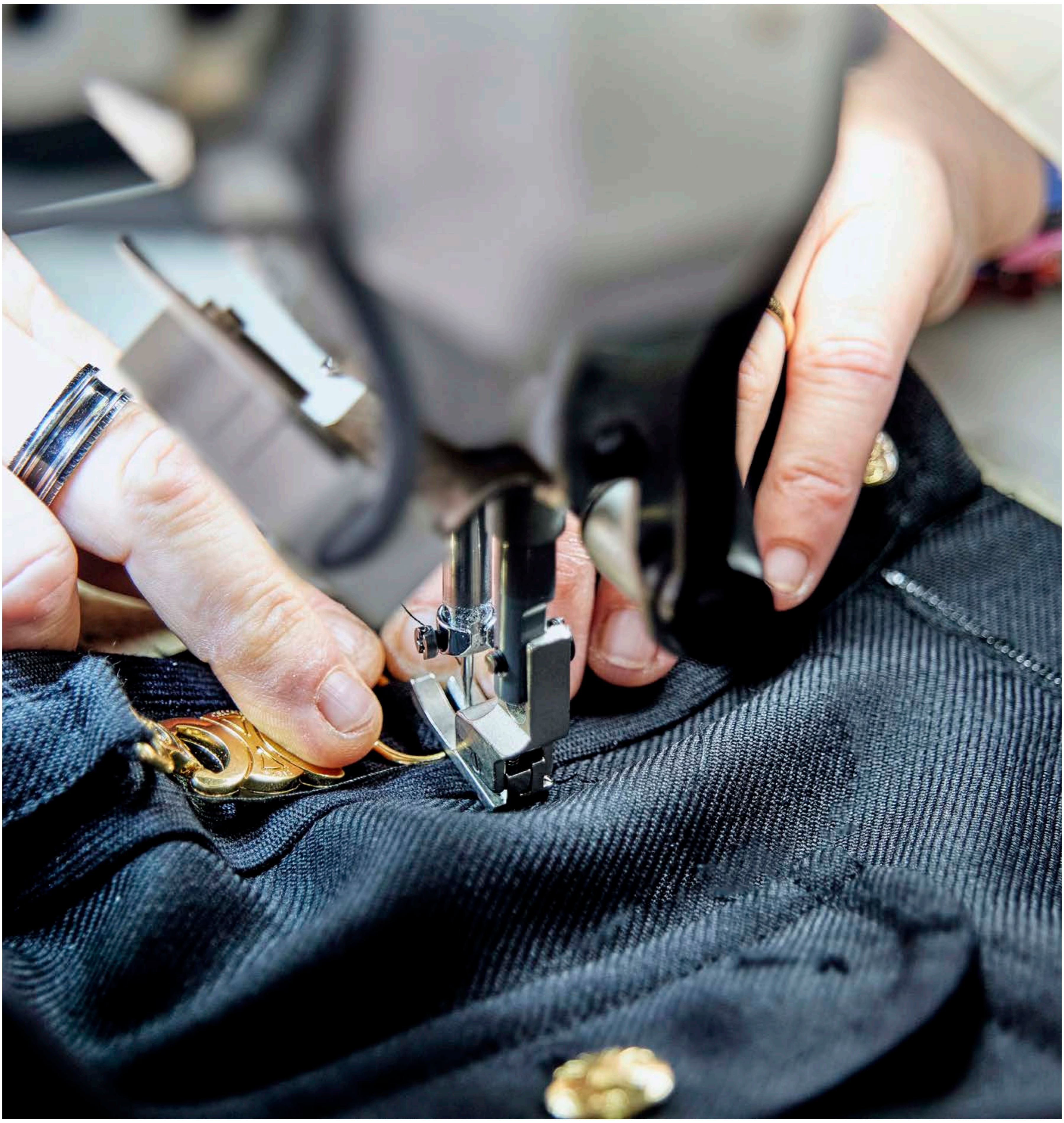
The integrity and accountability that guide the Group's work are formalized in the Code of Ethics, which is based on internationally recognized principles in the areas of human rights and labor rights. The Code of Ethics, updated in 2024, is shared with key stakeholders - such as employees, suppliers and business partners – and is available on the Group's website. The document defines the standards of conduct to be observed in carrying out business activities and in relations with all stakeholders.

The Group also adopts a robust system of internal controls and monitoring and auditing activities along the supply chain, aimed at preventing anti-competitive conduct and promptly identifying any instances of non-compliance with laws and regulations, including voluntary ones, that could generate negative economic and social impacts.

As part of these activities, particular attention is also paid to safeguarding customers' intellectual property rights, ensured through the adoption of a structured brand protection policy formalized from the commercial phase onwards.

All the anti-corruption procedures adopted by the Group have been regularly communicated to the members of the Board of Directors. However, it should be noted that during 2025 no specific anti-corruption training was carried out.

In 2025, within the scope of the Group, no cases attributable to corruption or other forms of wrongdoing were identified, nor were there any situations of non-compliance with the applicable regulatory requirements. During the same period, no legal proceedings were recorded in connection with anti-competitive practices or alleged breaches of antitrust legislation.



DATA PRIVACY AND CYBER SECURITY

In the context of its operational activities and day-to-day interactions with strategic stakeholders, including employees, suppliers, customers, and partners - Gruppo Florence recognizes data protection and information security as a strategic priority. Proper and responsible management of sensitive information represents a fundamental safeguard to prevent and mitigate potential negative impacts related to privacy breaches and incidents of data loss, alteration or misuse.

In line with the principles of the Code of Ethics, access to personal data is regulated according to criteria of necessity and legitimacy and is permitted exclusively to authorized corporate functions. The Group is progressively strengthening its IT security measures through the adoption of advanced protection systems, with the aim of preventing unauthorized access, unauthorized modifications or accidental loss of information.

Cyber governance is currently overseen by the Chief Information Officer (CIO), with the support of an external specialist, through weekly IT meetings dedicated to monitoring the main infrastructure and security topics. Cybersecurity topics are also periodically addressed in management meetings involving the Chief Executive Officer, the Chief Financial Officer, and the Chief Information Officer. Looking ahead, the Group has planned to introduce a dedicated Cybersecurity Manager role to further strengthen organizational oversight of IT risks.

In this context, the program to centralize the IT infrastructure is an enabling factor for harmonizing security standards across the different entities within the Group. Among the measures currently being implemented is multi-factor authentication, aimed at strengthening access protection and preventing cybersecurity-related risks.

Although a structured training plan is still being defined, the Group has already launched cybersecurity awareness initiatives, with particular attention to phishing risks. Training sessions have been delivered on the General Data Protection Regulation (GDPR) and on the responsible use of Artificial Intelligence (AI) tools, targeting corporate employees.

Finally, further initiatives to strengthen the cybersecurity system are in the planning phase, including external security assessments (e.g., vulnerability assessment and penetration test), the review of policy and procedures on information security and data protection, as well as an assessment of alignment with relevant international standards (e.g., ISO 27001), consistent with the evolution of the Group's perimeter and the applicable regulatory requirements.

During 2025, no significant data breaches were recorded, nor were any substantiated privacy violations reported by customers or other stakeholders.

ANIMAL WELFARE

The Group is aware of the potential negative impacts that may arise from practices that do not respect the animals' psychophysical well-being throughout value chain activities. In this context, safeguarding animal welfare represents an ethical commitment closely linked to a vision of fashion oriented toward responsibility and sustainability across the entire supply chain.

This commitment is reflected both in the practices adopted and in adherence to the standards required by the main international brands with which the Group collaborates, which set out strict criteria regarding raw material traceability, supply chain transparency, and the protection of animals. The principles safeguarding animals are formally set out in the Group's Code of Ethics, through which any form of animal abuse, mistreatment, or exploitation is explicitly ruled out. This position forms part of a broader approach aimed at protecting environmental balances and to the enhancement of natural capital, in line with the strategic sustainability guidelines adopted.

To promote alignment with these principles throughout the entire value chain, the Group maintains ongoing dialogue with its business partners.

This approach is supported by a structured process for assessing suppliers' ESG performance, extended to the entire reference scope and including, among the assessment elements, the signing of the corporate Code of Ethics. For more details on the assessment process, please refer to chapter 4.2.1 Supplier evaluation: a key lever for sustainability, p. 61.

In support of its clients' collections, Gruppo Florence promotes the use of animal-derived materials sourced from certified supply chains, such as wool compliant with the Responsible Wool Standard (RWS) and the Nativa Precious Fiber (NPF) certification, down certified to the Responsible Down Standard (RDS), and leather sourced from suppliers certified by the Leather Working Group (LWG).

For further details on the Group's product certifications, please refer to chapter 3.3.1 Procurement of materials p. 40.

The traceability safeguard, extended also to intermediate production stages, represents a tangible lever to promote responsible farming practices. In this context, internationally recognized certifications play a decisive role, ensuring greater transparency throughout the entire supply chain and promoting standards that reduce animal suffering, protecting the physical and psychological wellbeing of the animals involved in the farming and collection phases. In the current context, characterized by increasingly complex supply chains and growing expectations from the market and stakeholders, Gruppo Florence recognizes the need to strengthen over time the integration of animal welfare within its industrial model.

Attention to these topics is progressively being regarded not only as an ethical requirement, but as a structural factor in managing supply-chain relationships and operational choices, with a long-term perspective.

From this perspective, the Group also takes part in the various traceability projects for sustainable raw materials promoted by its customers, helping to strengthen transparency and reliability along the supply chain.

Through this approach, the Group aims to consolidate consistent and responsible practices along the value chain, contributing to the development of a fashion system that can combine production quality, supply-chain reliability, and respect for animal welfare, in line with industry developments and with sustainability standards recognized internationally.

"... raw material traceability, supply chain transparency, and the protection of animals."

RESPON—SIBILITY AND STRATEGY:

The decisions that make a difference

PRIORITIES AND MATERIAL TOPICS: MATERIALITY ANALYSIS

The 2025 Sustainability Report forms part of a structured process for analyzing the sustainability topics most relevant to Gruppo Florence, launched in 2022 with the aim of developing a coherent and progressive reporting path, capable of providing clear evidence of the Group's ESG performance and commitments, as well as those of the entities that comprise it.

During 2025, Gruppo Florence reviewed its double materiality assessment (hereinafter referred to as "double materiality"), carried out for the first time in 2024, as part of its path of progressive alignment with the requirements of the Corporate Sustainability Reporting Directive (CSRD), in light of the reporting obligations expected from the 2027 financial year onwards.

The assessment included a benchmarking activity against industry's best practices, as well as an analysis of the internal context, aimed at identifying any organizational, operational and contextual changes that could affect the results of the double materiality assessment. In the absence of significant changes, it was possible to confirm the analysis of the impacts generated by the Group and its business relationships on the environment, and on people, as well as the risks and opportunities connected to sustainability topics that may influence the Group's economic and financial performance. It should be noted that this document, prepared with reference to the GRI Standards, reports exclusively on the topics that are relevant from the perspective of impact materiality, in line with the methodological requirements set out by the Standards. The materiality assessment within this document was structured into several phases, described below, actively involving the main corporate functions, and applying a structured methodology to ensure the accuracy, consistency and completeness of the results.

> "... to ensure the accuracy, consistency and completeness of the results."

VALUE CHAIN MAPPING:
Gruppo Florence has mapped the Group's value chain with the aim of systematically representing the activities and processes that contribute to value creation. Upstream, Gruppo Florence engages with various strategic stakeholders, including brands, investors and regulatory bodies that contribute to business development, as well as specialized suppliers - including processing suppliers, raw and intermediate materials suppliers, and service providers. In addition, trade associations and research institutes help monitor industry trends. The Group's own operations are structured into four main phases: design and development, raw material sourcing, production (sampling, pressing, washing, cutting, assembly, embroidery, etc.) and, lastly, packaging and logistics, supported by cross-functional strategic functions. Downstream, the product is distributed through a network of distributors and logistics partners. The Group also interacts with local communities, strengthening its integrated and collaborative approach.

ANALYSIS OF THE INTERNAL AND EXTERNAL ESG CONTEXT:
the Group carried out an analysis of sustainability trends relevant to the sector and its operating context, integrating both external sources (ESG regulations, industry benchmarks, reporting standards, etc.) and internal ones. Through this analysis, the Group identified emerging sustainability topics and the possible challenges and opportunities in the short, medium and long term.

IDENTIFICATION OF THE LONG LIST OF POTENTIALLY RELEVANT IROs (IMPACTS, RISKS AND OPPORTUNITIES):
the Group defined an initial list of ESG topics potentially relevant for the Group, considered in terms of impacts, risks and opportunities to be assessed.

ASSESSMENT OF THE LONG-LIST OF IROs:
the main business functions – including the Finance, Legal, Operations, Human Resources and ESG departments – were directly involved in assessing impacts, risks and opportunities in order to ensure a comprehensive representation of the different internal perspectives. Each IRO was assessed using a structured methodology, which involved applying objective criteria and materiality thresholds. The impact assessment considered the likelihood of occurrence and the severity or significance, calculated by taking into account three key parameters: scale, scope and degree of irremediability (for negative 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 at the maximum level. Risks and opportunities were also assessed on the basis of the likelihood 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 incorporated into a matrix, validated by Top Management, which made it possible to determine the relevant IROs.

IDENTIFICATION OF RELEVANT ESG TOPICS:
based on the assessment of the IROs, Gruppo Florence identified the sustainability topics relevant to the Group, subsequently validated by Top Management, the Board of Directors and the main corporate managers in order to ensure full alignment with the Group's strategic priorities and with stakeholders' expectations.

Below are the results of the impact materiality assessment,
including the topics relevant to the Group and the associated 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 Gruppo Florence (Scopes 1 and 2) and the value chain (Scope 3). 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 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 pesticides in the cultivation of raw materials and fibers (e.g., cotton and detergents used to remove impurities), as well as the manufacturing of animal-based raw materials (e.g., cattle breeding) can cause contamination, and the release of untreated wastewater, posing risks to the natural environment and aquatic life.
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	Own operations	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 - GRUPPO FLORENCE MATERIALITY ANALYSIS

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 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 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 Gruppo Florence for its employees have 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, Gruppo Florence collaborates with institutions such as Mita and Polimoda to deliver training to unemployed people, providing both theoretical and practical skills. In addition, 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 society.
	Protection of whistle-blowers	Positive, Current	Upstream Own operations Downstream	Unlawful conduct can be reported anonymously through the implementation of a whistleblowing system, accessible to all Group stakeholders. This activity makes it possible to reduce any unlawful conduct in the performance of business activities, and along the value chain, with benefits for both business and society.
	Incidents of bribery and corruption	Negative, Potential	Upstream Own operations	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 - GRUPPO FLORENCE MATERIALITY ANALYSIS

STRATEGY AND OBJECTIVES: SUSTAIN- ABILITY AGENDA

Starting in 2022, following the first exercise to identify the sustainability topics relevant to the Group, Gruppo Florence launched a process aimed at defining a strategic guidance document, the Sustainability Agenda. The Sustainability Agenda still represents the Group's main point of reference for its sustainable action plan, serving as a dynamic tool capable of evolving over time in response to changes in the internal and external context and to the Group's needs. The high-level objectives of the Sustainability Agenda are in fact aligned with the most recent materiality analysis, ensuring consistency between strategic direction and the relevant ESG topics.

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

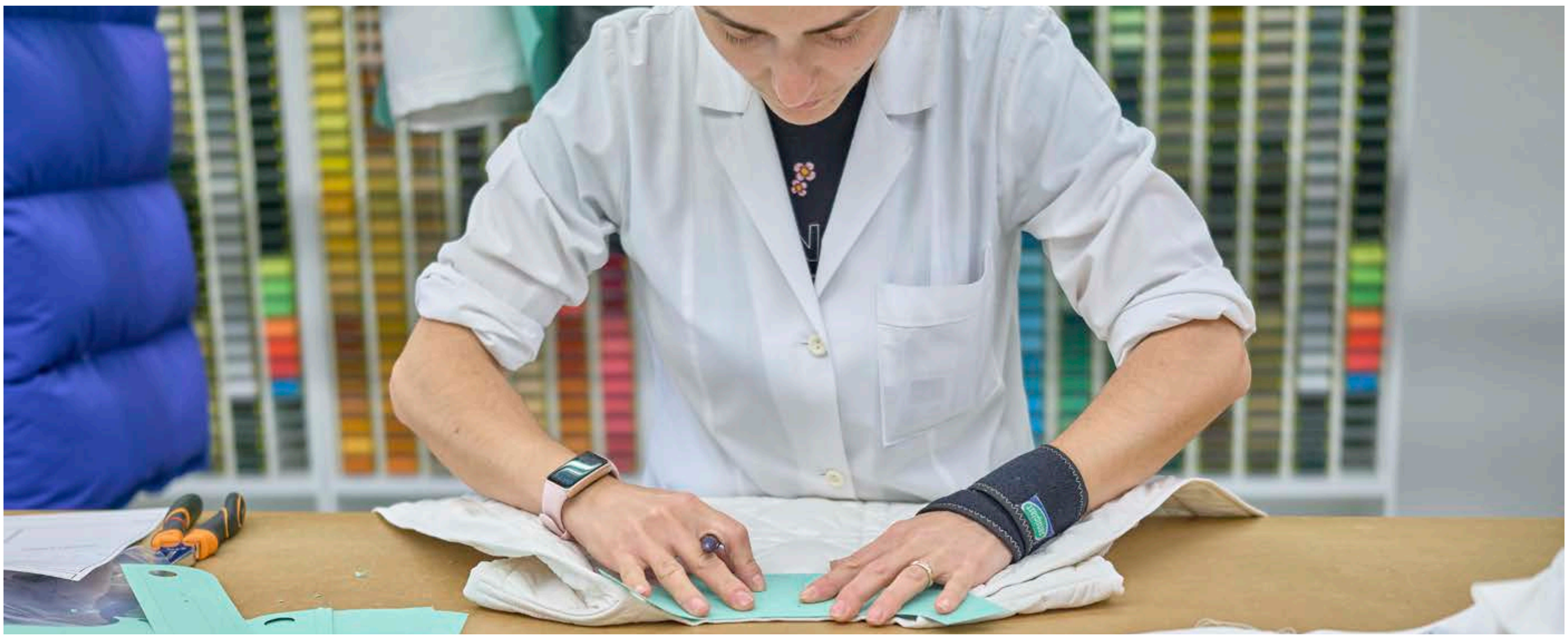
The Plan sets out the objectives and lines of action to address the main environmental, social, and economic challenges, in line with Gruppo Florence's long-term strategic vision. This vision has progressively become embedded in the corporate culture and guides production and management activities, promoting the integration of sustainability principles along the value chain, with particular attention to safeguarding natural resources, people's well-being, and the development of a more ethical and resilient fashion ecosystem. The Sustainability Agenda is built on three pillars – Environment, Production, Social – which constitute the main pillars of the Group's commitment.

For each pillar, there are specific lines of action, consistent with the United Nations Sustainable Development Goals (Sustainable Development Goals – SDGs). Monitoring progress on the action plan is coordinated by the Group's ESG function, in close collaboration with the Board of Directors, Top Management and other key stakeholders, including Permira. The initiatives are discussed and analyzed periodically, ensuring constant and structured dialogue.

The first pillar, "Scaling circularity for the planet" focuses on a set of initiatives aimed at strengthening the Group's environmental profile. Sourcing energy from renewable sources, adopting energy-efficiency solutions and the responsible management of chemical substances represent the main operational levers within the Group's strategy. For further details on the initiatives and the main results achieved in these areas, see Chapter 3. Circularity as a strategic direction: challenges and opportunities to reduce impact, p. 31.

The second pillar, "Shaping the new Italian excellence, between tradition and innovation", places the creation of lasting and sustainable value along the supply chain at the center, through a virtuous balance between artisanal know-how and the adoption of innovative technologies. The innovation projects and the results achieved during the year are presented in Chapter 4. Made in Italy: evolving excellence: tradition, innovation and impact, p. 55.

Finally, the third pillar, "Designing a respectful environment for our people", reaffirms Gruppo Florence's commitment to safeguarding human rights and promoting respect for people within production processes and across the entire supply chain. Further details on the actions and progress made during the year by the Group are provided in Chapter 5. People as a priority: work culture, well-being and growth, p. 67.



Pillar	Material topics	High-level goal	SDGs
Scaling circularity for the Planet	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	• 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.	12, 7, 14, 15
Shaping the new Italian excellence, between tradition and innovation	1. Ethical governance 2. Sustainable procurement 3. Protection of human rights 4. Animal welfare 5. Community engagement 6. Data privacy and cyber security	• 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.	12, 14, 9, 15, 17
Designing a respectful environment for our people	1. Human resources management and employee well-being 2. Health and safety 3. Training and skills development	• 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.	3, 8, 4, 10, 5

TABLE 4 - SUSTAINABILITY AGENDA OF GRUPPO FLORENCE

SUSTAINABILITY AND INTEGRATED RESPONSIBILITY: SYSTEM CERTIFICATIONS

Gruppo Florence continues with its strategic transformation journey, integrating sustainability and social responsibility into its activities through an Integrated Management System (IMS) based on international standards for quality, environment, health and safety, and social responsibility.

The IMS defines and governs the operating processes of the Holding and the various divisions, ensuring a consistent and structured approach aimed at improving efficiency, safety, sustainability, and employee well-being. The system is developed in accordance with international standards such as ISO 14001 (Environmental Management), ISO 45001 (Occupational Health and Safety Management) and SA8000 (Corporate Social Responsibility). Over the course of 2025, the SA8000 certification process saw a significant expansion, confirming the organization's ongoing commitment to high standards of social responsibility. In fact, an additional 9 sites were added to the 13 sites already certified in previous years, further strengthening the adoption of SA8000 principles across the organization.

This growth trend is set to continue in the near term: the development plan provides for the inclusion, by 2026, of a further 18 sites in the certification pathway.

At the same time, the organization has set itself a further strategic goal: to obtain SA8000 certification for all the Group's Italian sites by the end of 2027. This milestone reflects a structured, long-term vision, aimed at ensuring ethical and sustainable working conditions across an increasingly broad scope.

To date, around 70% of laboratories have already obtained ISO 14001 and ISO 45001 certifications thanks to a multi-site certification approach, confirming the Group's commitment to ensuring safe and sustainable working environments. Here too, the goal is to extend the certifications to 100% of the Group's scope.

> "... a responsible and transparent production model..."

To strengthen awareness and engagement within the company, training courses were organized for Holding employees on the content of the management system certifications.

These initiatives confirm Gruppo Florence's commitment to consolidating a responsible and transparent production model, extending certifications across the entire organization and reinforcing its international leadership in terms of sustainability, ethics, and innovation.

Elena Ciaccia
HAND STITCHING OPERATOR

"My name is Elena and I have been working at Logama for two years. I am responsible for testing and checking the finished garments. What I like most about my job is helping create high-quality garments with great attention to detail, made with traditional craftsmanship. Knowing that our work brings coats and jackets appreciated all over the world makes me proud and motivates me every day."

CIRCULARITY AS A STRATEGIC DIRECTION:

Challenges and opportunities to reduce impact

EFFICIENT MANAGEMENT OF ENERGY RESOURCES

Climate change, largely attributable to greenhouse gas (GHG) emissions, represents one of today's major challenges, given its potential direct and - at times - irreversible effects on the environment, biodiversity and the well-being of communities. In this scenario, Gruppo Florence is committed to rethinking its production model, promoting the responsible use of energy and water resources and materials, as well as the adoption of sustainable processes, in order to mitigate its impact on climate change.

The use of energy sources of fossil origin, both in direct operations and throughout Gruppo Florence's entire value chain, leads to an increase in greenhouse gas (GHG) emissions and may generate negative social and economic consequences for nearby communities, including higher energy costs and a reduction in available resources.

To mitigate these impacts, Gruppo Florence has undertaken a structured pathway to monitor and optimize energy consumption, progressively promoting sourcing from renewable sources and energy-efficiency measures. This commitment is consistent with the principles set out in the Code of Ethics and in the Integrated Corporate Policy, compliant with the requirements of the ISO 14001 standard, adopted as a reference for defining objectives for the continuous improvement of the company's performance, with particular attention to environmental aspects.

Starting on 1st January 2025, Gruppo Florence signed a framework contract for the supply of electricity - entirely from renewable sources through Guarantees of Origin – covering all the Group's Italian sites[2]. This initiative represents a key lever for reducing the Group's emissions footprint, as discussed in the dedicated paragraph SBTi commitment: Gruppo Florence's journey towards Net Zero, p. 39.

For overseas sites, a preliminary analysis is currently under way to identify potential renewable energy sourcing options in line with local market conditions, with operations starting between late 2026 and the first half of 2027.

The contract also includes the supply of natural gas, serving primarily as a price-stabilization tool, while at the same time helping to strengthen a centralized approach to monitoring and reducing the energy consumption of the Group's various plants and divisions.

In 2025, the Group's energy audit program for its production plants was also completed. The activity made it possible to consolidate the energy models of the various sites, with consumption analyses, mapping of installed technologies and identification of the main efficiency levers. As part of these initiatives, a survey dedicated to analyzing consumption across different time bands was shared with all Italian sites, aimed at identifying usage patterns, any anomalies and information useful for defining a detailed energy-efficiency action plan. The

2. Some utility contracts were subject to pre-existing contractual constraints and were progressively migrated in 2025; for this reason, the electricity consumption of the Group's Italian production sites for the year was not 100% covered by certified renewable sources, although coverage was close to full.

analytical activity will continue throughout 2026, with the aim of defining an intervention plan, implementation methods and timelines.

The Group's decarbonization pathway continues through the electrification of thermal plants and the increase in energy production from renewable sources. In 2025, following an assessment of technical feasibility, a tender was launched for the design and installation of photovoltaic systems for some of the Group's sites. This initiative, aimed at strengthening the energy autonomy of production sites, will take shape during 2026 with the start of the first construction sites. In 2025, Gruppo Florence's total energy consumption amounted to 115,233.77 GJ, slightly down from the 120,688.97 GJ recorded in 2024. In particular, over the year an improvement in the energy mix is observed, with a significant increase in purchased electricity from renewable sources, more than doubling compared to the previous year (from 19,860.08 to 45,479.38 GJ). This trend clearly reflects the effects of the initiatives undertaken, in particular, the activation of the framework agreement for the supply of electricity from renewable sources through Guarantees of Origin for the Italian sites. As for fuels, overall consumption decreases to 56,656.12 GJ compared with 64,109.84 GJ in 2024; the reduction affects both consumption for heating and production processes (30,365.56 GJ, -8.1%) and consumption for vehicle use (26,290.56 GJ, -15.3%).

Gruppo Florence energy consumption	UoM	2023	2024	2025
Self-generated electricity (renewable)[3]	**GJ**	**4,608.80**	**6,624.23**	**6,818.54**
of which consumed	GJ	3,229.62	4,194.00	5,008.69
of which sold	GJ	1,379.18	2,430.22	1,809.85
Purchased electricity	**GJ**	**43,808.11**	**52,385.12**	**53,568.96**
of which from non-renewable sources	GJ	37,383.81	32,525.04	8,089.58
of which from renewable sources	GJ	6,424.30	19,860.08	45,479.38
Total fuels	**GJ**	**48,284.02**	**64,109.84**	**56,656.12**
For heating and processes (non-renewable)	**GJ**	**27,750.41**	**33,055.69**	**30,365.56**
of which Natural Gas	GJ	26,784.83	30,570.16	27,999.96
of which LPG	GJ	937.86	2,485.53	2,264.98
of which Diesel	GJ	27.72	-	100.62
For vehicle use (non-renewable)[4]	**GJ**	**20,533.61**	**31,054.15**	**26,290.56**
of which Gasoline[5]	GJ	2,121.14	3,996.47	4,598.04
of which Diesel	GJ	18,211.09	26,988.63	21,640.18
of which LPG	GJ	201.38	69.05	52.34
Total energy consumed by Gruppo Florence	**GJ**	**96,700.93**	**120,688.97**	**115,233.77**

TABLE 5 - TOTAL ENERGY CONSUMPTION

3. Electricity self-generated through photovoltaic panels installed at certain Group sites.
4. For consumption data relating to 2024 and 2025 reported in monetary terms without a breakdown by fuel type, it was assumed that 85% of the fuel was diesel and 15% petrol. Using the average prices of diesel and petrol, the expenditure data were converted into volume units.
5. This figure includes the fuel (gasoline) used for hybrid vehicles owned by Gruppo Florence.

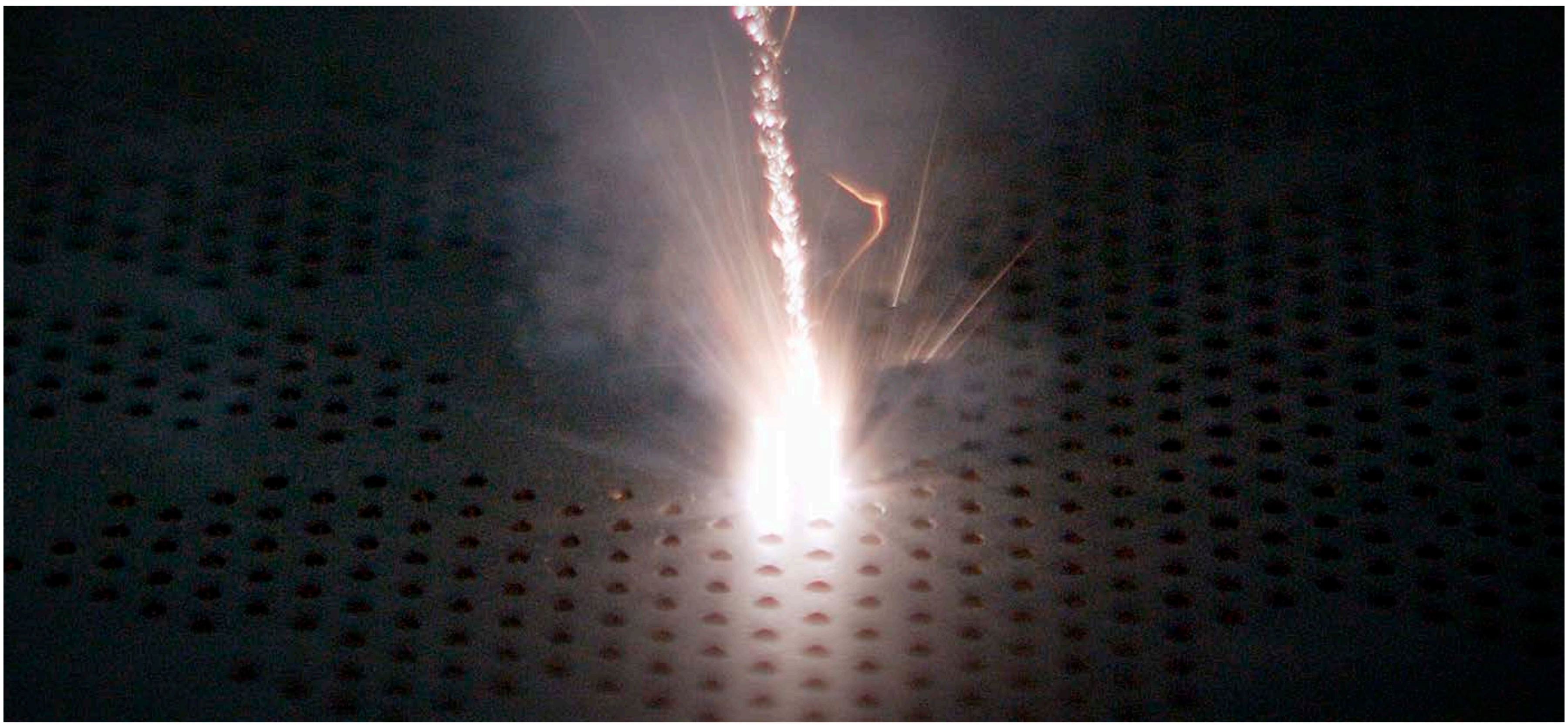
The energy intensity as at 31 December 2025 is presented below.

Gruppo Florence energy intensity	UoM	2023	2024	2025
Total energy consumed	GJ	96,700.93	120,688.97	115,233.77
Gruppo Florence revenue[6]	€th.	692,616.77	608,285.34	587,849.01
Energy consumed/Revenue	GJ/€th.	0.14	0.20	0.19
Number of employees	no.	3,665	4,544	4,627
Energy consumed/Employees	GJ/n.	26.38	26.56	24.90

TABLE 6 - ENERGY INTENSITY

6. Economic value generated by the Group during the year.

DECARBONIZATION AND CLIMATE ACTION: OUR COMMITMENT TO NEUTRALITY



Gruppo Florence's climate footprint is attributable to greenhouse gas (GHG) emissions generated both by direct and indirect energy consumption (Scope 1 and 2) and - more significantly - by activities along its value chain (Scope 3). The main emission sources include the sourcing, production, and processing of natural materials and synthetic fibers, the washing and treatment processes for leather and fabrics, the use of industrial machinery, as well as logistics activities related to the transport of raw materials, semi-finished goods, and finished products.

Gruppo Florence has taken a further step in its climate transition journey by obtaining validation of its greenhouse gas emissions reduction targets from the Science Based Targets initiative (SBTi). In particular, the approved targets envisage a reduction in Scope 1, 2 and 3 GHG emissions; for further details on these targets, please refer to the SBTi commitment: Gruppo Florence's journey towards Net Zero on p. 39. Over the year, the Group identified the main levers of its decarbonization plan, aimed at achieving the approved climate targets. These levers are set out in specific operational actions and implemented through the progressive definition of an implementation plan, in line with the evolution of the Group's transition journey.

For the purpose of calculating the greenhouse gas emissions inventory, Gruppo Florence defined its organizational boundaries by adopting the operational control approach, including all facilities, whether owned or rented, and vehicles, whether owned or under leasing, over which it exercises direct operational control. This methodology reflects the Group's management model, in which operational decisions are made so as to directly influence the impact on climate-altering emissions.

> "... Gruppo Florence has taken a further step in its climate transition journey..."

The inventory of direct emissions (Scope 1), amounting to 3,607 tCO_2e, includes emissions associated with the use of natural gas and fossil fuels - diesel, LPG and petrol - used both for building operations and for the company vehicle fleet, as well as emissions resulting from the use of refrigerant gases. Indirect Scope 2 emissions are instead quantified based on electricity consumption at the Group's owned and leased sites, taking into account any sourcing through Guarantees of Origin (GO) and in-house energy generation from renewable sources. Scope 2 (market-based) greenhouse gas emissions show a downward trend over the three-year period, with a decrease of more than 80% between 2024 and

2025, falling from 4,010 tCO_2e to 751 tCO_2e in 2025. This trend is attributable to the significant increase in the purchase of electricity from certified renewable sources. The value calculated using the location-based approach amounts to 3,996 tCO_2e.

To ensure accuracy and transparency in Scope 1 and 2 calculations, in 2025, Gruppo Florence uses the Ecoinvent 3.12 database and DEFRA (Department for Environment, Food & Rural Affairs). As regards the calculation of Scope 2 emissions, data are obtained directly from the energy bills of the European sites, ensuring consistency with the methodology applied over the years and providing continuity in reporting. With regard to Scope 3, the main databases used are the World Apparel and Footwear Life Cycle Assessment Database (WALDB) v.2.5 and the World Food LCA Database (WFLDB) v.3.9, Ecoinvent and USEEIO v2 (2022). Where necessary, Gruppo Florence referred to version 3.1 of the Product Environmental Category Rules (PEFCR) for Apparel and Footwear (April 2025), the main source for the environmental assessment of products in the fashion and sporting goods sector.

In 2025, Gruppo Florence updated the calculation of indirect emissions (Scope 3), confirming the categories considered relevant for the Group identified in 2024. Specifically:

- 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.

Total emissions of Gruppo Florence	**UoM**	**2023**[7]	**2024**	**2025**
Scope 1	tCO2e	3,067	4,100	3,607
Scope 2 (Market Based)	tCO2e	4,523	4,010	751
Scope 3	tCO2e	304,323	311,922	383,470
Cat 1: Purchased Goods and Services[8]	tCO2e	290,380	293,119	367,445
Cat 2: Capital Goods	tCO2e	4,911	2,717	1,569
Cat 3: Fuel- and Energy-Related Activities Not Included in Scope 1 or Scope 2	tCO2e	2,563	3,286	2,399
Cat 4: Upstream Transportation and Distribution[9]	tCO2e	1,044	1,335	1,135
Cat 5: Waste Generated in Operations	tCO2e	625	5	5
Cat 6: Business Travel	tCO2e	122	406	358
Cat 7: Employee Commuting	tCO2e	4,678	6,045	6,262
Cat 9: Downstream transportation and distribution	tCO2e	-	422	365
Cat 10: Processing of sold products	tCO2e	-	26	26
Cat 11: Use of sold products	tCO2e	-	2,296	1,881
Cat 12: End of life treatment of sold products	tCO2e	-	2,265	2,025
Total emissions	**tCO2e**	**311,913**	**320,032**	**387,828**

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

7. The Scope 3 figure, categories 9, 10, 11 and 12, is not available for 2023, as calculation started in 2024.
8. The emission values refer to the share of materials considered relevant for Gruppo Florence; therefore, they do not represent the total volume of materials purchased during the reporting period.
9. The emissions data for Category 4 in 2024 were refined compared with those reported in the previous Sustainability Report, following an improvement in the reporting process for data provided by couriers.

About 99% of these emissions are attributable to Scope 3 emissions, as can be seen from the chart below, while the remaining share is attributable to Scope 1 and Scope 2 emissions. For quantifying the carbon footprint, Gruppo Florence mainly used primary data, i.e., specific data collected from the individual divisions, companies and production sites. Where such data were not available, secondary data were used.

Below is the figure for Gruppo Florence's emissions intensity, based on direct emissions (Scope 1) and indirect emissions from electricity consumption (Scope 2). In 2025, a decrease in intensity is observed, largely attributable to the reduction in Scope 2 emissions calculated using the market-based method as detailed previously.

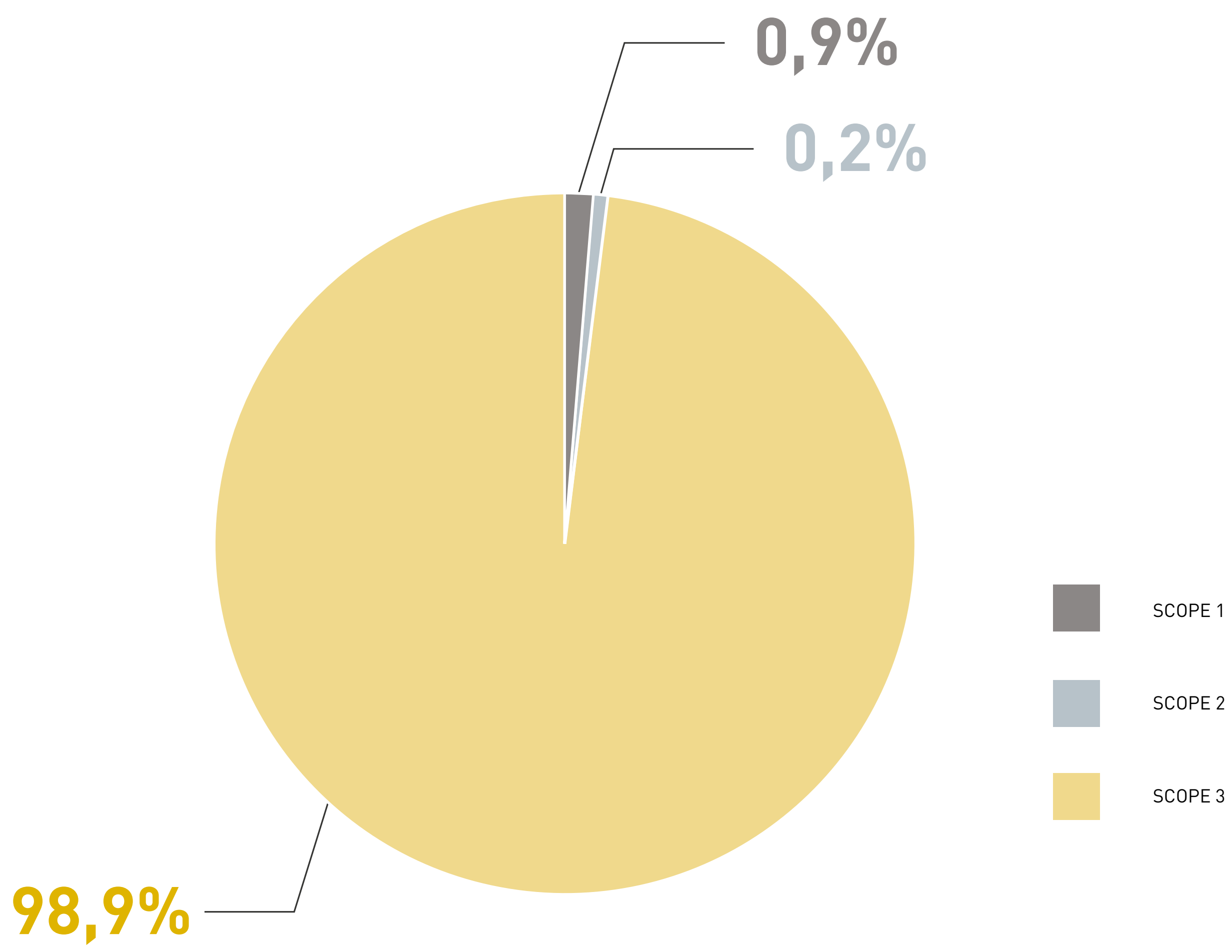


FIGURE 2 - GRUPPO FLORENCE CARBON FOOTPRINT

Gruppo Florence emissions intensity	UoM	2023	2024	2025
Total emissions (Scope 1 and 2)	tCO2e	7,590	8,110	4,358
Gruppo Florence revenue[10]	€th.	692,616.77	608,285.34	587,849.01
Total emissions/Revenue	tCO2e/€th.	0.011	0.013	0.007
Number of employees	No. of employees	3,665	4,544	4,627
Total emissions/Employees	tCO2e/No. of employees	2.071	1.785	0.942

TABLE 8 - EMISSIONS INTENSITY

10. Economic value generated by the Group during the year.


STOP
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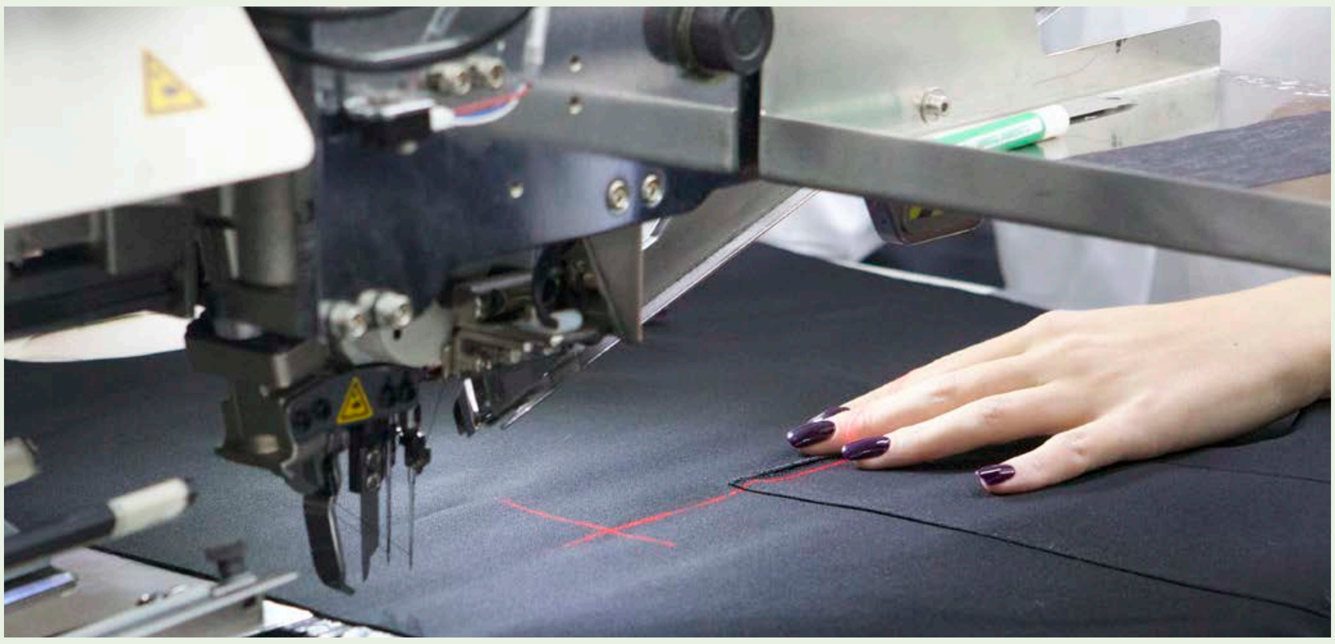
SBTi COMMITMENT: GRUPPO FLORENCE'S JOURNEY TOWARDS NET ZERO



In the second half of 2025, Gruppo Florence obtained validation of its emissions-reduction targets from the Science Based Targets initiative (SBTi), confirming that its climate strategy is consistent with scientific evidence and the objectives of the Paris Agreement.

Near-Term absolute targets (base year 2023):

- Scope 1 and 2: absolute reduction of greenhouse gas emissions by 54.6% by 2033, consistent with a decarbonization pathway aligned with a scenario limiting global warming to 1.5°C;
- Scope 3 (categories 1, 4 and 7): absolute reduction in greenhouse gas emissions of 32.5% by 2033, in line with a well-below 2°C scenario;
- Scope 3 FLAG: absolute reduction in greenhouse gas emissions and net removals of 39.4% by 2033, in line with a scenario limiting global warming to 1.5°C.

The targets include both direct and indirect emissions along the value chain, with a focus on the most relevant categories, including greenhouse gas emissions associated with FLAG (forests, land use and agriculture) activities.

Currently, the Group has identified the main levers of its decarbonization plan - specifically the electrification of thermal facilities and improved energy efficiency—while the detailed definition of the initiatives will be developed progressively, in line with the evolution of analyses and operational priorities.

In this context, preparatory activities have been launched for the definition and implementation of decarbonization actions, including:

- mapping and analysis of the energy consumption profiles of plants and production processes, aimed at identifying and prioritizing energy-efficiency and electrification measures;
- procurement of electricity from renewable sources through Guarantees of Origin.

In parallel, the Group is promoting initiatives aimed at strengthening its energy autonomy, including the phased installation of photovoltaic systems at its production sites.

Through this pathway, the Group intends to consolidate a structured and progressive approach to decarbonization, based on the monitoring, analysis and reporting of emissions performance, in line with international best practice and with the expectations of its stakeholders.

TRANSITION TO A CIRCULAR FASHION SYSTEM

PROCUREMENT OF MATERIALS

The Group's manufacturing activities may generate significant environmental impacts, particularly in relation to raw material sourcing and waste management. The use of virgin materials may affect the availability of natural resources and contribute to biodiversity loss, while manufacturing and packaging processes generate waste streams that, if not properly managed, may entail environmental and social risks for the areas and communities involved in treatment and disposal activities.

Gruppo Florence's business model provides that the selection of raw materials is largely determined by the Group's client brands, a circumstance that limits Gruppo Florence's level of autonomy in sourcing choices. In this context, where possible, the Group is committed to supporting clients in the search for and purchase of materials with sustainability attributes as well as, for example, recycled, regenerated, certified or renewable-origin materials, in line with the principles of the circular economy.

These include GOTS-certified fabrics, yarns and linings, with GRS-certified recycled content, as well as certified down, leather and wool, in compliance with animal welfare, as discussed in chapter 1.2.3 Animal welfare, p. 21. Such certifications, recognized internationally, attest to the use of natural fibers, recycled materials, or materials derived from cruelty-free processes, ensuring the protection of the ecosystem and respect for workers' rights throughout the supply chain. In this context, Gruppo Florence plays a key role in overseeing batch traceability and in the process of obtaining and maintaining product certifications, ensuring not only the monitoring of raw materials through the intermediate processing stages, but also their handling and processing in full compliance with the required standards, through to the manufacture of the finished product.

"... handling and processing in full compliance with the required standards..."

Below is the list of the Group's divisions and the processing suppliers that, in 2025, hold the certifications shown in the table. Please note that these certifications are renewed on an annual basis and entail periodic checks (audit), as part of the processes for maintaining and monitoring the certification systems.

Certification	Gruppo Florence					Processing suppliers (n)[11]
	Woven	Jersey and Soft Accessories	Knitwear	Denim	Intermediate processes	
GOTS (Global Organic Textile Standard)	Giuntini Eurotex	Antica Valserchio Manifatture Cesari PACO	Erika Spagnol Melys Style Up Metaphor	Ideal Blue		19
GRS (Global Recycle Standard)		Antica Valserchio PACO			Label System	-
RDS (Responsible Down Standard)	Giuntini					-
RWS (Responsible Wool Standard)	Eurotex	Antica Valserchio	Erika Spagnol Metaphor			5
NPF (Nativa Precious Fiber)		Antica Valserchio				-

TABLE 9 - CERTIFICATIONS OF THE MATERIALS USED BY GRUPPO FLORENCE

11. Processing suppliers included in Gruppo Florence's Scope Certificate (SC).

The table below shows the materials purchased by Gruppo Florence in 2025, broken down into renewable materials and non-renewable materials. Renewable materials include those obtained from natural resources with regeneration capacities consistent with ecological and agricultural cycles, such as, for example, natural fibers (cotton, wool, cashmere, silk and linen), tanned leather, as well as paper and cardboard used for packaging.

Non-renewable materials, on the other hand, include those derived from fossil or mineral resources, which do not regenerate in the short term, and mainly comprise synthetic fibers and fabrics, plastics, and accessories made from composite or polymer-based materials.

In 2025, renewable materials used amounted to 2,034 tons, representing 58% of total materials used (3,537 tons). The share has decreased compared with 2024, following a progressive methodological refinement in reporting the indicator, which enabled greater traceability and a more accurate classification of materials purchased during the reporting period

Materials used[12]	**UoM**[13]	**2023**[14]	**2024**[15]	**2025**[16]
Renewable	ton	2,433	2,698	2,034
Non-renewable	ton	338	1,417	1,503
Total	**ton**	**2,771**	**4,115**	**3,537**

TABLE 10 - CLASSIFICATION OF RENEWABLE AND NON-RENEWABLE MATERIALS

RESPONSIBLE WASTE MANAGEMENT

Gruppo Florence promotes the principles of the circular economy through structured management and continuous monitoring of the waste generated in its manufacturing activities. Waste materials from the various divisions are temporarily collected at their respective sites and then handed over to external operators specialized in disposal who, in accordance with current Italian regulations, issue the waste transfer form (FIR), detailing the types of waste collected and their final destination. The Group also prepares the annual Modulo Unico di Dichiarazione (MUD), which provides an overall view of the waste produced and managed over the course of the year.

The main types of waste generated by the Group include textile and leather scraps, as well as packaging materials such as plastic, paper and cardboard, in addition to other types of mixed packaging. Although most of the waste produced is classified as non-hazardous, some of the Group's activities may generate waste with chemical or biological characteristics that pose risks to human health and the environment, such as toxic, corrosive or reactive substances. For the management of hazardous waste, Gruppo Florence ensures proper disposal, exclusively at authorized and monitored facilities.

During 2025, the Group generated a total of 1,563.51 tons of waste, an increase compared with 2024 mainly due to the expansion of the corporate perimeter. Of this total, 1,548.34 tons consisted of non-hazardous waste, while hazardous waste amounted to 15.17 tons, sharply down compared with the previous year (-48%).

Most of the waste generated (84%) by Gruppo Florence is sent for recovery rather than for disposal. The limited share of waste sent to landfill reflects the Group's tangible commitment to implementing an efficient waste management program, aimed both at improving operational efficiency and reducing disposal costs.

12. Values expressed in total tons refer to the share of materials considered relevant for Gruppo Florence; therefore, they do not represent the total volume of materials purchased during the reporting period.
13. Where unavailable, for certain material types, weight was estimated based on the unit of measure recorded in the system (e.g. linear meters, square meters, pieces, etc.), assigning an average weight according to the material type.
14. The figure refers to 59% of total purchases in 2023. For the remaining share, it was not possible to determine the weight based on the unit of measure recorded in the system due to insufficiently robust information on material composition.
15. The actual weight of materials was recorded for 95% of mapped and analyzed purchases, while for the remaining 5%, the weight was estimated.
16. Ibid.

Total amount of waste generated	2023	2024	2025
Non-hazardous waste (tons)	**1,201.57**	**1,439.90**	**1,548.34**
Textiles	277.13	557.65	652.79
Leather	239.91	138.57	130.42
Paper and cardboard	191.18	183.82	224.76
Plastic	64.35	39.54	63.80
Wood	25.61	24.78	22.74
Iron and steel	11.80	13.73	23.05
Mixed packaging	301.97	357.74	275.13
Aqueous solutions	25.23	9.59	12.30
Absorbent and filtering materials	31.90	1.70	0.84
End-of-life equipment and components	2.86	2.45	5.80
Unsorted waste	7.97	54.34	85.56
Sludge	-	36.90	41.66
Other	21.66	19.10	9.49
Hazardous waste (tons)	**63.11**	**33.08**	**15.17**
Absorbent and filtering materials	12.33	4.24	3.02
Paints, varnishes and solvents	12.31	7.20	2.44
Aerosol spray cans	0.76	-	-
Waste adhesives and sealants	9.60	2.78	1.29
Contaminated packaging	24.94	11.41	5.33
End-of-life equipment and components	0.03	1.54	0.71
Aqueous solutions	1.26	0.09	-
Sludge	0.45	0.43	0.43
Other	1.43	5.40	1.65
Unsorted waste	-	-	0.30
Total amount of waste generated (tons)	**1,264.68**	**1,472.98**	**1,563.51**

TABLE 11 - TOTAL AMOUNT OF WASTE GENERATED BY TYPE

Total waste diverted from disposal	2023	2024	2025
Non-hazardous waste (tons)	**1,066.13**	**1,204.95**	**1,308.33**
Textiles	247.77	529.65	535.68
Leather	227.45	137.05	126.19
Paper and cardboard	190.48	171.94	196.77
Plastic	64.35	32.65	55.89
Wood	25.61	24.78	22.74
Iron and steel	11.80	13.13	23.05
Mixed packaging	252.08	269.24	275.13
Aqueous solutions	0.30	-	-
Absorbent and filtering materials	14.13	0.55	0.13
End-of-life equipment and components	2.86	2.45	5.80
Unsorted waste	7.97	4.61	17.81
Sludge	-	0.90	41.66
Other	21.33	18.00	7.48
Hazardous waste (tons)	**33.91**	**25.76**	**6.88**
Absorbent and filtering materials	1.08	1.89	0.81
Paints, varnishes and solvents	8.99	6.41	1.40
Aerosol spray cans	0.76	-	-
Waste adhesives and sealants	0.38	1.91	0.64
Contaminated packaging	21.33	9.38	2.64
End-of-life equipment and components	0.03	1.54	0.71
Sludge	0.45	0.43	0.43
Other	0.89	4.22	0.25
Unsorted waste	-	-	-
Total waste diverted from disposal (ton)	**1,100.04**	**1,230.70**	**1,315.21**

TABLE 12 - TOTAL WASTE DIVERTED FROM DISPOSAL BY WASTE TYPE

Below is the information on the main recovery methods used by the Group.

Total waste diverted from disposal by treatment method[17]	2023	2024	2025
Non-hazardous waste (tons)	**1,066.13**	**1,204.95**	**1,308.33**
Recycling	162.95	393.12	495.85
Other recovery operations	903.17	811.83	812.48
Hazardous waste (tons)	**33.91**	**25.76**	**6.88**
Recycling	-	-	0.01
Other recovery operations	33.91	25.76	6.87

TABLE 13 - TOTAL WASTE DIVERTED FROM DISPOSAL BY TREATMENT METHOD

17. The "Other recovery operations" category includes waste transfers destined for recovery operations R6 to R13.

Recycling and recovery activities are entrusted to specialized centers operated by third parties, tasked with collecting and treating waste. Below is a detailed overview of the waste sent for disposal.

Total waste directed to disposal	2023	2024	2025
Non-hazardous waste (tons)	**135.45**	**234.95**	**240.01**
Textiles	29.36	28.00	117.11
Leather	12.46	1.52	4.22
Paper and cardboard	0.70	11.88	27.99
Plastic	-	6.89	7.90
Iron and steel	-	0.60	-
Mixed packaging	49.89	88.50	-
Aqueous solutions	24.94	9.59	12.30
Absorbent and filtering materials	17.77	1.15	0.71
Unsorted waste	-	49.73	67.76
Sludge	-	36.00	-
Other	0.33	1.10	2.02
Hazardous waste (tons)	**29.21**	**7.32**	**8.29**
Absorbent and filtering materials	11.26	2.36	2.21
Paints, varnishes and solvents	3.32	0.79	1.04
Waste adhesives and sealants	9.22	0.87	0.65
Contaminated packaging	3.61	2.03	2.69
Aqueous solutions	1.26	0.09	-
Other	0.54	1.19	1.40
Unsorted waste	-	-	0.30
Total waste discharged (ton)	**164.65**	**242.28**	**248.30**

TABLE 14 - TOTAL WASTE DIRECTED TO DISPOSAL BY WASTE TYPE

18. The increase in the quantities of textile waste sent for disposal is mainly attributable to the progressive refinement of waste monitoring and classification processes by one Group company which, in previous years, had reported these quantities under the "Mixed packaging" category shown below in the table. The 2025 figure also includes disposals relating to inventory remnants and obsolete stock.

Below is the data on the main disposal methods used by Gruppo Florence in the reporting years.

Total waste directed to disposal by treatment method	**2023**	**2024**	**2025**
Non-hazardous waste (tons)	**135.45**	**234.95**	**240.01**
Incineration without energy recovery	27.62	-	-
Landfill	107.83	234.95	230.32
other disposal operations	-	-	9.69
Hazardous waste (tons)	**29.21**	**7.32**	**8.29**
Landfill	29.21	7.32	8.29

TABLE 15 - TOTAL WASTE DIRECTED TO DISPOSAL BY TREATMENT METHOD

As part of its commitment to promoting the principles of the circular economy, Gruppo Florence has developed over time various initiatives aimed at enhancing materials and reusing related waste. Among these is the WeTurn project, launched in 2024, which involves the collection, preparation and selection of 100% cotton textile offcuts generated during the cutting stages, with the aim of sending them for recycling under an upcycling textile-to-textile model.

The preparation of homogeneous lots by fabric type and color characteristics makes the materials suitable for this recycling process. The initiative, which is currently in an industrial and commercial trial phase, is part of Gruppo Florence's circular economy strategy and aims to move beyond the traditional downcycling flows for textile waste, which previously were mainly directed to sectors such as construction and automotive.

In 2024, the project was launched on an exploratory basis in a number of the Group's divisions operating in the denim and jersey business lines, through the implementation of a structured system for identifying, separating and collecting 100% cotton waste. In the first months of activity, the initiative enabled the collection of about 9 tons of material, confirming the operational feasibility of the proposed model. In 2025, the WeTurn project continued on a broader scale, involving three of the Group's divisions - International Promo Studio, Effe2 and the Manifatture Cesari Division - and enabling the collection of about 60 tons of fabric waste.

In this context, in 2025 Gruppo Florence launched the development of a recycled material, using cotton fabric scraps from that upcycling process, to produce the pocket bag for denim trousers, with the aim of offering its customers an alternative solution to virgin raw material through the use of recycled fabric.

In parallel, during 2025 Gruppo Florence developed the Felthos project, aimed at producing a high-performance regenerated felt from selected textile surplus downstream of the production process of the Antica Valserchio division. The material is made of regenerated cashmere (70%) and virgin wool (30%) and is produced through a structured upcycling process, based on a protocol designed to ensure the quality, traceability and performance of the final product. The project involves the Group's divisions, Antica Valserchio and Facopel, in collaboration with Fepsa, a Portuguese company specializing in high-end felt manufacturing.

The resulting material retains the main characteristics of natural felt — including softness, strength and versatility — while reducing the overall environmental impact thanks to the use of regenerated fibers and the absence of any new sourcing of animal origin.

"... to recover material with high economic value."

During the year, Felthos has found application in high-end segments, particularly in the hat-making sector, presenting itself as an example of an integrated circular model based on research, know-manufacturing and collaboration along the supply chain. Finally, in 2025 Gruppo Florence launched a collaboration with a partner specialized in the recovery and melting of metal accessories with precious finishes, such as gold plating and nickel plating.

Pilot tests showed that recycling the finishes, which contain micro-alloys of precious metals, makes it possible to recover material with high economic value. The initiative is of particular interest to the leather goods and denim sectors, which make significant use of this type of accessory.

OUR COMMITMENT TO SAFEGUARDING WATER RESOURCES

Responsible management of water resources is a central element in adopting more sustainable practices in the fashion sector. The impacts of Gruppo Florence in relation to water resources stem both from direct activities and, in particular, from those along the value chain. In fact, the sourcing of natural materials along the supply chain – such as cotton or leather – entails intensive water use for agricultural irrigation. This consumption, concentrated in geographical areas often already subject to water stress, can exacerbate local water scarcity.

In addition, processes typical of certain activities carried out by subcontractors, such as dyeing and washing fabrics, for example in denim or knitwear, require large volumes of water, further contributing to pressure on water resources. The Group's direct operations as well, such as ironing, dyeing and washing garments, involve water withdrawals that may have a negative impact on local ecosystems and on the availability of drinking water for communities.

To manage and mitigate these impacts, Gruppo Florence is committed to systematically monitoring water consumption and adopting measures aimed at reducing it, limiting waste and promoting more efficient water use in production processes. This commitment is also formalized within the environmental management system compliant with ISO 14001, which enables greater harmonization of the processes for analyzing and monitoring environmental consumption and supports a more structured and uniform oversight of environmental performance, including water performance.

In 2025, Gruppo Florence's total water withdrawals, relating to both production activities and civil uses, reached 54.29 ML, in line with the previous year. The Group's water supply during the year came from groundwater and third-party sources, which also include municipal waterworks and represent the main share of total withdrawals.

Water withdrawn by source	2023	2024	2025
Groundwater (ML)	8.51	11.83	9.13
of which freshwater	-	-	-
of which other water	8.51	11.83	9.13
of which in areas subject to water stress[19]	5.40	9.27	6.47
Third-party water (ML)	33.62	41.31	45.16
of which freshwater	33.62	41.31	45.16
of which other water	-	-	-
of which in areas subject to water stress	25.93	35.76	38.83
Total withdrawals	42.13	53.14	54.29

TABLE 16 - WATER WITHDRAWALS BY SOURCE

The water used in production processes is managed and discharged in full compliance with applicable environmental laws and regulations. Most of the water discharges attributable to the Group's buildings and plants are comparable to domestic discharges, as they mainly stem from the use of toilets, changing rooms and other similar utilities. Where industrial water discharges are present, the plants hold a specific authorisation issued by the Region ("Autorizzazione Unica ambientale" - AUA), which sets the discharge limits and conditions, both in quantitative and qualitative terms.

Plants that use chemicals added in liquid form treat the contaminated volumes directly at the production site where possible; alternatively, the water is collected and managed by specialised third parties in the management of contaminated wastewater.

Below is the breakdown of the Group's water discharges for the reporting years. The total volume of Gruppo Florence's water discharges amounts to 52.34 ML. Therefore, the Group's net water consumption is 1.95 ML[20].

19. Areas subject to water stress were identified on the basis of data made available by the World Resources Institute (WRI) at the following link: World Resources Institute 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&aoi=&page=1&sort=most-viewed&sortDirection=-1&topics=%255B%2522water%2522%255D

20. Following a methodological refinement of water consumption monitoring and reporting processes during the current reporting year, a water consumption value was identified. This is mainly attributable to ironing activities, as well as to other similar activities typical of the business, carried out at certain Group divisions.

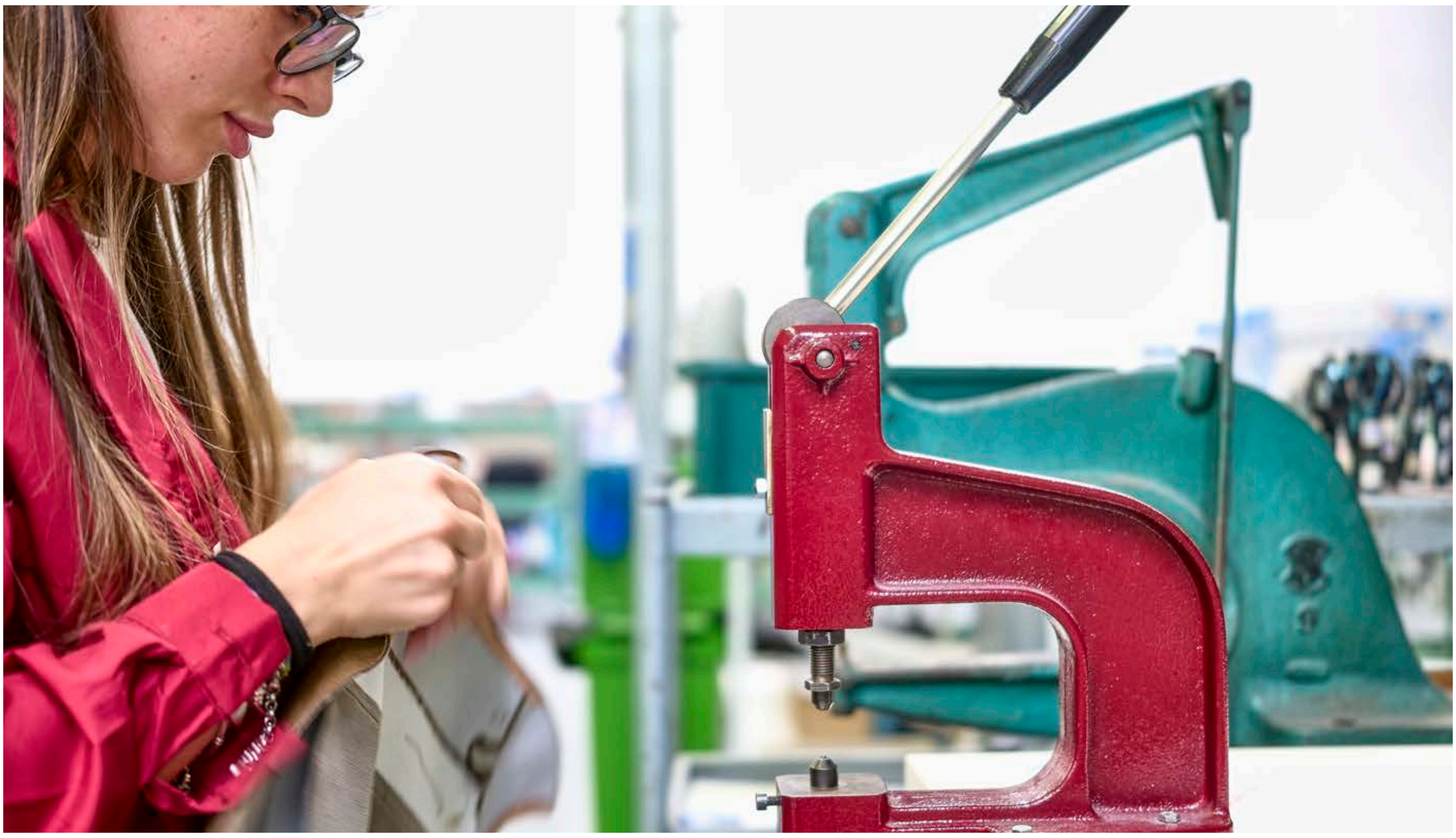
Water discharged by destination	2023	2024	2025
Water discharged to surface (ML)	7.28	6.14	4.31
of which freshwater	-	-	-
of which other water	7.28	6.14	4.31
of which in areas subject to water stress	4.17	3.59	1.07
Water discharged to third parties (ML)	34.85	46.99	48.03
of which freshwater	-	-	-
of which other water	34.85	46.99	48.03
of which in areas subject to water stress	27.16	41.44	41.70
Total discharges	42.13	53.14	52.34

TABLE 17 - WATER DISCHARGES BY DESTINATION

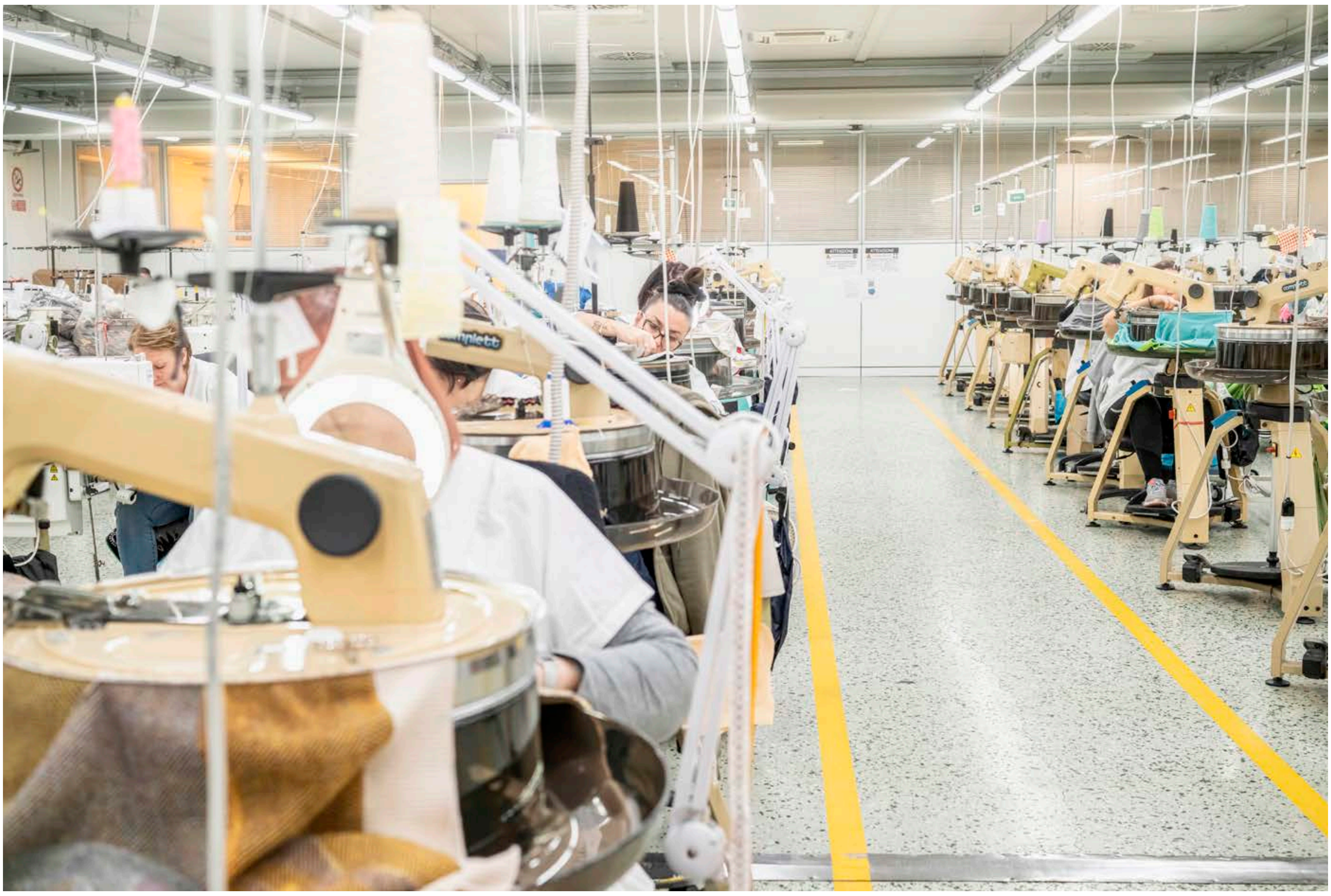
In 2025, also in response to the ever-increasing requests from some brands regarding specific water-resource stewardship measures, the role of Water Manager was formalized within Gruppo Florence.

In parallel, analyses of water discharges and upstream and downstream mapping activities along the value chain were launched, with particular attention to processes characterized by greater water intensity, such as those carried out by dyehouses and laundries. In some cases, brands require the collection of primary data, necessary for calculating the water footprint based on real consumption data, as an alternative to using sector statistical factors. In order to ensure the quality and completeness of the information requested, Gruppo Florence also directly involved the subcontractors engaged in the most water-intensive production phases.

Looking ahead, the Group's goal is to develop a traceability tool integrated with consumption and process data, so as to provide structured support for the activities of measuring, monitoring and continuously improving water performance across the entire value chain.



RESPONSIBLE MANAGEMENT OF CHEMICALS



The use of chemical substances is an integral part of several processes along Gruppo Florence's value chain, including leather treatment and garment washing and finishing activities, and represents a potentially significant environmental and social impact. If such substances are not properly managed at every stage—from storage and handling through use and final disposal, including potential releases into water bodies—chemicals can generate negative effects on the environment and people.

The Group therefore considers the responsible management of chemicals throughout the entire supply chain a priority, as an essential element of environmental protection and of workers' health and safety. The Group's commitment is formalized in the Code of Ethics and in the Integrated Corporate Policy, in line with the requirements of ISO 14001 environmental certification, and translates into the promotion of a preventive approach to chemical risk management and the progressive reduction of hazardous substances.

Starting in 2023, Gruppo Florence joined the international ZDHC (Zero Discharge of Hazardous Chemicals) program as a Signatory Friend Vendor, confirming this status again in 2025. As described in the deep dive Chemical risk management: a structured and integrated approach, ZDHC is the main voluntary international benchmark for defining shared standards on chemical risk management in the textile, apparel and footwear sectors. The Group's participation is consistent with that of most of its client brands, supporting a path of convergence on standards and monitoring tools along the value chain.

"Starting in **2023**, Gruppo Florence joined the international ZDHC..."

During 2025, Gruppo Florence built an independent Chemical Management System (CMS), developed through ongoing dialogue with its main client brands, with the aim of defining a management model that is recognized, shared and aligned both with clients' standards and with ZDHC international guidelines. The CMS marked the shift from a site-by-site approach to a structured Group-level model, supported by a set of structured procedures, some already integrated into the company management system (for example, the procedure relating to the storage and handling of chemicals), while others are in the process of being progressively consolidated. As of the reporting date, the Chemical Management system is active across all of the Group's Italian divisions, as well as in relation to all suppliers of raw materials and processing activities with processes that present a significant chemical risk; the only exclusions are the foreign divisions that carry out solely packaging activities.

A central element of the system is the development, in September 2025, of Gruppo Florence's first proprietary Product Restricted Substances List (PRSL). The PRSL serves as the reference technical specification that identifies substances that are prohibited or subject to restriction in the production of the finished garment, and that suppliers are required to comply with. The PRSL was developed by consolidating the technical specifications of the Group's main clients, selecting for each group of substances the strictest limit adopted by the brands, in order to ensure compliance with the requirements of the most demanding clients, as well as with the regulations in force in the various countries. The scope of the PRSL covers fabrics, yarns, linings, leather and soles.

In 2025, Gruppo Florence selected Fairly Made as its technology partner for the digital management of chemical risk. The platform enables supplier profiling, online sign-up to the aforementioned Group commitment and PRSL, as well as the centralized collection of information related to the supply chain's chemical risk management.

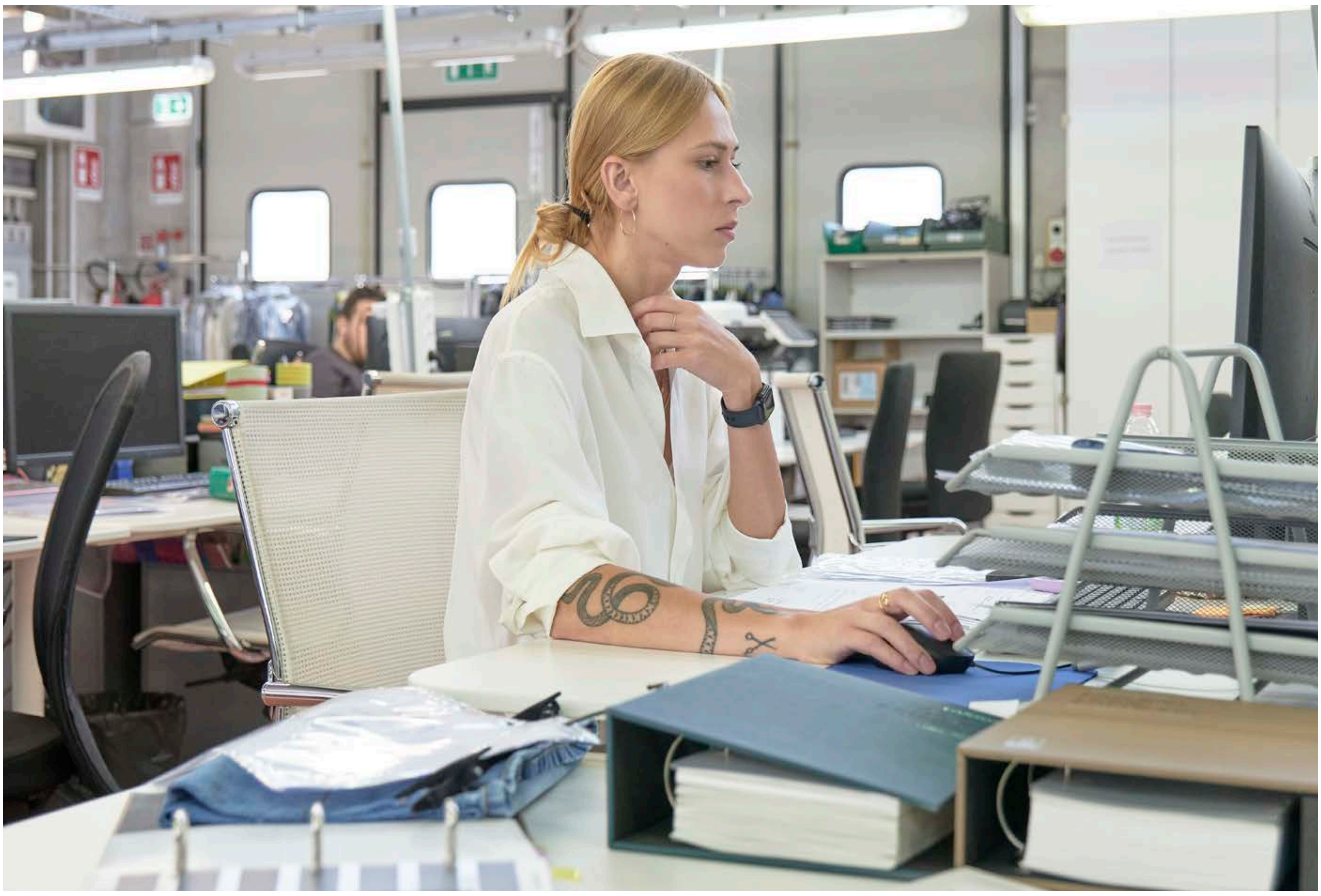
The system is further strengthened by integration, via the Application Programming Interface (API), with the ZDHC Gateway, which makes it possible to automatically import information on the supply chain's chemical performance as evidence of the level of implementation of the ZDHC protocol, for example chemical product compliance and analysis of pre-treatment wastewater. The platform's capabilities will be developed further over the course of 2026, with the aim of integrating new attributes and with a view to building a comparable chemical score for suppliers.

In 2025, the mapping of the suppliers to be engaged was also completed – around 1,000 entities, including raw-material suppliers (fabrics, yarns, leathers, linings and soles) and processing suppliers that use chemical products (washing, dyeing, printing and finishing). Between September and December 2025, supplier onboarding was launched, supported by multilingual webinars, with a good level of participation among strategic suppliers.

In parallel, over the course of the year, internal mapping of the chemical products used in the Group's divisions continued through the Chemical Inventory List (CIL), which makes it possible to record for each product its type, intended use, safety documentation (SDS), compliance with the Manufacturing Restricted Substances List (MRSL), hazard level, and the using division. The Group plans to complete, by 2026, a training program dedicated to the divisions, aimed at supporting the use of the inventories and the implementation of the new centralized approval procedure for the introduction of new chemical products.

Lastly, in 2025 targeted chemical due diligence activities were carried out, with particular reference to groups of substances of high concern for brands, such as Per- and Polyfluoroalkyl Substances (PFAS). In this context, the Group is finalizing a structured testing plan based on a risk matrix that considers, among other things, adoption of the PRSL, any reservations expressed by suppliers, the types of materials and the processes with higher chemical risk, in order to strengthen the identification and management of potential risks within the individual divisions.

Through the progressive consolidation of the Chemical Management System, the adoption of digital tools, training, and activities along the supply chain, Gruppo Florence aims to promote the adoption of industry best practices in its own operations and along the supply chain, and to systematically reduce the environmental and social risks associated with the use of chemicals, contributing to the transition towards safer and more sustainable production models.



CHEMICAL RISK MANAGEMENT: A STRUCTURED AND INTEGRATED APPROACH

Throughout 2025, Gruppo Florence strengthened its commitment to responsible chemicals management by engaging all divisions and across the production supply chain, actively participating in initiatives promoted by ZDHC (Zero Discharge of Hazardous Chemicals), an international organization committed to eliminating toxic and harmful chemicals in the textile, apparel, leather goods and footwear sectors, within which Gruppo Florence holds the role of Signatory Friend Vendor.

In this context, the Group presented—at the European conference held in Alicante on 11 and 12 November—a case study developed in collaboration with Fairly Made, focused on the theme of "innovative connections to scale supply-chain compliance".

The project involves a structured approach to chemical risk management, based on mapping and profiling the supply chain exposed to such risks, as well as on suppliers' commitment to comply with Gruppo Florence chemical restrictions specification (PRSL GF), as the only standard that, on the one hand, ensures compliance with international regulations and, on the other, with customers' requirements and their reference markets.

A central element of the initiative is the adoption of a single digital platform, developed in collaboration with Fairly Made, which makes it possible to automatically integrate supplier profiling and adherence to the commitment to Gruppo Florence, as well as information on chemical performance coming directly from the ZDHC Gateway portal. This integration makes it possible to significantly reduce the risk of errors linked to manual data transfer and to optimize the time needed to collect and analyze information, with the aim of identifying the supplier's score.

> "... a single digital platform, developed in collaboration with Fairly Made..."

The platform also makes it possible to produce a structured assessment of suppliers' chemical performance and to leverage advanced visualization tools, useful for clearly and transparently presenting the supply chain's improvement journey to customers and stakeholders.

The project guidelines were defined in line with the expectations of the Group's main customers and developed with the support of specialist expertise in Chemical Management, in order to ensure a robust, scalable approach aligned with industry best practices.

PREVENTION OF WATER AND AIR POLLUTION

Responsible management of chemicals along the value chain is central to preventing potential negative pollution-related impacts. In addition, some downstream activities in the value chain, such as washing garments containing synthetic fibres, can generate impacts on water resources through the release of microplastics. In this context, the Group's approach to chemicals management, described in the previous chapter, is particularly relevant as a key lever for mitigating negative impacts on the pollution of water bodies along the entire value chain. This approach is also implemented through the direct involvement of business partners via awareness-raising and training activities. With regard to activities to protect water resources, please refer to paragraph 3.4 Our commitment to safeguarding water resources to view the measures developed by the Group.

Gruppo Florence also acknowledges the potential environmental and health impacts arising from emissions of pollutants other than greenhouse gases—such as nitrogen oxides (NOx), sulfur oxides (SOx), volatile organic compounds (VOC) and fine particulate matter (PM2.5)—linked in particular to processes in the upstream leather supply chain. Tanning operations can in fact result in emissions of ammonia (NH3), particulate matter and nitrogen oxides, with negative effects on air quality and human health.

As part of supplier selection and monitoring activities, as described in chapter 4.2.1 Supplier evaluation: a key lever for sustainability p. 61, the Group verifies compliance with applicable environmental regulations, including the presence of valid permits for atmospheric emissions. Through audit activities, Gruppo Florence also confirms that processing suppliers adopt appropriate waste management practices, ensuring storage, treatment and disposal conditions that comply with legal requirements, in order to prevent potential environmental contamination risks and damage to surrounding ecosystems.

> "... Gruppo Florence promotes continuous improvement in environmental performance across the entire value chain..."

Through these control and monitoring tools and by means of awareness-raising activities aimed at its business partners, Gruppo Florence promotes continuous improvement in environmental performance across the entire value chain, with the goal of mitigating the negative impacts associated with pollution caused by production activities within its value chain.

FIRST STEPS TOWARDS PROTECTING BIODIVERSITY

Biodiversity, understood as the variety and richness of life on Earth – from complex ecosystems down to invisible microorganisms – plays a fundamental role in ensuring the functioning of the natural systems on which human health, food security, water quality and climate stability depend. Its progressive loss can cause systemic and potentially irreversible effects, also undermining the ecological and economic foundations of industrial activities.

In 2025, Gruppo Florence updated the analysis of its production and operational sites[21], with the aim of assessing any interference with sensitive areas from a biodiversity perspective. The analysis included a site-specific check of the geographic location of each site in relation to the European ecological network Natura 2000[22], which protects habitats and species of particular conservation significance.

The analysis showed that one of the Group's sites, acquired during the year, falls within a Natura 2000 protected area. This site carries out packaging activities only and does not involve wet processes, nor the generation of significant waste, wastewater discharges, or the use of energy-intensive machinery; consequently, it does not present significant direct impacts on local biodiversity.

Consistent with the findings of the relevance analysis, the potentially most significant impacts on biodiversity appear to be concentrated mainly upstream in the value chain, particularly in the raw materials sourcing phase. The use of conventionally grown cotton, for example, is often associated with intensive use of pesticides and fertilizers, contributing to soil degradation and biodiversity loss in agricultural areas. Similarly, leather production can place pressure on natural habitats in grazing land or fodder crops, resulting in the simplification of ecosystems.

"... Gruppo Florence will continue to strengthen its commitment on the topic..."

In line with the main international standards, Gruppo Florence will continue to strengthen its commitment on the topic and monitor potential impacts along its supply chain, promoting, where possible, dialogue with industrial partners and progressively integrating biodiversity-related considerations into decision-making and raw-material selection processes.

21. A total of 76 production sites, operational sites and/or offices were analyzed, corresponding to an overall coverage perimeter of 19.4 hectares.
22. "Natura 2000" (https://natura2000.eea.europa.eu/) is the European network of protected natural areas established to safeguard biodiversity across the Member States of the European Union.

Luana Gerardi
WOMEN'S TAILORING MANAGER

"My name is Luana Gerardi and I have been working at Barbetta for fifteen years. I am the Women's Tailoring Manager. I love my job because it is the dream of a lifetime. When I was a child, I used to make clothes for my dolls. It started as a game, but it was also the beginning of a real passion. Today, that passion has become my profession, and every day I work with the same creativity and dedication."

MADE IN ITALY: EVOLVING EXCEL—LENCE:

Tradition, innovation and impact

GENERATING SHARED VALUE IN TERRITORIES AND FOR COMMUNITIES

Gruppo Florence aims to generate value over time beyond the economic dimension as well, making a tangible contribution to the growth of the productive and social contexts in which it operates. Social responsibility is in fact a structural element of the industrial approach adopted by the Group, which is geared toward creating a positive and lasting impact on the territories and supply chains it is connected to.

By virtue of its role within the luxury fashion supply chain, Gruppo Florence operates as an industrial platform capable of connecting skills, people, and companies, fostering the active involvement of a wide range of stakeholders—from suppliers to employees, from clients to local communities—and contributing to the development of the ecosystem in which it operates.

In this context, Gruppo Florence formalizes its commitment through initiatives aimed at strengthening inclusion, employability, and skills development, regarded as fundamental drivers for the development of the territories in which it operates. These initiatives support access to employment and promote professional development opportunities also in less central local areas, thus contributing to the vitality of the local economy.

Through partnerships with specialized fashion training institutes, such as Polimoda and ITS Mita Academy, the Group promotes training pathways aimed at unemployed people, designed to meet the concrete needs of the supply chain. The programs combine theoretical training and hands-on experience, enabling participants to acquire immediately marketable skills and to turn creative potential into concrete career paths, also thanks to the use of advanced technologies and tools to support learning.

Among the initiatives most representative of Gruppo Florence's commitment in the training field is "Academia Diffusa", a project developed in collaboration with educational institutions such as Polimoda, ITS Mita Academy, the Istituto San Carlo of Turin and IT Buzzi. In 2025, the project saw collaboration with Randstad, making it possible to further expand the network of stakeholders involved in launching the programs. The initiative is aimed at people seeking employment and offers vocational courses dedicated to key profiles in the fashion supply chain, including tailors, prototype makers and pattern makers, with the aim of fostering the acquisition of targeted technical skills. The training programs are designed according to a model that integrates theoretical content and hands-on experience and are constantly refined thanks to the active contribution of partner schools, which take part in updating the curricula to ensure they remain consistent with the evolving needs of the labor market. In order to assess over time, the impact and effectiveness of these training pathways, the Group monitors the retention rate of participants and new hires, as well as the number of trainees enrolled in the training programs and those who successfully complete the training.

To complement these activities, the "Politiche Attive" project supports the integration into the company's workforce of people enrolled in the targeted placement register, helping to promote workplace inclusion and to diversify the professional profiles within the Group.

The Group is also involved in school guidance activities and in promoting careers in the fashion supply chain, taking part in the project "Adopt a school (…or rather a thousand!)", aimed at strengthening the link between the world of education and that of work, with particular attention to high school

students from outlying local areas. During the guidance meetings conducted directly by staff from the Group's divisions, the main business processes and the career opportunities offered by the fashion luxury supply chain are presented, fostering greater awareness of the possible career paths and a more direct approach to the world of work through opportunities for school–work alternation and extracurricular internships. At the end of the activities, administering satisfaction questionnaires enables the Group to collect structured feedback, useful for assessing the effectiveness of the initiatives and to guide improvements to future initiatives. The Group also monitors the number of institutes involved, the guidance meetings held, the students reached and the internships activated.

Through these initiatives, Gruppo Florence helps support a distribution of economic value oriented toward fairness and long-term sustainability, generating positive impacts on people, partner companies and the territories it serves. Moreover, these projects encourage the inclusion of profiles that are diverse in terms of skills and backgrounds, supporting generational renewal, the enhancement of diversity and the strengthening of human capital.

During 2025, the total economic value distributed to stakeholders reached 628,814 thousand euros. As shown in the tables below, this amount is made up of costs and financial charges through which the Group transfers economic value to the main categories of stakeholders, which include:

- suppliers, through the payments made for the purchase of raw materials and services by the Group and its subsidiaries;
- the employees of Gruppo Florence S.p.A. and its subsidiaries;
- credit institutions, through the payment of interest and other financial charges;
- the Tax Authorities, through the payment of taxes;
- communities and associations, financially supported by the Group's divisions through donations, sponsorships and membership fees.

Below is the breakdown of the economic value generated and distributed, by Country and by business unit. Given the strong concentration of production plants in Italy, the largest share of direct economic value is attributable to the dome-

EVG&D		UoM	2023[23]	2024[24]	2025[25]
Direct economic value generated	**Total**	**€th.**	**692,617**	**608,285**	**587,849**
	Revenue from contracts with customers Other operating income Other financial income	€th.	692,617	608,285	587,849
Economic value distributed	**Total**	**€th.**	**637,552**	**617,611**	**628,814**
	Costs for raw materials and consumables Costs for services Change in inventories of finished and semi-finished products Other operating costs (net of taxes)	€th.	459,559	381,968	349,968
	Personnel costs		122,223	149,784	183,042
	Finance costs		34,195	78,202	90,123
	Income taxes (current and deferred) Other operating costs		21,186	7,452	5,507
	Donations Sponsorships Membership contributions		389	205	174
Economic value not distributed[26]	**Total**	**€th.**	**55,065**	**(9,326)**	**(40,965)**

TABLE 18 - ECONOMIC VALUE GENERATED AND DISTRIBUTED

23. The economic data are calculated as the sum of the statutory financial statements of the individual companies, net of intercompany items.
24. The economic data used are those reported in the consolidated financial statements of Gruppo Florence S.p.A., prepared in accordance with International Financial Reporting Standards (IFRS).
25. Ibid.
26. With reference to 2024 and 2025, there is no economic value retained, as the amount of value distributed by Gruppo Florence exceeds the amount actually generated.

stic context, while smaller shares relate to activities carried out in Poland, Albania, Romania, Tunisia and Portugal. In terms of turnover, the main business unit is Ready to Wear (RTW), which includes tailoring, knitwear, Cut & Trim (C&T) and hat-making. Over the three-year period considered, the direct economic value generated shows a decrease compared to 2023, while the economic value distributed, after the decline recorded in 2024, shows a slight recovery in 2025.

In 2025, Gruppo Florence continued to benefit from forms of financial assistance provided by governments and public administrations, for a total amount of 1,418 thousand euros.

EVG&D	Breakdown by Country	UoM	2023	2024	2025
Direct economic value generated	Total	€th.	692,617	608,285	587,849
	of which Italy	€th.	686,272	603,351	564,938
	of which Poland		706	537	1,684
	of which Albania		5,580	4,424	3,997
	of which Romania		15	1	63
	of which Tunisia		44	(27)	57
	of which Portugal		-	-	17,110
Economic value distributed	Total	€th.	637,552	617,611	628,814
	of which Italy	€th.	620,702	600,448	598,868
	of which Poland		7,180	4,869	4,953
	of which Albania		7,817	9,906	9,123
	of which Romania		632	709	706
	of which Tunisia		1,221	1,679	1,321
	of which Portugal		-	-	13,843
Economic value not distributed[27]	Total	€th.	55,065	(9,326)	(40,965)
	of which Italy	€th.	55,249	2,903	(33,930)
	of which Poland		489	(4,332)	(3,269)
	of which Albania		(968)	(5,482)	(5,126)
	of which Romania		52	(709)	(643)
	of which Tunisia		244	(1,705)	(1,264)
	of which Portugal		-	-	3,267

TABLE 19 - ECONOMIC VALUE GENERATED AND DISTRIBUTED BY COUNTRY

These contributions represented useful support to sustain the Group's business continuity and accompany its development path. Public support mainly took the form of tax relief and tax credits, amounting to 848 thousand euros, and incentives, amounting to 570 thousand euros.

Gruppo Florence bases its decisions and business operations on principles of prudence, fairness, legality and transparency. The Group is made up mainly of Italian companies, alongside a number of foreign entities, none of which is headquartered in jurisdictions considered non-cooperative or with preferential tax regimes under Italian tax law. The tax approach adopted is grounded in integrity and full compliance with applicable legislation, ruling out the use of aggressive tax planning practices aimed solely at obtaining tax benefits.
Supervision of tax matters is entrusted to the Group Chief Financial Officer, with the support of tax firms and specialist advisors who work alongside the Parent Company and its subsidiaries. This setup makes it possible to adequately monitor potential tax risks through preventive analyses and targeted assessments. Tax is also integrated into the Group's decision-making processes: management is constantly informed about the possible tax impacts of strategic transactions, to ensure consistency between the choices made and the principles that guide the company's actions.

Gruppo Florence rules out the use of tax-avoidance schemes or structures lacking economic substance and adheres strictly to the options provided for by the legal framework. In line with this approach, relations with the tax authorities are based on transparency, dialogue and cooperation, including—where deemed appropriate—the use of advance engagement tools such as tax rulings.

27. Ibid.

EVG&D	Breakdown by BU	UoM	2023	2024	2025
Direct economic value generated	**Total**	**€th.**	**692,617**	**608,285**	**587,849**
	of which RTW	€th.	474,488	474,658	468,087
	of which IP (and related intermediate processing)		78,546	18,164	15,748
	of which Footwear		118,208	74,300	71,200
	of which Leather Goods		21,375	41,163	32,814
Economic value distributed	**Total**	**€th.**	**637,552**	**617,611**	**628,814**
	of which RTW	€th.	437,186	458,457	477,435
	of which IP (and related intermediate processing)		66,865	22,554	21,215
	of which Footwear		114,153	88,538	87,864
	of which Leather Goods		19,348	48,062	42,300
Economic value not distributed[28]	**Total**	**€th.**	**55,065**	**(9,326)**	**(40,965)**
	of which RTW	€th.	42,034	16,201	(9,348)
	of which IP (and related intermediate processing)		10,451	(4,390)	(5,466)
	of which Footwear		(247)	(14,237)	(16,664)
	of which Leather Goods		2,826	(6,899)	(9,487)

TABLE 20 - ECONOMIC VALUE GENERATED AND DISTRIBUTED BY BU

Financial assistance received from the government	Breakdown by Type	UoM	2023	2024	2025
Economic value of the financial assistance received from the government	**Total**	**€th.**	**1,312**	**1,891**	**1,418**
	Tax relief and tax credits	€th.	59	1,019	848
	Subsidies		270	-	-
	Grants		980	-	-
	Awards		-	-	-
	Payment suspensions		-	-	-
	Financial assistance provided by credit agencies		-	-	-
	Incentives		3	857	570
	Other benefits		-	15	-

TABLE 21 - FINANCIAL ASSISTANCE RECEIVED FROM THE GOVERNMENT BY TYPE

28. Ibid.

The Group also promotes the dissemination of a strong internal tax culture, supported by the ongoing assistance of external advisors, with the aim of ensuring proper and timely management of activities related to the determination, assessment and fulfilment of tax obligations, thereby helping to reduce the risk of breaches.

Financial assistance received from the government	Breakdown by Country	UoM	2023	2024	2025
Economic value of the financial assistance received from the government	Total	€th.	1,312	1,891	1,418
	of which Italy	€th.	1,312	1,880	1,402
	of which Poland		-	1	-
	of which Albania		-	10	-
	of which Romania		-	-	-
	of which Tunisia		-	-	-
	of which Portugal		-	-	16

TABLE 22 - FINANCIAL ASSISTANCE RECEIVED FROM THE GOVERNMENT BY COUNTRY

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

SUPPLIER EVALUATION: A KEY LEVER FOR SUSTAINABILITY

Gruppo Florence promotes extending the principles of integrity, accountability and respect for fundamental rights throughout the entire supply chain. The Group is aware that any shortcomings in supplier management, with potentially significant environmental and social impacts, may stem from supplier qualification processes that are not fully effective or from control systems that are not sufficiently structured along the supply chain.

In this context, in 2025 Gruppo Florence continued to strengthen its oversight of the supply chain through a qualification and monitoring system designed to promote operational practices consistent with the Group's ethical and social principles and with applicable compliance requirements. This model is based on a centralized, cross-functional process that involves the main relevant corporate functions and relies on the support of the operational leads of the Group companies, with the aim of ensuring increasingly consistent and comprehensive control along the supply chain.

Process management is based on collaboration among the CSR & Supply Chain Qualification, Legal, Finance, and Operations teams, as well as on the contribution of local resources from the individual divisions and companies within the Group for supplier engagement and the operational coordination of activities. In particular, the CSR & Supply Chain Qualification team oversees the coordination of audits, the analysis of their results, and the monitoring of target achievement; the Legal and Finance teams, on the other hand, supervise regulatory and tax compliance aspects. The Operations team, instead, contributes to supplier selection and management according to operational and market needs.

The overall governance of Gruppo Florence's supply chain management is overseen by the Supply Chain Committee, established in 2024, with the task of promoting the ethical, responsible and proper management of the supply chain. The Committee reports operationally to the Chief Executive Officer and is chaired by the Chief Sustainability Officer. For further details on the Committee's composition, please refer to section 1.2, Stronger governance for an ethical, safe and resilient business.

The Committee's main responsibilities include:

- oversight of the implementation of supply chain ESG qualification and monitoring activities, as well as analysis of the supply chain's main risk areas;
- monitoring the progress of audits on subcontractors and related follow-up activities, based on quantitative evidence collected by the ESG function;
- the identification and definition of KPIs relating to supply chain performance;
- the monitoring of the progress of risk mitigation actions.

Each meeting of the Committee is formalized through specific minutes, which are then shared with all members. Any agreed action plans are also duly recorded.

The supply chain assessment process is structured in three phases: onboarding, qualification and continuous monitoring.

The onboarding phase applies to all suppliers, both domestic and European suppliers, and involves collecting information through self-declaration questionnaires relating to three main areas:

- legal compliance, with particular reference to the offences provided under Legislative Decree 231/2001;
- tax and social security compliance, also verified through official documentation such as DURC and DM10;
- chemical compliance, in line with regulations such as REACH and Proposition 65.

For processing suppliers, the required information set is supplemented with information relating to the main types of contracts in place, the composition of the workforce, working hours and working conditions, safety, and the potential associated risks. To complete onboarding, all suppliers must sign the Group's Code of Ethics and General Terms and Conditions of Supply.

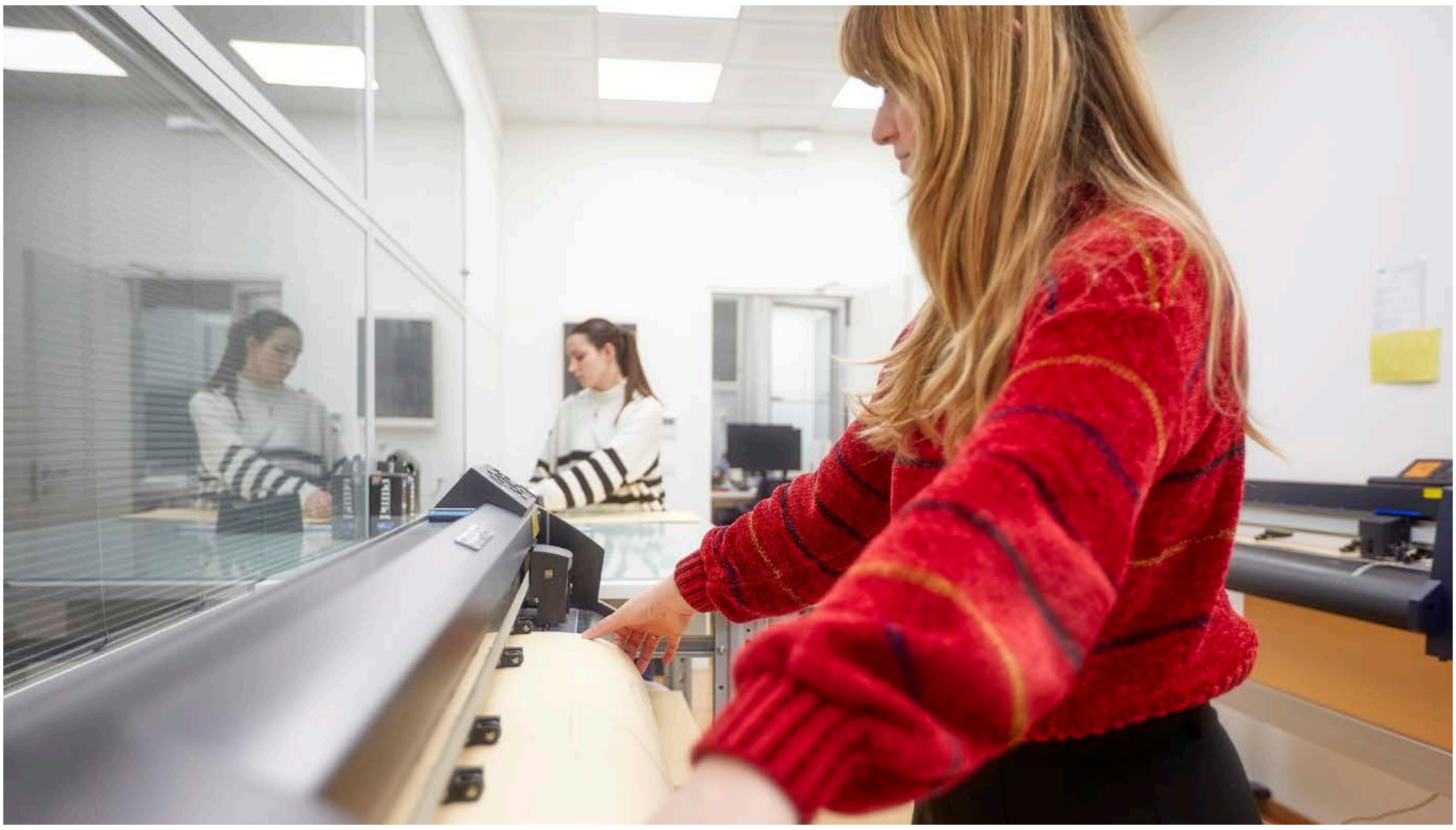
The qualification phase specifically concerns suppliers of processing operations and includes, among the steps set out by the procedure, the conduct of structured on-site audits, carried out by internal auditors or by specialized third-party bodies. The checks are based on standardized checklists developed by the Group and involve collecting supporting documentation with the aim of verifying compliance with regulations and procedures in the ESG sphere, including aspects such as freedom of association, health and safety, and waste management.

During 2025, the checklist was further strengthened in response to increasingly stringent market requirements, which call for structured checks of laboratories' operational capacity, to ensure full compliance with workers' rights and with the supply contracts in force.

For suppliers involved in wet processing or in the use of chemical substances, the process also included the collection of additional environmental information, such as, for example, holding the required permits. The results of the audits are recorded in a shared assessment grid, which is also used to define the frequency of subsequent checks, based on the level of compliance identified.

> "... to promote operational practices consistent with the Group's ethical and social principles..."

The continuous monitoring phase includes maintenance audits and follow-up activities aimed at verifying the resolution of any non-compliances, with the objective of ensuring that all suppliers operate consistently with the Group's ethical-social system and with national and international regulations, including the Conventions of the International Labour Organization (ILO), the Consolidated Act on Workplace Safety and environmental legislation.



Below is the information relating to processing suppliers, including newly onboarded ones, subject to an assessment of social and environmental impacts.

In 2025, out of a total of 1,167 active processing suppliers[29], 758 were assessed against social and environmental criteria, equal to about 65% of the total. These suppliers, however, account for around 95% of the overall spend incurred during the year for processing, confirming the Group's decision to focus qualification and monitoring activities on suppliers considered most relevant from a strategic, economic and operational perspective.

Among the suppliers assessed, in 497 cases significant social impacts were identified, equal to about 66% of the suppliers subjected to assessment, for which specific actions were defined (71% of total spend). The increase compared with the previous financial year is mainly attributable to the progressive refinement of the checklist used for audits. As previously reported, the latter was made more stringent in the current reporting year through the introduction of a greater number of requirements, allowing a more precise and comprehensive identification of potential social impacts.

With reference to environmental aspects, the suppliers for which significant impacts were identified amount to 20, corresponding to around 3% of the suppliers assessed and 2% of total spend. In this regard, it should be noted that the environmental assessment was carried out with particular focus on processing suppliers operating in areas such as printing, washing, upper-making and dyeing, given the greater environmental relevance associated with these activities. In fact, most of the Group's processing suppliers operate in low environmental-impact activities, such as embroidery, assembly and garment making.

Although the audit checklists also include environmental criteria, such as waste management and verification of any permits, in many cases some aspects are not applicable, given the limited environmental relevance of the processes performed and the absence of specific permitting requirements. With reference to suppliers that operate in low environmental-impact areas, during 2025 minor environmental non-compliances were identified at 74 suppliers.

Number of processing suppliers with a social assessment	**2023**	**2024**	**2025**
Total number of processing suppliers assessed in relation to social impacts[30]	571	685	758
Absolute number (percentage) of processing suppliers for which significant[31] social impacts were identified and for which actions were defined	191 (33%)	296 (43%)	497 (66%)

TABLE 23 - NUMBER OF PROCESSING SUPPLIERS WITH A SOCIAL ASSESSMENT

Percentage of spend on processing suppliers assessed according to social criteria and with significant impacts out of total spend for processing[32]	**2023**	**2024**	**2025**
Processing suppliers assessed in relation to social impacts[33]	-	92%	95%
Processing suppliers for which significant[34] social impacts have been identified and for which actions have been defined	-	39%	71%

TABLE 24 - PERCENTAGE OF SPENDING ON PROCESSING SUPPLIERS ASSESSED ACCORDING TO SOCIAL CRITERIA AND WITH SIGNIFICANT IMPACTS ON TOTAL SPEND ON PROCESSING

New processing suppliers	**2023**	**2024**	**2025**
Number of new processing suppliers (resulting from corporate 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

29. Gruppo Florence defines as "active" those suppliers that were engaged at least once in the previous 12 months.
30. Processing suppliers for which an assessment of ethical and social performance carried out directly by Gruppo Florence and/or by the client is available.
31. In 2024, the assessment matrix was based on a 1-to-4 scale, where level 1 indicated the highest relevance and level 4 the lowest. In this context, the reported figure included processing suppliers that had obtained a qualification outcome between 1 and 2. Starting from 2025, the qualification checklist was updated and made more stringent, introducing a new 1-to-5 assessment scale (where 1 represents the highest relevance and 5 the lowest) and, in the most critical cases, also providing for the possibility of terminating the collaboration. In this context, the reported figure includes processing suppliers that obtained a qualification outcome between 1 and 3.
32. Total expenditure relating to processing purchases made by Gruppo Florence during the reporting period from active suppliers. For information relating to new suppliers resulting from corporate acquisitions, where applicable, only the expenditure attributable to them is considered.
33. Processing suppliers for which an assessment of ethical and social performance carried out directly by Gruppo Florence and/or by the client is available.
34. In 2024, the assessment matrix was based on a 1-to-4 scale, where level 1 indicated the highest relevance and level 4 the lowest. In this context, the reported figure included processing suppliers that had obtained a qualification outcome between 1 and 2. Starting from 2025, the qualification checklist was updated and made more stringent, introducing a new 1-to-5 assessment scale (where 1 represents the highest relevance and 5 the lowest) and, in the most critical cases, also providing for the possibility of terminating the collaboration. In this context, the reported figure includes processing suppliers that obtained a qualification outcome between 1 and 3.

Percentage of spend (out of total spend on processing) on new processing suppliers[35]	2023	2024	2025
New processing suppliers (resulting from corporate acquisitions)	-	18%	-
New processing suppliers assessed in relation to social impacts	-	13%	-

TABLE 26 - PERCENTAGE OF SPEND (OUT OF TOTAL SPEND ON PROCESSING) ON NEW PROCESSING SUPPLIERS

Number of processing suppliers with an environmental assessment[36]	2023	2024	2025
Total number of processing suppliers assessed in relation to environmental impacts	571	685	758
Absolute number (percentage) of processing suppliers for which environmental impacts have been identified as significant[37] and for which actions have been defined[38]	4 (0%)	24 (4%)	20 (3%)

TABLE 27 - NUMBER OF PROCESSING SUPPLIERS WITH AN ENVIRONMENTAL ASSESSMENT

Percentage of spend on processing suppliers assessed according to environmental criteria and with significant impacts, as a share of total spend on processing[39]	2023	2024	2025
Processing suppliers assessed in relation to environmental impacts[40]	-	92%	95%
Processing suppliers for which significant[41] environmental impacts have been identified and for which actions have been defined[42]	-	2%	2%

TABLE 28 - PERCENTAGE OF SPEND ON PROCESSING SUPPLIERS ASSESSED ACCORDING TO ENVIRONMENTAL CRITERIA AND WITH SIGNIFICANT IMPACTS OUT OF TOTAL SPEND ON PROCESSING

New processing suppliers[43]	2023	2024	2025
Number of new processing suppliers (resulting from corporate 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

35. Total expenditure relating to processing purchases made by Gruppo Florence during the reporting period from active suppliers. For information relating to new suppliers resulting from corporate acquisitions, where applicable, only the expenditure attributable to them is considered.

36. For further details on the calculation methodology, please refer to page 63 of the document.

37. In 2024, the assessment matrix was structured on a scale from 1 to 4, where level 1 indicated the highest relevance and level 4 the lowest. In this context, the reported figure included processing suppliers that had obtained a qualification outcome between 1 and 2. Starting from 2025, the qualification checklist was updated and made more stringent, introducing a new assessment scale from 1 to 5, where 1 represents the highest relevance and 5 the lowest, and also providing, in the most critical cases, for the possibility of terminating the collaboration. In this context, the reported figure includes processing suppliers that obtained a qualification outcome between 1 and 3.

38. For new processing suppliers deriving from corporate acquisitions, the assessment process was not applicable, as at the time of the acquisition the suppliers were already active, and the supplier qualification procedure was already underway. In addition, Gruppo Florence adopted a checklist that includes not only environmental criteria, such as waste management and possession of any environmental permits, but also, since the activities carried out by the processing suppliers do not generate significant environmental impacts and do not fall within those subject to environmental authorizations, those questions are not applicable in the operational context.

39. Total expenditure relating to processing purchases made by Gruppo Florence during the reporting period from active suppliers. For information relating to new suppliers resulting from corporate acquisitions, where applicable, only the expenditure attributable to them is considered.

40. For further details on the calculation methodology, please refer to page 63 of the document.

41. In 2024, the assessment matrix was structured on a scale from 1 to 4, where level 1 indicated the highest relevance and level 4 the lowest. In this context, the reported figure included processing suppliers that had obtained a qualification outcome between 1 and 2. Starting from 2025, the qualification checklist was updated and made more stringent, introducing a new assessment scale from 1 to 5, where 1 represents the highest relevance and 5 the lowest, and also providing, in the most critical cases, for the possibility of terminating the collaboration. In this context, the reported figure includes processing suppliers that obtained a qualification outcome between 1 and 3.

42. The value considered takes into account exclusively processing activities that are part of processes with a significant environmental impact, such as laundry operations and tanning activities.

43. For further details on the calculation methodology, please refer to page 63 of the document.

Percentage of spend (out of total spend on processing) on new processing suppliers[44]	2023	2024	2025
New processing suppliers (resulting from corporate acquisitions)	-	18%	-
New processing suppliers assessed in relation to environmental impacts	-	13%	-

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

During 2025, there were no new processing suppliers resulting from corporate acquisitions that were subject to a social or environmental assessment.

Among the tools used to safeguard against potential negative impacts along the supply chain, Gruppo Florence has adopted a specific procedure to monitor home-based workers engaged by processing suppliers. Home-based workers are professionals and artisans who carry out manual and specialized activities in their own homes, including highly craft-intensive work, such as embroidery.

This category represents a distinctive element of the Group's manufacturing tradition and helps preserve its know-how and production excellence. In this context, the procedure sets out clear criteria for managing these professional roles, ensuring compliance with high standards both within the Group's divisions and companies and across supply-chain businesses, nationally and internationally. Home-based workers must be granted an appropriate fee schedule, defined in line with the contractual job classification level, including any applicable increases, ensuring remuneration consistent with that paid to workers performing similar duties at the production sites. Where machinery is installed at the worker's home, the supplier must ensure it is properly maintained, in compliance with applicable occupational health and safety regulations.

There is also an obligation to subject workers to occupational health surveillance, to provide the necessary training, and to make personal protective equipment available, where required on the basis of the risk assessment. Lastly, home workplaces must meet hygiene and health conditions in line with the applicable standards, in order to ensure a safe environment suitable for carrying out work activities. As part of the audits carried out, specific follow-ups are required in cases where there is employment of home-based workers.

These checks include a documentary review aimed at verifying the accuracy of contractual classification, the application of hourly rates and the uplifts provided based on the quantities worked, as well as the consistency between the work reporting methods, the execution times, and the remuneration paid. Where necessary, availability to carry out on-site checks may also be requested. With regards to the management of critical issues along the supply chain, the supplier deactivation procedure is in place, clearly and transparently setting out the conditions that may lead to the phase-out - a period for resolving non-conformities during which no new orders are placed - or to the immediate interruption of production. To this end, during the year, the checklist used as part of the audit was updated to explicitly include also the cases that determine the direct recourse to such measures, ensuring consistency between the assessment criteria and the resulting operational consequences. The reactivation of a supplier is subject to a new qualification process, carried out by the CSR & Supply Chain Qualification team through specific audits aimed at verifying the effective resolution of the issues previously identified, in accordance with the procedure for ethical qualification-social and monitoring of the previously described supply chain.

To support the qualification, audit and monitoring processes for processing suppliers, in 2025 the Supply Chain Management (SCM) platform reached full operational status and was rolled out to all Group divisions, including the merged and non-merged companies and the Portuguese subsidiary. The platform now enables centralized and transparent supply chain management, making supplier master data, audit results, grading levels, non-conformities and the related information flows available on a shared basis. Within the platform, differentiated access profiles (division, coordinator) and a dedicated account for external auditors have been defined, allowing them to upload audits and non-conformities directly, improving traceability and reducing intermediate steps.

"The platform now enables centralized and transparent supply chain management..."

The SCM platform is also used as a repository for the results of certification audits (for example GOTS, SA8000 and GRS), including any non-conformities identified. During 2025, the training and onboarding activities on the use of the platform were delivered through centralized sessions and with the support of the division coordinators, involving overall about 40 divisions, with an average duration of about one hour per session.

44. Total expenditure relating to processing purchases made by Gruppo Florence during the reporting period from active suppliers. For information relating to new suppliers resulting from corporate acquisitions, where applicable, only the expenditure attributable to them is considered. For further details on the calculation methodology, please refer to page 63 of the document.

HUMAN RIGHTS AS A PILLAR OF SUPPLIER QUALIFICATION

Gruppo Florence formalizes its commitment to human rights through its Code of Ethics, which defines the principles and guidelines aimed at preventing and mitigating potential negative impacts associated with the supply chain. Particular attention is given to the promotion of fair working conditions, the protection of safe working environments, and respect for human rights.

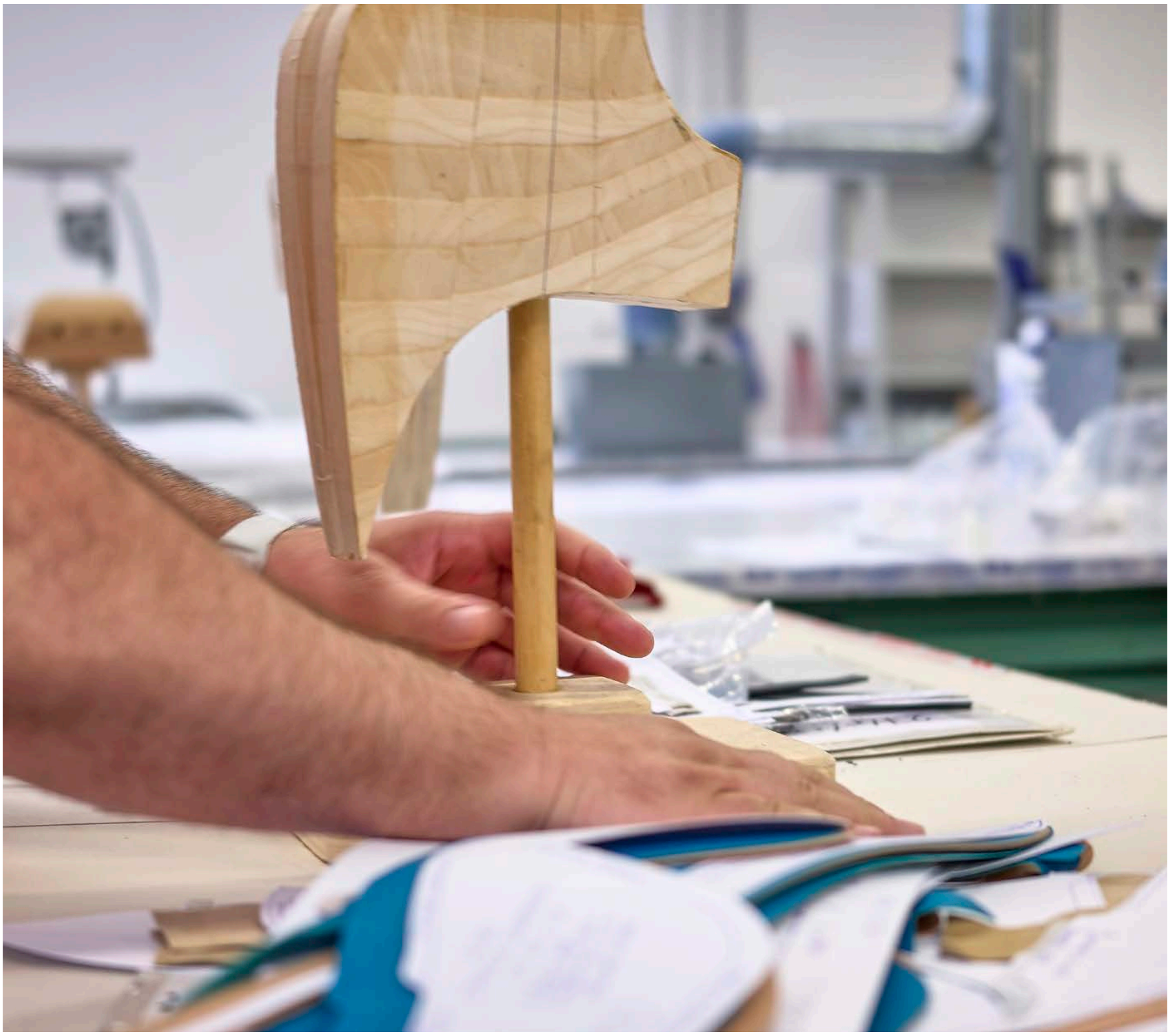
Through the procedures described in the previous sections, the Group is committed to ensuring full respect for the rights of individuals involved in production processes along the value chain, preventing the use of practices related to forced or compulsory labor and child labor, which the Group considers incompatible with its principles and with the governance framework it has adopted.

Gruppo Florence recognizes that the broad and extensive nature of its supply chain may expose, particularly in specific contexts, to risks related to forms of "modern slavery" or other non-compliant working conditions.

A further area of focus concerns respect for the right to freedom of association and collective bargaining, in accordance with Conventions No. 87 and 98 of the International Labor Organization (ILO). Gruppo Florence is aware that, especially in more complex and geographically fragmented supply chains, such rights may be exposed to higher risks.

> "Particular attention is given to the promotion of fair working conditions..."

Finally, during 2025, the Group extended SA8000 certification to 9 new sites, bringing the total number of certified sites to 21 and further strengthening its safeguards in terms of social responsibility and decent working conditions. For further details, please refer to the section Sustainability and Integrated Responsibility: System Certifications, p. 29.



PEOPLE AS A PRIORITY:

Work culture, well-being and growth

PEOPLE'S WELL-BEING AS A STRATEGIC ASSET

People are a key factor for the business sustainability and industrial continuity of Gruppo Florence. The Group's ability to remain solid and competitive over time is in fact closely linked to the skills, professionalism and development of the people who contribute daily to company activities.

From this perspective, the Group works to promote an organizational culture centered on mutual respect, cooperation and the enhancement of skills, both personally and professionally, so that each individual can express their potential while contributing to collective growth.

Employees by contract type[45]	UoM	2023			2024			2025		
		Men	Women	Total	Men	Women	Total	Men	Women	Total
Total employees as of 31/12	**no.**	**748**	**2,917**	**3,665**	**934**	**3,610**	**4,544**	**978**	**3,649**	**4,627**
Italy	no.	684	1,958	**2,642**	854	2,522	**3,376**	**891**	**2,623**	**3,514**
Open-ended contract	no.	629	1,825	**2,454**	827	2,436	**3,263**	**828**	**2,468**	**3,296**
Fixed-term employment contract	no.	55	133	**188**	25	85	**110**	**62**	**155**	**217**
Non-guaranteed-hours workers	no.	-	-	**-**	2	1	**3**	**1**	**-**	**1**
Poland	no.	8	159	**167**	7	145	**152**	**10**	**139**	**149**
Albania	no.	31	483	**514**	31	488	**519**	**29**	**478**	**507**
Romania	no.	17	95	**112**	16	98	**114**	**19**	**104**	**123**
Tunisia	no.	8	222	**230**	8	243	**251**	**8**	**186**	**194**
Portugal	no.	-	-	**-**	18	114	**132**	**21**	**119**	**140**

TABLE 31 - EMPLOYEES BY CONTRACT

In this regard, the Group's Human Resources function plays a central role in ensuring a stimulating and inclusive working environment, providing structured oversight of HR processes and policies to support a complex organization undergoing constant change.

Gruppo Florence's national and international growth trajectory continued in 2025 as well, leading to a further expansion of the workforce base: headcount rose from 4,544 to 4,627 people, as shown in the table below.

The increase concerned the Italian perimeter, which recorded growth in both the male and female components, confirming Italy's central role in the Group's employment structure. Internationally, by contrast, the presence in the main foreign geographies remained overall stable, with some limited declines in Albania and Tunisia, without significantly changing the overall distribution of the workforce.

As at 31 December 2025, 95% of the company's workforce is employed on permanent contracts, demonstrating the Group's commitment to promoting job stability and people's well-being. The residual share consists of fixed-term contracts, whose use is intended, where conditions allow, to lead to the subsequent conversion of the employment relationship to permanent status. A marginal share is finally represented by workers with non-guaranteed hours, employed to meet specific operational needs.

The Group operates, in fact, in sectors subject to seasonal fluctuations in demand, which may require a temporary adjustment of production volumes. In this context, Gruppo Florence is committed to limiting, as far as possible, the negative impacts on employees and collaborators arising from fluctuations in workloads - such as reduced working hours or downsizing of headcount.

45. The headcount methodology as of 31 December of each reporting year was used.

Employees by worked hours[46]	UoM	2023			2024			2025		
		Men	Women	Total	Men	Women	Total	Men	Women	Total
Total employees as of 31/12	**no.**	**748**	**2,917**	**3,665**	**934**	**3,610**	**4,544**	**978**	**3,649**	**4,627**
Italy	no.	684	1,958	**2,642**	854	2,522	**3,376**	**891**	**2,623**	**3,514**
Full-time	no.	673	1,809	**2,482**	837	2,302	**3,139**	**873**	**2,404**	**3,277**
Part time	no.	11	149	**160**	17	220	**237**	**18**	**219**	**237**
Poland	no.	8	159	**167**	7	145	**152**	**10**	**139**	**149**
Albania	no.	31	483	**514**	31	488	**519**	**29**	**478**	**507**
Romania	no.	17	95	**112**	16	98	**114**	**19**	**104**	**123**
Tunisia	no.	8	222	**230**	8	243	**251**	**8**	**186**	**194**
Portugal	no.	-	-	**-**	18	114	**132**	**21**	**119**	**140**

TABLE 32 - EMPLOYEES BY WORKED HOURS

Within the Group, a fundamental role is played by trade union representatives and employee representative bodies, which help ensure a structured dialogue on employment-related matters, promoting a participatory work environment that is attentive to people's needs. 100% of the Group's employees - including those working at overseas locations - are covered by collective bargaining agreements, ensuring rights, protections and fair conditions for the entire company workforce.

In 2025, the contractual structure in Italy remains stable compared with the previous year, with a clear prevalence of full-time contracts, which account for about 93% of the total, while part-time contracts remain at modest levels and in line with 2024.
Starting in 2024, Gruppo Florence launched a project aimed at promoting psychological wellbeing within the company and preventing situations of mental distress, which continued in 2025 through the rollout of webinars dedicated to these topics. The initiative is delivered in partnership with Mindwork - a platform specializing in psychological support for organizations - and makes available to all staff an online psychological counselling service, accessible anonymously, privately and confidentially.

The service can be accessed from anywhere, in Italy and abroad, and is intended to be used outside working hours and away from the workplace. Each employee has the option to have up to six one-to-one sessions with a psychologist from the Mindwork team.

In the period from June 2025 to May 2026, the option was also introduced to allocate one or more of the available sessions to family members, thereby expanding the reach of the support offered also to employees' personal and family context.

Non-employee workers[47]	UoM	2023			2024			2025		
		Men	Women	Total	Men	Women	Total	Men	Women	Total
Total non-employee workers as of 31/12	**no.**	**37**	**111**	**148**	**35**	**103**	**138**	**40**	**101**	**141**
Internships	no.	6	28	**34**	3	11	**14**	4	16	**20**
Temporary workers	no.	26	82	**108**	22	76	**98**	21	76	**97**
Third-party collaborators	no.	5	2	**7**	10	16	**26**	15	9	**24**

TABLE 33 - NON-EMPLOYEE WORKERS

Alongside employees, in 2025 the Group also relies on the contribution of non-employee workers, such as interns, temporary agency staff and contractors. Temporary agency workers continue to represent the largest component of the non-employee workforce and are used mainly to ensure operational flexibility and to respond promptly to fluctuations in production volumes. The intake of interns, which in 2025 increases compared to the previous year, remains subject to annual variations linked to the availability of training opportunities and demonstrates the Group's commitment to engaging and training young talent, offering concrete and valuable professional development pathways. The use of external contractors meets the need to bring in specialized skills to support specific activities and projects.

In a dynamic and challenging industry like fashion, Gruppo Florence continues to strive to reconcile manufacturing excellence with a constant focus on the human dimension,

46. Ibid.
47. 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; therefore, the scope of the indicator includes only the Group's Italian companies.

helping to generate positive value across the entire value chain. The principles of fairness, respect and inclusion are the pillars of the Group's culture and guide its day-to-day work, from recruitment through to professional development and career growth pathways.

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

As of 31 December 2025, women account for 79% of the Group's total workforce, with a particularly significant presence in operational and office roles, consistent with the fashion sector, which has historically been characterized by high female participation. Conversely, at the higher job grades there is a greater incidence of men: the gradual reduction of this gap remains a priority area for the Group, with a view to promoting a more balanced gender representation in positions of responsibility.

In 2025, Gruppo Florence continued to promote a working environment based on respect, inclusion and the prevention of unlawful conduct, abuse and discrimination, including through training and awareness-raising initiatives aimed at staff. The main safeguards supporting this commitment, including the Code of Ethics and the whistleblowing system, are described in detail in Chapter 1.2 Stronger governance for an ethical, safe and resilient business, p. 15.
During the year, no verified incidents of discrimination were identified.

Gruppo Florence's approach to diversity and inclusion is embedded in human resources management processes and applies from the recruitment stage onwards, carried out solely on the basis of merit, skills and professional experience. Hiring policies are designed to enhance a diversity of profiles, ensuring equal opportunities for candidates from different professional and cultural backgrounds.

Employees by job grade, age, gender and Country[48]	UoM	2023			2024			2025		
		Men	Women	Total	Men	Women	Total	Men	Women	Total
Total employees as of 31/12	**no.**	**748**	**2,917**	**3,665**	**934**	**3,610**	**4,544**	**978**	**3,649**	**4,627**
Italy	**no.**	**684**	**1,958**	**2,642**	**854**	**2,522**	**3,376**	**891**	**2,623**	**3,514**
Manual workers	no.	456	1,392	1,848	506	1,732	2,238	548	1,838	2,386
Age under 30	no.	90	210	300	84	231	315	93	198	291
Age between 30 and 50 years (inclusive)	no.	230	632	862	253	777	1,030	275	824	1,099
Age over 50	no.	136	550	686	169	724	893	180	816	996
Office workers	no.	182	534	716	246	738	984	242	729	971
Age under 30	no.	34	91	125	41	117	158	32	105	137
Age between 30 and 50 years (inclusive)	no.	85	305	390	120	398	518	129	395	524
Age over 50	no.	63	138	201	85	223	308	81	229	310
Middle managers	no.	25	24	49	48	28	76	57	31	88
Age under 30	no.	-	-	-	1	-	1	1	-	1
Age between 30 and 50 years (inclusive)	no.	14	19	33	31	19	50	27	19	46
Age over 50	no.	11	5	16	16	9	25	29	12	41
Executives	no.	21	8	29	54	24	78	44	25	69
Age under 30	no.	-	-	-	-	1	1	-	-	-
Age between 30 and 50 years (inclusive)	no.	10	4	14	21	10	31	15	12	27
Age over 50	no.	11	4	15	33	13	46	29	13	42
Poland	no.	8	159	167	7	145	152	10	139	149
Albania	no.	31	483	514	31	488	519	29	478	507
Romania	no.	17	95	112	16	98	114	19	104	123
Tunisia	no.	8	222	230	8	243	251	8	186	194
Portugal	no.	-	-	-	18	114	132	21	119	140
Percentages of the total as of 31/12	**%**	**20**	**80**	**100**	**25**	**75**	**100**	**21**	**79**	**100**
Italy	**%**	**19**	**54**	**73**	**18**	**56**	**74**	**19**	**57**	**76**
Manual workers	%	12	39	51	11	38	49	12	40	52
Age under 30	%	3	6	9	2	5	7	2	4	6
Age between 30 and 50 years (inclusive)	%	6	17	23	5	17	22	6	18	24
Age over 50	%	4	15	19	4	16	20	4	18	22
Office workers	%	4	15	19	5	16	21	5	16	21
Age under 30	%	2	2	4	1	2	3	1	2	3
Age between 30 and 50 years (inclusive)	%	2	8	10	2	9	11	2	9	11
Age over 50	%	1	4	5	2	5	7	2	5	7
Middle managers	%	1	1	2	1	1	2	1	1	2
Age under 30	%	-	-	-	-	-	-	-	-	-
Age between 30 and 50 years (inclusive)	%	-	1	1	1	-	1	-	1	1
Age over 50	%	1	-	1	-	1	1	1	-	1
Executives	%	1	-	1	1	1	2	1	-	1
Age under 30	%	-	-	-	-	-	-	-	-	-
Age between 30 and 50 years (inclusive)	%	-	-	-	-	1	1	-	-	-
Age over 50	%	-	-	-	1	-	1	1	-	1
Poland	%	-	4	4	-	3	3	-	3	3
Albania	%	1	13	14	1	10	11	1	10	11
Romania	%	-	3	3	-	2	2	-	2	2
Tunisia	%	-	6	6	-	5	5	-	4	4
Portugal	%	-	-	-	-	3	3	-	3	3

TABLE 34 - EMPLOYEES BY AGE

48. The headcount methodology as of 31 December of each reporting year was used. In addition, the breakdown by professional category is not available 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.

The table below shows the new hires for 2025.

No. New hires	UoM	2023[49]			2024			2025		
		Men	Women	Total	Men	Women	Total	Men	Women	Total
Total hires as of 31/12	no.	147	541	688	139	467	606	189	532	721
Italy	no.	136	335	471	136	319	455	176	418	594
Age under 30	no.	49	97	146	31	74	105	38	75	113
Age between 30 and 50 years (inclusive)	no.	62	161	223	67	129	196	85	185	270
Age over 50	no.	25	77	102	38	116	154	53	158	211
Poland	no.	1	16	17	-	3	3	2	7	9
Age under 30	no.	-	-	-	-	-	-	2	-	2
Age between 30 and 50 years (inclusive)	no.	-	-	-	-	2	2	-	5	5
Age over 50	no.	-	-	-	-	1	1	-	2	2
Albania	no.	9	127	136	3	71	74	1	53	54
Age under 30	no.	-	-	-	-	15	15	-	15	15
Age between 30 and 50 years (inclusive)	no.	-	-	-	2	46	48	1	31	32
Age over 50	no.	-	-	-	1	10	11	-	7	7
Romania	no.	1	3	4	0	19	19	5	21	26
Age under 30	no.	-	-	-	-	2	2	1	4	5
Age between 30 and 50 years (inclusive)	no.	-	-	-	-	12	12	4	7	11
Age over 50	no.	-	-	-	-	5	5	-	10	10
Tunisia	no.	-	60	60	-	55	55	-	10	10
Age under 30	no.	-	-	-	-	24	24	-	6	6
Age between 30 and 50 years (inclusive)	no.	-	-	-	-	30	30	-	4	4
Age over 50	no.	-	-	-	-	1	1	-	-	-
Portugal	no.	-	-	-	0	0	0	5	23	28
Age under 30	no.	-	-	-	-	-	-	3	10	13
Age between 30 and 50 years (inclusive)	no.	-	-	-	-	-	-	2	12	14
Age over 50	no.	-	-	-	-	-	-	-	1	1

TABLE 35 - NEW HIRES

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

New hire rate (positive turnover)	UoM	2023[50]			2024			2025		
		Men	Women	Total	Men	Women	Total	Men	Women	Total
Percentages of the total as of 31/12	%	20	19	19	15	13	13	19	15	16
Italy	%	20	17	18	16	13	13	20	16	17
Age under 30	%	40	32	34	25	21	22	30	25	26
Age between 30 and 50 years (inclusive)	%	18	47	66	16	11	12	19	15	16
Age over 50	%	11	11	11	13	12	12	17	15	15
Poland	%	13	10	10	-	2	2	20	5	6
Age under 30	%	-	-	-	-	-	-	100	-	33
Age between 30 and 50 years (inclusive)	%	-	-	-	-	3	3	-	8	8
Age over 50	%	-	-	-	-	1	1	-	3	3
Albania	%	29	26	26	10	15	14	3	11	11
Age under 30	%	-	-	-	-	22	20	-	27	25
Age between 30 and 50 years (inclusive)	%	-	-	-	13	14	14	6	10	9
Age over 50	%	-	-	-	13	10	10	-	7	6
Romania	%	6	3	4	-	19	17	26	20	21
Age under 30	%	-	-	-	-	67	50	50	57	56
Age between 30 and 50 years (inclusive)	%	-	-	-	-	24	19	29	15	18
Age over 50	%	-	-	-	-	11	10	-	20	19
Tunisia	%	-	27	26	-	23	22	-	5	5
Age under 30	%	-	-	-	-	42	42	-	19	19
Age between 30 and 50 years (inclusive)	%	-	-	-	-	18	18	-	3	3
Age over 50	%	-	-	-	-	5	4	-	-	-
Portugal	%	-			-	-	-	24	19	20
Age under 30	%	-	-	-	-	-	-	38	45	43
Age between 30 and 50 years (inclusive)	%	-	-	-	-	-	-	25	18	19
Age over 50	%	-	-	-	-	-	-	-	3	3

TABLE 36 - POSITIVE TURNOVER

50. Ibid.

Over the course of the year, Gruppo Florence recorded 721 new hires, of whom over 73% were women. Hiring mainly involved the operational sites in Italy, Albania, and Portugal. With regard to terminations, in Italy there were a total of 644 departures, including 474 women and 170 men. The turnover rate for Italian personnel stands at 18%.

No. Exits[51]	UoM	2023			2024			2025		
		Men	Women	Total	Men	Women	Total	Men	Women	Total
Italy total	**no.**	**70**	**151**	**221**	**100**	**293**	393	170	474	644
Age under 30	no.	31	30	61	30	52	82	25	79	104
Age between 30 and 50 years (inclusive)	no.	23	71	94	38	114	152	81	167	248
Age over 50	no.	16	50	66	32	127	159	64	228	292

TABLE 37 - EXITS

Exit rate (negative turnover)[52]	UoM	2023			2024			2025		
		Men	Women	Total	Men	Women	Total	Men	Women	Total
Italy total	%	**10**	**8**	**8**	**12**	**12**	**12**	19	18	18
Age under 30	%	25	10	14	24	15	17	20	26	24
Age between 30 and 50 years (inclusive)	%	7	7	7	9	9	9	18	13	15
Age over 50	%	7	7	7	11	13	13	20	21	21

TABLE 38 - NEGATIVE TURNOVER

51. Data 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. are not available; therefore, the scope of the indicator includes only the Group's Italian companies.
52. Ibid.

SKILLS AND THE FUTURE: INVESTING IN CONTINUOUS TRAINING

Gruppo Florence is aware that a work environment capable of fostering the professional and personal growth of its employees is a fundamental lever for increasing motivation, satisfaction, and a sense of belonging. For this reason, the Group continually invests in its human capital, with the aim of strengthening technical, specialist, and managerial skills intended to support and steer the organization's future evolution and to consolidate its positioning as a benchmark in the fashion sector.

The planning and management of training activities are entrusted to the Talent function within the Human Resources Department, which collects and analyses the training needs expressed by the operating Divisions and Corporate functions, defining a training offer consistent with organizational priorities. During the year, the Group delivered technical training courses dedicated to Time and Methods, aimed at optimizing processes and improving production performance, as well as pattern-making training programmes.

These are complemented by customs training courses, intended in particular for the Supply Chain, Logistics, Administration and Purchasing Office teams, and language training programs aimed at staff in the corporate functions—including HR, H&S, AF&C, R&D, Business Transformation and Product Management within the divisions. On the managerial skills development front, the Group continued with initiatives such as the "Leader of the Future" program and individual coaching sessions and the Big Academy Master.

The offering is rounded out by tailored team building activities, designed to strengthen collaboration and cohesion among work groups. To ensure continuous improvement of the training offering, all programs include follow-up sessions dedicated to assessing the quality of delivery and participants' level of engagement.

In 2025, Gruppo Florence confirmed its commitment to integrating training as an enabling lever for the dissemination of sustainable practices. In this context, in collaboration with DNV, a training program was launched in November 2025 on four key topics - Introduction to the SA8000 standard, ISO 14001 and ISO 45001, Internal auditor SA8000 and management systems - and continued in the first months of 2026.

In accordance with the provisions of Legislative Decree 81/2008 and the 2011 State-Regions Agreements, Gruppo Florence ensures that all employees receive mandatory, structured training on occupational health and safety, within a management system compliant with the ISO 45001 standard, extended to the entire Group perimeter. This training path is a cornerstone of the Organizations' prevention and protection strategy, discussed in Chapter 5.3 Commitment to employee safety and health, p. 78.

In 2025, Gruppo Florence delivered a total of 9,411 hours of training, confirming a widespread commitment to skills development across all main professional categories. In particular, the training activities significantly involved both manual workers and office workers, who account for the predominant share of hours delivered, while also maintaining oversight of coordination and management roles. Overall, the figure highlights continuity in training investment.

Total hours of training[53]	UoM	2023			2024			2025		
		Men	Women	Total	Men	Women	Total	Men	Women	Total
Total	**hours**	**684**	**3,963**	**4,647**	**4,547**	**7,532**	**12,079**	**3,353**	**6,058**	**9,411**
Manual workers	hours	334	2,242	2,576	1,642	4,151	5,793	1,607	3,502	5,109
Office workers	hours	221	1,647	1,868	1,580	2,897	4,477	1,216	2,449	3,665
Middle managers	hours	71	26	97	605	164	769	132	48	180
Executives	hours	58	48	106	720	320	1040	398	59	457
Average hours	**hours**	**1.0**	**2.0**	**1.7**	**5.0**	**3.0**	**4.0**	**3.4**	**1.7**	**2.0**
Manual workers	hours	1.5	1.6	1.3	3.2	2.4	2.6	1.8	1.3	1.5
Office workers	hours	1.2	3.0	2.6	6.4	3.9	4.5	5.0	3.4	3.8
Middle managers	hours	2.8	1.0	1.9	12.6	5.9	10.1	2.3	1.5	2.0
Executives	hours	2.7	6.0	3.6	13.3	13.3	13.3	9.0	2.4	6.6

TABLE 39 - TOTAL AND AVERAGE TRAINING HOURS

Enhancing human capital is also expressed through a structured, merit-based pay approach that recognizes individual commitment, results achieved, and each employee's growth path.

Remuneration, in addition to being an essential tool for recognizing the value of people, represents a key lever to sustain motivation, satisfaction, and talent retention, helping to strengthen an inclusive work environment focused on excellence and the full expression of individual potential.

The Group adopts a fair, structured remuneration policy aimed at ensuring competitive compensation—even in countries with lower per capita income—consistent with professional profile, job function, contractual classification, and people's experience.

In 2025, 92 employees underwent periodic performance evaluation, including 33 office workers, 37 middle managers and 22 executives.

Employees subject to periodic performance evaluation[54]	UoM	2023			2024			2025		
		Men	Women	Total	Men	Women	Total	Men	Women	Total
Total employees as of 31/12	**no.**	**30**	**15**	**45**	**44**	**31**	**75**	**54**	**38**	**92**
Manual workers	no.	-	-	-	-	-	-	-	-	-
Office workers	no.	10	3	13	10	14	24	15	18	33
Middle managers	no.	7	7	14	18	11	29	25	12	37
Executives	no.	13	5	18	16	6	22	14	8	22
Percentage of employees as of 31/12	%	4	1	2	5	1	2	6	1	3
Manual workers	%	-	-	-	-	-	-	-	-	-
Office workers	%	5	1	2	4	2	2	6	2	3
Middle managers	%	28	29	29	38	39	38	44	39	42
Executives	%	62	63	62	30	25	28	32	32	32

TABLE 40 - EMPLOYEES SUBJECT TO PERIODIC PERFORMANCE REVIEWS

53. The breakdown by professional category is not available 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.; therefore, the scope of the indicator includes only the Group's Italian companies.
54. Ibid.

Below are the data on the ratio between base pay and total remuneration by gender and job category, together with the annual total remuneration ratio.
The latter is calculated as the ratio between the total annual remuneration of the highest-paid individual in the Organization and the median total annual remuneration of the entire company workforce.

Average salary ratio by gender[55]	UoM	2023			2024			2025		
		Men	Women	Ratio	Men	Women	Ratio	Men	Women	Ratio
Manual workers	€	24,456	22,498	0.9	27,204	23,982	0.9	27,910	23,930	0.9
Office workers	€	36,811	31,114	0.9	39,291	32,840	0.8	40,908	33,435	0.8
Middle managers	€	72,239	78,420	1.1	72,890	84,046	1.2	72,473	84,458	1.2
Executives	€	139,107	103,991	0.8	157,351	131,729	0.8	164,774	125,975	0.8

TABLE 41 - RATIO BETWEEN BASE SALARY AND WOMEN'S PAY COMPARED TO MEN'S

Average pay ratio by gender[56]	UoM	2023			2024			2025		
		Men	Women	Ratio	Men	Women	Ratio	Men	Women	Ratio
Manual workers	€	24,456	22,498	0.9	28,313	24,753	0.9	29,058	24,753	0.9
Office workers	€	37,036	31,169	0.8	40,699	34,096	0.8	42,388	34,764	0.8
Middle managers	€	74,343	82,912	1.1	78,203	89,402	1.1	76,574	87,377	1.1
Executives	€	175,493	127,053	0.7	179,692	143,144	0.8	169,806	130,948	0.8

TABLE 42 - RATIO OF WOMEN'S PAY COMPARED TO MEN'S

Gruppo Florence pursues the goal of eliminating every form of gender-related pay disparity, committing to ensure fair remuneration for all employees, regardless of gender and other personal characteristics.

The reference indicator highlights, for each occupational category, an alignment compared to the previous year; slight misalignments remain to the detriment of women across all categories, except for middle managers, for whom a pay ratio of 1.1 is recorded. The Group acknowledges these differences and confirms its commitment to continue along the path of reducing pay disparities within the Organization

Annual total remuneration ratio[57]	UoM	2023	2024	2025
Total annual remuneration of the highest-paid individual in the organization	€	378,462	408,398	341,915
Median total annual remuneration of all employees, excluding the individual with the highest remuneration	€	23,101	25,354	25,330
Annual total remuneration ratio	%	16	16	13

TABLE 43 - ANNUAL TOTAL REMUNERATION RATIO

55. Ibid.
56. Ibid.
57. Ibid.

OUR COMMITMENT TO EMPLOYEE SAFETY AND HEALTH

Protecting health and safety at work is a cornerstone of Gruppo Florence's strategy. In 2025, the Group continued to strengthen its culture of prevention and protection, operating within a management system compliant with the ISO 45001 standard, which covers all 4,627 employees. The system provides for the continuous identification and assessment of occupational risks through Risk Assessment Documents drawn up for each production site, periodic site inspections by the RSPP, as well as ongoing updates of procedures in line with regulatory and organizational developments. The Group's commitment is aimed at ensuring full compliance with applicable legislation and at pursuing the progressive reduction of workplace accidents and occupational diseases, in order to protect the physical and psychological health of all people working within the Organization.

As further evidence of this commitment, during 2025 Gruppo Florence delivered a total of 31,716 hours of occupational health and safety training across the entire company scope, both in Italy and abroad. This activity involved all professional categories across the board, with significant participation from both female and male employees. Health and safety training amounted to an average of 7.7 hours per female employee and 3.8 hours per male employee, demonstrating the ongoing focus on developing skills aimed at safeguarding well-being in the workplace.

Within Gruppo Florence, cross-functional oversight of occupational health and safety activities is entrusted to a dedicated internal team, consisting of the Safety Director, the Managers of the Prevention and Protection Service (RSPP), the designated supervisory contacts for the individual divisions and companies, as well as external professionals such as specialist consultants and occupational physicians. Pursuant to Art. 35 of Legislative Decree 81/08, the team meets annually to review significant events that have occurred, identify potential areas of risk exposure, verify the adequacy of the prevention measures in place, and define corrective or improvement actions, with particular focus on the most critical operating contexts.

Each employee takes part in general and specific training courses, tailored to the role performed and the associated level of risk, as defined in the Risk Assessment Document for each production site. The offer also extends to personnel with specific responsibilities or roles in the field of safety - such as supervisors, emergency responders, forklift truck operators, and Workers' Safety Representatives (RLS). Training content is constantly updated in line with regulatory, technological, and organizational developments, serving as a strategic lever to strengthen a corporate culture based on prevention, individual accountability, and collective protection.

Gruppo Florence is made up of heterogeneous manufacturing entities, characterized by different risk levels depending on the specific processes carried out at the individual plants. Each production site has an up-to-date Risk Assessment Document (DVR), prepared through a structured process that ensures comprehensive analysis and compliance with the requirements of Legislative Decree 81/2008. The DVR includes an in-depth review of workplaces and operational activities, with the identification of the main company roles, grouped into homogeneous macro-categories. This classification makes it possible to accurately identify the sources of risk present in the different working contexts and the prevention and protection measures already implemented to mitigate them. The document also defines the operational controls necessary to keep risk within acceptable thresholds, providing, where appropriate, further improvement actions aimed at the progressive reduction of the residual risk.

"... harmonizing health protocols and ensuring a uniform approach to managing workers' health across the entire national territory."

In addition to the DVR, the Single Interference Risk Assessment Document (DUVRI) is prepared, aimed at ensuring effective safety oversight also for external workers operating at the Group's sites—such as, for example, cleaning staff, maintenance workers, or other support services.

Assessment documents are subject to periodic updating, both in line with the deadlines set by regulations and when significant changes occur to production processes or workplaces, or following the issuance of new legislative provisions. In compliance with Legislative Decree 81/2008, each production site also holds an annual periodic meeting dedicated to analyzing the events and changes that occurred in the reference period, identifying any critical issues and defining corrective or improvement actions, the outcomes of which feed into an improvement program with defined timelines.

The assessments contained in the DVR constitute the reference point for defining the Health Surveillance Protocol, drawn up by the Occupational Physician, which includes a set of specific health checks for each job role, to be carried out on an annual basis.

This approach makes it possible to monitor workers' health status in relation to the activities performed and the related risk factors. At the end of the examinations, the Occupational Physician issues the Fitness-for-Duty Judgment for the job role. Health surveillance plays a decisive role in preven-

ting occupational diseases, making it possible to promptly identify any clinical conditions that could interfere with work activity and, where necessary, to adopt corrective measures or organizational adjustments.

The Occupational Physician may also arrange specialist medical examinations to further investigate situations of particular complexity and serve as a point of reference and a listening ear for employees who may require medical advice.

To ensure effective coordination among the various sites, the Group has provided for the appointment of a Coordinating Occupational Health Physician, tasked with harmonizing health protocols and ensuring a uniform approach to managing workers' health across the entire national territory.

Pursuant to the applicable National Collective Labor Agreement (CCNL), the Group guarantees its employees access to a supplementary healthcare fund through SANIMODA, which makes it possible to use healthcare services that complement those offered by the National Health Service. Membership in the fund is supported by a monthly contribution paid entirely by the company.

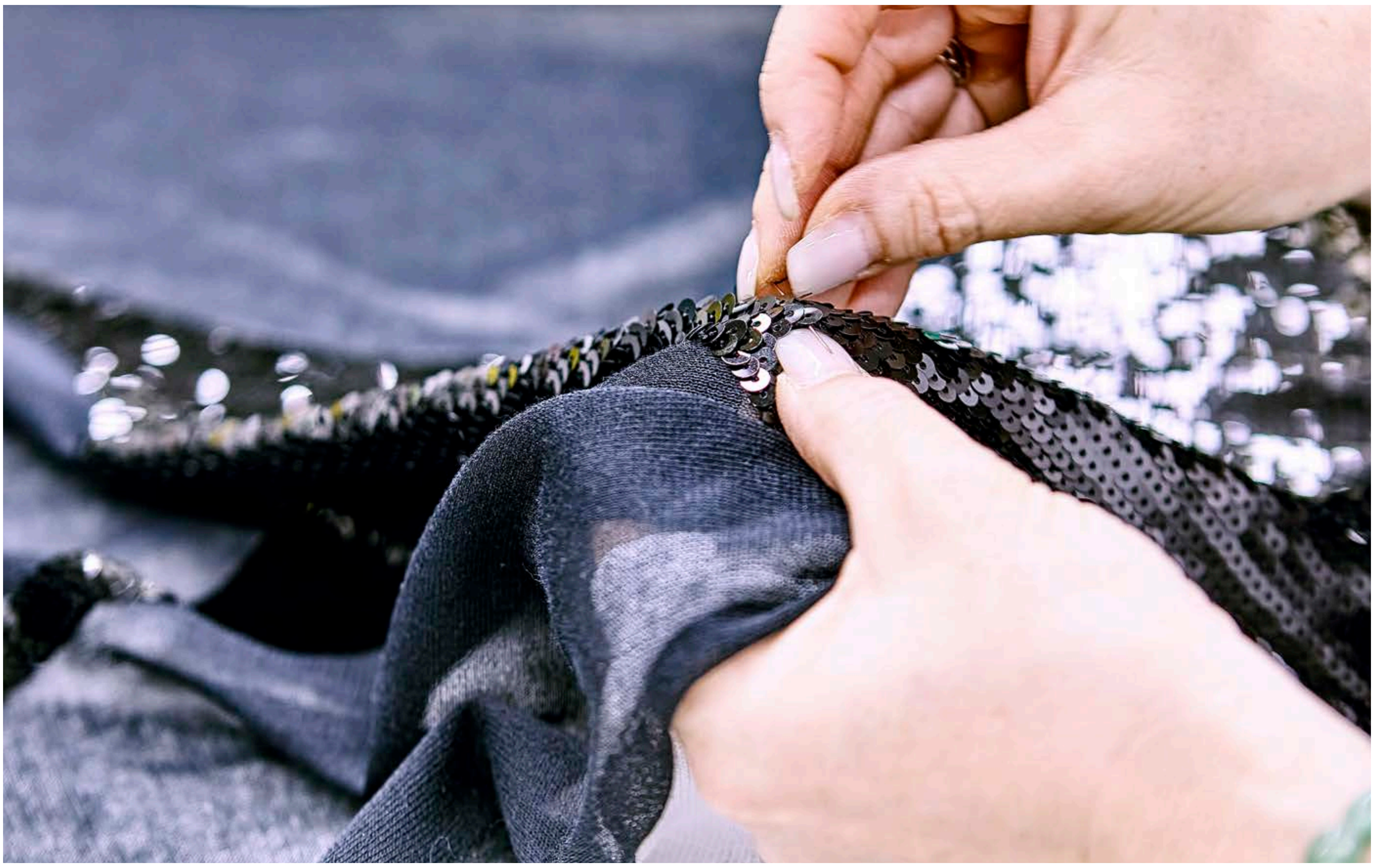
The data on the number and rate of workplace injuries[58] are set out below for the three-year period 2023-2025.

Employee injuries	2023[59]		2024[60]		2025	
	No.	Rate (%)	No.	Rate (%)	No.	Rate (%)
Number of hours worked	5,328,960		4,248,331		7,518,040	
Number and rate of workplace injuries	9	1.7	18	4.24	36	4.79

TABLE 44 - EMPLOYEE INJURIES

During 2025, the total number of recorded injuries was 36, corresponding to an injury rate of 4.79 per million hours worked. While the absolute number of events increased compared to the previous year, the injury rate remained stable versus 2024, due to the expansion of the reporting scope for hours worked, which for 2025, unlike previous years, includes all Group companies.

There were no fatalities or injuries with severe consequences, confirming a contained level of severity for the events that occurred. The main causes are attributable to moments of distraction during operational activities, highlighting the importance of continuing to strengthen awareness campaigns and training initiatives dedicated to behavioral safety. During 2025, no occupational diseases were recognized.



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

59. For 2023, the data relating to hours worked were estimated on the basis of contractually scheduled hours. 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.

60. The figure does not include Gruppo SNG and its subsidiaries, Gruppo Tessile Logama, or 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.

To ensure effective and structured management of all aspects related to occupational health and safety in the workplace, Gruppo Florence and the Group companies have adopted a management system compliant with the ISO 45001 standard, covering the entire company workforce, as shown in the table below.

Gruppo Florence recognizes the importance of promoting a health and safety culture that extends beyond the company boundaries as well, actively involving those who operate along the value chain. From this perspective, processing suppliers are subject to a qualification process that includes the assessment of specific health and safety requirements, as well as ethical and social aspects.

This process makes it possible to assign each supplier a grading based on the level of compliance identified and, where necessary, to define specific follow-up actions aimed at verifying the resolution of any non-compliances that have emerged. Further details on the supplier qualification and monitoring process are available in Chapter 4. Made in Italy: evolving excellence: tradition, innovation and impact, p. 55.

Employees covered by an occupational health and safety management system	**2023**		**2024**		**2025**	
	no.	%	no.	%	no.	%
Total employees	**3,665**	**100**	**4,544**	**100**	**4,627**	**100**
Employees covered by an occupational health and safety management system	3,665	100	4,544	100	4,627	100
Employees covered by a system subject to internal audit	3,665	100	4,544	100	4,627	100
Employees covered by an occupational health and safety management system subject to external certifications (ISO 45001)	550	15	2,732	60	2,770	60

TABLE 45 - WORKERS COVERED BY A WORKPLACE HEALTH AND SAFETY MANAGEMENT SYSTEM

Cesare Braccioni
WAREHOUSE AND SHIPPING

"My name is Cesare. I am from Urbania and I have been working at Ideal Blue for ten years. I am responsible for the warehouse and shipping. What I enjoy most about my job is the organisational side. Every shipment requires attention to detail, accuracy, and respect for deadlines. It is rewarding to know that everything runs smoothly thanks to my contribution."

MEASURING PERFORMANCE:

Indicators, metrics and GRI Standards

GRI CONTENT INDEX

STATEMENT OF USE	Gruppo Florence reported the information with reference to the GRI Standards for the period 1 January 2025 - 31 December 2025.		
GRI 1 USED	GRI 1 used GRI 1 - Foundation - 2021 version has been used		
GRI STANDARDS	DISCLOSURE	PARAGRAPH	PAGE
GENERAL DISCLOSURES			
GRI 2 – GENERAL DISCLOSURES 2021	2-1 Organizational details	Methodological Note Stronger governance for an ethical, safe and resilient business	Pag. 6 Pag. 15
	2-2 Entities included in the organization's sustainability reporting	Methodological Note	Pag. 6
	2-3 Reporting period, frequency, and contact point	Methodological Note	Pag. 6
	2-4 Restatements of information	Methodological Note	Pag. 6
	2-5 External assurance	Methodological Note Independent Auditor's report on the document	Pag. 6 Pag. 90-93
	2-6 Activities, value chain and other business relationships	The evolution of luxury: industrial transformation and new expectations Priorities and material topics: materiality analysis	Pag. 9-14 Pag. 24-26
	2-7 Employees	People's wellbeing as a strategic asset	Pag. 68-69
	2-8 Workers who are not employees	People's wellbeing as a strategic asset	Pag. 69
	2-9 Governance structure and composition	Stronger governance for an ethical, safe and resilient business	Pag. 15-17
	2-10 Nomination and selection of the highest governance body	Stronger governance for an ethical, safe and resilient business	Pag. 16
	2-11 Chair of the highest governance body	Stronger governance for an ethical, safe and resilient business	Pag. 15-16
	2-12 Role of the highest governance body	Stronger governance for an ethical, safe and resilient business	Pag. 16
	2-13 Delegation of responsibility for managing impacts	Stronger governance for an ethical, safe and resilient business	Pag. 16-17
	2-14 Role of the highest governance body in sustainability reporting	Stronger governance for an ethical, safe and resilient business	Pag. 16
	2-15 Conflicts of interest	Stronger governance for an ethical, safe and resilient business	Pag. 19
	2-16 Communication of critical concerns	Stronger governance for an ethical, safe and resilient business	Pag. 19
	2-17 Collective knowledge of the highest governance body	Stronger governance for an ethical, safe and resilient business	Pag. 16
	2-20 Process to determine remuneration	People's wellbeing as a strategic asset	Pag. 76-77
	2-21 a) Annual total compensation ratio	People's wellbeing as a strategic asset	Pag. 77
	2-22 Statement on sustainable development strategy	Letter to Stakeholders Strategy and objectives: Sustainability Agenda	Pag. 3 Pag. 27
	2-25 Processes to remediate negative impacts	Strategy and objectives: Sustainability Agenda	Pag. 27-28
	2-26 Mechanisms for seeking advice and raising concerns	Stronger governance for an ethical, safe and resilient business	Pag. 19
	2-27 Compliance with laws and regulations	Stronger governance for an ethical, safe and resilient business	Pag. 19-21
	2-30 Collective bargaining agreements	People's wellbeing as a strategic asset	Pag. 69

GRI STANDARDS	DISCLOSURE	PARAGRAPH	PAGE
ETHICAL GOVERNANCE			
GRI 3 - MATERIAL TOPICS 2021	3-3 Management of material topics	Stronger governance for an ethical, safe and resilient business	Pag. 19
GRI 205 - ANTI-CORRUPTION 2016	205-2 Communication and training about anti-corruption policies and procedures	Ethical business conduct	Pag. 20
	205-3 Confirmed incidents of corruption and actions taken	Stronger governance for an ethical, safe and resilient business	Pag. 20
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. 19-20
DATA CONFIDENTIALITY AND CYBERSECURITY			
GRI 3 - MATERIAL TOPICS 2021	3-3 Management of material topics	Data privacy and cyber security	Pag. 21
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. 21
ANIMAL WELFARE			
GRI 3 - MATERIAL TOPICS 2021	3-3 Management of material topics	Animal welfare	Pag. 21
MATERIAL TOPICS			
GRI 3 - MATERIAL TOPICS 2021	3-1 Process for determining material topics	Priorities and material topics: materiality analysis	Pag. 24
	3-2 List of material topics	Priorities and material topics: materiality analysis	Pag. 25-26
ENERGY MANAGEMENT			
GRI 3 - MATERIAL TOPICS 2021	3-3 Management of material topics	Efficient management of energy resources	Pag. 32
GRI 302 - ENERGY 2016	302-1 Energy consumption within the organization	Efficient management of energy resources	Pag. 33-34
	302-3 Energy intensity	Efficient management of energy resources	Pag. 34
CLIMATE CHANGE			
GRI 3 - MATERIAL TOPICS 2021	3-3 Management of material topics	Decarbonization and climate action: our commitment to neutrality	Pag. 35
GRI 305 - EMISSIONS 2016	305-1 Direct (Scope 1) GHG emissions	Decarbonization and climate action: our commitment to neutrality	Pag. 36
	305-2 Energy indirect (Scope 2) GHG emissions	Decarbonization and climate action: our commitment to neutrality	Pag. 36
	305-3 Other indirect (Scope 3) GHG emissions	Decarbonization and climate action: our commitment to neutrality	Pag. 36
	305-4 GHG emissions intensity	Decarbonization and climate action: our commitment to neutrality	Pag. 37
CIRCULAR ECONOMY			
GRI 3 - MATERIAL TOPICS 2021	3-3 Management of material topics	Transition to a circular fashion system Procurement of materials	Pag. 40 Pag. 40
GRI 301 - MATERIALS 2016	301-1 Materials used by weight or volume	Procurement of materials	Pag. 40-41
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Shape the future
with confidence

GRUPPO FLORENCE S.P.A.

Sustainability Report as of December 31, 2025

Independent auditors' report on the "Sustainability Report 2025"

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Independent auditors' report on the "Sustainability Report 2025" (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 2025" (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 2025.

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 "*4.1 Generating shared value in territories 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 Albania (Ambra SH.P.K), Montebelluna (Maglificio Leonello Spagnol) e Gazzo Veronese (Maglificio Erika) 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 Albania (Ambra SH.P.K), Montebelluna (Maglificio Leonello Spagnol) e Gazzo Veronese (Maglificio Erika), 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 2025 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.

Florence, June 16, 2026

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
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Monia


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GRUPPO FLORENCE CRAFTED LUXURY GROUP