



EMME

1972

Sustainability
Report

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Letter to stakeholder

Dear Stakeholders,

we present to you our third Sustainability Report, highlighting some of the most relevant points that characterized the year 2023.

First of all, it should be noted that in the 2024 report, following the corporate reorganization, Maison M continues as EMME 1972; the data reported here refers to the company structure of 2023.

Despite the instability of the last months of 2023, the entire fashion supply chain showed good resilience with a 4.1% increase in turnover in the first 11 months, a result better than the average of the Italian manufacturing industry overall.

The Group's results have, like those in the economic sector, showcased growth in sustainability indicators, highlighting significant performances and confirming the strategic commitment attributed to these indicators.

2023 was a year of stabilization. Decisive actions in both business and internal governance allowed us to achieve several of the objectives announced in previous years: we identified and partnered with companies that can reuse and repurpose production waste; the SA8000 certification was extended to Zac Fashion; the ISO certifications for the Group's companies were aligned under a single Certification Body; and training courses, both for internal personnel and external parties at MRC Academy, were reopened at 100%. Internal and external communication was also expanded.

Each company within the Group, with its uniqueness, contributed to achieving concrete results such as obtaining a high-tier ESG Rating from CERVED or the ELITE Sustainability Certificate - Euronext Group, Borsa Italiana. What has been accomplished pushes us towards increasingly ambitious goals to actively contribute to the transition towards more responsible business practices.

Finally, we have started the supply chain certification process. Full collaboration with suppliers has allowed us to achieve the intermediate goal of sharing best practices and data in the ESG area. We aim to collaborate with the entire supply chain to integrate Group standards at all levels.

We thank all the resources who, every day, provide their know-how to achieve increasingly rapid and changing market and business objectives. Thanks to everyone's synergy, the Group's sustainable growth and the achievement of most of the ESG objectives we report in this third Sustainability Report are possible.

Confident that sustainability is the right path to tackle the challenges that await us in the near future, we adopt heterogeneous but coordinated and concrete solutions to maximize value.

CEO
MATTEO SPAGGIARI



Methodological Note

The EMME 1972 Group demonstrates its commitment to reporting and communicating to all stakeholders the environmental, social, and economic performances achieved by the company during 2023 with the publication of this edition of the sustainability report.

This document represents the continuation of a path undertaken by the company to become aware of its impacts and to evaluate them through sustainability reporting.

The information contained in this document refers to the fiscal year 2023 (from January 1 to December 31) and, where possible, is compared with previous years. The reporting scope is the same as that defined in the company's financial statement, specifically referring to the companies within the Group: 1627 Holding S.r.l., EMME 1972 S.p.A., MRC Fashion S.r.l., MRC Academy S.r.l., Besave S.r.l., Studio System S.r.l., Zac Fashion S.r.l.

The report has been prepared in accordance with the GRI Standards 2021, "in accordance to" option. To ensure an accurate representation of performance and reliability of the information,

data have been meticulously calculated based on the results from the general accounting and other internal information systems used; in cases of estimates in the determination of indicators, the method used to quantify them has been indicated. Any limitations are indicated within the report.

The preparation of this report adhered to the principles of clarity, timeliness, accuracy, balance, comparability, reliability, and verifiability as prescribed by the GRI.

In accordance with the standard, the document focuses on the most significant topics for the EMME 1972 Group and its stakeholders – the so-called “material topics,” for which the main economic, environmental, and social impacts generated by the organization have been assessed – identified through a materiality analysis process conducted in 2023, which involved some external stakeholders.

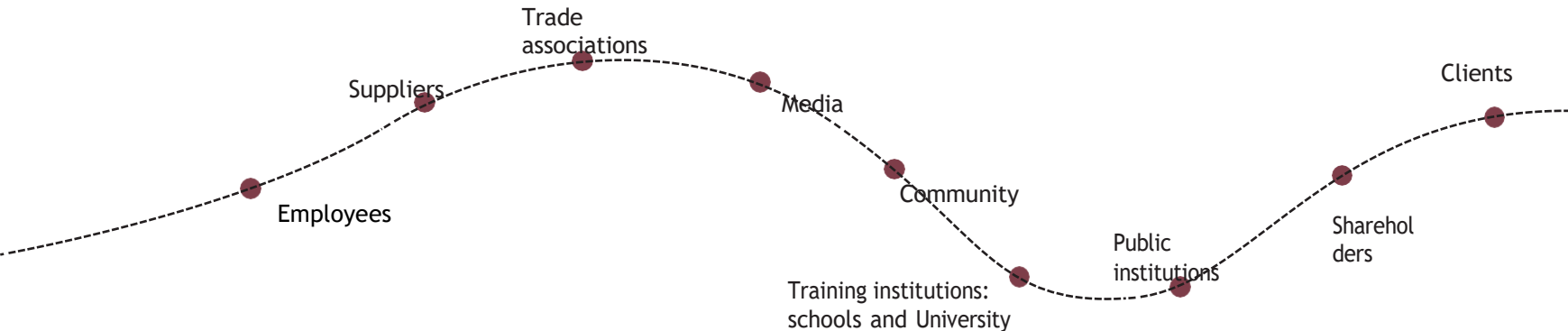
The information and data reported in the document were collected thanks to the collaboration of all functions within the EMME 1972 Group, each responsible for their activities. This allowed for the creation of a comprehensive and accurate set of information, ensuring the robustness of the reporting model.

Stakeholder Engagement

Stakeholders are those individuals or groups representing various interests toward a company and with whom the company interacts in the course of its activities. Engaging and interacting with stakeholders allows not only to understand their needs, expectations, and assessments, but also enables the company to better define business strategies and objectives, evaluating changes, risks, and opportunities.

The Group's system of relations with its stakeholders involves different dialogue tools and channels tailored to the various categories of stakeholders, consistent with their level of interdependence and influence on the organization:

The basis for identifying and selecting stakeholders to engage is determined by the representativeness of the sample. All identified stakeholders are involved annually and are asked to provide their suggestions and advice on improving relevant sustainability issues through questionnaires and direct meetings.



Materiality Analysis

The materiality analysis initiated by the EMME 1972 Group, aimed at developing the materiality matrix, began with the selection of material topics. These are the topics related to ESG aspects deemed relevant in terms of impacts, strategy, and risks for the company and all its stakeholders. To identify the most relevant and significant topics for the company, a structured process was followed, based on the following steps:

- **analysis of the characteristics of the sector and a benchmark analysis** to identify the main topics on which competitors also focus;
- **conducting interviews with company representatives** who hold key roles in the areas identified as priorities in relation to sustainability issues.

For this reporting year, the company decided to further expand the involvement to include some external stakeholders, in addition to internal stakeholders, inviting them to focus groups to delve deeper into relevant sustainability issues.

The materiality matrix, therefore, identifies relevant topics, understood as those aspects that can generate significant economic, social, and environmental impacts on the company's activities and that, by influencing the expectations, decisions, and actions of stakeholders, are perceived by them as critical, both positively and negatively.

Relevant Topics



Governance

- Economic Performance
- Transparency of Information, Ethics, and Integrity
- Sustainable Selection and Management of the Supply Chain
- Innovation, Development, and Product Quality
- Communication



Environmental

- Management of Energy and Water Consumption
- Management of Raw Materials
- Management of Indirect Environmental Impacts
- CO2 Emission Reduction Projects
- Waste Management

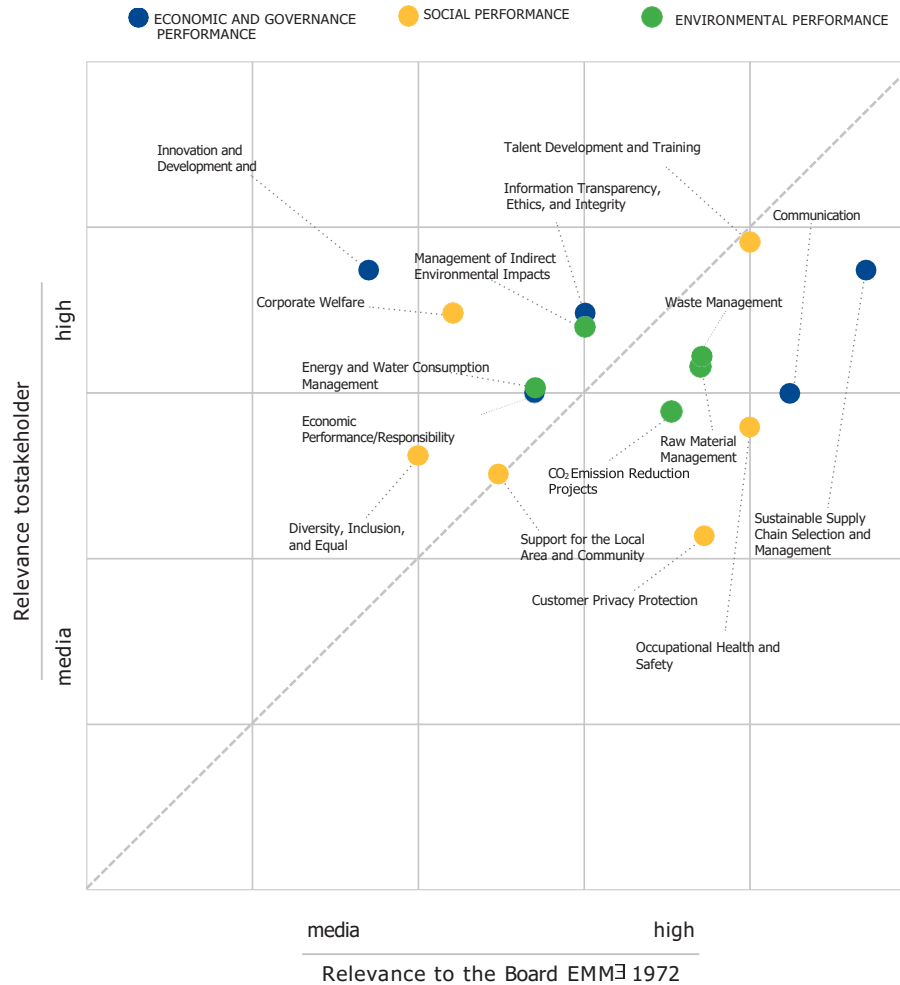


Social

- Talent Development and Training
- Corporate Welfare
- Diversity, Inclusion, and Equal Opportunity
- Health and Safety at Work
- Support for the Territory and Community
- Protection of Customer

Materiality matrix

With the questionnaire, completed by some of the company's invited stakeholders, participants were asked to assign a weight from 1 to 5 to the identified topics. The intersection of the results generated the following materiality matrix:



From the analysis of the Cartesian axis and stakeholder comments, three topics stand out as priorities: sustainable selection and management of the supply chain, waste management with a focus on the circular economy, particularly regarding product end-of-life and the reuse of production waste, and talent development and continuous employee training. The supply chain is a priority for everyone; tracking the supply chain is necessary to ensure that the product follows specific rules and respects rights from downstream to upstream. To meet the need for sustainable sourcing, the company is implementing a supplier evaluation questionnaire that integrates ESG criteria to map the sustainability level of its supply chain.

Following this, in the area of governance, the focus is on communication and transparency of information, business ethics, and integrity. In particular, investing in communication, both external and internal, to convey that human resources and the people within the Group are central and determine its success. Their importance is real. Highlighting the human component that distinguishes the Group is crucial. In terms of environmental concerns, another strategic topic is the management of indirect environmental impacts, particularly those related to the logistics of incoming and outgoing goods and the movement of workers. Regarding social issues, health and safety in the workplace emerge as the most relevant. Corporate welfare is also important to stakeholders; the company has done significant work in this area over the years, but maintaining a high standard is essential. For management, more so than for stakeholders, it is a priority to continue investing in customer privacy protection.



Sustainable development goals

The EMME 1972 Group, through its activities, pursues and contributes, directly and indirectly, to the following Sustainable Development Goals (SDGs):







Company Overview

About Us

EMME 1972, born in the Modena area, today represents a solid national reference point in the sector for the design, engineering, development, prototyping, and production of all types of clothing lines for prestigious global brands, focusing exclusively on the premium and runway sections of collections.

EMME 1972 develops its peculiarities linked to the culture of beauty and well-made. Its extensive experience in the production chain allows the company and the entire group to establish privileged relationships with suppliers and refine its manufacturing capabilities, making production processes increasingly precise.

Part of the 1627 Holding Group, EMME 1972 has developed important strategic organizational layouts in response to substantial changes in recent years, aimed at better business management and development.

The commitment to excellence, focused on the product and its stakeholders, has allowed us to radically evolve all those side activities aimed at enhancing the short, medium, and long-term objectives of our brand partners.

Today, EMME 1972 supports and develops a significant role within its reference supply chain, maintaining strong values and acquired competencies.

The Group operates comprehensively in production outsourcing and consulting within the Luxury sector—children’s, women’s, and men’s clothing—for major brands. The management of the subsidiaries follows an Organizational Model inspired by the principles of the ethical code.

As part of a sustainable development strategy, the Group is committed to establishing its activities locally, contributing to the enhancement and growth of local resources. Competence, passion, and an innate propensity for innovation are the characteristics that have allowed the Group to strengthen its role in the fashion sector,

becoming one of the benchmarks of “Made in Italy.” The organization has several locations throughout the national territory where it conducts its operations.

- EMME 1972 has its legal headquarters in Milan, while its operational offices are located in the city and province of Modena.
- Four locations are in Magreta di Formigine (MO) and two in Modena.
- The headquarters of the company Zac Fashion is located in Vinci, in the province of Florence.

Mission

The future development goals that EMME 1972 sets are to consolidate its leadership by expanding all Group activities, which specifically include:

- Promoting Group activities aimed at raising finance to support adequate development within the Luxury and AI sectors;
- Acquiring, developing, and launching industrial entrepreneurial initiatives capable of overseeing and promoting services and products within the Luxury and AI sectors;
- Offering services to the Luxury sector such as temporary management, technical advising, etc.;
- Potential expansion into new geographical markets with high development potential, both domestic and international;
- Organizational solidity, efficiency, and reliability, firmly rooted and geographically distributed;
- Focus on health and safety and environmental sustainability;
- Motivation and professionalism of the staff;
- Enhancement and valorization of Group assets for the benefit of shareholders.

The company is committed to supporting clients in transforming an idea into impeccable products, respecting the highest standards of craftsmanship. In a constantly evolving sector, the challenge is to accelerate innovation to offer unique garments, enhancing craftsmanship while respecting sustainability. As a strategic partner for high-fashion brands, EMME 1972 guarantees production agility and impeccable synergy between all supply chain components.



Values

- **Person-Centric Approach:** Conduct activities with constant attention to needs and respect for individuals, recognizing values such as passion, dedication, and professionalism, and adopting ethical behavior based on principles such as fairness and reliability;
- **Safety and Health Protection:** Focus on working conditions and the environment to meet safety and health protection requirements, always in line with technological progress, to reduce the likelihood of accidents, incidents, or other risk situations.;
- **Fairness and Transparency:** Establish and maintain relationships with stakeholders (employees, customers, partners, suppliers, entities, control bodies, communities) in accordance with the principles of clarity, fairness, and transparency, pursuing the satisfaction of legitimate expectations of internal and external interlocutors. Ensure accurate and comprehensive corporate communication and financial reporting addressed to the financial market, institutions, control bodies, and the media, in the required time and manner;
- **Continuous Improvement, Management Efficiency, and Effectiveness:** Pay close attention to efficiency in all business processes, ensuring the quality of processes and products, with the understanding that economic and financial stability is a fundamental principle to ensure the company's future development and customer satisfaction. *eco nomico-finanziaria è un principio imprescindibile per garantire lo sviluppo futuro della Società e la soddi- sfazione del cliente;*
- **Value of Sustainability:** Communicate the profile of social responsibility; alongside traditional economic results, report quantitatively and qualitatively on the social and environmental dimensions of business management. Pursue the idea based on the principle that it is possible to create sustainable value over time only if the business is conducted along three solid lines: economic/financial, social, and environmental, supported by sound and transparent Corporate Governance.;
- **Respect and Environmental Protection:** Conduct activities based on the principle of sustainable development, concerning the environment, pollution prevention, and the social context, respecting the territory and community.

Business Ethics and Integrity

EMME 1972 has an Ethical Code addressed to members, employees, and all those who, although external to the company, work directly or indirectly for it. The goal is to ensure compliance with principles of non-discrimination, transparency, and anti-corruption, while preventing potential conflicts of interest.

Additionally, EMME 1972 applies the Organizational Model developed according to Legislative Decree 231/2001, as it is attentive to stakeholder expectations and recognizes the value that an internal control system can bring in preventing the commission of crimes by its employees, directors, consultants, and partners. In compliance with this organizational model, the 231 Supervisory Body meets quarterly to assess emerging risks during operations and to establish precautionary procedures to avoid risk occurrence.

The Group has chosen to provide an additional guarantee to its clients. Its unequivocal commitment to delivering a product with a high level of quality that will be maintained over time and to pursuing continuous improvement is reflected in its decision to obtain a range of certifications from among the most reputable ones available.

Certification is a voluntary, non-mandatory process and is the declaration by a third-party organization that the product provided and the company's quality system comply with the standards established by specific regulations. The certifications that the Group has chosen to obtain cover areas of fundamental importance.

The Group has implemented an Integrated System for Quality, Health, Safety, and Environment, which ensures stability and effectiveness in managing these aspects and becomes a strategic tool as it helps reduce risks and increase opportunities. Since 2022, the company Maison M (now EMME 1972) and, in 2023, the company Zac Fashion have obtained SA8000 certification, a recognized tool that certifies the presence of certain aspects of corporate management related to social responsibility. Additionally, it has received a legality rating.

Given the growing importance of sustainability management within the company, an informal group has been established to address these aspects, consisting of the Group's Management and an employee who works with area managers on reporting. The goal for 2024 is to define ESG and sustainability objectives in the Board of Directors, although progress and results compared to the previous year were already reported in September 2023.

Group Structure and Governance

EMME 1972 is led by a Chief Executive Officer, Dr. Matteo Spaggiari, and two Directors, Dr. Marco Sottilotta and Dr. Giovanni Pagliula. The Chairperson of the Board of Statutory Auditors is Dr. Eleonora Bodecchi, with the statutory auditors being Dr. Francesco Fornari and Dr. Barbara Manferdini, and the alternate auditors are Dr. Luca Macchioni and Dr. Guido Molinari. The company responsible for auditing is Deloitte & Touche S.p.A.

The Sole Shareholder appoints the highest governing body. The management committees are selected from among the Area Managers and operational staff based on their specific roles.

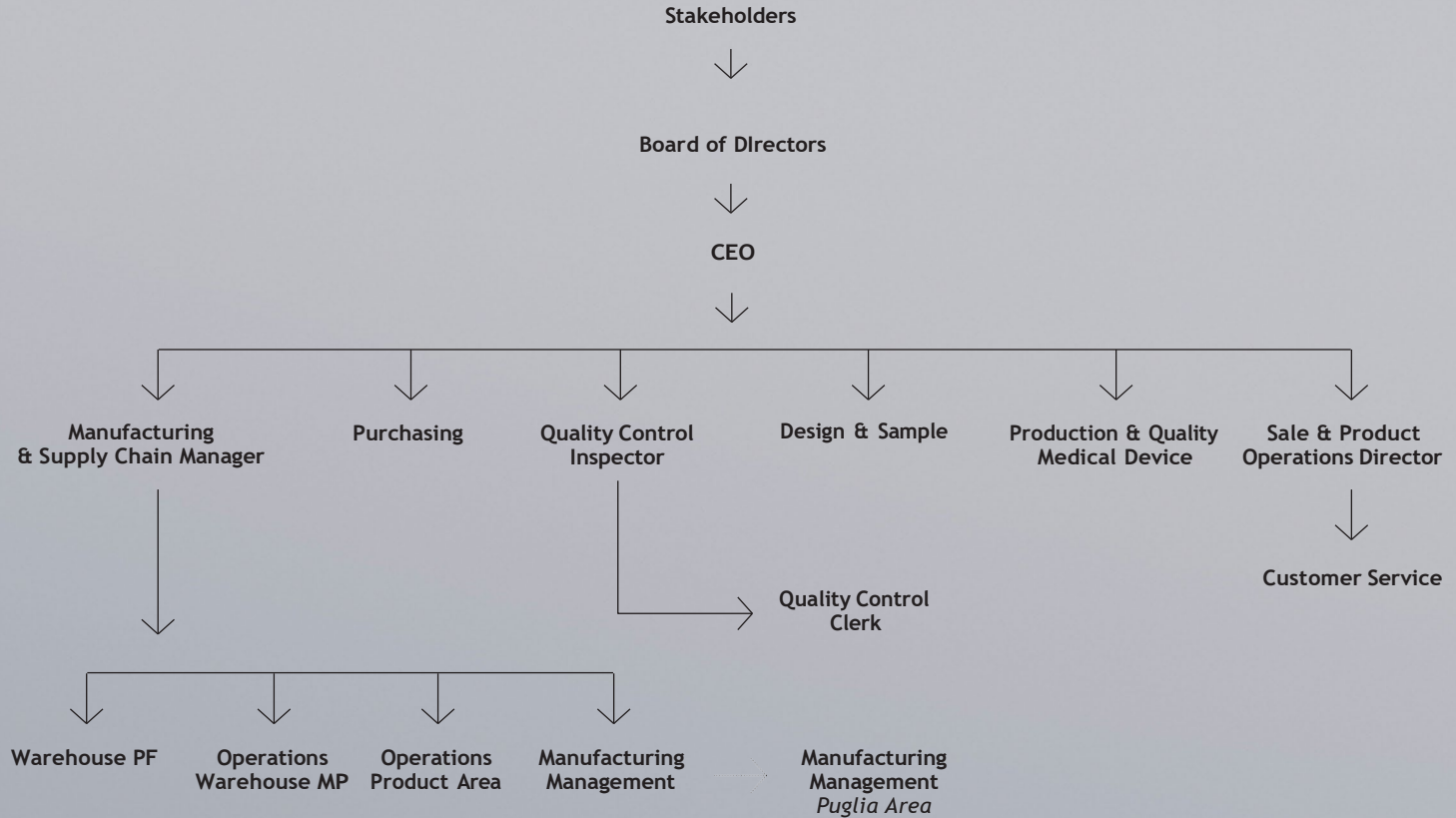
The Advisory Committee consists of external professionals chosen based on their expertise in relevant areas.

The highest governing body comprises the Chief Executive Officer and external independent Board Members who provide comprehensive knowledge to support the governance.

The SA8000 Committee is composed of 50% women (average age 45.5 years) and 50% men (30-50 years old).

The governance of Zac Fashion consists of the legal representative and Chairman of the Board, Matteo Spaggiari, and the legal representative and Board Member, Alessio Palermo. Currently, there is no committee responsible for decisions related to economic, environmental, and social aspects; such decisions are made by the governance or by the Sustainability Manager of EMME 1972.

EMME1972 Organizational Chart



Almost all the companies in the Group have a Board of Directors and a Board of Statutory Auditors and/or an auditing body (as of 2023, only EMME 1972, Studio System, and BESAVE still have a Board of Directors). Most areas are structured to have a contact person who can act as a filter to the Management and coordinate resources. With SA8000 certification, a committee has been introduced, consisting of a worker representative and a management representative, to monitor and assess aspects related to social responsibility.

All consulting decisions are subject to review by the Board of Statutory Auditors, the Boards of Directors, and the Supervisory Body. The Group has an internal reference for financial reporting and initiatives/projects related to Sustainability. This reference is in direct contact with management.

The review of economic, environmental, and social issues (including related impacts) is annual, while the assessment of risks and opportunities is ongoing, approximately every three months, and is subject to review.

For any critical issues, area managers report directly to the highest governing body. There are two additional procedures: one for the Organizational Model 231 and one for the Whistleblowing Platform, while for SA8000 certification, there is a complaints box and link.



Served Markets

The Group's geographic sales area includes Italy, France, and the United States. The sector served is the textile industry, with clients benefiting from both B2B and B2C services.



Membership in Associations

The company is a member of Confindustria and the Association for CSR, a network of companies from Modena of various sectors and sizes, aimed at promoting principles and practices of Corporate Social Responsibility (CSR).



Membership in ELITE, Euronext Group - Italian Stock Exchange: EMME 1972 is an accredited company with Elite Capital Services, a program of the Euronext Group that simplifies the capital-raising process for European companies with ambitious growth objectives. In 2023, it obtained its Sustainability Certificate.



The value chain

Suppliers

To carry out its activities, EMME 1972 sources materials necessary for the production of its products, partnering with reliable suppliers for services that enable the Group to perform its core activities aimed at meeting the needs of end-users and customers. At this stage, EMME 1972 is committed to implementing a responsible and integrated management of the supply chain in economic, social, and environmental terms, by adhering to and promoting projects and initiatives for the development of local economies in the communities where it operates.

The company uses standard procedures for selecting and managing suppliers, ensuring equal dignity and opportunities for them. In the supplier selection process, it considers goals, professionalism, and business structure, as well as the quality, price, service delivery methods, and delivery performance of its suppliers.

Additionally, it evaluates the supplier's market reputation, their ability to meet confidentiality obligations as required by the nature of the service provided, as well as social responsibility criteria and compatibility with the size and needs of the company. Suppliers are encouraged to conduct their activities in accordance with the standards outlined in the company's Ethical Code.

Constant monitoring criteria and systems are also used to assess the quality of performance and the goods/services provided. In particular, partners must ensure business integrity, respect workers' rights, invest in quality, and manage environmental and social impacts responsibly.

Since 2022, the company has implemented a process for evaluating and certifying the supply chain according to ESG indicators from Cerved, which issues an "ESG Report" for each evaluated supplier. Contracts with strategic suppliers, those impactful for the completion of the final product and internally identified as "reference Suppliers," have included an ESG evaluation by Cerved and an Agreement for SA8000 Certification starting in 2023. Additionally, evaluations will be conducted using the certification criteria of ISO 14001 and ISO 45001.

For the definition of "local supplier," it refers to a supplier operating within the same region as EMME 1972's offices, namely Modena and the Union of Municipalities of the Empolese Valdelsa for Zac Fashion. "Significant operational sites" refer to production facilities.

The total number of suppliers for the Group is 986 (compared to 920 in 2022), categorized according to the following macrocategories and their percentages relative to supply spending. Local suppliers make up 21.91% of the total number of suppliers and account for 21.63% of the supply spending. The majority of the supply expenditure is directed towards services (55.24%), followed by processing (25.90%) and raw materials (10.22%).

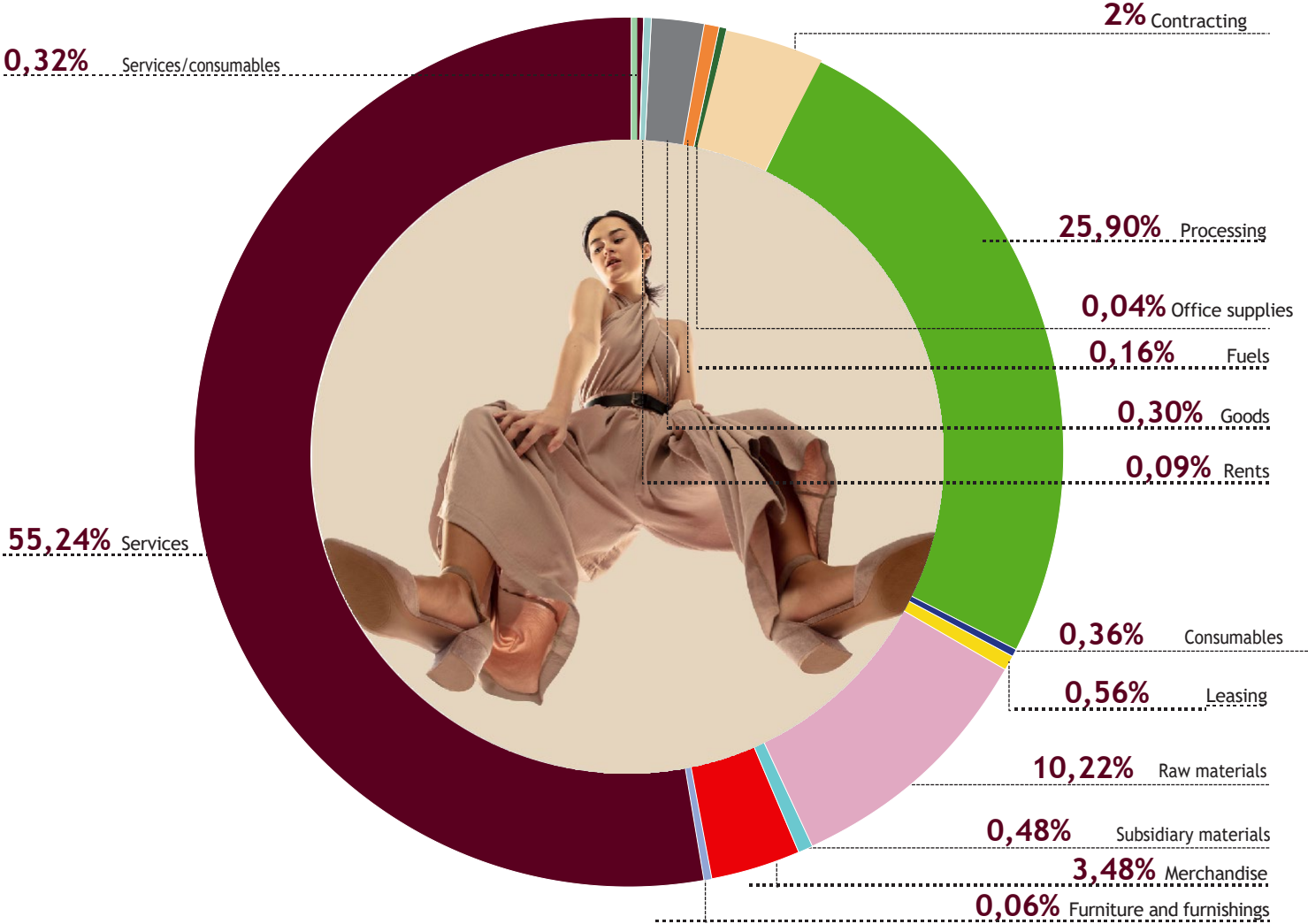
Raw materials are supplied directly by the clients with whom the company engages.

Proportion of expenditure allocated to local suppliers

Supplier macro-areas	Expenditure/total expenditur	N° of suppliers
Rents	0,09%	2
Contracting	2,00%	1
Goods	0,30%	12
Office supplies	0,04%	12
Fuels	0,16%	4
Packaging	0,25%	5
Processing	25,90%	55
Leasing	0,56%	3
Consumables	0,36%	44
Raw materials	10,22%	246

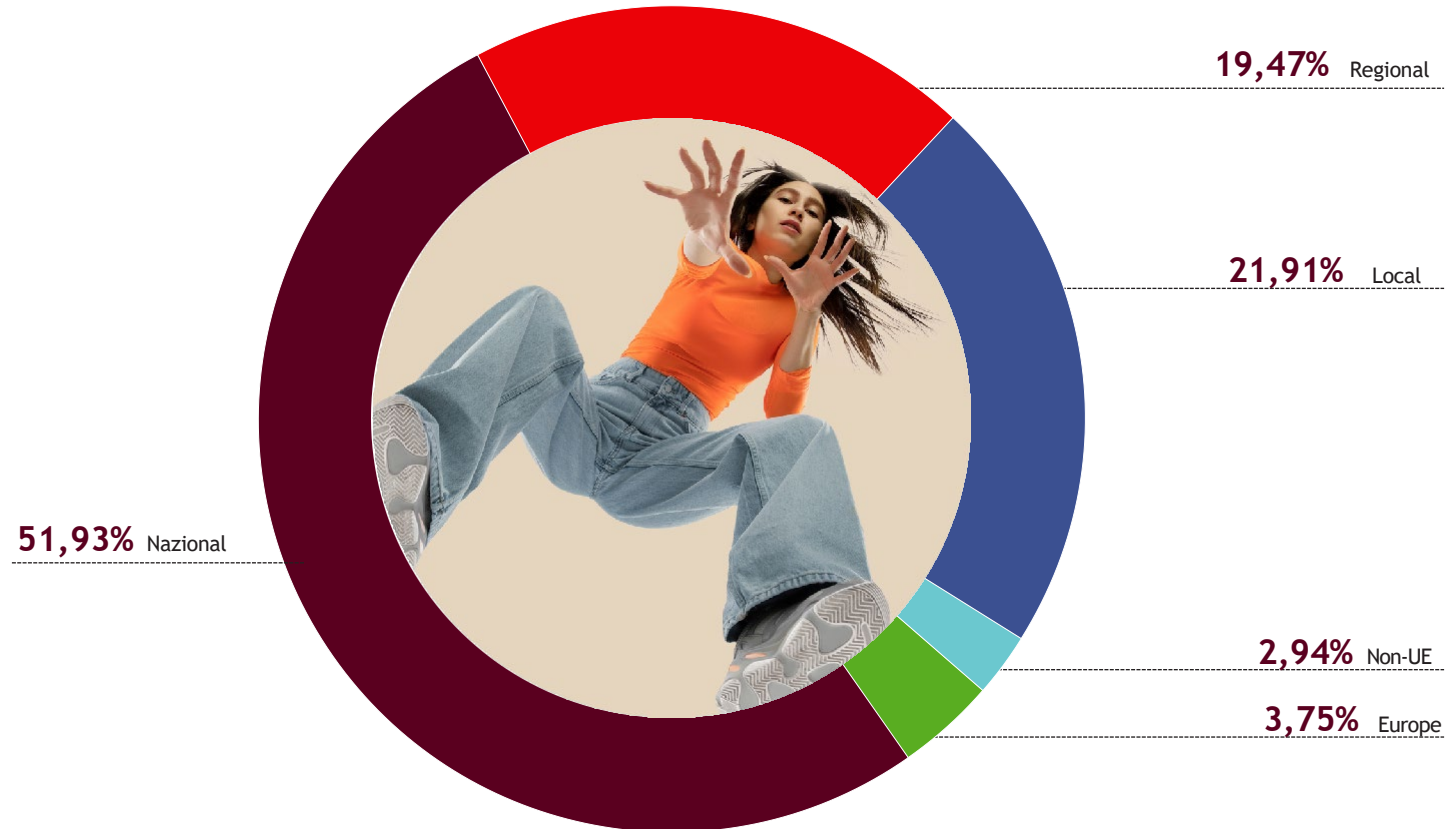
Subsidiary materials	0,48%	14
Merchandise	3,48%	30
Furniture and furnishings	0,06%	5
Bank charges	0,00%	5
Finished product	0,00%	2
Services	55,24%	514
Services/consumables	0,32%	4
Software	0,01%	1
Transportation	0,54%	27
Total	100%	986

% expenditure by type of supplier



N° of suppliers by geographic area						
Supplier macro-areas	N° of suppliers	Local	Regional	Nazionale	Europe	Non-UE
Rents	2	2	0	0	0	0
Contracting	1	0	1	0	0	0
Goods	12	4	2	6	0	0
Office supplies	12	2	0	6	4	0
Fuels	4	1	1	1	1	0
Packaging	5	4	0	1	0	0
Processing	55	6	10	39	0	0
Leasing	3	0	0	3	0	0
Consumables	44	3	2	33	5	1
Raw materials	246	23	32	153	13	25
Subsidiary materials	14	4	0	10	0	0
Merchandise	30	1	3	26	0	0
Furniture and furnishings	5	1	1	3	0	0
Bank charges	5	1	0	4	0	0
Finished product	2	0	0	2	0	0
Services	514	161	140	196	14	3
Services/consumables	4	1	0	3	0	0
Software	1	0	0	1	0	0
Transportation	27	2	0	25	0	0
Total	986	216	192	512	37	29
	%	21,91%	19,47%	51,93%	3,75%	2,94%

% of suppliers by geographic area



In 2023, no particular risk factors related to employment relationships have emerged. Additionally, no significant risk factors concerning child labor among suppliers have been identified, and therefore, no measures have been taken in this regard.

Three-year summary of suppliers			2023			2022			2021	
Supply type	N° of suppliers	% of expenditure	Supply type	N° of suppliers	% of expenditure	Supply type	% of expenditure			
Rents	2	0,09%	Goods	2	0,01%	Machinery	0,60%			
Contracting	1	2,00%	Office supplies	6	0,03%	Raw materials	21%			
Goods	12	0,30%	Processing	45	15,44%	Commercial research merchandise	1%			
Office supplies	12	0,04%	Outsourced processing	56	16,04%	Services	76%			
Fuels	4	0,16%	Machinery	3	1,25%	Transportation	1,40%			
Packaging	5	0,25%	Consumables	81	1,41%	Total	100%			
Processing	55	25,90%	Raw materials	215	9,40%					
Leasing	3	0,56%	Subsidiary materials	11	0,28%					
Consumables	44	0,36%	Merchandise	31	3,38%					
Raw materials	246	10,22%	Furniture and furnishings	5	0,18%					
Subsidiary materials	14	0,48%	Bank charges	2	0,04%					
Merchandise	30	3,48%	Finished product	2	3,10%					
Furniture and furnishings	5	0,06%	Services	434	48,24%					
Bank charges	5	0,00%	Services/consumables	2	0,19%					
Finished product	2	0,00%	Transportation	25	1,01%					
Services	514	55,24%	Total	920	100%					
Services/consumables	4	0,32%								
Software	1	0,01%								
Transportation	27	0,54%								
Total	986	100%								

Customers

EMME 1972 demonstrates a constant sensitivity and attention to the quality of its relationships with clients and their continuous improvement, as this is a necessary prerequisite for the process of value creation and distribution within the company.

The company is positioned as a valuable external resource capable of collaborating comprehensively and on multiple levels with its clients. EMME 1972 can provide technical support, including the design of models and prototypes, optimization for the design phase, product engineering, and the production of the finished garment. Clients are an integral part of the company's asset base. The Group's conduct is always guided by professional respect for confidentiality regarding information acquired during operations, as well as compliance with current data protection regulations.

The organization analyzes the specific needs of clients to ensure reliable, "tailor-made" responses and establish long-lasting relationships, committing to offering solutions and services that are convenient, innovative, and secure while guaranteeing the highest quality and privacy. The company complies with all regulations that ensure client health and safety. For the fiscal year 2023, a non-compliance issue was identified regarding norms and/or self-regulation codes, which resulted in a notice that was properly managed and resolved. No verified complaints related to client privacy violations or data loss were reported.





Economic Responsibility

Information on the creation and distribution of economic value provides a basic indication of the wealth created by the organization for its stakeholders. The economic value generated by EMME 1972 is largely distributed to the various stakeholders with whom the company interacts in the course of its activities, while respecting the economic management and the expectations of these stakeholders.

The retained economic value, determined as the difference between the economic value generated and the economic value distributed, represents the sum of financial resources dedicated to economic growth and the company's financial stability, as well as the creation of new wealth for the benefit of stakeholders. This is why the company aims to combine the achievement of its economic goals with the maximization of the interests of all stakeholders, the community in which the company operates, and the environment.

The economic value generated and distributed provides a useful indication of how the Group has created wealth for all stakeholders, amounting to 95.78% of the value generated, showing a constant increase compared to previous periods. The economic value generated by the Group is detailed in the table below

Economic value directly generated and distributed			
	% 2023	% 2022	% 2021
Economic value directly generated and distributed	100%	100%	100%
Operating costs	71,54%	72,12%	51,03%
Employee salaries and benefits	18,64%	11,17%	20,34%
Payments to capital suppliers	2,23%	1,13%	5,63%
Payments to public administration	3,30%	6,98%	10,85%
Investments in the community	0,08%	0,08%	0%
Economic value distributed	95,78 %	91,48%	87,85%
Economic value retained	4,22%	8,52%	12,15%

In 2023, the company Zac Fashion made several infrastructure investments:


- **Expansion of the photovoltaic system for energy savings.**
- **Expansion and modernization of offices.**
- **Establishment of a company cafeteria.**

Anti-Corruption and conflict of interest

EMME 1972 has adopted the Organizational, Management, and Control Model 231, which includes an ethical code defining the company's principles and values. One of the objectives of the Model is to prevent risks caused by illegal behaviors. In addition, the organizational structure has implemented a Whistleblowing procedure to uncover any risky behaviors.

Employees and board members have been trained on Model 231, which, among other things, aims to raise awareness about behaviors related to corruption. All employees are required to avoid situations where conflicts of interest may arise and to refrain from personally benefiting from business opportunities they become aware of in the course of their duties.





Situations that may lead to a conflict of interest:

- holding a senior position (e.g., board member, department head) while having economic interests with suppliers, clients, or competitors (such as ownership of shares, professional roles), even through family members or relatives;
- managing relationships with suppliers and clients while also performing work for them, including work done by relatives and in-laws;
- accepting money or favors from individuals or companies that are, or intend to be, engaged in business relationships with the company.

If a situation that may appear to involve a conflict of interest arises, the employee is required to report it to their supervisor, who, following the prescribed procedures, informs the company's administrative bodies and the Supervisory Board established under Legislative Decree 231/01. These bodies evaluate, on a case-by-case basis, the actual existence of the conflict. In 2023, no reports of such conflicts were made, and the Supervisory Board did not identify any associated risks.



Social Responsibility

People

One of the core values of the Group is to always place people and quality of life at the center of attention, operating with the utmost respect for those who work with the company. It is precisely the people, their well-being, growth, and professional development that are the heart and engine of EMME 1972's success.

To sustain its growth trend, it is important for the company to continue investing in people and to ensure the conditions necessary for each individual to find professional development, collaboration, harmony, and tranquility in the workplace, as well as a safe, healthy, and peaceful working environment.

The company has implemented (and continues to implement every day) its commitment through various actions, including the SA8000 certification, the international certification standard issued by SAI aimed at certifying certain aspects of corporate management related to corporate social responsibility.

As of December 31, 2023, the Group has a total of 144 people, including: 137 employees (78% female and 22% male), one collaborator, 4 interns (75% female and 25% male), and 2 temporary workers (100% female). The positive turnover has significantly increased, as there were 106 employees in 2022, and it stands at 50%.

The overall average age of the company is 46 years, with 24.82% of employees being under 30 years old, 41.61% between 30 and 50 years old, and 22.58% over 50 years old. 64.96% have a permanent contract, and 94.89% have a full-time contract.

All employment contracts refer to the National Collective Labor Agreement for the Textile, Apparel, and Fashion Industry.

	2023					2022		
Employees and non-employee workers	Total	Women	Men	% Women	% Men	Total	Women	Men
Employees	137	107	30	78%	22%	106	80	26
Agents/Independent Contractors/Collaborators	1	0	1	0%	100%	1	0	1
Internships/Stage	4	3	1	75%	25%	0	0	0
Temporary workers	2	2	0	100%	0%	0	0	0
Total	144	112	32	78%	22%	107	80	27
Professional role and gender of employees	Total	Women	Men	% Women	% Men			
Managers	3	1	2	33%	67%			
Middle managers	1	1	0	100%	0%			
Clerks	62	53	9	85%	15%			
Workers	71	52	19	73%	27%			
Total	137	107	30	78%	22%			
Gender and age groups of employees	Total	Women	Men	% Women	% Men	Total	Women	Men
<30 years old	34	27	7	79%	21%	31	24	7
30-50 years old	57	43	14	75%	25%	46	31	15
>50 years old	46	37	9	80%	20%	29	25	4
Total	137	107	30	78%	22%	106	80	26

Type of employee contract	2023					2022		
	Total	Women	Men	% Women	% Men	Total	Women	Men
Fixed-term	28	21	7	75%	25%	26	18	8
Permanent	89	71	18	80%	20%	80	62	18
Apprenticeship	20	15	5	75%	25%	0	0	0
Temporary workers	2	2	0	100%	0%	0	0	0
Total	139	109	30	78%	22%	106	80	26
Work arrangements for employees	Total	Women	Men	% Women	% Men	Total	Women	Men
Part-time	7	6	1	86%	14%	99	74	25
Full-time	130	101	29	78%	22%	7	6	1
Total	137	107	30	78%	22%	106	80	26

2021				
Gender	TI	TD	Full-time	Part-time
Women	25	12	34	3
Men	7	1	8	0
Total	32	13	42	3

Hiring and employee turnover	2023					2022		
	Total	Women	Men	% Women	% Men	Total	Women	Men
Terminations	19	16	3	84%	16%	6	3	3
< 30	7	7	0	100%	0%	0	0	0
30-50	5	3	2	60%	40%	0	0	0
> 50	7	6	1	86%	14%	0	0	0
New hires	53	41	12	77%	23%	34	24	10
< 30	14	11	3	79%	21%	14	9	5
30-50	24	19	5	79%	21%	13	9	4
> 50	15	11	4	73%	27%	7	6	1
Positive turnover				50%	Negative turnover	18%		

New employees come from various geographical areas: most are from the Modena province, and there are also 3 workers of Pakistani origin, 14 workers of Ukrainian origin, and one worker from Poland.

Nationality	New hires	Terminations
Italian	35	14
Ukrainian	14	5
Polish	1	0
Albanian	0	1
Pakistani	3	0

Employees by geographic region	Emilia Romagna	Tuscany	Apulia
Employees	84	52	1
Permanent	53	36	0
Fixed-term	15	11	1
Apprenticeship	16	4	0
Temporary	2	0	0
Full-time	79	49	1
Part-time	5	2	0

Parental leave is provided according to legal requirements: in 2023, three parental leaves were requested, and one person has returned to work after their leave.

The group is working to ensure gender equality; currently, the situation cannot be considered balanced. The company has three individuals from protected categories.

No discriminatory incidents related to ethnicity, color, gender, religion, political opinion, nationality, or social origin have been reported.





Employee Benefits

The company has long been a member of Sanimoda, an integrated health care fund for workers in the fashion industry. It actively participates in local welfare projects and offers personalized contractual conditions to support work-life balance. The company has implemented a corporate welfare platform (fringe benefits, welfare vouchers, reimbursements, and contributions) for all employees through the Welfare Intesa Sanpaolo portal. For executives and the Quality Control Manager (level VII), a company car is provided; additionally, accommodation is guaranteed for the executive at EMME 1972. The Group also offers fuel vouchers to its employees. The benefits provided to full-time, permanent employees are the same as those for fixed-term or part-time employees.

The applicable collective bargaining agreement (Textile Clothing Industry) includes a category-specific supplementary pension fund (Previmoda), to which employees can choose to allocate their accrued severance pay (TFR) for retirement purposes.

Training and development of employee skills

Employee training and development is a critical area of focus for both the company and its stakeholders. The growth and professional development of employees are fundamental to the Group's objectives, aiming to enhance the skills and knowledge of its workforce while ensuring compliance with national legislation and workplace safety.

Training and the development of new skills are essential for the success of business activities and the advancement of personnel.

The companies within the group provide both internal and external mandatory training as required by apprenticeship agreements. Additionally, obligatory courses on health and safety at work are monitored.

In 2023, the total training hours amounted to 5,329, including both mandatory and non-mandatory sessions (compared to 788 hours in 2022). These sessions involved 98 people, of whom 73 were women and 25 were men.

Employee training hours	Total hours	Hours for women	Hours for men	Women	Men
Training hours for executives	88	41	47	1	1
Training hours for middle managers	0	0	0	0	0
Training hours for clerks	3.146	2.749	397	38	7
Training hours for workers	2.095	1.262	833	34	17
Total	5.329	4.052	1.277	73	25

Average number of training hours per employee	38,90
Average number of training hours per female employees	37,87
Average number of training hours per male employees	42,57
Average number of training hours for executives	29,33
Average number of training hours for middle managers	0,00
Average number of training hours for clerks	50,74
Average number of training hours for workers	29,51

The topics covered in the training were diverse and numerous, with a total of 4,679 hours dedicated to cross-functional training.

Training topics for employees	Total hours
On-the-job training - Mentoring	112
On-the-job training - Mentoring/Moulage	443
TSE Training - Team System	228
Cybersecurity	84
PLM Course	582
CAD Training	234
Sustainability	36
Skills and tools for business sustainability	686
HR and management training	70
HR Training	156
Certifications	162
ISO 9001 -14001 - 45001	1.840
SA8000	46
Total	4.679

Skills are regularly enhanced through internal training among colleagues. Specifically, the different companies within the Group are organized so that junior resources are paired with senior resources to improve the technical skills of the former and the soft skills of flexibility and updating for the latter. At the end of the year, the HR department was expanded with the addition of two new roles to better implement and monitor training activities and career plans. Where employees have proposed training courses of interest, the company has financed them. One employee requested and was granted a leave of absence to participate in a formative opportunity with a positive impact on their career (the reality show "Tailor Made").

Compensations

Base salaries are assigned according to the applicable National Collective Labor Agreement (CCNL), determining the correct level based on the job description. Subsequent level increases or individual additional payments are assigned based on the employee's growth. The presence of a male population (25% of the company workforce) is not sufficient to determine a representative salary ratio. As of December 31, 2023, the employee with the highest salary (executive) received 65% more than the average total annual salary of all other employees (excluding the aforementioned person); this percentage is consistent with the salary tables provided in the applicable CCNL. The ratio of total annual salary is €2.75.

Below is a table showing the gender pay gaps by professional category.

Professional category	% Change Female/Male
Managers	37,45%
Middle Managers	0%
Clerks	6,8%
Workers	-1,24%

Health and safety at work

The safety, prepares the Risk Assessment Document (DVR), which is used to identify and catalog workplace risks, as well as the behaviors and equipment suitable for mitigating them. This document is regularly updated in accordance with Article 28.2 of the regulations or whenever there are significant changes within the company. An external Health and Safety Manager has been appointed with the task and responsibility of verifying compliance with workplace safety regulations.

Each employee, according to their role, is provided with the appropriate Personal Protective Equipment (PPE) to safeguard against workplace risks. Supervisors must ensure that PPE is used correctly and regularly. Each company within the Group has appointed fire safety and first aid officers and has drafted emergency plans (a regulatory requirement) for each location. These plans outline the behaviors to follow in case of emergency, identify the key contacts, and describe the procedures for safely evacuating the premises.

The organizational charts identifying the responsible individuals are posted on company bulletin boards, and staff are duly trained in prevention and safety matters.

Workplace risks are regularly assessed. In particular, they are continuously monitored by designated personnel to reduce the likelihood of incidents. Measures to mitigate the effects of workplace risks (based on the job role) are outlined by both the occupational physician and the Health and Safety Manager (RSPP). The companies are always updated on the latest regulations and adopt protocols in accordance with these regulations. The protocols are communicated to the staff and posted on bulletin boards.

The identification of coordinating figures across different companies and areas is allowing the pinpointing of employees with supervisory roles responsible for continuously and directly monitoring compliance with health and safety regulations and the best practices outlined in the Risk Assessment Document (DVR). The Supervisory Board of the EMME 1972 Model 231 monitors and ensures the effectiveness of the adopted processes.

Regarding deadlines for maintenance, training, safety compliance, and health surveillance, in addition to reporting via Excel files, a module from the Team System has been implemented. This module provides automatic email alerts for upcoming deadlines, thereby automating the control processes.

Procedure for reporting workplace hazards and accidents

To safeguard personnel with a higher level of proximity, Supervisors (as required by regulations) have been appointed in various areas. Their role is to monitor and periodically report any risks using specific forms, verify correct behaviors in the workplace, and train employees on the actual hazards associated with their tasks.

Workplace hazards that, if not controlled, can contribute to or cause occupational diseases may include:

- **possible incorrect lighting conditions:** risk to vision and eyes
- **possible improper postures (seated posture):** risks to the spine and upper limb joints
- **electrical energy** could cause electrocution in case of contact
- **potentially slippery flooring:** when wet, it can cause a risk of slipping in the case of wet floors due to spills, cleaning, or the presence of materials
- **Potentially deposited material in walkways:** it can pose a risk of collision, tripping, and injury
- **road traffic:** it can pose a risk of being run over when exiting the company

Employees, as per the safety training received, know that if they are unable to report an issue or if their report is not considered, they can choose to abstain from performing risky work. To mitigate the risk of potential retaliation following this behavior, the presence of the Safety Representative (RLS) in the company serves as a safeguard against retaliatory actions after the report.

Currently, based on the absence of prior professional accidents, no formal procedure for investigating professional incidents has been established.

However, applying the legal regulations and the standards set by the applicable certifications, the following procedure is followed:

- **preventive risk analysis** (documented in the DVR document);
- **identification of any "Non-Conformities"** with regulations, ISO certifications, and the DVR;
- **assignment of Corrective Actions** to be carried out, based on the identified risk, within a period of 1 to 3 months;
- **final verification** of the closure of the "Non-Conformity".

No occupational diseases (appropriately evaluated in the DVR) were recorded in 2023 for employees and non-employees; however, two accidents were recorded at EMME 1972. The main causes of accidents in the company are related to commuting accidents (during the journey from home to work and vice versa, or between different operational sites, or during lunch breaks). Another factor contributing to accidents was the failure to use personal protective equipment (thimble).

Reporting Methodology

Each person is authorized and encouraged to report malfunctions or wear of safety devices to their area supervisor and/or appointed safety officer, who must implement the appropriate predetermined measures to reduce the risk of harm to themselves and their colleagues. If these figures have any issues to report, they fill out specific forms for the report, which are submitted to the Employer, who promptly takes corrective measures.

Based on the emergency plans, annual fire drills and general hazard exercises (a regulatory requirement) are conducted to help employees handle and manage dangerous situations.

Informative notices and internal and external signage are issued and updated to assist employees in cases of immediate danger, particularly by indicating the exact locations of safety devices and the nearest emergency exits.

Anonymous reporting tools for issues related to employment relationships (including safety) have been provided, allowing employees to report anomalies or problems without fear of retaliation. These tools include a physical suggestion box and a link to an online form.



Occupational Health Services

All employees of the Group undergo a medical examination to assess their health and fitness for their specific job role. This examination is repeated every two years, unless otherwise indicated by the Occupational Health Physician. Employees are allowed to request an extraordinary visit in writing if they believe their health conditions need to be addressed before the next scheduled check-up. If the Occupational Health Physician certifies the employee's fitness for their role but specifies certain behavioral or equipment-related prescriptions for the company, the company commits to implementing the necessary measures promptly and informs the responsible manager of any prescriptions. The Occupational Health Physician conducts an annual inspection of the workplaces to identify any potential risks or the need for corrective actions to protect employee health.

Currently, deadlines for training courses and medical examinations for employees are monitored through the Team System management software.



Consultation of employees and joint management-employee committees

Every six months, employees are provided with satisfaction surveys that include a specific question about Health and Safety: how well these aspects are developed within the company and areas for potential improvement. There is also a section for suggestions where employees can include additional improvements. Additionally, both EMME 1972, MRC Fashion, and Zac Fashion have a Google form for reporting "Non-Conformities" and NEAR MISS incidents related to health and safety.

The company also has a SA8000 Committee, which consists of the Social Performance Team, including a SA8000 Worker Representative and a SA8000 Management Representative.

Training of employees on health and safety at work

All employees undergo general and specific safety training at the time of their onboarding, provided by an external training entity. Depending on their role and the level of risk exposure, employees are also trained on specific hazards and procedures to follow in case of danger to themselves and their colleagues. The training sessions are conducted during working hours and, depending on the risk level, the duration ranges from 4 hours for general training to between 4 and 12 hours for specific training. In 2023, a total of 650 hours were dedicated to health and safety training.

At the end of the training, there is a written test. Upon passing the test, a certificate is issued to confirm the completion of the training.

To ensure that the training activities are as relevant as possible to the company's reality and the specific tasks performed, the Group has entrusted the training activities to an entity that, when possible, organizes and conducts the courses at our locations, designing the content specifically for the tasks involved in the course. The safety training situation for all employees and for those with specific roles is continuously monitored. When a training need arises, resources are promptly trained to ensure they are up-to-date and better aware of the risks. Records regularly filled out by supervisors and collected and stored by the HR department provide ongoing updates to the company regarding risks and necessary interventions to mitigate them.

Occupational health and safety training	Total hours
Mandatory safety/Fire prevention and First Aid	326
Workplace safety	256
RLS (Workers' Safety Representative) updates	6
Supervisors	24
Mandatory safety/Supervisor	32
Mandatory training	6
Total	650

Promotion of employee health

Regarding the promotion of employee health, no specific additional programs have been implemented beyond those required by regulations. However, there are signs and notices that raise awareness about proper hygiene practices to prevent or reduce the risk of epidemics. 100% of employees and those with other types of contracts (e.g., temporary workers and interns) are subject to health surveillance.

The collective labor agreement (CCNL) applied in the company includes a supplementary health prevention plan (Sanimoda) that provides coverage for medical services related to prevention and health checks. The Group is committed to regularly paying the subscription fee so that employees can benefit from this service.

At the time of hiring and in case of updates, human resources are informed about the services provided by the prevention plan and how to access them, ensuring they can fully utilize the available benefits.

Employee health information is managed—when strictly necessary—exclusively by HR personnel (EMME 1972) within company directories that only they can access.

Supervisors or individual area contacts are informed about the limits (but not the medical conditions) of individuals only if strictly necessary for the performance of the work activity.

In particular, for all resources hired under a subordinate employment contract who have successfully completed the probationary period, various prevention and assistance programs are provided. Some examples include:

- **economic coverage** in case of hospitalization for surgical procedures;
- **economic coverage** for maternity-related aspects (from pregnancy check-up expenses to childbirth, etc.);
- **coverage for specialist visits**, with a particular focus on dental care and psychological counseling;
- **prevention programs** for adults and minor children;
- **coverage for expenses** related to lenses and glasses;
- **coverage for oncological treatments.**



The Group has identified and provided the staff with tools to enhance and facilitate their work activities, addressing individual needs for each specific occupation.

Specifically, adjustable desks and ergonomic chairs have been purchased to improve posture and ensure greater comfort during prolonged static postures. Each workstation has been designed to ensure adequate visual distance from the PC monitor and to avoid direct light exposure from natural light and the PC screen.

Additionally, to promote collective well-being and teamwork, a break room has been created with spaced tables and chairs, equipped with appliances to ensure that everyone can benefit from it. A relaxation room has also been provided, where each employee can use products from vending machines, including bio and healthy options introduced at the request of the staff.

Practices of safety and human rights

The Group has adopted a Code of Ethics and an Organizational and Management Model pursuant to Legislative Decree 231/01. All employees have been trained on these to properly identify behaviors that deviate from and violate human rights. The Code of Ethics includes values for the protection of human rights.

EMME 1972 and Zac Fashion have been SA8000 certified, which—among other things—requires training and verification of procedures related to human rights.

As in 2022, there were no reports of human rights violations in 2023.



Promuovere lo sviluppo nella comunità locale

Sustainability for the Group also encompasses relationships with local communities. The company actively contributes to the growth of the local community through investments, donations, and sponsorships aimed at the development and improvement of local conditions.

Support for the region and interest in active projects within it have always been constants for the Group. In 2023, the following projects were supported:

- **A.S.T.R.O. Association:** ASTRO Onlus operates in the socio-healthcare sector, promoting initiatives to support cancer patients
- **Meyer Hospital Foundation:** a donation of €5,000 was made to the "Il Sorriso di Andrea" Association for the assistance of children with cancer at the Meyer Pediatric Hospital Foundation
- **San Patignano Social Cooperative Community:** this community welcomes individuals affected by addiction and marginalization to help them find their way through a recovery path. EMME 1972 donated €5,000 to this cause
- **Porta Aperta Volunteer Association:** an organization active in the Modena area since 1978, focused on combating poverty and inequalities. A donation of €5,000 was made
- **San Fedele Association:** this organization is dedicated to welcoming those in need and improving their health, supporting them in their therapy journey, including through the donation of medications. Support was provided through a donation of €5,000
- **Futuro Association:** a donation of €1,000 was made.

Among the social initiatives carried out is the hosting of young students in a School-Work Alternation program, thanks to collaboration with the State Vocational Institute Cattaneo/Deledda in Modena.



Environmental Responsibility

EMME 1972's production process generates externalities with environmental implications. Specifically, both the use of natural resources and the energy sources employed—particularly fossil fuels—result in significant greenhouse gas emissions. Additionally, there are waste products generated from processing scraps. In this context, the company invests in reducing its environmental impact to continue operating while respecting and protecting natural resources and the planet we live on.

To ensure proper management of environmental aspects, the company continues to maintain an active environmental management system according to ISO 14001:2015, which demonstrates the company's ongoing and rigorous commitment to structured management systems for environmental aspects.

Materials

The main raw materials for the company, which ensure the high quality of its finished products, are primarily fabrics and other types of materials necessary for the production of the final product. All materials are purchased from external suppliers, including the clients themselves. The data provided below are estimates based on monthly usage.

	Type of material used	Kg 2023	Kg 2022	Kg 2021
Non-renewable materials	Fabrics	75.000	54.040	38.000
	Threads	80	200	100
	Mixed materials (buttons, zippers, etc.)	200	500	500
Total non-renewable		75.280	54.740	38.600
Renewable materials	Paper	4.971	6.600	4.500
	Plastic	4.585	7.050	8.000
	Wood	600	900	1.500
	Lubricant	-	-	3
Total renewable		7.600	14.550	14.003

Energy and emissions

Due to the nature of its operations, the Group is not energy-intensive, and its consumption is primarily related to electricity, which is purchased from non-renewable sources. The total electricity consumption amounts to 302,626 kWh, of which 46,830.80 kWh comes from certified renewable sources for Zac Fashion. Consumption calculations have been based on utility bills. Zac Fashion has a photovoltaic system with a maximum capacity of 80 kWh.

Electricity purchase	kWh	GJ
Total electricity purchased from the grid	302.626,00	1.089,45
Of which from certified renewable sources	46.830,80	168,59
Self-produced electricity	kWh	GJ
Electricity self-produced from photovoltaic sources	51.141,00	51.141,00
Of which total electricity from photovoltaic consumed	37.234,00	37.234,00
Of which total electricity from photovoltaic sold	13.907,00	13.907,00
Total electricity consumed from renewable sources	84.064,80	37.402,59
Total electricity demand	339.860,00	1.223,49
Total energy consumption (fuel and electricity)	339.860,00	1.223,49
Electricity purchased (2022)	170.011,11	612,04
Electricity purchased (2021)	124.775	449,19

In 2023, the energy intensity is 0.0000345 GJ/€ based on the company's revenue, while the emissions intensity is 0.00000552 t CO₂e/€. Overall, the company owns and/or leases 18 vehicles, including 3 gasoline, 10 diesel, 2 fully electric, 2 hybrid, and 1 methane vehicle. In 2023, the total distance traveled by these vehicles was 751,454 kilometers.

Company vehicle fleet	Fuel type	Distance traveled (km)
Exclusive business use	Diesel	122.038
	Gasoline	4.069
	LPG (Liquefied Petroleum Gas)	0
	Methane	24.534
	Hybrid	0
	100% electric	6.000
Business and personal use	Diesel	306.674
	Gasoline	268.750
	LPG (Liquefied Petroleum Gas)	0
	Methane	0
	Hybrid	19.389
	100% electric	0
Total		751.454

Scope 1 direct emissions

Scope 1 emissions correspond to greenhouse gas (GHG) emissions from sources that are owned or directly controlled by the company. These emissions arise from the use of fuels used to power company vehicles. The calculated emissions for 2023 amount to 128.01 tons of CO₂e.

Emission source type	u.m.	Quantity	t CO ₂ e Scope 1
Diesel	km	428.712	70,72
Gasoline	km	272.819	51,25
Hybrid	km	19.389	2,12
Methane	km	24.534	3,91
		Totale	128,01

Fonte: UK Dept. for Environment, Food and Rural Affairs (DEFRA), the US Environmental Protection Agency (EPA) and the Intergovernmental Panel on Climate Change's (IPCC) 2006 Guidelines for National Greenhouse Gas Inventories.



Scope 2 indirect emissions

Scope 2 emissions for EMME 1972 are associated with purchased electricity. The energy required for the company's operations is supplied by external companies. The emissions for 2023, calculated using the location-based method* which considers the emission factors based on the Italian national energy mix, amount to 67.70 tons of CO₂e.

Reference year	kWh	t CO ₂ e Scope 2
2023	302.626	67,70
2022	170.011,11	38,03
2021	124.775	27,91

* International Financial Institution (IFI) Framework for a Harmonized Approach to Greenhouse Gas Accounting

Total GHG emissions	t CO ₂ e Scope 1	t CO ₂ e Scope 2	Total t CO ₂ e
2023	128,01	67,70	195,71

Employee Commuting

Zac Fashion conducted an analysis on employees' commuting habits, revealing that 36 employees use cars to travel to work, while 8 use bicycles. Among the cars used by employees: 9 are petrol-powered, 7 use a combination of petrol and methane, 7 use a combination of petrol and LPG, 1 is hybrid, and 12 are diesel-powered.



Water

Water consumption is exclusively related to sanitary services, water distribution systems, and is not linked to the company's production processes.

For all the companies, water withdrawals refer to water sourced from municipal networks for sanitary and firefighting purposes, thus for civil use. The total water withdrawal, which corresponds to the total discharge, amounts to 1,100 cubic meters (compared to 908.72 cubic meters in 2022).

Waste

The main waste generated by the company comes from the processing and use of textile materials, with the waste being sent to waste-to-energy facilities. Toner cartridges are recycled through a specialized company. The disposal method is managed and overseen by external competent companies that handle the disposal services. In 2023, the amount of waste significantly increased compared to previous years.

	Type of waste	kg 2023	kg 2022	kg 2021
Waste destined for recycling	Plastic	28.000	2.100	4.500
	Wood	400	600	500
	Paper	62.000	6.900	-
	Paper/cardboard packaging	6.000	-	-
	Plastic packaging	1.000	-	-
	Organic waste	960	-	-
Total		98.360	9.600	5.000
Non-hazardous waste destined for disposal	Fabric (Unprocessed textile fibers)	15.000	63.040	12.740
	Non-recyclable waste	1.680	-	-
	Toner	75	-	-
Total		16.680	63.040	12.740



Projects for reducing environmental impact

Initiatives Implemented by the Company to Reduce Environmental Impact:

- **Paper Recovery:** the company has utilized 100 reams of paper (compared to 463 reams in 2022)
- **Sustainable Cartridge Disposal:** implemented the "Zerozerotoner" program for the sustainable disposal of printer cartridges
- **Increased Use of Reusable Bottles:** added 100 more 24 Bottles compared to 2022



Objectives

EMME 1972, in light of the findings from the stakeholder engagement conducted, has established objectives that will guide the company's actions and growth, placing sustainability at the core of its operations in the interests of all stakeholders. This is a strategic commitment, integrated with the business, to ensure coherence in sustainable practices.

For the 2023/2025 three-year period, the Group has set objectives divided into the three categories of sustainability

Environment



Creation of a Carbon Footprint for the facilities (greater energy efficiency improvements)



Identify companies that can reuse and give new life to production waste, thereby reducing waste generated from production



Creation of a company handbook on good environmental practices to promote a culture of environmental sustainability internally

Governance



Achieving Gender Equality Certification for at least two companies within the Group

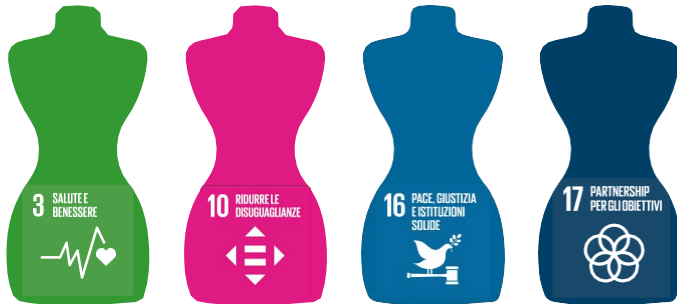


External stakeholder engagement to allow for greater involvement of the range of interlocutors with whom the Group's companies interact

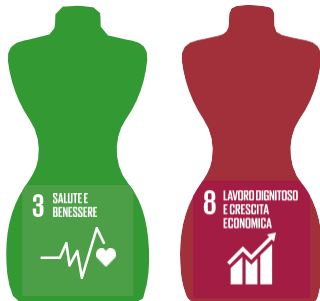


Improvement of internal and external communication within the organization

Social



Implementation of social initiatives for the communities in which the companies operate



Maintenance of the corporate welfare structure

Further development of the internal corporate training system

Openness to corporate volunteer initiatives

GRI Content Index

USAGE DECLARATION	EMME 1927 has disclosed the information mentioned in this gri content index for the period 01.01.23 - 31.12.23 in accordance with gri standards.
GRI 1 USED	GRI 1: reporting principles 2021
APPLICABLE GRI SECTOR STANDARDS	N/A

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301-2	Recycled input materials used	55
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302 ENERGY		
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302-2	Energy consumption outside the organization	55-56
302-3	Energy intensity	55-56
302-4	Reduction in energy consumption	55-56
302-5	Reduction in the energy needs of products and services	Not applicable
303 WATER AND WASTEWATER		
303-1	Interactions with water as a shared resource	60
303-2	Management of impacts related to water discharge	60
303-3	Water withdrawal	60
303-4	Water discharge	60
303-5	Water consumption	60
305 EMISSIONS		
305-1	Direct GHG Emissions (Scope 1)	58-59
305-2	Indirect Greenhouse Gas (GHG) Emissions from Energy Consumption (Scope 2)	58-59
305-3	Other Indirect Greenhouse Gas (GHG) Emissions (Scope 3)	58-59
305-4	Greenhouse Gas (GHG) Emissions Intensity	58-59
305-5	Reduction in Greenhouse Gas (GHG) Emissions	58-59
305-6	Emissions of Ozone-Depleting Substances (ODS)	Not applicable
305-7	Nitrogen Oxides (NOx), Sulfur Oxides (SOx), and Other Relevant Air Emissions	Not applicable

306 WASTE		
306-1	Waste generation and significant associated impacts	61
306-2	Waste by type and disposal method	61
306-3	Generated waste	61
306-4	Waste not destined for disposal	61
306-5	Waste destined for disposal	61
308 ENVIRONMENTAL ASSESSMENT OF SUPPLIERS		
308-1	New suppliers that have been assessed using environmental criteria	23
308-2	Negative environmental impacts in the supply chain and actions taken	Have not occurred
400 SOCIAL ISSUES		
401 EMPLOYMENT		
401-1	New hires and turnover	35
401-2	Benefits provided to full-time employees not provided to temporary or part-time employees	40
401-3	Parental leave	39
402 WORKER-MANAGEMENT RELATIONS		
402-1	Minimum notice periods for operational changes	In accordance with the National Collective Labor Agreement
403 OCCUPATIONAL HEALTH AND SAFETY - 2018		
403-1	Occupational Health and Safety Management System	44-48
403-2	Hazard Identification, Risk Assessment, and Incident Investigations	44-48
403-3	Occupational Health Services	47

403-4	Worker Participation and Consultation, and Communication on Occupational Health and Safety	48
403-5	Worker Training on Occupational Health and Safety	49
403-6	Promotion of Worker Health	50-51
403-7	Prevention and Mitigation of Occupational Health and Safety Impacts within Business Relationships	44-46
403-8	Workers Covered by an Occupational Health and Safety Management System	All employees of all companies in the Group
403-9	Workplace Injuries	46
403-10	Occupational Illness	46
404	TRAINING AND EDUCATION	
404-1	Average annual training hours per employee	41-42
404-2	Employee skills development and transition assistance programs	41-42
404-3	Percentage of employees receiving regular performance and professional development evaluations	42
405	DIVERSITY AND EQUAL OPPORTUNITY	
405-1	Diversity in governance bodies and among employees	36-37
405-2	Ratio of base salary and compensation of women compared to men	43
406	ANTI-DISCRIMINATION POLICY	
406-1	Discrimination incidents and corrective measures taken	Have not occurred
407	FREEDOM OF ASSOCIATION	
407-1	Activities and suppliers whose right to freedom of association and collective bargaining may be at risk	Have not occurred
408	CHILD LABOR	

408-1	Activities and suppliers at significant risk of child labor incidents	Have not occurred
409 FORCED AND COMPULSORY LABOR		
409-1	Activities and suppliers at significant risk of forced or compulsory labor incidents	Have not occurred
410 SECURITY PRACTICES		
410-1	Security personnel trained in human rights policies or procedures	All individuals in the company
411 INDIGENOUS PEOPLES' RIGHTS		
411-1	Incidents of indigenous peoples' rights violations	Have not occurred
413 LOCAL COMMUNITIES		
413-1	Activities involving local communities, impact assessments, and development programs	53
413-2	Operations with significant actual and potential negative impacts on local communities	Have not occurred
414 SUPPLIER SOCIAL ASSESSMENT		
414-1	New suppliers that have been assessed using social criteria	23
414-2	Negative social impacts in the supply chain and measures taken	Have not occurred
416 CUSTOMER HEALTH AND SAFETY		
416-1	Assessment of health and safety impacts by product and service categories	Not anticipated
416-2	Incidents of non-compliance regarding health and safety impacts of products and services	Only for EMME 1972 (a report made by the supervisor, and corrective action was taken immediately)
417 MARKETING AND LABELING		
417-1	Labeling requirements and product and service information	Not applicable

417-2	Incidents of non-compliance concerning labeling and product and service information	Have not occurred
417-3	Incidents of non-compliance concerning marketing communications	Not applicable
418	CUSTOMER PRIVACY	
418-1	Verified complaints regarding customer privacy violations and loss of customer data	Have not occurred





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