

2023
SUSTAINABILITY
REPORT



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Dear Stakeholders,

I am pleased to share with you our vision and strategic direction for the future, one that emphasizes responsible production, sustainable consumption, and value generation for all our shareholders, stakeholders, and the environment.

Our commitment to sustainability is unwavering, and we are making significant strides toward integrating circular business models across our operations. These models are not just a response to the pressing environmental challenges but also a proactive approach to new legislative requirements and market expectations.

In shifting to more circular business models, we aim to minimize our reliance on finite resources and maximize resource efficiency. This approach will enable us to create value continuously while ensuring the health of our planet for future generations.

We will significantly cut down our reliance on non-renewable resources by innovating in product design, materials use, and production processes. This will help us align with global sustainability goals and regulatory standards.

As we look to the future, Pattern Group remains committed to advancing our sustainability efforts. We will continue to invest in new technologies, foster sustainable practices, and engage with stakeholders to drive positive environmental and social impact. Our goal is to set new benchmarks for sustainability in the luxury textile sector, not only meeting but exceeding industry standards.

In this landscape of change and new paths to be charted, the beacon guiding Pattern Group's development is a natural focus on technological innovations, sustainability and social responsibility.

Thank you for your continued trust and support. Together, we can build a more sustainable and prosperous future.

Enjoy reading,

Fulvio Botto

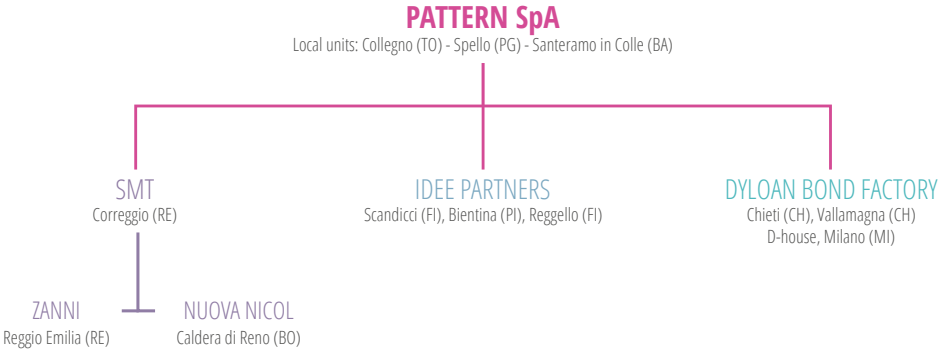
The Sustainability Report 2023 of Pattern Group has been prepared in accordance with Legislative Decree 254/2016, which implements Directive 2014/95/EU on the disclosure of non-financial and diversity information by certain large undertakings and groups. This report aligns with the GRI Standards, following the GRI 1 Foundation 2021, GRI 2 General Disclosures 2021, and GRI 3 Material Topics 2021, established by the Global Reporting Initiative.

The data collection process for this report was guided by a dedicated internal procedure issued in 2022 and updated in 2023. This procedure specifies the activities required for accurate measurement and data collection across all of the Group's locations, ensuring consistency and reliability. It also defines the roles and responsibilities of those involved in the data collection and reporting process.

Additionally, the Non-Financial Statement incorporates the European Union's guidelines on reporting climate-related information and complies with EU Delegated Regulation 2021/2178, which supplements EU Regulation 2020/852 by detailing the taxonomy of environmentally sustainable economic activities. Our sustainability report also serves as the "communication on progress" submitted annually to the Global Compact, reinforcing our commitment to this international initiative.

All data and information reported encompass the companies included in the Group's consolidated financial statements, providing a comprehensive overview of our economic, environmental, and social performance. While this report has not yet undergone External Assurance, we are committed to transparency and continuous improvement in our sustainability practices.

The scope of social and environmental data and information includes all the companies in the Group's consolidated financial statements, shown below:



The Pattern Group comprises Pattern Spa, based in Collegno, and six subsidiaries: Dyloan Bond Factory (100% owned, Chieti), Società Manifattura Tessile (80% owned, Correggio), Nuova Nicol Srl (100% owned, Calderara di Reno), Zanni Srl (merged in 2023, Reggio Emilia), Idee Partners (52.92% owned, Scandicci), Petri & Lombardi Srl (merged in 2023, Bientina/Pisa), RGB Srl (merged in 2023, Reggello/Florence), and the recently acquired Umbria Verde knitting mill. The subject of this report will be all the corporate names and their locations, part of the Group as of 12/31/2023.



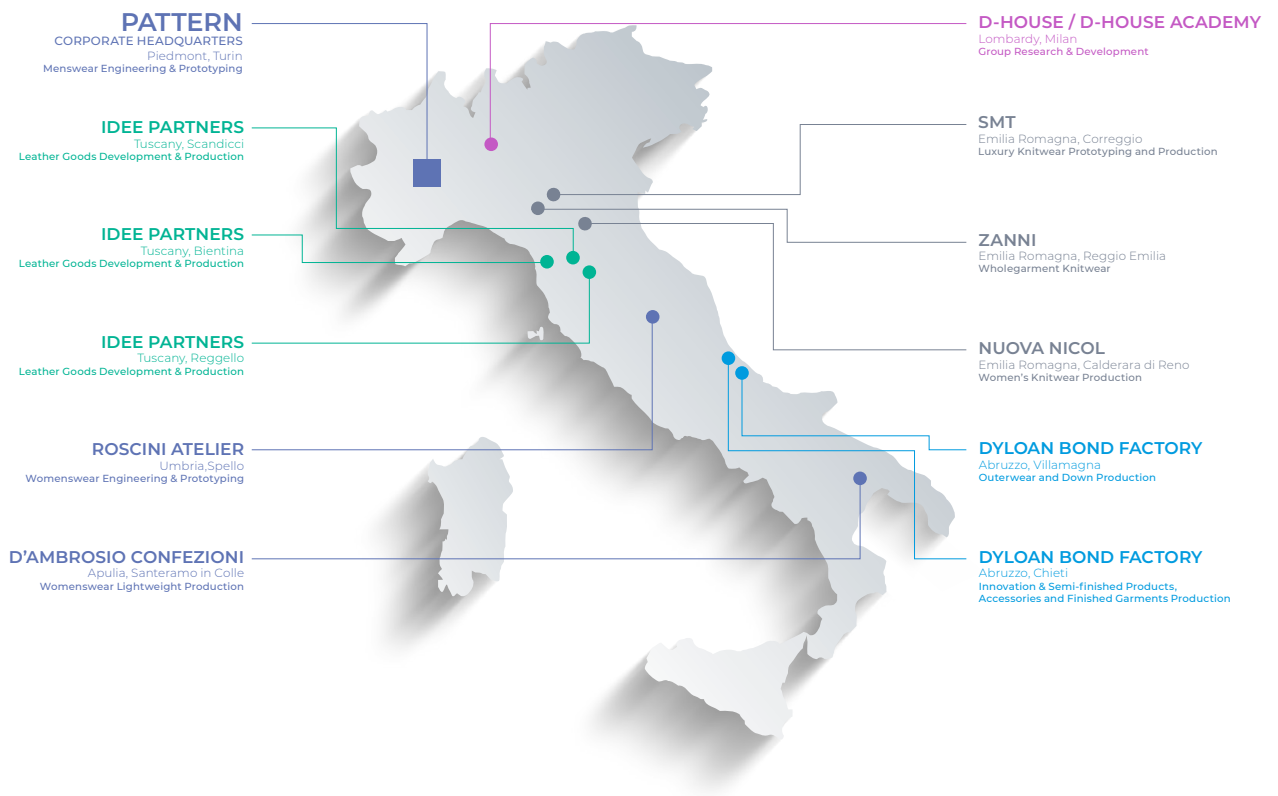


PATTERN

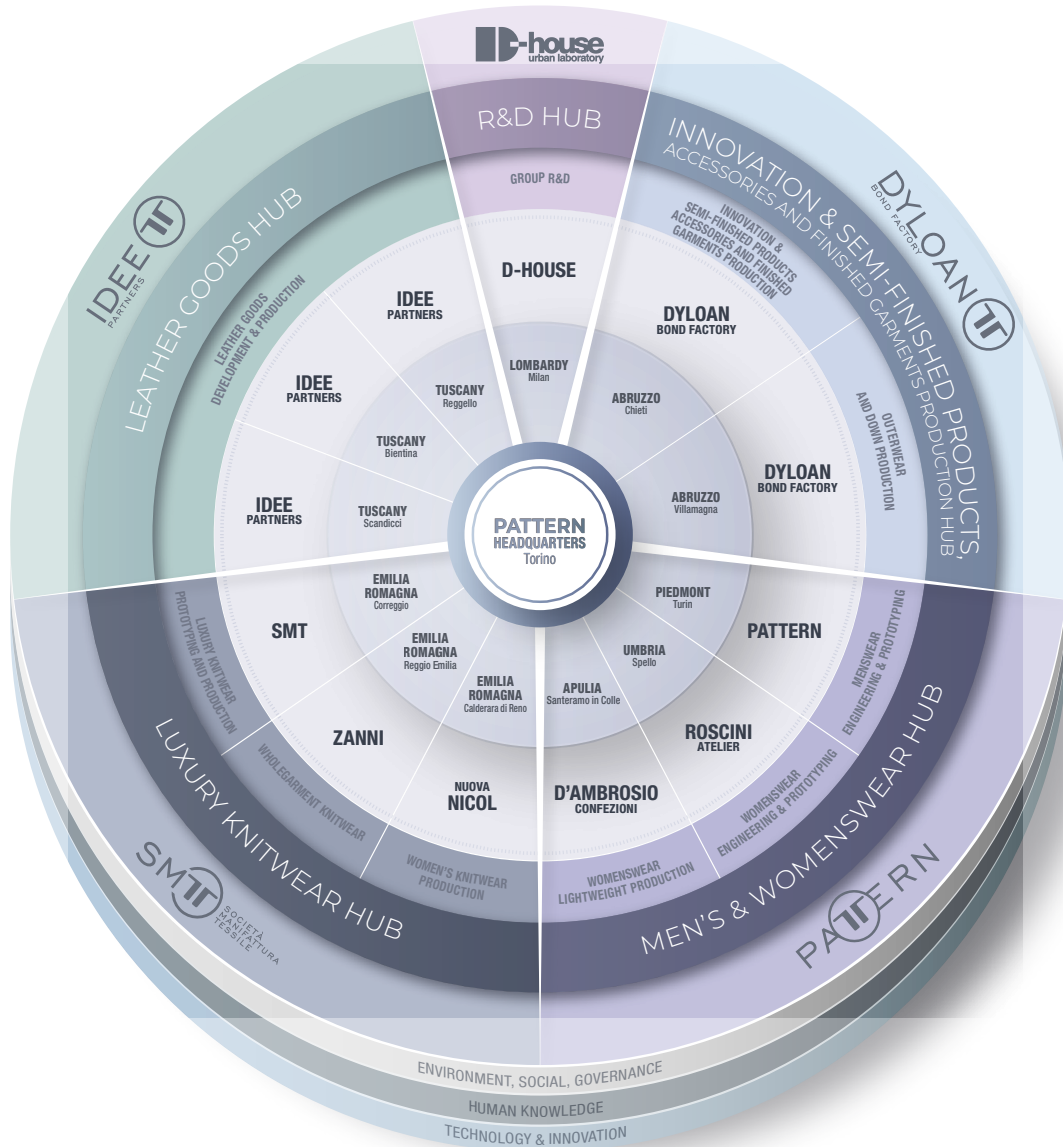
Pattern SpA, Headquarter of Pattern Group, was founded in 2000 by Franco Martorella and Fulvio Botto as a leading company in luxury menswear and outerwear prototyping and engineering.

In 2017, a structured growth process began which led, thanks firstly to the awarding of the Elite Certification of Borsa Italiana and then to the listing on the Euronext Growth Milan Market of Borsa Italiana in 2019, to the creation of Pattern Group: the first Italian Hub of Luxury Fashion Engineering & Production.

Consisting of a network of 12 companies and 13 plants - each leader in Prototyping and Production of different fashion luxury categories - located in 7 regions across Italy, Pattern Group is strongly positioned on the main Fashion Luxury Product Categories, from Research and Engineering up to Production.



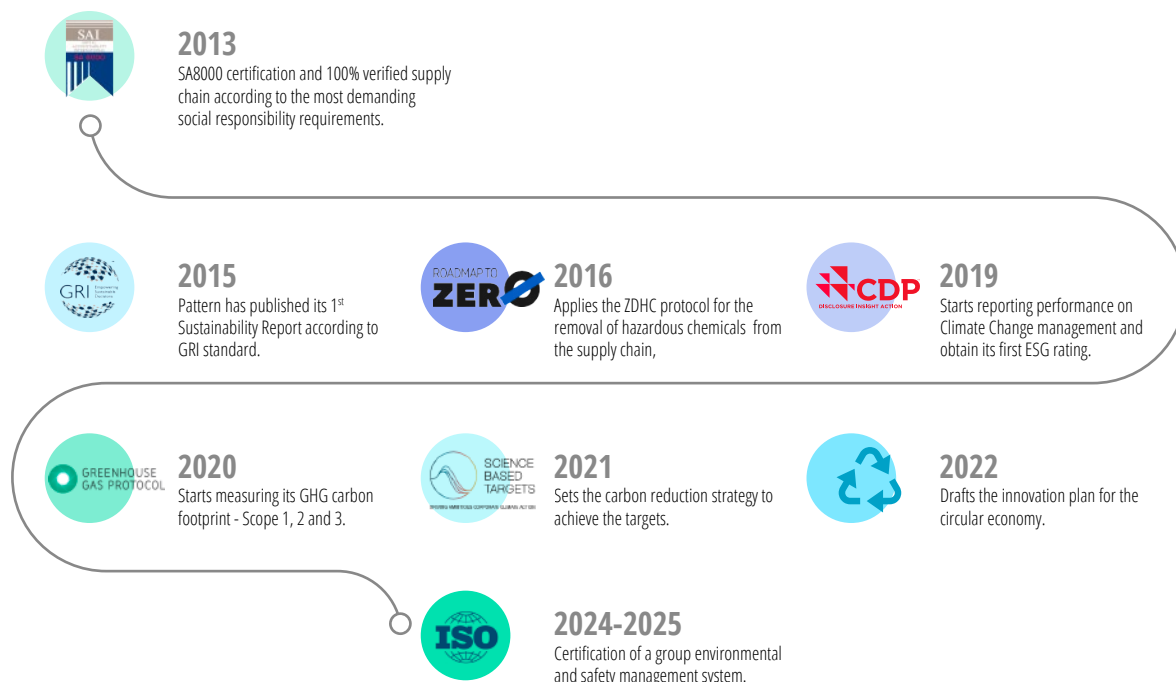
- MEN'S & WOMENSWEAR HUB
- LEATHER GOODS HUB
- LUXURY KNITWEAR HUB
- R&D HUB
- INNOVATION & SEMI-FINISHED PRODUCTS, ACCESSORIES AND FINISHED GARMENTS PRODUCTION HUB



MISSION

Pattern Group's mission is to cover the entire business line (Research and Development, Engineering and Prototyping, Production) of almost all Fashion Luxury Product Categories (men's and womenswear, clothing and accessories, still fabric, knitwear and leather goods), creating a large part of the collections featured on the London, Milan, Paris and New York runways.

This goal is achieved by upholding the 3 values that lie at the heart of the Group's identity: ESG (Environment, Social, Governance), Human Knowledge, Technology & Innovation.



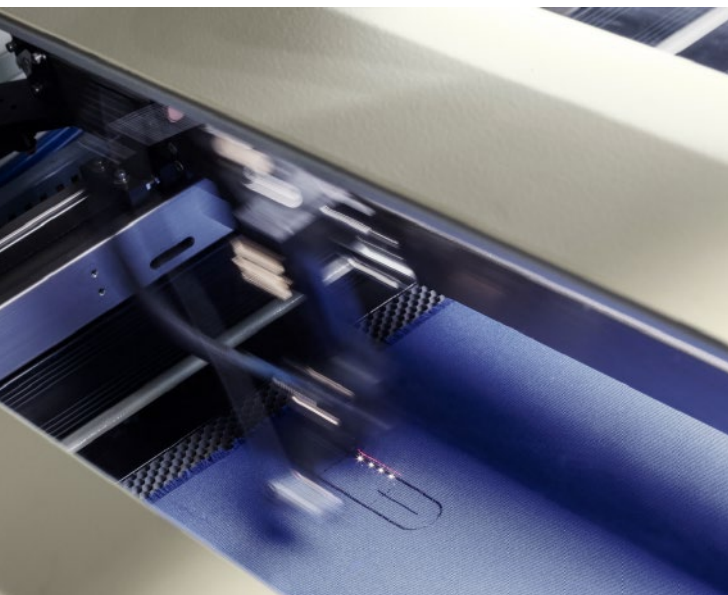
ROADMAP TO SUSTAINABILITY

Our journey towards sustainability is marked by significant milestones that reflect our commitment to social responsibility, environmental stewardship, and continuous improvement.

- 2013: We achieved SA8000 certification, ensuring our supply chain meets the highest social responsibility standards.
- 2015: Pattern published its first Sustainability Report in accordance with GRI standards, establishing a foundation for transparent reporting.
- 2016: We implemented the ZDHC protocol to eliminate hazardous chemicals from our supply chain, prioritizing safety and environmental health.
- 2019: We began reporting on our climate change management performance and received our first ESG rating, demonstrating our dedication to addressing climate impacts.

- 2020: Our measurement of the greenhouse gas (GHG) carbon footprint commenced, covering Scope 1, 2, and 3 emissions, aligning with the Greenhouse Gas Protocol.
- 2021: We set our carbon reduction strategy in line with Science Based Targets, focusing on ambitious goals for reducing our carbon footprint.
- 2022: We developed an innovation plan for the circular economy, aiming to integrate circular practices into our business model.
- 2024-2025: We aim to achieve ISO certification for our group environmental and safety management system, further solidifying our commitment to sustainability and safety.

This roadmap not only highlights our past achievements but also charts our path forward, underscoring our dedication to sustainable practices and continuous improvement in our operations.



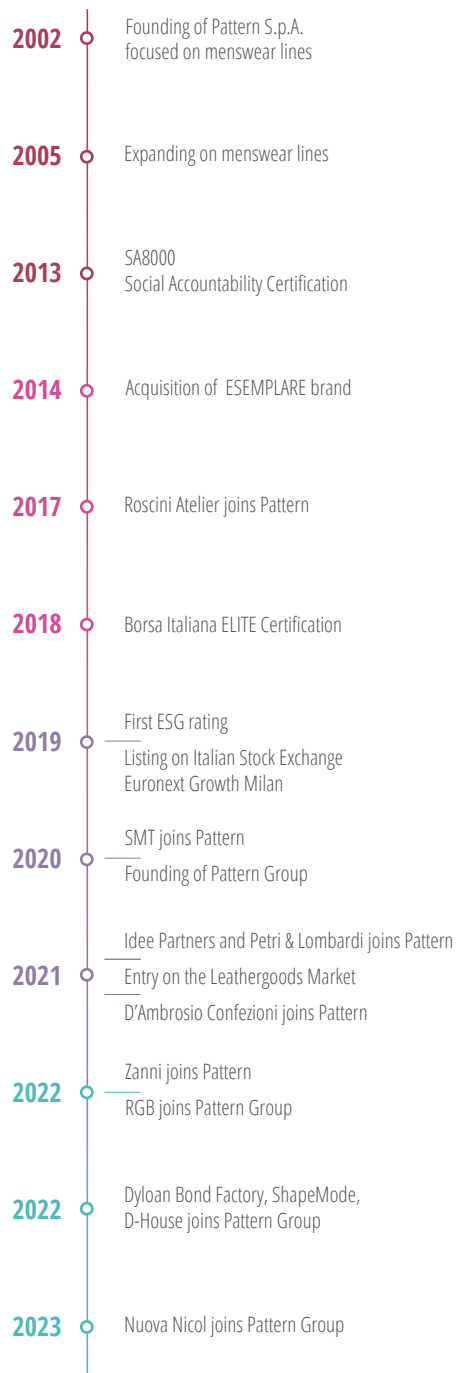
MEN'S AND WOMENWEAR'S RTW HUB

PATTERN SPA

Pattern SpA, with plants in Collegno (TO) and Spello (PG), is a pivotal player in the luxury fashion industry, serving as a trusted partner for major luxury brands. These brands depend on the unparalleled expertise and experience of Pattern's professionals for the engineering, development, and industrialization of their high-end products. Our team is committed to transforming creative visions into tangible, high-quality products that epitomize luxury and elegance.

CENTRALIZED GOVERNANCE AND SPECIALIZED PRODUCTION

Pattern SpA is the result of the strategic merger of three distinct companies, each contributing unique strengths to the Group. The headquarters in Collegno serves as the central governance hub, specializing in the design and production of men's outerwear. The Collegno site is also renowned for its cutting-edge 3D digital twin prototyping capabilities, which enhance the design and production process through advanced technology.



EXPANSION THROUGH STRATEGIC ACQUISITIONS

The integration of Roscini Atelier has significantly enhanced Pattern's expertise in women's lightweight products. This merger has enabled Pattern to offer a comprehensive range of luxury clothing products, expanding its service offerings across all categories of luxury fashion. The site in Spello focuses on women's wear, specializing in soft and lightweight fabrics, including jersey and double construction techniques.

IN-HOUSE PRODUCTION AND EXTENDED MANUFACTURING CAPABILITIES

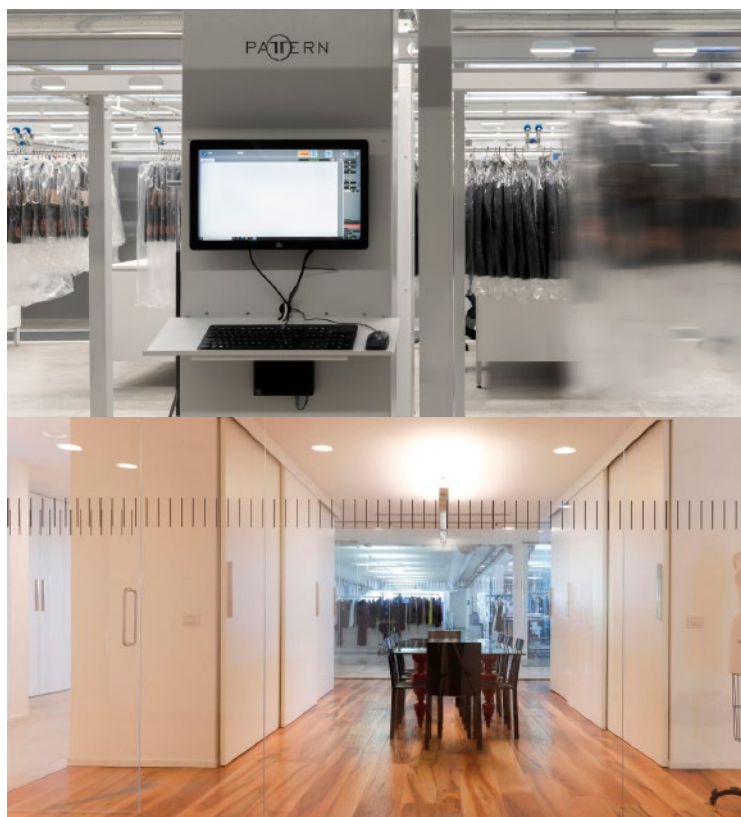
Pattern SpA has further bolstered its in-house production capacity, primarily centered on prototypes, samples, and small productions, through the acquisition of D'Ambrosio Confezioni, based in Santeramo in Colle (BA). This addition has allowed Pattern to control the entire production chain, ensuring the highest standards of quality and craftsmanship.

INNOVATION AND SUSTAINABILITY

At the forefront of Pattern's operations is a strong emphasis on research and development, with a focus on new technologies applied to pattern-making and industrialization. The company's innovative business model is built on sustainability, leveraging advanced technologies such as laser seam sealing and ultrasonic welding, and using new sustainable materials. Pattern's commitment to sustainability is further demonstrated through its "Zero Defect Project," which aims to maintain the highest quality standards.

Advanced 3d Prototyping and Digital Innovation

Pattern SpA has made significant investments in 3D prototyping, establishing a dedicated digital team that uses the most advanced fashion prototyping software. This technology allows for the creation of virtual models by converting 2D CAD patterns into a 3D platform, enabling immediate visualization and refinement of designs without the need for physical samples. This approach not only reduces fabric consumption by 30% to 40% but also enhances sustainability by minimizing waste and improving lead times.



THE LUXURY KNITWEAR HUB

SOCIETÀ MANIFATTURA TESSILE (SMT)

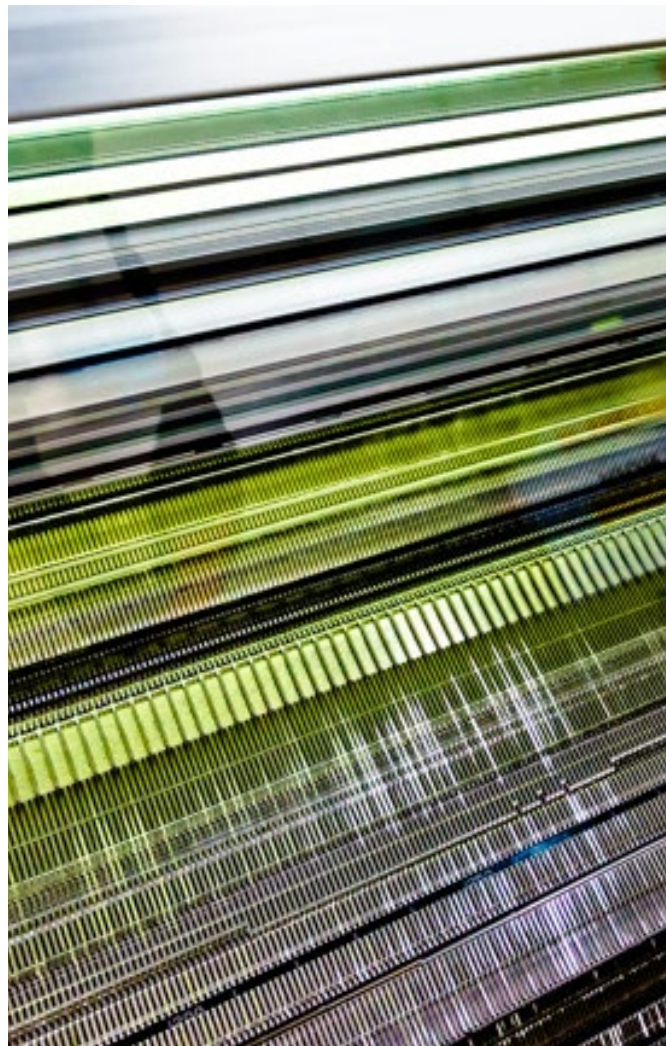
The Luxury Knitwear Hub is a unified entity encompassing three distinguished companies: Società Manifattura Tessile (S.M.T.), Zanni Maglieria, and Nuova Nicol S.r.l. Together, they form a powerhouse in the luxury knitwear industry, leveraging their collective expertise and resources to deliver exceptional products and services.

SOCIETÀ MANIFATTURA TESSILE (S.M.T.) stands at the forefront of luxury knitwear engineering and production. Founded in 2010, S.M.T. is renowned for its commitment to innovation, quality, and responsiveness to industry demands. The company's prototyping and sampling processes are marked by close collaboration with fashion designers, translating creative visions into tangible products. With in-house manufacturing facilities, including sampling and production laboratories, S.M.T. ensures consistent quality and process traceability. Moreover, its dedicated Research & Development department drives product innovation, extending its expertise into various product categories beyond fashion.

ZANNI MAGLIERIA, recently merged under the same company name, brings a rich heritage and technical excellence to the Luxury Knitwear Hub with its specialization in seamless garment production using SHIMA SEIKI WHOLEGARMENT® technology. The company's collaboration with Shima Seiki on innovative technologies, such as the XR technology, demonstrates its commitment to pushing the boundaries of knitwear manufacturing. Zanni's expertise enhances the hub's capabilities, reinforcing its position as a leader in the luxury knitwear market.

NUOVA NICOL S.r.l., established in 1975, is renowned for its production of women's luxury knitwear, prioritizing quality yarns and fabrics. With a large fleet of machinery and a top luxury customer portfolio, Nuova Nicol complements the Luxury Knitwear Hub's offerings, expanding its product range and market reach. Nuova Nicol's specialization in women's knitwear aligns seamlessly with the hub's focus, further enhancing its competitiveness in the industry.

Together, these companies form a cohesive ecosystem within the Luxury Knitwear Hub, united in their pursuit of excellence and innovation. By collaborating and sharing resources, the hub is poised to deliver high-quality, innovative knitwear solutions that meet the discerning needs of the luxury fashion market.







PROTOTYPING AND SAMPLING

Fashion designers' concepts are meticulously transformed into tangible patterns by our skilled artisans, under the guidance of product managers and with the full support of the S.M.T. atelier. Leveraging the technical and creative prowess of our STOLL and SHIMA SEIKI programming team, powered by cutting-edge enterprise software, we excel in crafting the optimal technical weaving configurations. This fusion of artistry and technology ensures that customer inspirations are seamlessly translated into finished garments by our atelier workers. Through seamless teamwork, we adhere to the most stringent timelines, maintaining the highest quality standards, and delivering within the agreed target price.

PRODUCTION

SMT's manufacturing excellence is anchored in our decision to establish an in-house manufacturing line of the highest standard. Our production department, organized into sampling and production laboratories, operates independently yet collaboratively to develop garments. This approach guarantees consistent production quality and process traceability. Additionally, we collaborate with carefully selected external laboratories, adhering to our sustainability standards. Continuous and direct communication between the production and prototyping laboratories enables us to seamlessly translate intricate sample processes into high-performance production solutions. Our team of specialists excels at optimizing all processing stages, ensuring unwavering adherence to the quality standards set by each individual brand. Moreover, our certified supply chain of partner laboratories enables us to offer special processing such as needle punching, printing, embroidery, gauzing, and heat sealing, ensuring the desired finishing touches. To uphold impeccable quality standards for our customers, we have implemented a comprehensive system with rigorous controls at every stage of the garment processing cycle, from weaving and washing to manufacturing and final bagging.

RESEARCH AND DEVELOPMENT

Since 2019, our in-house Research & Development department has been at the forefront of innovation. Collaborating with fashion designers, our qualified consultants identify the most suitable yarn, innovative processing methods, and cutting-edge weaving techniques. Spearheading product innovation, our R&D department develops capsules and special projects that transcend seasonality. We explore and champion the latest advancements in knitwear technology, extending its application to diverse product categories such as footwear, accessories, handbags, interior design, automotive, and beyond.

TECHNOLOGY

In our fully-fashioned knitwear department, we boast the latest generation of flat knitting machines, ensuring the constant utilization of the most advanced technology tailored to specific product requirements. With a technology arsenal comprising 120 weaving machines, evenly divided between STOLL and SHIMA SEIKI, we offer a wide range of gauges and techniques, including textured weaving and vanisé. Our programming department leverages state-of-the-art software, enabling rapid turnaround times for prototypes and special projects.

TREATMENTS AND FINISHES

Equipped with a treatment and finishing department, we ensure comprehensive management of processing stages. Our department features an electronic gauzing machine for fabric hair extraction, alongside a laundry and ironing section equipped with washing and tumbler machines, ironing stations, steaming tables, and presses.

THE LEATHER GOODS HUB

IDEE PARTNERS

Idee Partners, an Italian company founded in 2008 and based in Scandicci, Florence, specializes in the development, engineering, and production of accessories in the luxury leather goods sector. Thanks to strong specialization in product development and a vertical structure, the company covers the entire value chain. Idee Partners currently engineers and produces for leading fashion and luxury brands, utilizing a structured internal organization that efficiently manages strong engineering and production capacity in-house. In October 2021, it joined Pattern Group, becoming a key player in the development of the business plan centered on establishing the Luxury Leather Goods Hub.

PRODUCT DEVELOPMENT

Product development is the flagship of Idee Partners. Upon receiving the creative direction from the customer, patterns are designed, volumes and uppers are refined, and, through all the technical steps, prototypes and final samples are developed. The in-house team of product managers, consisting of professionals skilled in interpreting creative ideas, guidelines, and market trends, enables Idee Partners to support the client's Design team in developing creative solutions from initial product concepts, and finally turning them into physical products and product renderings. Alternatively, the company also offers a full engineering service to its clients.

All development phases are handled by highly specialized in-house pattern departments and sample rooms, supplemented by external partners during peak periods using the same CAD pattern-making system. The entire prototype development process is overseen by a dedicated project manager who constantly manages time, cost, and any arising issues.

Idee Partners' vast experience, continuous research, and close collaboration with top suppliers of raw materials (leather, fabrics, accessories, etc.) allow the development of innovative and tailor-made materials that meet the rigorous requirements of both Italian and international standards.

PRODUCTION

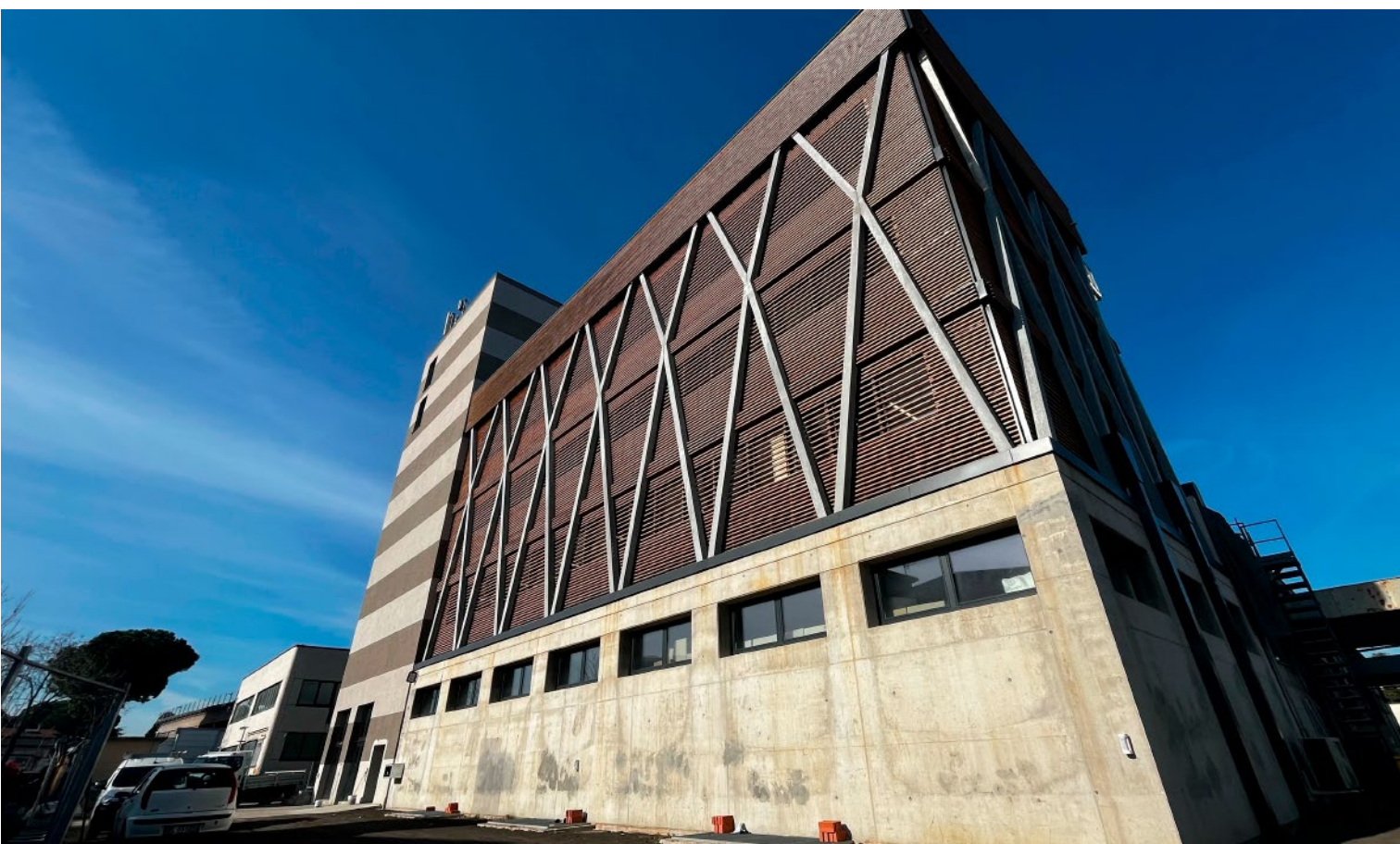
With strong expertise in collection industrialization, Idee Partners' production team efficiently manages the entire production process, providing expert guidance from project inception to final production delivery. Depending on customer preferences, Idee Partners can either directly manage the purchase of raw materials or focus solely on providing expert craftsmanship services (cutting and assembly). Finished products undergo quality control before delivery to the customer's distribution hub.

FOOTWEAR

The footwear business unit specializes in supporting startups and established brands to create and engineer new and innovative collections. The entire activity is managed in-house, starting from the development phase, production of prototypes, and showroom samples, to the pre-production overview of industrialization and engineering of the collection.

INNOVATION AND TECHNOLOGY

To maintain a cutting-edge position in the leather goods market, Idee Partners continually invests in technological innovation, research, and development, with a strong focus on continuous employee training. The engineering and creation stages are constantly analyzed and improved, integrating the latest technologies. By using modeling and printing CAD systems along with the most advanced simulation programs, process efficiency is significantly improved, optimizing time and costs from the prototyping stage. This approach guarantees the best quality for the finished product.



EXPANSION AND INTEGRATION

Idee Partners has significantly expanded its production capacity and capabilities through strategic acquisitions. In 2021, Idee Partners acquired Petri & Lombardi Srl, a company founded in 1990 and based in Bientina (PI). Specializing in the production of leather goods, Petri & Lombardi brought a 1,500-square-meter production facility and a team of over fifty highly specialized professionals into the company. This acquisition bolstered Idee Partners' expertise in industrializing collections and managing the entire production process, from cutting and assembly to quality control and final delivery.

In 2023, Idee Partners further strengthened its position by acquiring RGB Srl, a Benefit Company known for producing leather goods, particularly bags.

RGB, based in Tuscany, is recognized for its commitment to environmental care, employee respect, and community contributions, making ethics, legality, and transparency the cornerstones of its corporate culture. This acquisition not only increased Idee Partners' production capacity but also integrated RGB's advanced industrialization and production processes, ensuring a seamless blend of artisanal knowledge and technological innovation.

By merging these companies into Idee Partners, the organization has solidified its position as a key player in the Tuscan leather goods sector. This strategic consolidation has enhanced Idee Partners' ability to handle the entire value chain from product development to final production, with a strong emphasis on sustainability and innovation.



THE INNOVATION & SEMI-FINISHED GOODS PRODUCTION HUB

The decision to incorporate an innovation hub into the business plan arises from a recognition of the vital significance of innovation and research in ensuring the long-term competitiveness of businesses. An innovation hub is a centre of excellence dedicated to researching and developing new technologies and products, attracting talent and funding to support innovation.

Additionally, an innovation hub provides an opportunity to collaborate with other companies, research institutes, universities and other industry players to share knowledge and resources and foster the creation of an innovation network. This can lead to synergies, strategic alliances and partnerships that can improve the competitiveness and sustainability of the entire industrial supply chain.

DYLOAN BOND FACTORY

Bond Factory embarked on its journey in 1987 with the goal of seeking new ideas and proposing innovative solutions for the fashion world. Headquartered in Chieti, Bond Factory has evolved into a company that specializes in producing finished garments and special products. It maintains a constant balance between advanced technology and a commitment to preserving the essence of craftsmanship.

In its historical headquarters in Chieti, Bond Factory engages in a wide range of activities, including engineering, prototyping, sampling, customization, production of fabrics, semi-finished products, processing and finished garments. The company leverages state-of-the-art technologies in the industry: heat sealing, laser, high frequency, ultrasound, screen printing, digital printing, thermoforming, digital embroidery, 3D printing.

In 2022, a historic garment factory based in Villamagna, specializing in the production of outerwear, was acquired, with the aim of stepping up in-house output, meeting the increasing demand in the luxury fashion segment.

TECHNOLOGIES

HEAT SEALING

INSERTS - The creation of a heat-sealed insert allows an element of any shape, colour, and size to be inserted between the edges of two fabrics that are spaced apart, enabling the reuse of fabric scraps and materials that cannot be used in other productions due to their small size.

TAPES - Heat sealing enables the broadening of potential applications for tapes and beading, facilitating their quick application to pre-manufactured garments. The technique is particularly compelling from an upcycling perspective as it enables the transformation of unsold or leftover garments, giving them a refreshed and renewed look.

INLAY - The application of a heat-sealed inlay involves the insertion of fabric and material cuts, overlapping, or “kissing”, the profiles. In the former case, the profiles are joined through the use of thermos-bonding, while, in the latter case, through ultrasonic sealing. Again, scrap materials can be used.

ULTRASOUND

SEALING - Ultrasonic heat sealing is limited to synthetic fabrics, enabling the creation of garments without overlaps. Indeed, the fabric profiles are sealed together using a sonotrode¹ to melt the fibers at their contact points. This process uses a very limited amount of energy and reduces leftovers.

ULTRASOUND

QUILTING - Ultrasonic coupling allows two or more synthetic materials to be coupled and joined through sealing points.

Unlike the traditional stitching technique, ultrasonic stitching does not involve puncturing the fabrics, which prevents structural weakening from occurring. This significantly increases the durability of the garment and lengthens its life cycle.

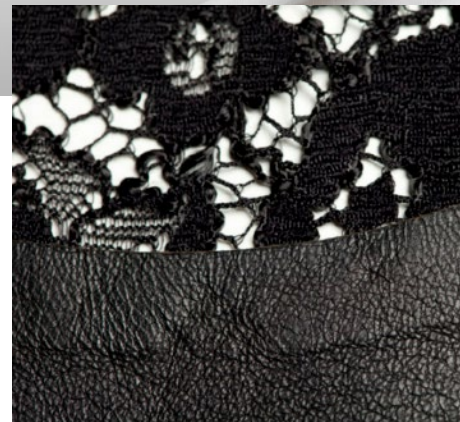
LASER TECHNOLOGY

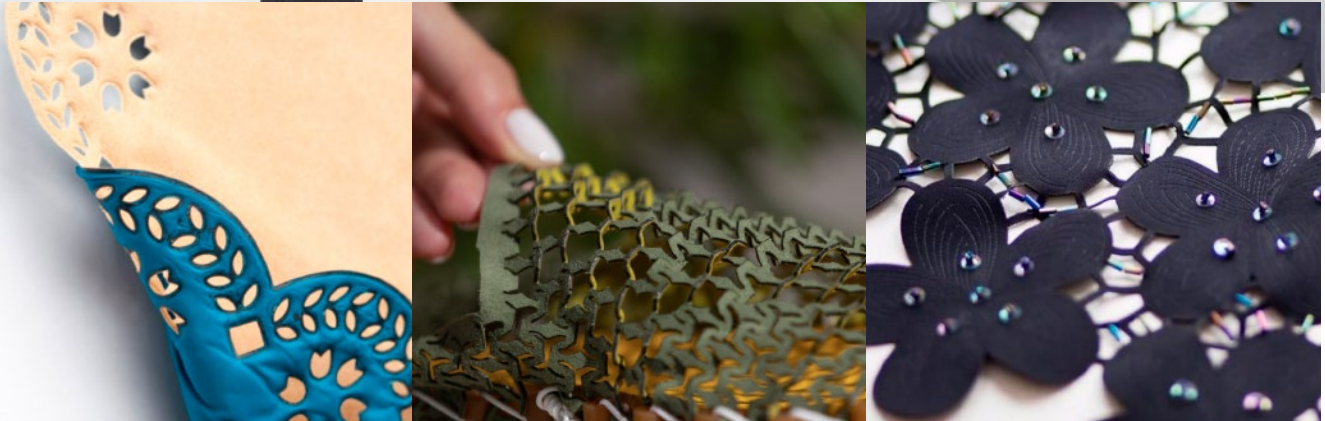
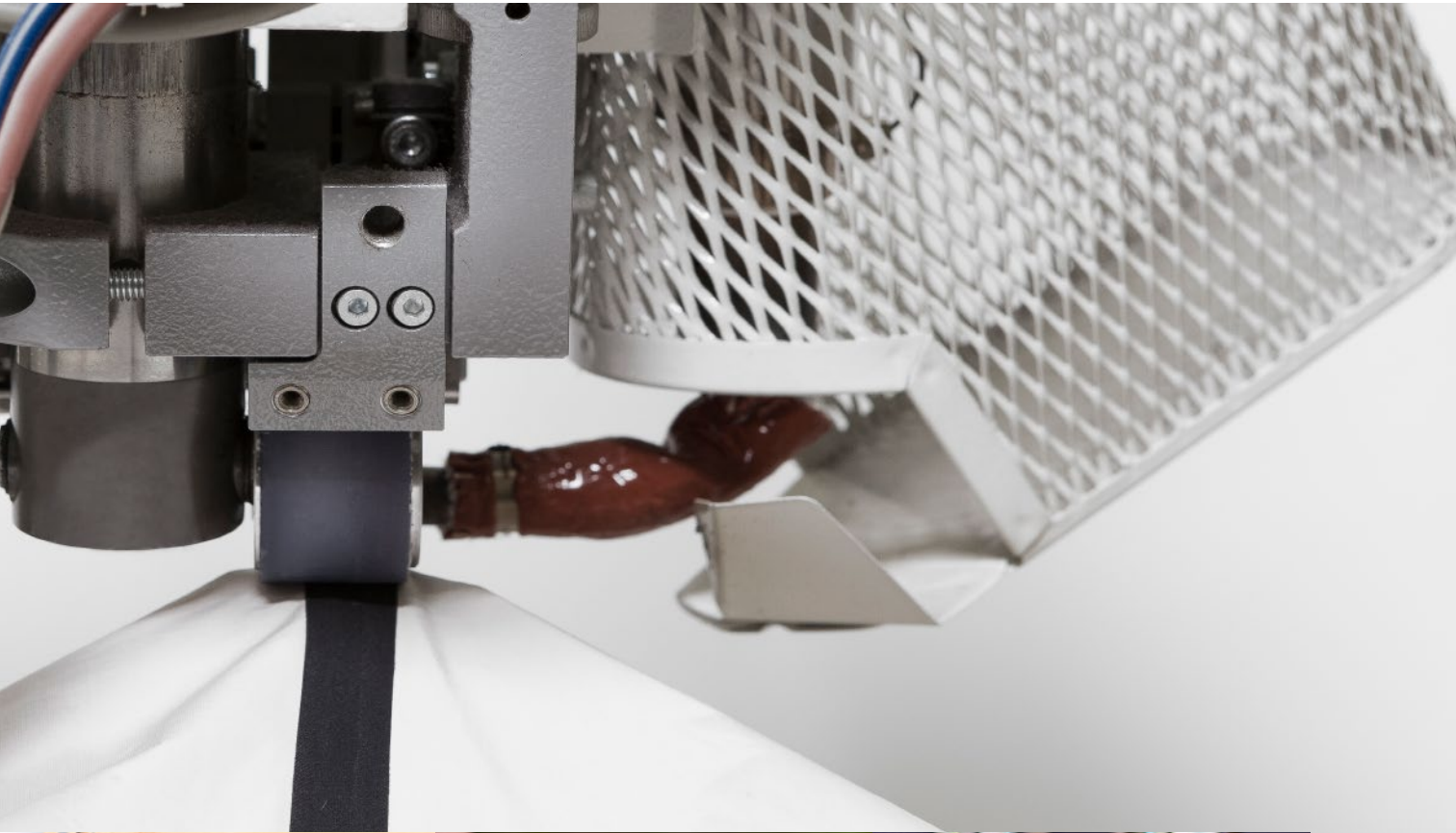
CUTTING - Laser cutting is a highly versatile technology. It has opened up new possibilities for creativity by guaranteeing remarkable results for even the most complex processing tasks. The technique delivers a cleaner result and significant time savings in production. It allows for perfectly sealed edges, particularly when cutting synthetic fabrics, eliminating the need for trimming and avoiding waste and additional processing.

ENGRAVING - Laser engraving enables personalization through the creation of graphic designs and patterns. It is based primarily on the removal of a superficial layer of fabric through engraving, allowing for the realization of even the most intricate designs. This technique eliminates the need for printing chemicals normally used in conventional printing processes.

EMBOSSING

Embossing is a technique whereby three-dimensional effects or relief can be created with the fabric itself by using a shaping process. Shaping is achieved by using a material to give the specially made thickness based on the design to create.





1. A component that transmits vibrations to the work piece (ultrasonic sealing)



INJECTION QUILTING

The making of a heat-sealed quilt allows textile structures and materials of different types to be joined together by appropriately designed points or lines of contact, incorporating supporting materials or padding. Fabrics remain unpunctured, ensuring a perfect insulation between the inside and outside.

THERMOSHAPING

Thermo-shaping is a hot processing technique used on thermos-shapeable fabrics, where these fabrics are shaped using specific temperature and vacuum conditions. This way, the fabrics conform to the mold, taking on the desired shape without the need to add additional materials or adhesives.

HIGH FREQUENCY

This technique utilizes high-frequency energy in the form of an electromagnetic field and pressure to effectively join fabrics together. The application of electrical energy causes molecules within the fabric to move, generating heat and resulting in the melding of the fabrics. No heat is applied from the outside but is generated within the material itself.

EMBROIDERY

TRADITIONAL - Embroidery remains a popular technique in the fashion industry due to its ability to embellish, personalize, and enhance the craftsmanship of a garment, now achieved through modern techniques.

DIGITAL - The introduction of innovative embroidery technology now allows for high-quality thread colouring on demand, based on the input from a previously designed graphic layout. By utilizing a single spool of recycled polyester thread, this technique enables the creation of embroidery without the need for stock materials of different colours.

NEEDLE PUNCHING

Needle punching is a special embroidery method of joining different materials without threads or seams. Special hooked needles are used during the embroidery process to carry knits and fabrics over each other, intricately weaving and mixing them to create distinctive and eye-catching effects. This method eliminates the need to purchase and accumulate materials such as spools of yarn.

LAMINATION

Laminating is a finishing technique that involves heat sealing a fabric with a foil to enhance its appearance, texture, properties, and potential applications. This technique helps improve waste fabrics and reuse leftover materials.

PRINTING

DIGITAL - Innovative digital printing technologies currently used in productions employ water-based inks, enabling on-demand manufacturing while avoiding overproduction. These technologies also lead to significant reductions in water consumption (by 96%), energy usage (by 95%), and emissions (by 17%).

SCREEN PRINTING - Screen printing is a printing technique where ink is applied to a surface using a squeegee, avoiding areas made impermeable by a blocking stencil.

3D PRINTING

3D printing is based on overlapping layers. In fact, it is called additive manufacturing because it does not involve the removal of material, unlike traditional techniques. The benefits of this technology are evident in reduced transportation and waste. Through digital and dematerialized prototyping, it avoids the use of raw materials in garments not intended for consumption.

THE RESEARCH AND DEVELOPMENT HUB

D-HOUSE

In 2020, D-House Urban Laboratory was established in the heart of Milan, with the aim of creating and enhancing synergies with international partners by integrating them into R&D activities. The Hub serves as a space for experimenting with new technologies and materials, with a focus on responsibility and the development of circular solutions and products. D-house combines tradition and modernity, craftsmanship and innovation, thanks to its vertical research and development team. Events, panel discussions and workshops are organized within the Lab to promote new sustainable scenarios. D-House Academy trains future professionals in prototyping and the practical application of new technologies. It is a space for designers, companies, and students to come together, fostering cross-pollination and creativity.



GLOBAL ADDED VALUE DISTRIBUTION

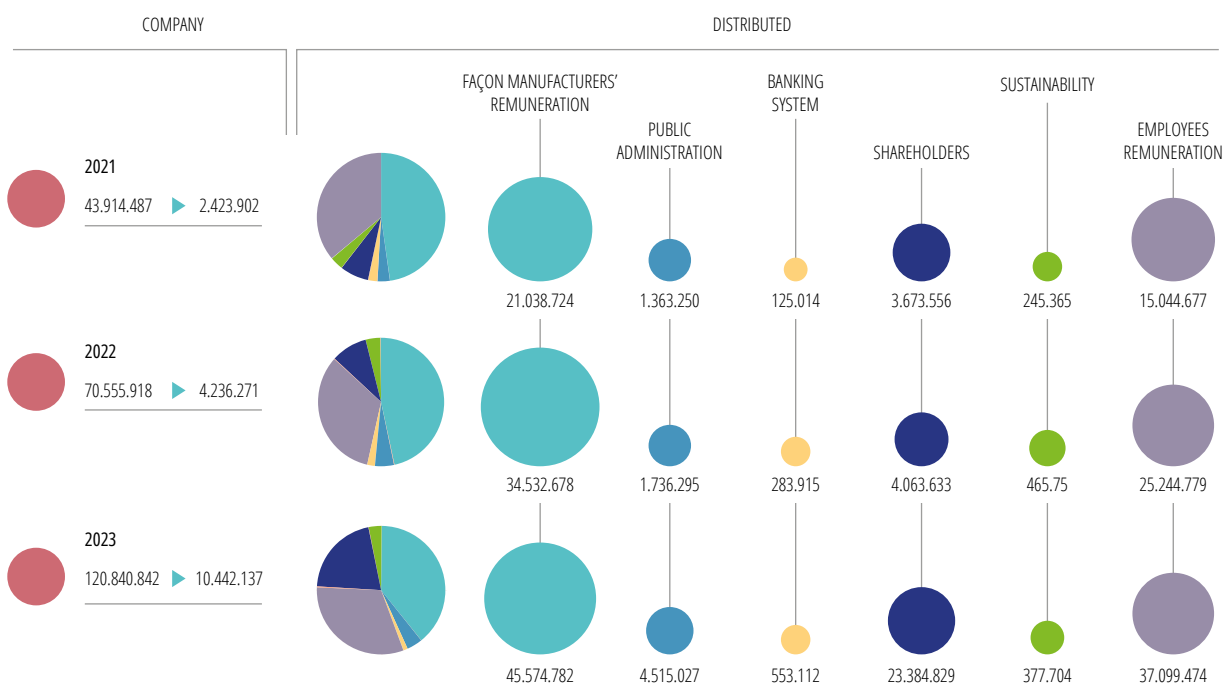
The primary contributors to Pattern Group's added value are the companies and personnel to whom Pattern Group's production capacity is subcontracted. Consequently, approximately 41.7% of the added value created is allocated to a select group of outside contractors and subcontractors of processing stages, monitored and managed according to the Group's high standards of social and qualitative compliance. Furthermore, the success of Pattern and its affiliated companies is attributable to the daily commitment of its employees. Approximately 33.9% of the added value created is dedicated to remunerating their efforts. Given the specific nature of Pattern's activities and industry, employees play a crucial role in the company's success.

In 2023, the distribution of value to partners and shareholders amounted to approximately €23.4 million, representing 21.4% of redistribution, including the share of the year's profit allocated to reserves.

The added value allocated to corporate social responsibility and sustainability projects is expected to grow further in 2024. This growth is driven by acquisitions and the subsequent increase in revenue, expanding the scope of measurement and interventions aimed at achieving Pattern's sustainability standards.

Table 2 Global added value distribution

	december 2020		december 2021		december 2022		december 2023	
Employees remuneration	-12.311.104	-23,4%	-15.044.677	-21,6%	-25.244.779	-23,1%	-37.099.474	-34,0%
Façon manufacturers' remuneration	-14.719.851	-28,0%	-21.038.724	-30,3%	-34.532.678	-31,6%	-45.574.782	-41,7%
P.A.	222.109	0,4%	-1.363.250	-2,0%	-1.736.295	-1,6%	-4.515.027	-4,1%
Banking system	-113.762	-0,2%	-125.014	-0,2%	-283.915	-0,3%	553.112	0,5%
Company	-1.819.224	-3,5%	-2.423.902	-3,5%	-4.236.271	-3,9%	-10.442.137	-9,6%
Shareholders	-2.996.144	-5,7%	-3.673.556	-5,3%	-4.063.633	-3,7%	-23.384.829	-21,4%
Sustainability	-124.254	-0,2%	-245.365	-0,4%	-465.750	-0,4%	-377.704	-0,3%
Global added value	-31.862.230	-60,6%	-43.914.487	-63,2%	-70.563.321	-64,6%	-120.840.842	-110,6%

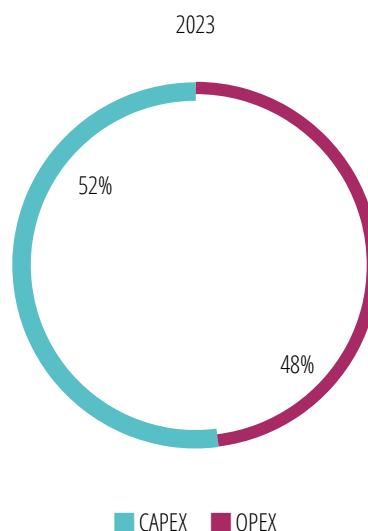


BREAKDOWN OF SUSTAINABILITY COSTS

The sustainability value for the year is distributed between capital expenditures (CAPEX) and operating expenses (OPEX). The following data highlights the proportion and amount allocated to each category:

- CAPEX: €402.055,45 (52%)
- OPEX: €377.704 (48%)

These figures illustrate the commitment of the Pattern Group to integrating sustainability into both long-term investments and daily operations. The significant portion dedicated to OPEX indicates a strong emphasis on maintaining sustainable practices in the company's ongoing activities, while the CAPEX allocation underscores investment in long-term sustainable assets and initiatives.



KEY AREAS OF SUSTAINABILITY INVESTMENT

Capital Expenditures (CAPEX):

- Energy efficiency improvements
- Technology dedicated to sustainability projects

Operating Expenses (OPEX):

- Social and environmental audits
- Investments in the subcontractor improvement plan
- Laboratory analysis for chemical compliance with MRSL and PRSL
- Social, environmental, anti-corruption, system, and product certifications
- Circular Economy waste management
- Safe management of special and/or hazardous waste
- Consulting for the measurement/reduction of CO₂e emissions
- Investment in acceleration projects on climate, environmental, and social topics

- Emission analysis
- Delta markup of the purchase cost of renewable energy vs. fossil energy
- A dedicated team for sustainable development
- Health & Safety compliance and best practices in the workplace
- Environmental compliance and best practices

The redistribution of added value in 2023 and the costs related to corporate social responsibility and environmental compliance indicate that 0.7% of total revenue was allocated to integrating sustainability principles into the business model of Pattern Group companies. In absolute terms, the budget nearly doubled from around €250,000 in 2021 to over €779.759 in 2023. This amount helped mitigate the dilutive effect of the spending percentage that would have been plausible given the substantial rise in overall sales resulting from the acquisitions.



STAKEHOLDER ENGAGEMENT

Stakeholder engagement holds utmost importance for Pattern Group, and it is dedicated to fostering open dialogue with all stakeholders. The belief is that continuous exchange of information can influence and provide valuable insights for driving business growth. Communication with stakeholders reflects the Group's acknowledgment of its responsibility to the social environment in which it operates. There are different types of stakeholders in Pattern Group, each of whom has different interests in the group (shown in the table below).







To accommodate all the requests and expectations of its diverse stakeholders, Pattern uses a variety of tools, which are constantly being expanded, such as surveys and workshops. Creating a genuine community that fosters long-term shared value will be of paramount importance in the coming years.

The involvement of key stakeholders contributed to the identification and evaluation of material topics.

The table shows:

- The main categories of stakeholders;
- The tools for listening, dialogue, and engagement in 2022;
- Interests in Pattern Group.

PATTERN GROUP STAKEHOLDERS MAPPING

Pattern stakeholders	Listening and engagement tools	Stakeholder interests in Pattern
Investors and banks	Shareholders' Meeting Dedicated website and e-mail "Dedicated Shareholder Events" Meetings with shareholders Survey to identify material topics	Pattern Group share value growth Transparency on goals, long-term strategies, and company performance
Pattern Employees 	Corporate climate survey Sustainable mobility survey SA8000 reporting box Notice board Survey to identify material topics	Opportunities for professional growth Implementation of corporate welfare policies Transparency and involvement on company performance Continuing education opportunities
Customers 	Regular discussion meetings Survey to identify material topics Portal Dedicated teams to manage brand needs Webinars and roundtables Business performance analysis Audits	Protection of brand reputation Product reliability and safety Quality assurance Transparency along the supply chain Support in the development of innovative products Reducing impacts on the environment and society Compliance with delivery times
Institutions 	Interaction with institutional bodies Survey to identify material topics	Compliance with current regulations Ensuring protection of the environment and society Promotion of sustainable development Controlling the supply chain to manage environmental and social risks
Suppliers and their employees 	Daily reports from the procurement department Survey to identify material topics Regular discussion meetings Audits	Compliance with contract conditions Ensuring a continuous working relationship
Subcontractors and their employees 	Control audits Daily reports from the production department Regular meetings, given the proximity with our subcontractors Survey to identify material topics	Compliance with contract conditions Ensuring a continuous working relationship
Future generations 	Partnerships with Universities Hiring-oriented recruitment programs Engagement of vocational schools Social Networks	Career opportunities On-the-job training Mitigating impacts on the environment and society Promotion of sustainable development Activities to promote craftsmanship

Every year, through the materiality analysis, both the areas defined by Legislative Decree 254/2016 and specific aspects of the textile and clothing sector in which Pattern Spa operates are examined. This approach is adopted to ensure a comprehensive understanding of the Company's operations, its performance within the industrial sector, the results achieved, and the actual impact generated.

The materiality analysis from the Inside-Out perspective has identified the material topics that reflect the most significant impacts of the organization on the economy, environment, and people. Additionally, in an effort to anticipate the provisions of the new Corporate Sustainability Reporting Directive (CSRD), external

Activities carried out in the past year were therefore integrated with an initial exercise of developing and graphically representing the dual materiality analysis.

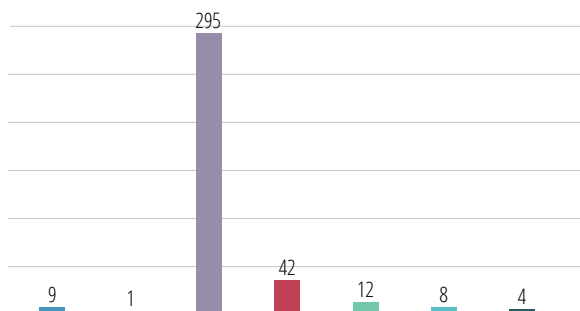
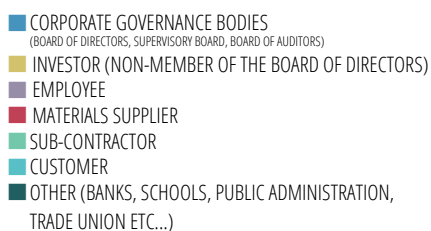
The identification and updating of material topics involved the following phases:

- Identification of risks and opportunities to be evaluated.
- Definition of evaluation criteria.
- Assessment of risks and opportunities identified by top management and stakeholders.
- Data analysis and integration of results according to the two adopted perspectives.
- Identification of material topics and representation of the dual materiality matrix.

As part of an initial approach to risk assessment, a preliminary evaluation was conducted, identifying and analyzing Pattern's current and potential impacts across various domains, including the economy, society, environment, and human rights throughout the entire value chain. The primary objective of this analysis was to recognize, mitigate, and, where possible, prevent these impacts, managing them responsibly.

To grasp the current and potential impacts—both positive and negative—on the economy, environment, and people resulting from our Group's activities and business relationships, we conducted a contextual analysis of our operating environment. This involved assessing sustainability reports from comparable companies in the textile sector, along with a variety of other informational sources:

- Company documents, Annual Financial Report and Group Risk Assessment, Organizational, Management and Control Model pursuant to Legislative Decree 231/2001, SA8000 Standard for the social section, ISO 14001 certification for environmental aspects of certified companies, Group Code of Ethics;
- International standards and initiatives, including the Sustainable Development Goals of Agenda 2030, the Global Compact, GRI Standards, Science Based Target Initiative (SBTi), Carbon Disclosure Project (CDP), the guidelines brought forward by ZDHC; the strategy for the textile industry promoted by the European Commission;
- External documents, scenario change analysis, Customer Standards, Article 81 of the Occupational Safety Consolidation Act, the Environmental Consolidation Act 152/2006.



Based on the evaluations gathered, a relevance threshold was established, allowing for the prioritization of identified material topics.

To determine the significance assessment of the various material topics, all types of stakeholders were directly involved by filling out the “ESG 2023 Dual Materiality Analysis” questionnaire. This questionnaire involved the same categories of stakeholders as the prior year, with the following number of responses:

- Corporate bodies (Board of Directors, Supervisory Board, Board of Auditors) = 9
- Investors (non-board member) = 1
- Potential Investors = 0
- Employee = 295
- Materials suppliers = 42
- Sub-contractors = 12
- Customers = 8
- Others (Banks, Schools, Public Administration, Union, etc.) = 4

DOUBLE MATERIALITY MATRIX

The comprehensive assessment has been summarized in the dual materiality matrix, depicted in Figure X. This matrix not only captures the outcomes of the risk analysis but also, in accordance with the new CSRD requirements, incorporates an initial integrated approach to evaluating opportunities associated with these issues.

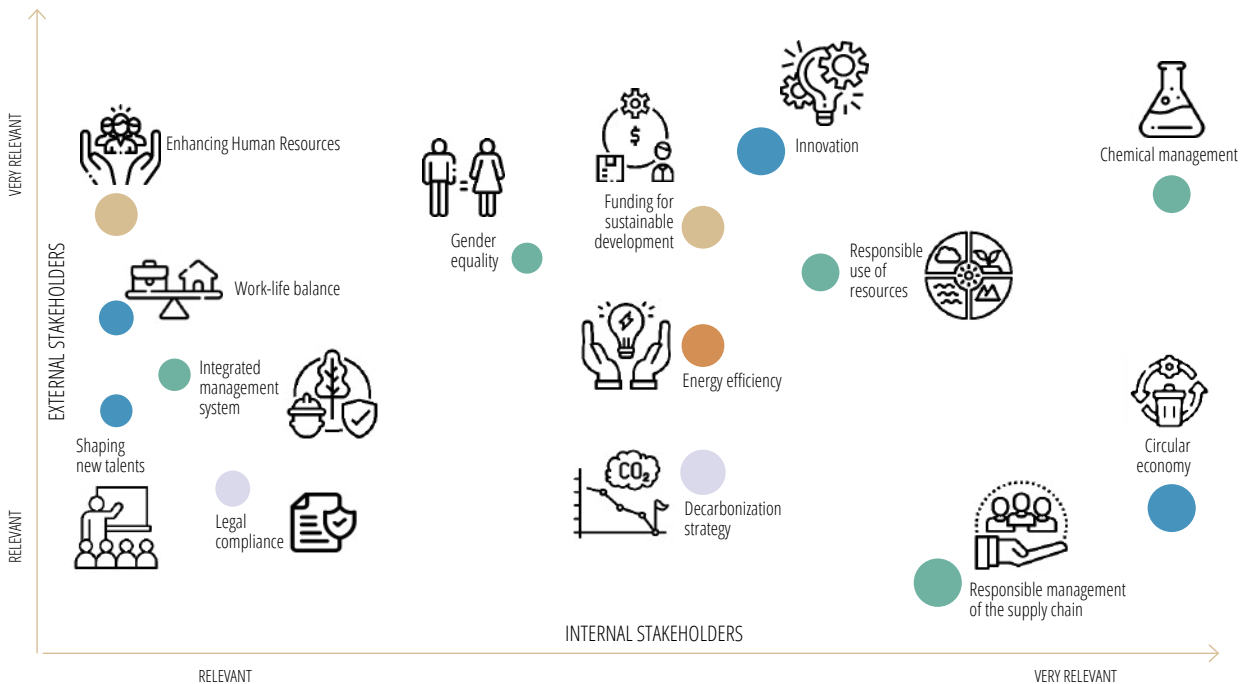
The bubble sizes, on the other hand, represent the results of Financial Materiality. This is determined by combining the outcomes of the internal analysis with those derived from stakeholder questionnaires. The graphical representation of the bubbles reflects the weighted average of these two

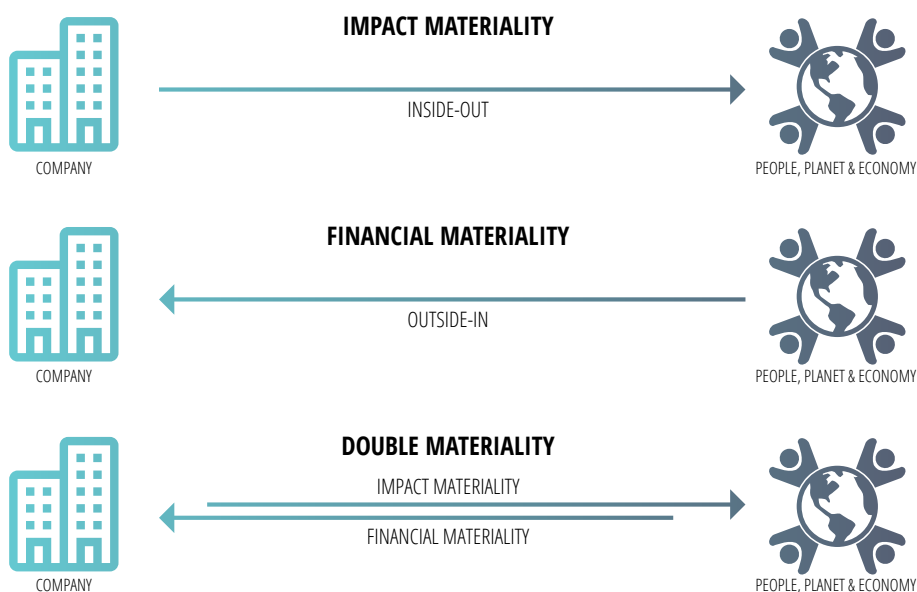
assessments, providing a precise measure of the financial importance of the topics considered.

This representation considers the evaluation of residual negative and positive impacts—those that persist after the company has taken planned actions to minimize negative effects and maximize positive ones.

Pattern Group’s ESG strategy is aligned with the Sustainable Development Goals of the 2030 Agenda. Each material topic is paired with its respective SDG (Sustainable Development Goal).

In order to ensure a better understanding of the topics, a description is given below:





Within the matrix, it is possible to visually display the results of the Inside-Out analysis, also known as Impact Materiality. This representation aids in understanding the significance of key impacts, considered from both Pattern's internal assessment and the perspective of the Group's primary stakeholders:

- The x-axis represents Pattern's perspective.
- The y-axis reflects the significance attributed by external stakeholders.
In particular, the internal analysis is based on the combination of severity and probability, where severity is determined by the following factors:
 - Magnitude: how serious the impact is
 - Scope: how widespread the impact is (i.e., number of affected individuals or extent of environmental damage)
 - Irreversibility: the extent to which the impact can be remedied.

Implementing an ESG strategy poses significant challenges for companies, particularly in ensuring reliable performance measurement, selecting appropriate KPIs, and setting goals aligned with global climate and social crises. Pattern has aligned with various initiatives to establish tangible goals and use scientifically sound methods, adhering to credible and globally recognized guidelines.

The fashion industry's focus on sustainable business models has increased, compelling brands to partner with entities that uphold social and environmental compliance values, which are increasingly important to consumers. In response to these demands, the European Commission has proposed significant reforms to EU climate, energy, transport, and taxation policies, aiming to reduce net greenhouse gas emissions by at least 55% by 2030 compared to 1990 levels. This includes specific measures targeting the textile sector, ensuring that all textile products in the EU market by 2030 are durable, repairable, recyclable, primarily made from recycled fibers, free from hazardous substances, and produced with respect for social and environmental rights.

2030 UNITED NATION AGENDA AND SDGS

The 2030 Agenda for Sustainable Development is a comprehensive action plan designed to benefit people, the planet, and prosperity. It was adopted on September 25, 2015, by the governments of the 193 United Nations member countries and approved by the UN General Assembly.

These goals are part of a larger framework that includes 169 targets across environmental, economic, social, and institutional dimensions. All goals are set to be achieved by 2030. The SDGs address economic, social, and ecological aspects in a harmonious manner.

Pattern Group has articulated each objective in the actions applicable and integrable to its scope of responsibility and business model in the following initiatives:







CHEMICAL RISK

- Eliminate hazardous chemicals from raw materials, finished products and production processes to safeguard end consumers, workers and the environment.
- Continuous improvement of chemical management system performance through compliance with ZDHC's Roadmap to Zero Program.



ENERGY EFFICIENCY

- Seek constant reduction of direct and indirect energy consumption by investing in the adoption of the best available technologies for energy efficiency and promoting timely monitoring of energy consumption levels..



CIRCULAR ECONOMY AND TRACEABILITY

- Develop innovative projects for tracking and circularizing industrial waste, ensuring proper waste management in accordance with European Directives.
- Encourage the integrated approach between traditionally separate companies to facilitate the reuse of secondary raw materials and enhance the value of byproducts.
- Identify a tool to facilitate the LCA calculation of products in anticipation of the requirement to issue digital product passports.



CARBON NEUTRALITY

- Implement strategies to reduce climate-changing gas emissions to achieve the goal of carbon neutrality.
- Procurement or self-generation of renewable energy.
- Enhance process efficiency to reduce transportation.
- Make industrial waste circular.
- Involve and support the supply chain in decarbonization goals



EFFICIENT USE OF RESOURCES

- Ensure responsible use of resources (water, energy and materials) in Group companies and along the supply chain;
- Improve water consumption efficiency through the development of solutions for water reuse in processing cycles.
- Implement Industry 4.0 to enhance production process efficiency and optimize resource use.



RESPONSIBLE SUPPLY CHAIN MANAGEMENT

- Apply a transparent due diligence process to guarantee fair working conditions and adequate pays for all supply chain participants, aligning with the SA8000 Standard's specifications.



TRAINING AND HUMAN CAPITAL DEVELOPMENT

- Organize educational and inclusive training courses for all employees.
- Initiate training projects with the establishment of specific academies to facilitate the inclusion of new professional figures in the company.
- Involve universities through research projects aimed at the development of professional skills.



GENDER EQUALITY

- Create tools to measure and report in a transparent way, sex-disaggregated data in line with the new European directive (CSRD).
- Establish and implement company policies and procedures for recruitment, pay and professional development, promoting women's empowerment.
- Set goals and targets for gender equality at all levels and establish an action plan to achieve them.



WORK-LIFE BALANCE

- Implement policies and practices aimed at ensuring a healthy balance between work and personal life for all employees, promoting flexible working hours and encouraging psychophysical well-being.



SINTEGRATED MANAGEMENT SYSTEM

- Share and implement an integrated management system (quality, safety, environment) across all Group companies to enhance process efficiency and effectiveness.



FIGHT AGAINST CORRUPTION

- Ensure a corruption control system in compliance with Legislative Decree 231 and oversee its implementation within the Group.



ALIGNMENT WITH EUROPEAN REGULATIONS

- Ensure full compliance with relevant European regulations, continuously monitoring regulatory changes and adjusting company policies and procedures accordingly, to ensure legal and ethical operations across all areas of activity.



VALUE DISTRIBUTION

- Allocate adequate human and economic resources to combat climate change, monitor social compliance, and develop innovative projects to make the production process more effective and efficient.



TECHNOLOGICAL INNOVATION

- Utilize technological innovation and R&D to streamline the production process and improve the performance of the entire supply chain.

UNITED NATIONS GLOBAL COMPACT

The United Nations General Assembly adopted the 2030 Agenda for Sustainable Development: a roadmap consisting of 17 goals - the *Sustainable Development Goals* (SDGs) - and 169 subgoals (targets).

In September 2021, Pattern became a Participant in the UN Global Compact, the world's largest strategic corporate citizenship initiative, signing a pledge to foster a new phase of globalization marked by sustainability, international cooperation, and multi-stakeholder partnership.

Membership in the United Nations Global Compact offers a range of training opportunities. These are designed to implement and articulate environmental, social, and governance policies and practices, while also facilitating the exchange of best practices. This helps to develop effective strategies and solutions for common challenges by providing management tools and resources centered on various environmental, social, and governance issues aligned with the United Nations' identified development goals.



FASHION INDUSTRY CHARTER FOR CLIMATE ACTION

In July 2019, Pattern signed the UNFCCC-proposed commitment, the Fashion Industry Charter for Climate Action, containing a commitment to set science-based emission reduction goals approved by SBTi, in Scope 1, 2 and 3 categories within 24 months, and to commit to achieving net zero emissions by 2050.

The commitment also includes quantifying, monitoring and publicly reporting greenhouse gas emissions on an annual basis through CDP and consistent with measurement and transparency standards and best practices;

Additionally, it requires to submit relevant reduction pathway plans for 2030 within 12 months and provide updates every 3 years.




Joining the initiative led Pattern SpA to exceed the committed expectations, as it reduced Scope 1 emissions by 20% and completely eliminated Scope 2 emissions.



SCIENCE BASED TARGET INITIATIVE (SBTI)

The goals set in the UNFCCC's commitment letter to textile firms mirror the ambitious goals set by the Science Based Target Initiative (SBTi). Pattern has pledged to this initiative at its more demanding level of 1.5° - namely, to implement reduction strategies to restrain the average global temperature increase to 1.5°.

This initiative, a collaboration among the Carbon Disclosure Project, UN Global Compact, World Resources Institute, and WWF, was designed to offer businesses ambitious, well-defined, sector-specific routes to cut emissions. It ensures that corporate Climate Action aligns with the Paris Agreement's goals and encourages companies to aid the transition to a zero-emissions economy.

An aerial photograph of a lush, dense forest. A river flows through the center of the forest, surrounded by thick green foliage. The trees are in various shades of green, and the water in the river is a dark blue-grey color. The overall scene is vibrant and natural.

As of 2022 an additional target has been set , also extended to the other entities within the Group, thus beginning their journey towards decarbonization.



Science-based targets (SBTs) are science-based goals to drastically reduce greenhouse gas emissions in line with the level of decarbonization required to keep global temperature rise below 1.5°C, as set out in the Fifth Assessment Report of the Intergovernmental Panel on Climate Change (IPCC) and the Paris Climate Agreement.

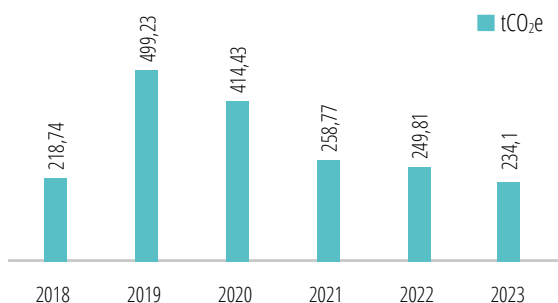
In 2020, Pattern SpA has set a scope 1 and 2 emissions reduction goal, validated by the Science Based Target Initiative, committing to:

- Reduce absolute GHG emissions related to scopes 1 and 2 by 50% by 2030, adopting 2018 as the baseline
- Measure and reduce its scope 3 emissions

The company began to include its organizational footprint Scope 3, starting in 2021, further expanding the reporting perimeter to the companies that, through the expansion and acquisition plan, were brought forward by Pattern SpA as the leader of the Group.

Focusing exclusively on the leading company and the goals set by the corporate purpose of Pattern SpA, the trend of scope 1 and 2 remains stable, despite the extension of the reporting boundaries of Pattern SpA.

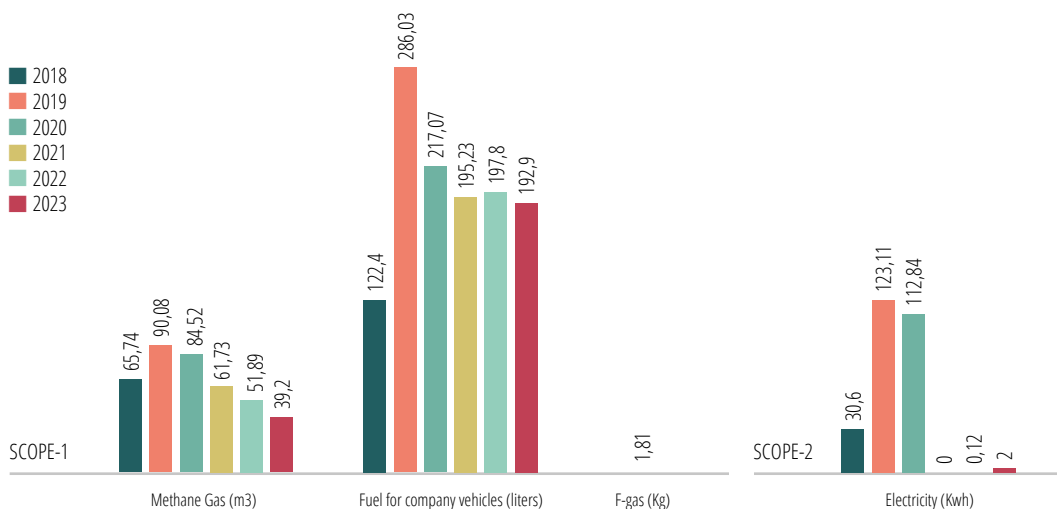
PATTERN SPA TOTAL EMISSIONS FOR SCOPE 1 - 2 THROUGH YEARS



In 2019, there was a significant increase in emissions due to the merger by incorporation of Studio Roscini, acquired in 2017 and integrated into the perimeter of Pattern SpA under the same corporate name.

Nonetheless, following the peak, the subsequent decrease in the total value of tCO₂e over the years has remained stable, thanks to the application of environmental standard policies. This has led to maintaining stable Scope 1 and 2 emissions for Pattern SpA, despite the inclusion of another facility within the reporting perimeter, over the years.

The analysis of the emissions of scope 1 and 2 consumption by category shows a general decrease in the use of methane gas and electricity from fossil fuels, due to the construction of renewable energy self-generation plants and the coverage of the remaining needs with energy purchased only from renewable sources. Indeed, Pattern SpA's Collegno site met its energy needs largely with photovoltaic and geothermal plants, while Roscini's Spello site consumed mainly self-generated energy from its own photovoltaic plant.



PATTERN SPA SCOPE 1-2 THROUGH YEARS

The partial replacement of company vehicles with hybrid car fleets appears to be less efficient, as there is no evidence of a large decrease in fuel consumption. However, the gradual replacement of vehicles has prevented an increase in emissions related to fuel consumption for cars in the face of increased use of cars by members of corporate functions with corporate roles, which include periodic visits to other group plants, significantly increasing the total number of kilometres travelled by car.

However, we expect to achieve the set reduction targets, thanks to the construction of a new plant, which is currently being built that meets the highest LEED GOLD energy efficiency requirements, that will completely eliminate the residual natural gas consumption, a complete replacement of diesel vehicles and an awareness-raising campaign on the use of trains and carpooling for corporate roles.

To achieve this goal, it is necessary that the project idea, the design, the construction phase and final testing must follow specific guidelines for the introduction of specific mandatory requirements of environmental energy sustainability of energy and environmental sustainability required by the protocol.

Technical building information:

- heating load approx. 185kwt
- summer air conditioning load 210 kwf
- A 205KW PHOTOVOLTAIC SYSTEM
- A 300KW GEOTHERMAL PLANT

THE EXTENSION OF THE CARBON REDUCTION STRATEGY TO THE GROUP

Starting in 2022, we have been engaged in a process of identifying and validating new objectives to be extended to all the companies within the group, which we are evaluating with SBTi Teams. In our last sustainability report, we declared certain reduction commitments. However, during the validation process, these commitments were called into question, due to the group's ongoing growth through expansion and acquisition policies. This dynamic situation jeopardize the effectiveness of implementing a reduction strategy based on absolute targets. Therefore, in the dedicated chapter, we will outline the path ahead toward establishing new objectives, linked to the intensity index.

The ESG (Environmental, Social, and Governance) rating evaluates a company's performance in terms of environmental sustainability, social impact, and governance practices. This rating complements traditional financial assessments by providing additional insights into a company's ability to manage risks and opportunities related to these three critical areas. In today's investment landscape, both financial and extra-financial factors are crucial for assessing the long-term sustainability of an investment. The ESG rating offers a summary assessment that reflects the robustness of an issuer, security, or fund from an ESG perspective. Transparent ESG performance data forms the foundation for enhancing a company's reputation and attracting investment. It helps companies track progress, identify risks and opportunities, and ensure compliance with evolving regulations. As stakeholders increasingly demand accountability and transparency, companies are expected to demonstrate their commitment to sustainable practices, thereby contributing to a resilient and sustainable global economy.



Pattern Group has chosen the tool made available by CDP (Carbon Disclosure Project) to measure its performance and obtain a reliable, internationally recognized and scientifically based ESG rating according to the best available standards.

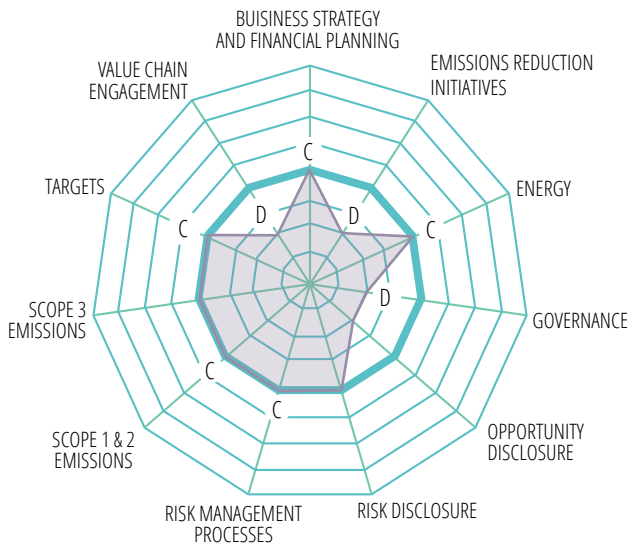
CDP is a nonprofit charitable organization that manages the global disclosure system for investors, companies, cities, States and regions to manage their environmental impact. The world economy looks to CDP as the Gold Standard of environmental reporting, with the richest and most comprehensive dataset on corporate and city action.

Furthermore, by converting the recommendations and pillars of the Task Force on Climate-related Financial Disclosures (TCFD) into tangible

disclosure questions and a standardized annual format, CDP offers investors and disclosers a unique platform where the TCFD Framework can be implemented in real-world scenarios.

Companies that disclose through CDP do so in accordance with TCFD recommendations, in a manner that is comparable, consistent, relevant, and accessible to the global economy.

Consequently, CDP possesses the world's largest TCFD-aligned environmental database, and CDP scores are extensively used to direct investment and procurement decisions towards a zero-carbon, sustainable, and resilient economy.



CLIMATE CHANGE

In the 2023 CDP (Carbon Disclosure Project) Climate Change report, Pattern Group achieved a score of C, placing it in the “Awareness” band. This demonstrates the company’s understanding of climate issues, laying a strong foundation for future advancements. Pattern Group’s score of C is just a step below the European regional average of B, indicating that it is well within reach of the next level with targeted actions.

Given that the comparison was made with significantly larger companies of luxury brands in the Textile and Fabric Items sector, which have an average of B, Pattern Group’s score shows that it is competing well and has significant potential for advancement. Competing with larger, more established brands underscores the progress it has made and highlights opportunities for further improvement.

SER RATING

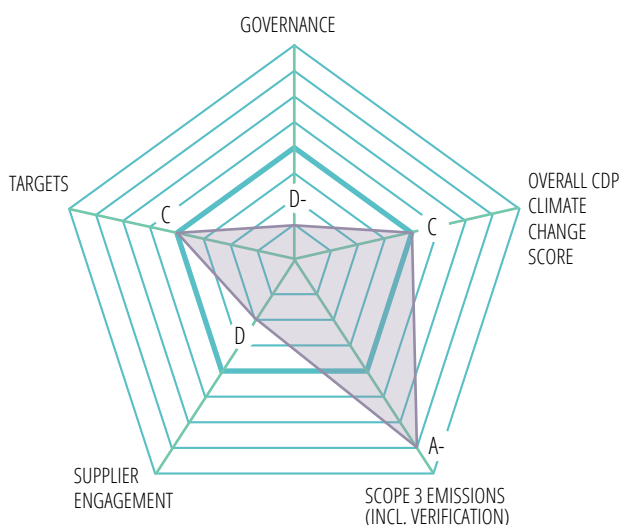
The Supplier Engagement Rating (SER) evaluates how effectively companies engage their suppliers on climate issues. This rating is based on the understanding that involving the supply chain is crucial for achieving significant environmental impact reduction. Given that an organization’s average upstream emissions are approximately 11.4 times larger than its direct emissions, there is substantial potential to reduce global emissions through supply chain influence.

The SER rating analyzes actions and performance in the following areas:

- Governance
- Goals
- Supply Chain Engagement
- Scope 3 Emissions

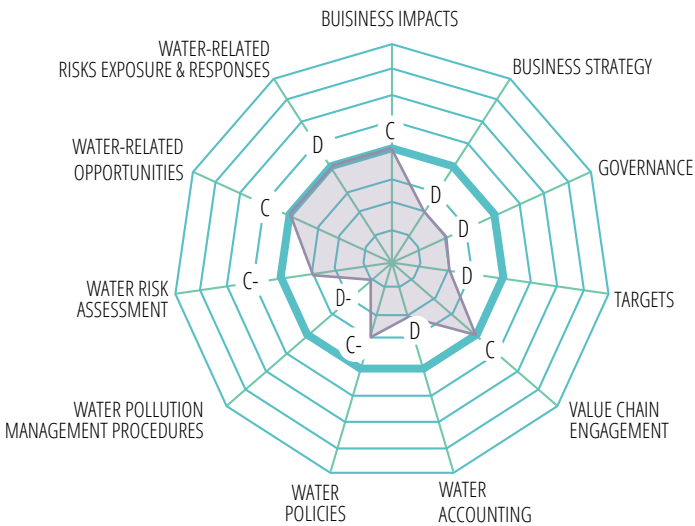
By focusing on these key areas, the SER provides a comprehensive assessment of a company’s efforts to drive climate action and sustainability throughout its supply chain.

Pattern Group, with its C rating in the 2023 CDP Supplier Engagement Rating, is well-positioned at the “Awareness” level, indicating a solid understanding of supplier engagement issues related to climate change. While the score is below the European and sector averages, this recognition places Pattern Group among the 18% of companies in its activity group that are actively acknowledging and addressing these critical issues.

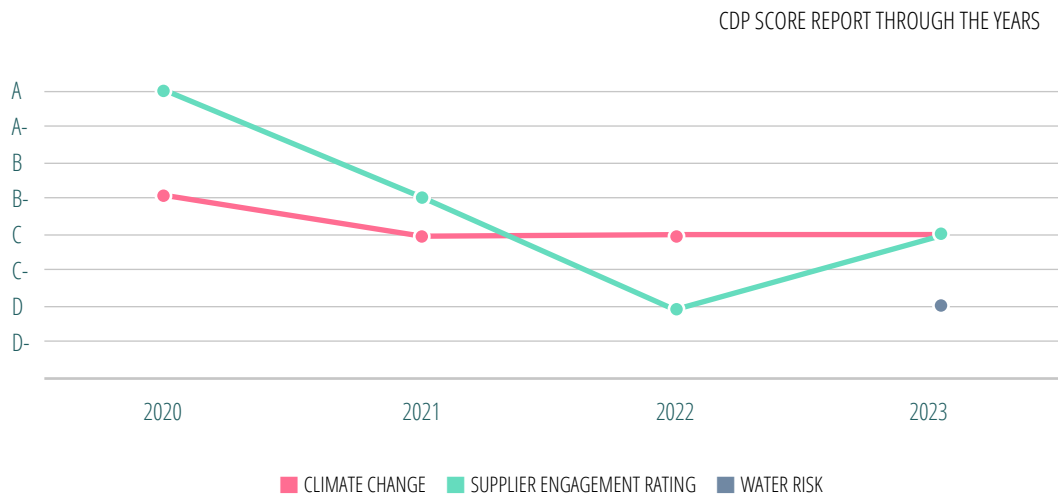


WATER RISK

In 2023, Pattern Group began to disclose data related to water risk, earning a "D" rating in the CDP Water Security report. This "Disclosure" band rating reflects the company's commitment to transparency about its water issues, a crucial initial step toward robust water management practices. Although this score is below the Europe regional average of "C" and the sector average of "C," it underscores Pattern Group's proactive approach to addressing water-related challenges. As one of the 10% of companies in its activity group achieving this level, Pattern Group is poised to build on this transparency, improving its water governance and aiming for higher performance in future evaluations.



RATINGS THROUGH YEARS



The CDP Score Report graph illustrates the performance of Pattern Group across three key metrics from 2020 to 2023: Climate Change, Supplier Engagement Rating, and Water Risk.

The Climate Change score shows a slight decline from B- to C between 2020 and 2021, maintaining stability at C through 2023. The Supplier Engagement Rating, however, demonstrates a more pronounced fluctuation, starting at A in 2020, dropping steadily to a low of D in 2022, and then recovering to C in 2023. These fluctuations can be attributed to the acquisition of companies with varying levels of maturity in their sustainability practices. Despite these challenges, maintaining a consistent Climate Change score of C reflects the headquarters' dedicated efforts to engage all business units and integrate sustainable practices across the entire group.

Notably, 2023 marks the first year that Water Risk data has been disclosed, with an initial score of D. This disclosure reflects Pattern Group's increased transparency and focus on addressing water-related challenges.

CARBON FOOTPRINT

In 2022, Pattern Group performed an Organizational Carbon Footprint (CFO) analysis for all Group companies, enabling it to establish its overall carbon footprint, which represents the direct and indirect greenhouse gas emissions associated with the Organization's activities. Pattern chose to report greenhouse gas emissions from all its activities to discern which sources have the most significant impact, thereby identifying potential mitigation and reduction actions.

Carbon dioxide is one of the most prevalent greenhouse gases, generated through the combustion of fossil fuels. The total emission of greenhouse gases is represented in terms of tons of CO₂ equivalent (tCO₂e), a cumulative measure of the "climate-changing capacity" of all greenhouse gases, with the impact of CO₂ conventionally set as 1 for comparison.

The analysis of GHG emissions and their reporting within this report were performed by referring to the GHG Protocol Corporate Accounting and Reporting Standard.

GHG PROTOCOL

The GHG Protocol Corporate Accounting and Reporting Standard is the global standard that offers technical guidance for evaluating an organization's GHG emissions based on the principles of relevance, completeness, consistency, transparency, and accuracy.

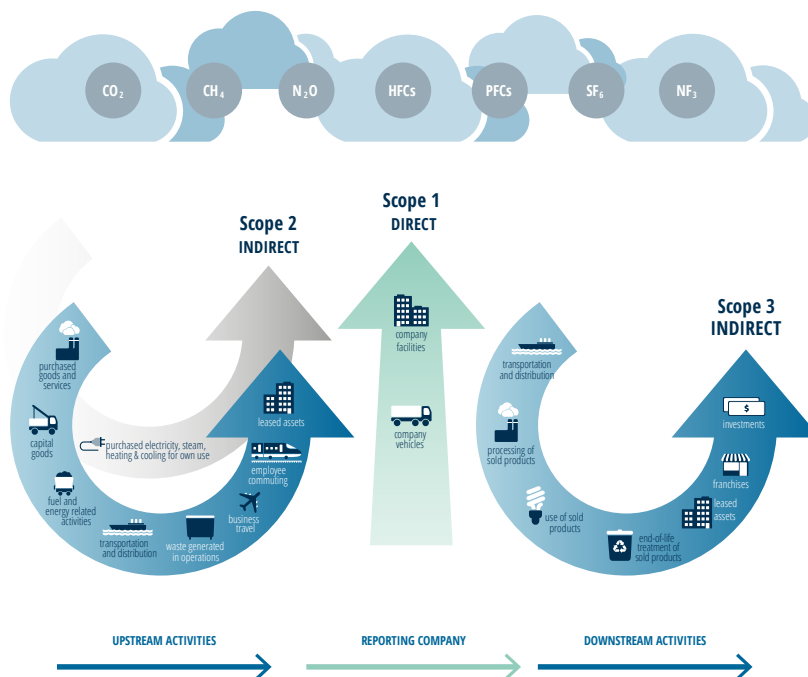
The GHG Protocol breaks down GHG emissions into 3 Scopes, described below:

- Scope 1 - Direct emissions stemming from sources within organizational boundaries, owned and/or directly controlled by the Organization (e.g., methane gas combustion, fuel for company vehicles, process emissions)
- Scope 2 - Indirect emissions from imported energy (e.g., electricity consumption and heat consumption from district heating)
- Scope 3 - Other indirect emissions divided into 15 categories:
 - Category 1 - Goods and services purchased
 - Category 2 - Capital goods
 - Category 3 - Fuel and energy-related activities not included in scopes 1 and 2
 - Category 4 - Upstream transportation and distribution
 - Category 5 - Waste generated in operations
 - Category 6 - Business travel
 - Category 7 - Employee commuting
 - Category 8 - Upstream leased assets
 - Category 9 - Downstream transportation and distribution
 - Category 10 - Processing of products sold
 - Category 11 - Use of products sold
 - Category 12 - End-of-life treatment of sold products
 - Category 13 - Downstream leased assets
 - Category 14 - Franchises
 - Category 15 - Investments

The organizational boundaries considered in conducting the analysis were established to include in the accounting the GHG emissions associated with the activities carried out at Pattern Group companies listed below:

PATTERN (COLLEGNO)	
PATERN (SPELLO)	MEN'S & WOMENSWEAR HUB
PATTERN (SANTERMAO IN COLLE)	
SMT (CORREGGIO)	
SMT (REGGIO EMILIA)	LUXURY KNITWEAR HUB
SMT (CARPI)	
NUOVA NICOL (CALDERARA DI RENO)	
IDEE PATNERS (SCANDICCI)	
IDEE PATNERS (REGGELLO)	LEATHER GOODS HUB
IDEE PATNERS (BIENTINA)	
DYLOAN BOND FACTORY (CHIETI)	
DYLOAN BOND FACTORY (VILLAMAGNA)	INNOVATION & SEMIFINISHED PRODUCTS HUB
DYLOAN BOND FACTORY (MILANO)	

Figura 1 Emission categories based on the ghg protocol



As anticipated last year, all the Group's companies were included in the reporting scope. Specifically, Scope 1, 2 and 3 emissions were calculated for all the companies listed.

To establish the reporting boundaries, direct and indirect emissions associated with the Organization's operations were identified, i.e., significant GHG emissions associated with the business activities were included within the reporting boundaries. The following table shows, for each emission category analyzed, all emissions and removals considered in Pattern Group's GHG emissions analysis.

Table 1 Emissions identified for each emission category

EMISSION CATEGORY	EMISSIONS AND/OR REMOVALS IDENTIFIED	TYPE OF EMISSION
Scope 1	1.1 Combustion of stationary plants 1.2 Combustion of mobile plants 1.3 F-Gas	Natural gas for internal use Fuel for company vehicles Refrigerants for heat pumps
Scope 2	2.1 Electricity consumption	Electricity supplied by the grid for organizational units
Scope 3		
Category 1	3.1 Products and services purchased by the company	Materials and services purchased by the company
Category 2	3.2 Capital Goods	Upstream emissions from the production of capital goods purchased or acquired by the reporting company
Category 3	3.3 Energy and fuels	Upstream production of power, methane gas and fuel
Category 4	3.4 Upstream transportation of purchased products	Transportation of purchased products
Category 5	3.5 Waste	Waste production and disposal
Category 6	3.6 Business travel	Business travel and overnight stays
Category 7	3.7 Employee commuting	Home-work employee commuting
Category 8	3.8 Upstream leased assets	Additional warehouse rental

As for Category 13, which represents emissions from leased assets, these have already been accounted for in energy consumption within Scope 1 and Scope 2. Category 9 (downstream transportation of products) was excluded as the pickup and transportation of products made by the Organization is the responsibility of Pattern's customers, similarly Category 12 (end of life of products sold) was excluded as the products marketed by the company are not sold directly to the end customer under Pattern's brand, therefore, the Company is not directly responsible for the disposal of the items.

METHODOLOGY FOR CALCULATING GREENHOUSE GAS EMISSIONS

The methodology used to quantify Pattern Group's greenhouse gas emissions is based on calculating the product of activity data and the corresponding emission factor, resulting in tons of CO₂ equivalent. In this analysis, all activity data concerning greenhouse gas emissions were modeled using databases such as Ecoinvent, ISPRA, and literature data.

SCOPE 1: DIRECT GHG EMISSIONS

Scope 1 emissions include direct emissions of climate-changing gases from stationary and mobile installations within organizational boundaries. Specifically, emissions from fuel and propellants for internal use were considered, and the share of F-gas topped up to air conditioning equipment was accounted for.

For the evaluation of emissions associated with the use of fuel and propellants, combustion processes were considered from ISPRA report 363/2022 "Indicators of efficiency and decarbonization of the national energy system and the electricity sector", while the GWP (Global Warming Potential) of F-gas was provided by the IPCC's VI report.

SCOPE 2: INDIRECT GHG EMISSIONS FROM ELECTRICITY

Scope 2 emissions include indirect greenhouse gas emissions associated with electricity consumption. Excluded from the calculation are upstream emissions associated with grid losses due to electricity transmission and distribution, infrastructure construction, and losses of SF₆ used for insulation of the electricity transmission grid. These contributions were accounted for in Category 3 of Scope 3.

For the calculation of Scope 2 emissions, a market-based approach was adopted, based on the specific production mix of each company's energy supplier, modeling the emission value from European Residual Mixes published by Association of Issuing Bodies.

SCOPE 3: INDIRECT EMISSIONS GENERATED UPSTREAM AND DOWNSTREAM OF THE COMPANY'S BUSINESS

In the analysis and reporting of Scope 3 emissions, 8 of the 15 emission categories in the GHG Protocol from sources outside Pattern's organizational boundaries were included.

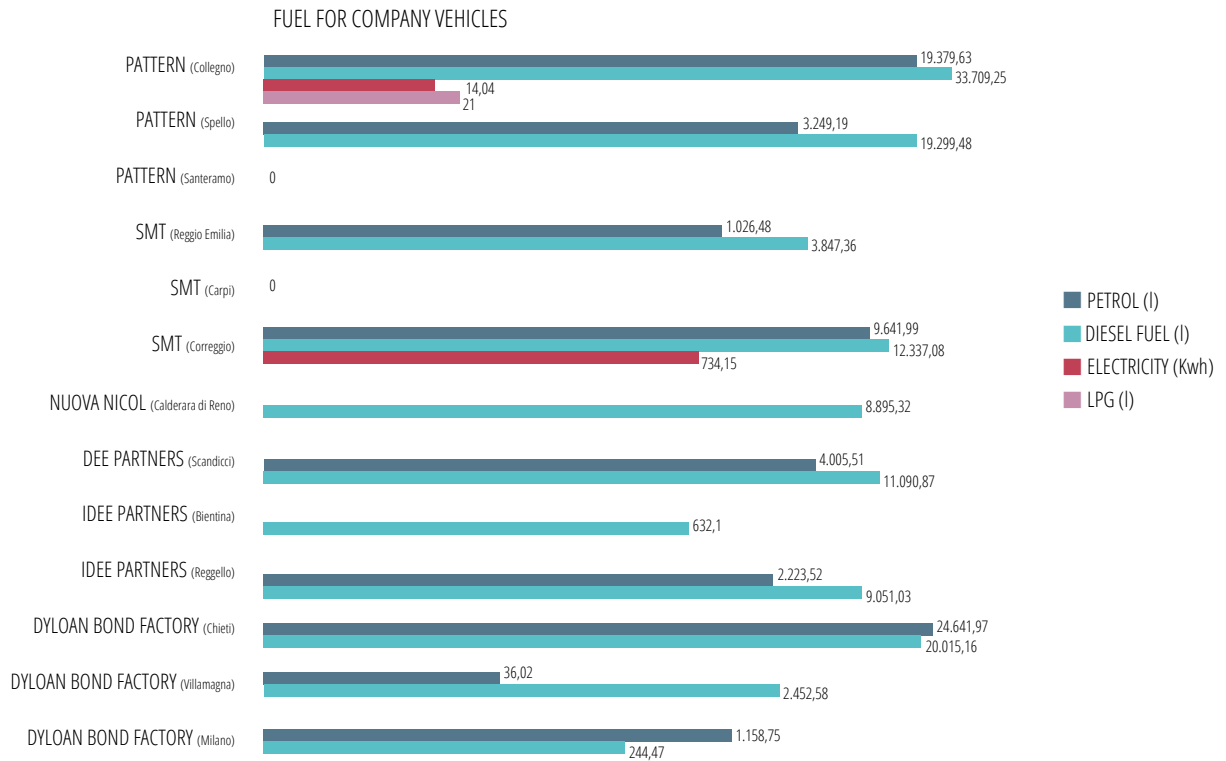
For category 1 emissions, a mixed approach was chosen: spend-based for accounting for the services used by the company, and data-based for accounting for the products used by the company. Specifically, data-based emissions come from the Ecoinvent database and the SimaPro software (the software used to develop the Life Cycle Assessment). The spend-based emission factors come from the NAICS (North American Industry Classification System) database.

To calculate scope 3 emissions from capital goods we used the average spend-based method, which involves estimating emissions for goods by collecting data on the economic value of goods purchased and multiplying by relevant secondary emission factors. Category 3, instead, includes emissions associated with the production of fuels and energy purchased and consumed by the organization, which are not included in Scope 1 and Scope 2. The ISPRA report 363/2022 "Indicators of efficiency and decarbonization of the national energy system and the electricity sector" was referred to for modeling of electricity losses related to its distribution. Regarding SF₆ emissions, the figure comes from Terna. Lastly, emissions from self-generation of electricity and infrastructure are taken from the Ecoinvent database. Furthermore, emissions associated with upstream methane gas for heating and fuel for company cars are also accounted for in Category 3.

Category 4 includes emissions from the transportation of products and goods purchased by the company. Emissions were evaluated by dividing them into the four types of vehicles used by the company and calculated according to the kilometers traveled multiplied by the weight of material transported. This allowed only the emissions from the weight of material transported to be allocated to the organization for the kilometers traveled and not the entire trip. As for category 5, emissions from sending waste for disposal were taken into account. For non-recyclable waste, the emission factor was taken from the IDEMAT database "Industrial Design & Engineering Materials database" 2023 of Deft University. Category 6 includes emissions from business travel, for which the kilometers traveled by each means of transportation were considered, as well as emissions from any overnight stays, considering hotel nights. As for category 7, it includes emissions generated by employees' commuting between home and work, referring solely to the days they are in the office as recorded by the company database. Specifically, for the home-to-work commute of employees, total kilometers traveled were calculated, broken down by the types of vehicles used and excluding kilometers traveled by company vehicles since they were already reported in Scope 1. The figure is based on employees' response to the questionnaire on home-to-work commuting habits. As for category 8, it includes emissions generated from the rental of the warehouse used by the company to store clothes. Specifically, from the estimated m² used by the company, its relating electricity consumption was assessed.

PATTERN GROUP CONSOLIDATED GHG REPORT

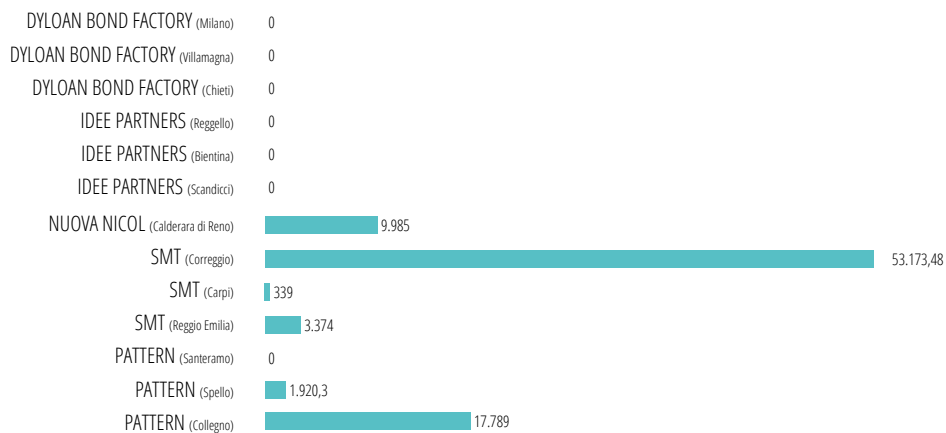
Pattern Group's GHG emissions were calculated according to the guidelines of the GHG Protocol, which was taken as a technical reference.



From the graph provided, it is evident that the locations in Collegno and Correggio have significantly higher natural gas consumption compared to other facilities. This observation underscores the necessity to implement instruments for precise control and measurement of thermal needs at these

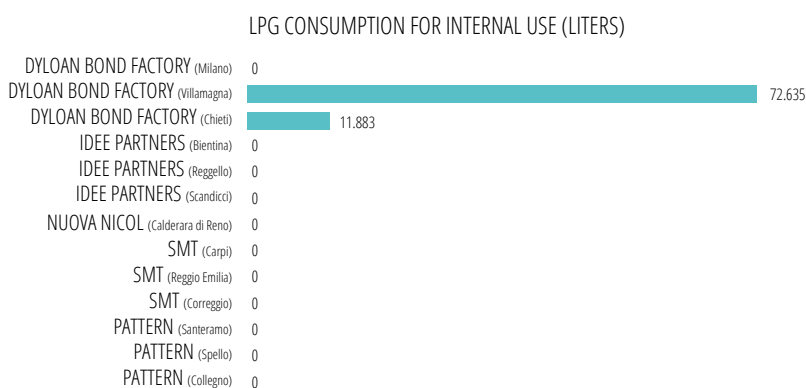
main plants. By having detailed data on energy usage, we can evaluate alternatives to natural gas, potentially leading to more sustainable and cost-effective energy solutions. Implementing such measures could significantly enhance the energy efficiency and sustainability profile of the company.

NATURAL GAS CONSUMPTION FOR INTERNAL USE (m³)



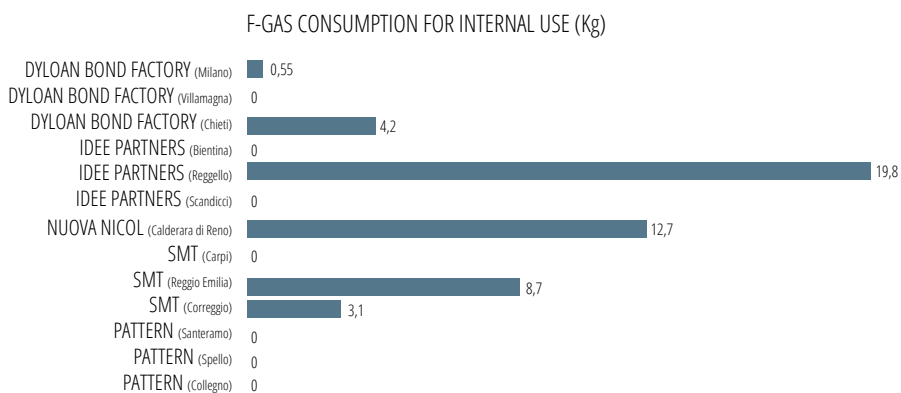
From the graph provided, it is evident that the S.M.T. locations in Reggio Emilia and Correggio have significantly higher natural gas consumption compared to other facilities. This observation underscores the necessity to implement instruments for precise control and measurement of thermal needs at these main plants. By having detailed data on energy usage,

S.M.T. can evaluate alternatives to natural gas, potentially leading to more sustainable and cost-effective energy solutions. Implementing such measures could significantly enhance the energy efficiency and sustainability profile of the company.



The graph shows the LPG (Liquefied Petroleum Gas) consumption for internal use. Dyloan Bond Factory Villamagna and Chieti are the only location where LPG - (Liquefied Petroleum Gas) has consumed. LPG is used

for water heating and, in the next three years, construction work is planned for the new plant in Chieti, which will lead to the elimination of the LPG tanks.



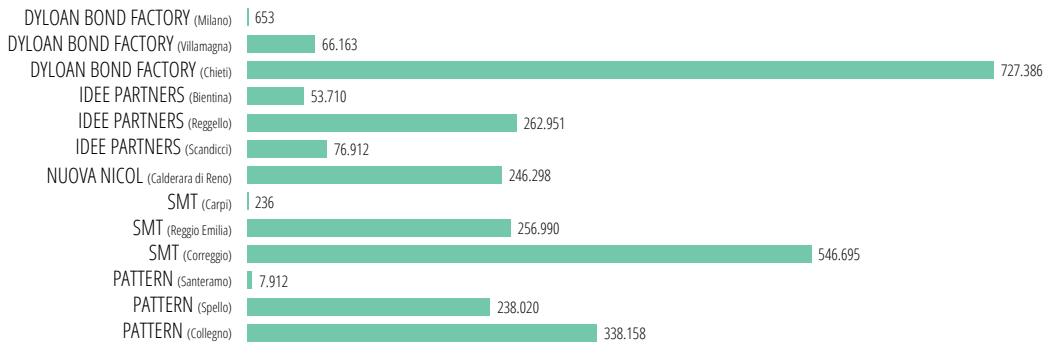
The annual consumption of fluorinated gases (F-Gas) used internally across our facilities is mainly due to new air conditioning systems installation. It's crucial to note that all our systems are recently installed and well-maintained, ensuring there are no leaks and eliminating the need for frequent refills.

SCOPE 2 INDIRECT CONSUMPTIONS

The chart shows a substantial variance in electricity usage across different facilities. Dyloan Bond Factory in Villamagna has the highest consumption at 727,386 kWh, which significantly overshadows the usage at other locations. Besides Villamagna, other facilities like S.M.T in Correggio and Pattern in Collegno also show substantial electricity consumption, with 546,695 kWh and 338,158 kWh respectively. This might indicate larger or more energy-intensive operations at these sites.

Nevertheless, in the following chapter we will see how emissions related to energy consumption are being reduced thanks to the construction of self-production plants, policies for sourcing from renewable sources, and guarantees of origin.

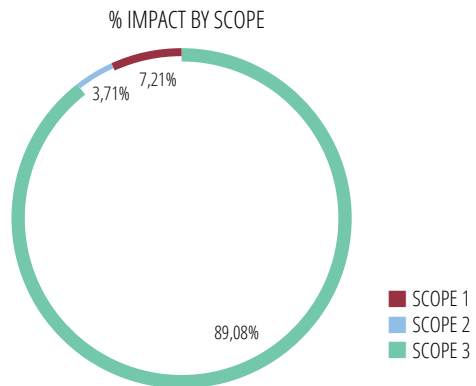
ELECTRICITY CONSUMPTION BY THE ORGANIZATION (kWh)



CARBON FOOTPRINT CALCULATION

It can be observed that the locations with the highest contribution, in terms of tons of CO₂ equivalents, are the Società Manifattura Tessile - Correggio, Idee Partners - Reggello, and Dyloan Bond Factory - Chieti.

Overall, the CO₂ emissions for the entire Organization amount to 12,041 that correspond to 12,054 tons CO₂ eq. The chart below shows the percentage relevance of each scope.



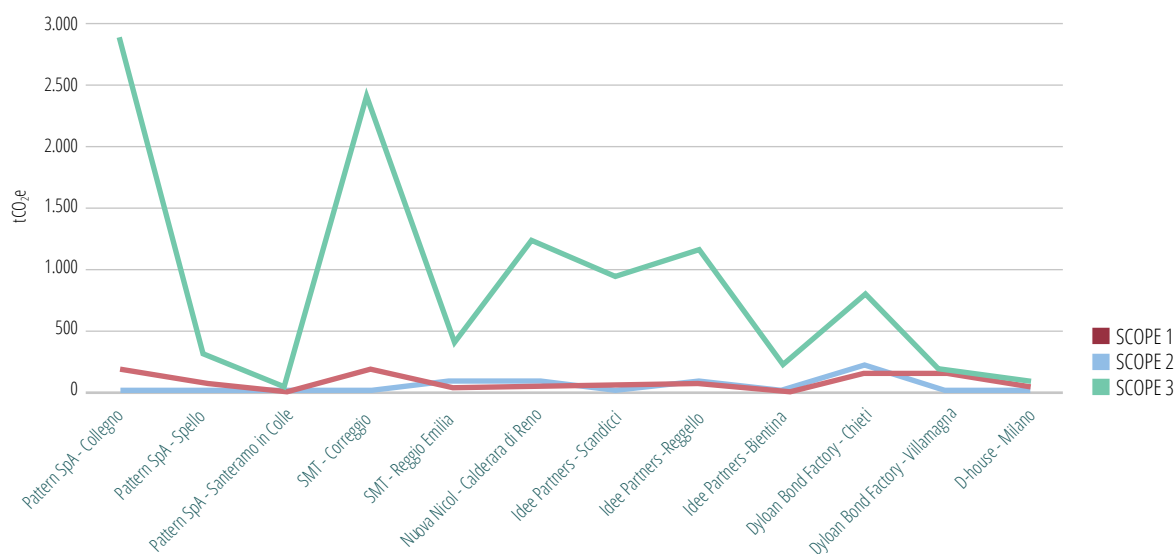
The graph shows that indirect emission sources generated upstream and downstream of the company's business (Scope 3) make up approximately 90% of the Organization's total annual emissions.

Different locations exhibit markedly different emissions profiles, reflecting the diversity in operational functions, the scale of operations, and possibly the effectiveness of emissions control measures at each site.

EMISSIONS	GHG SCOPE	tCO ₂ e 2023
Direct	Scope 1	869
Indirect	Scope 2	447
	Scope 3	10.738
Total	Scope 1,2 and 3	12.054

	SCOPE 1	SCOPE 2	SCOPE 3
Pattern (Collegno)	169,42	0	2954
Pattern (Spello)	62,73	0	297
Pattern (Santeramo)	0	2,1	0
S.M.T. (Correggio)	163,1	16,6	2471
S.M.T. (Reggio Emilia)	32,5	65,1	384
Nuova Nicol (Calderara di Reno)	70,1	62,4	1246
Idee Partners (Scandicci)	38,7	19,5	939
Idee Partners (Reggello)	70,6	66,6	1188
Idee Partners (Bientina)	1,69	13,6	195
Dyloan Bond Factory (Chieti)	131,5	184,2	801
Dyloan Bond Factory (Villamagna)	124,3	16,8	133
D-House (Milano)	3,66	0,17	61,13

EMISSION CONTRIBUTION BY BUSINESS UNIT



Across most locations, Scope 1 and Scope 2 emissions are considerably lower and display more consistency compared to Scope 3. This could imply that direct emissions from company-controlled sources and indirect emissions from purchased energy are better managed or inherently lower due to operational practices or energy sourcing strategies.

The most noticeable peaks occur in Scope 3 emissions, particularly at the Pattern SPA - Collegno and S.M.T. - Correggio sites, where emissions surge significantly above other categories and locations. These facilities have been involved in activities that lead to improve their indirect emissions sources such as transportation, procurement, and waste management.

PATTERN GROUP'S INTENSITY INDEX

The intensity index, often used in sustainability reporting, measures the environmental impact relative to the economic output of an organization. It provides a useful metric for assessing the efficiency of a company in managing its greenhouse gas emissions relative to its financial performance.

The index is expressed in terms of tCO₂e per euro, providing a clear measure of emissions per unit of economic output. A lower value of the intensity index indicates higher efficiency, meaning the organization generates less emissions per euro of revenue. Conversely, a higher index suggests less efficiency in managing emissions relative to economic output. This index is crucial for benchmarking against past performance or industry standards. It helps in monitoring the effectiveness of sustainability initiatives over time or comparing the environmental performance with other companies in the same industry.

DESCRIPTION	VALUE	UNITS
Total CO ₂ Emissions	12.054	Tons
Total revenue	145.597.647	Euros
Intensity Index	0,00008279	tCO ₂ e per Euro

SCOPE 1 AND 2 BROKEN DOWN BY CATEGORIES AND BY HUB CONTRIBUTION

The graph below shows that the most impactful emission category on total Scope 1 and Scope 2 emissions is different for each company in Pattern Group. This is attributed not only to the different production models of the individual companies within the Group but also to the various efforts undertaken individually by each of them in recent years to reduce consumption and emissions.

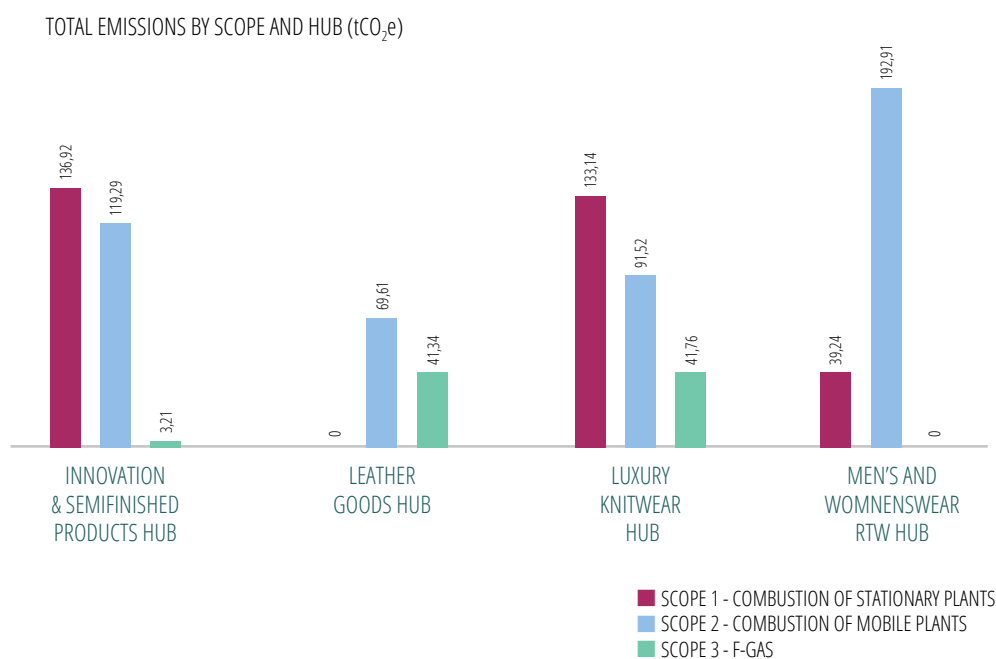
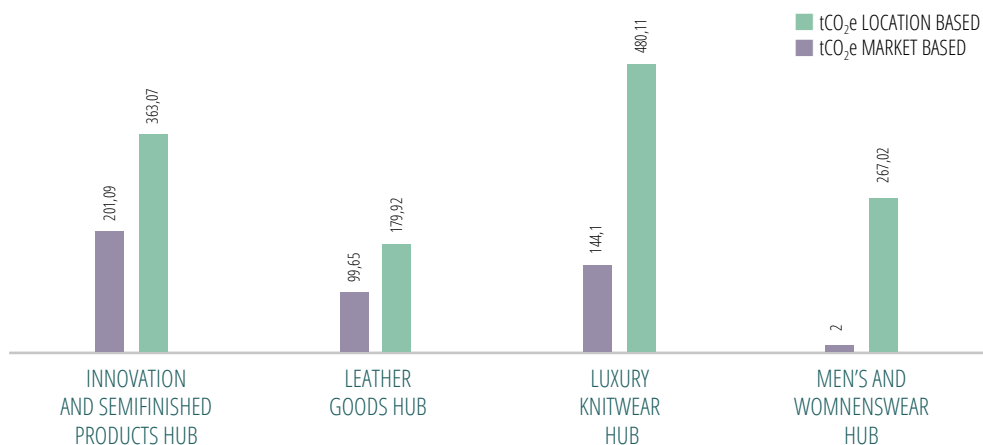


Figure shows the contribution of the individual emission categories to the total Scope 1 and 2 emissions for each Pattern Group HUB. The most impactful categories on total scope 1 and 2 are related to electricity and fuels used for business travel. Specifically, for the parent company Pattern - included in the men's & womenswear Hub - which has already implemented energy efficiency initiatives at the production plant and total coverage of energy needs from renewable sources, emissions related to the use of company vehicles represents the most impactful emission category

on Scope 1 and 2 emissions. This is closely associated with the presence of Corporate figures within the corporate office, whose role involves coordinating internal resources and processes, leading to frequent travel both between corporate offices and within the entire supply chain.

To reduce emissions from electricity procurement, the primary objective is to ensure that the entire Group purchases grid electricity that is generated from renewable sources.

TCO₂ - ELECTRICITY - MARKET BASED VS LOCATION BASED BY HUB



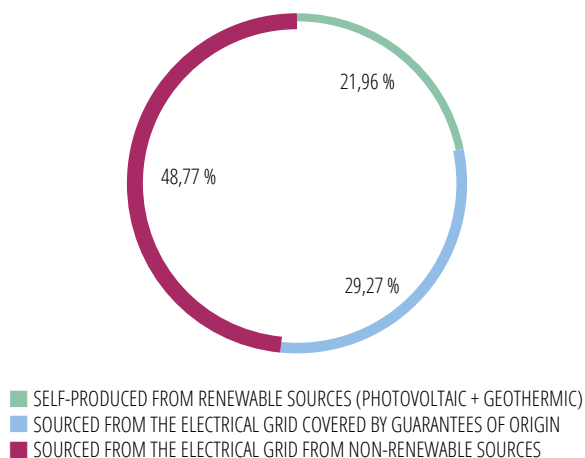
MARKED – BASED ENERGY CALCULATION

It is noted that the Market-Based calculation method provides a less favorable scenario compared to the Location-Based method, as the energy mix of some of the Group's locations is not fully covered by Guarantees of Origin for renewable energy production. The Scope 2 Market-Based emissions for Pattern SpA's locations in Collegno and Spello amount to zero, as the entire electricity supply is sourced 100% from renewable energy. On the other hand, at the S.M.T. site in Correggio, the electricity supply contract is covered by Guarantees of Origin for 88% of the total supply.

For the organization's total energy demand, which was 3.616,229 kWh in 2023, the percentages of supply from different sources were calculated as follows:

- 21,96% self-produced from renewable sources (photovoltaic + geothermal)
- 29,27% sourced from the electrical grid covered by Guarantees of Origin
- 48,77% sourced from the electrical grid from non-renewable sources

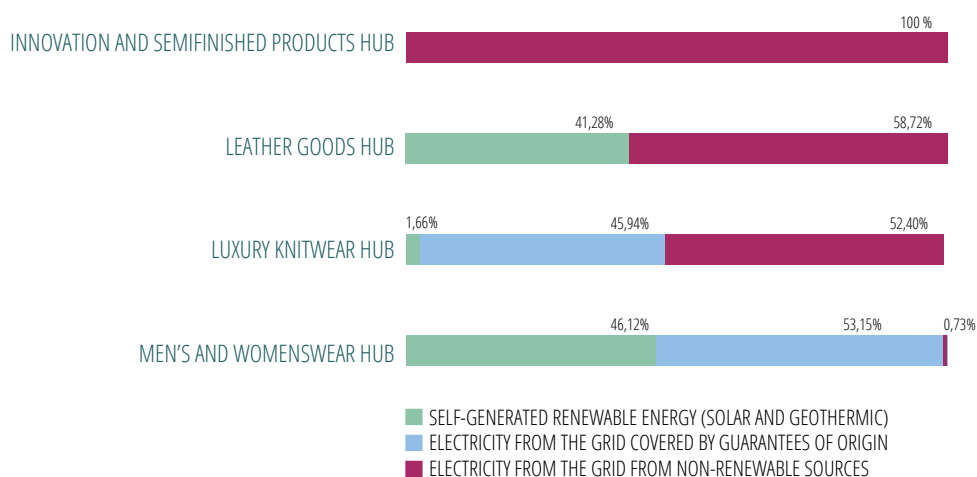
MARKED-BASED ENERGY BREAKDOWN



Overall, concerning the total energy procured from the grid, 29,27% was produced from renewable sources and covered by Guarantees of Origin.

The bar chart below presents the same calculations broken down by hub:

ENERGY SOURCE COMPOSITION ACROSS DIFFERENT HUBS

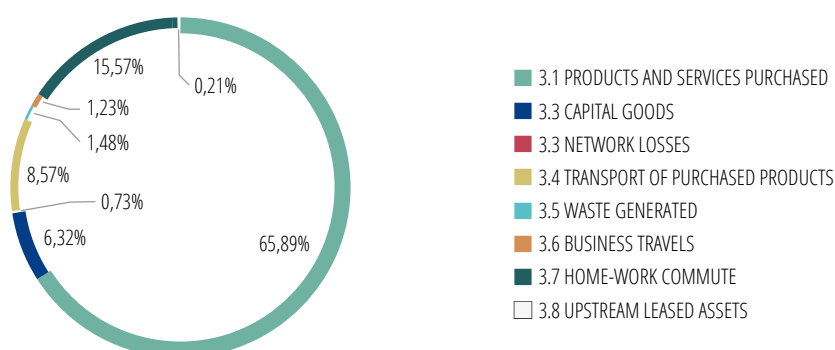


SCOPE 3 CALCULATION BROKEN DOWN BY CATEGORIES

As observed, Scope 3 emissions are the most significant category in the organization's carbon footprint. The table below summarizes the impacts, expressed in tons of CO₂ equivalent, for each Scope 3 category included in the calculation. It is evident that the category with the greatest impact is the purchase of services, accounting for 58.76% of total Scope 3 emissions. This is followed by employee commuting (15.57%), the purchase of goods (7.13%), and capital goods (6.32%).

SCOPE 3 - EMISSION CATEGORY	tCO ₂ e 2023
3.1 - Products and services purchased	7.076
3.2 - Capital Goods	679
3.3 - Network losses	79
3.4 - Transportation of purchased products	920
3.5 - Waste generated	158
3.6 - Business travel	132
3.7 - Home-to-work commute	1.672
3.8 - Upstream leased assets	22
TOTAL	10.738

SCOPE 3 - % EMISSIONS BY CATEGORY



In the graph above it is possible to observe the contribution for each Pattern Group's plants, in terms of CO₂ eq. emissions for each of the Scope 3 categories. The largest contribution comes from Pattern S.p.A. - Collegno, followed by Società Manifattura Tessile - Carpi, and Nuova Nicol - Calderara di Reno.

The graph shows that for all Pattern Group companies for which Scope 3 emissions were calculated, the most impactful category is products and services purchased by the organization. Emissions in this category are closely related to the type of materials purchased and used in the production of finished products. It is important to emphasize that Pattern does not have the authority to select the materials purchased, as these decisions are primarily driven by the choices and requirements of Brand customers. In this category, the impact of outsourcing work processes and stages to subcontractors has been quantified. The company's business model, in fact, involves both internal and external phases. Product design, development, prototyping,

and sample making are always carried out within the organization, while order production can be conducted either internally or entrusted to third parties.

Conversely, the second most significant category on total Scope 3 emissions is employee home-to-work commute for all companies in Pattern Group. To reduce this specific impact, in recent years, the company has initiated several experimental carpooling projects. The first project, in collaboration with companies near the Collegno headquarters, unfortunately faced significant challenges due to the pandemic. The second project was launched for the two locations of Pattern SpA, involving both the Collegno and Spello sites. This project also included an incentive system with rewards assigned through a form of gamification, recognizing virtuous actions that generated points. Unfortunately, the second attempt also did not yield the desired response from employees, who were particularly reluctant at both locations to change their habit of using their personal cars alone.

ENVIRONMENTAL IMPACT TREND THROUGH YEARS

Between 2021 and 2023, the Pattern Group's Scope 1, Scope 2, and Scope 3 emissions have seen significant changes. These variations are largely due to the Group's acquisition of new companies and its operational expansion.

Scope 1: Direct Emissions Trend

- 2021: 581 tCO₂e
- 2022: 548.23 tCO₂e (▼-5.7%)
- 2023: 868.94 tCO₂e (▲+58.5%)

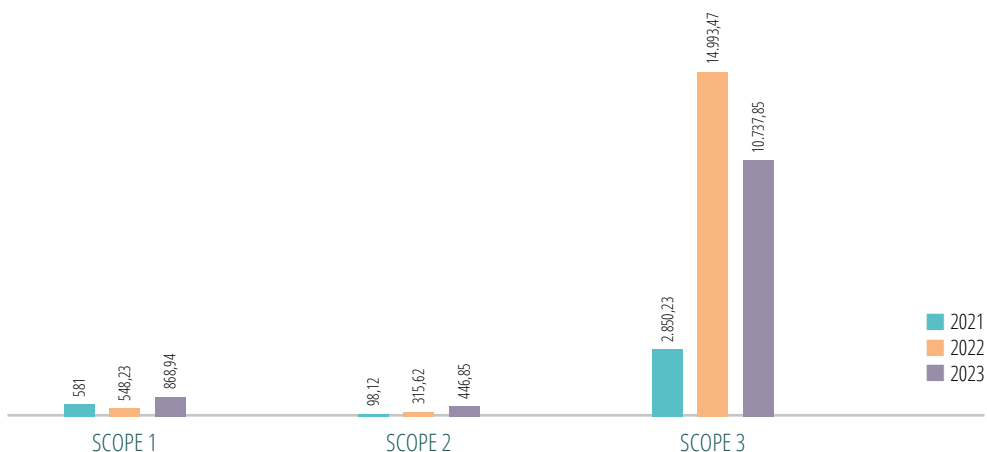
The significant rise in Scope 1 emissions in 2023 is primarily attributed to the increase in business travel. This is due to the expansion of the Group, which required greater coordination between the newly acquired companies and the headquarters. Each new acquisition introduced new logistical and operational needs, leading to an increase in travel for the management and coordination of activities.

Scope 2: Indirect Emissions Trend

- 2021: 98.12 tCO₂e
- 2022: 315.62 tCO₂e (▲+221.6%)
- 2023: 446.85 tCO₂e (▲+41.6%)

The rise in energy consumption can be considered a natural outcome of the Group's expansion. Newly incorporated companies require time to refine their energy usage and implement sustainable practices aimed at mitigating their environmental footprint.

TOTAL EMISSIONS FOR SCOPE 1,2 AND 3 THROUGH YEARS (tCO₂e)



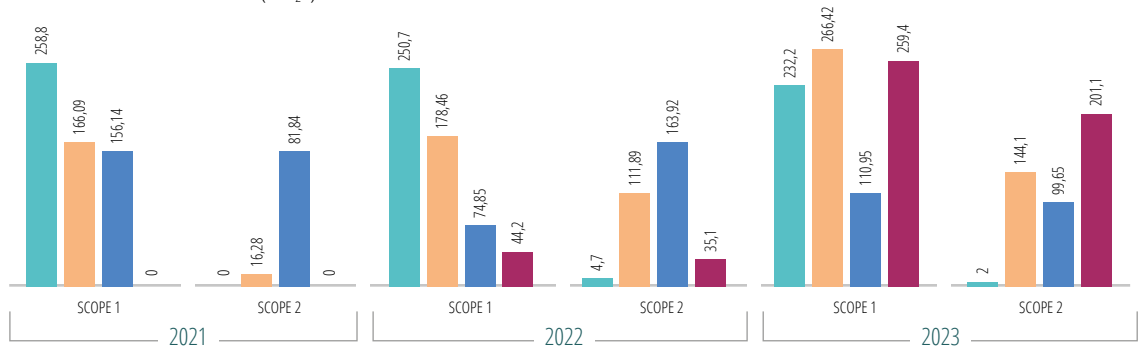
Scope 3: Emissions Trend

- 2021: 2,850.23 tCO₂e
- 2022: 14,993.47 tCO₂e (↗ +426.2%)
- 2023: 10,737.85 tCO₂e (↘ -28.4%)

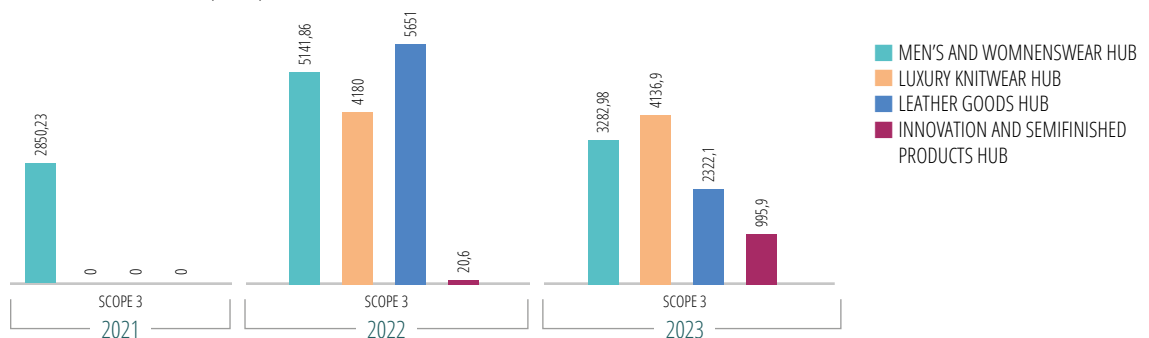
In 2022, there was a significant rise in Scope 3 emissions, primarily due to the full integration of acquired companies into the Scope 3 reporting framework. However, by 2023, a decline was noted, attributed to both enhanced data collection practices for Scope 3 calculation and initiatives aimed at energy efficiency and sourcing from renewable sources.

Following a corporate reorganization into hubs, we propose the following emissions breakdown to ensure a uniform basis for comparison in the coming years.

SCOPE 1 AND 2 TRENDS BY HUB (tCO₂e)



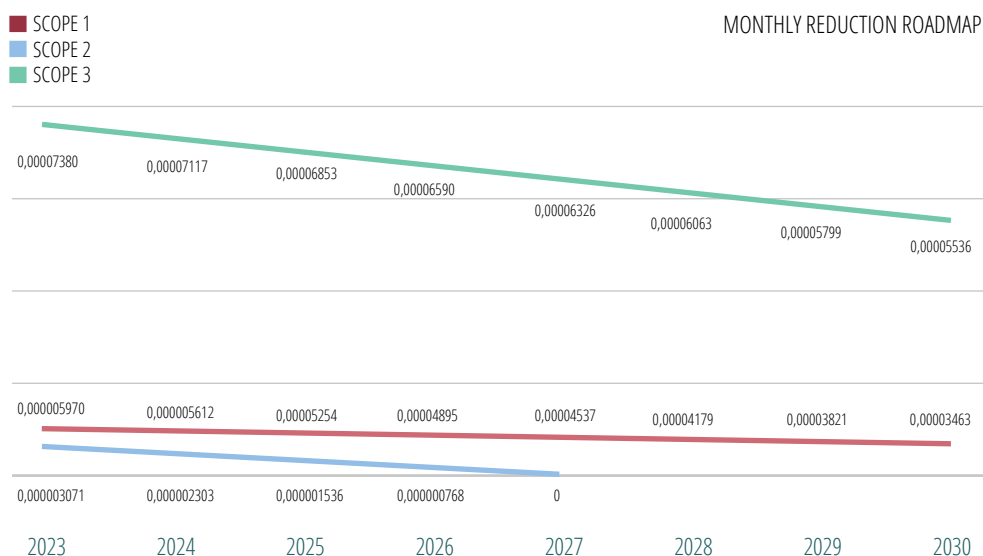
SCOPE 3 TRENDS BY HUB (tCO₂e)



GREENHOUSE GAS EMISSIONS REDUCTION GOALS

This table outlines the targets for reducing greenhouse gas (GHG) emissions intensity across three different scopes within an organization, categorized by emission sources. Each scope specifies an initial intensity index, a percentage goal for reduction, the target end year for achieving these reductions, and the required annual linear reduction in intensity index to meet these goals.

SCOPE	INITIAL INTENSITY INDEX (tCO ₂ e / REVENUE)	REDUCTION GOAL ON INTENSITY INDEX	END YEAR	ANNUAL LINEAR REDUCTION OF INTENSITY INDEX
SCOPE 1	0,000005970	42%	2030	6%
SCOPE 2	0,000003071	100%	2027	25%
SCOPE 3	0,00007380	25%	2030	3.57%



SCOPE 1: DIRECT EMISSIONS

The emission categories for Scope 1 include Natural Gas for Internal Use, Fuel for Company Vehicles, and Refrigerants for Heat Pumps. The initial intensity index is set at 0,000005970, with a reduction goal to decrease this intensity by 42% by the year 2030. To achieve this reduction, an annual linear reduction of 6% in the intensity index is required.

SCOPE 2: INDIRECT EMISSIONS FROM PURCHASED ELECTRICITY

For Scope 2, which covers Electricity for Organizational Units, the reduction target is exceptionally ambitious, aiming to reduce the intensity index to zero. This reflects a 100% reduction goal with an endpoint set for 2027. To reach this goal, the intensity index must decrease by 25% each year, emphasizing the organization's commitment to transitioning to renewable energy sources.

SCOPE 3: OTHER INDIRECT EMISSIONS

Scope 3 encompasses emissions from Materials and Services Purchased by the Company. The starting intensity index is 0,00007380, with a 25% reduction target by 2030. The strategy to meet this target involves a more gradual annual reduction rate of 3.57%, accounting for the complexities involved in managing emissions across the company's extensive supply chain.

These targets form an integral part of the organization's strategy to mitigate its environmental impact, aligning with broader sustainability goals. The specified end years not only mark deadlines but also ensure ongoing accountability and support strategic environmental planning across all operational facets.

GHG SCOPE	EMISSION CATEGORY	tCO ₂ e 2023 (CONSOLIDATE)	RELEVANCE	INTENSITY INDEX (tCO ₂ e / REVENUE)	IMPROVEMENT GOAL	SUGGESTED ACTION
Scope 1	1.1 Natural gas for internal use	869	7,2%	0,000005970	42% intensity reduction by 2030 from 2023	1.1 Electrification of production processes.
	1.2 Fuel for company vehicles					1.2 Replacement of corporate fleet with reduced-emission models
	1.3 Refrigerants for heat pumps					1.3 Ongoing maintenance of air conditioning systems and establishment of "anti-waste" and "anti-dispersal" policies
Scope 2	2.1 Electricity for organizational units	447	3,7%	0,000003071	100% of electricity used from renewable sources by 2027	Implement photovoltaic systems on all roofs of production site. Enter into electricity supply contracts only with suppliers who can guarantee the use of 100% renewable sources.
Scope 3	3.1 Materials and services purchased by the company	7076	58,7%	0,00007380	25% intensity reduction by 2030 from 2023	Define and integrate a procurement policy that takes into account: → Reusable packaging → Certified, recycled and/or natural raw materials Development of decarbonization projects with raw material suppliers. Forging of partnerships with own subcontractors to carry out direct emission calculations.
	3. Capital goods	678,7	5,6%			-
	3.3 Production of power, methane gas and fuel	78,7	0,7%			-
	3.4 Transportation of purchased products	920,0	7,6%			Identify logistics partners that can limit emissions generated by transportation. Optimize transportation, avoiding dedicated transport as much as possible, especially for small quantities. Adopt the principle of supplier proximity in purchasing decisions.
	3.5 Waste production and disposal	158,4	1,3%			Define and implement a circular industrial waste management policy to lower waste and make more value out of it throughout production and to enhancing the transportation of recovered textile fiber waste.
	3.6 Business travel and overnight stays	132,0	1,1%			Establish in the medium term a policy for managing business travel with a view to sustainability and reducing the need for travel, consistent with business operations and goals.
	3.7 Home-work employee commute	1.671,9	13,9%			-
	3.8 Upstream leased assets	22,2	0,2%			-

ENERGY EFFICIENCY

In 2023, the total energy consumption of the organization was 3.616,229 kWh. It is estimated that 21.96% of this total energy consumption came from self-produced or 100% renewable sources.

In order to cut the emissions associated with the production of purchased electricity, the Collegno, Spello and Correggio plants source from 100% renewable energy sources, certified by guarantees of origin.

In early 2023, photovoltaic systems were expanded at the following sites:

- Idee Partners, a system consisting of 225 modules with a capacity of 90 kW and with a 15 kWh storage system;
- Maglificio Zanni, a system consisting of 224 modules with a total capacity of 112 kW added to the existing plant, thus bringing the capacity to 132 kW.

The photovoltaic systems installed at the Idee Partners and Maglificio Zanni offices are not fully meet the energy needs. To cover the remaining portion,

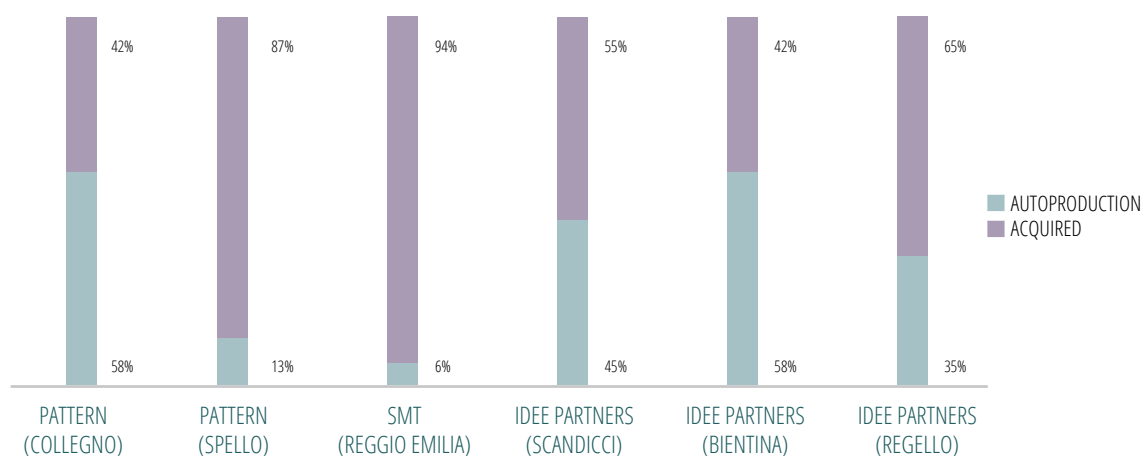
energy supply from 100% renewable sources with guarantees of origin will be utilized, totally cutting their Scope 2 emissions.

During the course of 2024 and part of 2025, a new facility will be constructed for the Collegno site, which will have a LEED GOLD certification. In addition, modernization works are planned for the Spello plant.

The S.M.T. Correggio site still remains uncovered by the planning for self-production facilities, for which solutions will be evaluated that may involve joining an energy community.

For what that concerns Dyloan Bond Factory, during 2022, all the business units were still sourcing their energy from fossil fuels. However, with the acquisition, all locations transitioned to contracts with 100% renewable energy suppliers. The effects of this shift on the site's carbon footprint will start to be visible from 2023 onwards. Regarding the sites in Abruzzo, over the next three years, a new facility will be constructed, which will also include the installation of a photovoltaic system, further reducing the site's environmental impact.

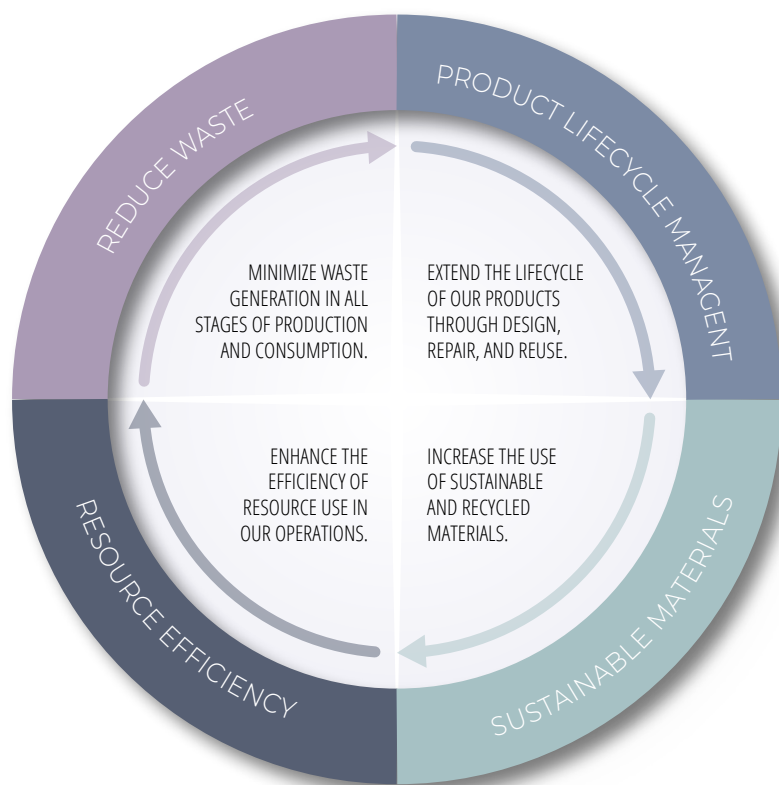
DEGREE OF SELF-SUFFICIENCY



CIRCULAR ECONOMY ACTION PLAN

The Pattern Group is committed to transitioning to a circular economy model, which focuses on minimizing waste and maximizing the value of resources throughout their lifecycle. This plan outlines our strategies and actions to implement circular economy principles across our operations, products, and services.

The main objectives are to reduce waste, enhance resource efficiency, extend the lifecycle of products, increase the use of sustainable materials, and collaborate with stakeholders to foster a circular economy mindset.



Design for Longevity and Reusability focuses on developing products with modular designs that facilitate easy repair, upgrading, and recycling. We prioritize materials that are durable, recyclable, and sourced sustainably. Lifecycle assessments are conducted for all products to identify and mitigate environmental impacts.

Enhance Recycling and Waste Management aims to implement comprehensive recycling programs across all facilities to ensure waste materials are properly sorted and recycled. We strive to achieve zero waste to landfill by improving waste segregation and recycling processes. Collaboration with suppliers is essential to reduce packaging waste and encourage the use of recyclable packaging materials.

Promote Circular Supply Chains involves partnering with suppliers who adhere to circular economy principles and promote sustainable practices. We develop closed-loop supply chains where end-of-life products are returned and recycled into new products. Resource-sharing initiatives are implemented within our supply chain to maximize resource use and reduce waste.

Extend Product Lifecycles by establishing repair services and facilities to extend the life of our products. Product take-back programs are launched to

encourage customers to return used products for refurbishment or recycling. We develop second-life initiatives to resell or donate refurbished products.

Foster Innovation and Research by investing in R&D to develop innovative materials and technologies that support circular economy goals. Pilot projects are implemented to test and refine circular economy practices before scaling them up. Collaboration with academic institutions is essential to explore new approaches and solutions for circular economy challenges.

Educate and Engage Stakeholders by providing training programs for employees to increase awareness and understanding of circular economy practices. Educational materials and campaigns are developed to inform customers about the benefits of the circular economy and how they can contribute. We engage with local communities to promote circular economy principles and practices.

Monitor and Report Progress by establishing key performance indicators (KPIs) to track progress towards circular economy goals. Annual reports are published detailing our progress, challenges, and achievements in implementing the circular economy action plan. The action plan is regularly reviewed and updated to incorporate new insights, technologies, and best practices.

FROM WASTE TO RESOURCE: THE CASCÁMI PROJECT

The CASCÁMI project aims to establish an effective textile waste management and recovery system by addressing four strategic areas: waste data management, logistics and compliance, development and production processes, and reverse supply chain.

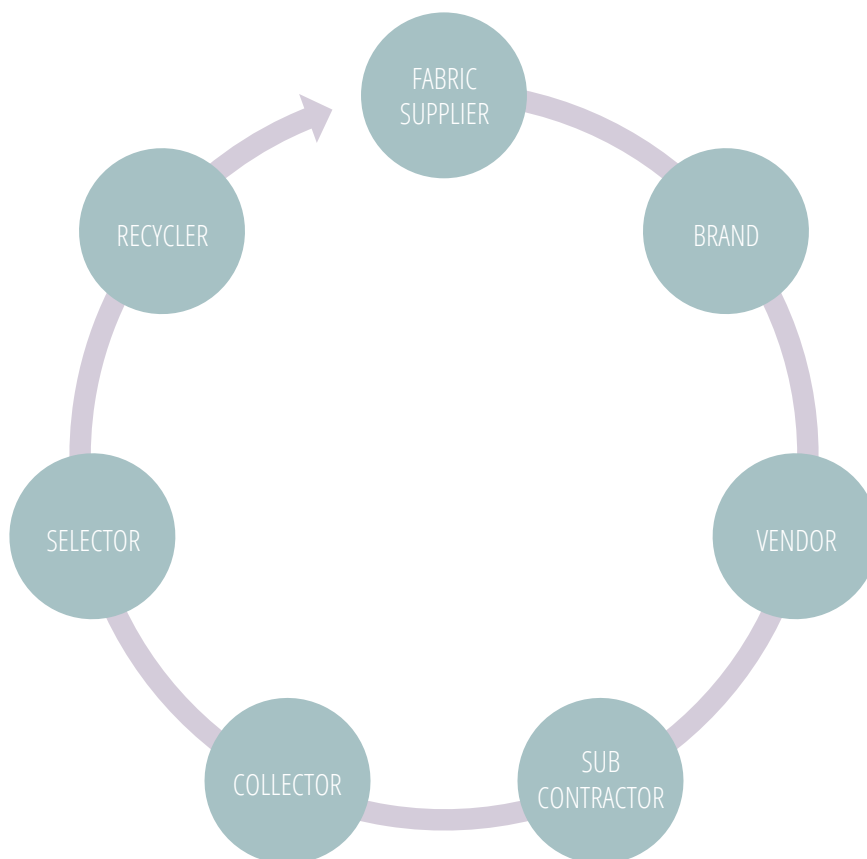
The integration of a circular economy system and anti-counterfeiting measures into the range of services that Pattern can offer its clients is the result of strategic collaboration between three parties:

- Integration of the new paradigm into the engineering and production processes of the subcontracting chain.
- Evaluation of the legal compliance of logistics partners and creation of a reverse supply chain for waste recovery with a focus on the circular economy.
- Traceability and data management to ensure material management compliance, reduce environmental impacts, and protect against counterfeiting.
- Integration of a Circular Economy and Anti-Counterfeiting System

The integration of a circular economy system and anti-counterfeiting measures into the range of services that Pattern can offer its clients is the result of strategic collaboration between three parties. First, there is the integration of the new paradigm into the engineering and production processes of the subcontracting chain. Second, an evaluation of the legal compliance of logistics partners and the creation of a reverse supply chain for waste recovery with a focus on the circular economy. Third, traceability and data management to ensure material management compliance, reduce environmental impacts, and protect against counterfeiting.

THE FIRST FULLY TRACKED AND VERIFIED RECYCLING CHAIN IN ITALY

What we present is not just a traceability system that ensures intellectual property protection against counterfeiting and certifies the circularity of textile waste management. It is also a supply chain that meets legal requirements and guarantees ethics in its processes. Thanks to the logistical and organizational cooperation of the consortium founded by Sistema Moda Italia, Retex Green, of which Pattern SpA is a founding member, and leveraging the experience of the Safe Group, we can now guarantee the protection of our brands' reputation even in the waste management process.



ENSURING COMPLIANCE AND TRACEABILITY

The consortium ensures the traceability and verification of partners used in the recycling chain. This includes the application of technical specifications, reputation analysis, and the analysis and verification of waste transport and treatment authorizations. We also focus on authorization limits, anti-mafia declarations, and the regularity of labor relations with verification of work

contracts and DURC. Furthermore, we verify the adequacy of the number of resources compared to the volumes processed, ensure workplace safety, extend controls to subcontractors, and verify compliance with storage limits, provisions, requirements, and treatment procedures.

ADVANCED WASTE MANAGEMENT PLATFORM

The platform tracks the steps of the process and records information on the development and production phases. It calculates expected waste at the layout stage, well before it is produced, with the possibility of activating the most appropriate recycling chain for the fiber in advance. The platform provides permanent visibility on fabric management, ensuring respect for intellectual property and preventing waste and misuse. It verifies waste delivery to legally authorized entities and automatically generates a traceability file for cuts by numbered fabric roll. Additionally, it generates a

report on the recycling destination to facilitate the calculation of equivalent CO₂ emissions.

By integrating these systems and practices, Pattern Group leads the way in promoting a sustainable and ethical circular economy, ensuring compliance, and safeguarding both the environment and intellectual property.

CIRCULAR ECONOMY R&D PROJECTS

LINEAPELLE PROJECT FOR LONDON COLLEGE OF FASHION

Indeed, a project focused on reuse and the circular economy was designed and advanced, precisely with the vision and principles of Industrial Symbiosis in mind.

The generation of solid tanning waste is a matter requiring significant attention, especially considering the recent directions from the European Commission. The Commission has endorsed numerous initiatives under the European Green Deal, expressly designed to support the transformation of the European economy into a system that is more sustainable, resilient, and circular. In this context, designing innovative solutions represents a

distinct opportunity for one of Italy's most emblematic production sectors, the tanning industry. Notably, this industry is currently one of the most commendable sectors within the National Bioeconomy system.

Leather, already produced following the principles of the Circular Economy (by enhancing a food industry waste), has the potential to be even more circular, effectively addressing escalating challenges in sustainability and innovation.

The project was developed by D-House in collaboration with Linea Pelle for the London College Of Fashion:



→ 15 students from LCF's BA Cordwainers Fashion Bags and Accessories course were selected to explore new design ideas for bags and small leather goods.



→ Production scraps, which cannot be used in other production processes, were sent by Idee Partners, to be used as raw material for making physical prototypes.



→ With the available waste materials, students made digital prototypes, in 3D to avoid the material production of non-final products. The physical products were made only after the 3D prototype was approved.



→ Upon the Project's completion, D-House plans to select at least 2 students who have crafted the most intriguing prototypes, particularly in terms of material use and design, for display at the Milan Lineapelle Fair.



→ With the support of D-House Academy, a series of workshops will be organized for Students during the Project to enhance their understanding of trends, sustainability and leather.



15 STUDENT FROM LONDON COLLEGE OF FASHION SELECTED



SENDING SCRAPS BY IDEE PARTNERS



WORKSHOP D-HOUSE



REALIZATION OF 3D PROTOTYPES



PRESENTATION OF LEATHER LINE PRODUCTS

LEADERS: ENHANCEMENT OF TANNING WAST AND ADDITIVE MANUFACTURING



→ The generation of solid tanning waste is a concern that requires refreshed urgency, propelled by the “European Green Deal”. This initiative advocates for measures expressly designed to catalyze the transformation of the European economy into a system that is “greener”, more resilient, and circular.



→ Leather, as mentioned above, represents, as a raw material a waste from the food industry. Within tanneries, waste stemming from shaving and trimming activities is generated, which cannot be incorporated into other projects, such as finished leather trimmings.



→ The primary goals of the Project encompass researching and developing innovative solutions for the enhancement of solid tanning waste, investigating and experimenting with novel solutions for transforming shavings and trimmings of tanned/refinished hides, and utilizing them in the production of new generations of regenerated materials and refinishing agents/systems through Additive Manufacturing techniques.



→ The new products will be developed following comprehensive characterization work and potential pretreatment. Their capacity for further transformation through cross-linking with polymeric agents for use in 3D BIO-PRINTING techniques will also be tested.

The rationale for this experimentation lies in the mounting interest shown by brands and the fashion industry towards 3D printing technologies and increasingly sustainable methodologies. This has encouraged the companies participating in the project to develop additive manufacturing techniques while concurrently identifying strategies to curtail the usage of traditional polymer-based formulations (commonly employed in regular 3D printing systems).

Consistent with the innovative and circular evolution of all the most representative sectors of Made in Italy, the textile and fashion industry can benefit from additional momentum in this direction by incorporating the innovative elements generated by the project. This can be achieved primarily through the redefinition of production paradigms and approaches to enhance the value of waste, fostering virtuous industrial symbiosis processes. Specifically, 3D printing technology will enable, via circular strategies, the creation and marketing of new products derived from tanning industry waste that would otherwise end up in landfills. These products can be utilized for manufacturing articles and goods for both the fashion sector, in combination with other textile materials, and other relevant sectors.

Focus on natural materials and, more in general, on sustainable products, along with consumer interest in personalized products, has indeed expanded, not only in the fashion industry but also in other areas. The versatility of 3D printing technology is a key factor driving its increasing use for innovative development across extending industries (particularly considering the potential application of these products in creating interiors for the automotive and aerospace industries). Even within the tanning cycle, the use of the identified technological strategies could facilitate the manufacturing of products and materials for tanning processing, especially for refinishing. The goal is to replace traditionally used chemical formulations (such as synthetic finishing polymers) with naturally derived formulations, sourced from the transformation and enhancement of tanning waste.

D-REFASHION LAB: TECHNOLOGY AT THE SERVICE OF UPCYCLING

The D-refashion lab project aims to influence the Brand's existing inventory by changing it using technologies supplied by Dyloan Bond Factory.

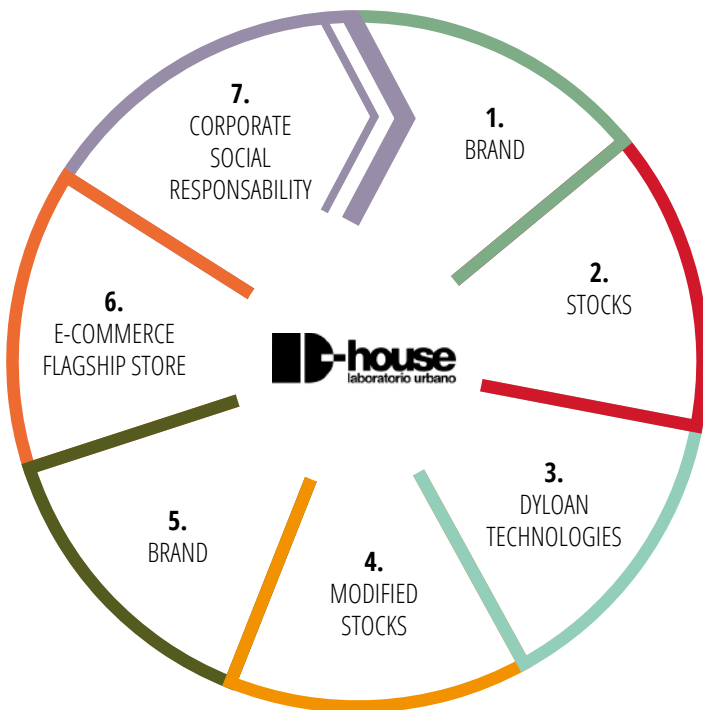
The technologies and creative network of D-house by Dyloan enable the change of clothing, accessories and fabrics. The D-house team will follow the Brand by creating 3D renderings of the requested changes before taking direct action on the stock.

The project is spearheaded by D-house, Dyloan's urban laboratory based in Milan, which embodies the natural progression of all the experiences garnered over thirty years of operation.

Together with our partners, we strive to find the best customization solutions with a sustainable and circular approach, in order to reduce the amount of inventory and prevent the destruction of these garments.

Project activities for setting up D-Refashion Lab included planning and conducting R&D aimed at developing an Upcycling project.

The goal is the revisiting of leftover and/or second-choice garments, with the aim of granting a second life to the manufactured garment by solving, at least in part, the issue of unsold items in the industry. The activity will be carried out in accordance with sustainability principles and guidelines. Specifically, the initial phase of the study focused on the analysis and comparison with brands in the Fashion Luxury industry. Conversely, the goal of the second phase is directed towards analyzing the materials and technologies that can be effectively used for reworking already constructed garments.



CHEMICAL MANAGEMENT SYSTEM

Each Pattern Group location has a designated Chemical Manager. Their role involves spearheading the implementation of ZDHC's Roadmap to Zero program within their production facility while simultaneously engaging with their supply chain. They achieve this by monitoring and enhancing their suppliers' proficiency in chemical management. A chemical management system involves the identification of processes and products that present

a significant chemical risk. It outlines the operational methods to identify, monitor, and reduce these risks by eliminating hazardous substances from products and byproducts. The ultimate goal is to ensure a safe supply chain. The chemical management system implemented by Pattern has as its scope Pattern Group's manufacturing plants, raw material suppliers and wet process subcontractors.

ZDHC ROADMAP TO ZERO PROGRAMME



Since 2015, Pattern has collaborated with its customers and suppliers to gradually eliminate harmful chemicals from its supply chain, adhering to the ZDHC foundation's protocol for responsible chemical management. Established in 2011, ZDHC aims to unify standards across the textile-clothing and footwear industry. Pattern and its partners follow the Manufacturing Restricted Substances List (MRSL) and the Roadmap to Zero program, promoting sustainable chemical practices.

This initiative includes appointing Chemical Managers to oversee chemical management systems, ensuring compliance with ZDHC principles. The project's strength lies in its shared protocol and tools, facilitating information sharing through ZDHC platforms.

Notable achievements include Pattern Collegno reaching the Progressive Level in the Supplier to Zero Program on May 23, 2023, Roscini Atelier completing Level 1 on March 26, 2024, and SMT attaining Level 2 and the Progressive Level on January 12, 2024, demonstrating Pattern Group's commitment to sustainability and industry excellence.





CHEMICAL DUE DILIGENCE

To minimize risks to the end consumer regarding potential contact with hazardous chemicals through the use of finished products, Pattern's customers have arranged to test the quality and chemical compliance of supplied materials according to specified standards, according to PRSL and MRSL. These standards are deemed essential prerequisites for the sale of clothing. Additionally, Pattern conducts regular due diligence checks on selected items following a chemical risk assessment to ensure the chemical compliance of purchased raw materials. Specific pre-assessment criteria, such as the volume/value of a supplier's business, supplier rating, type of material, and processing undergone by the item, are considered. Based on these criteria, the Purchasing Office, which has been properly trained, determines the number of tests to be conducted and the substances to be tested. The fabrics are then sent to accredited laboratories for analysis. Pattern conducts due diligence each season, focusing primarily on purchased raw materials, fabrics, and linings, where the highest chemical risk is concentrated, particularly in wet processing conducted in the upstream supply chain.

The due diligence testing of the supply chain is also intended to assist in identifying the causes of any product/process non-conformity and in developing corrective action plans to improve the chemical management system both internally and with suppliers and subcontractors.

CONSERVATION AND PROTECTION OF WATER RESOURCES

Starting from mid-2022, Pattern Group's Collegno office committed to a water conservation supply chain project aimed at preserving water as a valuable resource. Engaging direct partners, especially those involved in wet processing, the project targets responsible water use and improving water management systems. By 2023, 66% of fabric suppliers participated, appointing Water Managers to enhance awareness and identify water management improvements. The Water Assessment evaluates geographical water risk, water intensity, and management systems, resulting in a resilience profile with ratings from exemplary to very poor. The project aims to reduce the water footprint, improve corporate and supply chain resilience, and implement continuous improvement plans. For wet-processing partners, this involves setting goals to reduce water consumption and recycling wastewater. For non-wet-processing partners, the focus is on improving their supply chain's resilience. In 2023, 64% of fabric suppliers to the Turin office completed the Water Assessment, reflecting Pattern's commitment to sustainable water management.

SA8000 STANDARD

Pattern has identified an internationally recognized standard to ensure a reliable measurement system for assessing social aspects. This standard bridges industry and corporate codes, creating a common language for measuring social compliance within the company.

Since 2013, Pattern has therefore decided to adopt and certify a management system in compliance with SA8000, a voluntary standard, issued by SAI, verifiable through third-party audits. This standard outlines the requirements that organizations must meet, including the recognition and improvement of workers' rights, workplace conditions, and an effective management system.

Social Accountability International (SAI) is a nonprofit, multi-stakeholder organization active globally since 1997. The goal SAI shares with its stakeholders is decent work everywhere, emphasizing a widespread understanding that decent work can be advantageous for businesses while also safeguarding basic human rights.

The core elements of this standard are based on the Universal Declaration of Human Rights, ILO conventions, international standards, human rights and national labour laws. The purpose of SA8000 is to offer a verifiable and robust standard for valuing and safeguarding all staff within the scope of an organization's control and influence. This includes individuals producing products or providing services for the organization, including

its own employees and those employed by its suppliers, subcontractors, sub-suppliers, and home workers. An organization is expected to achieve compliance with the Standard through an adequate and effective management system. The 8 requirements outlined by SA8000 serve as the main KPIs on which the Standard focuses. These requirements form the basis of the operational map that enables an organization to achieve full and sustainable compliance with SA8000 through continuous improvement, also referred to as "Social Performance".



ELEMENTS OF THE SA8000:2014 STANDARD

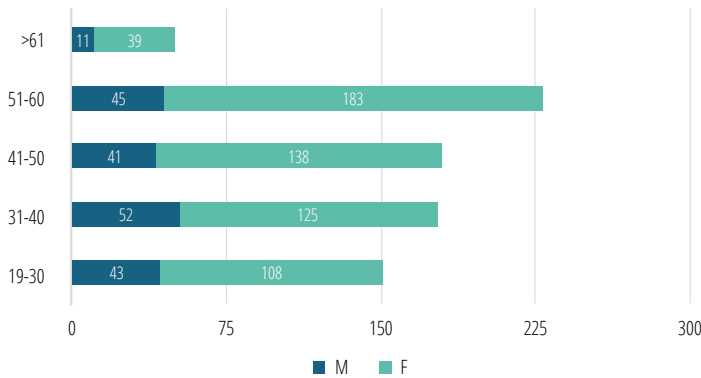
SA8000 REQUIREMENTS	CORPORATE COMMITMENTS	REGULATORY REFERENCES
1. CHILD LABOUR	<p>Prohibit the resort to or support of child labour in the manufacture of any product or the provision of any service, where child labour is defined as the provision of individuals who are under the age of 15 and have not completed compulsory education.</p> <p>Ensure that young workers, who are still minors have adequate conditions for learning, growth and professional development, as well as suitable health and safety conditions.</p>	<p>- ILO Convention 138 and Recommendation 146</p> <p>- ILO Convention 182</p> <p>- Leg. Decr. 345/99 supplemented by Leg. Decr. 262/00</p> <p>- L.25/55</p> <p>- L.977/67</p> <p>- L.451/94</p>
2. FORCED AND COMPULSORY LABOUR	<p>Prohibit the resort to or support forms of forced labour, including compulsory or servile labour, that involve any form of non-legal restriction on individual freedom, rights and dignity.</p> <p>Ensure that there are no restrictions on workers' freedom of movement and that they are not required to provide financial guarantees or deposit their identity documents with the organization.</p>	<p>- ILO Convention 29</p> <p>- ILO Convention 105</p> <p>- L. 300/70</p> <p>- L. 108/90</p> <p>- L. 297/82</p> <p>- Leg. Decr. 152/97</p>
3. HEALTH AND SAFETY	<p>Ensure the health and safety of workers at all times by providing a safe and healthy work environment, appropriate work equipment, safety training, and taking effective measures to prevent and minimize the risk of accidents and injuries in the workplace..</p>	<p>- ILO Convention 102</p> <p>- ILO Convention 155 and Recommendation 164</p> <p>- ILO Convention 183</p> <p>- Leg. Decr. 626/94</p> <p>- L638/83</p> <p>- Leg. Decr.493/96</p> <p>- EEC Dir 89/391</p> <p>- EEC Dir 94/33</p> <p>- EEC Dir 91/383</p>
4. FREEDOM OF ASSOCIATION AND RIGHT TO COLLECTIVE BARGAINING	<p>Guarantee workers the freedom to freely form and/or join unions or other workers' organizations, to choose their own representatives, and to be able to bargain publicly and according to law, without fear of interference, restriction or discrimination.</p>	<p>- ILO Convention 87</p> <p>- ILO Convention 135</p> <p>- ILO Convention 98</p> <p>- L.300/70</p> <p>- EEC 9/12/89</p>
5. DISCRIMINATION	<p>Prohibit the resort to or support of any form of discrimination in hiring, pay, access to training, promotion, termination, or retirement, based on race, national, territorial or social origin, caste, birth, religion, disability, gender, sexual orientation, family responsibilities, marital status, union membership, political opinion, age, or any other condition that could give rise to discrimination.</p>	<p>- ILO Conventions 111</p> <p>- ILO Conventions 100</p> <p>- ILO Conventions 159</p> <p>- ILO Conventions 177</p> <p>- L.300/70</p> <p>- L.903/77</p> <p>- L.125/91</p> <p>- L. 40/98</p> <p>- L.53/2000</p> <p>- L.53/00</p> <p>- L.108/90</p> <p>- Leg. Decr.151/01</p> <p>- EEC Dir. 75/117</p> <p>- EEC Dir. 76/207</p>
6. DISCIPLINARY PRACTICES	<p>Treat all staff with dignity and respect, banning the use of corporal punishment, physical or mental coercion or verbal abuse.</p> <p>Clearly define the rules of acceptable behaviour and applicable penalties for violations, ensuring that these rules and penalties comply with applicable laws and regulations and are shared with all workers.</p>	<p>- ILO Convention 29</p> <p>- L.758/94</p>
7. WORKING HOURS	<p>Comply with applicable laws, collective bargaining (where applicable) and industry standards on working hours, rest and public holidays.</p> <p>Ensure that the normal working week (excluding overtime) does not exceed 48 hours, that workers have at least one day off for every seven working days, that there is at least 11 hours of rest between working days, and that overtime is limited to a maximum of 12 hours per week.</p>	<p>- ILO Convention 1</p> <p>- ILO Convention 98 and Recommendation 116</p> <p>- L.300/70</p> <p>- L.196/97</p> <p>- L.264/58</p> <p>- L.409/98</p>
8. PAY	<p>Ensure the right of staff to a decent salary in line with legal or minimum industry standards or, where applicable, collective agreements.</p> <p>Ensure a salary sufficient to meet the basic needs of staff, as well as provide some discretionary income.</p>	<p>- ILO Convention 100</p> <p>- ILO Convention 131</p> <p>- L.300/70</p> <p>- L. 297/82</p> <p>- L. 863/84</p> <p>- L.230/62</p>
9. MANAGEMENT SYSTEM	<p>Properly develop and implement a management system, i.e., a set of policies, procedures and processes, in line with the requirements of the standard, in order to ensure its compliance and ensure more efficient use of resources, improved risk management capability and increased customer satisfaction.</p> <p>Extend knowledge of and compliance with the standard's requirements to internal staff and the supply chain by applying a clear "due diligence" process that includes supply chain risk mapping and assessment. Conduct a root cause analysis of non-conformities so that corrective actions can address them and preventive actions can be taken to prevent their re-occurrence.</p>	

This SA8000 report is prepared to address the systemic indicators of management review and external communication, and is the result of the participation of social partners in the implementation of the Social Accountability System. In fact, it is signed not only by the company's legal representatives, but also by the workers' union representatives and their SA8000 representatives. The analysis provides qualitative and quantitative information showing compliance of individual requirements to the standard. In addition to providing Management with a valuable tool for internal review, it helps various stakeholders understand the company's social responsibility policy and the specific commitments the company has made by certifying its system according to the SA8000 standard.

Through the integrated HSE and SA8000 Management System, extended to its investees and subsidiaries, Governance has defined ways to manage and monitor compliance with the requirements of the Standard. Thou, Pattern Group can count on a SA8000:2014 management certification for every business unit affiliated sofar, and intend to proceed to the inclusion of every future acquisition in its corporate certification.

1. CHILD LABOUR

Workers Breakdown by Age and Gender



Child labor cases (<16 years) 0
Youth labor cases (16-18 years) 0

2. FORCED AND COMPULSORY LABOR

Vulnerable work

Percentage of employees from disadvantaged social situations (e.g., widows with children, single-income families, beneficiaries of permits 104 for children...)

5,20%

Modern slavery

Percentage of foreign employees with limited residence permits

1,27%

Percentage of foreign employees with unlimited residence permits

4,33%

Debt bondage

Percentage of employees with payroll deductions (garnishments - loans)

5,60%

3. HEALTH AND SAFETY

Training

Percentage of employees trained in safety procedures

100%

Number of safety regulation violations

0

Workplace injuries

Number of recorded injuries

10

Number of days lost due to injuries

149

Number of diagnosed occupational diseases

1

Frequency rate of injuries

0,007

The severity index of injuries)

0,106

4. FREEDOM OF ASSOCIATION

Number of workers unionized

12%

Paid union leave hours

152

Number of Complaints Related to Trade Union Rights.

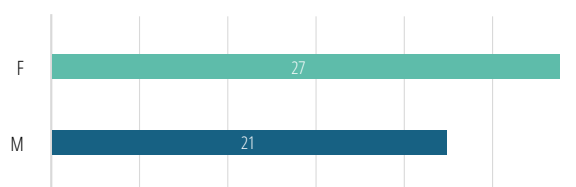
0

Number of Meetings between Management and Workers' Representatives (trade unions)

28

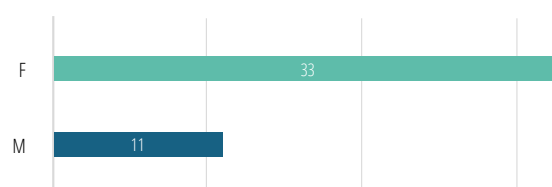
5. DISCRIMINATION

Number of employees with MBO

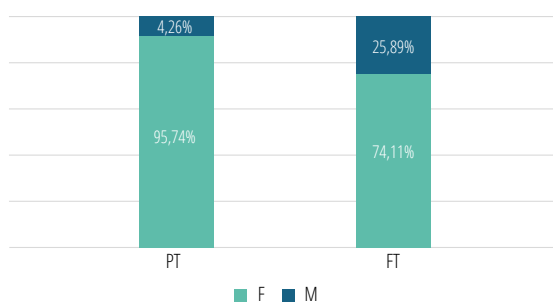


Care leave

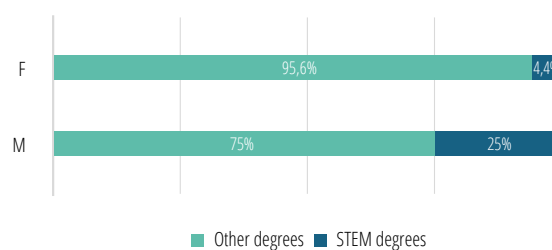
Number of workers beneficent of L.104 permits



Part-time and full-time contracts by gender

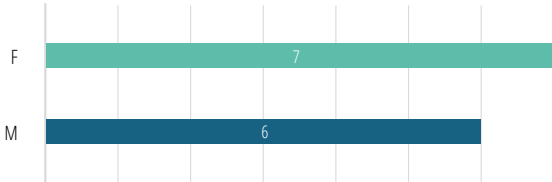


Level of Education

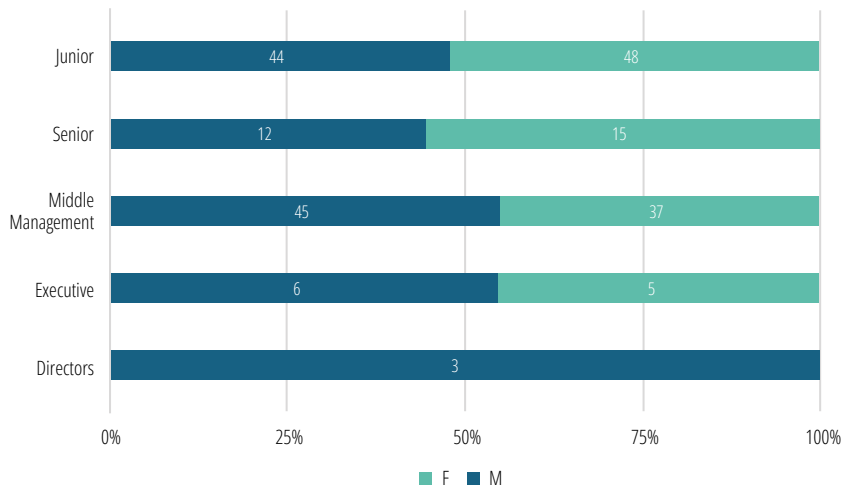


Gender Representation

Number of employees with spending authority or part of the first line reporting to top management.



Career Advancements



6. DISCIPLINARY PRACTICES

Number of disciplinary warning

11

Number of days of suspension

0

7. WORKING HOURS

Average monthly overtime hours

3

Average Monthly Working Hours

145

Training hours provided during the year (in addition to those required by law)

1787,16h F | 808,344h M

Number of study leave hours granted:

151 F | 32 M

8. REMUNERATION

Living Wage

Delta difference between the lowest monthly salary and the living wage

+289 euro

Minimum wage rates from the National Collective Bargaining Agreement (CCNL) for the Textile Industry

SA8000 Reports

Number of SA8000 suggestions detected by reporting tools

26

Percentage of suggestions with SA8000 relevance

41%

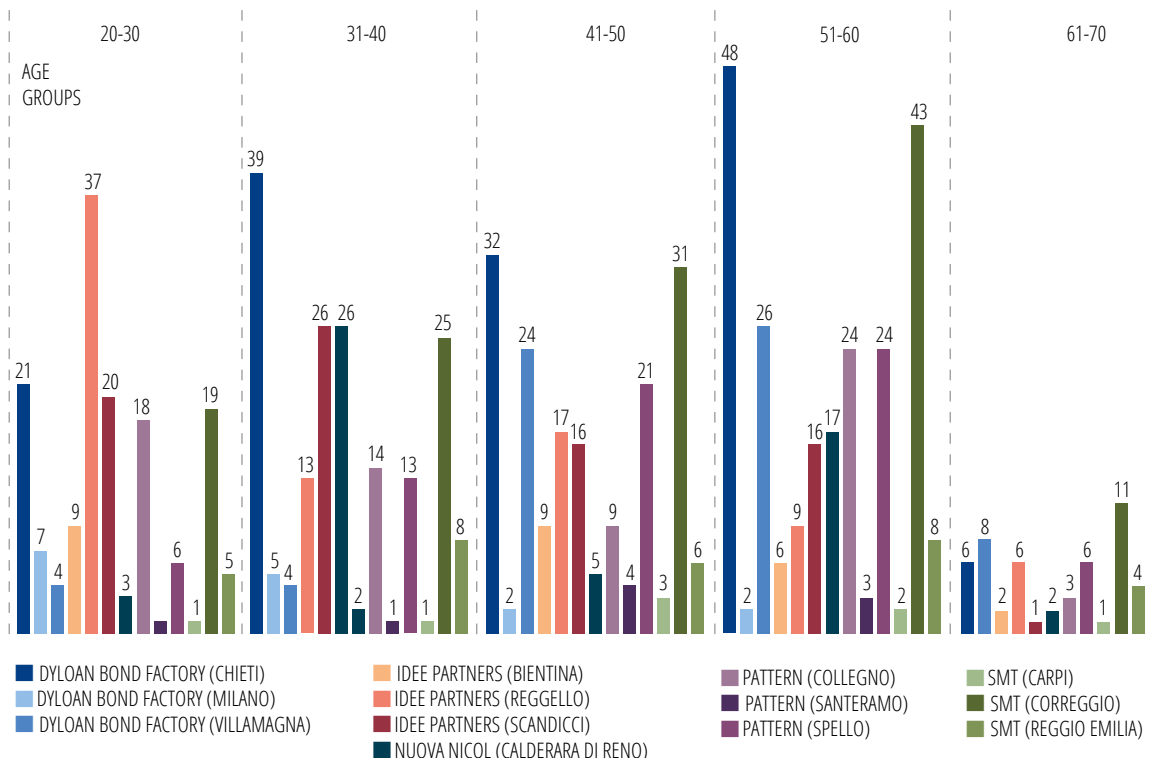
Percentage of suggestions solved within the year

92,3%

CHILD LABOUR:

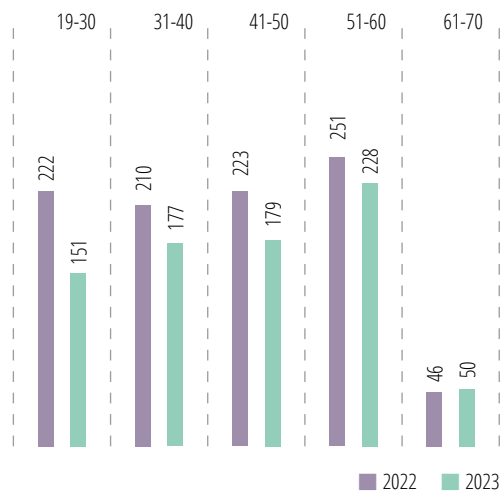
The company does not intend to use and encourage the use of child labour and ensures monitoring procedures to prevent this from occurring. Pattern Group has issued a procedure applied to all Group companies defining that appropriate management and control plans are adopted to ensure the support of children who may find themselves in situations that fall under the definition of child labour. These plans primarily aim to support children's school attendance and ensure they are not exposed to dangerous, unsafe, or harmful situations that could negatively impact their health or hinder their overall development. To promote the development of specific skills, the company collaborates with the local industrial technical institute and offers several internships each year to young individuals who are no longer children but not yet of age. In the work in which they are employed, young workers are not exposed to situations that are dangerous, unsafe or harmful to their health.

EMPLOYEE BREAKDOWN BY AGE

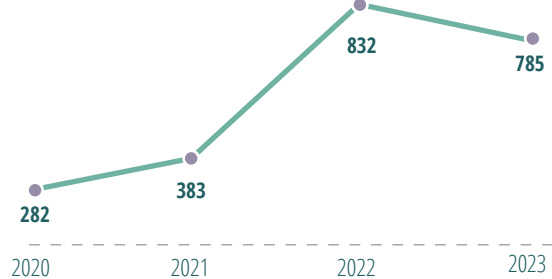


Due to the multiple acquisitions made, Pattern Group has experienced significant growth. Indeed, the number of employees has more than doubled since 2021. The change in terms of age illustrated in the graph shows a significant increase especially among employees between the ages of 19 and 30, aligning with the basic focus on research, development, and nurturing of young human capital. Indeed, Management highlights that the confirmation rate of relationships that started as internships, progressed to apprenticeships, and eventually resulted in permanent contracts is close to 100%, demonstrating the company's commitment to acquiring young talent.

CONSOLIDATED EMPLOYEE AGE DISTRIBUTION 2022 - 2023



INCREASE IN GROUP EMPLOYEES



FORCED OR COMPULSORY LABOUR:

All the individuals employed by the company work on a voluntary basis. Indeed, work obtained under threat of any penalty is prohibited. To ensure the complete voluntariness of work performance, the company is dedicated to ensuring that all workers have a comprehensive understanding of the rights and responsibilities arising from their employment contract.

No worker ever left money or original copies of documents on deposit in the company. All workers receive, and sign for acceptance, an employment contract detailing the terms and conditions of the work they sign, containing their grade level, the job they are hired for, and the regular weekly working hours.

The analysis of data on forced and compulsory labor within the company highlights significant aspects of the composition and conditions of the workforce.

VULNERABLE WORK: Within the Group, there are 14 employees from disadvantaged social backgrounds, including widows, widowers with children, single-income families, and those on family assistance leave (e.g., 104 leave for children). The company is committed to supporting these individuals within the group through tailored resources, flexible work arrangements, and fostering a culture of mutual support and understanding.

MODERN SLAVERY:

- The percentage of foreign employees with limited residence permits is 1.15%.
- The percentage of foreign employees with unlimited residence permits is 4.33%.

Pattern's workforce registers a relatively small presence of foreign workers with both limited and unlimited residence permits. This data may reflect different levels of job stability and social integration among foreign workers. Pattern Group closely monitors these percentages to ensure all employees, regardless of their residence status, have access to equal opportunities and decent working conditions.

DEBT BONDAGE: 4.6% of employees have wage deductions due to external garnishments or loans. This percentage indicates that a significant portion of the workforce may be facing financial challenges, requiring careful monitoring to prevent economic and social vulnerability. The company ensures that the amount of wage deductions for salary-backed loans does not exceed the legally established limit.

This data provides a clear picture of the various challenges and vulnerabilities among the company's employees. It is crucial that the company continues to develop and implement targeted support policies to ensure a fair, safe, and inclusive working environment, in line with SA8000 standards and the principles of social responsibility.

HEALTH AND SAFETY IN THE WORKPLACE

Safety has been prioritized in work organization activities to guarantee a safe and healthy workplace for both workers and anyone else involved in the company's activities. Different initiatives and measures have been taken to prevent accidents, health damage and other causes of danger. The main ones follow:

- workers' union representatives have been involved in many stages of safety management (risk monitoring, identification of measures, staff training);
- a worker health and safety officer has been appointed;
- continuous monitoring is conducted on the operation of plant and machinery, to regularly check the suitability and safety of machinery and equipment, as well as emissions of harmful substances and disturbing noises;
- responsibilities, procedures, and operating instructions for supporting and directing individual behavior have been documented in an internal procedure manual, which is shared with workers;
- a fire and evacuation plan has been established;
- a health surveillance plan has been developed for each employee that includes a basic protocol of health assessments (instrumental and laboratory tests) for each individual task;
- training sessions are organized for all workers on health and safety issues.

INJURIES AND ILLNESSES IN THE WORKPLACE:

Through a dedicated strategy focused on protecting the health and safety of workers and all individuals involved in the company's operations, and by mitigating accident risks, there has been a significant improvement in injury and illness rates over time. remained almost low, and still close to 0%².

	Injury Frequency Rate	Injury Severity Rate
Pattern (Collegno)	0,01	0,05
Pattern (Spello)	0	0
S.M.T. (Carpi)	0	0
S.M.T. (Correggio)	0	0
S.M.T. (Reggio Emilia)	0	0
Nuova Nicol (Calderara di Reno)	0	0
Idee Partners (Reggello)	0,01	0,37
Idee Partners (Bientina)	0,03	0,35
Idee Partners (Scandicci)	0,03	0,27
Dyloan Bond Factory (Chieti)	0	0,10
Dyloan Bond Factory (Milano)	0	0
Dyloan Bond Factory (Villamagna)	0	0

The relationship between the injury frequency rate and the injury severity rate for each company site highlights the success of current safety practices, as most sites have both rates equal to zero. However, "Idee Partners - Reggello," "Idee Partners - Bientina," and "Idee Partners - Scandicci" show frequency and severity rates higher than the average, suggesting the need for more targeted safety interventions. Specifically, "Idee Partners - Reggello" recorded the highest severity rate (0.3651), followed by "Idee Partners - Bientina" (0.3491) and "Idee Partners - Scandicci" (0.2709). The analysis of lost days shows that, despite recording only two injuries, the Reggello site reported the highest number of lost days, indicating that the injuries were likely more severe or required longer recovery times. The correlation between the frequency and severity rates suggests that sites with a higher number of injuries also tend to experience more severe incidents, underscoring the importance of stricter safety interventions at sites with higher rates.

Injury severity index= Days of absence x 1,000 /Total annual working hours

Accident frequency index= Total no. of accidents recorded x 1,000 / Total working hours

2. Relating Frequency (*1000 employees): compensated injury events/number of reports; Severity Ratio (* employee): consequences of compensated injury events (expressed in days lost)/number of reports.

FREEDOM OF ASSOCIATION AND RIGHT TO COLLECTIVE BARGAINING

The company respects the right of all staff to form and join unions of their choice and the right of workers to collective bargaining. There are union representatives elected by workers who are not subject to any kind of discrimination and who communicate freely with workers in workplaces. Appropriate company spaces have been set aside for union communications and used for holding union meetings that employee representatives call at least once a year. The company continues to promote and support freedom of association within our work environment. 12% of our employees are union members, demonstrating a significant level of participation and involvement in union activities. During the year, 152 hours of paid union leave were granted, highlighting our active support for workers' union rights. By respecting clear responsibilities, the emphasis on engaging in dialogue with labour organizations has encouraged a problem-solving approach,

leading to the active involvement of all parties. All companies in Pattern Group apply and abide by the requirements of national collective bargaining agreements, signed by the main trade unions and specific to the type of production at the relevant site.

We organized 20 meetings between management and worker representatives (unions) throughout the year. These meetings represent an important platform for dialogue and collaboration, helping to resolve any issues and continuously improve working conditions. These results highlight our commitment to maintaining a fair and collaborative work environment where workers' rights are respected and valued.

DISCRIMINATION AND GENDER EQUALITY

The company guarantees equal opportunities for all people working there and does not allow any form of discrimination. New staff are recruited based on objective criteria such as their training, experience, and skills that align with the specific roles they will be undertaking. Work is remunerated in accordance with the indications set out in the National Collective Bargaining Agreements of the relevant sector and in the supplementary agreements agreed upon at the company level with the trade unions. The same regulatory sources govern promotions, dismissals and retirements.

Access to training is provided taking corporate needs into account. Training courses on health and safety and social responsibility are organized for all workers, regardless of their assigned duties. There is no interference with each worker's freedom to follow their own principles. Workers' integrity is protected, and any behavior that could be offensive to their personal space is strictly prohibited. There are Codes of Ethics and Codes of Conduct in all locations that formally condemn any behavior detrimental to the personal dignity of male and female workers.

GENDER BALANCE:

The presence of women represents the majority of the total workforce in both absolute and percentage terms. Women are predominantly present in the middle management, white-collar, and blue-collar categories, comprising the majority in both absolute numbers and as a percentage of the workforce. The steering committee is predominantly composed of women; however, there is still limited female representation at the executive level.

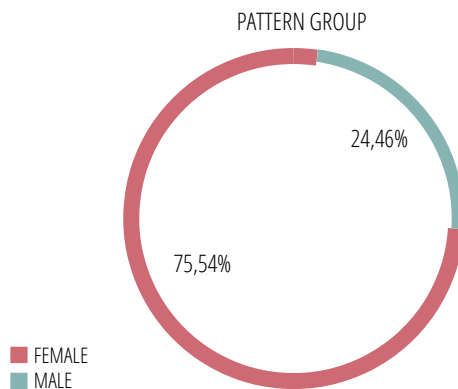
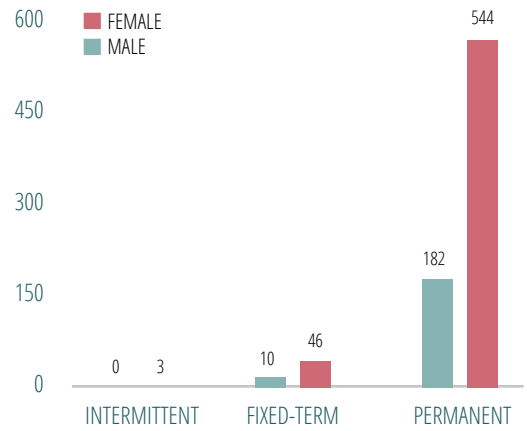
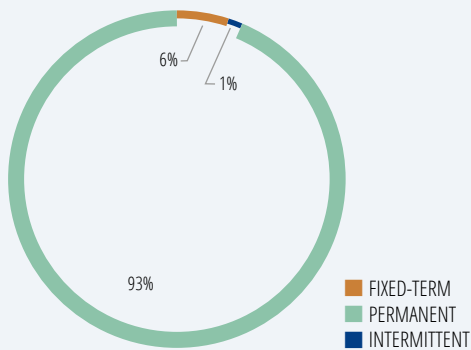
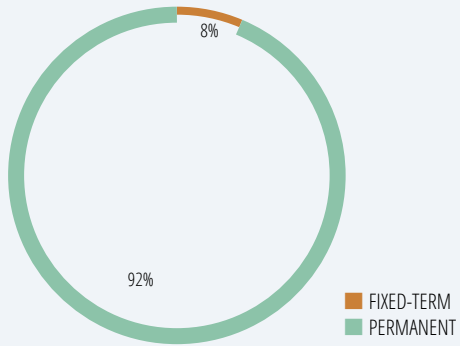


Figure 7 Employee Distribution by Contract Type and Gender



	M	F
Intermittent	0	3
Fixed-term	10	46
Permanent	182	544

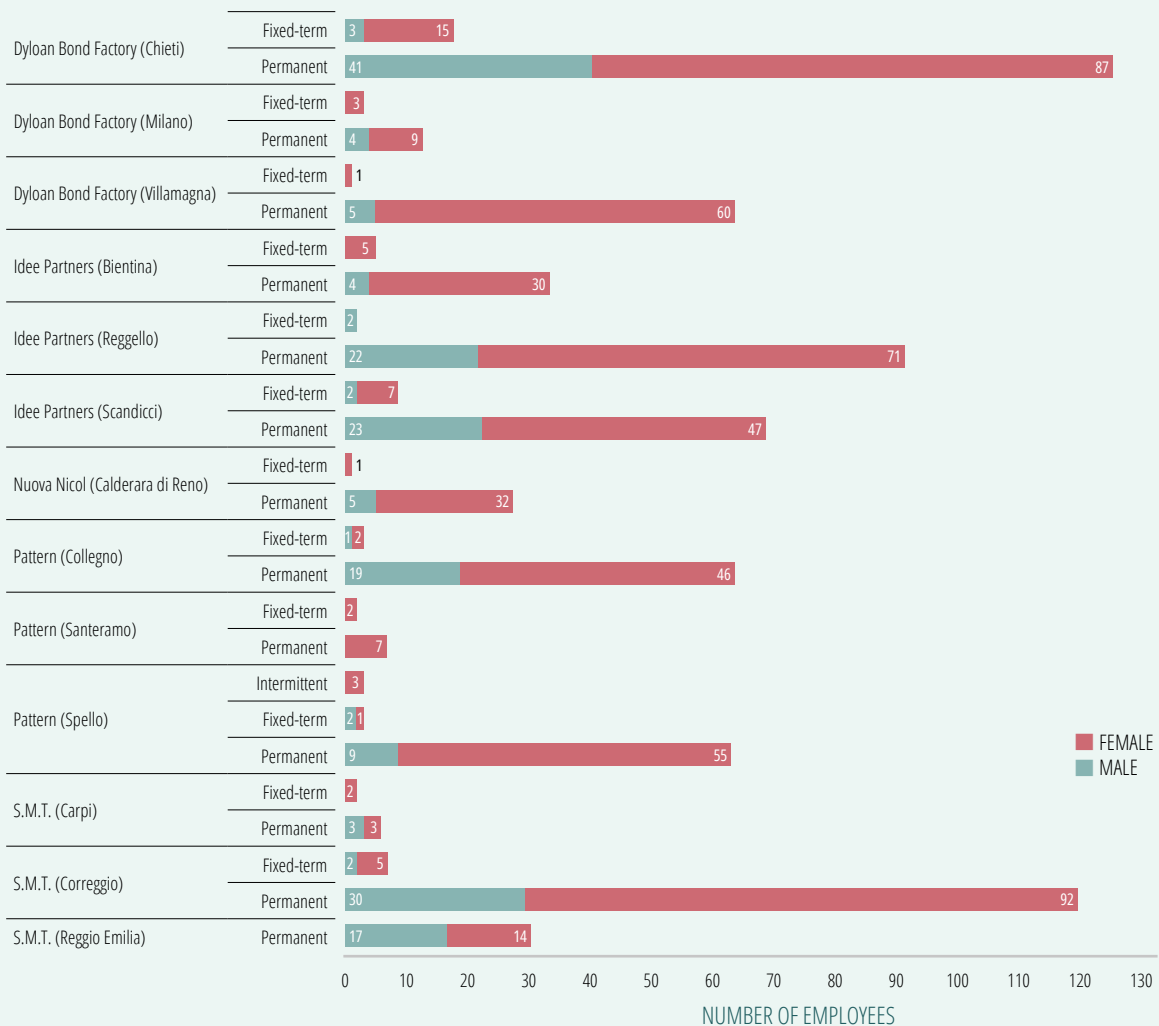
The pie charts show the distribution of different contract types (Permanent, Fixed-term, Intermittent) by gender. Key observations from the comparison of the two charts are as follows:

The percentage of permanent contracts is very high for both genders, with a slight predominance among men (93%) compared to women (92%). This positive trend highlights the company's strong commitment to providing job stability and economic security for all employees. Fixed-term contracts are

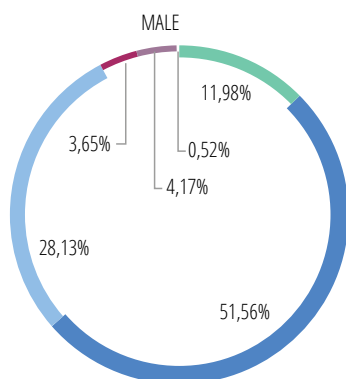
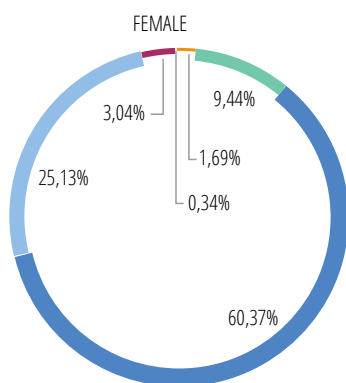
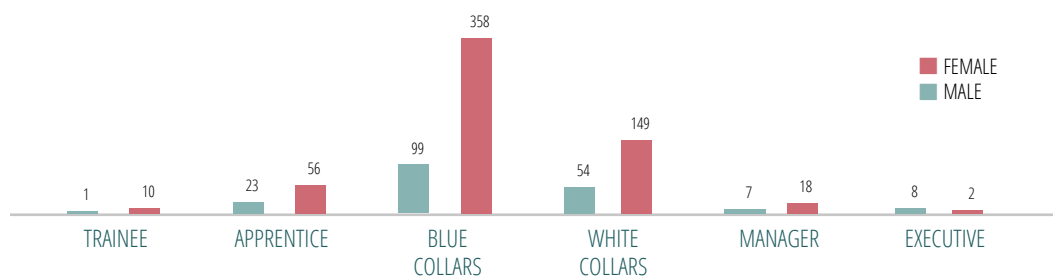
slightly more common among women (8%) than men (5%) and intermittent contracts appear minimally among men (1.6%) and are absent among women.

Overall, this analysis indicates a generally stable and structured working environment for both genders.

Below is a more detailed analysis for each site:

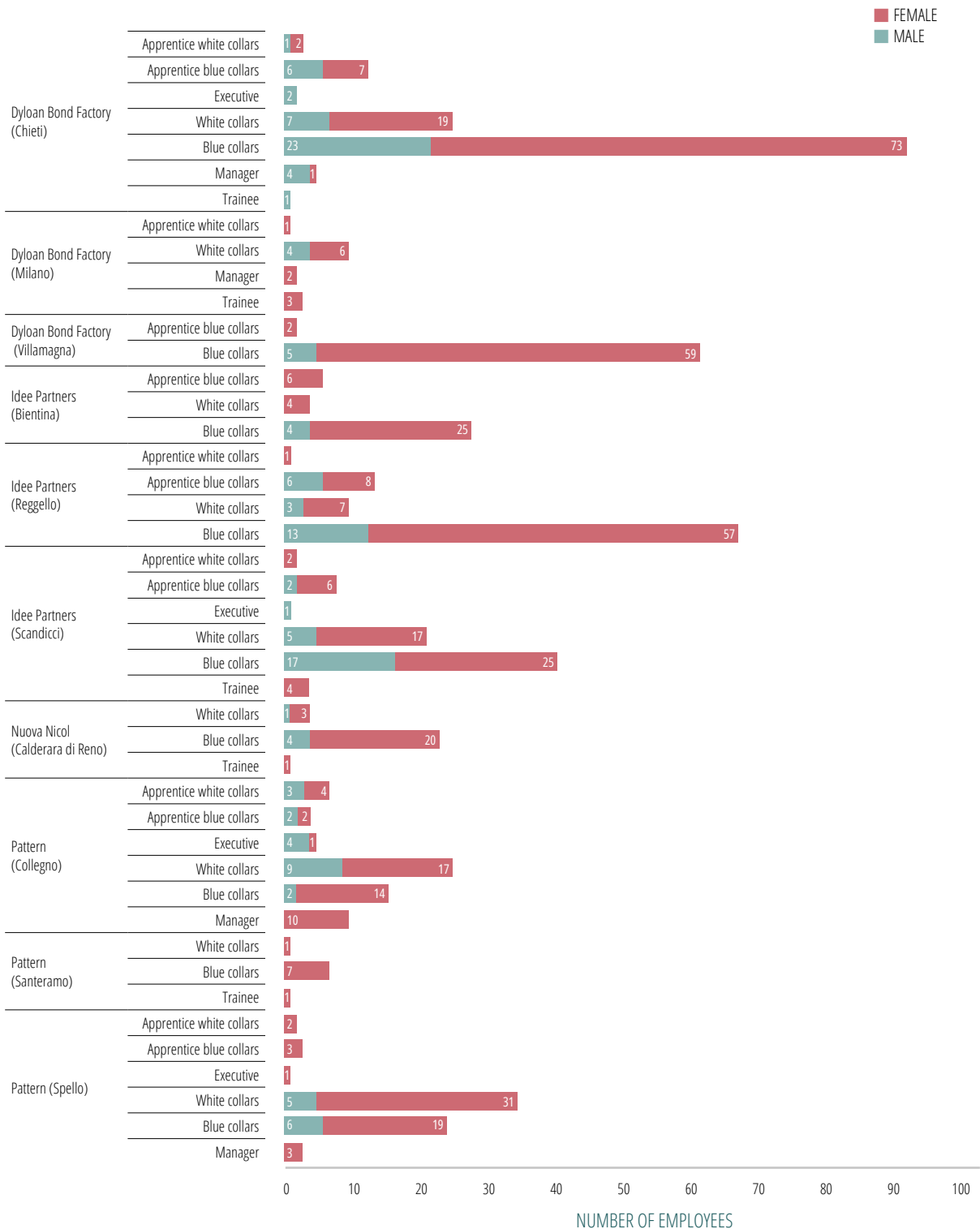


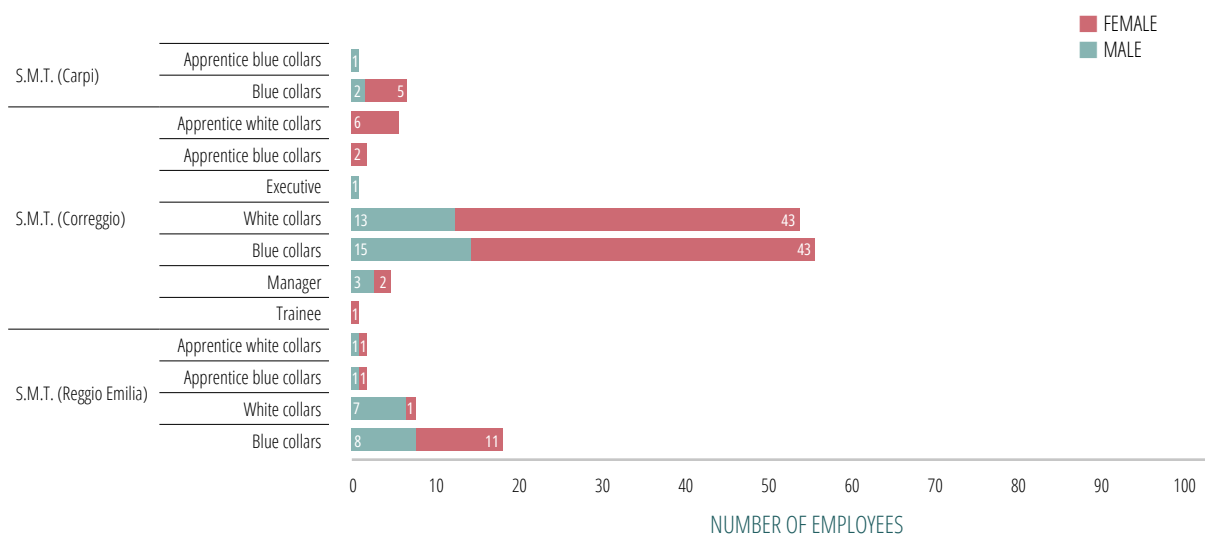
DISTRIBUTION OF WORKERS BY QUALIFICATION AND GENDER



The graphs on the left show the distribution of job positions between men (M) and women (F) across different employment categories. There is generally a higher representation of women among trainees and workers, which may be partly attributed to the typical nature of the textile sectors. Percentages are fairly similar between men and women in other categories, suggesting an almost equal distribution in clerical, managerial, and apprenticeship roles. However, the difference in executive positions is more significant, with men representing almost four times the number of women in these roles.







DISCIPLINARY PRACTICES

The Code of Ethics and the Code of Conduct are signed by employees and are made available on notice boards in the offices and on the company intranet. Disciplinary measures are handled in accordance with the requirements set out in the applicable collective bargaining agreement. No complaints of physical, verbal or sexual abuse were collected through the anonymous reporting systems available to employees. No sanctions or suspensions were necessary, indicating effective management of company policies. Disciplinary warnings, present in some locations such as Dyloan Bond Factory in Chieti, which had the highest number (5 warnings), are seen as an integral part of the personnel management monitoring and improvement process.

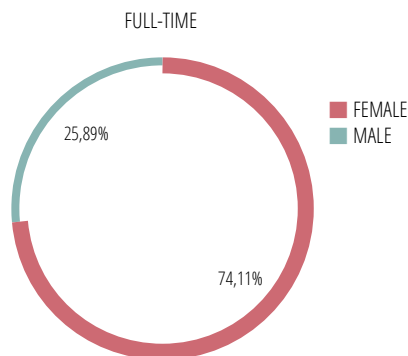
WORKING HOURS

Ordinary working hours are Monday through Friday, 8:30 a.m. to 12:30 p.m., 1:30 p.m. to 5:30 p.m.: the duration of work is set at 40 hours per week and is determined by the regulations of the National Collective Bargaining Agreements in the industry. Any changes in the distribution of hours over the week are agreed upon with workers, as is the scheduling of vacation, leave, and permits. Overtime work is only conducted in exceptional and short-term productive circumstances that cannot be met by hiring new staff. It is always agreed upon by the human resources manager with the individual worker. Extra working hours are remunerated with contractually established increments in accordance with the provisions of the relevant collective bargaining agreements. There are contracts, exclusively for employees at or above the 6th grade level, that provide for a flat rate of working hours.

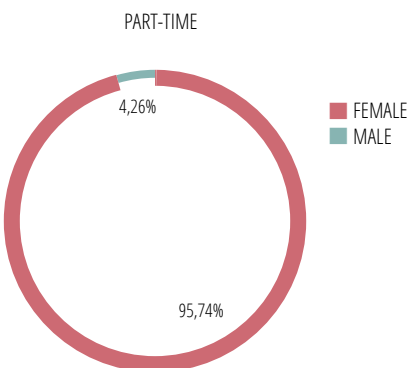
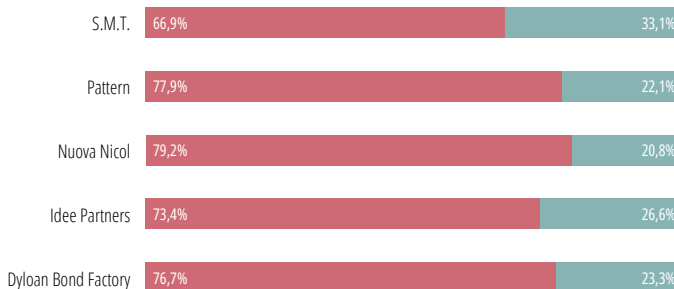
However, these hours are tracked by the electronic attendance recording system and are made available for reference in the human resources operating system.

Details of employees employed under part-time and full-time contracts by gender and location are shown below.

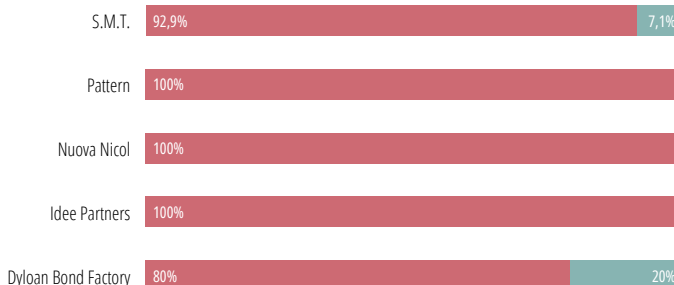
	GROUP		
	M	F	TOT
Part-time	2	45	47
Full-time	190	548	738



FULL-TIME EMPLOYEES DISTRIBUTION BY GENDER AND COMPANY



PART-TIME EMPLOYEES DISTRIBUTION BY GENDER AND COMPANY



Overall, there is a relatively balanced distribution of workers between Full Time and Part Time. However, there is a slight predominance of women in Part Time roles. This is consistent with the greater flexibility provided to

women, particularly when returning from maternity leave, allowing them to better manage work and family commitments.

LIVING WAGE AND GENDER PAY GAP

The average pays to employees are in accordance with the National Contracts and are well above the national poverty line, though the actual amount may vary depending on the specific job functions. The pays received are thus able to meet the basic needs of workers and provide them with some discretionary income. Schedules accompanying paychecks indicate

the various items that make up compensation, and no withholding for disciplinary purposes is made.

Each Group's site holds SA8000 certification, which ensures adherence to social accountability standards. In alignment with this certification, each site has calculated the living wage. Consequently, all business units are capable of providing remuneration that exceeds the calculated living wage.

GENDER PAY GAP

In Italy, the difference in payroll between men and women is 23.7% against a European average of 29.6%, men earn on average about 2,705 euros per year more than women (EUROSTAT 2020 data). Despite this, women are less present in the world of finance, among top managers, in politics and in professions related to new technologies.

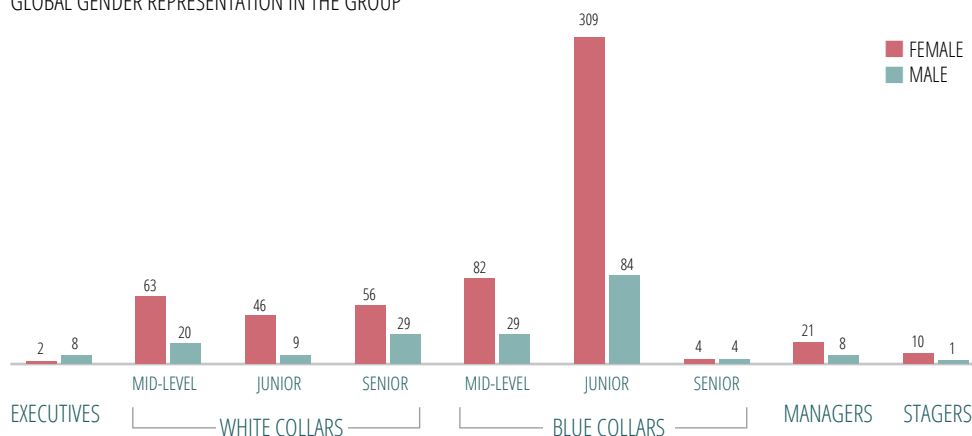
Analyzing the 2022 report by AlmaLaurea, the result of a survey involving 291,000 graduates in Italy, women represent 60% of the total number of graduates in Italy but, five years after graduation, men earn, on average, about 20% more. Furthermore, among Italian first-level graduates, the employment rate was 69.1% for men and 62.4% for women.

Again, according to the survey, five years after graduation, men are more likely to occupy high-level roles, i.e., entrepreneurial or managerial (2.2% among women and 3.9% among men). Men also have an advantage in terms of some of the characteristics of the work they do: they are more likely to be self-employed (7.5% of women and 11.6% of men among first-level

graduates five years after graduation) or employed with an open-ended contract (64.5% of women and 67.4% of men among first-level graduates; 52.2% and 59.1% among second-level graduates). Women, on the other hand, work to a relatively greater extent with non-standard contracts (17.0% for women and 12.2% for men among first-level graduates); this is also linked to the fact that they are employed, more than men, in the public sector (35.8% and 28.4% among first-level graduates; 24.4% and 16.5% among second-level graduates).

This gender gap generates inevitable negative repercussions on the economy of our country that go beyond working life: 52.2% of pensioners are women but they receive 44.1% of the total expenditure. Not only that, the total fertility rate, in 2021, is nailed to 1.24 children per woman and Italy is now the EU country with the second largest decline in newborns: they have declined by 30% in the last 12 years. Italy will lose in the next 45 years about 6.8 million inhabitants, a worrying figure that would be equivalent today to a loss of about 11% of the total population.

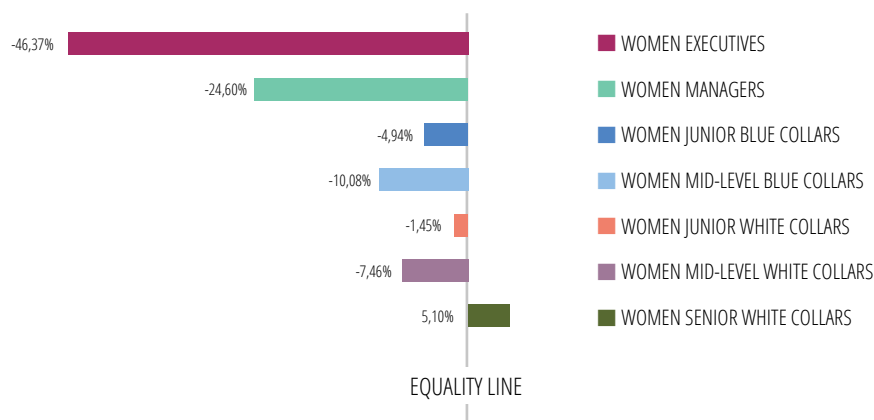
GLOBAL GENDER REPRESENTATION IN THE GROUP



There is a significant female presence in the Junior Blue Collars category, with 309 women compared to 84 men. This disparity can be explained by the nature of the industry, where the workforce is notably represented by seamstresses. In contrast, the representation is relatively balanced in the Senior Blue Collars category.

In managerial positions, there are more female managers (21) compared to male managers (8). This indicates that women can aspire to a growth path within the organization. However, executive positions show a disparity, with only 2 women compared to 8 men.

REMUNERATION COMPARED BY GENDER



The analysis of remuneration by gender shows a significant gender pay gap in several categories, particularly for Executives and Mid-Level White Collars, indicating that women in these positions are paid substantially less than men. However, women in Senior White Collar positions have a slightly higher pay compared to their male counterparts. The organization also has a relatively balanced or higher representation of women in most categories except for Executives, indicating a potential area for improvement in gender equality at the highest levels of the hierarchy.

TURNOVER RATE

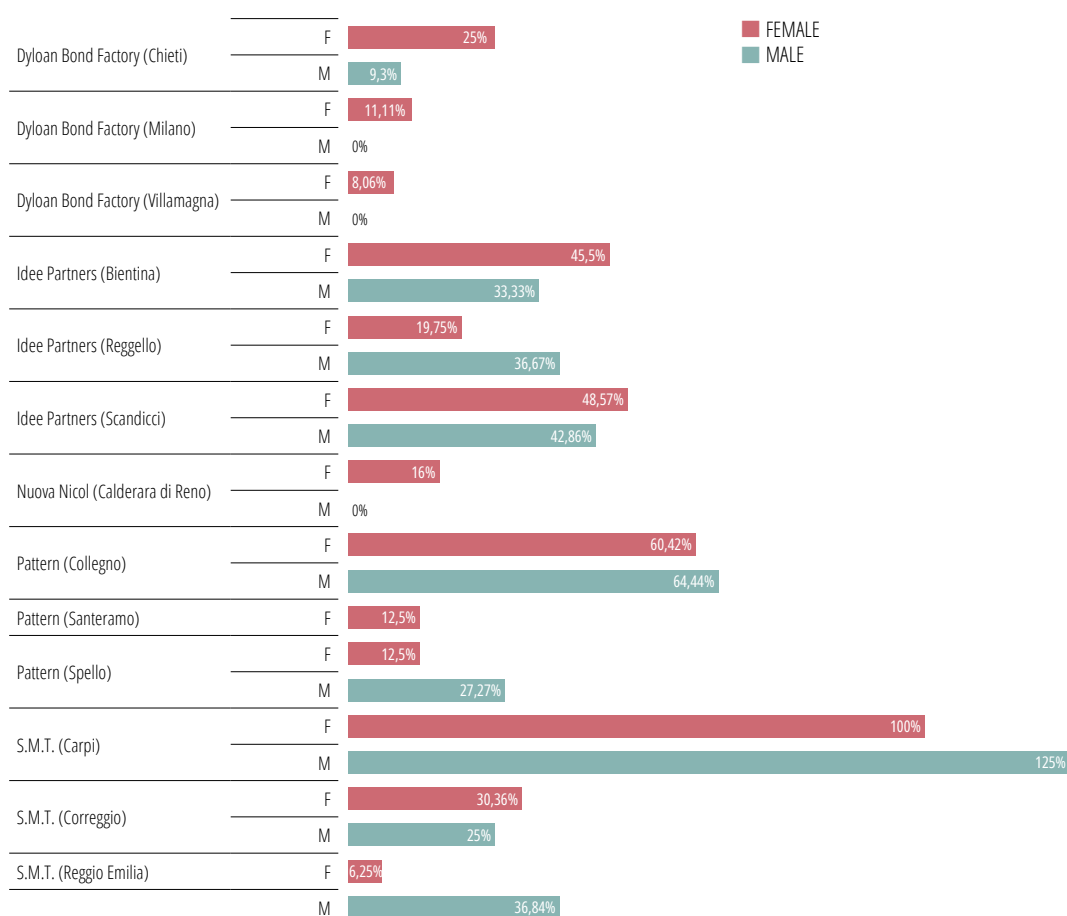
The turnover rate³, also called staff turnover rate, is a metric that indicates the percentage of employees who leave the company in a given period of time, usually annually. This metric is calculated by dividing the number of employees who left the company for any reason (voluntary resignation, layoffs, retirements, etc.) by the total number of employees in the company and multiplying the result by 100.

The turnover rate is a significant metric as it can provide insights into the company's stability and employee satisfaction. A high turnover rate can

indicate potential issues in the work environment, corporate culture, or personnel management, which may have negative implications for productivity and work quality. Instead, a low turnover rate may indicate good personnel management and a healthy corporate culture, which could increase employee satisfaction and improve company performance.

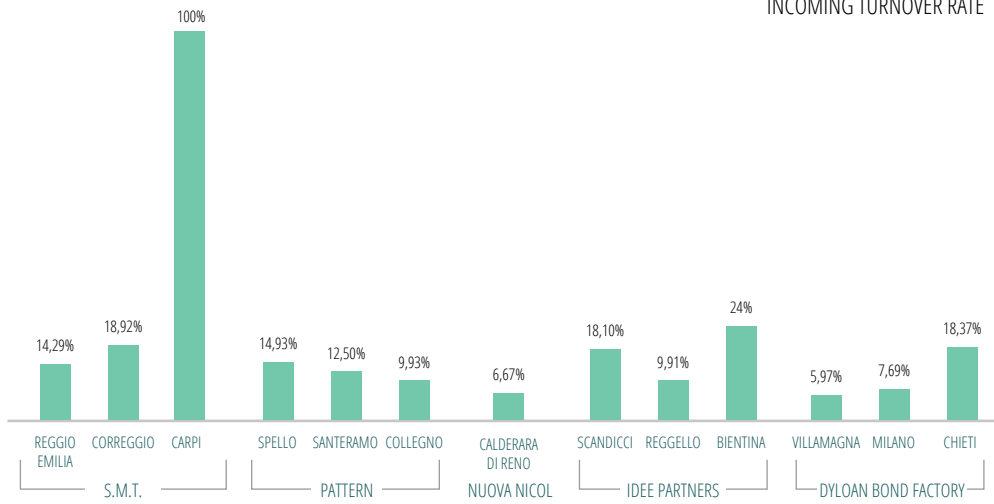
The high turnover rate in Collegno is partly due to the departure of employees from Pattern following the sale of a company branch.

OVERALL TURNOVER RATE BY LOCATION AND GENDER

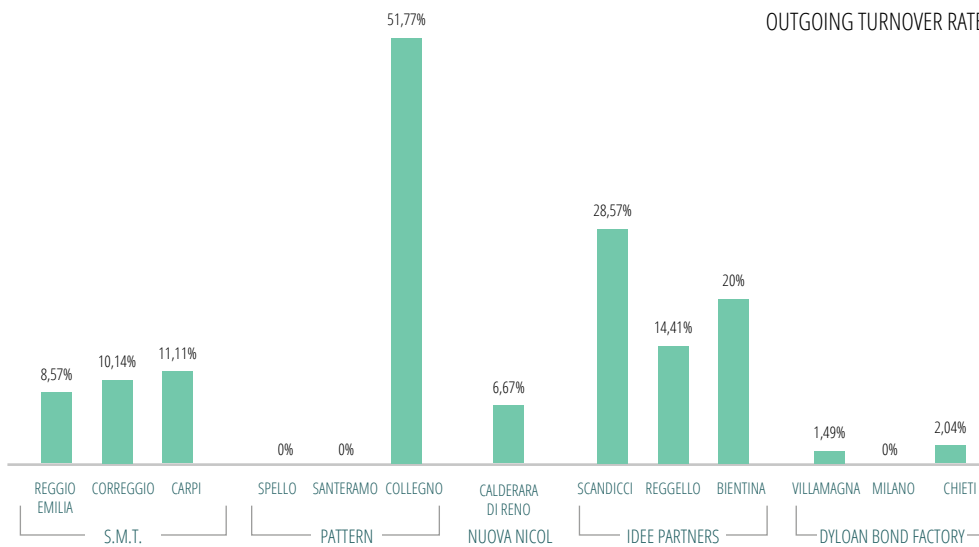


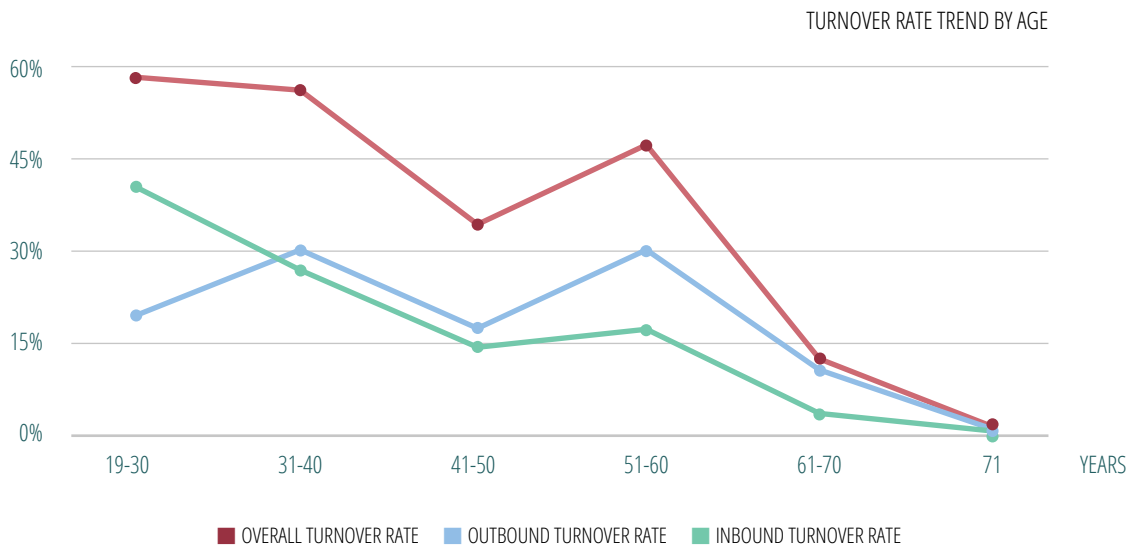
3. Overall Turnover Rate = (No. Employees added to the payroll + No. Employees who stopped working/permanent and fixed-term employees at 31/12) *100.

INCOMING TURNOVER RATE



OUTGOING TURNOVER RATE





The incoming turnover rate at the Carpi site is 100% due to the company's recent establishment. Consequently, all employees present as of December 31, 2023, were hired within the same year. Meanwhile, the Collegno site has the highest turnover rate at 51.77%. However, it is important to highlight that 91.78% of these departures are due to the sale of a business unit, which significantly impacts the overall turnover rate.

The above graphs analyze data related to overall turnover rates, both outgoing and incoming, categorized by age groups. The age ranges covered include: 19-30 years, 31-40 years, 41-50 years, 51-60 years, 61-70 years, and 71 years and older.

The overall turnover rate is highest in the 19-30 age group and generally decreases with increasing age. In the 31-40 age group, the rate drops to around 50%, continuing to decrease progressively in subsequent age groups, with a peak around the 51-60 age range. This data is consistent with the tendency for younger employees to change jobs more frequently compared to older workers, perhaps seeking new opportunities or experiences. The turnover rate for these younger employees leaving the company is notably high, around 30%. Similarly, the turnover rate is also notably high for the 51-60 age group, potentially due to early retirements or career changes.

Employee turnover poses a crucial challenge for the company. Understanding age dynamics allows us to adopt targeted strategies that can improve employee stability and satisfaction.

The fragmentation of supply chains, the disintegration of the production fabric following the relocation of brands and various moments of crisis in the landscape of small, mostly artisanal enterprises, has created challenges for supply chains. These difficulties have sometimes led small entrepreneurs to make risky management choices that could potentially impact the reputation of their clients.

To address the growing need to protect its own reputational capital and that of the brands it produces, Pattern has implemented a comprehensive system of periodic monitoring, based on the principles of compliance with the standard and the requirements of Law, conducted by SA8000:2014-certified auditors, of all the suppliers involved in the processing stages with whom it collaborates.

The resulting assessment provides an overview of the level of risk in the supply chain and is followed by an ongoing improvement plan that requires companies to make efforts to meet the required standards.

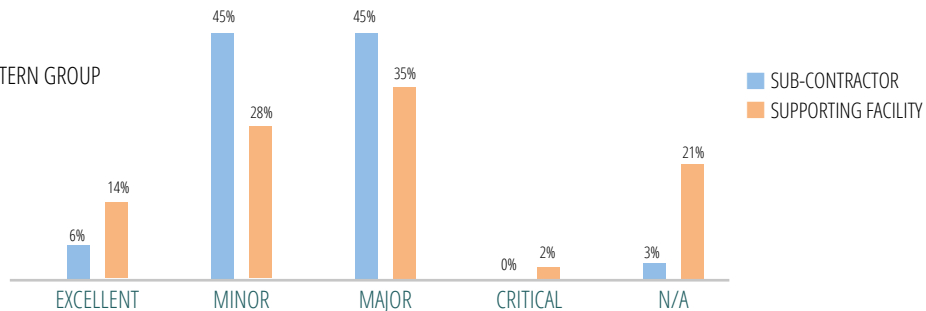
The risk grading policy is based on compliance with the industry's collective bargaining agreement, Labour Law legislation, Legislative Decree 81/2008

and the 8 social responsibility requirements summarized in the SA8000 Standard, and involves the assignment of a rating divided into:

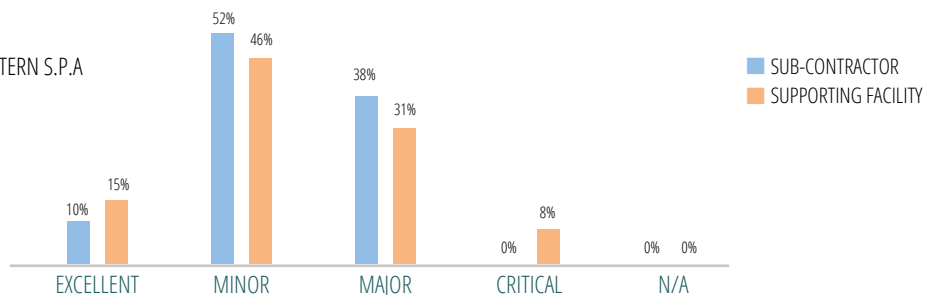
- EXCELLENT: the company demonstrates excellent management of its employees and meets all the requirements of Legislative Decree 81/2008; no non-conformities have been found
- MINOR: the company has good maturity in employee management and safety; however, minor shortcomings have been found
- MAJOR: the company's employee and safety management practices are rated as deficient; serious non-conformities have been found
- CRITICAL: the company does not fully respect the rights of its employees and/or endangers their physical safety

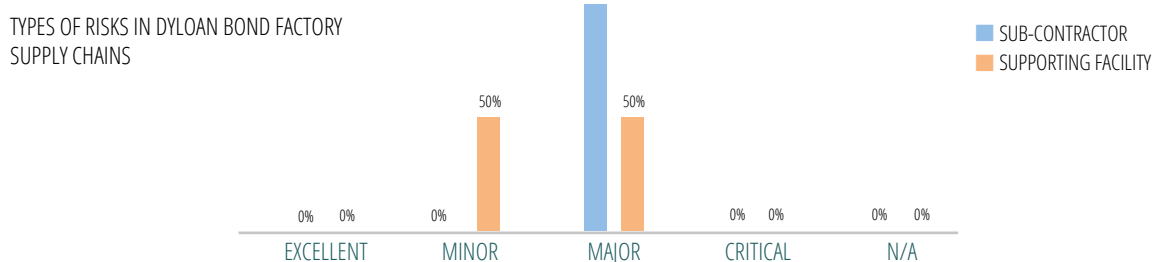
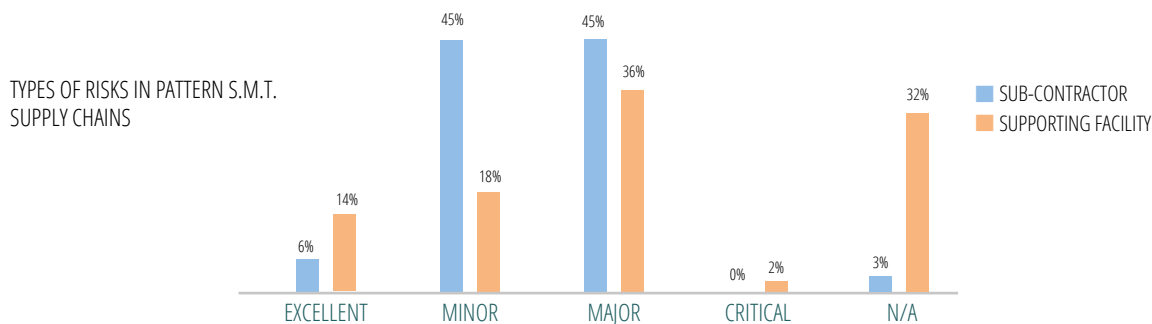
Failure to meet any of the requirements outlined in the Social Responsibility Requirements section results in a "Critical" rating. Pattern has opted not to collaborate with companies rated CRITICAL and has amplified scrutiny over high-risk sub-suppliers. in order to guide companies towards achieving the desired level of social compliance.

TYPES OF RISKS IN PATTERN GROUP SUPPLY CHAINS



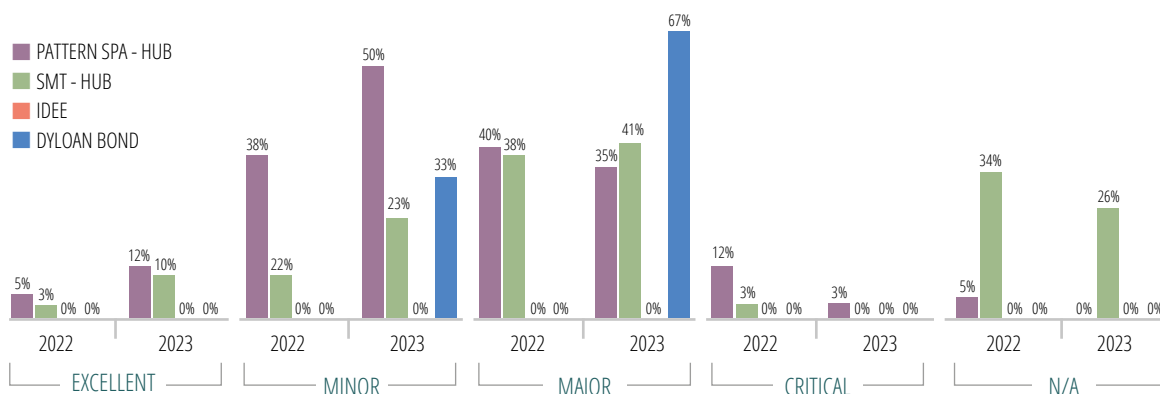
TYPES OF RISKS IN PATTERN S.P.A SUPPLY CHAINS





In 2024, also Idee Partners, leather hub, started conducting audits across its supply chain. This effort aligns with the Pattern Group’s SA8000 policy.

TREND OF THE OVERALL EVALUATION OF PATTERN GROUP’S SUPPLY CHAIN (FROM 2022 TO 2023)



Compared to last year, there is a general improvement in Excellent and Minor ratings, accompanied by a reduction in Critical or Major gradings. This improvement is partly attributable to the implementation of a continuous monitoring system in the supply chain, which allows for regular assessment of the effectiveness of adopted measures and enables timely adjustments in response to evolving operational dynamics. The main objective is to provide consistent support to the laboratory while ensuring periodic monitoring to evaluate the effectiveness of corrective actions taken to address non-

conformities identified during audits, along with developing a capacity building plan tailored to the specific needs and risks of the laboratory. This approach aims to enhance the laboratory’s skills and resources to effectively tackle emerging challenges and adopt sustainable practices in line with regulatory standards and sector expectations.

At the same time, there has been a decrease in unaudited laboratories during 2023 compared to 2022. Supply chain mapping in 2023 covered 87% of the entire supply chain, up from 82% the previous year.



SLOW FIBER

In September 2022, Pattern took part in the founding assembly of Slow Fiber, a network created through the meeting with Slow Food of a number of virtuous companies in the Italian textile supply chain. The aim is to extend Slow Food's values also to the textile domain, educating consumers and increasing their awareness of the impact of production processes in the textile supply chain.

The initiative was warmly welcomed due to its deep ties with the Piedmont region, resulting from a consortium of 16 local firms operating across diverse sectors of the textile supply chain.

Unveiled at Terra Madre, Slow Fiber aspires to prove the potential of crafting textile products for both apparel and furnishings that simultaneously embody beauty, consumer health, environmental friendliness, fairness in respecting workers' rights, and durability, thereby promoting a longer lifespan to minimize waste production.

Born from the alliance between Slow Food Italy and sixteen virtuous textile companies, the new network embodies a tangible example of positive change. This transition hinges on a sustainable production process designed to create aesthetically pleasing, health-conscious, eco-friendly, equitable, and enduring products, honoring both human dignity and Nature's fragile balance.

Originating from the Slow Food association, long committed to promoting wholesome, clean, and fair food for all, Slow Fiber adapts these ideals to apparel and furnishings. It thus impacts our interaction with the body and beauty, integrating ethical, just, and balanced values.

Slow Fiber strives to promote awareness about the environmental, supply chain workforce, and consumer health impacts of textile products, fostering a fresh ethic and culture for attire and home decor. Bearing this in mind, Slow Fiber also intends to enlarge its network by incorporating and soliciting both Italian and international companies. The goal is to amplify the reach of this transformation, making it a collective, robust, and prompt endeavor.

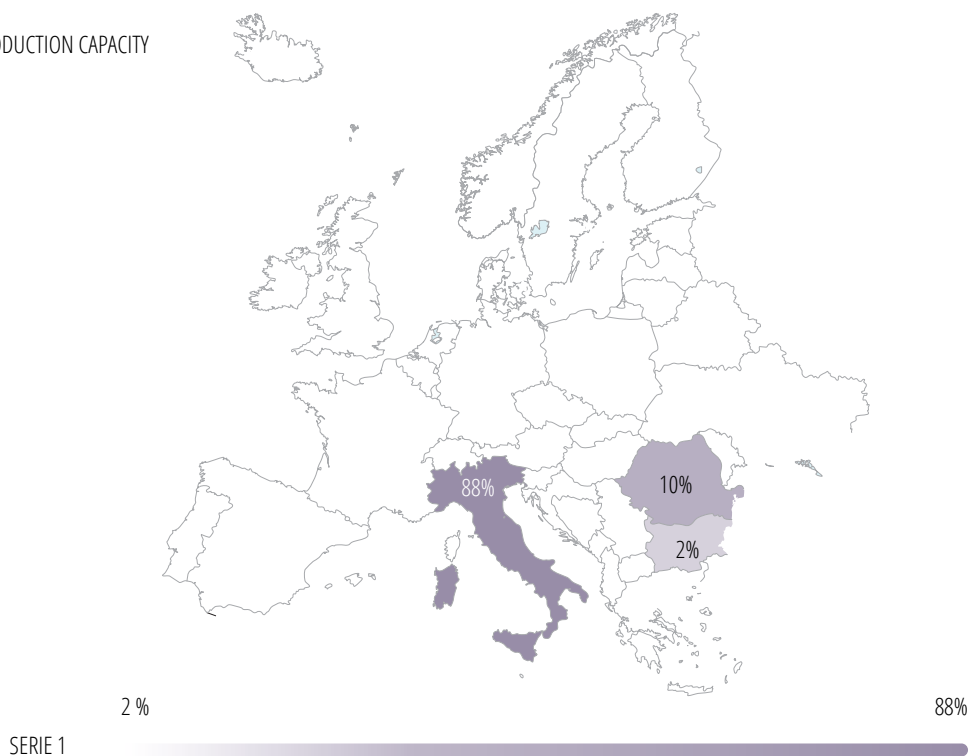
INNOVATION AND SUSTAINABILITY: OUR COMMITMENT TO MAGNOLAB AND EFFORTS TOWARDS A CIRCULAR ECONOMY

In our ongoing commitment to sustainable innovation, we have actively chosen to participate in various funded initiatives aimed at promoting circular economy projects. A pivotal step in this direction is our membership in the Magnolab network, an integrated hub that encompasses all phases of the textile supply chain. Magnolab provides us with the opportunity to enhance our innovation capabilities, expand service offerings to our clients, and collaborate on joint projects, thereby maximizing efficiency and minimizing environmental impact. Within Magnolab, we are developing a dedicated production space for innovative management of textile waste, specifically residues and scraps generated during production. Leveraging cutting-edge technologies such as Blockchain, Artificial Intelligence, and robotics, our aim is to optimize the collection and management of these wastes, preparing them for recycling. Our approach focuses on creating a dedicated "reverse supply chain" that transforms textile waste into secondary raw materials. This reverse management system addresses regulatory, environmental, and market challenges while offering significant economic opportunities, helping to transform the textile industry into a more sustainable, ethical, and responsible sector. The valorization of waste allows us to reduce environmental impacts and generate new value, promoting the principles of a true circular economy. Our collaboration with Magnolab marks a crucial step towards a sustainable future in the textile sector. Through this partnership, we continuously explore new technologies and methodologies, committing ourselves to transforming our business model into a more environmentally responsible one. This commitment not only enhances our capacity to innovate but also actively promotes a circular economy within the textile sector, thereby contributing to creating a more sustainable industrial environment for future generations.

PROTECTION OF MADE IN ITALY

In recent years, the fashion industry has undergone a major change in the value chain, related to production cycle and methodology developments. This change has been propelled by the distinct needs of end consumers, who seek increasingly rapid fulfillment of their demands. However, major fashion houses' decisions to relocate production have led to a more extended supply chain, occasionally conflicting with these consumer demands. And now, amidst global geopolitical instability, we are witnessing a re-emergence of environmental and social sustainability values, with appeals originating from both consumers and institutions. Against this backdrop, Pattern positions itself as a genuine partner, not merely a subcontractor, for engineering, cutting and manufacturing garments. A persistent dialogue permeates the production process, and Pattern's Governance, deeply attuned to environmental and social concerns, safeguards the brand's reputation. To ensure social, environmental and health and safety compliance, Pattern subcontracts its productions solely to garment manufacturers who commit to stringent periodic supervision. The extensive reach of its supply chain spans the entire Italian peninsula, safeguarding the invaluable legacy of expertise synonymous with Made in Italy. The choice to endorse an Italian supply chain aligns with the company's philosophy, emphasizing enduring, stable supplier relationships and aiding the growth of Italian fabric manufacturers - vital complementary components of the production process.

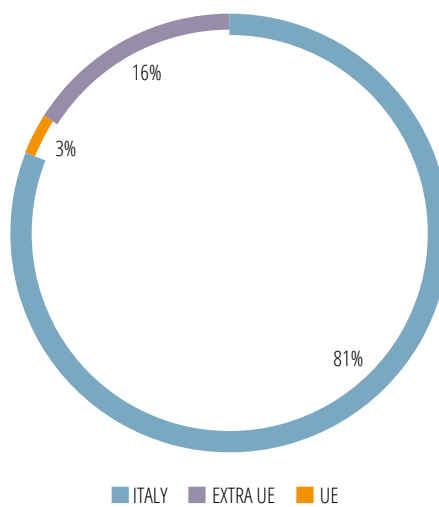
PRODUCTION CAPACITY



NUMBER OF SUBCONTRACTORS BY REGION



GEOGRAPHICAL BREAKDOWN OF RAW MATERIAL PURCHASES



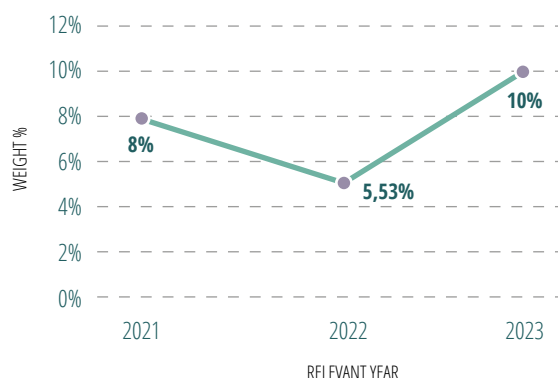
PATTERN ACADEMY

The Pattern Group's Academy has shown a robust commitment to workforce development through targeted training programs across its divisions. In 2023, SMT and DYLOAN had successful training sessions, resulting in multiple new hires, indicating the effectiveness of the programs. ROSCINI and IDEE have plans to commence their training in 2024, which will further bolster the company's skilled workforce. The use of both internal and external instructors ensures a comprehensive training experience, equipping employees with the necessary skills to excel in their respective roles. The Academy's structured approach underlines the Pattern Group's dedication to maintaining high standards of expertise and productivity within its teams.

	PHASE	SESSIONS 2023	SESSIONS 2024	OUTGOING FIGURE	N° OF TRAINED PEOPLE	TEACHERS	HIRED 2023
SMT	closed to be started	1	1	knitwear sampler	11	internal	4
DYLOAN	closed to be started	1	1	prototypist / production stitcher	10	internal	7
ROSCINI	to be started	0	1	prototypist	10	internal	-
RGB	closed to be started	1	1	leather goods production operator	7	internal/external	2
IDEE	to be started	0	1	leather goods worker	10	internal/external	-

INTERNAL PLACEMENT 46%

PERCENTAGE OF APPRENTICE ON TOTAL EMPLOYEES



The Pattern Group's Academy is also dedicated to fostering the professional development of its employees through a variety of training courses.

Pattern Group's Academy demonstrates a strong commitment to continuous employee development through a range of specialized courses. The training sessions cover various important areas including language skills, supply chain management, emotional intelligence, and advanced technical skills.

Pattern sites (Collegno and Spello) have a broad range of courses already completed with a high total participation rate, indicating a well-established training framework.

SMT has both completed and ongoing courses, along with plans for future sessions, reflecting an ongoing commitment to employee development.

IDEE has focused on advanced Excel training, indicating a targeted approach to skill enhancement.

DYLOAN shows a proactive approach with ongoing and planned courses aimed at enhancing both technical and organizational skills, preparing their workforce for future industrial challenges.

Overall, the Academy's structured approach in offering diverse courses ensures that employees are well-equipped with the necessary skills and knowledge, fostering a culture of continuous improvement and excellence within the Pattern Group.

Funded training plays a crucial role in developing the skills of workers and corporate executives, contributing to the improvement of competitiveness and innovation within companies. Two of the main inter-professional funds supporting continuous training in Italy are Fondimpresa and Fondirigenti.

FONDIMPRESA

Fondimpresa is an inter-professional fund for continuous training established by Confindustria, CGIL, CISL, and UIL. It is aimed at all registered companies, regardless of size or sector, and is designed to promote and finance corporate, sectoral, and territorial training plans. The main objectives of Fondimpresa include:

- Skill Development: Supporting companies in enhancing the skills of their employees through targeted training courses.
- Innovation: Promoting innovation and technological updates within companies.
- Market Adaptation: Helping companies and workers adapt to market changes by providing the necessary training to stay competitive and efficient.

FONDIRIGENTI

Fondirigenti is another significant inter-professional fund, specifically focused on the training and development of managers. It is established by Confindustria and Federmanager, with the primary aim of enhancing the managerial skills required to lead companies effectively in a dynamic market environment. Key aspects of Fondirigenti's training initiatives include:

- Leadership Skills: Developing leadership capabilities to improve strategic decision-making and organizational performance.
- Digital Transformation: Equipping managers with the knowledge and tools to drive digital transformation within their organizations.
- Sustainable Growth: Fostering skills related to sustainability and corporate social responsibility, ensuring long-term growth and compliance with evolving regulatory standards.

QUALITY EDUCATION COMMITMENTS

Recognizing the importance of bridging the gap between academia and industry, Pattern has implemented several initiatives aimed at fostering education and skill development.

→ Collaboration with Educational Institutions

TOTAL FUNDED TRAINING			21% OF THE TOTAL GROUP
Fondimpresa + Fondirigenti			
Total funding	Number of hours delivered	People trained	
120 000 €	5 000	170	

Pattern Group collaborates extensively with top universities and business schools, including the Politecnico di Torino and CUOA Business School. Through these partnerships, Pattern contributes to the development of specialized programs such as the Executive Master in Business & Technology. This program blends theoretical knowledge with practical applications, preparing students to meet the challenges of the modern business environment.

→ Internship and Apprenticeship Programs

To provide hands-on experience, Pattern Group offers robust internship and apprenticeship programs. These programs are designed to immerse students in real-world scenarios, allowing them to apply their academic knowledge to practical challenges. Participants gain invaluable insights into the textile and fashion industry, working alongside experienced professionals on cutting-edge projects.

→ Continuous Professional Development

Understanding that education does not end with graduation, Pattern Group is dedicated to the continuous professional development of its employees. The company organizes regular training sessions, workshops, and seminars covering the latest trends, technologies, and best practices in the industry.

These initiatives ensure that Pattern's workforce remains at the forefront of innovation and quality.

→ Advisory Role in Academic Curriculum Development

Pattern Group actively participates in the advisory boards of various educational institutions. By doing so, the company helps shape curricula that align with industry needs and trends. Pattern's involvement ensures that academic programs remain relevant and provide students with the skills and knowledge required to excel in their careers.

→ Focus on Sustainability and Innovation

Education at Pattern Group also emphasizes the importance of sustainability and innovation. The company incorporates these values into its training programs, encouraging students and employees to develop eco-friendly practices and innovative solutions. Pattern's commitment to sustainability is reflected in its corporate philosophy and operational strategies, setting an example for future industry leaders.

→ Case Studies and Research Contributions

Pattern Group frequently collaborates on academic research and case studies, sharing its expertise and insights with the academic community. These contributions not only enhance the educational content but also provide practical examples of successful strategies in sustainability and innovation management.

→ Community Engagement and Development

Beyond its direct educational initiatives, Pattern Group is also dedicated to community development. The company supports local educational institutions and participates in community outreach programs aimed at promoting education and skill development among underprivileged groups. By doing so, Pattern contributes to the broader goal of social and economic development.

SUPPORT FOR THE FASHION HI-TECH MASTER'S PROGRAM

Pattern continues to support innovation and sustainable development through active participation in the Fashion Hi-Tech Master's program, promoted by Modartech Institute in collaboration with Sant'Anna School of Advanced Studies. This commitment reflects our belief in the importance of training highly specialized figures such as the Product Innovation Manager, crucial for the future of the fashion and technology sectors. Pattern's involvement in the Master's scientific and technical committee aims to support curriculum design and enhance students' educational journeys. We share innovative ideas, visions, and projects to positively influence the structuring of the educational program. This collaboration demonstrates our dedication to promoting advanced education and contributing to the creation of a more sustainable and future-oriented fashion sector. Our support for the Fashion Hi-Tech Master's program not only reinforces Pattern's commitment to responsible innovation but also our contribution to nurturing talent and promoting sustainable practices in the fashion industry.

POLITECNICO DI TORINO AND CUOA BUSINESS SCHOOL ENHANCE EXECUTIVE MASTER IN BUSINESS & TECHNOLOGY FOR MODERN CHALLENGES

The Politecnico di Torino Master School and CUOA Business School have teamed up to advance the Executive Master in Business & Technology. This part-time, 20-month program combines theoretical knowledge with practical application, fostering independent study and group discussion to equip participants with actionable workplace tools.

A key feature of the program is its Advisory Board, comprising high-profile managers who provide insights on innovation, enterprise needs, and case studies. The board also strengthens ties with employer associations and the regional business ecosystem. Benefits for participating businesses include access to the Master's network, reduced costs, and opportunities for custom course development.

A recent Advisory Board meeting addressed critical topics such as female entrepreneurship, sustainability, ethical AI use, and new corporate governance approaches. These discussions not only enhance the Master's curriculum but also offer companies a platform for collaborative growth.

Pattern S.p.A., a notable contributor, enriches the program with its expertise in sustainable development and innovation management. By actively engaging in the Advisory Board, Pattern exemplifies the synergy between academia and industry, emphasizing local environmental improvement and professional skill development.

This collaboration highlights the program's commitment to blending the industrial tradition of the North-West with the innovative spirit of the North-East, preparing leaders to navigate global market dynamics and geopolitical shifts effectively.

FONDAZIONE S.I.A. FOLLOWING TRANSFORMATION OF ASSOCIATION FINSAA

Since 2022, Pattern S.p.A. has been a member of Fondazione S.I.A., which carries on the mission of FINSAA, a private nonprofit association founded in the 70s and based at the Industrial Union of Turin, with its management entrusted to the latter.

To achieve these objectives, it has consistently relied on substantial assets, solely of private origin and self-financed. In 2006, its resources were significantly bolstered by a substantial legacy from the visionary philanthropist, Ms. Marcella Carolina Novo. Relatively unknown to the general public, she was a successful manager and entrepreneur (the first woman in Italy to become CEO of a major industrial company in 1958) who passed away in late 2004. Part of her legacy was entrusted to FINSAA, recognized as a deserving beneficiary of her complete faith in supporting young individuals pursuing studies relevant and beneficial to the Turin production system.

Therefore, FINSAA's primary objective was to aid the SAA (School of Business Administration of the University of Turin) in accordance with the Statute (Presidential Decree 01.10.1974, No. 616), which emphasized its innovative status as a "business school". This designation conferred administrative independence from the University and laid the foundation for a pioneering public-private partnership.

In 2022, the 10-member consortium, including Pattern SpA, collaborated with the Executor and the Prefecture of Turin to enhance the recognition, scope, coherence, and long-term vision of its mission. Despite mounting commitments, it opted to convert the Association into a Foundation for Business Interest Studies (S.I.A.).

RISK AND OPPORTUNITIES

The Group and the entire textile sector face a complex landscape of risks and opportunities. The evolving market dynamics necessitate a thorough understanding of both physical and transitional risks, driven by various external and internal factors.

Luxury manufacturers must come to terms with the physical risks associated with the direct impact of climate change, which can disrupt supply chains, affect raw material availability, and influence production processes. Adverse weather conditions and natural disasters can lead to operational disruptions and increased costs.

In addition to physical risks, transitional risks are an integral part of normal business development and continuity. Rapid technological advancements present both challenges and opportunities. Luxury manufacturers need to invest in cutting-edge technologies to stay competitive. This includes adopting new manufacturing techniques, enhancing product design, and improving supply chain efficiency. Furthermore, the luxury market is subject to oscillations driven by economic conditions, consumer preferences, and global events. Manufacturers must be agile and responsive to these changes to maintain their market position and capitalize on emerging trends.

The years ahead will chart the course towards profound transformation of the entire industry due to laws and regulations imposed by regulators worldwide. Compliance with stringent environmental regulations is essential. These regulations can impose additional costs and necessitate changes in manufacturing processes, but they also present an opportunity to innovate and lead in sustainable practices.

The textile industry is undergoing significant changes driven by the European Commission's clear strategy. This strategy involves several key directives:

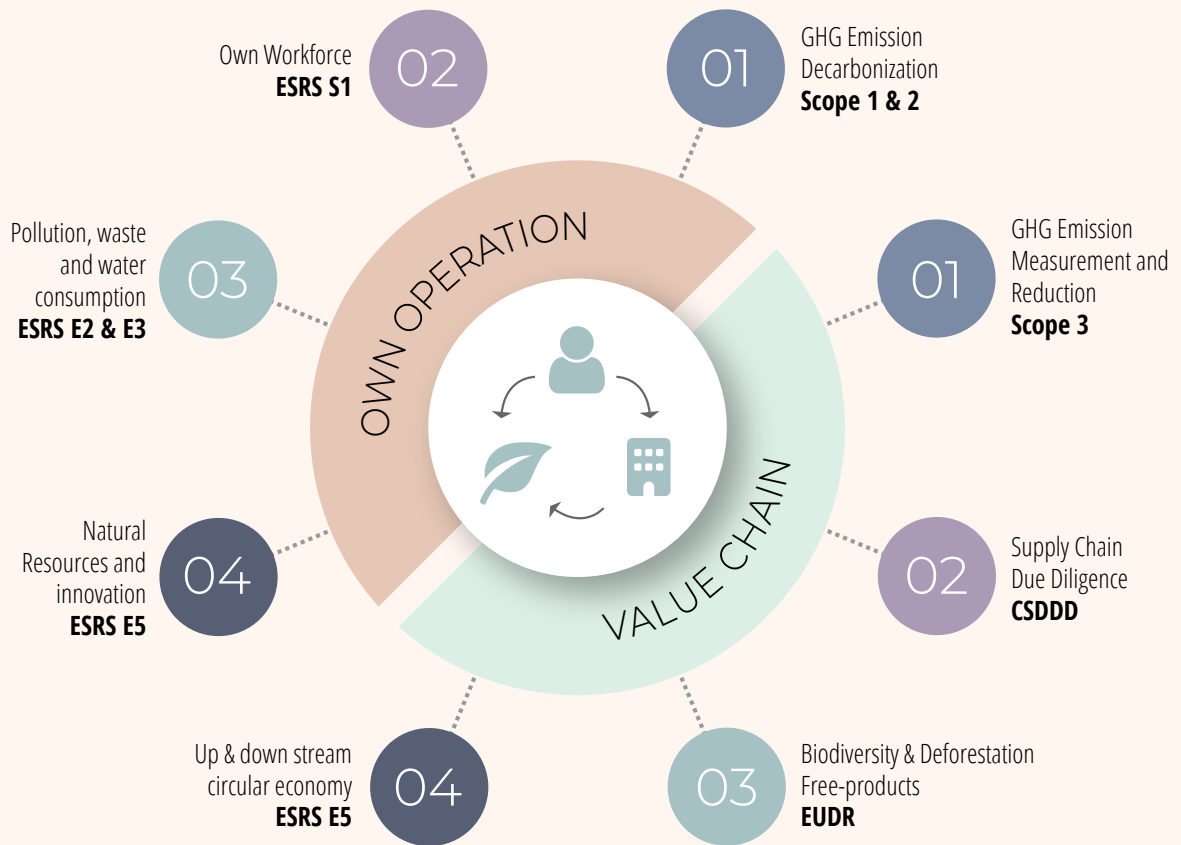
- CSRD (Corporate Sustainability Reporting Directive)
- CSDDD (Corporate Sustainability Due Diligence Directive)
- ESPR (Eco-design for Sustainable Products Regulation)

These directives and Regulations focus on enhancing product environmental footprints, increasing recycled content, ensuring durability and repairability, and improving transparency and waste reduction. They also emphasize extended producer responsibility, environmental labeling, social aspects, corporate governance, and the impact on supply chains. Policies for risk identification, preventive and corrective measures, integration into business processes, monitoring, and supplier engagement are also highlighted.

In this landscape of change and new paths to be charted, the beacon guiding Pattern Group's development is a natural focus on technological innovations and sustainability. Pattern's governance is strongly oriented towards identifying growth opportunities and competitive advantages within the challenges posed by the market and regulatory bodies

In response to these challenges and opportunities, Pattern Group has proactively implemented a comprehensive sustainability strategy:

- **Sustainable Sourcing:** Partnerships have been established with suppliers who share our dedication to sustainable practices, ensuring traceability and transparency from raw material to finished product.
- **Carbon Footprint Reduction:** Significant investments have been made to reduce our carbon emissions. This includes the adoption of renewable energy sources across our manufacturing plants. We have implemented energy-efficient processes and technologies, resulting in a measurable decrease in our overall energy consumption.
- **Innovation and Technology:** We are at the forefront of integrating advanced manufacturing technologies that enhance efficiency and reduce environmental impact. Investments in research and development have led to the creation of innovative, sustainable products that meet the evolving demands of our consumers.
- **Digitalization Initiatives:** Our digital transformation strategy includes the implementation of advanced digital tools and platforms to optimize our operations. We have adopted digital supply chain management systems to enhance traceability, efficiency, and responsiveness.
- **Circular Economy Integration:** We have embraced circular economy principles by designing products for durability, repairability, and recyclability. Initiatives such as take-back programs and recycling partnerships have been established to close the loop on our products' lifecycle.
- **Supply Chain Compliance:** Building strong, long-term relationships with our suppliers is key to our sustainability efforts. We work closely with them to ensure adherence to our environmental and ethical standards. Regular audits and continuous engagement help us maintain high standards across our supply chain.
- **R&D on New Materials, Processes, and Technology:** We are investing heavily in research and development to discover and implement new sustainable materials and innovative production processes. Our R&D efforts are focused on creating high-quality, sustainable textiles that meet the demands of a rapidly changing market.
- **Employee Engagement and Training:** Our workforce is integral to our sustainability efforts. We have conducted extensive training programs to ensure all employees understand and contribute to our sustainability goals. Initiatives to foster a culture of sustainability within the organization have been successful, with employees actively participating in green practices.
- **Community and Stakeholder Engagement:** Pattern Group has engaged with local communities and stakeholders to promote and support environmental initiatives. Our sustainability reports are transparent, providing stakeholders with detailed insights into our progress and future goals.
- **Compliance and Leadership:** We are fully compliant with all environmental regulations and aim to exceed these standards, positioning ourselves as leaders in sustainability within the textile industry. Our proactive approach to regulatory changes ensures that we are always ahead of the curve, ready to adapt and innovate.



QHSE AND SA8000 INTEGRATED POLICY

Pattern S.p.A. is committed to providing high-quality products and services in a safe and environmentally sustainable manner, respecting the health and safety of its employees, customers and the environment in which it operates.

To achieve this goal, Pattern S.p.A. is committed to:

- Complying with applicable quality, health, safety and environmental regulations and laws.
- Identifying and assessing the health, safety and environmental risks associated with its operations and taking preventive and corrective measures to minimize them.
- Promoting a culture of safety and health across all its departments by promoting training and awareness among its employees.
- Providing its employees with the resources and equipment they need to do their work in a safe and environmentally sustainable manner.
- Continuously monitoring and improving its QHSE management system by identifying performance targets and indicators, measuring performance, analyzing results, and taking corrective and preventive actions.
- Involving its suppliers and business partners in promoting a responsible approach to quality, health, safety and the environment.

Pattern S.p.A. is committed to ensuring the communication and dissemination of this policy to all its employees, employees of its subsidiaries and investees, and anyone who may be involved in its operations. Management is committed to providing the necessary resources to implement this QHSE policy and to making QHSE management system documentation available to its employees and customers upon request.

HEALTH AND SAFETY POLICY

The Corporate Management of Pattern S.p.A. and each of the Group's relevant locations commits to allocate human, instrumental, and financial resources to achieve the goals of enhancing worker safety and health. This commitment is an integral part of their operations and a strategic endeavour aligned with the company's broader objectives.

It makes this document known and disseminates it to all parties in the company and undertakes that:

- from the moment of defining new activities or revising existing ones, safety aspects are considered indispensable content;
- all workers are trained, informed and sensitized to perform their tasks safely and to take on their OHS responsibilities;
- the entire company organization (including managers, supervisors, designers, installers, purchasing and maintenance departments, workers, and others) actively engages in achieving the assigned safety objectives according to their respective responsibilities and competencies, so that:
- the design of machinery, plants, and equipment, as well as workplaces, operating methods, and organizational aspects, are conducted with a focus on preserving the health of workers, company assets, third parties, and the surrounding community where the company operates;
- information regarding company risks is shared with all workers, and training is provided and updated, with specific emphasis on the tasks they perform;
- emerging needs during work activities are promptly addressed with speed, efficiency, and diligence;
- cooperation among various corporate resources, and collaboration with business organizations and external designated bodies are promoted;
- all applicable laws and regulations are complied with, procedures are formulated, and identified company standards are followed;
- activities are managed also with the aim of preventing accidents, injuries and occupational illnesses. The design, operation and maintenance, including cleaning of workplaces, machines and facilities is directed to this end.

ENVIRONMENTAL POLICY

Sustainability is an integral part of the corporate culture of the group, which constantly strives to improve its environmental impact by meeting the following requirements:

- Reduce the environmental impact of the organization's operations by adopting environmentally sustainable practices that comply with environmental regulations.
- Promote the responsible use of natural resources, such as energy and water, by reducing waste and adopting low-impact technologies.
- Continuously improve the management of waste generated by the organization by reducing the amount of waste generated and recycling materials.
- Protect natural habitats and biodiversity by taking actions to reduce the impact of the organization's activities on surrounding areas.
- Foster employee training and awareness of the significance of environmental management and reducing the environmental impact of the organization's operations.
- Continuously monitor the organization's environmental performance by analyzing environmental data and taking corrective measures to improve processes.
- Adopt environmentally sustainable technologies and materials, such as by reducing the use of harmful chemicals.
- Work with suppliers and partners to promote environmental management and the adoption of environmentally sustainable practices.
- Ensure that the organization minimizes its environmental impacts and promotes sustainable practices within its supply chain.
- Maintain consistently high compliance with environmental regulations and take preventive measures to avoid pollution and contamination.
- Regularly monitor and communicate the organization's environmental impacts to its stakeholders, such as customers, employees and the local community.

QUALITY POLICY

Pattern S.p.A. has devised a business plan with a clear focus on establishing hubs of excellence for "Made in Italy" production, exclusively dedicated to crafting luxury products.

The backbone of its business model is to provide service and product quality and excellence to its customers and is committed to:

- Continuously improving customer satisfaction through the production of high-quality products and services.
- Reducing production errors and defects at the process level, with the aim of improving the quality of products and services provided.
- Increasing the efficiency of production processes while reducing waste and increasing productivity.
- Improving internal and external communication to ensure timely and accurate information flow.
- Fostering a culture of quality within the organization by involving all employees in the pursuit of quality and customer satisfaction.
- Improving the efficiency of after-sales service by promptly addressing customer inquiries and swiftly resolving issues.
- Constantly monitoring the input and output performance of the compliance of its products and taking corrective measures to improve results.
- Consistently maintaining the organization's high reputation in the market through a policy of transparency and integrity.

CORPORATE SOCIAL RESPONSIBILITY POLICY

Pattern integrates SA8000 within its business operations and establishes requirements for a social responsibility management system through compliance with and monitoring of the following goals:

- Protection of workers' rights: Ensure that all workers in the organization are treated with dignity and respect, are free from discrimination and harassment, and enjoy safe and healthy working conditions.
- Elimination of child labour: Ensure that there is no form of child labour within the organization and its suppliers.
- Fair wages and benefits: Ensure that workers in the organization and its suppliers are compensated fairly for their work, including adequate wages and benefits.
- Working hours: Ensure that working hours are appropriate and comply with labour regulations, and that workers have the right to rest and paid vacations.
- Freedom of association and collective bargaining: Ensure that workers in the organization have the right to freely associate and bargain collectively with the organization.
- Protection of workers' health and safety: Ensure that the organization provides a safe and healthy work environment, and that workers are protected from health and safety hazards.
- Supply chain management: Ensure that the organization works with suppliers who meet the same social responsibility standards and works with them to improve their performance in this area.
- Employee engagement: Involve the organization's employees in setting social responsibility goals and implementing them through training and active participation.
- Monitoring and evaluation: Regularly monitoring and evaluating the organization's social responsibility performance and taking corrective actions to continuously improve.

Pattern S.p.A. has established an integrated management system aligning with SA8000 - ISO9001 - ISO 45001, and ISO 14001 standards. It aims to obtain certification for this system in 2024, after effective implementation across all organizational structures.

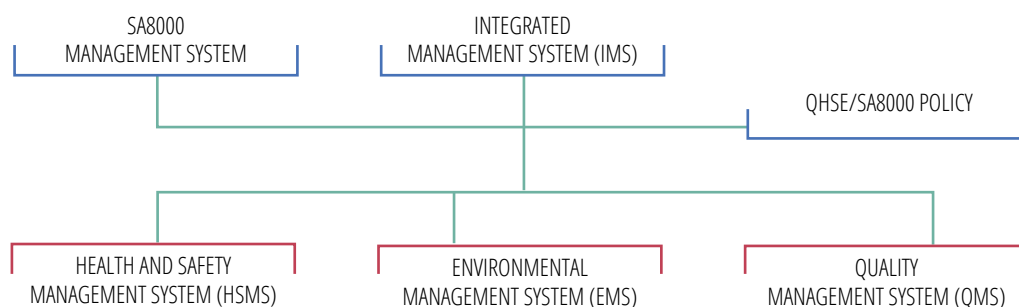
Having an integrated management system for all business locations that meets the requirements of SA8000, ISO9001, ISO45001 and ISO14001 is critical to ensuring the long-term success and a cohesive, shared culture of the Group.

Additionally, implementing an integrated management system helps companies comply with applicable laws and regulations and prevent the risk of non-compliance, thereby avoiding fines and penalties that could adversely affect financial statements.

Firstly, implementing an integrated management system enables the unification and optimization of business processes, eliminating duplication of activities and improving operational efficiency. This means that the company can reduce costs and improve productivity while increasing customer satisfaction.

Secondly, compliance with SA8000, ISO9001, ISO45001 and ISO14001 ensures that the company operates according to the highest standards of social responsibility, quality, occupational health and safety and environmental management. This helps safeguard the company's reputation and increase the trust of customers, suppliers and investors.

Lastly, an integrated management system helps the company monitor and continuously improve its performance in terms of social responsibility, quality, occupational health and safety, and environmental management. This enables the company to adapt to market changes and new regulatory requirements, ensuring the long-term sustainability of its operations.



DEVELOPMENT AND GROWTH OF OUR SUPERVISORY BODIES

The mandatory bodies of a business are those mandated by law and are essential for the management and supervision of the company. In Italy, the mandatory bodies are the Board of Directors and the Board of Statutory Auditors. The Board of Directors is the company's governing body, responsible for setting the company's strategy and overseeing its execution. On the other hand, the Board of Statutory Auditors is responsible for supervising the directors' work and ensuring that accounts are properly kept. Voluntary bodies, on the other hand, are those that the company decides to establish on its own to improve its governance and reputation. For example, a company may decide to establish a Corporate Social Responsibility Committee, a Risk Management Committee, or a Remuneration and

Appointments Committee. These voluntary bodies are tasked with assisting the Board of Directors in its decisions by providing in-depth and independent analysis of the specific issues in their remit. This way, the company can improve its governance and increase transparency and accountability towards its stakeholders.

Generally speaking, both mandatory and voluntary bodies are critical to the good governance and effective management of a company. The establishment of voluntary bodies demonstrates the company's commitment to the goals of sustainability and corporate social responsibility, enhancing its reputation and creating value for the company itself and for society as a whole.

MANDATORY SURVEILLANCE BODIES

Board of Directors

The Board of Directors is a crucial component within a company. It is the governing body responsible for setting the company's strategy, taking major decisions, and ensuring the proper management of the business.

A primary responsibility of the board of directors is to safeguard the interests of shareholders by ensuring ethical and responsible management of the company. Additionally, the board of directors is responsible for setting the company's goals and strategies, ensuring maximum efficiency and optimizing results. Additionally, the board of directors is responsible for appointing the company's executives and ensuring that individuals in positions of responsibility can effectively carry out their duties in alignment with the company's goals. The board of directors is also responsible for monitoring the company's operations and regularly evaluating its performance, and is also responsible for managing the company's risks. Indeed, it must assess the risks to which the company is exposed and define the actions required to manage them effectively. This way, the board can guarantee that the company can effectively tackle market challenges and sustain its competitiveness over the long term.

It is therefore a crucial body for the management of a business. Through its monitoring, goal-setting, and risk management functions, it can ensure the company's sustainable growth and the creation of value for all stakeholders.

Pattern Group's Board of Directors is composed as follows:

Francesco Martorella	Chairman
Fulvio Botto	Vice Chairman
Luca Sburlati	Chief Executive Officer
Stefano Casini	Director
Claudio Delunas	Director
Di Carlo Franca	Director
Diego Diritugliano	Director
Emilio Paolucci	Independent Director
Simonetta Cavinin	Independent Director

Board of Statutory Auditors

The board of statutory auditors is a mandatory internal supervisory body for joint stock companies (SPAs) and plays a key role in corporate management, ensuring the proper implementation of laws and the company's bylaws. Specifically, the board of statutory auditors is responsible for verifying the regularity of administration, the proper keeping of accounts, the conformity of management with the general guidelines of the company, and the proper application of accounting standards and legal regulations.

Among the main functions of the board of statutory auditors are reviewing the financial statements and the directors' report on operations prepared by the Board of Directors, providing an opinion on transactions of significant financial importance, and reporting any irregularities or conflicts of interest to the Board of Directors.

The board of statutory auditors serves as a critical tool for controlling and overseeing corporate management, guaranteeing transparency and integrity in the company's operations, and safeguarding the interests of shareholders and stakeholders.

Pattern Group's Board of Statutory Auditors is composed as follows:

Davide Di Russo	Chairman
Lucia Margherita Calista Rota	Standing Auditor
Valerio Brescia	Alternate Auditor
Riccardo Cantino	Alternate Auditor

Independent Auditors

PricewaterhouseCoopers S.p.A., in breve PwC

VOLUNTARY BODIES

CORPORATE SOCIAL RESPONSIBILITY GOVERNANCE

The direction and coordination of ESG activities are assigned to the corporate social responsibility team. To achieve greater integration into the business model, a dedicated team was established in September 2021, currently comprising 5 resources. The creation of a team focused on environmental and social topics underscores Pattern's commitment to respecting corporate growth in line with sustainability principles.

The CSR team analyzes, proposes and implements solutions to address the impacts of production activities on the environment and society. It suggests Pattern Group's sustainability strategy, reporting directly to Management and requesting approval of goals from the Board of Directors.

It is also responsible for reporting and drafting the sustainability report after gathering data, increasingly raising awareness of sustainability topics within the Group.

SOCIAL PERFORMANCE TEAM

In accordance with the certified SA8000 management system, it is essential to establish a Social Performance Team (SPT) responsible for ensuring the effective integration of the Standard's principles into business processes. The team should consist of a well-balanced representation, including SA8000 worker representatives (where applicable, RSA and RSU if present in the company) and Management.

Each Group location has elected SA8000 representatives and has its own SPT committee that reports to the centralized coordination of the Turin office and reports on its activities during the management review conducted annually.

SUPERVISORY BODY Leg. Decr. 231

The Company appointed the Supervisory Body in October 2021, with the aim of ensuring that this body meets the requirements of autonomy, independence, professionalism and continuity of action in accordance with the provisions of Legislative Decree No. 231 of 2001 (Articles 6 and 7), such as to ensure effective and efficient implementation of the adopted Model.



Francesco Martorella and Fulvio Botto





In 2014, Esemplare was established with a clear and innovative vision: to design outerwear for men and women that combines advanced technology with a strong focus on environmental sustainability, all while embracing a clean and minimalist style.

From 2023, the brand has redefined its mission and vision to prioritize growth through sharing. Its core values now highlight a balance between outdoor style, technological innovation, and social responsibility.

Esemplare is now the first non-profit fashion brand, dedicating 100% of its profits to social and environmental projects, with a special emphasis on education. Esemplare's collections will emphasize outerwear, rethinking the idea of outdoor clothing for a wide range of people.

Esemplare aims to promote a movement that brings together individuals who are socially and environmentally conscious in the fashion world, with an active commitment to mitigating the negative impacts of the fashion industry and building a more sustainable future for future generations.

Working with the Pattern Group, the brand ensures sustainability and ethics in every step of production, using high-quality materials and practices that are environmentally and socially responsible.

The inaugural non-profit commitment is the "Bella Esperanza" project, focused on constructing the "Rosemary Primary School" in the village of Ugwachanya, Tanzania. This school will deliver education and learning prospects to the village children, thereby enhancing their quality of life and future prospects.

The project draws inspiration from Esperanza, an orphan girl residing in one of the facilities to be engaged. Her story of hope and resilience highlights the importance of granting every child the chance to grow and flourish. "Bella Esperanza" will receive support from partners in the fashion, design, and art sectors, collaboration with indigenous communities will be pivotal in its implementation.

GLOSSARY

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CAD	CAD stands for “Computer-Aided Design”, which refers to the use of computer software and tools to create, modify, analyze, and optimize technical drawings and three-dimensional models.
NFS (NON-FINANCIAL STATEMENT)	The NFS (Non-Financial Statement) is a document that provides information on a company or organization’s performance concerning sustainability and social responsibility matters. The NFS focuses on non-financial aspects such as environmental, social, and corporate governance impacts.
STAKEHOLDERS	Stakeholders are individuals or groups who have an interest or involvement in an organization, project, or activity and who can influence or be influenced by it. Stakeholders can be internal or external to the organization and include different categories of people, organizations and entities.
COMMUNICATION ON PROGRESS	The “Communication on Progress” (COP) is a voluntary document that is submitted by an organization as part of its commitment to the United Nations Global Compact (UNGC). The COP is a public and transparent communication of the organization’s actions and progress in meeting the principles of the Global Compact. Through the COP, a company commits to share information on its strategy, policies, initiatives and measures taken to implement and promote the principles of the Global Compact.
R&D	R&D stands for “Research and Development” and is a vital function in organizations focused on innovation and the creation of new products, services, or processes. R&D includes activities aimed at acquiring and applying scientific, technological and business knowledge to develop new solutions and improve existing ones.
INDUSTRIALIZATION	Industrialization is the process of transforming an economic activity or production from a craft or agricultural level to an industrial level. It regards the adoption of advanced methods and technologies to increase the efficiency, productivity and standardization of production processes.
BIOBASED	The term “biobased” refers to materials, products or processes that are derived from biological or biomass sources, such as plants, algae, agricultural or forest residues, and other biodegradable materials. The use of biobased materials is one way to reduce the use of non-renewable fossil resources and to promote a more sustainable, low-carbon economy.
BLOCKCHAIN	Blockchain is an innovative technology that allows digital transactions and information to be securely and transparently recorded, shared and verified. It is a distributed and decentralized registry that serves as a public ledger, accessible to all participants in the network.
NOTARIZATION	Notarization is a legal process that lends authenticity and validity to a document or transaction.
KPIs	KPIs are key performance measures that are used to assess the progress and success of an organization, project, or activity toward set goals. KPIs are specific, quantifiable metrics offering an objective representation of performance and results. KPIs are chosen based on the organization’s goals and priorities and may vary by industry and context.
DISCLOSURE	Disclosure is a term that refers to the disclosure of relevant and significant information about a company, organization, or individual. Its aim is to ensure transparency and share data and information beneficial for informed decision-making by both internal and external stakeholders.
GWP (GLOBAL WARMING POTENTIAL)	GWP (Global Warming Potential) is a measure used to assess the contribution of a greenhouse gas to global warming over a given period of time, usually 100 years. GWP is a comparative indicator that measures the effect of a greenhouse gas against that of carbon dioxide (CO ₂), which is used as a reference with a GWP of 1.
F-GAS	F-gas is a term that refers to fluorinated greenhouse gases, also known as fluorinated gases or fluorocarbon gases. These gases are used in various industrial, commercial and domestic applications as refrigerants, blowing agents in the production of insulating foams, aerosol propellants, heat transfer fluids and in other chemical processes.
MARKET-BASED	In the area of environmental and carbon policies, it points to approaches based on market mechanisms.
DATA-BASED	It indicates approaches, decisions, or analyses that are based on the use and interpretation of accurate and reliable data. The “data-based” approach involves using information and empirical evidence to make informed, data-driven decisions.
SPEND-BASED	Data obtained on estimated amounts spent
HAZARDOUS CHEMICALS	These are compounds that, owing to their inherent properties, may pose a significant risk to human health, the environment or safety.
DUE DILIGENCE	“Due diligence” is a process of carefully evaluating, researching, and analyzing relevant information, data, and documents regarding an individual, company, or operation.

Statement of use

Pattern Group's Non-Financial Statement is reported in accordance with GRI Standards for the period from 1 January 2023 to 31 December 2023

Used GRI 1

GRI 1 - Foundation 2021

GRI STANDARDS	GRI DISCLOSURES AND REQUIREMENTS	ESRS DISCLOSURE REQUIREMENTS	NOTES	EXPLANATION	P.
GRI 2 : General Disclosures 2021	2-1 Organizational details	See requirements of Directive 2013/34/EU			7 11-12
	2-2 Entities included in the organization's sustainability reporting	ESRS 1 § 5.1; ESRS 2 BP-1 § 5 (a) and (b) i			7 11-12 53
	2-3 Reporting period, frequency and contact point (2-3-a and 2-3-b)	ESRS 1 § 7.3			7 46-47 51 66-67 91 107 113
	2-4 Restatements of information	ESRS 2 BP-2 § 13, § 14 (a) to (b)			124
	2-5 External assurance	See external assurance requirements of Directive (EU) 2022/2464			7 34
	2-6 Activities, value chain and other business relationships	ESRS 2 SBM-1 § 40 (a) i to (a) ii, (b) to (c), § 42 (c)			106-107 108-111
	2-7 Employees	ESRS 2 SBM-1 § 40 (a) iii; ESRS S1 S1-6 § 50 (a) to (b) and (d) to (e), § 51 to § 52			86 - 105
	2-8 Workers who are not employees	ESRS S1 S1-7 § 55 to § 56	(3)	GRI 2-8 covers workers who are not employees and whose work is controlled by the organization. ESRS S1-7 covers non-employee workers: people with contracts with the undertaking to supply labour ("self-employed people") or people provided by undertakings primarily engaged in "employment activities" (NACE Code N78).	95-99
	2-9 Governance structure and composition (2-9-a [for public-interest entities only], 2- 9-b, 2-9-c-i, c-ii, c-v to c-viii)	ESRS 2 GOV-1 § 21, § 22 (a), § 23; ESRS G1 § 5 (b) See also corporate governance statement requirements of Directive 2013/34/EU for public- interest entities			124
	2-10 Nomination and selection of the highest governance body	This topic is not covered by the list of sustainability matters in ESRS 1 AR § 16.			123
	2-11 Chair of the highest governance body	This topic is not covered by the list of sustainability matters in ESRS 1 AR § 16.			6
	2-12 Role of the highest governance body in overseeing the management of impacts	ESRS 2 GOV-1 § 22 (c); GOV-2 § 26 (a) to (b); SBM-2 § 45 (d); ESRS G1 § 5 (a)			123
	2-13 Delegation of responsibility for managing impacts	ESRS 2 GOV-1 § 22 (c) i; GOV-2 § 26 (a); ESRS G1 G1-3 § 18 (c)			119-121 119
	2-14 Role of the highest governance body in sustainability reporting	ESRS 2 GOV-5 § 36; IRO-1 § 53 (d)			120
	2-15 Conflicts of interest	This topic is not covered by the list of sustainability matters in ESRS 1 AR § 16.			124
	2-16 Communication of critical concerns	ESRS 2 GOV-2 § 26 (a); ESRS G1 G1-1 AR 1 (a); G1-3 § 18 (c)			116-117
	2-17 Collective knowledge of the highest governance body	ESRS 2 GOV-1 § 23			120-123
	2-18 Evaluation of the performance of the highest governance body	This topic is not covered by the list of sustainability matters in ESRS 1 AR § 16.			x
	2-19 Remuneration policies (2-19-a [for listed undertakings only] and 2-19-b)	ESRS 2 GOV-3 § 29 (a) to (c); ESRS E1 § 13 See also remuneration report requirements of Directive (EU) 2017/828 for listed undertakings			101-102 89

GRI STANDARDS	GRI DISCLOSURES AND REQUIREMENTS	ESRS DISCLOSURE REQUIREMENTS	NOTES	EXPLANATION	P.
	2-20 Process to determine remuneration [for listed undertakings only]	ESRS 2 GOV-3 §29 (e) See also remuneration report requirements of Directive (EU) 2017/828 for listed undertakings			101-102
	2-21 Annual total compensation ratio (2-21-a and 2-21-c)	ESRS S1 S1-16 §97 (b) to (c)			101
	2-22 Statement on sustainable development strategy	ESRS 2 SBM-1 §40 (g)			68-80
	2-23 Policy commitments (2-23-a-i and a-iv; 2-23-b, 2-23-d, 2-23-e, 2-23-f)	ESRS 2 GOV-4; MDR-P §65 (b) to (c) and (f); ESRS S1 S1-1 §19 to §21, and §AR 14; ESRS S2 S2-1 §16 to §17, §19, and §AR 16; ESRS S3 S3-1 §14, §16 to §17 and §AR 11; ESRS S4 S4-1 §15 to §17, and §AR 13; ESRS G1 G1-1 §7 and §AR 1 (b)			119-121
	2-24 Embedding policy commitments	ESRS 2 GOV-2 §26 (b); MDR-P §65 (c); ESRS S1 S1-4 §AR 35; ESRS S2 S2-4 §AR 30; ESRS S3 S3-4 §AR 27; ESRS S4 S4-4 §AR 27; ESRS G1 G1-1 §9 and §10 (g)			123
	2-25 Processes to remediate negative impacts	ESRS S1 S1-1 §20 (c); S1-3 §32 (a), (b) and (e), §AR 31; ESRS S2 S2-1 §17 (c); S2-3 §27 (a), (b) and (e), §AR 26; S2-4 §33 (c); ESRS S3 S3-1 §16 (c); S3-3 §27 (a), (b) and (e), §AR 23; S3-4 §33 (c); ESRS S4 S4-1 §16 (c); S4-3 §25 (a), (b) and (e), §AR 23; S4-4 §32 (c)			68-69-70
	2-26 Mechanisms for seeking advice and raising concerns	ESRS S1 S1-3 §AR 32 (d); ESRS S2 S2-3 §AR 27 (d); ESRS S3 S3-3 §AR 24 (d); ESRS S4 S4-3 §AR 24 (d); ESRS G1 G1-1 §10 (a); G1-3 §18 (a)			87 89
	2-27 Compliance with laws and regulations	ESRS 2 SMB-3 §48 (d); ESRS E2 E2-4 §AR 25 (b); ESRS S1 S1-17 §103 (c) to (d) and §104 (b); ESRS G1 G1-4 §24 (a)	(1a)	GRI 2-27 covers all significant non-compliance with laws and regulations, and breakdowns by types of incidents of non-compliance. ESRS requirements cover information on current financial effects, non-compliance with regards to pollution, anti-corruption and anti-bribery, and severe human rights incidents, in a number of topical standards.	7
	2-28 Membership associations	*Political engagement* is a sustainability matter for G1 covered by ESRS 1 §AR 16. Hence this GRI disclosure is covered by MDR-P, MDR-A, MDR-T, and/or as an entity-specific metric to be disclosed according to ESRS 1 §11 and pursuant to MDR-M.	(2b)		84; 94
	2-29 Approach to stakeholder engagement	ESRS 2 SMB-2 §45 (a) i to (a) iv; ESRS S1 S1-1 §20 (b); S1-2 §25, §27 (e) and §28; ESRS S2 S2-1 §17 (b); S2-2 §20, §22 (e) and §23; ESRS S3 S3-1 §16 (b); S3-2 §19, §21 (d) and §22; ESRS S4 S4-1 §16 (b); S4-2 §18, §20 (d) and §21			32-37
	2-30 Collective bargaining agreements	ESRS S1 S1-8 §60 (a) and §61			101
GRI 3 : Material Topics 2021	3-1 Process to determine material topics	ESRS 2 BP-1 §AR 1 (a); IRO-1 §53 (b) ii to (b) iv			34-35
	3-2 List of material topics	ESRS 2 SBM-3 §48 (a) and (g)			36
	3-3 Management of material topics	ESRS 2 SBM-1§ 40 (e); SBM-3 §48 (c) i and (c) iv; MDR-P, MDR-A, MDR-M, and MDR-T; ESRS S1 S1-2 §27; S1-4 §39 and AR 40 (a); S1-5 §47 (b) to (c); ESRS S2 S2-2 §22; S2-4 §33, §AR 33 and §AR 36 (a); S2-5 §42 (b) to (c); ESRS S3 S3-2 §21; S3-4 §33, §AR 31, §AR 34 (a); S3-5 §42 (b) to (c); ESRS S4 S4-2 §20, S4-4 §31, §AR 30, and §AR 33 (a); S4-5 §41 (b) to (c) See below for additional linkages to specific topics.			40-41
GRI 201 : Economic Performance 2016	201-1 Direct economic value generated and distributed	This topic is not covered by the list of sustainability matters in ESRS 1 AR §16.			28-29
	201-2 Financial implications and other risks and opportunities due to climate change	ESRS 2 SBM-3 §48 (a), and (d) to (e); ESRS E1 §18; E1-3 §26; E1-9 §64			34 48 50 79 81 116
	201-3 Defined benefit plan obligations and other retirement plans	This topic is not covered by the list of sustainability matters in ESRS 1 AR §16.			112-114
	201-4 Financial assistance received from government	This topic is not covered by the list of sustainability matters in ESRS 1 AR §16.			x

GRI STANDARDS	GRI DISCLOSURES AND REQUIREMENTS	ESRS DISCLOSURE REQUIREMENTS	NOTES	EXPLANATION	P.
GRI 202 : Market Presence 2016	202-1 Ratios of standard entry level wage by gender compared to local minimum wage	ESRS S1 S1-10 §67-71 and §AR 72 to 73	(2b)	GRI 202-1 requires information on the ratio of the entry level wage by gender at significant locations of operation to the minimum wage. ESRS S1-10 requires information on whether all its employees are paid an adequate wage, in line with European Union regulation and applicable benchmarks.	84 101 89
	202-2 Proportion of senior management hired from the local community	'Communities' economic, social and cultural rights' is a sustainability matter for S3 covered by ESRS 1 §AR 16. Hence this GRI disclosure is covered by MDR-P, MDR-A, MDR-T, and/or as an entity- specific metric to be disclosed according to ESRS 1 §11 and pursuant to MDR-M.	(2b)		x
GRI 203 : Indirect Economic Impacts 2016	203-1 Infrastructure investments and services supported	'Communities' economic, social and cultural rights' is a sustainability matter for S3 covered by ESRS 1 §AR 16. Hence this GRI disclosure is covered by MDR-P, MDR-A, MDR-T, and/or as an entity- specific metric to be disclosed according to ESRS 1 §11 and pursuant to MDR-M.	(2b)		30
	203-2 Significant indirect economic impacts	ESRS S1 S1-4 §AR 41; ESRS S2 S2-4 §AR 37; ESRS S3 S3-4 §AR 36			34
GRI 204 : Procurement Practic- es 2016	3-3 Management of material topics	ESRS G1 G1-2 §12			40-41
	204-1 Proportion of spending on local suppliers	'Communities' economic, social and cultural rights' is a sustainability matter for S3 covered by ESRS 1 §AR 16. Hence this GRI disclosure is covered by MDR-P, MDR-A, MDR-T, and/or as an entity- specific metric to be disclosed according to ESRS 1 §11 and pursuant to MDR-M.	(2b)		111
GRI 205 : Anti- corruption 2016	3-3 Management of material topics	ESRS G1 G1-1 §7; G1-3 §16 and §18 (a) and §24 (b)			40-41
	205-1 Operations assessed for risks related to corruption	ESRS G1 G1-3 §AR 5	(1b)	GRI 205-1 requires quantitative data on the extent of the risk assessment. ESRS G1-3 §AR 5 is a narrative disclosure.	34 124
	205-2 Communication and training about anti-corruption policies and procedures	ESRS G1 G1-3 §20, §21 (b) and (c) and §AR 7 and 8	(1b)	See GRI 205-1.	124
	205-3 Confirmed incidents of corruption and actions taken	ESRS G1 G1-4 §25			x
GRI 206 : Anti- competitive Behavior 2016	206-1 Legal actions for anti- competitive behavior, anti-trust, and monopoly practices	This topic is not covered by the list of sustainability matters in ESRS 1 AR §16.			x
GRI 207 : Tax 2019	207-1 Approach to tax	This topic is not covered by the list of sustainability matters in ESRS 1 AR §16.			x
	207-2 Tax governance, control, and risk management	This topic is not covered by the list of sustainability matters in ESRS 1 AR §16.			x
	207-3 Stakeholder engagement and management of concerns related to tax	This topic is not covered by the list of sustainability matters in ESRS 1 AR §16.			x
	207-4 Country-by-country reporting	This topic is not covered by the list of sustainability matters in ESRS 1 AR §16.			x
GRI 301 : Materials 2016	3-3 Management of material topics	ESRS E5 E5-1 §12; E5-2 §17; E5- 3 §21			x
	301-1 Materials used by weight or volume	ESRS E5 E5-4 §31 (a)	(1a)	GRI 301-1 requires a breakdown by non- renewable and renewable materials used.	x
	301-2 Recycled input materials used	ESRS E5 E5-4 §31 (c)			74-75
	301-3 Reclaimed products and their packaging materials	'Resource outflows related to products and services' and 'Waste' are sustainability matters for E5 covered by ESRS 1 §AR 16. Hence this GRI disclosure is covered by MDR-P, MDR-A, MDR-T, and/or as an entity- specific metric to be disclosed according to ESRS 1 §11 and pursuant to MDR-M.	(2b)		72-73

GRI STANDARDS	GRI DISCLOSURES AND REQUIREMENTS	ESRS DISCLOSURE REQUIREMENTS	NOTES	EXPLANATION	P.
GRI 302 : Energy 2016	3-3 Management of material topics	ESRS E1 E1-2 §25 (c) to (d); E1-3 §26; E1-4 §33			40-41
	302-1 Energy consumption within the organization (302-1-a, b, c, e and g)	ESRS E1 E1-5 §37; §38; §AR 32 (a), (c), (e) and (f)	(2b)	Differences exist between the two in how energy consumption data is aggregated and disaggregated.	46-47 58-59-60-61 66-68 71
	302-2 Energy consumption outside of the organization	'Energy' is a sustainability matter for E1 covered by ESRS 1 §AR 16. Hence this GRI disclosure is covered by MDR-P, MDR-A, MDR-T, and/or as an entity-specific metric to be disclosed according to ESRS 1 §11 and pursuant to MDR-M.	(2b)		62-63
	302-3 Energy intensity	ESRS E1 E1-5 §40 to §42			68-69-70
	302-4 Reduction of energy consumption	'Energy' is a sustainability matter for E1 covered by ESRS 1 §AR 16. Hence this GRI disclosure is covered by MDR-P, MDR-A, MDR-T, and/or as an entity-specific metric to be disclosed according to ESRS 1 §11 and pursuant to MDR-M.	(2a)		46-47 68-69-70
	302-5 Reductions in energy requirements of products and services	'Energy' is a sustainability matter for E1 covered by ESRS 1 §AR 16. Hence this GRI disclosure is covered by MDR-P, MDR-A, MDR-T, and/or as an entity-specific metric to be disclosed according to ESRS 1 §11 and pursuant to MDR-M.	(2a)		70
GRI 303 : Water and Effluents 2018	3-3 Management of material topics	ESRS E2 §AR 9 (b); E2-1 §12; E2-2 §16 and §19; E2-3 §20; ESRS E3 E3-1 §9; E3-2 §15, §17 to §18; E3-3 §20			40-41
	303-1 Interactions with water as a shared resource	ESRS 2 SBM-3 §48 (a); MDR-T §80 (f); ESRS E3 §8 (a); §AR 15 (a); E3-2 §15, §AR 20			81
	303-2 Management of water discharge-related impacts (303-2-iv)	ESRS E2 E2-3 §24	(2b)	GRI 303-2 refers to minimum standards in water quality discharges. ESRS E2-3 refers to the consideration of ecological thresholds in setting pollution targets.	50-51
	303-3 Water withdrawal	'Water withdrawals' is a sustainability matter for E3 covered by ESRS 1 §AR 16. Hence this GRI disclosure is covered by MDR-P, MDR-A, MDR-T, and/or as an entity-specific metric to be disclosed according to ESRS 1 §11 and pursuant to MDR-M.	(2b)		x
	303-4 Water discharge	'Water discharges' is a sustainability matter for E3 covered by ESRS 1 §AR 16. Hence this GRI disclosure is covered by MDR-P, MDR-A, MDR-T, and/or as an entity-specific metric to be disclosed according to ESRS 1 §11 and pursuant to MDR-M.	(2b)		x
	303-5 Water consumption	ESRS E3 E3-4 §28 (a), (b), (d) and (e)			x
GRI 304 : Biodiversity 2016	3-3 Management of material topics	ESRS E4 E4-1 §AR 1 (b) and (d); E4-2 §20 and §22; E4-3 §25 and §28 (a); E4-4 §29			120
	304-1 Operational sites owned, leased, managed in, or adjacent to, protected areas and areas of high biodiversity value outside protected areas (304-1-a-iv and v)	ESRS E4 §16 (a) i; §19 (a); E4-5 §35	(1a)	GRI 304-1-a-v requires reporting the size for each operational site. ESRS E4-5 requires an aggregated figure for all sites.	x
	304-2 Significant impacts of activities, products and services on biodiversity (304-2-a-i, ii, iii, iv, v and vi; 304-2-b)	ESRS E4 E4-5 §35, §38, §39, §40 (a) and (c)			x
	304-3 Habitats protected or restored (304-3-a and b)	ESRS E4 E4-3 §28 (b) and §AR 20 (e); E4-4 §AR 26 (a)			x
	304-4 IUCN Red List species and national conservation list species with habitats in areas affected by operations	ESRS E4 E4-5 §40 (d) i	(1b)	GRI 304-4 requires quantitative data on the number of species affected by each level of extinction risk. ESRS E4-5 §40 (d) i is a narrative disclosure.	x

GRI STANDARDS	GRI DISCLOSURES AND REQUIREMENTS	ESRS DISCLOSURE REQUIREMENTS	NOTES	EXPLANATION	P.
GRI 305 : Emissions 2016	3-3 Management of material topics and GRI 305 1.2	ESRS E1 E1-2 §22; E1-3 §26; E1-4 §33 and §34 (b); E1-7 §56 (b) and §61 (c); ESRS E2 §AR 9 (b); E2-1 §12; E2-2 §16 and §19; E2-3 §20	(2a)	GRI 305 requirement 1.2 requires reporting the type and scheme of which offsets are part.	40-41
	305-1 Direct (Scope 1) GHG emissions	ESRS E1 E1-4 §34 (c); E1-6 §44 (a); §46; §50; §AR 25 (b) and (c); §AR 39 (a) to (d); §AR 40; §AR §43 (c) to (d)			46-47 56-61 66-70
	305-2 Energy indirect (Scope 2) GHG emissions	ESRS E1 E1-4 §34 (c); E1-6 §44 (b); §46; §49; §50; §AR 25 (b) and (c); §AR 39 (a) to (d); §AR 40; §AR 45 (a), (c), (d), and (f)			46-47 58-62 66-71
	305-3 Other indirect (Scope 3) GHG emissions	ESRS E1 E1-4 §34 (c); E1-6 §44 (c); §51; §AR 25 (b) and (c); §AR 39 (a) to (d); §AR 46 (a) (i) to (k)			58-59 61 64-65 67-70
	305-4 GHG emissions intensity	ESRS E1 E1-6 §53; §54; §AR 39 (c); §AR 53 (a)	(1a)	GRI 305-4 requires reporting the intensity ratio for Scope 3 GHG emissions separately from Scope 1 and Scope 2. ESRS requires reporting the intensity ratio for the total GHG emissions.	60 68-70
	305-5 Reduction of GHG emissions (305-5-a, c and 2.9.5)	ESRS E1 E1-3 §29 (b); E1-4 §34 (c); §AR 25 (b) and (c); E1-7 §56			46 68
	305-6 Emissions of ozone-depleting substances (ODS)	"Pollution of air" is a sustainability matter for E2 covered by ESRS 1 §AR 16. Hence this GRI disclosure is covered by MDR-P, MDR-A, MDR-T, and/or as an entity-specific metric to be disclosed according to ESRS 1 §11 and pursuant to MDR-M.	(2b)		x
305-7 Nitrogen oxides (NOx), sulfur oxides (SOx), and other significant air emissions	ESRS E2 E2-4 §28 (a); §30 (b) and (c); §31; §AR 21; §AR 26			x	
GRI 306 : Waste 2020	3-3 Management of material topics	ESRS E5 §AR 7 (a); E5-1 §12; E5-2 §17; E5-3 §21			40-41 72-78
	306-1 Waste generation and significant waste-related impacts	ESRS 2 SBM-3 §48 (a), (c) ii and iv; ESRS E5 E5-4 §30			64-65
	306-2 Management of significant waste-related impacts (306-2-a and c)	ESRS E5 E5-2 §17 and §20 (e) and (f); E5-5 §40 and §AR 33 (c)			70
	306-3 Waste generated	ESRS E5 E5-5 §37 (a), §38 to §40	(1b)	GRI 306-3 requires quantitative data (i.e., a breakdown of the composition of the waste in metric tons). ESRS E5-5 §38 requires a narrative disclosure.	64-65
	306-4 Waste diverted from disposal (306-4-a, b, c, e)	ESRS E5 E5-5 §37 (b), §38 and §40	(1b)	See GRI 306-3.	x
	306-5 Waste directed to disposal (306-5-a, b, c, e)	ESRS E5 E5-5 §37 (c), §38 and §40	(1a) (1b)	GRI 306-4 requires a breakdown between incineration with energy recovery and incineration without energy recovery. See also GRI 306-3.	x
GRI 306 : Effluents and Waste 2016	306-3 Significant spills	"Pollution of air", "Pollution of water", and "Pollution of soil" are sustainability matters for E2 covered by ESRS 1 §AR 16. Hence this GRI disclosure is covered by MDR-P, MDR-A, MDR-T, and/or as an entity-specific metric to be disclosed according to ESRS 1 §11 and pursuant to MDR-M.	(2b)		x x
GRI 308 : Supplier Environmental Assessment 2016	3-3 Management of material topics	ESRS G1 G1-2 §12 and §15 (a)			40-41
	308-1 New suppliers that were screened using environmental criteria	ESRS G1 G1-2 §15 (b)	(1b)	GRI 308-1 requires quantitative data on the extent of new suppliers screened based on environmental criteria. ESRS G1-2 requires a narrative disclosure.	x
	308-2 Negative environmental impacts in the supply chain and actions taken (308-2-c)	ESRS 2 SBM-3 §48 (c) i and iv			x

GRI STANDARDS	GRI DISCLOSURES AND REQUIREMENTS	ESRS DISCLOSURE REQUIREMENTS	NOTES	EXPLANATION	P.
GRI 401 : Employment 2016	3-3 Management of material topics	ESRS S1 S1-1 §17; §20 (c); S1-2 §27; S1-4 §38; §39; §AR 40 (a); S1-5 §44; §47 (b) and (c); ESRS S2 §11 (c); S2-1 §14; §17 (c); S2- 2 §22; S2-4 §32; §33 (a) and (b); §36; §AR 33; §AR 36 (a); S2-5 §39, §42 (b) and (c)			40-41
	401-1 New employee hires and employee turnover (401-1-b)	ESRS S1 S1-6 §50 (c)	(1a)	GRI 401-1-b requires breakdowns by age group, gender, and region.	90-91 103-105
	401-2 Benefits provided to full-time employees that are not provided to temporary or part-time employees (401-2-a-ii, a-iii, a-iv, a-v and b)	ESRS S1 S1-11 §74; §75; §AR 75			da ccnl
	401-3 Parental leave (401-3-a and b)	ESRS S1 S1-15 §93	(1a)	GRI 401-3 covers parental leave. ESRS S1-15 covers family-related leave. Parental leave is one of the types of family-related leave. GRI 401-3-a requires a breakdown by gender for the parental leave.	86-87 92 94 100
GRI 402 : Labor/Management Relations 2016	3-3 Management of material topics	ESRS S1 S1-1 §17; §20 (c); S1-2 §27; S1-4 §38; §39; §AR 40 (a); S1-5 §44; §47 (b) and (c); ESRS S2 §11 (c); S2-1 §14; §17 (c); S2- 2 §22; S2-4 §32; §33 (a) and (b); §36; §AR 33; §AR 36 (a); S2-5 §39, §42 (b) and (c)			82-85
	402-1 Minimum notice periods regarding operational changes	'Social dialogue' and 'Collective bargaining' are sustainability matters for S1 covered by ESRS 1 §AR 16. Hence this GRI disclosure is covered by MDR-P, MDR-A, MDR-T, and/or as an entity-specific metric to be disclosed according to ESRS 1 §11 and pursuant to MDR-M.	(2b)		82-85 94 da ccnl
GRI 403 : Occupational Health and Safety 2018	3-3 Management of material topics	ESRS S1 S1-1 §17; §20 (c); S1-2 §27; S1-4 §38; §39; §AR 40 (a); S1-5 §44; §47 (b) and (c); ESRS S2 §11 (c); S2-1 §14; §17 (c); S2- 2 §22; S2-4 §32; §33 (a) and (b); §36; §AR 33; §AR 36 (a); S2-5 §39, §42 (b) and (c)			120
	403-1 Occupational health and safety management system (403-1-a)	ESRS S1 S1-1 §23	(1a)	GRI 403-1-a requires reporting the legal requirements and management system standards on which the system is based. This information is not required in ESRS as this is regulated within the European Union.	92 119-120 123
	403-2 Hazard identification, risk assessment, and incident investigation (403-2-b)	ESRS S1 S1-3 §32 (b) and §33			86 93
	403-3 Occupational health services	'Health and safety' and 'Training and skills development' are sustainability matters for S1 covered by ESRS 1 §AR 16.	(2b)		92 da ccnl
	403-4 Worker participation, consultation, and communication on occupational health and safety	Hence this GRI disclosure is covered by MDR-P, MDR-A, MDR-T, and/or as an entity-specific metric to be disclosed according to ESRS 1 §11 and pursuant to MDR-M.			92 da ccnl
	403-5 Worker training on occupational health and safety				92 D. Lgs. 81/2008
	403-6 Promotion of worker health	'Social protection' is a sustainability matter for S1 covered by ESRS 1 §AR 16. Hence this GRI disclosure is covered by MDR-P, MDR-A, MDR-T, and/or as an entity-specific metric to be disclosed according to ESRS 1 §11 and pursuant to MDR-M.	(2b)		D. Lgs. 81/2008
	403-7 Prevention and mitigation of occupational health and safety impacts directly linked by business relationships	ESRS S2 S2-4 §32 (a)			D. Lgs. 81/2008
	403-8 Workers covered by an occupational health and safety management system (403-8-a and b)	ESRS S1 S1-14 §88 (a); §90	(2c)		119-120
	403-9 Work-related injuries (403-9-a-i, a-iii, b-i, b-iii, c-iii, d, e)	ESRS S1 S1-4, §38 (a); S1-14 §88 (b) and (c); §AR 82	(1a) (2c)	GRI 403-9-c-iii and d require reporting on the use of the hierarchy of controls.	86 93
403-10 Work-related ill health (403-10-a-i, a-ii, b-i, b-ii, c-iii)	ESRS S1 S1-4, §38 (a); S1-14 §88 (b) and (d); §89; §AR 82	(1a) (2c)	See GRI 403-9.	86 93	

GRI STANDARDS	GRI DISCLOSURES AND REQUIREMENTS	ESRS DISCLOSURE REQUIREMENTS	NOTES	EXPLANATION	P.
GRI 404 : Training and Education 2016	3-3 Management of material topics	ESRS S1 S1-1 §17; §20 (c); S1-2 §27; S1-4 §38; §39; §AR 40 (a); S1-5 §44; §47 (b) and (c); ESRS S2 §11 (c); S2-1 §14; §17 (c); S2- 2 §22; S2-4 §32; §33 (a) and (b); §36; §AR 33; §AR 36 (a); S2-5 §39, §42 (b) and (c)			112-114
	404-1 Average hours of training per year per employee	ESRS S1 S1-13 §83 (b) and §84			114
	404-2 Programs for upgrading employee skills and transition assistance programs (404-2-a)	ESRS S1 S1-1 §AR 17 (h)			88 112-113
	404-3 Percentage of employees receiving regular performance and career development reviews	ESRS S1 S1-13 §83 (a) and §84			88
GRI 405 : Diversity and Equal Opportunity 2016	3-3 Management of material topics	ESRS S1 S1-1 §17; §20 (c); S1-2 §27; S1-4 §38; §39; §AR 40 (a); S1-5 §44; §47 (b) and (c); ESRS S2 §11 (c); S2-1 §14; §17 (c); S2- 2 §22; S2-4 §32; §33 (a) and (b); §36; §AR 33; §AR 36 (a); S2-5 §39, §42 (b) and (c)			40-41 94 102
	3-3 Management of material topics	ESRS S1 §24 (a)			
	405-1 Diversity of governance bodies and employees (405-1-a-i and iii, 405-1-b)	ESRS 2 GOV-1 §21 (d); ESRS S1 S1-6 §50 (a); S1-9 §66 (a) to (b); S1-12 §79	(1a)	GRI 405-1-b requires breakdowns by employee category.	97-99
	405-2 Ratio of basic salary and remuneration of women to men	ESRS S1 S1-16 §97 and §98			101-102
GRI 406 : Non-discrimination 2016	3-3 Management of material topics	ESRS S1 S1-1 §17; §20 (c); §24 (a) and (d); S1-2 §27; S1-4 §38; §39; §AR 40 (a); S1-5 §44; §47 (b) and (c); ESRS S2 §11 (c); S2- 1 §14; §17 (c); S2-2 §22; S2-4 §32; §33 (a) and (b); §36; §AR 33; §AR 36 (a); S2-5 §39, §42 (b) and (c); ESRS S4 §10 (b); S4-1 §13; §16 (c); S4-2 §20; S4-4 §31; §32 (a) and (b); §35; §AR 30; §AR 33 (a); S4-5 §38; §41 (b) and (c)			40-41
	406-1 Incidents of discrimination and corrective actions taken	ESRS S1 S1-17 §97, §103 (a), §AR 103			x
GRI 407 : Freedom of Associ- ation and Collective Bargaining 2016	3-3 Management of material topics	ESRS S1 S1-1 §17; §20 (c); S1-2 §27; S1-4 §38; §39; §AR 40 (a); S1-5 §44; §47 (b) and (c); ESRS S2 §11 (c); S2-1 §14; §17 (c); S2- 2 §22; S2-4 §32; §33 (a) and (b); §36; §AR 33; §AR 36 (a); S2-5 §39, §42 (b) and (c)			84 121
	407-1 Operations and suppliers in which the right to freedom of association and collective bargaining may be at risk	‘Freedom of association’ and ‘Collective bargaining’ are sustainability matters for S1 and S2 covered by ESRS 1 §AR 16. Hence this GRI disclosure is covered by MDR-P, MDR-A, MDR-T, and/or as an entity- specific metric to be disclosed according to ESRS 1 §11 and pursuant to MDR-M.	(2b)		106-107
	3-3 Management of material topics	ESRS S1 S1-1 §17; §20 (c); §22; S1-2 §27; S1-4 §38; §39; §AR 40 (a); S1-5 §44; §47 (b) and (c); ESRS S2 §11 (c); S2-1 §14; §17 (c); §18; S2-2 §22; S2-4 §32; §33 (a) and (b); §36; §AR 33; §AR 36 (a); S2-5 §39, §42 (b) and (c)			82-84 90 121
GRI 408 : Child Labor 2016	408-1 Operations and suppliers at significant risk for incidents of child labor (408-1-a-i, b, c)	ESRS S1 §14 (g); S1-1 §22 ESRS S2 §11 (b); S2-1 §18	(2a)	GRI 408-1-b-i requires reporting the types of suppliers at risk.	106-107
	3-3 Management of material topics	ESRS S1 S1-1 §17; §20 (c); §22; S1-2 §27; S1-4 §38; §39; §AR 40 (a); S1-5 §44; §47 (b) and (c); ESRS S2 §11 (c); S2-1 §14; §17 (c); §18; S2-2 §22; S2-4 §32; §33 (a) and (b); §36; §AR 33; §AR 36 (a); S2-5 §39, §42 (b) and (c)			82-84 92
GRI 409 : Forced or Compulsory Labor 2016	409-1 Operations and suppliers at significant risk for incidents of forced or compulsory labor	ESRS S1 §14 (f); S1-1 §22 ESRS S2 §11 (b); S2-1 §18	(2a)	See GRI 408-1.	106-107
	3-3 Management of material topics	ESRS S3 §9 (b); S3-1 §12, and §16 (c); S3-2 §21; S3-4 §32 (a) to (d), §33 (a) and (b), §35, 36; §AR 31, §AR 34 (a); S3-5 §39, §43			82-84
GRI 410 : Security Practices 2016	410-1 Security personnel trained in human rights policies or procedures	‘Security-related impacts’ is a sustainability matter covered for S3 covered by ESRS 1 §AR 16. Hence this GRI disclosure is covered by MDR-P, MDR-A, MDR-T, and/or as an entity- specific metric to be disclosed according to ESRS 1 §11 and pursuant to MDR-M.	(2b)		92-93

GRI STANDARDS	GRI DISCLOSURES AND REQUIREMENTS	ESRS DISCLOSURE REQUIREMENTS	NOTES	EXPLANATION	P.
GRI 411 : Rights of Indigenous Peoples 2016	3-3 Management of material topics	ESRS S3 §9 (b); S3-1 §12, §15 and §16 (c); S3-2 §21; S3-4 §32 (a) to (d), §33 (a) and (b), §35, 36; §AR 31, §AR 34 (a); S3-5 §39, §43			x
	411-1 Incidents of violations involving rights of indigenous peoples	ESRS S3 S3-1 §16 (c), AR 12; S3-4 §30, §32 (b), §33 (b), §36	(1b)	GRI 411-1 requires quantitative data on the number of incidents. ESRS S3 requires narrative disclosures.	x
GRI 413 : Local Communities 2016	3-3 Management of material topics	ESRS S3 §9 (b); S3-1 §12, and §16 (c); S3-2 §21; S3-4 §32 (a) to (d), §33 (a) and (b), §35, 36; §AR 31, §AR 34 (a); S3-5 §39, §43			40-41
	413-1 Operations with local community engagement, impact assessments, and development programs	ESRS S3 S3-2 §19; S3-3 §25; S3- 4 §AR 34 (c)	(1b)	GRI 413-1 requires quantitative data on operations with implemented local community engagement, impact assessments, and/or development programs. ESRS S3 includes narrative disclosures.	72-73 108-109
	413-2 Operations with significant actual and potential negative impacts on local communities (413-2-a-ii)	ESRS 2 SBM-3 48 (c); ESRS S3 §9 (a) i and (b)			72-73 108-110
GRI 414 : Supplier Social Assessment 2016	3-3 Management of material topics	ESRS G1 G1-2 §12 and §15 (a)			40-41 49 70
	414-1 New suppliers that were screened using social criteria	ESRS G1 G1-2 §15 (b)	(1b)	GRI 414-1 requires quantitative data on the extent of new suppliers screened based on social criteria. ESRS G1-2 requires a narrative disclosure.	106-107
	414-2 Negative social impacts in the supply chain and actions taken (414-2-c)	ESRS 2 SBM-3 §48 (c) i and iv			106-107
GRI 415 : Public Policy 2016	3-3 Management of material topics	ESRS G1 G1-5 §27			x
	415-1 Political contributions	ESRS G1 G1-5 §29 (b)			x
GRI 416 : Customer Health and Safety 2016	3-3 Management of material topics	ESRS S4 §10 (b); S4-1 §13, §16 (c); S4-2 §20; S4-4 §31; §32 (a) and (b), §35, §AR 30, §AR 33 (a); S4-5 §38, §41 (b) and (c)			40-41
	416-1 Assessment of the health and safety impacts of product and service categories	'Personal safety of consumers and end-users' is a sustainability matter for S4 covered by ESRS 1 §AR 16. Hence this GRI disclosure is covered by MDR-P, MDR-A, MDR-T, and/or as an entity-specific metric to be disclosed according to ESRS 1 §11 and pursuant to MDR-M.	(2b)		81
	416-2 Incidents of non-compliance concerning the health and safety impacts of products and services	ESRS S4 S4-4 §35	(1b)	GRI 416-2 requires quantitative data on the number of incidents and breakdowns by types of incidents of non-compliance. ESRS S4-4 requires a narrative disclosure.	81 119 121
GRI 417 : Marketing and Labeling 2016	3-3 Management of material topics	ESRS S4 §10 (b); S4-1 §13, §16 (c); S4-2 §20; S4-4 §31; §32 (a) and (b), §35, §AR 30, §AR 33 (a); S4-5 §38, §41 (b) and (c)			x
	417-1 Requirements for product and service information and labeling	'Information-related impacts for consumers and end-users' is a sustainability matter for S4 covered by ESRS 1 §AR 16. Hence this GRI disclosure is covered by MDR-P, MDR-A, MDR-T, and/or as an entity-specific metric to be disclosed according to ESRS 1 §11 and pursuant to MDR-M.	(2b)		x
					x
	417-2 Incidents of non-compliance concerning product and service information and labeling	ESRS S4 S4-4 §35	(1b)	GRI 417-2 requires quantitative data on the number of incidents and breakdowns by types of incidents of non-compliance. ESRS S4-4 requires a narrative disclosure.	x
	417-3 Incidents of non-compliance concerning marketing communications	ESRS S4 S4-4 §35	(1b)	See GRI 417-2.	x
GRI 418 : Customer Privacy 2016	3-3 Management of material topics	ESRS S4 §10 (b); S4-1 §13 and §16 (c); S4-2 §20; S4-4 §31, §32 (a) and (b), §35, §AR 30, §AR 33 (a); S4-5 §38, §41 (b) and (c)			x
	418-1 Substantiated complaints concerning breaches of customer privacy and losses of customer data	ESRS S4 S4-3 §AR 23; S4-4 §35	(1a)	GRI 418-1 requires further granularity on the type of complaints and the number of identified leaks, thefts, or losses of customer data.	x

Notes legend

(1a) Differences in granularity: GRI requires further breakdowns or granularity.

(1b) Differences in data type: GRI requires quantitative disclosure and ESRS requires qualitative disclosure.

(2a) Differences in scope: GRI disclosure is broader and/or more specific than ESRS.

(2b) Differences in scope: GRI and ESRS disclosures have the same disclosure objective but differ in how data points are formulated.

(2c) Differences in scope: GRI 403 covers employees and workers who are not employees but whose work and/or workplace is controlled by the organization. ESRS S1-14 covers employees and non-employee workers (people with contracts with the undertaking to supply labour ("self-employed people") or people provided by undertakings primarily engaged in "employment activities" (NACE Code N78)). For fatalities, ESRS S1-14 covers workers working on the undertaking's sites.

(3) Difference in definition of non-employees: GRI 2-8 covers workers who are not employees and whose work is controlled by the organization. ESRS S1-7 covers non-employee workers (people with contracts with the undertaking to supply labour ("self-employed people") or people provided by undertakings primarily engaged in "employment activities" (NACE Code N78)).

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