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Letter to Stakeholders

In 2023, we reached a significant new milestone when we became a **Benefit Corporation**. A choice aligned with our sustainability strategy that defines what "doing business well" means to us: creating wealth and profit for the entire LEGAMI ecosystem, without exploiting the environment and people.

LEGAMI seeks to turn ordinary moments into extraordinary ones, allowing anyone, at any time of the day, to feel the joy and positivity hidden in everyday objects. This objective has been our guiding star since 2003, influencing our assessments and corporate decisions, and it underpins all discussions in this sustainability report. A tool, currently in its second edition that is not only indispensable for assessing the progress we have made so far, but also and most significantly, for mapping out the path forward and embracing the challenges that lie ahead.

We have chosen to concentrate our efforts on issues close to our hearts, creating 100% **LEGAMI projects** dedicated to enhancing the quality of life for people and the environment. Our company actively participates in all stages of these projects from inception to resource allocation and execution, working in partnership with industry specialists.

This strategy resulted in the opening of "LEGAMI Dreamland" in Bergamo in 2023, a park dedicated to nature conservation and enhancing environmental standards in our area. An initiative like no other: a three-hectare sanctuary where human entry is strictly prohibited, dedicated to nurturing the spontaneous regeneration and growth of flora and fauna.

Initial findings reveal a notable rise in biodiversity within the park, a clear sign that we are heading in the right direction motivating

us to further expand this initiative. Our goal for 2024 is to quadruple the area of Dreamland by acquiring an additional nine hectares, with the ambition of creating the largest urban land conversion area dedicated solely to the protection of plants, insects, and animals.

This year, we have launched another initiative to protect the environment and resources: "Let's Go Crazy for the Planet - Breathing fresh life into recycled stationery!". This is a circular economy pilot project involving more than 10,000 high school students in Bergamo to recover plastic from stationery accessories. Our goal is to raise awareness and enhance the understanding of the younger generation about the potential of plastics, which can have multiple uses and lives if recovered and recycled correctly.

Driven by the same vision, we consistently champion and foster a range of initiatives focused on the well-being of people and communities. Through the "Wonder School" project, we are partnering with the CESVI Foundation to donate and distribute 1,020 LEGAMI school kits to students facing family challenges and vulnerability at the start of the new school year. A tangible support in crafting small pockets of happiness for these children's lives.

The 'Wonder School' initiative further strengthens our partnership with the CESVI Foundation: for over 15 years, we have supported the «Case del Sorriso» (Houses of Smiles)'s programme, providing safe havens for children in disadvantaged areas across Italy and around the world.

The Report delves into the efforts of our LEGAMI community: hundreds of committed collaborators dedicated passionately every day to making our products, packaging, and Boutiques increasingly sustainable. With a shared dream of believing in a better future, we work together to forge its path...

We are dreamers!

Alberto Fassi

CEO. Founder & Dreamer



GRI 2-22 Statement on sustainable development strategy

Impact assessment 2023

Impact Report in compliance with Italian Law 208/2015 on Benefit Corporations, Article 1, paragraphs 382 and 383

This report is in compliance with Italian Law 208/2015 on Benefit Corporations, Article 1, paragraphs 382 - 383, and provides an overview of 2023, specifically addressing material issues within the dual-purpose framework.

As per the regulations governing Benefit Corporations and articulated in the Company's Articles of Association, the Board of Directors is mandated with the responsibility of balancing shareholder interests, focused on profitability, with the broader goals of promoting societal well-being and safeguarding the interests of stakeholders.

To achieve this goal, the Company is committed to promoting sustainable development through products, processes, and practices that minimise negative impacts and enhance positive impacts on people and the environment, often in collaboration with like-minded partners and organisations committed to the **common beneficial goals** outlined in the following points:

1. INTEGRITY AND TRANSPARENCY

Commitment to regulatory compliance, adherence to rules with integrity, and unwavering fairness, ensuring no conflict between corporate and personal interests.

2. SUSTAINABLE BUSINESS MODEL

Our management approach and business model are grounded in the sustainability paradigm across all ESG (Environmental Social Governance) factors, thereby redefining the concept of value and the value creation process.

3. SUSTAINABILITY IN MANUFACTURING PROCESSES

Promoting sectoral sustainability through the development of production models aimed at reducing natural resources, harmful environmental emissions and waste.

4. PUTTING PEOPLE FIRST

Creating a workplace conducive to developing employees' skills, prioritising their well-being and satisfaction, and acknowledging achievements through rewarding benefits and performance incentives.

5. SUPPORTING THE LOCAL COMMUNITY

Supporting the needs of local communities where the Company operates, including funding specific projects and providing charitable donations and sponsorships.

6. CUSTOMER SATISFACTION AND CUSTOMER EXPERIENCE

Creating an organisation dedicated to nurturing and developing long-term, stable customer relationships by seamlessly meeting their needs, desires and expectations with effectiveness and efficiency.

7. DIVERSITY & INCLUSION

Promoting an organisational culture centered on understanding, respecting, and appreciating the diverse background and identities (such as gender, age, orientation, disability, ethnicity, skills, socioeconomic status, political, religious, or other personal beliefs, etc.) of each individual within the company, aiming to broaden perspectives, develop talent and harness both physical and intellectual capabilities.

8. SUSTAINABLE FINANCE

Creating sustainable long-term value by investing capital in activities that generate economic returns while benefiting society and avoiding negative environmental impacts.

The Company has also appointed Alberto Fassi as the person responsible for overseeing the functions and tasks aimed at achieving common benefit goals (**Impact Manager**).

The strategic sustainability plan, detailed in chapters three and four of this Report, has been used **Open-es** as a method to assess impacts, aligning material themes and strategic objectives with the dual purpose.

The **Open-es** scorecard represents the summary of LEGAMI's impact assessment. Given this is the company's first time using the **Open-es** platform, priority was given to fulfilling basic and intermediate level requests, resulting in a completion rate of 61% and a questionnaire score of 36 out of 100.

The **Open-es** rating achieved is 6 out of 12, which exceeds the average benchmark and represents the top benchmark in the sector. Selecting the **Open-es** platform to evaluate our ESG impact as a Benefit Corporation marks the beginning of our mission to improve the 2023 score and to drive continuous improvement.



RATING LEVEL



SUSTAINABILITY SCORING



SOCIAL

GOVERNANCE

46/100

37/100

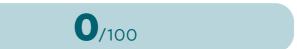


ENVIRONMENT

COLLABORATION SCORING



EXPERIENCE-SHARING SCORING



Reading guide

The report is made up of four parts divided into as many chapters and an appendix

The **first chapter** gives a basic description of the company, its identity, history and ownership structure.

The **second chapter** identifies the bodies, principles and procedures the company has adopted for proper management.

The **third chapter** details how the company uses ESG factors to generate shared value, what impacts, risks and opportunities are associated with this process, and what strategies enable sustained and shared value creation.

The **fourth chapter** explores the company's achievements, activities and goals in environmental, social and governance terms.

The **last section** contains the references cited in drafting the report, an index of the GRI indicators mentioned and a glossary explaining some of the terms used.



This chapter gives a basic description of the company, its identity, history, ownership structure and the main supporting data.



Purpose

LEGAMI's purpose is to allow people experience positive emotions and feelings through everyday objects featuring shapes, colours, characters, patterns and inspirational messages.

Value proposition

A universe of different worlds to explore, to choose from and to make your own, every day. Choosing LEGAMI means embarking on a journey of discovery through a universe of over 5,000 products belonging to 16 worlds, just waiting to be explored, from stationery to home accessories, and from games to the tech sector, the worlds of travel, beauty and much more.

Each world is inhabited by everyday objects rendered unique by their potential to spark an **emotional reaction**. These products inspire and **spread positive feelings**, thanks to the bonds of affection between object and owner, or between gift-giver and recipient.



There are lots of ways to tell you about who we are, but there's just one that sums them all up:

Reale are dreamers



Ownership and operating structures

LEGAMI S.p.A SB (referred to as "LEGAMI" in this report) has its Head Quarter in Azzano San Paolo (BG) and is the only operational site for all of the Brand's business activities, with the exception of logistics, which are handled by an external partner based in Liscate (MI), and production, which is outsourced to a selected and well-established Italian and international supply chain.

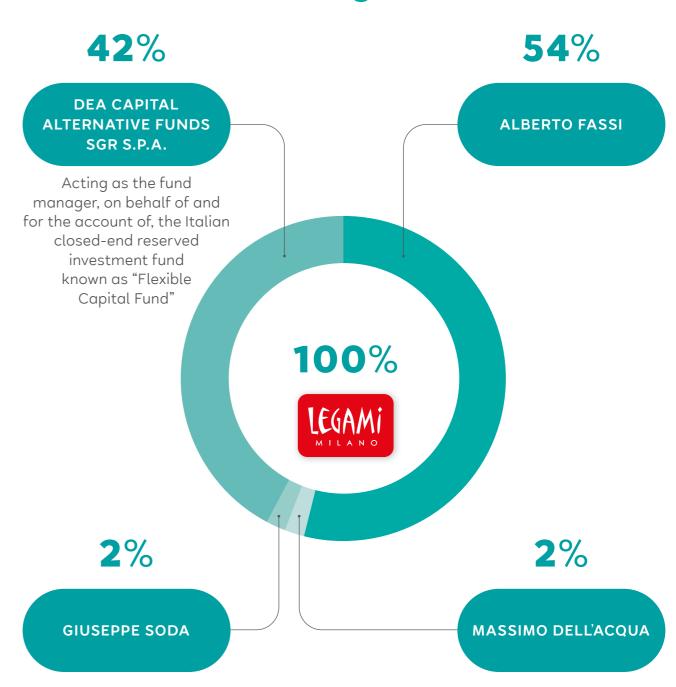
The company maintains a presence in the territory with 58 retail outlets (LEGAMI Boutiques).

In 2023, LEGAMI chose to become a Benefit Corporation to officially pledge its commitment to its stakeholders and the environment.

An entrepreneurial model that, in July 2023, was fully embraced by **DeA Capital Alternative Funds SGR**, which joined the shareholding structure through the Flexible Capital Fund: a strategic partner committed to supporting the transformation, growth, and development process in terms of environmental and social sustainability, aiming to make LEGAMI a global brand in the coming years.



Shareholding Structure





GRI 2-1 Organisational details

GRI 2-2 Entities included in the organisation's sustainability reporting

History

2003

Alberto Fassi founds LEGAMI



2005

The management team is developed to support growth

2006



Product distribution begins on the Italian market

2007

New Azzano HQ



2009

The brand's first store of its own (Orio al Serio Airport - Bergamo) and online store



2015

"Photo Notebook" collection launched



2014



Key account contracts acquired in Spain (El Corte Inglés, CDL) Launch of the "cutie pens" collection



2013

Acquisition of key account contracts







2012

The concept store in Bergamo opens



2010

First notebooks and diaries with unique and original patterns



2017



Key account contracts acquired in Germany

2018



Key account contracts acquired in France Launch of the first Erasable Pen set



2019

Good Vibes collection launched First Shop-in-Shop at El Corte Inglés in Madrid The 20th LEGAMI

Boutique opens



2020

New Salesforce platform First Shop-in-Shop at Thalia in Austria

2024

Account contract acquired with Barnes & Noble, Inc. (US market) LEGAMI Boutiques open in France and Spain 100th LEGAMI Boutique opens in Italy

2023

LEGAMI becomes a Benefit Corporation Opening of Dreamland - the LEGAMI protected Nature Reserve 30 Boutiques open in Italy 50th Shop-in-Shop installed at Thalia in Germany and at El Corte Inglés in Spain

2022



11 Shop-in-Shops open at WH Smith in the United Kingdom Four Boutiques open in Italy

2021



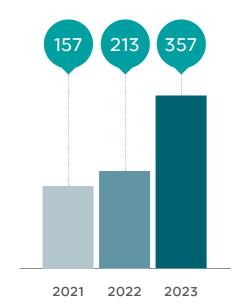
First Shop-in-Shop at Azadea opens in Dubai (Dubai Mall and Mall of the Emirates) Shop-in-Shop at BHV opens in Paris (Galerie LaFayette) First Shop-in-Shop at THALIA in Germany 🛑 🐬 Thalia

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Highlights







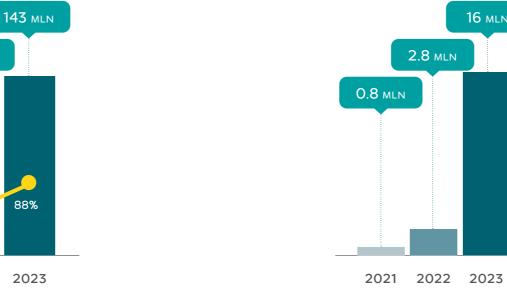
Value of production / Revenues

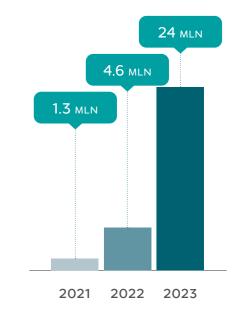




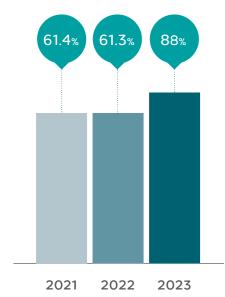
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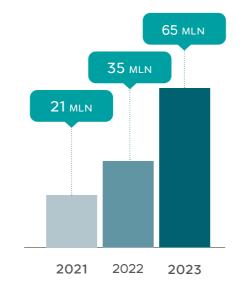




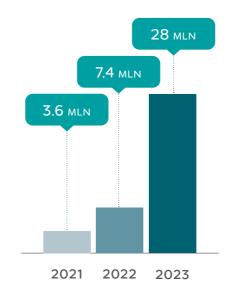












The employee figures refer to 31/12/2023, while the financial figures refer

to FY2023, ending 31/03/2024.

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Corporate GOVERNANCE

This section identifies the governance bodies, principles and procedures the company has adopted for its proper management.



Governance structure



The Board of Directors, consisting of 5 members, including Chairman Giuseppe Soda and CEO Alberto Fassi, manages and controls the Company and sets out the corporate guidelines and objectives.

When selecting members for its highest governing body, LEGAMI pays particular attention not only to professionalism and closeness to company values, but also to diversity of skills and experience, so that specific input comes from people with different areas of expertise.

Finally, a periodic Control Committee was established, involving representatives from the shareholding structure, to review the company's performance and discuss the resulting strategic choices.

Finally, the Shareholders' Meeting is responsible for passing resolutions, in ordinary or extraordinary sessions, on the appointment and dismissal of members of the Board

cles of association.

accredited auditing firm.

Chairman of the Board

of Directors and the Board of Statutory Auditors, on member remuneration and liability and the approval of the financial statements and the associated allocation of profits.

Chairman of the Board of Directors Company representative	GIUSEPPE SODA
Company representative Managing Director	ALBERTO FASSI
Managing Director Company representative	MASSIMO DELL'ACQUA
Director	VINCENZO MANGANELLI
Director	FEDERICO GIRIBALDI

of Statutory Auditors	GIORGIO MISURACA
Standing auditor	GIORGIO BERTA
Standing auditor	FEDERICO PIPPO
Alternate Auditor	FRANCESCA GHEZZI
Alternate Auditor	EDMONDO MARIA GRANATA
Independent auditors	KPMG S.P.A.

The Board of Statutory Auditors, elected in 2023 for a three-year term, is the supervisory

body responsible for supervising the work of directors and ensuring that company man-

agement and administration activities are carried out in compliance with law and the arti-

Since 2023, it has been composed of experienced and reputable professionals as well as an

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Corporate policies



Certifications

LEGAMI places great emphasis on responsible business conduct and the commitment to respect human rights.

As part of the Sustainability strategy plan, the company aims to draft a Policy between the end of 2024 and the start of 2025, that includes values, principles, and rules of conduct within the organisation, considering the expectations of all stakeholders, especially consumers, customers, and generally, people who are considered more vulnerable or might be subject to discrimination.

Since 2020, LEGAMI has had its own FSC® Chain of Custody management system certified by a third party, which allows us to also offer FSC®-certified products to customers.

On the right-hand side is the FSC® logo that can be used for communication purposes.



The mark of responsible forestry



5

THE Business MODEL

The following chapter explains how the company uses financial and non-financial "capital" to create value, describes the associated impacts, risks and opportunities and the path towards strategies for sustained and shared value creation.



Description of the external environment



In recent years, the European
Union has initiated a series
of reforms aimed at making
the sustainable transition more
efficient and more regulated,
seeking to harmonise the various
international ESG standards.

In addition to the critical goal of achieving climate neutrality by 2050, the EU is working to create an **increasingly sustainable economic and financial framework** to promote corporate awareness and responsibility for their environmental impact.

In the context of the European Green Deal, the adoption and publication of the **Corporate Sustainability Reporting**Directive (CSRD), No. 2022/2464 mandating non-financial reporting for European companies and enhancing sustainability reporting, not only aligns the significance of ESG outcomes with those disclosed in traditional financial statements but also acknowledges their intrinsic connection.

Under the new directive, there is a plan to adopt a single reporting standard (ESRS - European Sustainability Reporting Standard), requiring companies to incorporate ESG goals into their strategies, disclose the roles of management, administration,

and control bodies regarding sustainability issues, and include details on material impacts, risks, and opportunities across the entire upstream and downstream value chains.



Description of the external environment



RETAIL CHANNEL



In 2023, LEGAMI's single-brand boutiques underwent a major transformation with a new 100 square-metre layout, delivering a unique shopping experience emphasising attention to detail and sensory engagement: from seasonal scents to visual aesthetics complemented by jazz music.

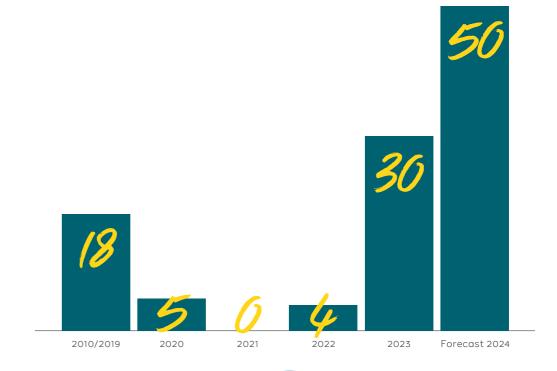
Customers of all ages frequently wear big smiles while browsing the shelves for original ideas, with many of our items becoming sought-after collectibles.

The Erasable Pen phenomenon deserves mention, as it has become a cult favourite among children of all ages, with our annual releases turning into highly competitive events for our loyal customers.

Thanks to this highly sensational format, we have successfully opened shops throughout Italy, including in historic city centres, shopping centres, and within the travel retail channel (airports and stations).

In just one year, the number of boutiques has more than doubled: the company aims to reach 100 Boutiques in Italy by 2024, with further plans for international openings in the near future.

STORE OPENING





Emanuele Camoni

Retail & Development Manager

Description of the external environment

WEB SALES CHANNEL





To succeed in this dynamic environment, e-commerce brands must adopt a proactive approach, concentrating on nurturing strong customer relationships, enhancing omnichannel experiences, and embedding sustainable practices across the supply chain.

The year 2024 presents unique challenges for companies aiming for international expansion through e-commerce. Expanding online into new markets presents a significant growth opportunity, necessitating a thoughtful and tailored strategy. Investing in understanding the cultural preferences and purchasing behaviours of international customers is crucial for adapting online marketing and sales strategies effectively.

In striving for excellence in customer experience, companies must go beyond mere commercial transactions.



It is essential to build authentic and long-lasting relationships with customers by offering them engaging and personalised experiences. In this process, advanced data analysis is crucial as it enables companies to gain a deep understanding of their customers' needs and preferences. By leveraging this knowledge to inform strategic decisions, companies can craft exceptional experiences that enhance customer loyalty and deliver solid results.

Successful e-commerce relies on omnichannel integration, as consumers expect seamless and consistent interactions with a brand across multiple channels, from physical stores to e-commerce platforms and social media. Therefore, companies must adopt an integrated approach, consolidating their sales and communication channels to ensure a seamless and consistent experience at every touchpoint.

In this context, LEGAMI seems well positioned to achieve significant success, leveraging its adaptability and innovation, deep understanding of consumer needs, and commitment to authentic sustainability practices.

Patrizio Ruffinoni

Web Manager

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Description of the external environment



WHOLESALE CHANNEL



For several years, LEGAMI has been the market leader and the benchmark brand in the Stationery&Gifts segment, thanks to the widespread but discerning distribution of its products.

Thanks to its rapid growth over the past three years, LEGAMI has also established itself as a well-known brand in all other major European markets.

Our presence extends across all major bookstore chains, department stores, concept and design stores, and gift and stationery shops in Germany, France, Spain, the UK, and throughout the rest of Europe.

In addition to our products, we often collaborate with our customer partnerships to create dedicated spaces such as corners or actual Shop-in-Shops that mirror the distinctive look and feel of LEGAMI Boutiques.

While already present in 70 countries, LEGAMI's 2024 strategy will focus on expanding into the North American and Asian markets to replicate the success achieved in Europe and further establish itself as a truly global brand.



Francesco Arcidiacono

Wholesale Manager



LEGAMI's products

99

LEGAMI designs, develops and distributes products, spreading messages through graphics, patterns and inspirational quotes that always align with the latest trends, placed on everyday objects.

From calendars and diaries to stationery products, from tech to housewares and even games, beauty accessories and travel essentials, over 4,000 products belonging to 15 different and ever-evolving merchandise categories, at prices affordable for all and aimed at a broad and diverse market, because positive feelings are a universal language all over the world.

LEGAMI operates through diversified distribution channels in 70 countries worldwide, including wholesale partnerships with over 400 corners and hundreds retail points, 58 flagship Boutiques, proprietary e-commerce platforms, and presence on marketplaces such as Amazon and digital Shop-in-Shops.

The essence of LEGAMI's philosophy revolves around the value of positive emotions, dedicated to bringing joy into everyday life with its range of products.

The creative team not only designs products with motivational messages, patterns, graphics, and characters but also ensures that each interaction with these objects is a meaningful experience from selection to usage.

Every component, every detail, is meticulously crafted to exude cheerfulness and optimism. At every stage, from inception to execution to distribution, the focus remains on offering the best to customers.



We adopt a forward-looking perspective that prioritises environmental and social sustainability.

As part of our commitment to the circular economy, we have implemented a process to carry out Life Cycle Assessments, evaluating a product's entire life cycle from inception to disposal, aimed at enhancing resource efficiency, reducing waste, and optimising material recovery. During 2023, we launched more than 20 projects focused on reducing packaging, implementing specific actions such as replacing materials with RPET and BIO alternatives and to phase out plastic components.

Supplier selection is fundamental to our design and production process. Our supply chain comprises of companies in Italy and Asia that are meticulously chosen based on their quality standards, reliability, compliance with international product conformity standards, and commitment to worker protection.

We place great importance on cultivating strong, enduring relationships with our suppliers, founded on trust, mutual respect, and a shared vision of growth and development.

We firmly believe that close, synergistic cooperation is essential to ensuring the continuity and success of our businesses, delivering products that consistently meet expectations.

Marta Geraci

Product Development

Simona Pasta

R&D

GRI 2-6
Activities, value chain and other business relationships

Product quality and safety

66

Product quality and safety are top priorities at LEGAMI.

These aspects are overseen by the Regulatory Department for safety and regulatory compliance, and the new Quality Control Department for technical product quality.

LEGAMI meticulously selects its suppliers and conducts rigorous inspections of materials and finished products, including assessments of composition, chemical substances, and physical-mechanical characteristics to ensure regulatory compliance through:

1. GATHERING TECHNICAL INFORMATION THROUGH SUPPLY CHAIN ACTIVITIES

LEGAMI demands that its production partners strictly comply with the most rigorous international regulations governing chemicals substances. To facilitate this, LEGAMI provides its suppliers with one or more compliance protocols containing detailed lists of chemical and physical-mechanical tests for each product category (such as textiles, toys, direct food contact items, electronics, cosmetics, etc.), along with references to specific regulations, tailoring the requirements of the main standards while considering the unique characteristics of each product. These documents, updated regularly, provide suppliers with an overview of the regulatory requirements for each product, ensuring they are aligned with the brand's regulatory quality standards from the beginning of the project and throughout its duration.

2.TESTING ACTIVITIES

(chemical, physical-mechanical, and performance) conducted by ISO 17025 accredited third-party laboratories, with proven market experience and locations in major international production hubs.

The testing activity is primarily carried out through the following phases:

- Suppliers send the sample to the accredited laboratories designated by LEGAMI.
- Conducting tests on samples.
- **Analysis** of the results by the Regulatory Office, which assesses the product's compliance with physical and chemical standards.
- Test reports are **archived** in the regulatory database to ensure the entire compliance history of the product is available.

The supplier must adhere to the requirements and is notified of the test results conducted on the product.

Through this approach, we form a close collaboration with the supplier, transcending mere compliance requests and developing our relationship into a true partnership with complete transparency regarding quality issues.

99

Natascia Ghilardi

Regulatory Manager

Experiential marketing and transparent communication

66

During the past year, marketing and communication activities have played a vital role, not only in promoting new product launches but also in **building and maintaining a continuous and meaningful dialogue with our communities** and stakeholders.

At the heart of our marketing strategies is our ability to create communication that resonates with a wide and diverse audience, including people of all ages and backgrounds with a shared desire to express their feelings and spark positive emotions. This required ongoing coordination of our digital and physical touch points to ensure they are more inclusive and effective in conveying our brand values.

Our online presence has been reinforced through dedicated social media campaigns, integrating them with our website and Boutiques to highlight the creativity and uniqueness of our products. The goal is also to establish a **direct dialogue with our customers**, gathering feedback and encouraging active engagement within our community.

Simultaneously, our physical spaces, Boutiques, corners, and Shop-in-Shops have been designed and developed as **hubs for brand experiences**, serving as stages for emotional expression where customers can enjoy quality moments and feel part of a larger community that shares common values and passions.

Our communication campaigns were designed to ensure that every product launch not only succeeded in the market but also deepened the connection between customers and LEGAMI.

Our team is always engaged in listening to stakeholders' needs, delivering inspiring content, and carefully selecting the most effective communication tools.

By actively listening, we have gained insight into how our products resonate with people's lives, meeting their needs for self-expression and uniqueness.

In conclusion, LEGAMI's marketing and communication activities are intricately linked with our mission of social and environmental sustainability. Our commitment is to ensure that each marketing initiative plays a part in creating a more empathetic and sustainable world. A standout example is the communication support provided for the launch of the pilot project "Let's Go Crazy for the Planet - Breathing fresh life into recycled stationery!", an ambitious initiative aims to encourage sustainable practices among younger generations by recycling plastic stationery, starting in Bergamo and potentially expanding to other Italian cities.

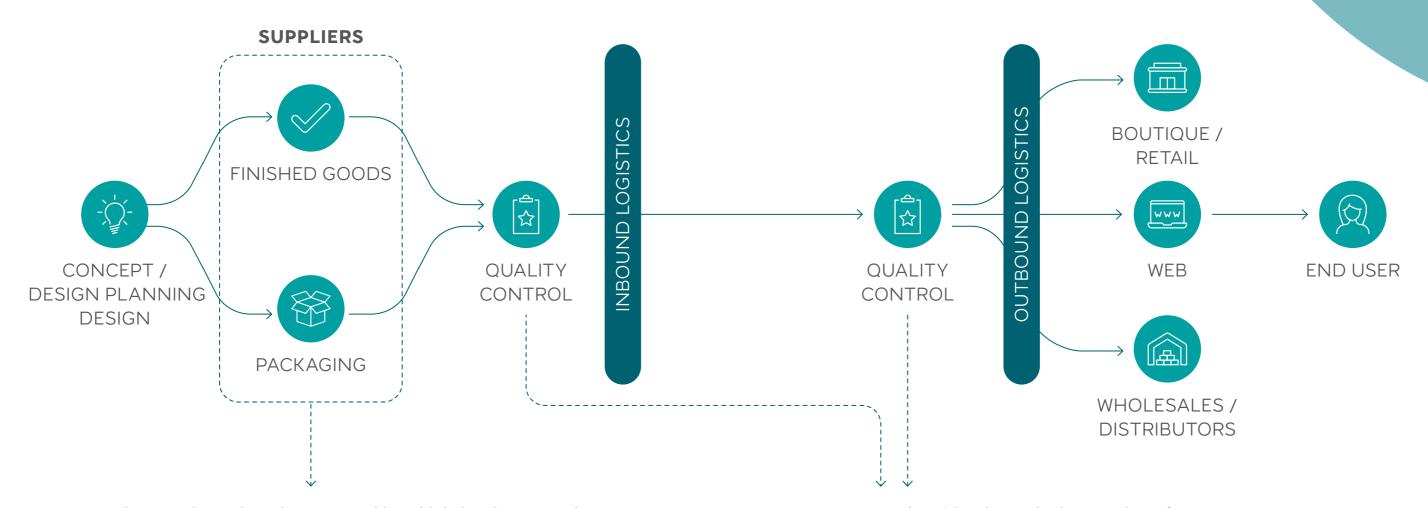
These initiatives reinforce **LEGAMI's identity as a beloved brand** driven by strong emotional connections, dedicated to providing a **platform for expressing and sharing human emotions**, and celebrating the beauty and positivity in everyday moments.

99

Andrea Carnevale

Chief Marketing and Communication Officer

Value chain description



Suppliers are chosen based on partnerships with industrial companies specialising in the various product categories defining LEGAMI Worlds, and share LEGAMI's values and business ethos, ensuring product quality and safety, and compliance with worker safety and well-being standards.

In 2023, social reports conducted under SMETA, BSCI, or proprietary protocols of international bodies, and disclosed by suppliers representing 90% of product turnover, revealed no occurrences of child labour, forced labour, or compulsory labour.

Testing (chemical, physical, and performance) is carried out by laboratories accredited to ISO 17025 standards, with suppliers receiving detailed results of the tests conducted on their products with adjustments being made in case of non-compliance.

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Double materiality



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LEGAMI'S ESG sustainability strategy was defined in 2022 through a materiality process aimed at identifying key issues that are truly "material" to the company by engaging stakeholders such as employees, customers, suppliers, distributors, banks, investors, consultants, NGOs, and regulatory bodies.

Stakeholders were asked to put the ESG issues in order of preference, based on each issue's degree of impact on the company's ability to produce value in the medium to long term.

In 2023, this process was further enhanced and expanded with the introduction of "**Double** Materiality", a framework that helps organisations assess both the impact of their actions on society and the environment, as well as how sustainability issues can affect the economic and financial aspects of the company itself.

As part of the journey towards compliance with European Directives such as the CSRD, which necessitates companies to adopt a double perspective, the management team engaged in discussions regarding the analysis and evaluation of impacts, risks, and opportunities (IRO) associated with ESG issues.

In a plenary session facilitated by experts, significant issues identified in the recent reporting process were extensively examined and debated, each ESG issue was assessed on a scale of 1 (low) to 5 (high) to gauge its potential as a risk, opportunity, and its financial implications in the short to medium term.

The exercise revealed a set of issues (highlighted in the table) that require particular strategic attention more than others.



Natascia Ghilardi

Sustainability Manager

Material topics	Risks	Opportunities	Average (R&O)	Eco-Fin impacts
Carbon footprint	3	3	3	3.4
Packaging	3.4	3.4	3.4	3.9
Circular economy	2.8	2.8	2.8	4
Energy	2.7	2.7	2.7	3.1
Waste	4.4	4.4	4.4	4.2
Occupational health and safety	2.2	4	3.1	2.1
Developing human capital	3.9	4.2	4.1	3.6
Well-being, diversity and inclusion	3.3	3.8	3.6	3
Sustainable supply chain	4.2	4.1	4.2	3.9
Product health and safety	3.4	2.6	3	3.6
Relationships with the community	2	2.3	2.2	2.2
Governance	2.9	3.1	3	2.9
Economic performance	2.8	3.9	3.3	3.3
Risk management	3.1	3.4	3.3	3.2
Customer satisfaction	4.2	4.4	4.3	3.9
Business ethics	3.6	4.2	3.9	3.2

Rating scale: 1/low - 5/high

Double materiality



THE SELECTED MATERIAL TOPICS

Carbon footprint Circular economy

Packaging Energy

Developing human capital Waste

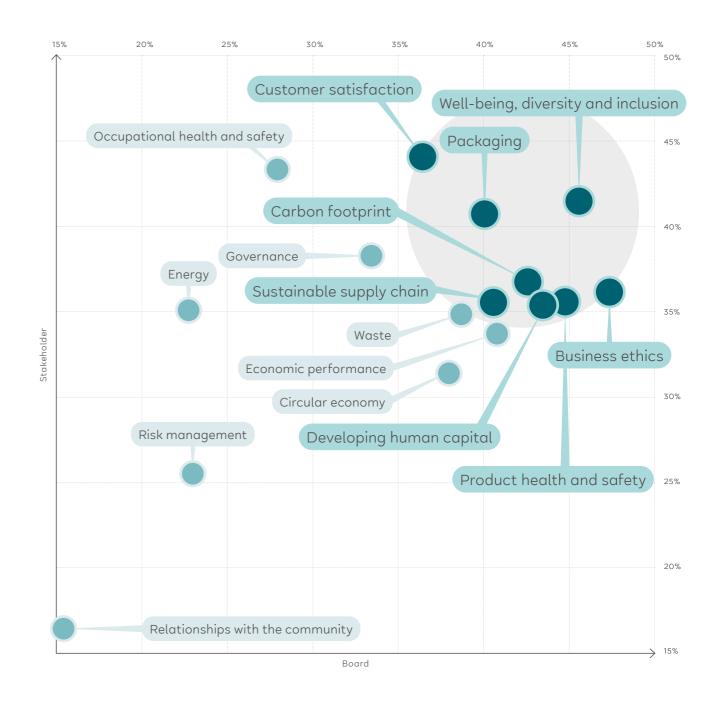
Well-being, diversity and inclusion Occupational health and safety

Sustainable supply chain Relationships with the community

Product health and safety Governance

Customer satisfaction Economic performance

Business ethics Risk management



Sustainability strategy



LEGAMI's three-year ESG plan, currently in its second year of implementation, is based on the analysis of material issues identified by the company and its stakeholders, and was improved in 2023 by the double materiality process outlined in the previous sections.



Within the plan, each ESG dimension identifies **key issues**, their alignment with relevant stakeholders, their connection to the UN **Sustainable Development** Goals, and their relationship to the **common-bene-fit** objectives outlined in the company's articles of association as a Benefit Corporation.

Each issue identified by LEGAMI has a corresponding **strategic objectives** and an **action plan** managed and monitored by the

Sustainability Manager in collaboration with internal stakeholders responsible for the relevant activities, ensuring ongoing oversight of results and potential impacts on the organisation, people, and the environment.

Chapter Four of this report provides a detailed description of the actions **designed to achieve the objectives** outlined in the



Sustainability strategy

MATERIAL TOPIC

COMMON BENEFIT PURPOSES

STAKEHOLDERS INVOLVED

STRATEGIC OBJECTIVES

2023

2024

2025

The indicators represent the years of implementation of activities aimed at achieving objectives.



CARBON FOOTPRINT

Managing the company's impacts on climate change C. Sustainability in manufacturing processes

Environment
Supply chain
Client
Local areas
Communities









PACKAGING AND PRODUCT

Sustainability initiatives concerning packaging, product and associated waste generation

C. Sustainability in manufacturing processes

Environment
Supply chain
Client
Local areas
Communities

Increasing the "circularity" of **primary packaging** by improving packaging and supply chain actions

Increasing the "circularity" of **secondary packaging** through R&D, automation and optimisation in collaboration with the supply chain

Increasing **product** circularity through

innovation for recovery and recycling







YES ONO

Sustainability strategy



Sustainability strategy

MATERIAL



COMMON BENEFIT PURPOSES

F. Customer

satisfaction

experience

and customer

STAKEHOLDERS INVOLVED

○ Clients

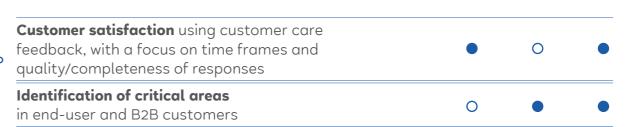
Employees

Supply chain

STRATEGIC OBJECTIVES

2025

The indicators represent the years of implementation of activities aimed at achieving objectives.





ETHICS

Sustainabilityoriented

A. Integrity and transparency

E. Supporting the local community

 Environment Supply chain

Proactive promotion of a business ethics culture Consolidation of the company purpose by converting it into a benefit company, taking part in social or international agenda-based projects





• YES ONO





THE EST DIMENSIONS

This chapter describes the results of the reporting period and the sustainability plan objectives as expressed in the environmental, social and economic (ESG) dimensions. The results and targets for each dimension are measured against GRI standards and are associated with the United Nations Development Goals (SDGs).



LEGAMI's commitment to value creation

Environment, social responsibility and governance are three interconnected dimensions that define a company's commitment to sustainability. Likewise, stakeholders, each with their specific role, are crucial to the business ecosystem. LEGAMI goes beyond merely offering products or services; it is a team of people working together to achieve common goals in the interest of all.

Internal company relationships are vital; they promote growth and increase the organisation's efficiency, avoiding the waste of energy and resources.

During a period of significant corporate growth, we constantly strive to ensure an experience that lives up to expectations. We involve more and more people and aim to consolidate and create new relationships based on mutual respect with all our stakeholders: customers, employees, suppliers, communities, investors... and the environment.

We are therefore committed to offering our **customers** a pleasant shopping experience, featuring safe and high-quality products, recyclable packaging and a reliable service at all times. This can only be achieved by creating a supportive working environment that allows our employees to fully utilise their skills and talents, including through training and personal development programmes.

The **employee** initiatives introduced in 2023 were geared towards this objective, enriching our welfare plan with three main focuses: fostering a good work-life balance, improving well-being in the workplace, and encouraging the adoption of healthy lifestyles to improve overall health.

We have therefore enriched our commitment to the LEGAMI People with a series of actions aimed at improving the well-being of our entire community: from the new Head Office with its company canteen and gym to the additional eight hours of paid leave allocated for preventative check-ups and medical examinations to the flexible working arrangement on Friday afternoon.

At the same time, we guarantee our **suppliers** have solid, transparent, and long-lasting economic relationships, provided their production meets international quality and safety standards. For the past three years, we have implemented a project to monitor our suppliers, and to date, we conduct annual reviews of all suppliers that account for more than 90% of our revenue. Our objective is to ensure that fair working conditions are maintained for all collaborators of our production partners worldwide.

We operate with a modern perspective and have implemented a significant reorganisation of our business processes, adopting an agile organisational model that primarily involves "Hangar O," where all our over 5,000 products are conceived, designed, and developed. We aim to create an efficient and effective ecosystem capable of coordinating all our stakeholders across more than 70 countries worldwide.

We acknowledge our role in generating value and wealth, yet we are committed to making a positive impact on environmental quality and the well-being of the **communities** where we live and operate.

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Massimo Dell'Acqua

Managing Director LEGAMI

LEGAMI and environmental sustainability

2023 is the first year of execution of our ESG strategy and for each dimension, we mapped out the targets for the reporting year, documented our achievements, evaluated the percentage of progress against targets, and outlined our planned commitments for 2024.

Strategically important topics

- Carbon footprint
- Product packaging









This is how LEGAMI shares its commitments and accomplishments with stakeholders, presenting a detailed overview of the most relevant activities on the pages that follow.

	MATERIAL TOPIC	COMMON BENEFIT PURPOSES (BENEFIT CORPORATION)	OBJECTIVE	PROGRESS %	2023 RESULTS	2024 COMMITMENTS	
	Carbon footprint Managing the company's impacts on climate change	C. Sustainability in manufacturing processes	Maintaining Corporate Carbon Neutrality	100% (2023)	In 2023, the company was certified as "Carbon Neutral" by acquiring certified credits to offset 6,652 ton/CO ₂ equivalent (see dedicated focus section)	Maintaining Corporate Carbon Neutrality	
						 Mapping out all shop fitting components with green criteria in mind; 	
			LEGAMI stores with low-carbon impact	2024	Planned target in 2024	 Assessing suppliers directly involved in the "shop opening" project, prioritising sustainability as a significant factor for their selection; 	
						Encourage the inclusion and use of local partners.	
(1			Product carbon footprint	80% in respect of Erasable Pen line	While set as a goal for 2024, LEGAMI initiated an LCA study on the "Erasable Pen" line and its ink refill (a production line of significant importance) in 2023, in partnership with a strategic client.	The LCA study, commissioned by the client-partner, will be expanded to include two additional stationery items; furthermore, it will also be expanded to include other product lines.	
041			Improved temperat mitigatio and incre	Improved air quality, temperature mitigation and increased	100% (2023)	Project Dreamland spans three hectares of land where 2,600 plants and shrubs from 40 different native species have been planted across 11 distinct forest areas; within one of these areas, a 250 square metre wetland will be created, playing a crucial role in supporting biodiversity and serving as a key migratory flyway and delicate ecosystems.	The calculation of ecosystem services by qualified professionals is planned for mid-2024.
			biodiversity in our territory		Furthermore, the first phase of the Dreamland biodiversity assessment has been completed, and the report is accessible on the dedicated landing page of the 3bee.it website (see dedicated focus).		
			Steps towards Net Zero	2025	Planned target in 2025	Although scheduled for 2025, LEGAMI intends to draft an SBTi plan in 2024 to understand the complexity of the emission reduction process, marking an important first step in defining a net-zero strategy.	

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LEGAMI and environmental sustainability

Strategically important topics

- Carbon footprint
- Product packaging











	MATERIAL TOPIC	COMMON BENEFIT PURPOSES (BENEFIT CORPORATION)	OBJECTIVE	PROGRESS %	2023 RESULTS	2024 COMMITMENTS	
			Increasing Circular Economy: Primary packaging	100% (2023)	 In 2023, a set of actions were carried out to achieve the target: The entire R&D and Product Office team underwent dedicated training on the subject; A comprehensive mapping of all primary packaging currently in use was conducted; Efforts were made to eliminate or reduce packaging wherever possible; For some products, packaging that could not be fully removed was redesigned using paper, thereby eliminating plastic. (See dedicated focus). 	Ensuring that all our packaging is 100% recyclable.	
7	Packaging and product Sustainability initiatives concerning packaging and associated waste generation	C. Sustainability in manufacturing processes	Increasing Circular Economy: Secondary packaging	100% (2023)	Carried out an internal study on "Unboxing", which looked at 42 different brands, mainly from the stationery, cosmetics, household and travel sectors, to explore solutions for secondary packaging.	 Extend LCA study to tote bags as well as paper bags versus our current shopping bags; Launch a pilot project to: Replace cardboard boxes with cardboard envelopes for all web orders; Transition from cardboard boxes to self-assembling boxes for Retail and Wholesale orders aimed at eliminating the need for adhesive tape used to seal traditional boxes thus enhancing efficiency in the warehouse's order preparation process; Start a pilot project to replace the boxes used for web order delivery with reusable packaging. 	
					100% (2023)	Since February 2023, we have used either recycled paper or Airplus air cushions for our filling systems, both containing at least 50% recycled material. The results of the new materials used, compared to those used in the past, are available in the dedicated focus section.	
				Increasing Circular Economy: Product	100% (2023)	During 2023, we made minor product improvements by replacing raw materials with recycled options where possible, including the integration of FSC-certified paper and wood materials. These improvement activities will continue into 2024, ensuring meaningful data by 2025. Start a preliminary feasibility assessment of the circular economy programme "Let's go crazy for the Planet'" (refer to dedicated focus section), aimed at recovering plastics from stationery products that have reached their end of life.	Complete the circular economy project by collecting and analysing all project data, and expanding the number of schools onboarded in 2023 to include additional schools that could further contribute to scaling and replicating the project in communities outside the Bergamo area.

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Focus of activities 2023

CARBON NEUTRALITY 2023

In 2023, LEGAMI conducted a timely measurement of the organisation's Carbon Footprint (CF), which quantifies the greenhouse gas (GHG) emissions generated by its operations. LEGAMI took the decision to report the greenhouse gas emissions of all its activities to determine which aspects have the greatest impact and identify possible mitigation actions (reduction and offsetting).

GHG emissions were analysed and a report drafted with general reference to the **GHG Protocol Corporate Accounting and Reporting Standard** using data collected for 2022.

The organisational boundaries considered for the purposes of the analysis were defined so that reporting would include GHG emissions from activities carried out at company premises as well as those of resellers and franchises in Italy and abroad.

To establish the reporting boundaries, direct and indirect emissions and removals associated with company operations were identified. Within the reporting boundaries, significant GHG emissions related to company operations were identified.

Calculations based on data provided by LEGAMI show that Scope 3 (indirect emissions) accounts for almost all emissions (99.3%).

In more specific terms, the Scope 3 category that contributes the most to emissions is Category 1 - Purchase of materials and services, accounting for 2,656.64 tCO₂e, equivalent to 39.9% of the entire inventory.

This category accounts for the indirect emissions generated by materials and services purchased by the company, specifically all upstream emissions associated with the production of products purchased in the reporting year including both tangible goods and services.

The emission assessment for this category can be conducted using two different approaches: activity-based and spend-based. LEGAMI analysed all purchased materials using the activity-based method whereas all services acquired in 2022 were evaluated using the spend-based approach.

Significant emissions are generated by Category 12 - End-of-life of sold products (814.48 tCO₂e, 12.2%), Category 9 - Outbound transport (707.36 tCO₂e, 10.6%), and Category 4 - Inbound transport (634.74 tCO₂e, 9.5%).

CARBON NEUTRALITY 2023

For the third year running, LEGAMI has successfully neutralised its climate impact by supporting four international carbon offset projects, offsetting emissions from the 2022 business year with a total of 6,653 certified carbon credits.



10 MW WIND POWER PROJECT BY POWERICA AT BDS - GUJARAT, IN INDIA

The project involves the generation of renewable energy from a wind power plant with a total installed capacity of 10 MW. The net electricity generated is supplied to India's regional electricity grid via the nearest grid substation. In addition, the project contributes to reducing carbon emissions by approximately 38,098 tCO₂eq annually. The project aims to provide electricity to the state of Gujarat through the efficient use of renewable resources. The electricity generated by the project will be supplied to the Indian national grid.



GHANI SOLAR RENEWABLE POWER PROJECT BY GREENKO GROUP, IN INDIA

The carbon offset project aims to produce clean electricity by using solar energy. The project activity includes the installation of a 500 MW solar power project in the Indian state of Andhra Pradesh, reducing dependence on fossil fuels.



The project comprises seven different solar sites located across various regions in north-west China, which will generate electricity through renewable photovoltaic solar energy. The estimated average annual reduction in greenhouse gas emissions from the seven activities of the project is 302.268 tCO₂e. The project will bring environmental benefits, through the generation of affordable and clean energy, and social and economic benefits, through customised training programmes for engineers and plant operators, as well as the creation of new jobs.



KATINGAN PEATLAND RESTORATION AND CONSERVATION PROJECT, IN INDONESIA

The project aims to protect and restore 149,800 hectares of bog ecosystems, to offer local communities sustainable sources of income and to tackle global climate change. The project is located in the districts of Katingan and Kotawaringin Timur in the central province of Kalimantan and covers one of the largest intact bog forests remaining in Indonesia.



>> THE ESG DIMENSIONS



LEGAMI **Dreamland**A PARK TO PROTECT NATURE AND IMPROVE AIR QUALITY

LEGAMI Dreamland is the protected nature reserve inaugurated in Bergamo in May 2023 to commemorate the company's first 20 years, it extends over **three hectares**, on which more than **2,600 plants and shrubs** of **40 different native species** have been planted, organised into **11 different forest areas** that are constantly monitored under the watchful care of specialised companies.

LEGAMI aims to combat biodiversity loss and enhance urban natural capital, mitigate temperatures, and improve air quality.

This is an initiative like no other: in fact, access to the area is prohibited in order to preserve and shield it from human intrusion, allowing it to become a new green lung where flora and fauna can regenerate and thrive.





Dreamland

is a dream come true: the idea that we can still decide to take a step back, giving nature more space to help it thrive and help us regenerate the habitats we live in.

This project sends a message to our community and is a huge responsibility for our company to take on.

But we're only just getting started. We aim to make the park bigger, rescuing areas from land take to give them back to nature.

A change of mindset is in order. We need to rethink our presence. We're not the centre of attention wherever we go: we're custodians, each and every one of us, taking care of an environment with which we are one.



Alberto Fassi

Founder, CEO and Dreamer

LEGAMI Dreamland

A 250-square-metre wetland will be created by the summer of 2024 and will become a destination for important migration flyway, welcoming biodiversity and protecting particularly delicate ecosystems. Furthermore, the **initial phase** of the Dreamland biodiversity assessment has been completed which focused on a preliminary evaluation of the area's biodiversity, employing an integrated approach that included satellite analysis, data from the Sentinel-II satellite, and information from public databases.

Through this approach, synthetic indicators have been generated to reflect both the current biodiversity status and the potential of the area to support wild pollinators.

The following graphs illustrate the contrast in biodiversity indicators in the area before and after the establishment of Dreamland.

BEFORE DREAMLAND





AFTER DREAMLAND



The assessment and comparison of ecological parameters between the site and the control area reveals significant differences; the primary objective is to transform Dreamland into a biodiversity oasis, creating new nesting sites for pollinators, enhancing the grassland area while increasing the availability of flowers.

This will not only generate an important hospitable environment for pollinators, improving food resource availability and suitable nesting habitats, but also deliver essential ecosystem services, most notably the pollination of agricultural crops.

These initiatives will contribute to revitalising pollinating insects and promote the overall well-being of the local ecosystem.



LEGAMI Dreamland

Looking ahead, LEGAMI
has already begun the second
phase of assessment in 2024
by deploying the Spectrum
device, an innovative technology developed by partner 3bee that monitors
pollinators by capturing
and analysing sound frequencies, enabling real-time
monitoring and ensuring a quantitative and transparent analysis.



Additionally, the contribution to climate change mitigation will be more precise through a detailed **study of ecosystem services**, focusing on the following specific areas:



CLIMATE CHANGE
CO₂ absorption
and storage



IMPROVEMENT
Sequestering Particulate Matter (PM)
and other particulate pollutants

AIR QUALITY



BIODIVERSITY

Monitoring the presence
of biological species over time

PROTECTING



RAINWATER REGULATION

LEGAMI Dreamland

Ecosystem services are defined by the Millennium Ecosystem Assessment (MEA) as the "multiple benefits provided by ecosystems to humankind" and can be grouped into three main categories (underpinned by life-support services which are essential to ensure the other three), such as:

- Ecosystem services regulating atmospheric gases, climate, water, erosion, prevention of hydrogeological disruption, pollination regulation, habitats for biodiversity;
- Ecosystem services of food supply, raw materials, fresh water, biodiversity;
- Cultural ecosystem services, such as aesthetic, recreational, educational, spiritual, artistic, identity values.

The absorption and storage of CO₂ by forests and woodlands (whether natural or anthropogenic) is one of the regulating ecosystem services that has, however, received special and specific attention over time: this is due to ongoing climate change dynamics and the positive impact of biological absorption and sequestration of atmospheric CO₂ which is useful in fighting global warming.

Among ecosystem services, carbon has acted as a pioneer for several reasons, including the urgent issue of climate change that has prompted immediate action from civil society, and the relative ease of calculating and trading a tonne of carbon, which has quickly turned carbon into a commodity in its own right. As a result, the carbon market has significantly contributed to the greenhouse gas emission reduction strategy over the past decade.

Source: "2018 Report on the Forest Carbon Market in Italy"

The service partner, Rete Clima, has developed several methodologies for estimating of ecosystem services, with a particular - but not exclusive - focus on absorbed CO₂: these methodologies use a mixed approach of modelling and measurement, relying on optimised calculation models based on monitoring and in situ observations, with a specific reference to tree elements (Tabacchi et al., 2011).

The objective of applying this methodology is to highlight the benefits derived from natural environments for the community, enabling proposals for economic support from third parties to compensate for the value of these collective benefits: this quantification and compensation process is referred to as "Payment for Ecosystem Services" (PES).

Dreamland is an ongoing project. We are dedicated to transform Dreamland into the largest metropolitan area specifically designed for the protection of plants, insects, and animals. This is why, in 2024, new hectares have already been purchased, near the first three, with plans for future expansion into other national (and international) cities where LEGAMI is currently operating or will operate.

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CIRCULAR ECONOMY PROJECT

LEGAMI, in cooperation with the Municipality of Bergamo, launched the first circular economy project for stationery in schools.



BREATHING NEW LIFE INTO RECYCLED STATIONARY!

The aim is to raise awareness among young people and the community about the importance of recycling the plastic found in school stationery, thereby transforming waste that would otherwise be disposed of in landfills or, at best, incinerated.

The pilot project in Bergamo aims to initiate a virtuous cycle that LEGAMI intends to promote as a 'Best Practice', encouraging others to follow suit and involving an increasing number of students and institutes across the country.

The feasibility analysis started in 2023, revealing that all stakeholders in the plastics supply chain were supportive of a project dedicated to recycling plastics used in stationery products, additionally this highlighted the practical need to launch a pilot project to gather technical information on the types and quantities of materials that could

be collected.

The project idea was presented to Mayor Giorgio Gori of Bergamo and the councillors for environment and education, who enthusiastically committed the necessary resources and network to launch the project in Bergamo's schools.

LEGAMI subsequently expanded its partnership to include technical players Aprica S.p.A. and Montello S.p.A., whose expertise could support the project, leading to the official launch in 2024.

"Let's go crazy for the planet" will initially involve 12 High schools in Bergamo

and nearly 11,000 students in a recycling competition, with the win-

ning school being the one that achieves the best recycling collection effort overall. The criteria for awarding prizes will include not only the quantity of materials collected but also the accurate sorting of different components. Recycling box at the Liceo Linguistico G. Falcone (Bergamo) LEGAMI S.p.A SB 81

Press Conference 24/04/2024 - Council Chamber - Palazzo Frizzoni

PRIMARY AND SECONDARY PACKAGING

Responsible management of product packaging is essential for minimising environmental impact and adhering to European regulations, including the Packaging and Packaging Waste Directive (94/62/EC). This legislation, and the future Packaging Regulation (PPWR), require member states to reduce the environmental impact of packaging through recycling and reuse of materials.

Using recyclable or biodegradable materials, reducing unnecessary packaging and optimising production and disposal processes helps to comply with these regulations, reducing the amount of waste that ends up in landfills and oceans.

LEGAMI pays careful attention to packaging issues not only to enhance operational efficiency but primarily to meet increasing customer demands regarding the environmental impact of company production processes.

Consequently, LEGAMI chose to assess and compare the carbon footprint impact of different packaging materials and directly modify the primary packaging of certain products, either by eliminating the packaging altogether or changing the material used. Specifically regarding **primary packaging**, here are some initial actions implemented in 2023:

- Approximately 30 items categorised as
 "Notebooks" had their plastic polybags, which
 was originally used to wrap each piece, substituted
 with paper inners, each containing 3 pieces.
- Out of 15 items, in sectors including vintage products (toys) and stationery (cases), the packaging or protective polybag was removed.
- On approximately 30 items across various sectors such as beauty, home, stationery, and bikehoalic, plastic packaging was substituted with paper packaging.
- The plastic display across an **entire line of pencils** was substituted with a paper display, achieving a 50% reduction in weight.

LEGAMI has also conducted a study to assess and compare the carbon footprint impact generated by **secondary packaging materials** of different types. Specifically, four types of packaging were compared:

- Paper packaging consisting of three different materials (Tissue paper, Kraft paper and PadPack paper);
- 2. Plastic packaging such as bubble wrap;
- 3. Paper packaging such as paperplus;
- 4. Plastic packaging such as airplus.

The study conducted by Reteclima aims to assess the climate impact from material sourcing, transportation to LEGAMI warehouses, and processing impact by comparing the environmental footprint in kgCO₂eq emitted across the four products mentioned above.

All activity data relating to the different processes included in the life cycle of the four packaging types were modelled using SimaPro 9 software and the Ecoinvent database.

Type 1 and 2 packaging is no longer used by the company and has already been replaced by packaging 3 and 4 respectively.

Specifically, the purpose of this Product Carbon Footprint (CFP) analysis is to compare new packaging materials with old ones.

METHODOLOGY

The Life Cycle Assessment (LCA) analysis, which focused on calculating the carbon footprint (CFP), was conducted using data related to the materials used for packaging the products sold. Specifically, the data were almost entirely sourced from the material data sheets.

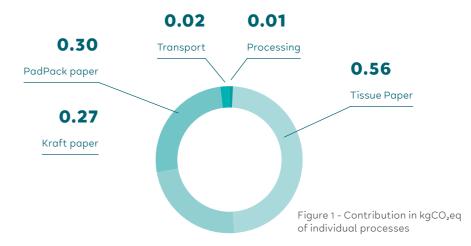
Since the approach focused on tracking the material's impact up to its use in packaging, the analysis assessed the impact of each material's production, its transportation to the warehouse, and potentially the energy consumed during processing.

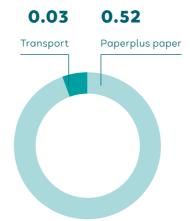
RESULTS

IMPACT FROM PAPER COMPOUND MATERIALS

The total CFP value of the composite paper material is 1.16 kgCO₂eq.

As illustrated in Figure 1, the largest contribution (97%) is attributed to the raw materials used in the production of the final product.

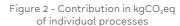




PAPERPLUS-TYPE PAPER MATERIAL

The total CFP value of a 100% recycled paper product is 0.55 kgCO₂eq.

As indicated in Figure 2, the most significant share (95%) is from the production of the paper material, which does not involve any processing.



O.O2 O.76 Transport Bubble wrap plastic

Bubble wrap plastic BUBBLE WRAP-TYPE PLASTIC MATERIAL

The total CFP value of the 100% recycled polyethylene bubble wrap type plastic material is 0.78 kgCO₂eq.

As shown in Figure 3, the most significant share (97%) is attributed to the raw materials used.

Figure 3 - Contribution in kgCO₂eq of individual processes

0.03 1.54

Transport Airplus plastic

AIRPLUS -TYPE PLASTIC MATERIAL

The total CFP value of the 50% recycled polyethylene Airplus type plastic material is 1.56 kgCO₃eq.

As shown in Figure 4, the most significant share (98%) is attributed to the raw materials used.

tributed to the raw materials used.

84 SUSTAINABILITY REPORT FOR 2023 Figure 4 - Contribution in kgCO₂eq LEGAMI S.p. A SB 85 of individual processes

ANALYSIS SUMMARY

When comparing the paper materials in scenarios 1 and 2, emissions are significantly reduced by half due to the elimination of processing and the use of a single 100% recycled paper material.

However, the comparison between scenarios 3 and 4 shows a different outcome in terms of their effects on plastics. Specifically, emissions are increased because while maintaining the same type of material (polyethylene), the composition has changed from 100% recycled to 50% recycled material.

Finally, it should be noted that changing the packaging supplier to one located further away (174 km compared to 123 km) resulted in a slight increase in transport emissions for the two new material scenarios.

CONCLUSIONS

A comparison of the quantities of materials used for packaging in the years 2022 and 2023, along with the corresponding emissions, reveals that despite plastics having a higher absolute impact, there was a significant reduction in associated emissions (84.23%) due to its reduced usage.

The scenario is entirely different for paper because, despite a significant reduction in the impact per unit (PAPERplus), the quantity used has increased tenfold, resulting in a proportional increase in emissions.

In light of the study's findings, which were also influenced by nearly doubling turnover, **LEGAMI** is committed to reducing filler packaging by accelerating the approval process for new secondary packaging such as "bagged" packaging, which inherently reduces the amount of filler packaging.

	Type of packaging material	Associated emissions (tCO₂e)
12,111.00	100% recycled bubble wrap (Year 2022)	9.40
947.90	Airplus and small bubbles bubble wrap (Year 2023)	1.48
261.00	Rajapack paper (Kraft paper, Tissue paper and PadPack paper) (Year 2022)	0.30
5,670.00	PAPERPlus paper (Year 2023)	3.13

Projects linked to environmental impacts

CLIMATE CITY CONTRACT

The Climate City Contract (CCC) is a project that began in 2023 and was completed in 2024 in the Municipality of Bergamo, similar to the territorial pacts being put into place by the 112 cities selected by the European Union in their respective countries to champion the decarbonisation challenge. Bergamo is one of nine Italian cities dedicated to transitioning to climate neutrality: alongside Bergamo are Bologna, Milan, Florence, Padua, Turin, Parma, Rome, and Prato.

The CCC represents a commitment to reducing CO₂ emissions, not only by the city administration but also by various stakeholders, including private entities, who have chosen and will choose to participate in the ecological transition challenge.

Some of the targets set by the CCC relate to improving the energy efficiency of buildings, expanding renewable energy sources, promoting public transport, pedestrian and bicycle mobility, multi-modality and automation of transport, reinforcing the circular economy, and drastically cutting waste and CO₂ emissions.

LEGAMI responded to the Municipality of Bergamo's call, along with around forty companies and organisations in the area.

216 different actions have already been collected, ranging from the energy requalification of buildings to the expansion of the district heating network, from the use of energy from renewable sources to the expansion of the electric vehicle charging network, from the sustainable regeneration of specific urban areas to the implementation of telemedicine systems, from reforestation projects to the installation of photovoltaic systems.





₹

GRI 302-1 Energy consumption within the organisation

	Measurement unit	2021	2022
A. Total energy consumption from non-renewable sources (fossil fuels)	Gigajoules (GJ)	529.4	547.8
of which Petrol	Gigajoules (GJ)	0.0	76.2
of which Diesel fuel	Gigajoules (GJ)	529.4	471.5
B. Total energy consumption from renewable sources	Gigajoules (GJ)	2301.3	3098.6
Consumption of electricity purchased from renewable sources	Gigajoules (GJ)	2270.3	2914.6
Self-produced renewable energy consumption	Gigajoules (GJ)	31.0	184.0
LEGAMI's total energy consumption	Gigajoules (GJ)	2830.7	3646.3
Renewable energy consumed as a percentage of total energy consumption	%	81.3%	85.0%

The growth in resource utilisation and tCO₂ is driven by the increase in business volume from €46 million in 2021 to €76 million in 2022.



GRI 303-3 Water withdrawal

Withdrawal source	Measurement unit	2021	2022
Third-party water Aqueduct	Millilitres (ml)	0.33	0.39

Conversion factors taken from the "Table of National Standard Parameters for Greenhouse Gas Monitoring and Reporting", 2021 (ISPRA, Ministry of Ecological Transition).

At the time of writing this report, the 2023 figures are being revised.



GRI 305-1 Direct GHG emissions (Scope 1)

GRI 305-2 Indirect energy (Scope 2) GHG emissions

GRI 305-3 Other indirect (Scope 3) GHG emissions

Emission type	Measurement unit	2021	2022
SCOPE 1 Direct emissions	tCO₂eq	42.0	43.5
SCOPE 2 Indirect emissions from energy consumption (Location based)	tCO₂eq	180.2	231.4
SCOPE 2 Indirect emissions from energy consumption (Market based)	tCO₂eq	2.6	3.4
SCOPE 3 Other indirect emissions	tCO₂eq	4604.4	6605.4
TOTAL GHG EMISSIONS (Market based)	tCO₂eq	4649.0	6652.2



GRI 302-1 Energy consumption within the organisation

Scope 3 category	Measurement unit	2021	2022
Products and services purchased by the company	tCO₂eq	2054.9	2656.6
Assets purchased by the company	tCO₂eq	567.1	590.8
Upstream fuels and electricity	tCO ₂ eq	26.7	32.7
Inbound transport of purchased products	tCO₂eq	269.5	634.7
Wastes generated	tCO ₂ eq	4.3	4.5
Business trip	tCO₂eq	15.9	23.5
Employee commuting	tCO ₂ eq	397.2	491.4
Upstream leased assets	tCO₂eq	379.1	522.7
Outbound transportation of sold product	s tCO ₂ eq	319.5	707.4
Utilisation of products sold	tCO₂eq	31.4	85.2
End-of-life products sold	tCO₂eq	499.0	814.5
Downstream leased assets	tCO₂eq	36.7	38.4
Franchises	tCO₂eq	3.1	3.1
TOTAL INDIRECT EMISSIONS (SCOPE 3)	tCO₂eq	4604.4	6605.4

All activity data related to greenhouse gas emissions in this study was modelled using databases such as Ecoinvent, ISPRA, EPA, ISTAT, DEFRA and data from literature.

LEGAMI and social sustainability

In addition, for the "Social" dimension, the targets for 2023, the accomplishments achieved by the company, and the commitments planned for 2024 were presented.

COMMON BENEFIT



Strategically important topics

- · Developing human capital
- Sustainable supply chain
- Product health and safety











The most important activities are highlighted in the tables below and detailed on the following pages.

MATERIAL TOPIC	PURPOSES (BENEFIT CORPORATION)	OBJECTIVE	PROGRESS %	2023 RESULTS	2024 COMMITMENTS
		Implementation of a Management by Objectives (MBO) system and a training plan for each function, progressively integrating ESG performance indicators.	20% (target 2023-24)	The training plan by function and the career management policy targets have both been postponed to 2025. The process started by focusing on specific functions, particularly roles within sales. The MBO system in 2023 covers about 20% of the company's employees.	Target allocation will be reviewed, expanding the number of individuals eligible for MBOs, and introducing Long-Term Incentives (LTIs) for a specific target group.
Developing human capital Initiatives focused on developing skills and attracting talent	D. Putting people first G. Diversity & inclusion	Employer branding through engagement actions and attracting	100%	Attracting external talent A new selection and onboarding process will be implemented to effectively communicate the company's ethos and values. In the new selection process, questions regarding marital status, pregnancy, or caregiving responsibilities will not be permitted.	
tatent		new talent	100%	Engagement with Schools/Universities: In 2023, partnerships were established with the University of Parma, RCS Academy, Milan Polytechnic, and IED for recruitment activities. (find out more)	Taking part in Career Days at the University of Bergamo and other initiatives at secondary schools
		Prevention of all forms of physical, verbal, digital (harassment) abuse in the workplace through a specific plan and training	0%	This goal will be fully achieved by 2025.	



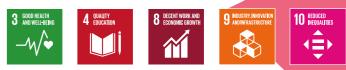
LEGAMI and social sustainability

Strategically important topics

- Developing human capital
- Sustainable supply chain
- Product health and safety











MATERIAL TOPIC	COMMON BENEFIT PURPOSES (BENEFIT CORPORATION)	OBJECTIVE	PROGRESS %	2023 RESULTS	2024 COMMITMENTS
Developing human capital Employee retention through welfare plans, remuneration policy information, internal	retention through welfare plans, remuneration policy	100%	Welfare: designing and implementing the "Staiwel 2.0" project, a comprehensive platform featuring initiatives and benefits for all employees, including membership on the Ennevolte website offering perks and discounts. Executives and store managers with one year of service are entitled to a health insurance policy provided by Generali. In 2023, more than 90% of employees used the platform. (find out more)	Continue to implement and enhance the welfare policies adopted in 2023	
Initiatives focused on developing skills and attracting talent	people first G. Diversity & inclusion	human resource enhancement, work-home balance and actions	100%	Keeping employees up to date on a regular basis about the company's achievements, targets, and various strategic topics and projects	Organise a bi-monthly plenary meeting starting from Q2 2024
to promote well-being in all employee categories	10%	Initiated a pilot project for competency assessment to evaluate the potential of a resource, acting as a trial for future initiatives involving a segment of the company's workforce	Develop a structured employee climate analysis		
			80%	Employee well-being: Numerous initiatives have been undertaken to promote the psychological and physical well-being of employees (see further details)	Opening of the company canteen
Sustainable supply chain Focus on the sustainability performance of the company supply chain	B. Sustainable Business Model	Measuring suppliers' ESG performance	90%	By conducting the supplier mapping process, we were able to receive and analyse social reports issued to suppliers over the past year, achieving approximately 90% compliance with 2023 sales	1. Increase the number of suppliers participating in active social audits 2. Enhance the contractual framework of the supplier code of conduct, placing additional emphasis on social standards and practices to ensure optimal environmental protection 3. ESG supply chain performance survey
Product health and safety Managing health and safety risks for the	C. Sustainability in manufacturing processes	Improving the effectiveness of product controls by extending risk assessment analyses to all	100%	Risk assessment conducted on all products in the catalogue	



catalogue products

end customer

LEGAMI People

"Diversity Explosion" represents LEGAMI's unique approach: we embrace diversity, we are curious, and we enjoy discovering different perspectives, inspirations, and ideas. We engage with everyone, irrespective of their desires, tastes, or perspectives on life, because positive emotions are universal and, for us, they are the best way to express our identity and forge connections that make us feel good about ourselves and others.

This philosophy shapes our behaviour and impacts every aspect of our business, involving all stakeholders: customers, employees, suppliers, shareholders, local communities... and the environment.

Employees are the driving force of our company; they create value within a stimulating environment that encourages them to be at their best.

Our team is young, curious, and enthusiastic, with a significant female presence contributing to the diversity and dynamic nature of our work environment.

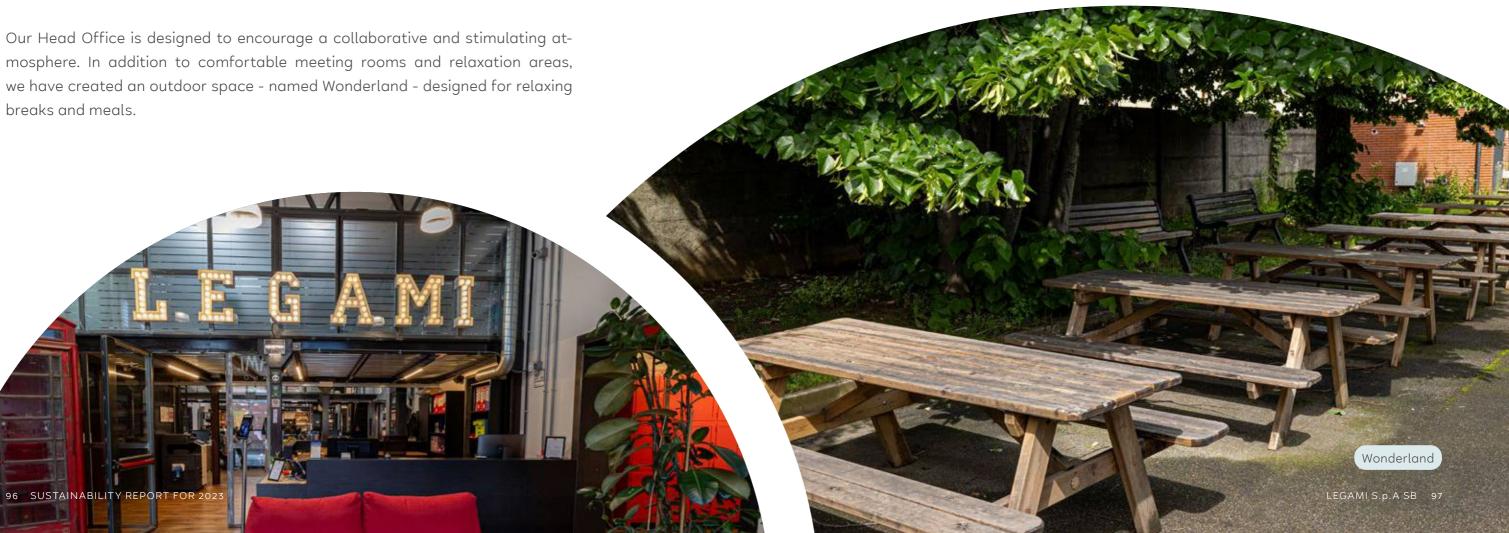
mosphere. In addition to comfortable meeting rooms and relaxation areas, we have created an outdoor space - named Wonderland - designed for relaxing breaks and meals.

A **new company canteen** with an on-site restaurant will be inaugurated soon, to facilitate a more pleasant, comfortable and healthy, lunch break experience.

We believe it's crucial that corporate success goes hand in hand with the well-being of our employees which is why we strive to promote healthy lifestyles and improve work-life balance.

Employees are eligible for an extra eight hours of paid leave for medical examinations; in 2023, 57 employees took advantage of this benefit, amounting to 212 hours in total (averaging nearly four hours per person).

Our main Head Office includes a gym equipped with exercise machines (such as stationary bikes, ellipticals, and treadmills) and an area dedicated to bodyweight exercises, this setup promotes preventive health practices and physical activity during lunch breaks and before or after work, thereby reducing the time and commute required to stay fit.



LEGAMI People

Our "Steiwel" welfare platform offers a range of services and initiatives to support the main needs of employees and their families. All employees with permanent and apprenticeship contracts, working both in stores and at Head Office are eligible.

Furthermore, employees have the chance to receive additional welfare credits for completing special training courses or activities, such as a certified course in visual merchandising.

Additionally, health insurance policies are offered to store managers with over one year of service, middle managers, and executives.

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comprising

approximately

18 initiatives

* Welfare Index Report PMI2024150K

Additionally, the company has set up a portal featuring agreements on various topics related to employee welfare on the "Ennevolte" site.

ennevolte



Lastly, employees with a commute of more than 20km receive an additional sum of €300, increasing to €600 for commutes over 40km, (except when a company car is provided).

EMPLOYEE WELL-BEING

In an effort **to promote work-life balance**, LEGAMI decided to test out working hours, allowing employees **to make up** for any additional authorised hours worked on Mondays and Thursdays **during Friday afternoons**.

The contribution and active involvement of each of our LEGAMI People is crucial to LEGAMI's growth and success. We want to empower our people, support their growth, and promote the well-being of those who work towards our common goal every day: spreading positive emotions.

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Focus of activities 2023

COLLABORATION WITH ACADEMIA AND STUDENTS

In today's landscape, where innovation and fresh ideas are essential for continued growth and success, LEGAMI recognises the significant value of forming synergies with the academic world. Being a brand that blends creativity and innovation, with a mission to generate positive emotions, our commitment to integrating new talent is reflected through strong partnerships with renowned university institutions.

LEGAMI's relationship with top-tier academic institutions such as Bocconi University, Polidesign, the IED (European Institute of Design), the University of Bergamo, and the RCS Academy, goes beyond simple academic interaction. This collaboration is a real greenhouse for growing future talent, blending academic theory with practical application to cultivate innovation and mutual growth. **Our partnerships are designed to build a strong connection between academia and the corporate world**, nurturing an ecosystem of continuous development for students and brands. In particular, we have established an open and constructive dialogue with RCS Academy, where students actively contribute to project work on topics relevant to our brand.

Recently, Master's students participated in a project focused on "strategic communities", which is essential for understanding and developing the dynamics of community networks in business. These projects not only allow students to apply their knowledge in real-life scenarios, but also offer LEGAMI innovative insights and creative solutions shaped by their diverse backgrounds and fresh perspectives.

Engaging in classroom meetings with students and our managers is another fundamental element of our academic collaboration. In these sessions, we present the "LEGAMI case" as a success story of a company that integrates sustainability, creativity, and innovative practices into its processes and products.

These interactions serve as platforms for **open dialogues and idea exchanges that enrich students and our team**, stimulating critical thinking and insights into current issues of common interest. Students' diverse backgrounds, ranging from design to management, is an invaluable resource that helps keep our brand modern and responsive.

At LEGAMI, we see every student and young talent not just as potential contributors to our success, but also as an opportunity for us to grow as an organisation by learning from different perspectives. By doing so, we not only strengthens **our commitment to ethical and sustainable business practices** but also ensure that we stay ahead in addressing future challenges with innovative, environmentally friendly, and socially responsible solutions.

To summarise, LEGAMI's partnership with the academic community is not just a part of our sustainability strategy; it is a crucial component of our identity and our way of doing business. Through these partnerships, **LEGAMI** is committed to actively contribute to the training and development of skilled and conscientious professionals who are capable of navigating and shaping future transformations, guided by our principles of sustainability and innovation.

COLLABORATION WITH CESVI



LEGAMI, in line with its values, history and ongoing commitment, **has proudly been supporting CESVI**, a humanitarian organisation dedicated to implementing the international solidarity initiative known as "Case del Sorriso" (Houses of Smiles), **for over 15 years**.

Specifically, LEGAMI has supported the Casa del Sorriso (House of Smiles) in Cape Town, South Africa: a safe place where women who are victims of domestic violence and their children can find refuge, receive care, protection, medical and psychological assistance, and regain their smiles thanks to specific support programmes.

The CESVI Programme for Children in Italy provides a tangible solution to educational poverty, aiming to enhance conditions for children and young people living in particularly fragile social contexts.

The programme includes physical spaces like Casa del Sorriso (House of Smiles) alongside initiatives focused on creating pathways to protection and enabling individuals to become architects of their own futures. Among the activities promoted by the Casa del Sorriso (House of Smiles) in Italy, always led by experienced professionals, we would like to highlight the following workshops:

- PSYCHOMOTRICITY to promote the development
 of positive peer relationships, encourage the
 sharing of common rules, increase body awareness,
 and emphasise the value of social interaction.
- **CULTURAL ARTISTIC EXPRESSIONS** to stimulate creativity and emotional recognition using a range of artistic expression.

 Furthermore, the workshops offer specific outdoor activities designed to entice service users to explore the artistic and cultural richness of their region, such as theatre and music performances, exhibitions, and guided tours.
- **SPORTS** to promote the development of positive peer relationships, encourage the sharing of common rules, increase body awareness, and emphasise the value of social interaction.

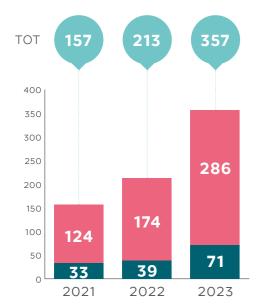
The annual support for CESVI's Casa del Sorriso (House of Smiles)'s programme stems from the "LEGAMI PER LA VITA" (LEGAMI FOR LIFE) campaign, which doubles the donation for each calendar sold, prominently featuring collaboration details alongside the CESVI logo. "Wonder School" (as detailed on page 118) was launched by LEGAMI in 2023, a project exclusively managed by LEGAMI, dedicated to children facing complex family dynamics and fragile conditions, made possible through their consolidated partnership with CESVI.



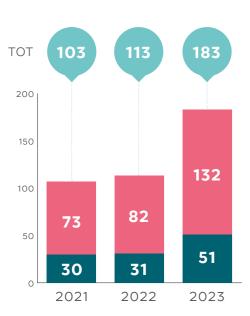




GRI 2-7 Employees



Total number of full-time employees

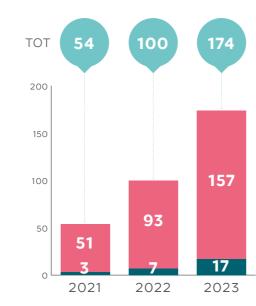


Total number of permanent employees

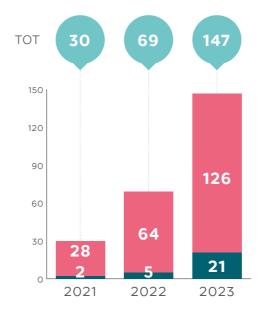
Women Men



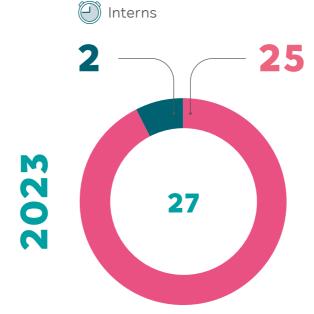
Total number of part-time employees



Total number of fixed-term employees



GRI 2-8 Contractors



Total number of employees with non-guaranteed hours

No employees with non-guaranteed hours were recorded in the three reporting years.



GRI 2-30 Collective agreements

Percentage of employees covered by collective agreements compared to total headcount



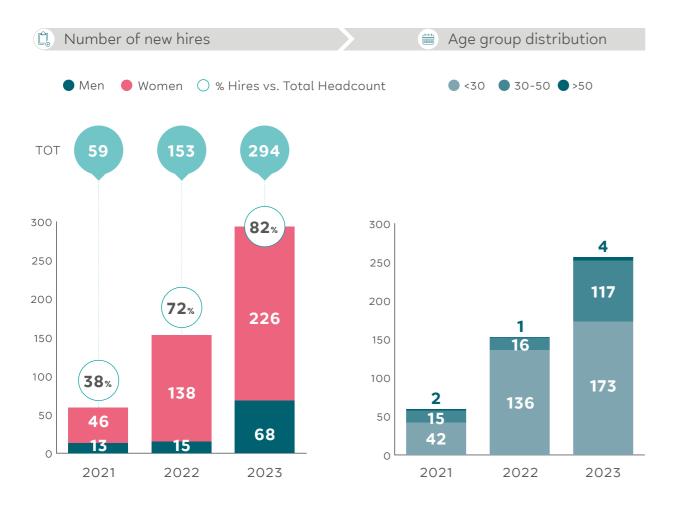
*CCNL Commercio Confesercenti (National Collective Bargaining Agreement)

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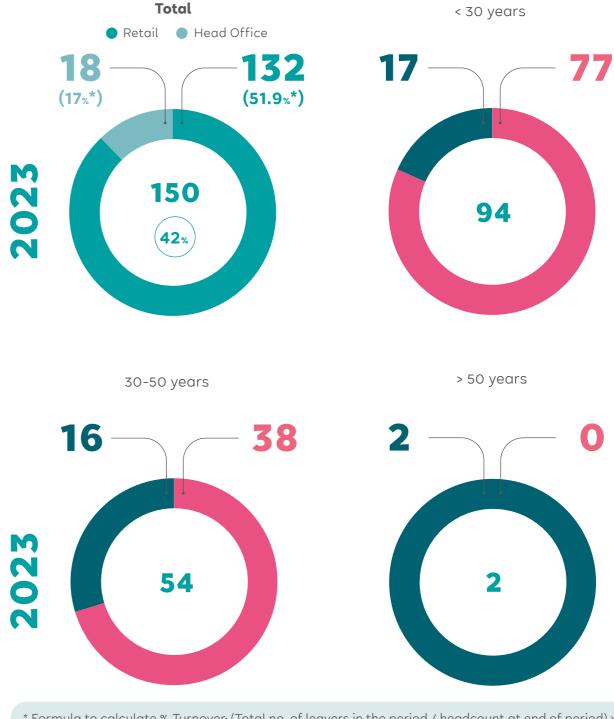
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GRI 401-1 New employee hires and employee turnover

NEW HIRES





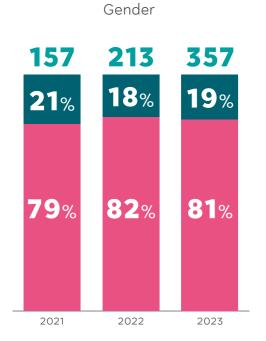


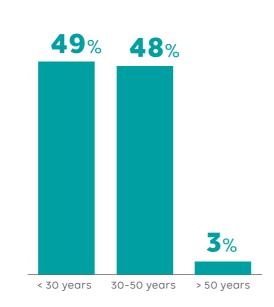
* Formula to calculate % Turnover: (Total no. of leavers in the period / headcount at end of period) x 100

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TOTAL NUMBER OF EMPLOYEES

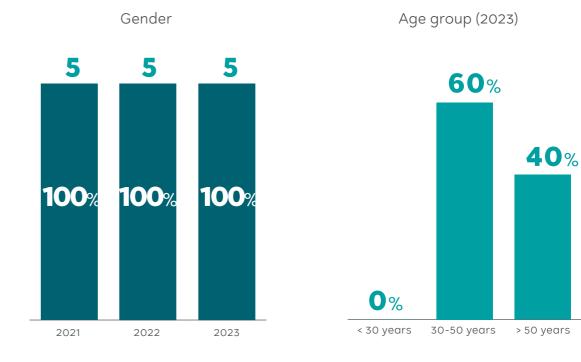




Age group (2023)

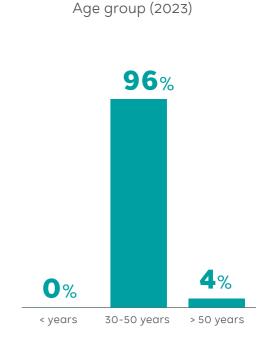
GRI 405-1 Diversity of governance bodies and employees

BOARD OF DIRECTORS



MANAGERS AND DIRECTORS







Women Men

B\$

GRI 2-21 Total annual remuneration ratio

	2023
Ratio of the annual total remuneration of the highest-paid employee to the average annual total remuneration of all employees (excluding the highest-paid employee);	3.97
Calculate the ratio of the percentage increase in the annual total remuneration of the highest-paid employee to the average percentage increase in the annual total remuneration of all employees (excluding the highest-paid employee);	1.04



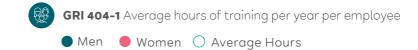
GRI 403-9 Work-related injuries

		2023
Deaths as a result of work-related accidents		0
Work-related injuries with serious consequences		0
Recordable occupational injuries		1
Rate of recordable occupational injuries		1.7
Main types of work-related injuries	!	Cutting injuries
Number of hours worked		574,000



GRI 403-10 Work-related ill health

There were no instances of work-related ill health





	Women	Men	TOTAL
Total training hours MANDATORY	2,507	627	3,134
Total training hours NON-MANDATORY	547	137	684
Total hours INTERNAL training	1,931	483	2,414



GRI 405-2 Ratio of basic salary and remuneration of women to men

	2023
Level 5	3%
Level 4	22%
Level 3	1%

	2023
Level 2	4%
Level 1	-13%
EXECUTIVES	-6%

LEGAMI in the governance dimension

In terms of ESG governance, the company's focus is on two key strategic issues: customer satisfaction and business ethics.



COMMON BENEFIT
PURPOSES (BENEFIT
CORRORATION)

F. Customer

satisfaction

experience

and customer

MATERIAL TOPIC

Customer

Customer

satisfaction

satisfaction

policies focusing

on quality, timeliness and flexibility

OBJECTIVE

PROGRESS %

PROGRESS %

Customer

Satisfaction

70%

Identification of critical areas in end-user and B2B customers Target for 2024

100%

Strategically important topics

- Customer satisfaction
- Business ethics

2023 RESULTS







As with the remaining ESG dimensions, the summary diagram shows the initiatives undertaken in 2023 for each defined objective, alongside planned commitments for 2024, with detailed insights into key activities on the following pages.

Each month, Customer Care updates the product, regulatory,	
and retail departments on the findings of complaint analysis,	
concentrating on significant complaints that triggered internal	Į
investigation procedures in the previous weeks.	

Structuring the quality department to include resources assigned exclusively to Quality Control

Engagement with Schools/Universities:

for recruitment activities. (find out more)

In 2023, partnerships were established with the University

of Parma, RCS Academy, Milan Polytechnic, and IED

Improving non-compliance (NC) management, taking into account the main points listed below:

2024 COMMITMENTS

- 1. Classification of non-compliance (Blocking/Major, Critical, Medium severity, Reportable)
- 2. Automating the registration of NCs
- 3. Quantitative assessment of defect rates relative to the quantity of goods ordered, stocked, or distributed in the market
- 4. Implementation of a structured process for managing corrective and preventive actions, sorting, and reconditioning, as well as economic management of non-compliance
- 1. Launch customer satisfaction survey for B2B customers
- 2. Dedicated customer care for the retail channel with the option to introduce a dedicated freephone number

Taking part in Career Days at the University of Bergamo and other initiatives at secondary schools



LEGAMI in the governance dimension

Strategically important topics

- Customer satisfaction
- Business ethics









MATERIAL TOPIC	COMMON BENEFIT PURPOSES (BENEFIT CORPORATION)	OBJECTIVE	PROGRESS %	2023 RESULTS	2024 COMMITMENTS
	Proactive promotion of culture on ethical issues	0%	The development and dissemination of the Code of Ethics to all employees has been deferred until 2024	Development and publication of the corporate Code of Ethics	
Business ethics Sustainability- orientated purpose	A. Integrity and transparency E. Support for the territory	Consolidation of the company purpose	100% (2023)	In mid-2023, the company became a Benefit Corporation to consolidate its business model, which integrates social and environmental objectives alongside economic profitability. This legal status, introduced in Italy, promotes ethical and transparent practices, enhancing corporate reputation, attracting responsible investors and seeking to meet stakeholder expectations, creating shared value for the community and the environment. Please refer to the impact assessment at the beginning of the report for more details. Worth highlighting among the first actions for community benefit and local support is the Wonder School project, conducted in partnership with CESVI (see details for more information)	Assessing adherence to global protocols/ agendas (e.g. Global Compact)

Focus of activities 2023

THE RESPONSIBILITY OF BEING A BENEFIT CORPORATION

Benefit corporations represent an innovative business model in Italy, that blend profit and sustainability, marking a significant cultural change where companies are perceived not only as profit-making entities but also as catalyst of positive social and environmental impact. Officially introduced in 2016, the number of companies opting for this status has increased significantly from a few dozen to over 2,000 in 2023.

This positive trend demonstrates the rising relevance, in the Italian economic landscape, of prioritising corporate sustainability.

Benefit corporations differ from traditional companies in their dual objective: to pursue both profit and common benefit, aiming to strike a balance between the interests of shareholders and the welfare of the community, environment, and employees.

Common-benefit objectives should be clearly articulated and incorporated into the company's statute, following the example set by LEGAMI in 2023.

Annually, Benefit Corporations must prepare an impact report (as described at the beginning of this report), which assesses the achievement of environmental and social objectives using a recognised external measurement tool.

This report must be made available to the public and verifiable, thereby ensuring transparency to all stakeholders.

Benefit Corporations are required to appoint a manager responsible for monitoring and reporting on the company's progress in fulfilling its commitments to stakeholders.

This Sustainability Report is a reflection of LEGAMI's strategic vision and responsibility towards its stakeholders, constantly intertwining ESG goals and accomplishments with the objectives of common benefit throughout the drafting process.

A concrete example of this integration is represented by "Wonder School", a project that responds to the common benefit purpose of supporting the community.

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Wonder School

ENSURING A POSITIVE BACK-TO-SCHOOL EXPERIENCE FOR CHILDREN FACING VULNERABLE CONDITIONS

Children raised in economically and culturally fragile environments frequently face negative emotions and despondency. Facing educational poverty limits their learning and experimentation opportunities, hindering the development of essential skills and talents for their future, and raising the likelihood of early school withdrawal.

Every day, through our products, we enable people to experience positive feelings and emotions, and for more than 20 years we have been creating original stationery that conveys cheerfulness and inspires creativity. This is why we aim to create small moments of positivity for children facing economic hardship and family challenges as they go back to school.

Our aim is for their return to school to be an opportunity for a fresh start, approached with confidence, enthusi-

asm, and energy.

"Wonder School" is a 100% LEGAMI project through which over 1,000 SCHOOL KITS will be donated to primary school students, primarily those facing vulnerable conditions. In collaboration with the CESVI foundation and leveraging the Case del Sorriso (House of Smile) centres, we will distribute the school kits across four Italian regions, aiming to create a positive social impact in communities most affected by educational poverty:

- Bergamo and its province
- Bari in the San Paolo/Stanic district, the largest suburb of the city;
- Naples in the suburb of San Pietro a Patierno;
- **Syracuse** in the Zecchino neighbourhood, in the city's north-central area.

Every School Kit will be hand-prepared by the dedicated LEGAMI team at our Head Office, featuring a carefully chosen selection of products and accessories from our catalogue: backpacks, pencil cases, pencils, notebooks, rulers, scissors, erasers, sharpeners, as well as our iconic Erasable Pens and two-colour crayons, with each item reflecting LEGAMI's signature cheerful, colourful, and charming style, ensuring a vibrant and positive start of the school year.

Wonder School also aims to actively support projects within the Case del Sorriso (Houses of Smile), which provide educational and scholastic support through language, art, and sports courses, offering vocational guidance, training courses, visits to cultural and environmental sites, and safe spaces for family interactions.



One school kit, 16 accessories

Projects and initiatives 2023

INNOVATION IN THE LIFECYCLE MANAGEMENT PROCESS

Since November 2023, LEGAMI has been working with Considi on the "Lifecycle Management Process Innovation" assessment project aiming to define a **new organisational model for Hangar Zero** capable of coping with the considerable rise in volume and complexity of product development projects compared to previous years.

In creative and dynamic environments where the product acts as the heart and engine of the company, it's essential to systematically boost innovation and speed up the launch of new items into the market.

With this in mind, forward-thinking companies are opting to undergo internal reorganisation by adopting Agile methodologies that prioritise the core functionalities of products, thereby reducing time-to-market and facilitating faster and more frequent product launches.

The process started with a series of interviews with all top management in order to outline the context, growth forecasts, current critical challenges and business priorities. Following this, key stakeholders from the R&D, PM, Regulatory & QC, Graphic Designers, and Technical Writer teams at Hangar Zero were engaged to map out the current methodologies used in managing product development projects, including new launches, restyling, or extending product lines.

During the mapping exercise, the focus was not only on the iterations and transitions between different corporate functions but also on identifying the critical issues faced by various teams proving to be a valuable opportunity for mutual understanding and constructive dialogue.

The **critical issues** identified, were attributed to five types of "waste":

- **Challenges** in coordinating and aligning teams with milestones
- Poor quality of managed information
- **Distribution** of information via email and Excel documents
- **Slow** decision-making process
- Business lacking in data-driven insights (analysis, reports, ...)

In view of this, analyses, insights, and activities were undertaken to formulate the new organisational model for Hangar Zero, such as:

- **Defining** the new innovation flow management process and the new product development management process, supported by a responsible, accountable, consulted, and informed (RACI) matrix to clarify roles and responsibilities;
- Identifying effective information tools:
 especially, macro-requirements for introducing
 a product lifecycle management software
 (PLM) were defined, and a Digital Visual
 Management tool for collaboration between
 resources was selected at the same time;
- **Self-assessment** by all staff at Hangar Zero, which allowed the collection of the current distribution of time across various activities, with a focus on time spent on non-value added activities;
- Creating a skill map of the current Hangar
 Zero resources to identify existing skills and
 any shortfalls compared to the desired skills,
 so that these gaps can be addressed;
- Designing the new organisational structure, its size, and defining job descriptions according to the principles and logic of agile methodologies.

Responsible

Accountable

Consulted

Informed

The Agile transformation in LEGAMI's Hangar Zero aims not only to improve efficiency and innovation but also to promote sustainability by adopting practices, principles, and tools that benefit individuals, society, and the environment.

€

GRI 201-1 Direct economic value generated and distributed

	Measurement unit	2021	2022	2023
GENERATED ECONOMIC VALUE	€	47,896,946	76,648,917	142,424,358
DISTRIBUTED ECONOMIC VALUE	€	47,017,328	73,805,806	125,883,076
Operating Expenses	€	39,875,072	63,601,673	104,299,865
Employee salaries and benefits	€	6,641,283	8,660,237	13,758,086
Payments to capital providers	€	110,438	359,785	1,187,863
Payments made to public authorities	€	390,535	1,184,111	6,637,262
Investment in the community	€	0	0	0
RETAINED VALUE	€	879,618	2,843,111	16,541,282



GRI 201-4 Financial assistance received from government

	Measurement unit	2021	2022	2023
Tax relief and tax deductions	€	65,751	306,664	108,862
Subsidies	€	54,423	83,163	102,262



GRI 406-1 Incidents of discrimination and corrective actions taken

	2021	2022	2023
Total number of incidents of discrimination	0	0	0



GRI 417-3 Incidents of non-compliance concerning marketing communications

	2021	2022	2023
Total number of incidents of non-compliance with regulations or self-regulatory codes regarding marketing communications, including advertising, promotion and sponsorships	0	0	0



GRI 418-1 Substantiated complaints concerning breaches of customer privacy and losses of customer data

	2021	2022	2023
A . Total number of substantiated complaints received regarding breaches of customer privacy	0	0	0
B. Total number of detected leaks, theft or loss of customer data	0	0	0



GRI 2-27 Compliance with laws and regulations

2021	2022	2023
0	0	0

During the reporting periods, there were no incidents regarding GRIs reported.



THE drafting METHOD

The last chapter contains the references used in drafting the report, an index of the GRI indicators used and a glossary explaining some of the terms used.



The boundaries of the Sustainability Report

LEGAMI's Sustainability Report for 2023 is the result of its second reporting cycle, intended to transparently communicate the company's sustainability performance to stakeholders.

Within this document, you will find information about the management model, operational policies, and the main risks, opportunities, and impacts associated with identified material ESG issues.

The ultimate aim is to demonstrate the actions taken towards sustainability goals by providing feedback that meets the legitimate expectations of all LEGAMI stakeholders.

The information included in this sustainability report covers all company locations. The reporting period covered in the document is the calendar year; however, in future reports, the company plans to align the reporting date with that of the consolidated financial statements.

The drafting principles

In drafting this Sustainability Report, we followed the principles of the **Global Reporting Initiative (GRI)**, specifically opting for the GRI-Referenced approach.

This approach ensures that the reporting of environmental, social, and governance activities and impacts adheres to internationally recognised standards for transparency and accountability.

The Sustainability Plan outlined in the Report is also structured around the UN **Sustainable Development Goals (SDGs)**, illustrating how material issues relate to and support specific SDGs.

GRI indicators

GRI Standards	Description	Page
GRI 2: General Disclosures 2021	2-1 Organisational details	17
GRI 2: General Disclosures 2021	2-2 Entities included in the organisation's sustainability reporting	17
GRI 2 : General Disclosures 2021	2-6 Activities, value chain and other business relationships	21, 30, 32, 35, 36, 39
GRI 2: General Disclosures 2021	2-7 Employees	21, 104
GRI 2: General Disclosures 2021	2-8 Contractors	105
GRI 2: General Disclosures 2021	2-9 Governance structure and composition	25
GRI 2: General Disclosures 2021	2-11 Chair of the highest governing body	25
GRI 2: General Disclosures 2021	2-21 Total annual remuneration ratio	110
GRI 2: General Disclosures 2021	2-22 Statement on sustainable development strategy	5, 50
GRI 2: General Disclosures 2021	2-23 Policy commitments	26
GRI 2: General Disclosures 2021	2-27 Compliance with laws and regulations	123
GRI 2: General Disclosures 2021	2-29 Approach to stakeholder engagement	49
GRI 2: General Disclosures 2021	2-30 Collective agreements	105
GRI 3: Material topics 2021	3-1 Process to determine material topics	47, 49
GRI 3: Material topics 2021	3-2 List of material topics	47, 49
GRI 201: Economic performance 2016	201-1 Direct economic value generated and distributed	122
GRI 201: Economic performance 2016	201-4 Financial assistance received from government	122
GRI 302 : Energy 2016	302-1 Energy consumption within the organisation	90, 91
GRI 303: Water and effluents 2018	303-3 Water withdrawal	90
GRI 305 : Emissions 2016	305-1 Direct (Scope 1) GHG emissions	91

GRI Standards	Description	Page
GRI 305 : Emissions 2016	305-2 Energy indirect (Scope 2) GHG emissions	91
GRI 305 : Emissions 2016	305-3 Other indirect (Scope 3) GHG emissions	91
GRI 401: Employment 2016	401-1 New employee hires and employee turnover	106, 107
GRI 403 : Occupational health and safety 2018	403-9 Work-related injuries	110
GRI 403 : Occupational health and safety 2018	403-10 Work-related ill health	110
GRI 404 : Training and education 2016	404-1 Average hours of training per year per employee	111
GRI 405 : Diversity and equal opportunity 2016	405-1 Diversity of governance bodies and employees	108, 109
GRI 405 : Diversity and equal opportunity 2016	405-2 Ratio of basic salary and remuneration of women to men	111
GRI 406 : Non-discrimination 2016	406-1 Incidents of discrimination and corrective actions taken	123
GRI 417 : Marketing and labelling 2016	417-3 Incidents of non-compliance concerning marketing communications	123
GRI 418 : Customer privacy 2016	418-1 Substantiated complaints concerning breaches of customer privacy and losses of customer data	123

Declaration of use

LEGAMI S.p.A. has reported the information mentioned in this GRI content index for the period from 1 January 2023 to 31 December 2023 with reference to the GRI Standards.

GRI 1 use

GRI 1 - Core Principles - Version 2021

Glossary

Agenda 2030 for Sustainable Development: the Programme of Action for People, Planet, and Prosperity, adopted by the governments of all 193 UN member states in September 2015. The Agenda incorporates the 17 Development Goals, called SDGs (see next item).

Sustainability Report: a succinct communication tool that illustrates the company's commitment to sustainability issues and measures its performance.

Carbon Footprint: measures the total greenhouse gas emissions, expressed in CO2 equivalent, associated directly or indirectly with a product, organisation, or service. This index is used to measure the sustainability of companies.

Double materiality: a concept that involves analysing and assessing how environmental, social, and governance (ESG) issues impact a company's financial performance, while also considering how the company's activities influence social and environmental issues.

ESG (Environmental, Social, Governance): the sustainability aspects by which a company's activities are evaluated, from economic, governance, environmental and social standpoints.

Circular Economy: a production and consumption model that involves sharing, reusing, repairing, reconditioning, and recycling materials and products.

Global Reporting Initiative (GRI): an international not-for-profit body established with the aim of defining sustainability performance reporting standards for organisations.

Governance: the people or bodies (e.g. the board of directors or a corporate monitoring trustee) responsible for overseeing the strategic direction of a company and its accountability and administrative obligations. **Greenwashing**: communicating one's sustainability in a fraudulent manner.

SDGs (Sustainable Development Goals): 17 UN targets to be achieved by 2030. These targets serve as guidelines for contributing to global development, promoting human welfare and protecting the environment.

Benefit Corporation: a corporate status that integrates profit goals with a formal commitment to pursue common benefit purposes, operating in a sustainable and transparent manner, aiming to benefit society and the environment.

Stakeholders: entities, organisations, or individuals who are affected by the organisation's activities, products, and services, or who have the power to influence the organisation's decisions.

Shared Value: a business model wherein a company's pursuit of financial and economic success, as well as competitive advantage, incorporates environmental and social considerations into its decisions and strategies.





BEYOND CARBON NEUTRALITY



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