



SUSTAINABILITY
REPORT
2022

20

YEARS TOGETHER

NEVER STOP

dreaming

LEGAMI
MILANO



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LETTER TO STAKEHOLDERS

LEGAMI's goal has always been to allow people to experience positive feelings and emotions.

We do this by creating colourful, original, fun, quality items that warm the heart, make people smile and give little moments of happiness at an affordable cost for the giver and the receiver.

Being able to give people a little bit of joy every day is a privilege for us, and creating products is inseparable from caring for the environment and communities. We believe that nothing can generate a positive feeling if it is achieved by exploiting the planet or people.

So, some years ago, we set our company on a business sustainability path to improve our impact. Step by step, the journey has led to the drafting of our first sustainability report, which I am pleased to present to you today.

It is a core document for our growth as a company and as a community and has allowed us to recount our journey so far, with all the initiatives we have undertaken in the name of environmental and social sustainability.



“ The Report sets out our strategic vision for the next three years, with the aim of significantly improving our impact and ensuring that, through our actions, we make a genuine contribution to the well-being of the environment and all our stakeholders. ”

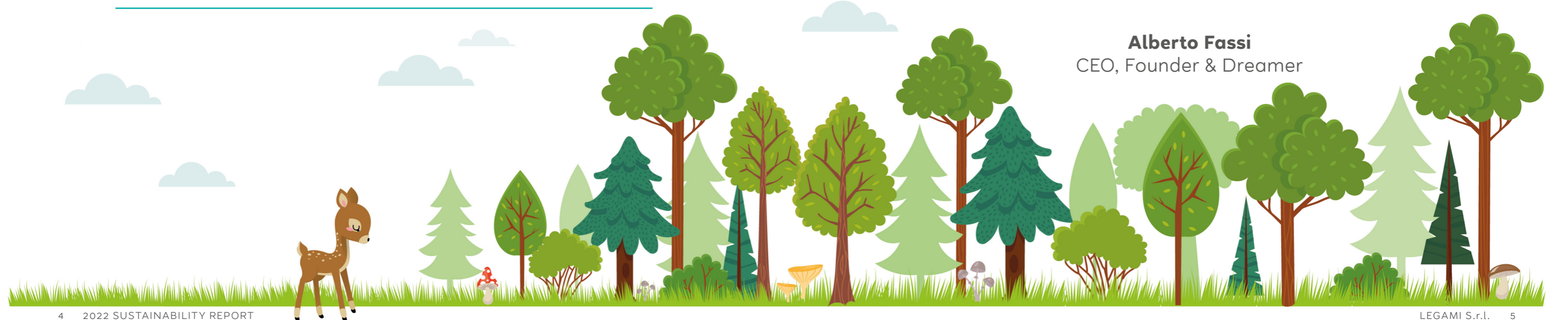
For LEGAMI this is not an ultimate destination, but it is certainly an important milestone, falling in the very year that we turn 20.

We will celebrate this significant birthday with an initiative dedicated entirely to the environment — the opening of Dreamland, the new LEGAMI nature park covering about three hectares in our home city of Bergamo.

We want to give nature this gift to help counteract the loss of biodiversity and urban natural capital, mitigate temperatures and improve air quality in our area.

I have strongly believed in and pursued this project. For me, it is a dream come true and represents a concrete action to build a more sustainable future together.

Alberto Fassi
CEO, Founder & Dreamer





READING GUIDE

The report is made up of **five parts**:
four chapters and an appendix.

-
- 01** The **summary outline** gives a basic description of the company, its identity, history and ownership structure.
-
- 02** The **company governance** section identifies the bodies, principles and procedures the company has adopted for its proper management.
-
- 03** The **business model** details how the company uses financial and non-financial “capital” (see “Glossary” on page 98) to generate value, describes the associated impacts, risks and opportunities, and suggest strategies to enable sustained and shared value creation.
-
- 04** **ESG** explores the company's achievements, activities and goals in environmental, social and governance terms.
-
- 05** The **drafting method** contains the references used in drafting the report, an index of the GRI indicators used and a glossary explaining of some of the terms used.





01

THE **SUMMARY** *outline*

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 4,000 products belonging to 15 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:

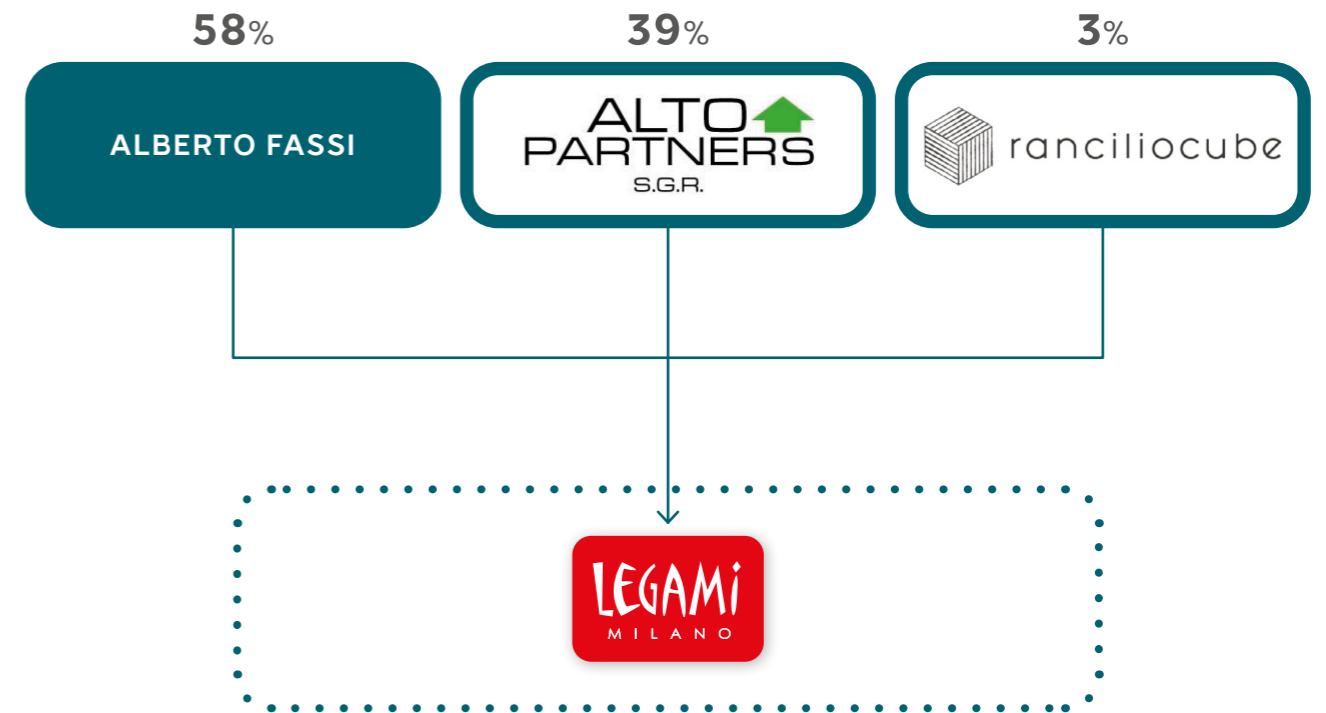
“We are dreamers”

OWNERSHIP AND OPERATING STRUCTURE

LEGAMI S.r.l. (hereinafter referred to as “LEGAMI”) has its registered office at Via Federico Ozanam 2, Bergamo, Italy and is **58%** owned by Alberto Fassi, **39%** owned by Alto Partners S.G.R. S.p.A. and **3%** owned by Cube3 S.r.l.

LEGAMI's headquarters is in Azzano San Paolo (BG), Italy, which is the sole 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), Italy, and production, which is entrusted to a select and well-established Italian and international supply chain.


LEGAMI directly manages 33 operating structures (sales outlets known as “Boutiques”) in Italy, with full-time staff (data from May 2023).




HISTORY


2003-2010

2003 Alberto Fassi establishes LEGAMI




2005 The management team is developed to support growth


2006  Product distribution begins on the Italian market

2007  First agency agreements covering the entire national territory


2008 New LEGAMI HQ in Azzano, Italy



2009 The brand's first store of its own (Orio al Serio Airport - Bergamo) and online store



2010 First notebooks and diaries with unique and original patterns



2011-2018

2011  Entrance into the South African market

2012 The concept store in Bergamo opens



2013 Acquisition of key account contracts



2014  Key account contracts acquired in Spain and first entry into the US market

Cutie Pens collection launched



2015 Photo Notebook collection launched




2016 Alto Partners and Rancilio Cube buy 42% of LEGAMI S.r.l. shares

2017   Key account contracts acquired in Germany

2018   Key account contracts acquired in France

2019-2023


2019 Good Vibes collection launched


 First Shop-in-Shop at El Corte Inglés in Madrid


The 20th LEGAMI Boutique opens


2020 The 21st, 22nd and 23rd LEGAMI Boutiques open


New Salesforce platform


 First Shop-in-Shop at Thalia in Austria


2021  **The first Shop-in-Shop at Azadea opens** (Dubai Mall/ Mall of the Emirates)

 The Shop-in-Shop at BHV in Paris opens (Galeries Lafayette)

2022  11 Shop-in-Shops open at WH Smith in the United Kingdom

 The 23rd Corner opens at El Corte Inglés in Seville, Spain

 The 24th LEGAMI Boutique opens in Trieste

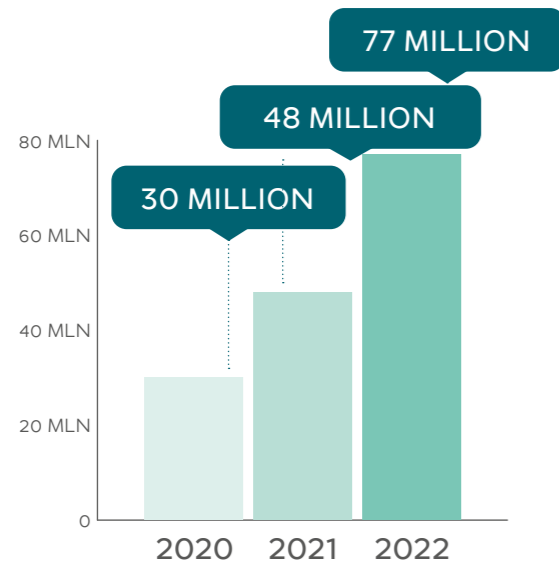
 The 25th, 26th and 27th LEGAMI Boutiques open in Siena, Bolzano and, Livorno

2023 Current goal: to have 80 open stores by the end of 2023

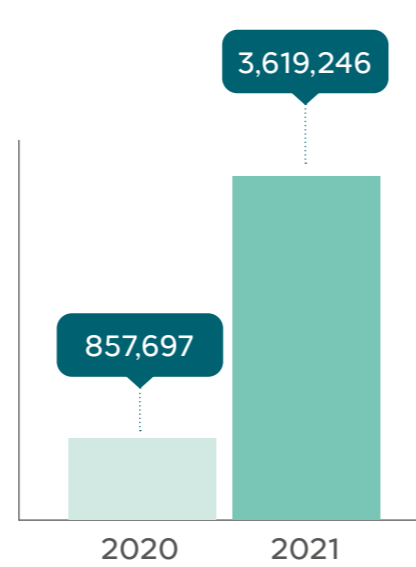
SUMMARY DATA



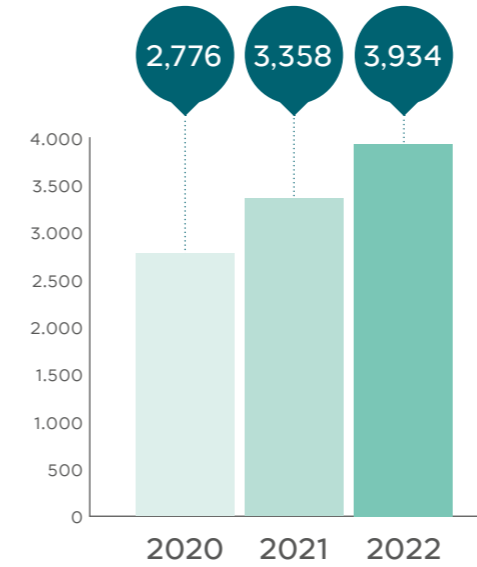
Economic Value (in millions of €)



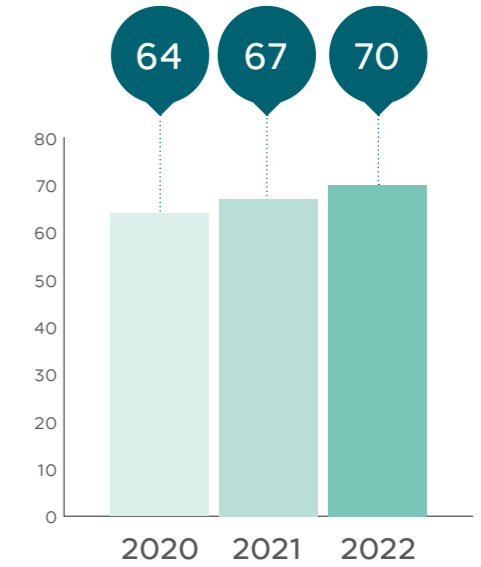
EBITDA



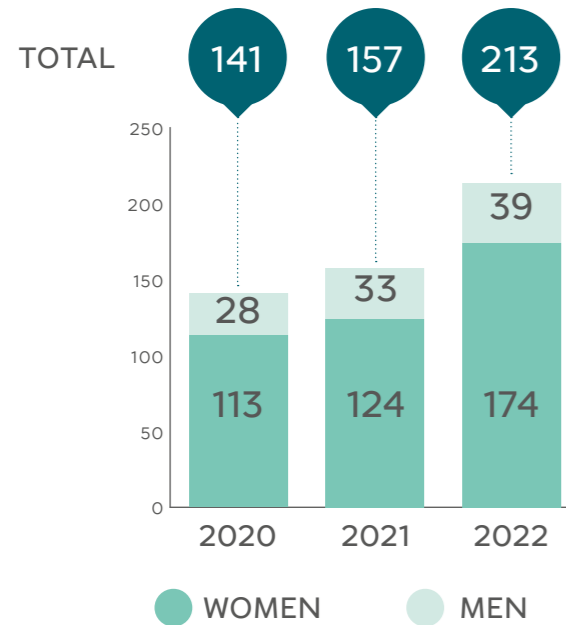
No. B2B Clients



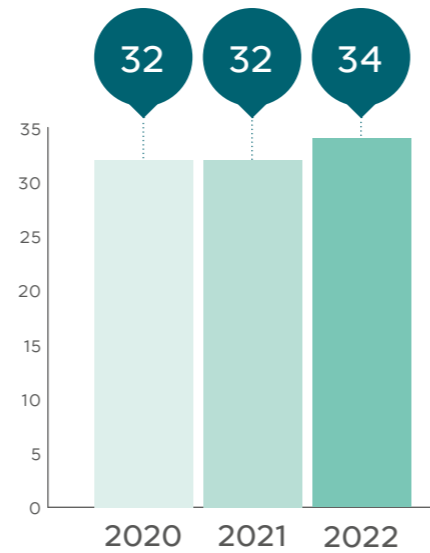
No. countries served



Employees



Average age of employees



Economic data for 2022 not yet available. Please see the financial statements released in summer 2023



02

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 experience**, so that specific input comes from people with different areas of expertise.

Chairman of the Board of Directors	GIUSEPPE SODA Company representative
Managing Director	ALBERTO FASSI Company representative
Director	MASSIMO DELL'ACQUA
Director	LUCA FRANCESCO RANCILIO
Director	GIOVANNI COVATI

The **Board of Statutory Auditors**, elected in 2022 for a three-year term, is the supervisory body responsible for **supervising the work of directors** and ensuring that company management and administration activities are carried out in compliance with law and the articles of association. Since 2022, it has been composed of experienced and reputable professionals as well as an accredited auditing firm.

Finally, the **Shareholders' Meeting** is responsible for passing resolutions, in ordinary or extraordinary sessions, on the appointment and dismissal of members 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 Statutory Auditors	GIORGIO BERTA
Standing auditor	FEDERICO PIPPO
Standing auditor	ROBERTA AIOLFI
Alternate Auditor	FRANCESCA GHEZZI
Alternate Auditor	MARCO MANGILI
Independent auditors	KPMG S.p.A.



QUALITY POLICIES AND MANAGEMENT SYSTEMS

In 2020, LEGAMI adopted an **FSC® Chain of Custody Management System** in accordance with the FSC-STD-40-004 Version 3.1 standard.

The following is an excerpt from our Chain of Custody policy:

LEGAMI also believes that people bring added value to the company and **socially responsible and environmentally sustainable conduct** is an important factor for enrichment.

This is why we promote **the proper and transparent management of “human assets”** and urge employees, suppliers and external contractors to adopt the principles of **ethical, social and environmental responsibility** as set out in international conventions and guidance.

These undertakings involve the following:

- **ETHICAL, SOCIAL AND ENVIRONMENTAL COMMITMENT**
- **COMMITMENT TO PROPER CHAIN OF CUSTODY AND SUPPLY CHAIN MANAGEMENT**



CERTIFICATIONS

In 2020, LEGAMI adopted its own third party-certified FSC® Chain of Custody Management System.

Below is the logo that can be used for promotional purposes.



The mark of responsible forestry



03

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



LEGAMI has certainly made its mark on the stationery segment, but it also operates in a complex multi-channel environment

LEGAMI makes and sells stationery, tech items, household items, games, beauty accessories and travel essentials, with over 4,000 catalogue references. Its operating environment varies according to the distribution channels used.

Despite a large part of production coming from Asian markets, the current geopolitical situation has not affected production and distribution capacity, although it has affected energy and transport costs.

A strong, long-term influencing factor in the ability to create value is the use of plastics in some products and product packaging.



WEB CHANNEL

Like many others, LEGAMI operates in a complex, diverse, international, multi-product and multi-channel, competitive digital environment, which make it a compelling challenge that we face with passion and determination. We therefore invest a lot of time preparing and updating our work plan, a task which involves setting strategic and tactical priorities given the very wide range of options.

We put customers — all customers — at the centre of our absolutely omni-channel strategy.

We have closely examined the most recent customer journey studies, which indicate that the customer journey is not linear but, in fact, quite the opposite.

Our approach and our ambition is to be there every time, in every digital place, where we can build relationships (*legami* means "relationships" in Italian) with our customers, bring positive messages and focus on quality.

We also like to make sure that everything we do is people and brand oriented. We carry on the LEGAMI mission daily, offering everyday products that bring smiles and spark positive emotions and feelings to experience and share.

Every time we create advertising content, respond to a customer review or answer a request for information, we want the customer to have a colourful, original, fun and quality experience.

Lastly, we believe that this challenge requires variegated, specialised skills ranging from analysis to brand building, from marketing know-how to operational specifics, and from psychology to sociology and technology. This is why we promote a culture of continuous training and encourage a constantly curious approach to the various disciplines.



Patrizio Ruffinoni
Web Manager

DESCRIPTION OF THE EXTERNAL ENVIRONMENT



RETAIL CHANNEL

Thanks to its uniqueness and a style that identifies the company as well as an increasingly recognisable brand, LEGAMI is constantly gaining market space in the retail channel.

Therefore, the company's short- to medium-term strategic choices are not influenced by other brands because it has no direct competitors.

The shopping experience is another distinctive feature. Pleasantness and product attention to detail is amplified by the high standards the customer experiences in our boutiques.

Visitors walk into a **welcoming environment** designed to make them feel good and get them fully immersed in the LEGAMI experience.

Our customers are struck by the uniqueness of the furnishings, the ambient fragrance, the soft music and the carefully arranged product displays.

We want to convey positive emotions to everyone who enters our boutiques.

Emanuele Camoni
Retail Manager



WHOLESALE CHANNEL

LEGAMI is a market leader and benchmark brand in Italy in the stationery and gifts segment, thanks to the widespread but discerning distribution of our products.

The company's rampant growth, especially in the last two years, has brought it to or near the same positioning in many European markets, such as **Germany, France, and Spain**, and will soon lead to similar success in territories beyond Europe.

The brand still has enormous unexpressed potential. It is a brand without boundaries and will allow us to take our products to major markets worldwide.

Already exporting to 70 countries and with ambitions to **become a leader in every market** we target, we have to pay close attention to compliance in the various countries where we operate. But having a dedicated department looking after these matters means it is not a particular concern and certainly not an obstacle to our growth.

Francesco Arcidiacono
Sales Manager

LEGAMI'S PRODUCTS



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 constantly changing **worlds**, at prices affordable for all and aimed at a broad and diverse market, because positive feelings are a universal language all over the world.

As already described in the market analysis, **LEGAMI operates in a diverse range of distribution channels:** wholesale, direct boutique retail, its own e-commerce

platform and through marketplaces (Amazon, digital shop-in-shops). LEGAMI is in **70** countries, with **33** Boutiques of its own in Italy (figure up-to-date as of 31/05/23) and **2** Boutiques outside of Italy, plus over 400 corners and hundreds of sales points.

LEGAMI is present at strategic locations (city centres, train stations, airports), in the most prestigious bookshops and the finest shopping centres in Italy and around the world (e.g. El Corte Inglés, Galeries Lafayette, Dubai Mall, ItoYa, La Feltrinelli, La Rinascente, Mondadori, Thalia, Waterstones, Boutique Centre Pompidou, The Tate Modern Shop and many more).

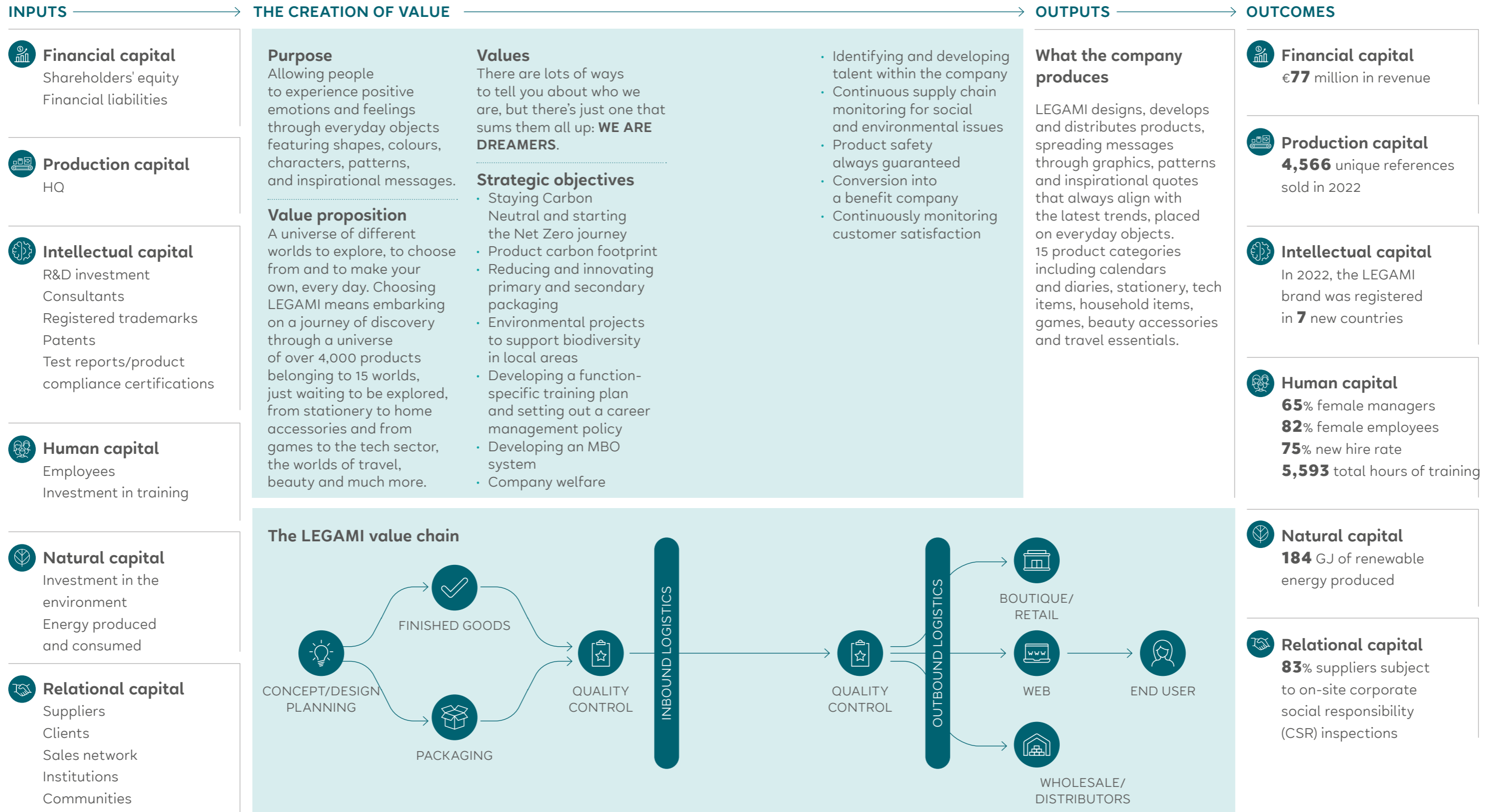
A critical factor in its success has been the **unique, unmistakable style** of the LEGAMI brand, which offers a shopping experience like no other.

Marta Geraci
Product Development
Simona Pasta
R&D

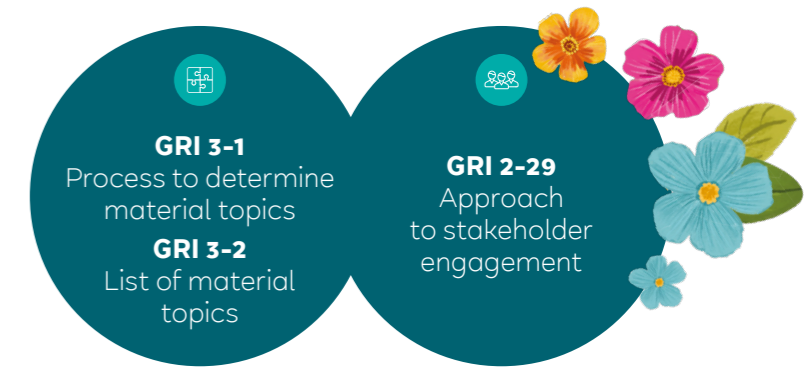



CREATING SHARED VALUE

The diagram is a summary illustrating how LEGAMI creates value by analysing the financial and non-financial capital used by the company and how it is turned into outcomes through company business activities.



THE MATERIALITY MATRIX AND STAKEHOLDER ENGAGEMENT



 The first step in developing a corporate ESG sustainability strategy was to examine the materiality process.

This analysis aims to identify which of the significant issues are actually material, i.e. relevant to the company, through a **process of listening to its stakeholders**.

The materiality matrix was established by asking a number of specific national and international stakeholders (**employees, customers, suppliers, distributors, banks and investors, consultants, NGOs, distributors/agents and the supervisory board**) to take part in a special survey designed to elicit their opinions on a number of potentially impactful issues for creating shared value. The engagement process brought to light insights and extra information that enriched the discussion on company sustainability issues and offered ideas on potential mutual commitment on common paths.

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**.

The table shows the topics voted on, while the figure represents **the materiality matrix**, with the horizontal axis showing the results of the Management Team votes and the vertical axis showing the averages of the votes of the various stakeholder categories. The material topics were analysed by assessing the extent of the impacts they might have on the company's strategy, governance, performance and prospects.

The sixteen material topics identified are therefore the fundamental building blocks of a **path towards corporate sustainability**, while those considered strategically important for value creation are highlighted in the colours of the relevant ESG aspects.



Natascia Ghilardi
Sustainability Manager

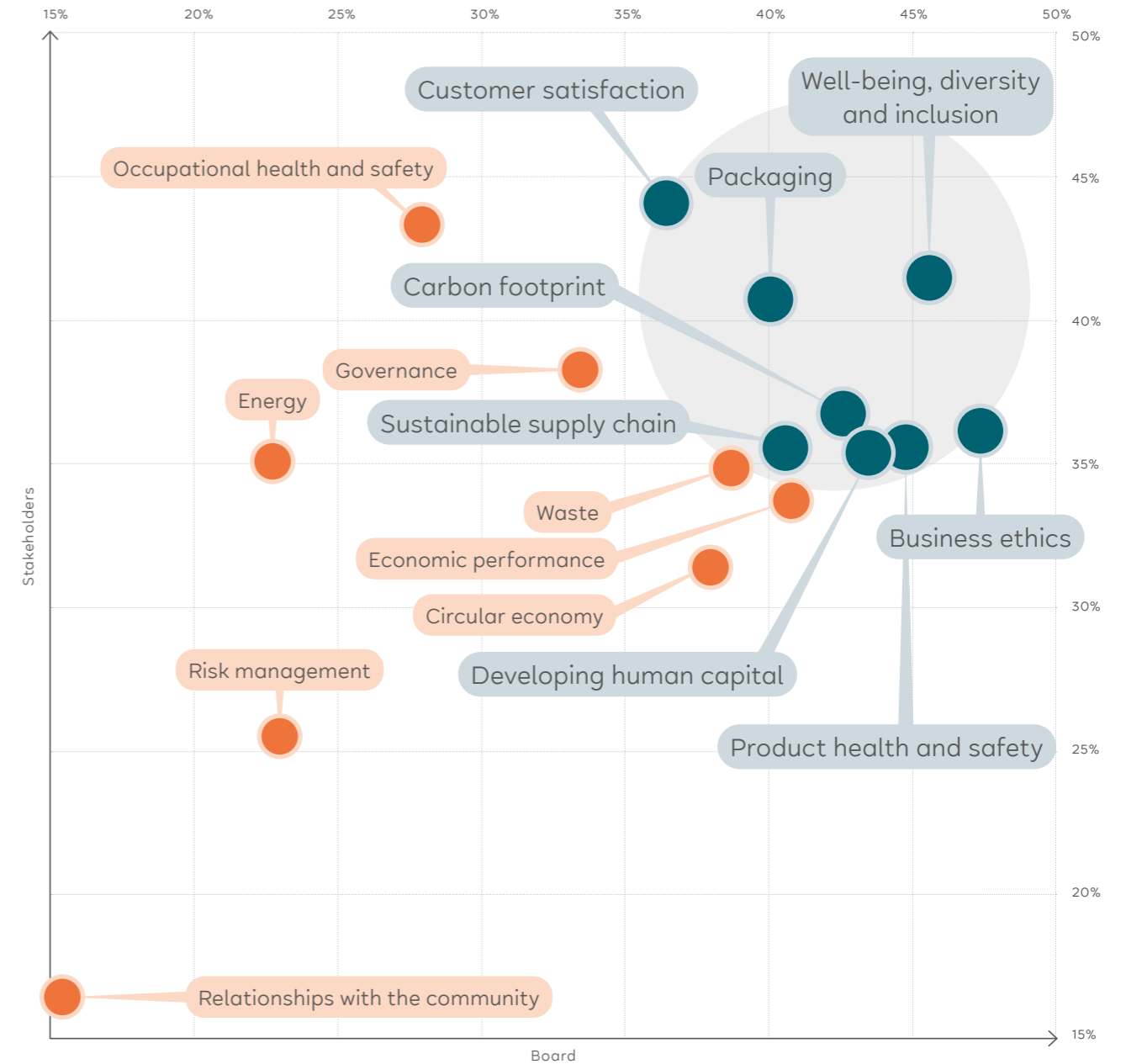


THE MATERIALITY MATRIX AND STAKEHOLDER ENGAGEMENT



THE SELECTED MATERIAL TOPICS

- Carbon footprint
- Packaging
- Developing human capital
- Well-being, diversity and inclusion
- Sustainable supply chain
- Product health and safety
- Customer satisfaction
- Business ethics
- Circular economy
- Energy
- Waste
- Occupational health and safety
- Relationships with the community
- Governance
- Economic performance
- Risk management



SUSTAINABILITY STRATEGY



For some years now, LEGAMI has maintained an ongoing commitment to **monitor and measure the impact of its activities on the environment and people.**

The first step in this journey was through the **measurement of the Corporate Carbon Footprint (CCF)** in 2021, with a repetition of the process again in 2022.

The sustainability strategy was founded on the analysis of the material topics selected by the company and its stakeholders. This process enabled LEGAMI to identify the ESG objectives for 2023-2025 and to **formulate an action plan for achieving these objectives** and identifying the company figures who monitor performance and measure results and potential impacts on the company, people and the environment.

For an easier understanding the sustainability strategy, the graphics for each ESG dimension show **the material topics, the stakeholders concerned, the objectives and their relationship with the UN Sustainable Development Goals.**

SUSTAINABILITY STRATEGY



MATERIAL TOPIC

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

- Environment
- Supply chain
- Client
- Local areas
- Communities

- Maintaining the company's carbon neutrality
- Legami stores with low-carbon impact
- Product** carbon footprint
- Improved air quality, temperature mitigation and increased biodiversity in our territory
- Taking the path towards Net Zero

	2023	2024	2025
Maintaining the company's carbon neutrality	●	●	●
Legami stores with low-carbon impact	○	●	○
Product carbon footprint	○	●	○
Improved air quality, temperature mitigation and increased biodiversity in our territory	●	●	●
Taking the path towards Net Zero	○	○	●



PACKAGING AND PRODUCT

Sustainability initiatives concerning packaging, product and associated waste generation

- 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

	2023	2024	2025
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 ○ NO





SUSTAINABILITY STRATEGY

ESG



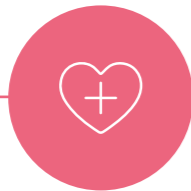
LEGAMI PEOPLE

This topic includes the material topics “Developing human capital” and “Well-being, diversity and inclusion”



SUSTAINABLE SUPPLY CHAIN

Focus on the sustainability performance of the company supply chain



PRODUCT HEALTH AND SAFETY

Managing health and safety risks for the end customer

STAKEHOLDERS INVOLVED

Employees
Communities
Schools/
Universities

Environment
Supply chain

Clients
Supply chain

STRATEGIC OBJECTIVES

Implementation of an **MBO system** that gradually includes ESG performance indicators

Employer branding through engagement actions and attracting new talent

Prevention of all forms of physical, verbal, digital (harassment) abuse in the workplace through a specific plan and training

Employee retention through welfare plans, remuneration policy information, internal human resource enhancement, work-home balance and actions to promote well-being in all employee categories

Measuring **suppliers' ESG performance**

Improving **product control effectiveness** by extending risk assessment analyses to product categories considered low risk

2023 2024 2025

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

● YES ○ NO



● YES ○ NO

social



SUSTAINABILITY STRATEGY



MATERIAL TOPIC

STAKEHOLDERS INVOLVED

STRATEGIC OBJECTIVES

2023 2024 2025

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



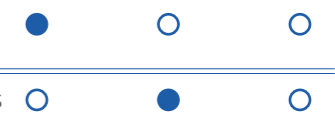
CUSTOMER SATISFACTION

Customer satisfaction policies focusing on quality, timeliness and flexibility

Clients
Employees
Supply chain

Customer satisfaction using customer care feedback, with a focus on time frames and quality/completeness of responses

Identification of critical areas in end-user and B2B customers



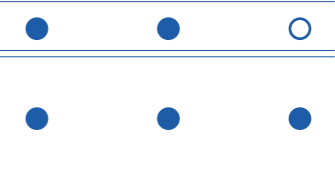
BUSINESS ETHICS

Sustainability-oriented

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 ○ NO

performance



04

THE **ESG** *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).

ENVIRONMENTAL SUSTAINABILITY

LEGAMI has always been committed to measuring and monitoring the impact of its production activities on the environment, based on measuring and reporting its **Corporate Carbon Footprint** (CCF). The company's goal, however, is not merely to stay carbon neutral in the future, but to embark on a path towards Net Zero and extend actions and goals to its stores and supply chain. The start point will be measuring the Product Carbon Footprint.

Product packaging is highly relevant to the company's commitment to reducing environmental impacts. The three strategic objectives of the Sustainability Plan each revolve around the **circular economy** through the research and innovation of primary and secondary packaging in collaboration with suppliers and in the study of **recovery and recycling** solutions for end-of-life products.

In general, LEGAMI considers it strategic to make its own contribution to mitigating the effects of production activities on climate, also through local initiatives. These include the **Dreamland** project, **the LEGAMI protected nature park**, a three-hectare area in Bergamo, Italy launched to mark the company's 20th anniversary, with the aim of improving air quality, increasing biodiversity and mitigating temperatures in the local area.



NATURAL CAPITAL



RELATIONAL CAPITAL



INTELLECTUAL CAPITAL

Strategically important topics

- Carbon footprint
- Product packaging
- Product circularity





IMPACTFUL ACTIVITIES IN 2022

PHOTOVOLTAIC SYSTEM

The LEGAMI headquarters has photovoltaic panels, which were expanded at the end of 2021, with an add-on system providing peak power of 42.35 kWp, a significant improvement on the initial system, with peak power of only 14.57 kWp.

CARBON FOOTPRINT

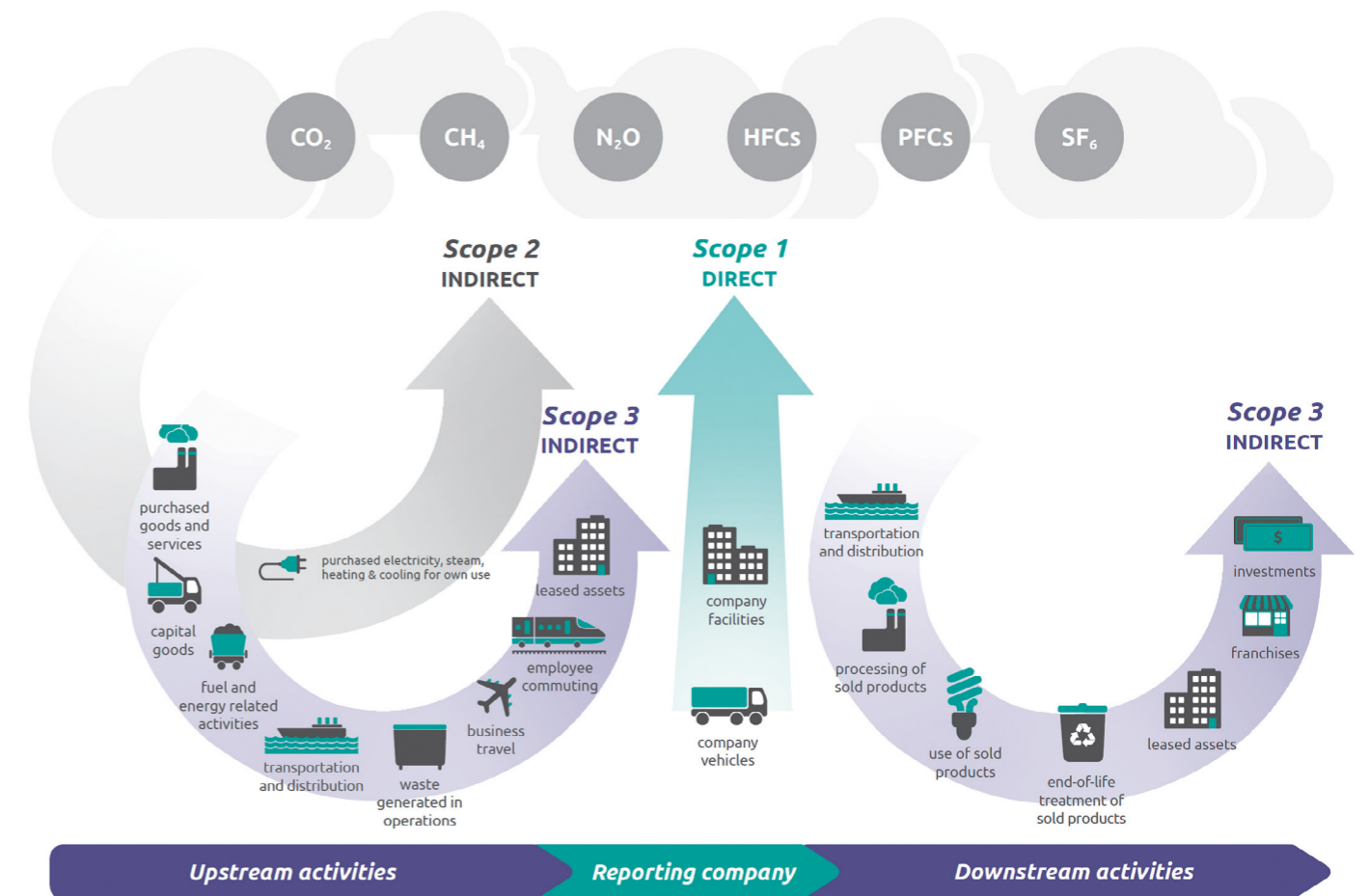
The Corporate Carbon Footprint (CCF) is an organisation's overall carbon footprint, expressed as the GHG emissions of its activities.

The CCF can be evaluated in accordance with the **GHG Protocol Corporate Accounting and Reporting Standard**, which is the international standard providing technical guidance when evaluating an organisation's greenhouse gas emissions. It takes into account the criteria of:

- Significance
- Consistency
- Accuracy
- Completeness
- Transparency



The standard categorises greenhouse gas emissions into 3 Scopes



Credits: www.ghgprotocol.org

IMPACTFUL ACTIVITIES IN 2022

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 2021.

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.

The table shows all emissions and removals considered in this study under each category analysed.



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.

CATEGORY	EMISSIONS AND/OR REMOVALS IDENTIFIED	EMISSION TYPE
Scope 1	1.1 Mobile combustion	Fuel for company vehicles
Scope 2	Electricity consumption Drinking water consumption	Electricity for organisational units Drinking water
Scope 3 Category 1	3.1 Products and services purchased by the company	Materials and services purchased by the company
Category 2	3.2 Assets purchased by the company	Assets purchased
Category 3	3.3 Upstream fuels and indirect electricity	Production of diesel and indirect electricity
Category 4	3.4 Inbound transport	Transport of purchased products
Category 5	3.5 Waste generated	Waste transport Waste disposal and recycling
Category 6	3.6 Business travel	Business travel and overnight stays
Category 7	3.7 Employee commuting	Employee commutes
Category 8	3.8 Leased assets	Upstream leased assets
Category 9	3.9 Outbound transportation of sold products	Transportation of purchased products
Category 11	3.11 Use of sold products	Use of electricity and batteries
Category 12	3.12 End-of-life products sold	Waste transport Waste disposal and recycling
Category 13	3.13 Additional leased assets	Energy consumption and methane gas at leased premises
Category 14	3.14 Franchises	Franchise energy consumption

Table: Emissions identified for each category

IMPACTFUL ACTIVITIES IN 2022

CARBON OFFSET AND CLIMATE NEUTRAL PROJECTS

For the second year in a row, we have zeroed our climate impact through Carbon Offset projects, making us a Climate Neutral company.



Some of the projects we joined in 2022 include:



2022, SOLAR POWER PROJECT BY BABA GROUP

GENERATING SOLAR ENERGY IN INDIA

We promote the production of clean, affordable energy, reducing the threat posed by air pollution in the district, of Sehore, Madhya Pradesh (India).

The project brings social and economic benefits to the population, in particular:

- **A tailored training programme** for plant engineers and operators
- **The creation of new jobs** to build and maintain the project
- **Solar energy** 5 MW of renewable solar energy



2022, WIND PROJECT IN RAJASTHAN

GENERATING WIND ENERGY IN INDIA

We support the production of energy from renewable sources with the installation of 16 wind turbine generators in Jaisalmer, Rajasthan (India).

The project delivers social and economic benefits, in particular by providing a tailored training programme for plant engineers and operators.

- **Wind energy** 20 MW of renewable energy



2022, BRAZIL NUT CONCESSIONS IN MADRE DE DIOS

FOREST CONSERVATION IN PERU

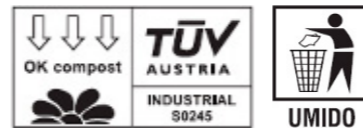
The Brazil Nut Concessions project combats deforestation and protects the biodiversity of over 500,000 acres in the Madre de Dios province of the Peruvian Amazon. It aims to redirect the local economy towards harvesting Brazil nuts, a high-value crop that can only be found in the centuries-old rainforest protected by the project.

- **Creation of alternative sources of income and new work opportunities**
- **Technical and legal assistance** for Brazil nut harvesters
- **Supply of machinery, technology and equipment**
- **A training programme** on sustainable forest management, fire prevention and related topics

IMPACTFUL ACTIVITIES IN 2022

STORE SHOPPERS

All shopping bags in our boutiques have been replaced with:



Compostable bags



or

Bags made of sugar cane-derived materials such as Green PE*.



These bags are at least **70%** produced with a material made from sugar cane — a rapidly regenerating, renewable resource. Using sugar cane makes it possible to reduce CO₂ emissions compared to an equivalent product made from materials of fossil origin.

*LEGAMI shoppers are available in all boutiques and are **infinitely reusable and recyclable in separated plastic collection.**



BLUE RECEIPTS


The receipt is made from **FSC®-certified** paper, and, unlike traditional receipts, **can be recycled in separated paper collection.**





THE MARK OF RESPONSIBLE FORESTRY



2022 ENVIRONMENTAL PERFORMANCE

 GRI 302-1 Energy consumption within the organisation	2020	2021	2022
A. Total energy produced in the company from using fuel from non-renewable energy sources, in GJ. (Diesel combustion)*	344	529	556
B. Total energy produced in the company from using renewable energy sources , in GJ. (Production from photovoltaic system)**	0	31	184
C. Total energy (electricity, heat for heating, for cooling) purchased by the company***	2,603	2,270	3,014
Total energy consumption in the company (A+B+C), in GJ	2,947	2,830	3,755

 GRI 302-3 Energy intensity	2020	2021	2022
Energy intensity of the organisation; (total energy consumption/net revenue)	99	59	*
Parameter used to calculate energy intensity: Net revenue (€ millions)	30	48	*
 GRI 303-3 Water withdrawal	2020	2021	2022
Total water withdrawal from all areas in megalitres and breakdown of this total for the following sources, if applicable (ML)	-	334,736	*

* The conversion factors used are taken from the “Table of national standard parameters for greenhouse gas monitoring and reporting”, 2021 (ISPRA, Min. Ecological Transition).

** From October 2021.




*** 100% renewable, since 2021.

* 2022 figures under consolidation



2022 ENVIRONMENTAL PERFORMANCE



 GRI 305-1 Direct GHG emissions (Scope 1)	2020	2021	2022
Direct GHG emissions (Scope 1) in gross tons of CO ₂ equivalent (tCO ₂)	5	42	*
 GRI 305-2 Indirect energy (Scope 2) GHG emissions	2020	2021	2022
Indirect GHG emissions from energy consumption (Scope 2) gross location based in tons of CO ₂ equivalent (tCO ₂)	252	180	*
If applicable, gross market-based indirect GHG emissions from energy consumption (Scope 2) in tons of CO ₂ equivalent	252	3	*
 GRI 305-3 Other indirect (Scope 3) GHG emissions	2020	2021	2022
Other gross indirect GHG emissions (Scope 3) in gross tons of CO ₂ equivalent (tCO ₂)	2,835	4,604	*

* 2022 figures under consolidation





 GRI 305-4 GHG emissions intensity (location based)	2020	2021	2022
Total emissions calculated in tons of CO ₂ eq	3,092	4,827	*
Intensity rate of the organisation's GHG emissions (Total emissions/ Net revenue) (tCO ₂ /€ millions)	104	101	*
Parameter used to calculate GHG emissions intensity: Net revenue (€ millions)	30	48	*
 GRI 305-4 GHG emissions intensity (market based)	2020	2021	2022
Total emissions calculated in tons of CO ₂ eq	3,092	4,649	*
Intensity rate of the organisation's GHG emissions (Total emissions/ Net revenue) (tCO ₂ /€ millions)	104	97	*
Parameter used to calculate GHG emissions intensity: Net revenue (€ millions)	30	48	*


* 2022 figures under consolidation

2022 ENVIRONMENTAL PERFORMANCE



 GRI 306-3 Waste generated	2020	2021	2022
Total weight in tons of waste generated and the total weight broken down by waste composition	16	22	*
 GRI 306-4 Waste diverted from disposal	2020	2021	2022
Total weight in tons of waste diverted from disposal broken down by waste composition	11	16	*
Total weight in tons of hazardous waste diverted from disposal	0	0	*
Total weight in tons of non-hazardous waste diverted from disposal	11	16	*

* 2022 figures under consolidation

 GRI 306-5 Waste directed to disposal	2020	2021	2022
Total weight in tons of waste directed to disposal and breakdown by waste composition	5	6	*
Total weight in tons of hazardous waste directed to disposal	0	0	*
Total weight in tons of non-hazardous waste directed to disposal	5	6	*

* 2022 figures under consolidation



SOCIAL SUSTAINABILITY

LEGAMI recognises the importance of its civil and ethical role in society and is committed to having a **positive social impact on people and communities**.

As well as the Dreamland initiative, other topics considered fundamental by stakeholders involve three strategic paths that the company intends to commit to in the 2023-2025 three-year period:

1. The development and well-being of people within the company, but also attracting new talent from outside.

The company's commitments for 2023 also aim to reduce and improve employee turnover figures and include:

- Developing a function-specific training plan.
- Preparing a career management policy to ensure equal opportunities in professional development and promotions based solely on professional capacity and skills.
- Developing horizontal or vertical career paths.
- Developing a performance management system and finalising an MBO system.
- Launching a company welfare path that takes into account the needs of people of all genders and ages and covers specific initiatives to support employees with parental and caregiver duties.
- Identifying and developing talent within the company.



2. Continuous supply chain monitoring with a follow-up plan for compliance with international ethical standards. Companies specialising in ethical/social issues and with offices in different parts of the world will be called in to perform audits to ensure compliance with international ethical principles. LEGAMI wants to ensure the best working conditions everywhere in the world.

Managing risks related to the health and safety of products for the people who manufacture and use them.



RELATIONAL CAPITAL



HUMAN CAPITAL

Strategically important topics

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













IMPACTFUL ACTIVITIES IN 2022

SOCIAL MAPPING OF THE SUPPLY CHAIN

We mapped our suppliers' chains to develop a plan for compliance with international ethical standards to **ensure the best working conditions everywhere in the world.**

We actively work with international certification bodies based in different production districts around the world and recognised in the market for their expertise and experience in social issues who perform **audits and controls to ensure compliance with applicable standards.**

The audits are conducted under the institution's internal protocols or by applying **SEDEX** or **BSCI** protocols.

This procedure allows us to **select only suppliers that meet international ethical and social principles** and/or allows a path of growth for those not currently in compliance.

At the moment, the suppliers responsible for **83%** of turnover in Italy are mapped: **27%** of the firms are Italian and **73%** are located abroad, in Türkiye, China, India and Taiwan.



ACTIVE COLLABORATION WITH CESVI

LEGAMI and CESVI to help women who are victims of domestic violence and their children.



For 15 years, we have been **supporting CESVI, a non-profit, and Casa del Sorriso (House of Smiles)** in Cape Town, South Africa, a safe place

CESVI 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.





IMPACTFUL ACTIVITIES IN 2022

WE SUPPORT BERGAMO VOLLEYBALL

We promote the **positive value of sport** and support our city's **women's volleyball team**.

Sport allows one to experience positive emotions and feelings, which is in line with our mission. We are the **Gold Sponsor** of the Series A1 Volley Bergamo women's volleyball team. **Supporting the athletes, their constant commitment, and the great passion** with which they play every match allows us to keep close ties to and directly support our community.



TEN YEARS TOGETHER: PAPA GIOVANNI XXIII HOSPITAL

LEGAMI participates in the **Grandi Insieme** (Great Together) project celebrating the **10th anniversary of Bergamo's Papa Giovanni XXIII Hospital**, an Italian centre of excellence for clinical and surgical medicine. We will gift hospital staff **5,000 personalised notebooks** containing a message that looks to the future: **"After the rain comes the rainbow"**.

We are involved in our community and directly support our local area. **Together we can achieve great things.**



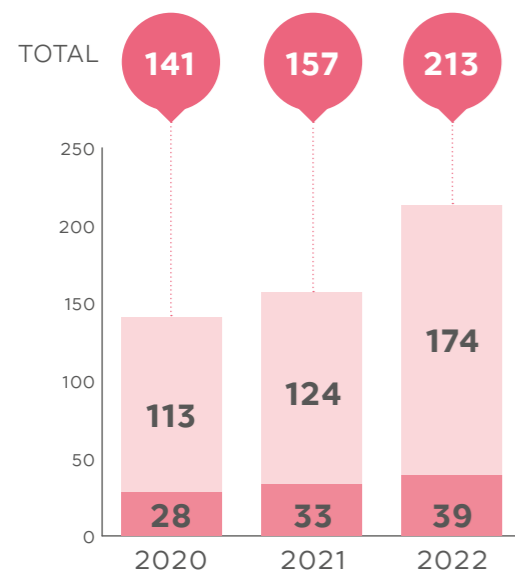


2022 SOCIAL PERFORMANCE

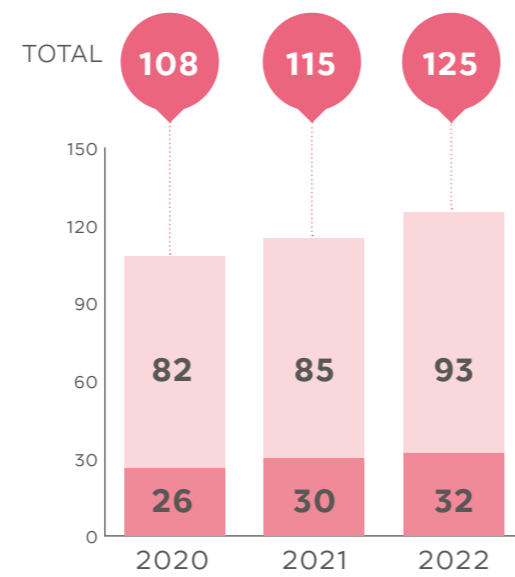
GRI 2-7 Employees

● Men ● Women

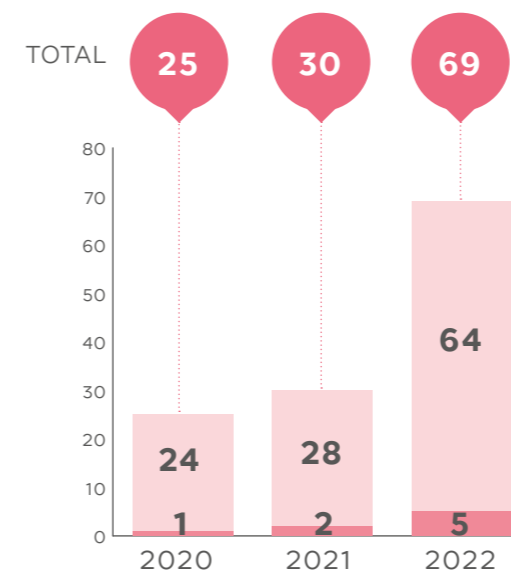
Total number of employees



Total number of permanent employees



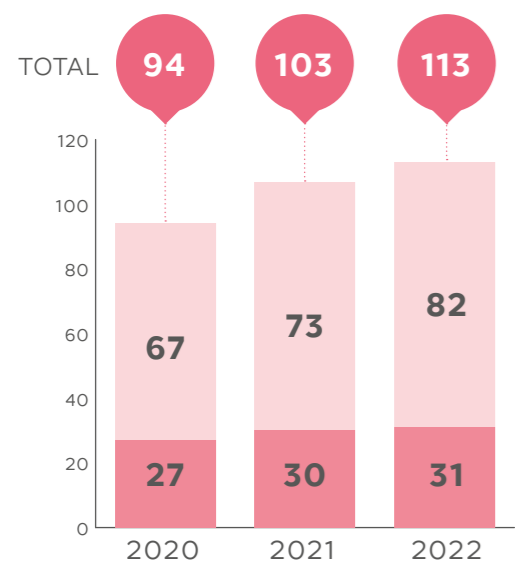
Total number of fixed-term employees



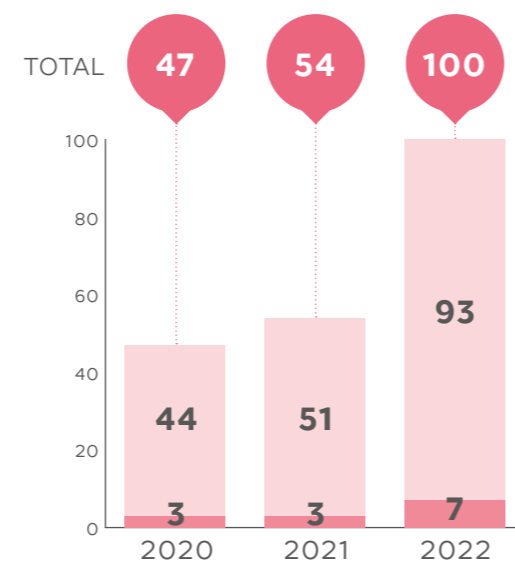
Total number of employees with non-guaranteed hours

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

Total number of full-time employees



Total number of part-time employees



Note: Method used for the table was the headcount as at 31/12

GRI 401-2 Benefits provided to employees

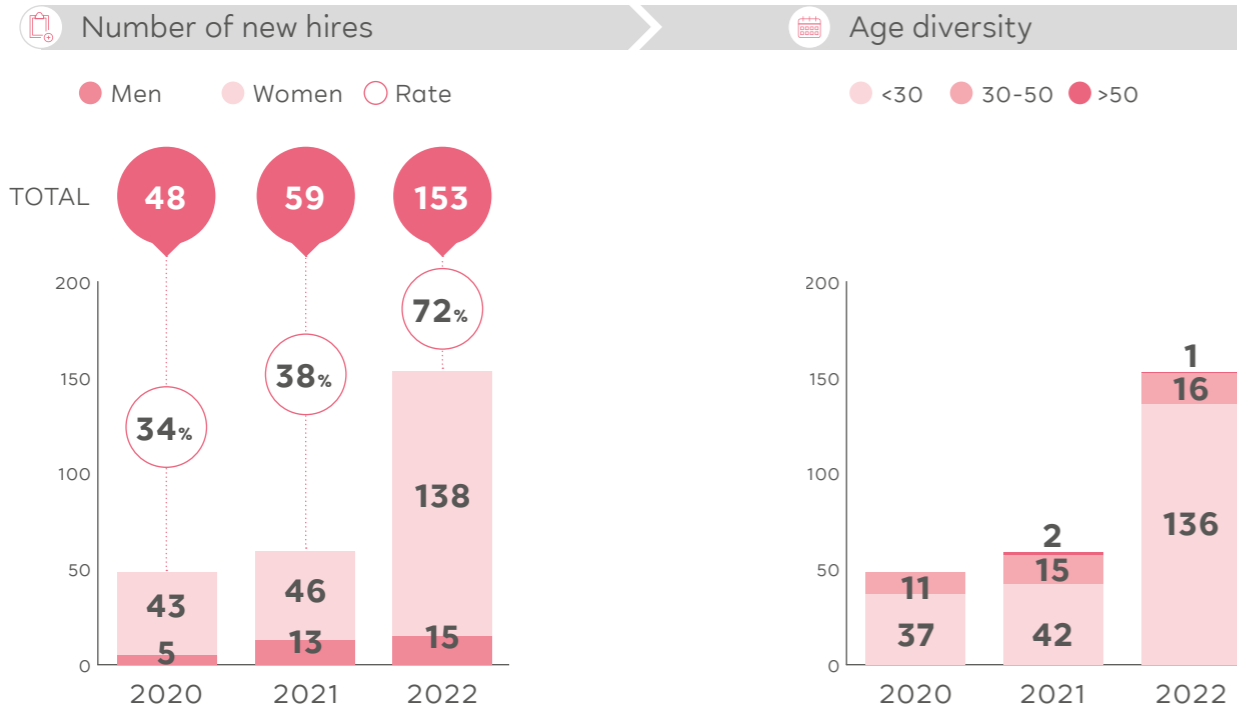
	2020	2021	2022
Parental leave*	●	●	●
Pension contributions*	●	●	●

* As per the CCNL (National Collective Bargaining Agreement)



2022 SOCIAL PERFORMANCE

GRI 401-1 New employee hires







GRI 403-9 Work-related injuries


		2020	2021	2022
Number of deaths due to injuries		0	0	0
Injury death rate		0	0	0
Number of work-related injuries with serious consequences (excluding deaths)		0	0	0
Rate of work-related injuries with serious consequences (excluding deaths)		0	0	0
Number of recordable injuries		0	1	0
Rate of recordable injuries		0	0.797	0
Main types of work-related injuries		None		
Specify whether the rates were calculated on the basis of 200,000 or 1,000,000 hours worked		1,000,000	1,000,000	1,000,000
Number of hours worked		307,944	1,253,616	1,642,368

2022 SOCIAL PERFORMANCE




 Health and safety Ecovadis LAB610	2020	2021	2022
Number of lost time injury (LTI) days	0	5	0
LTI severity rate for direct workers	0	0	0
 GRI 403-10 Work-related ill health	2020	2021	2022
Number of deaths from work-related ill health 	0	0	0
Number of recordable incidents of work-related ill health 	0	0	0
Main types of work-related ill health 	None		

During the reporting period, there were no incidents related to the reference GRI

 GRI 405-2 Ratio of basic salary and remuneration of women to men	2020	2021	2022
Level 1*	Same	Same	Same
Level 2*	Same	Same	Same
Level 3*	Same	Same	Same
Level*	Same	Same	Same

* As per the CCNL (National Collective Bargaining Agreement)

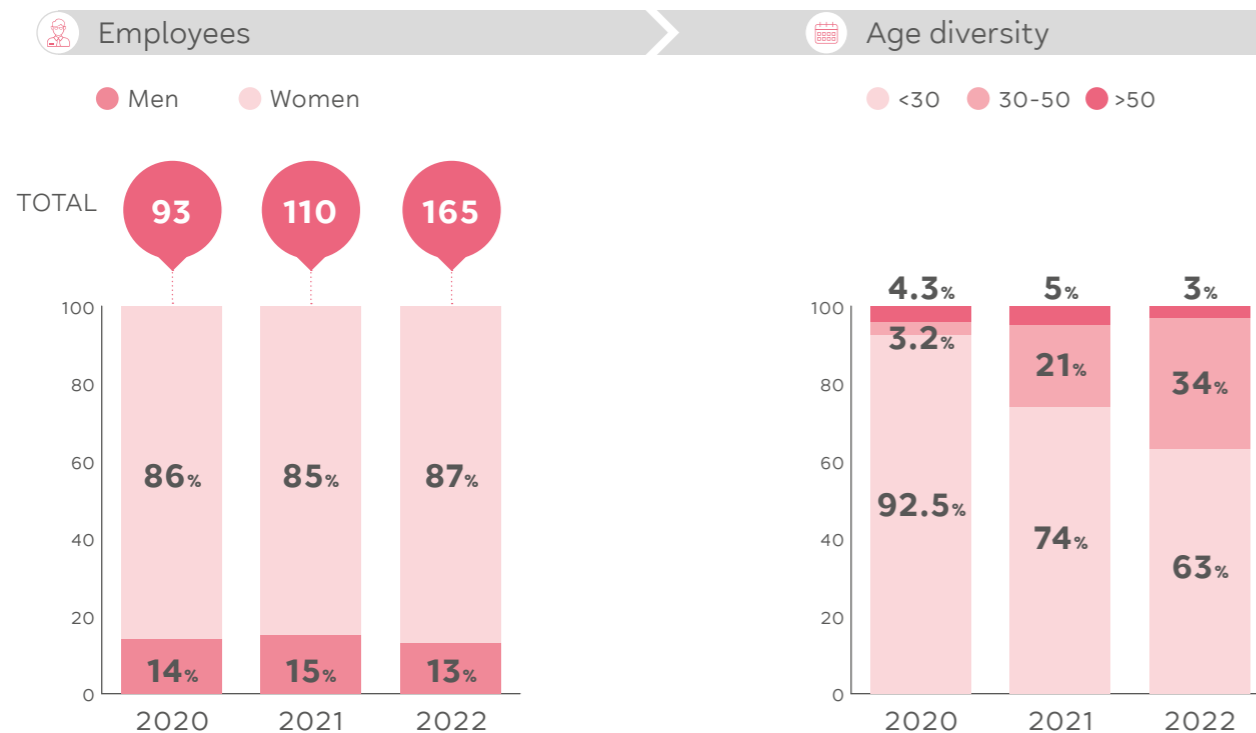
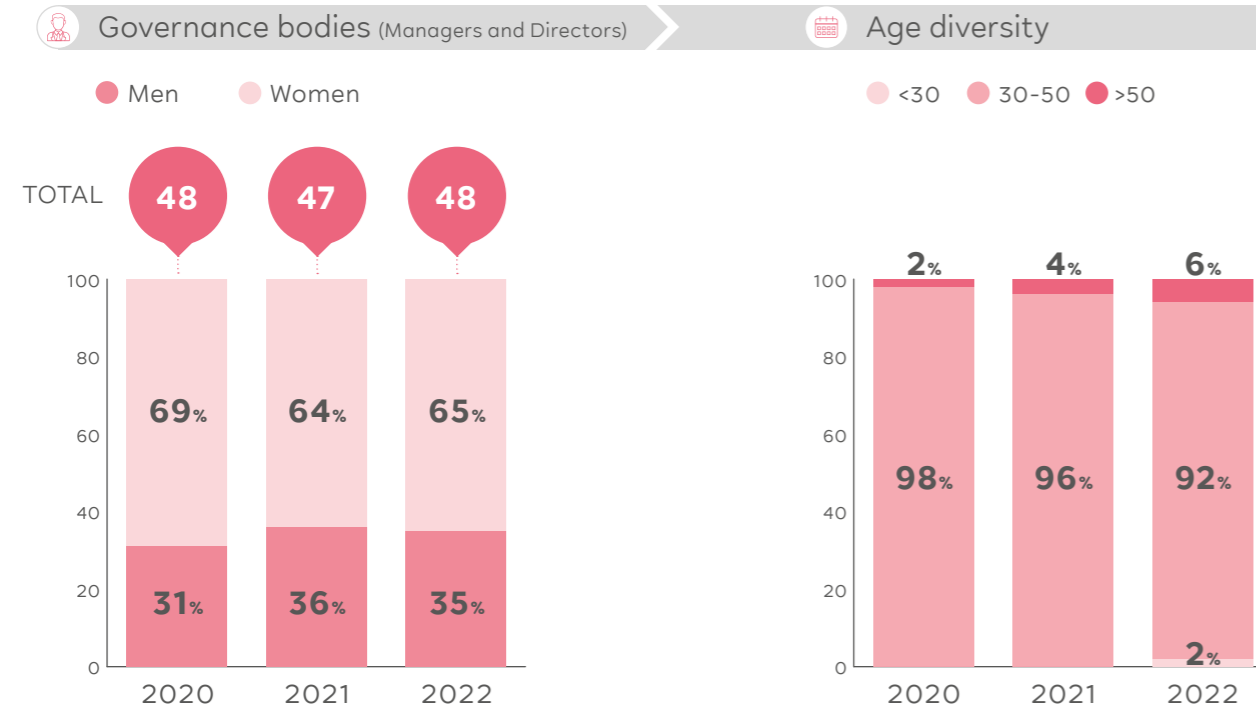
 GRI 406-1 Incidents of discrimination and corrective actions taken	2020	2021	2022
Total number of incidents of discrimination	0	0	0



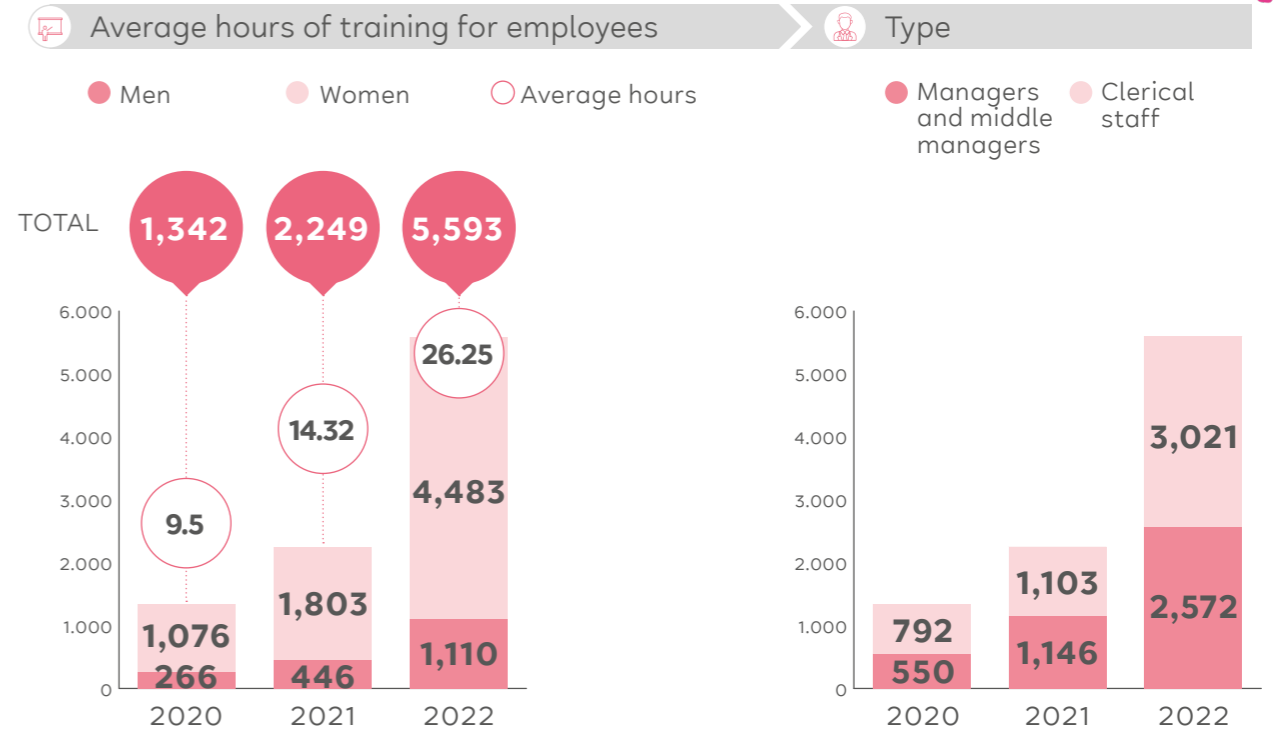
2022 SOCIAL PERFORMANCE



GRI 405-1 Diversity of governance bodies and employees



GRI 404-1 Average hours of training per year per employee



Supply chain Ecovadis SUP600

	2020	2021	2022
Percentage of suppliers who have signed the Suppliers' Code of Conduct	8%	10%	15%
Percentage of suppliers who have signed undertakings for environmental or human and labour rights requirements	8%	10%	15%
Percentage of suppliers subject to CSR evaluation	0%	0%	0%
Percentage of suppliers subject to on-site inspections regarding CSR issues*	-	85%	83%

* In 2021, suppliers who covered 85% of 2020 turnover had currently valid social reports
 * In 2022, suppliers who covered 83% of 2021 turnover had currently valid social reports



SUSTAINABILITY OF ECONOMIC AND PRODUCTION ACTIVITIES

For LEGAMI, governance emerges from two topics, **business ethics** and **customer satisfaction**, both core to the company's business model and both **involving the main stakeholders: customers, employees, the sales network, suppliers and local institutions**.

The primary goal for a manufacturer of consumer goods like LEGAMI is customer satisfaction in terms of **the quality, timeliness and flexibility of the solutions offered**.

Our commitment for 2023 is to improve collection, monitoring and triaging processes, prioritising reports from Customer Care, aiming to reduce response times to the consumer and improving the quality and completeness of feedback provided.

With regard to the topic of business ethics, two strategic objectives have been set for the three-year period:

1. **Proactively promoting an ethical issues** culture, starting with the implementation of a Code of Ethics for 2023.
2. **Consolidating the company's business purpose** by becoming **a benefit company, planned for 2023**.



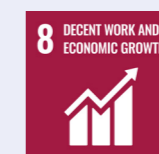
RELATIONAL CAPITAL



INTELLECTUAL CAPITAL

Strategically important topics

- Business ethics
- Customer satisfaction



IMPACTFUL ACTIVITIES IN 2022

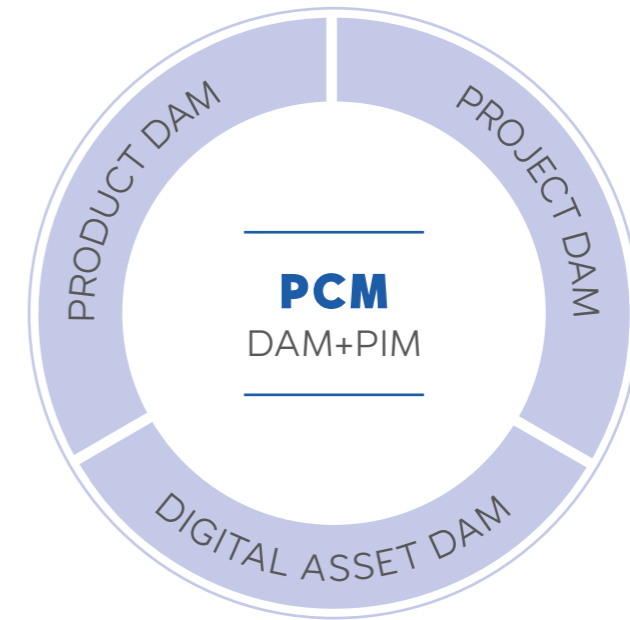
DIGITALISING BUSINESS PROCESSES

In 2022, LEGAMI started a project for maximum focus on digitalising business processes.

In particular, the project aims to support LEGAMI with a digital tool able to integrate Product Information Management (PIM), Digital Asset Management (DAM) and Project Management System (PCM) modules, thereby strengthening and enhancing the company's digital assets.

A single system for managing and safeguarding digital goods, with multiple views and services relevant to business roles and applications.

The system will support the company's various areas and roles, a representative selection of which can be found at the side of the page.



ROLES

- Digital department
- Graphic designer
- Communication / ADV / PR
- Marketing
- Visual department
- Trade marketing
- R&D and style
- Product development
- Regulatory & QC department
- Retail / Wholesale / E-commerce

AREAS

- Managing product master data (back end)
- Managing product master data marketing (front end)
- Managing products divided into catalogues with configurable data cut and restricted access
- Managing budget, media mix and investments by channel
- Managing calendars and activities by role (planning, media plan, production, delivery, billing, reporting)



IMPACTFUL ACTIVITIES IN 2022

PROCESS MAPPING AND ANALYSIS FOR EFFICIENCY AND EFFECTIVENESS

At the beginning of 2022, LEGAMI conducted a **self-assessment** with the aim of minutely analysing business areas and macro processes.

As of the end of April 2022, some of the emerging improvement opportunities have been remedied, others are being worked on, and others have been deemed not priority by the company and therefore have not yet been dealt with.

Below is a **summary** of the different types of work carried out.



Quick Win

These **are improvement activities** actionable in the **short term**. They do not need input from a working group or site manager, just one or two people to implement the Quick Win (average duration 1 month). They may still have a minimal impact on the systems side.

29



Improvement sites

This is **operational work** defined using a bottom-up approach and therefore requiring the formation and **involvement of a dedicated, engaged working group**. The average duration of a worksite is three to four months based on 0.5-1 days per week.

24

The worksite tends to focus on process, and as these are transactional processes, work may be necessary on the information systems.



Reorganisation

These are **strategic actions that redefine roles** and, where appropriate, the organisation chart. Therefore, they require longer timelines.

3



System interventions

These are projects with the purpose of **introducing new information systems** or revamping current tools. They require the **creation of a dedicated internal team**, tend to take longer and have higher costs.

5



IMPACTFUL ACTIVITIES IN 2022

CRITICAL LOGISTICS SITUATION

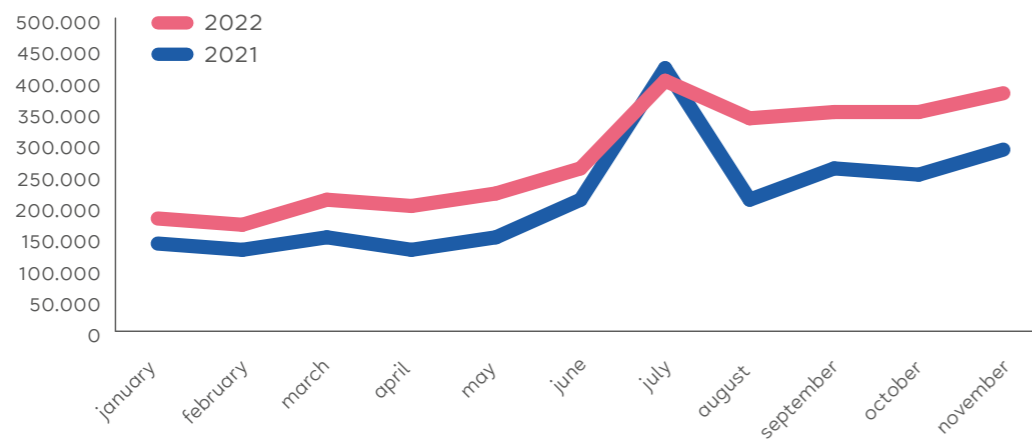
Christmas 2021

Owing to the growth in volumes, the existing logistics operator did not have the capacity to handle peak demand, with consequent delays in processing orders.

Decision

Choose a new logistics partner in 2022 and switch to a new warehouse at the beginning of the following year.

New warehouse start date: 30/01/2023



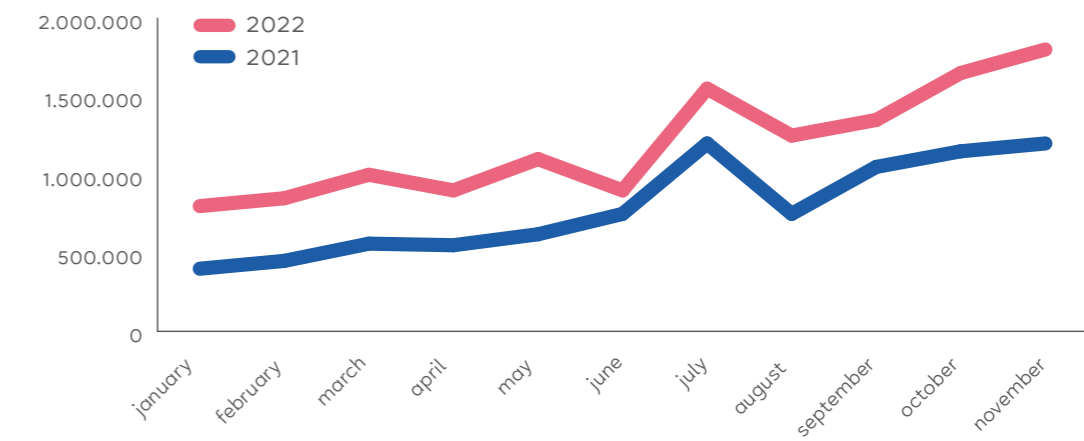
Trend in rows per month

NEW LOGISTICS PARTNER 2023

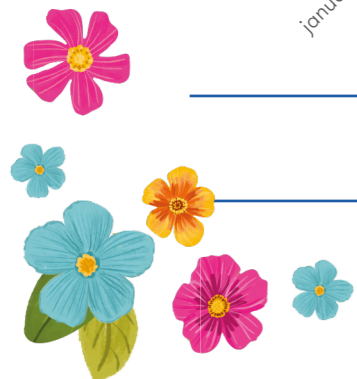
EXPECTED IMPROVEMENTS

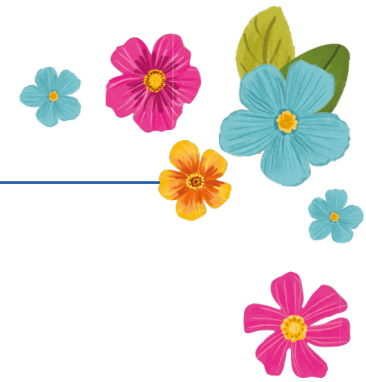
Service level

- More space
- Larger, more flexible workforce — better ability to handle peak demand
- Quality improvement — single-piece dispatch, weighing
- Work in accordance with defined Service Levels with standard turnaround times and improved responsiveness
- Greater flexibility in implementing sustainable projects



Trend in pieces per month





IMPACTFUL ACTIVITIES IN 2022

EXPECTED IMPROVEMENTS

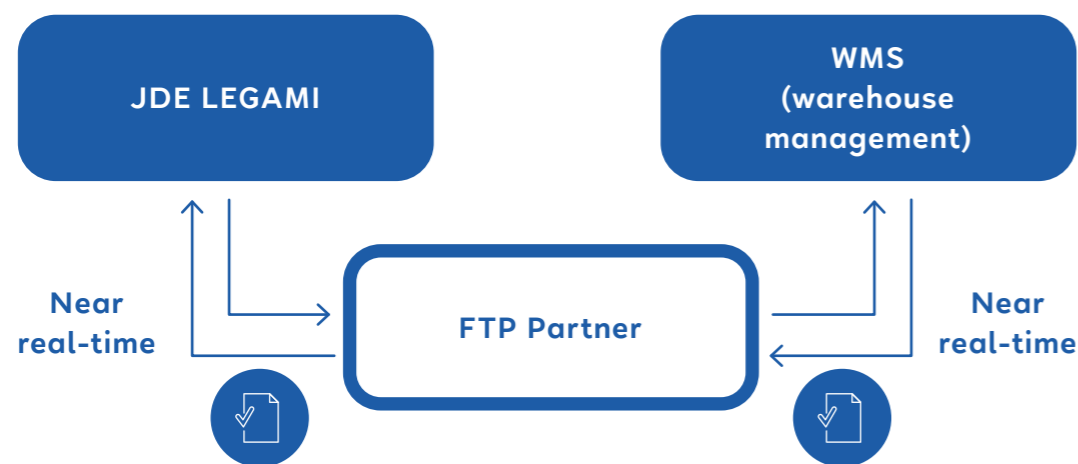
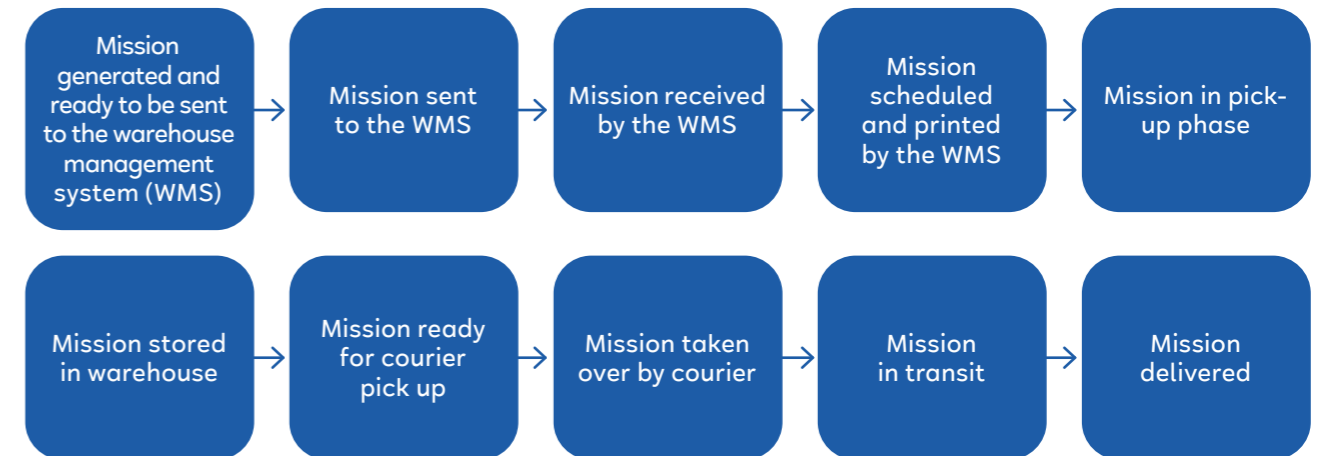
Order handling speed

- To fulfil SLAs, shipping document management will change:
 - Transport Documents (TDs) and Packing Lists (PLs) printed by the logistics operator
 - Waiting for invoices only for customers subject to blocking (non-EU, some centralised warehouses).
 - Invoices sent by email by the end of the shipment day.
 - Cash on delivery – amount communicated by email and sending an invoice.
- Improved scheduling and faster order transfer from JDE to WMS and vice versa.

EXPECTED IMPROVEMENTS

Order and shipping Information

- Introduction of **new order statuses** to extend tacking to the shipping phase – from June 2023.
- Centralisation of shipping status in a **single Transport Management System** that makes it possible to track all shipments from a single platform with a direct link to shipper tracking.



Data Bolle	Data Consegna Teorica	Data Consegna Effettiva	N° Spedizione	Stato	Ragione Sociale	Città	Colli	Peso Lordo	Data di Partenza	Corriere	Delivery	DDT Interna
01/12/2022	12/12/2022		3031521544	In gestione presso vettore	COTY ITALIA S.R.L.	MILANO	1	3,740	05/12/2022	UNITEX SRL	3031521544	
01/12/2022	12/12/2022		3031522304	In consegna	IPER MONTEBELLO SPA CEDI CASIRATE D	CASIRATE D'ADDA	34	389,964	05/12/2022	KIMENES TRASPORTI	3031522304	
01/12/2022			1009125	In gestione presso vettore	DIFARCO LAV	LISCATE	1	31,920	01/12/2022	DESTINATARIO	45015408260030	
01/12/2022			1009125	In gestione presso vettore	DIFARCO LAV	LISCATE	1	900,000	01/12/2022	DESTINATARIO	45015408260030	
01/12/2022			1009128	In gestione presso vettore	DIFARCO LAV	LISCATE	1	60,648	01/12/2022	DESTINATARIO	45015408260030	
01/12/2022			1009128	In gestione presso vettore	DIFARCO LAV	LISCATE	1	31,920	01/12/2022	DESTINATARIO	45015408260030	
01/12/2022	12/12/2022	01/12/2022	3031522786	Consegnato	DIFARCO S.r.l.	LISCATE	1	52,498	01/12/2022	DESTINATARIO	3031522786	
01/12/2022	12/12/2022		3031522863	In consegna	AMAZON ITALIA LOGISTICA S.R.L.	Marzano	1	8,646	05/12/2022	GLS	3031522863	
01/12/2022	12/12/2022		3031522862	In consegna	AMAZON ITALIA LOGISTICA S.R.L.	San Salvo	1	0,698	05/12/2022	GLS	3031522862	



ECONOMIC PERFORMANCE 2022

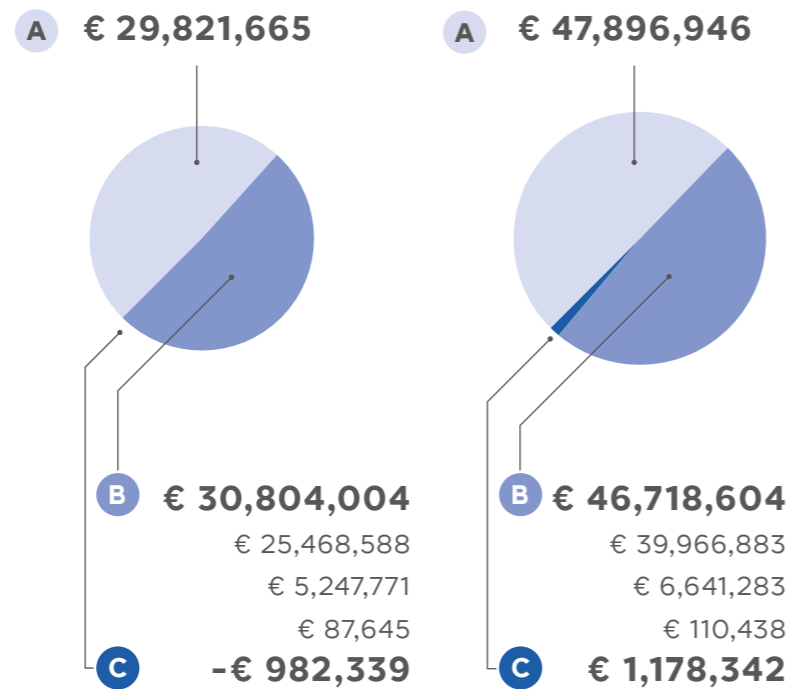


€ **GRI 201-1** Direct economic value generated and distributed

2020

2021

Generated economic value: revenue



A Generated economic value: revenue **B** Distributed economic value **C** Retained economic value (A-B)

Economic data for 2022 not yet available. Please see the financial statements released in summer 2023

€ **GRI 201-4** Financial assistance received from government

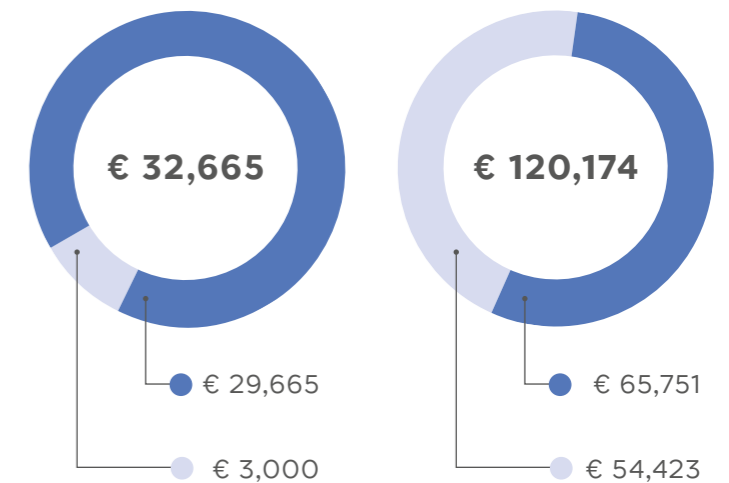
2020

2021

Total monetary value of financial assistance received by the company from the public administration during the reporting period

Tax relief and tax deductions

Subsidies

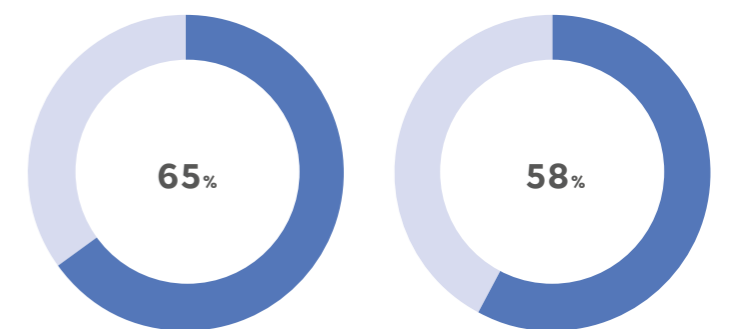


€ **GRI 204-1** Proportion of spending on local suppliers

2020

2021

Percentage of purchase budget that goes to local suppliers



Geographical definition of the "local" organisation

ITALY

Economic data for 2022 not yet available. Please see the financial statements released in summer 2023



ECONOMIC PERFORMANCE 2022



 GRI 406-1 Incidents of discrimination and corrective actions taken	2020	2021	2022
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Total number of incidents of discrimination	0	0	0
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 GRI 417-2 Incidents of non-compliance concerning product and service information and labelling	2020	2021	2022
---	------	------	------

Total number of incidents of non-compliance with regulations or self-regulatory codes regarding information and labelling products and services	0	0	1
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 GRI 417-3 Incidents of non-compliance concerning marketing communications	2020	2021	2022
--	------	------	------

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	2020	2021	2022
---	------	------	------

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 419-1 Non-compliance with laws and regulations in the social and economic area	2020	2021	2022
---	------	------	------

Significant fines and non-monetary penalties for non-compliance with social and economic laws and/or regulations	0	0	0
--	---	---	---

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





05

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 INTEGRATED REPORT

This Integrated Report examines how the company works to **create value over time**, providing an overview of **the strategies, objectives** and **performance** related to the company's ability to create value.

The time frame for disclosures on reporting aspects is **2020-2022**.

This being the first LEGAMI Integrated Report, it will describe the relevant sustainability activities carried out in 2022, which will only be briefly mentioned in the sustainability plan for **2023** onwards, with a three-year window, and which will be enhanced with many new initiatives and areas of work, as well as maintaining all the objectives achieved up to 2022.



THE DRAFTING PRINCIPLES

The document was drafted using several principles that refer to frameworks, standards and indicators typical of sustainability reporting:

- **International Reporting Framework** (<IR>) published by the International Integrated Reporting Council (IIRC) for the aspects of strategic focus and future orientation, stakeholder relationships, materiality, reliability and completeness of information;
 - **Global Reporting Initiative** (GRI, GRI option - Referenced) for performance measurement;
 - **Sustainable Developments Goals** (SDGs), referring to how the topics in question affect the United Nations Sustainable Development Goals.
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GRI INDICATORS

GRI Standards	Description	Page
GRI 2: General Disclosures 2021	2-1 Organisational details	13
GRI 2: General Disclosures 2021	2-2 Entities included in the organisation's sustainability reporting	13
GRI 2: General Disclosures 2021	2-6 Activities, value chain and other business relationships	17, 26, 29, 31
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GRI 3: Material topics 2021	3-1 Process to determine material topics	35, 37
GRI 3: Material topics 2021	3-2 List of material topics	35, 37
GRI 201: Economic performance 2016	201-1 Direct economic value generated and distributed	88
GRI 204: Procurement practices 2016	201-4 Financial assistance received from government	89
GRI 205: Anti-Corruption 2016	204-1 Proportion of spending on local suppliers	89
GRI 302: Energy 2016	302-1 Energia consumata all'interno dell'organizzazione	58
GRI 302: Energy 2016	302-3 Energy intensity	59
GRI 303: Water and effluents 2018	303-3 Water withdrawal	59
GRI 305: Emissions 2016	305-1 Direct (Scope 1) GHG emissions	60
GRI 305: Emissions 2016	305-2 Energy indirect (Scope 2) GHG emissions)	60
GRI 305: Emissions 2016	305-3 Other indirect (Scope 3) GHG emissions	60
GRI 305: Emissions 2016	305-4 GHG emissions intensity (location based)	61
GRI 305: Emissions 2016	305-4 GHG emissions intensity (market based)	61

GRI Standards	Description	Page
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GRI 306: Waste 2020	306-4 Waste diverted from disposal	62
GRI 306: Waste 2020	306-5 Waste directed to disposal	63
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GRI 401: Employment 2016	401-2 Benefits provided to employees	71
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GRI 403: Occupational health and safety 2018	403-10 Work-related ill health	74
GRI 404: Training and education 2016	404-1 Average hours of training per year per employee	77
GRI 405: Diversity and equal opportunity 2016	405-1 Diversity of governance and employees	76
GRI 405: Diversity and equal opportunity 2016	405-2 Ratio of basic salary and remuneration of women to men	75
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GRI 417: Marketing and labelling 2016	417-3 Incidents of non-compliance concerning marketing communications	90
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GRI 419: Socioeconomic compliance 2016	419-1 Non-compliance with laws and regulations in the social and economic area	91
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Declaration of use: LEGAMI S.r.l. prepared a report in accordance with the GRI Standards for the period from 1 January 2022 to 31 December 2022.

GLOSSARY



Capital: the six resource types through which the company can create value:

- **Financial:** financial resources (forms of lending, equity, etc.) that make it possible to produce goods or services.
- **Productive:** physical resources (buildings, plant, equipment) used to produce goods or services.
- **Intellectual:** intangible resources represented by company capital and the value of knowledge.
- **Human:** people's expertise, skills and experience and their motivation to innovate.
- **Social and relational:** ability to share information to increase individual and collective well-being.
- **Environmental:** environmental processes and resources that provide goods or services for the success of a company.

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

Business model: the organisational system that a company uses to turn inputs into outputs and outcomes (impacts) through its business activities and which serves to achieve the company's strategic objectives and create value in the short, medium and long terms.

Governance: the people or organisations (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. In some organisations and jurisdictions, executive management may also be involved in overseeing governance.

Inputs: capital (financial and non-financial resources) that the company uses for its business activities.

Integrated reporting: a process starting with integrated thinking and leading to a company's regular integrated reporting on the creation, retention or erosion of value over time and aspects related to value creation.

Outcomes (Impacts): the internal and external consequences (positive and negative) on capital as a result of a company's activities and business performance.

Outputs: the products and services produced by a company and any by-products and waste generated.

Performance: the results of a company vis-a-vis its strategic goals and its performance in terms of its impact on capital.

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.

Stakeholders: groups or individuals who can reasonably be expected to be significantly affected by a company's business activities, outputs or outcomes or whose actions can reasonably be expected to have a significant impact on the company's ability to create value over time. Stakeholders may include financial capital providers, employees, customers, suppliers, business partners, local communities, NGOs, environmental groups, legislators, regulators and policy makers.

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BEYOND CARBON NEUTRALITY



LEGAMI S.R.L., VIA STEZZANO 18,
24052 AZZANO SAN PAOLO (BG), ITALY
PH + 39(0)35 534168 - FAX + 39(0)35 536973
WWW.LEGAMI.COM

2022 SUSTAINABILITY REPORT

