

A close-up photograph of a pencil tip drawing a line on a piece of textured, light-colored paper. The pencil is positioned diagonally from the top right corner, with its sharp lead tip touching the paper and extending a thin, dark line towards the center. The background is the same textured paper, creating a minimalist and artistic composition.

AEFFE

**Designing the future, together.**





AEEFFE GROUP | NFD SUMMARY 2023

---





The conversation surrounding sustainability and ESG goals integrated into corporate governance is growing as their strategic significance gains wider acknowledgment.

Our commitment to environmental and social topics continued throughout 2023. We kept sustainability central to our business strategies, and tasked a new dedicated corporate function with identifying and then implementing a sustainability plan to achieve the medium- to long-term goals we have set. No doubt, the road ahead will be challenging, but at the same time it will lead us towards a brighter future. The key to achieving the desired outcomes is for everyone to do their part.

Massimo Ferretti  
Executive Chairman

A stylized, handwritten signature of Massimo Ferretti in black ink.



# Designing the future, together

## Accepting and addressing new challenges

is what drives us.

One of our standout traits,  
to keep up with a fast-paced world.

**Creativity and excellence** have always and forever been **our most treasured possessions, created from passion, flair, talent and hard work.**

Now, **sustainability** also aligns with our **core values**, guiding us towards a brighter future, and embracing every part of our group.

We are motivated by a **strong desire for change and progress**, embodied in a major collective effort. With a focused strategy built **on three pillars:**

- **Planet & Environment**
- **Product & Supply Chain**
- **People & Community**

## To protect the environment without compromising on efficiency.

Because we believe in sustainable growth that respects both the planet and people.

Ensuring **excellent visual appeal and quality**, with minimal environmental impact.

Promoting the **artisan skills and culture** of the places where we operate. Spreading a strong **sustainable ethos** across our entire supply chain.

What else is fashion, if not an **imaginative, heartfelt and skilled** response to the constant **need for individual transformation?**

Created to **make dreams a reality**, today our group stands at the forefront of bringing about **momentous change**, where everyone plays their part.



Our brands



ALBERTA FERRETTI

MOSCHINO

PHILOSOPHY  
DI  
LORENZO SERAFINI

POLLINI

1309  
Employees

Eur 319 million  
Turnover 2023

68  
Markets

158  
Mono-brand boutiques

1980  
Year of establishment



## On the eve of momentous change

The fashion & luxury industry is increasingly faced with clear social and environmental challenges. Reducing impact is crucial, especially to safeguard essential resources like water, needed for business continuity. Companies are under pressure from both legislation and consumer demands to embrace circular and sustainable production models.



**87%** of fashion executives expect the new sustainability regulations to impact their businesses in 2024

The State of Fashion 2024

**58%** of Gen Z and Millennials say their closet contributes to climate change.

ThreadUP Resale Report 2023

The industry generates a substantial impact. ■



**93 billion cubic metres** total water used in textile production annually.

Ellen MacArthur Foundation and Circular Fibres Initiatives  
A new textiles economy: redesigning fashion's future

**8-10%** of the global carbon emissions produced by the fashion industry (estimate)

United Nations 2018

**92 million tonnes** textile waste generated worldwide each year

European Parliament report

However, it is also taking steps to address this. ■



**46.3%** the decrease of the unitary environmental impact of household textiles between 2017 and 2020

European Environment Agency






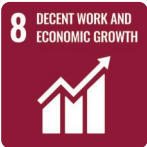





**94%** Italian textile supply chain suppliers being asked for sustainability by their brand customers.

The European House Ambrosetti  
Just Fashion Transition 2023



The Sustainability Plan

In 2023 we updated our sustainability plan, bringing it into line the overall goals of the 2030 Agenda and with the most significant material topics for us and our stakeholders.

Pillars	SDGs	Material Topics
<div></div> <div>PLANET &amp; ENVIRONMENT</div>	<div></div>	<ul style="list-style-type: none"><li>Renewable energy and energy efficiency</li><li>Fight against climate change and management of emissions</li><li>Circular economy and sustainable products</li></ul>
<div></div> <div>PEOPLE &amp; COMMUNITY</div>	<div></div>	<ul style="list-style-type: none"><li>Training and development of skills</li><li>Diversity, inclusion and equal opportunities</li><li>Respect for human rights and protecting workers</li><li>Welfare and work-life balance</li></ul>
<div></div> <div>PRODUCT &amp; SUPPLY CHAIN</div>	<div></div>	<ul style="list-style-type: none"><li>Responsible management of the supply chain</li><li>Brand protection and promotion</li><li>Product quality, safety and reliability</li><li>Technological innovation and digitalization</li><li>Transparent information about products and offers to clients</li></ul>
<div>Governance</div>	<div></div>	<ul style="list-style-type: none"><li>Stakeholder engagement and involvement</li></ul>



# The Sustainability Roadmap

In 2023, we laid the foundation for a structured sustainability roadmap in line with the industry.



■ 2018-2022

■ 2023

■ 2024

■ 2025

■ 2026

- Non-Financial Reporting
- Energy Efficiency

We structured our sustainability strategy and updated the Sustainability Plan, which embodies management's strategic vision in response to some of the global challenges of the UN SDGs, aligned with the most relevant material topics for the Group and its stakeholders.

We defined the Sustainability Governance Procedure, which regulates roles, responsibilities and approval processes for sustainability projects.

- These include:
- the Sustainability Manager
  - the Sustainability Committee
  - the Audit, Risk and Sustainability Committee
  - the Board of Directors

- Carbon Footprint Scope 1-2-3
- Supply Chain & Materials
- Traceability

- Digital Product Passport
- Net-Zero Strategy
- Sustainability Report

- Committing to the Science Based Targets initiative (SBTi)



Our main achievements

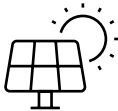
The results and targets we set ourselves are categorised according to the three pillars of the sustainability strategy.



PLANET & ENVIRONMENT

- 533,610 kWh

Energy self-generated by our PV installations



- 10

Trees 'saved' by the reduction of printing



GOAL BY END OF 2025

50%

reduction of paper consumption



PEOPLE & COMMUNITY

- 63.3%

more training hours



- 92%

employed on a permanent contract



GOAL BY END OF 2024

>50%

sustainability training



PRODUCT & SUPPLY CHAIN

- 83.6%

Italian suppliers



- 65.5%

percentage of spending for Italian suppliers



GOAL BY END OF 2024

80%

percentage of plastic recycled from the underwear/beachwear polybags



# Planet & Environment

THIS PILLAR BRINGS TOGETHER THE MAIN ACTIONS TO PROTECT THE ENVIRONMENT WITHOUT COMPROMISING ON EFFICIENCY. THIS IS AN ESSENTIAL CONDITION FOR THE GROWTH OF OUR GROUP.

In 2023:

1,274.32 tCO<sub>2</sub>eq  
Scope 1 emissions

2,557.92 tCO<sub>2</sub>eq  
Scope 2 emissions

14%  
fewer printouts  
(estimated 4 t of paper less)

326.90 t  
waste generated by  
the 2 production facilities



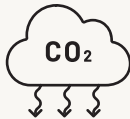


Planet & Environment

More accurate measurement

A new way to collect data about Scope 1 and 2 emissions (internal) has been rolled out.  
In 2024 and 2025 we will continue to collect data about Scope 3 emissions (supply chain).  
We have also refined the collection of water consumption figures.

TOWARDS CARBON NEUTRALITY



In 2023, we launched a three-year action plan to quantify and reduce emissions both internally and along the value chain, in order to achieve net-zero emissions and commit to the Science Based Targets initiative (SBTi).

IMPROVING ENERGY EFFICIENCY



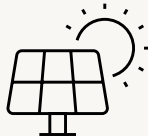
An energy efficiency project has been implemented at the San Giovanni in Marignano and Gatteo sites, involving the remote management of air-conditioning systems and the replacement of some traditional lighting systems with LEDs.

ENERGY MANAGER



In 2023, we appointed an Energy Manager to foster efficient energy use, who renewed the energy diagnosis for our four locations with the highest impact.

GREEN ENERGY



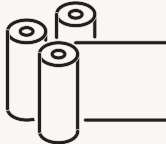
A next-generation solar PV system was installed in Gatteo and, given the positive results, could be expanded in the near future.

RAISING AWARENESS



We have introduced an in-house sustainability newsletter **to raise awareness among** workers of how important and necessary it is for everyone to do their part.

DEMATERIALIZATION



We recorded the consumption of paper for printing in the four main locations and set a challenging target for the end of 2025: a 50% reduction in the number of printouts. The target was communicated in August 2023 and the results were already very encouraging at the end of 2023: a 14% reduction in paper consumption compared to 2022.

WASTE MANAGEMENT



The topic of responsible waste management has been the subject of targeted communications, which have led to a significant improvement in separate waste collection, with the aim of zero mixed waste by the end of 2025.



# People & Community

THE PEOPLE & COMMUNITY PILLAR MAINLY INVOLVES WORKERS, WHO ARE THE KEY PLAYERS IN A MAJOR COLLECTIVE EFFORT: CREATING A SUSTAINABLE CULTURE, FUELLED BY A STRONG DESIRE FOR CHANGE AND PROGRESS.

## In 2023:

78%  
women

200  
people involved  
in the remote working initiative

1,700 km  
travelled by bike  
about 183 kg less CO<sub>2</sub>

100 kg  
fabric and about 280 metres of linings  
donated to dressmaking schools





People & Community

Our numbers

At the end of 2023, we employed 1,309 people, with a strong female presence (78%). About 92% of our staff are employed on a permanent contract. There are 1,060 employees at the Italian sites, 980 of whom are on permanent contracts. We give permanent employment opportunities to 47 employees in protected categories.

PERFORMANCE REVIEW



In October 2023, a performance review system was included in the Group's corporate business plan. It will involve all employees of the Italian companies in the 2024-2027 three-year period.

TRAINING



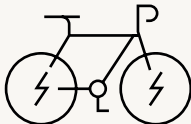
In 2023, our training platform delivered two training courses dedicated to sustainability, an introductory course for all Group employees and an advanced course for our first- and second-line senior managers. By the end of the year, 27% of the corporate population had completed at least one course on sustainability. A tree was planted for each of the first 100 employees to complete their course.

REMOTE WORKING



We began experimenting with remote working, offering four days per month (with a limit of two per week). More than **200 workers are involved in this experimental phase**

SUSTAINABLE MOBILITY



Ten e-bikes were provided at the San Giovanni in Marignano site from July 2023. The response in the first months they have been in place has already been very positive. In particular, the e-bikes have covered over 1,700 km, for an estimated total saving of 183 Kg of CO<sub>2</sub>.

SUSTAINABLE CULTURE



We joined the Fondazione Libellula network, a group of businesses active in creating an inclusive workplace. A team has been formed to embark on a process of inclusion and equity.

COMMUNITY ENGAGEMENT



We gave donations to support **research, childhood and social causes**. As we do every year, we supplemented donations with gifts of clothing and accessories to volunteer associations, foundations and non-profit organisations for fundraising and charity auctions, as well as raw materials and textiles for educational institutions.



# Product & Supply Chain

THIS PILLAR POSES THE CHALLENGE OF MAKING THE PRODUCT SUSTAINABLE, COMBINING CREATIVITY AND DESIGN WITH MATERIALS AND SOLUTIONS THAT HAVE LESS IMPACT ON THE ENVIRONMENT AND PEOPLE. A COMMITMENT THAT INVOLVES THE WHOLE VALUE CHAIN.

## In 2023:

100%

of new vendors of products commercialized assessed using the new ESG qualification procedure

200,000 metres per year

new plastic bags for the packaging of hanging garments replaced by recycled plastic bags of the post-industrial circular economy.

28%

of new plastic polybags replaced by recycled plastic for the underwear/beachwear collections, commencing from the 2024 Spring/Summer collections made and delivered in 2023

For e-commerce sales of the Moschino, Alberta Ferretti and Philosophy di Lorenzo Serafini brands

100%

single-use new plastic eliminated

58%

FSC-certified card for boxes

90%

FSC certified tissue paper to wrap garments placed in boxes sent to end customers



Product & Supply Chain



QUALIFYING VENDORS

We introduced a new ESG qualifying procedure for vendors in 2023, to embed aspects of sustainability along the whole procurement process. In 2023, all new vendors of finished products, pret-a-porter and underwear/beachwear (commercialized) were assessed using the new ESG qualification procedure. We plan to step up monitoring to all vendor categories from 2024 onwards.



MOSCHINO

PHILOSOPHY  
DI  
LORENZO SERAFINI

In 2023, both Moschino and Philosophy di Lorenzo Serafini worked on their product lines with increased awareness, giving preference to organic cottons and, in some cases, blending these with recycled cottons.



ALBERTA FERRETTI

For multiple seasons, organic chiffon has been used in garments, and the “Save the Glacier” project, organized in 2023 together with Skyway Monte Bianco, involved the production of a limited edition, unisex pullover using black and white recycled cashmere, with part of the sales proceeds contributed towards the clean-up of the Monte Bianco glaciers.



POLLINI

With a view to reviving Italian craftsmanship and savoir-faire, Pollini has renewed its collaboration with the Tuscan company Antica Valserchio to reintroduce some iconic models of Italian-made excellence.







# Product & Supply Chain



## THE "RE-WASTE. CIRCULAR ECOSYSTEMS IN TEXTILE CHAIN" PROJECT

We partnered with "Re-Waste. Circular Ecosystems in Textile Chain" in January 2023. This project is coordinated by the University of Florence as part of the "Made in Italy Circular and Sustainable" extended partnership and financed by the Ministry for the Universities and Research, thanks to the NextGenerationEU program. The "Re-Waste" project seeks to reduce the scrap generated by the textile and fashion industries, identifying new strategies and methodologies that enable the materials to be valued more highly and returned to the supply chain. Adopting a design-driven approach, the best practices of the fashion production systems used in Italy will be identified and built up, supporting interaction between small and large producers according to industrial symbiosis logics.



## RE.CREA CONSORTIUM

With regard to the management of textile waste, at the start of 2023 we joined the Re.Crea consortium organized by CNMI (National Chamber for Italian Fashion). The project seeks to manage the entire lifecycle of textile industry products and promote the research and development of innovative recycling solutions.



## FUR-FREE

In 2023 we announced our public commitment to abolish for ever the use of animal fur and all its products, which we had already reduced for quite some time. Accordingly, from 2024, the Group brands will not use, sell, publicize or promote any garments that contain real animal fur. Aeffe is also committed to eliminating angora wool from all its collections. To strengthen this commitment, we have adopted the Fur-Free Retailer Standard.



Aeffe S.p.A  
Via delle Querce, 51  
47842 San Giovanni in Marignano (RN), ITALY

Creative concept, graphic layout and drafting of texts:  
LifeGate S.p.A. *Società Benefit* (benefit corporation)  
[www.lifegate.it](http://www.lifegate.it)

The complete NFD is available at  
[www.aeffe.com](http://www.aeffe.com)



AEFFE

[WWW.AEFFE.COM](http://WWW.AEFFE.COM)

---