

# CONSOLIDATED NON-FINANCIAL INFORMATION STATEMENT

# 2023

Pursuant to Legislative Decree 254/2016

The Safilo logo features the brand name in a dark blue, serif font. A stylized bird icon is positioned above the letter 'i' in 'Safilo'.

**Safilo**

SEE THE WORLD AT ITS BEST





SEE THE WORLD AT ITS BEST

**2023 CONSOLIDATED NON-FINANCIAL  
INFORMATION STATEMENT PURSUANT  
TO LEGISLATIVE DECREE 254/2016**

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# SAFILO, 90 YEARS OF EXCELLENCE TO CONTINUE LOOKING TO THE FUTURE TOGETHER AND EMBRACING DIGITAL TRANSFORMATION AND SUSTAINABILITY

In 2024 Safilo celebrates its 90th birthday, 90 years of excellence that have allowed us to innovate without ever compromising the quality of our products, which has always been our hallmark. This year, once again, we were driven by a great challenge: to continue to evolve conscientiously, looking at the world around us with a constructive spirit. Every day we strive to reduce our environmental impact by minimizing consumption and preserving our planet's resources for future generations.

We continue to act by complying with our purpose-led vision, based on 3 sustainability pillars: Planet, Product and People. Sustainability is the driving force behind many corporate activities that aim to contribute to the achievement of the United Nations 2030 Sustainable Development Goals by sharing a commitment to building a better present and future. In fact, to mark our Capital Market Day last March, we committed ourselves to achieving – in line with our purpose – a number of important sustainability goals based on our pillars.

On the product side, more than 25% of our new collections will be made from certified sustainable materials by 2025. During 2023, therefore, we worked to expand the sustainable products within our portfolio of proprietary and licensed brands through continued research that allows us to use innovative materials to lessen our impact on the planet. Our goal is to increase our collections using sustainable materials, which is why in 2023 we introduced the use of recycled metal with Global Recycling Standard (GRS) certification. Recycled metal thus joins an already rich roster of sustainable materials that include Eastman's Acetate Renew, Tritan™ Renew, and Tenite™ Renew, which Safilo itself launched on the market in 2022.

During 2023, we continued our Life Cycle Assessment (LCA) study, by taking into consideration the Group's new industrial footprint, the most representative products in the portfolio, and the new materials used in our production processes. In fact, after starting this process in 2022, this year we completed our assessment by extending the research to include our helmets and masks.

Safilo's commitment to sustainability, however, not only focuses on products, but also takes the form of initiatives able to reduce environmental impact. Through responsible use of resources and materials and renewable production processes, we continue our efforts to reduce our impact in terms of energy consumption and greenhouse gas emissions.

From an environmental perspective, our main goals for fighting climate change are to reduce Safilo's direct and indirect emissions by 70% by 2030 by converting all of the group's energy needs to renewable energy, and to reduce indirect emissions related to supplier and distribution activities by 25% by 2030. In addition, by 2030 all unnecessary single-use plastics will be eliminated, and the remainder will be replaced by plastics with more than 50% recycled content. Our Scope 1 and Scope 2 Science Based emission reduction targets set during 2023 were evaluated and approved in January 2024 by the Science Based Target initiative, in line with a program for limiting global warming. This is a particularly important milestone for us because, through the Science Based Targets initiative, Science Based targets provide companies with a defined, clear and long-term pathway for reducing greenhouse gas emissions and helping to prevent the worst impacts of climate change. The targets are considered Science Based if they are in line with what the latest climatology deems necessary in order to achieve the Paris Agreement goals of limiting global warming to 1.5°C above pre-industrial levels. During 2023, we reduced our CO<sub>2</sub> production by 10,700 tons, thereby achieving a 66% reduction compared to 2022. In fact, after having begun to use renewable electricity for the energy consumption of all our Italian facilities in 2022, in 2023 we also introduced the use of renewable electricity in our Chinese plant in Suzhou.

It is thanks to these initiatives that at MIDO 2024 – the eyewear show held annually in Milan – we won an important award: the CSE (Certified Sustainable Eyewear) prize in the “Frame Europe” category for the best sustainable frame with a Tommy Hilfiger model made with Eastman Acetate Renew material and recycled demo lenses, and produced in a plant that uses 100% renewable electricity.

Seeing better means living better, which is why we have decided to increase our social initiatives related to prevention and sight care. Safilo has continued to support the organizations with which it has long collaborated. For 20 years we have supported the nonprofit organization Special Olympics, which strives to transform the lives of people with intellectual disabilities. In recent years, through the Special Olympics Lions Clubs International Foundation Opening Eyes program, we have donated 1.3 million prescription frames and sunglasses. Our commitment is to make as many people as possible see the world at its best, and that includes our Safilo population. We have always cared about eye health, which is why we have worked to create a program dedicated to health and prevention that starts in the office. With this goal, from November 27 to December 7, thanks to Polaroid Eyewear, we offered a free comprehensive eye screening to our employees in Padua and Santa Maria di Sala. This initiative was just the beginning of a project that we would like to expand to make available to our colleagues around the world. This process reflects our intent to adopt a business model characterized by ESG principles, as are our business strategies and choices.

Our efforts during the year paid off, and in 2023 we ranked first in the Integrated Governance Index (IGI) among fashion industry companies. The IGI is a quantitative ranking that rates companies on several aspects related to sustainability governance, including the presence of a sustainability committee, the existence of a compensation policy linked to ESG parameters, female participation in the Board of Directors, and many other criteria. The assessment considered 98 Italian companies and we are proud to have ranked first in the fashion sector, thus confirming the quality of our work and the significant efforts produced in this important field.

It is therefore a source of pride for us to be able to illustrate in this new edition of our Consolidated Non-financial Statement the results achieved in 2023, which would not have been possible without the trust and direct involvement of all our stakeholders.

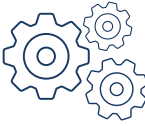
Thank you all for your contributions and efforts. We are confident that we will be able to continue on this path with the goal of evolving further and continuing to identify new solutions that allow us to look at the world at its best every day.

Angelo Trocchia  
CEO Safilo Group

# HIGHLIGHTS

OVER **140 YEARS**  
OF EYEWEAR INDUSTRY TRADITION

**Product & Innovation**



**≈ 1,790** NEW MODELS DEVELOPED IN 2023 OF WHICH AROUND **300** MADE WITH RECYCLED OR BIO-BASED MATERIALS (17%)

**INTRODUCTION OF RECYCLED METALS CERTIFIED WITH GRS**

**LCA SCREENING AVAILABLE ON MOST REPRESENTATIVE PRODUCT CATEGORIES**


**Employee Learning & Development<sup>1</sup>**



**MORE THAN 26,400** HOURS OF TRAINING IN 2023

**7** AVERAGE HOURS OF TRAINING PER EMPLOYEE in 2023

**Diversity & Inclusion**



**58%** WOMEN IN THE TOTAL WORKFORCE IN 2023

**46%** FEMALE IN EXECUTIVES, DIRECTORS AND MANAGEMENT CATEGORIES IN 2023

**10%** OF THE TOTAL WORKFORCE UNDER 30 IN 2023

**13** AT EXECUTIVE AND DIRECTOR LEVEL IN 2023

**Health & Safety<sup>2</sup>**



**14** RECORDABLE WORK-RELATED INJURIES IN 2023

**1.98** RATE OF RECORDABLE WORK-RELATED INJURIES IN 2023 VS 1.73 IN 2022


**Industrial Relations and Supply Chain Responsibility**



**65%** OF THE TOTAL WORKFORCE WAS COVERED BY COLLECTIVE BARGAINING AGREEMENTS IN 2023

**114** SOCIAL AUDITS OF SUPPLIERS IN 2023<sup>3</sup> (OF ~245 SUPPLIERS OF DIRECT MATERIALS)

**Environmental Responsibility<sup>4</sup>**



**5,595 T CO<sub>2</sub>** EMISSIONS SCOPE 1-2 IN 2023

**-66%** VS. 2022 (MARKET BASED), AND

**195,504 GJ** ENERGY CONSUMED IN 2023

**-12%** VS 2022

**USAGE OF PHOTOVOLTAIC PANELS IN PADUA HQ AND AUSTRALIAN SUBSIDIARY**

**4 RECHARGING STATIONS FOR ELECTRIC VEHICLES INSTALLED IN PADUA HQ IN 2023**

1 For further details please refer to the chapter "5.1 Safilo people and The Safilo Way" (pages 56-59).  
 2 These KPIs are related to the Italian, Chinese manufacturing plants, Padua headquarters, and for the first year are included also Denver distribution center, Clearfield plant (2 work-related injuries) and Secaucus and Portland offices. The KPIs do not include external collaborators' data (the Group has no direct control on data from the employers of workers who are not employees).  
 3 The majority of these audits included the review of social and environmental aspects following the SMETA 4 Pillar standard or, in the case of just a social audit, following the SLCP standard.  
 4 2023 energy consumption and CO<sub>2</sub> emissions included energy savings generated from specific projects including also restructuring initiative and from the signing by Group's Italian legal entities and Chinese manufacturing of an agreement to supply 100% of electric energy needs from renewable sources. For Scope 2 CO<sub>2</sub> emissions the KPI is defined using the market-based calculation methodology. For further details please refer to the chapter "8.1 Energy consumption & CO<sub>2</sub> emissions" (pages 74-79).



## Signature Social Responsibility Partnerships



**SPECIAL OLYMPICS**  
MORE THAN 1.3 MILLION OPTICAL FRAMES AND SUNGLASSES DONATED OVER THE PAST 20 YEARS



**UMBERTO VERONESI FOUNDATION**  
SAFILO WITH POLAROID EYEWEAR HAS SUPPORTED SCIENTIFIC RESEARCH ON EYE CARE THROUGH A PARTNERSHIP WITH UMBERTO VERONESI FOUNDATION

## United Nations 2030 Sustainable Development Goals

Sustainability is at the heart of the Safilo’s business strategies and is based on the development of projects and initiatives that can contribute to the achievement of the United Nations 2030 Sustainable Development Goals, and aim to create shared social, environmental and economic value in the communities in which we operate.

Safilo’s attention is focused, in particular, on goals 3 (Good Health and Wellbeing), 4 (Quality Education), 5 (Gender Equality), 6 (Clean Water and Sanitation), 7 (Affordable and Clean Energy), 8 (Decent Work and Economic Growth), 9 (Industry Innovation and Infrastructure), 12 (Responsible Consumption and Production), 13 (Climate Action), 14 (Life below Water), 15 (Life on Land), and 17 (Partnerships for the Goals). These prioritization of ESG goals are the result of an internal analysis performed by the Group during 2023.



# 1. SAFILO

## 1.1 OUR ORIGINS AND HERITAGE

Safilo Group is one of the eyewear industry's most important players in the design, manufacturing and distribution of optical frames, sunglasses, sports eyewear, goggles and helmets.

The origins of the Group's activities date back to 1934, when Guglielmo Tabacchi purchased the first Italian eyewear lens and frames production facility, which had been in business since 1878 in Calalzo di Cadore, and established the "Società Azionaria Fabbrica Italiana Lavorazioni Occhiali", the longest-standing eyewear manufacturer in the industry.

Safilo Group designs and manufactures its collections by blending stylistic, technical and industrial innovation with quality and skilful craftsmanship. Research, development and design have always been the Group's cornerstones: thanks to its constant experimentation with new materials and shapes, specific skills and *savoir-faire*, Safilo is at the forefront in setting eyewear fashion trends worldwide and plays a key role in the global eyewear industry.

## OUR ESSENCE



## OUR MANIFESTO

**Have you ever wondered who's behind a pair of glasses?  
It's us, from Safilo.**

A company that, since 1878, has in its DNA a principle that, more than anyone, it can call its own: looking ahead.  
Looking ahead to allow millions of people to see the world at its best.  
Without avoiding change, but reaching out to it.  
Looking for innovative and responsible solutions,  
and embracing digital transformation to redefine eyewear.  
So innovation and sustainability are not just nice words,  
but represent instead an inclusive path that involves us all.

And the ability to create value through this becomes our aim.  
**This is the Safilo Way.**

**Safilo.**  
**See the world at its best.**

**Our values** are what we believe in as a company.

**Our competencies** define our unique contributions and where each of us must excel to realize our purpose.

Our purpose, values and competencies drive the vision of who we want to be: a sustainable leader.

We aspire to be a **trusted partner and premier eyewear creator.**

We are:

**People Centric:** We believe people are at the heart of everything. For this reason, we strive to make the work environment also a place where, at any time, we can thrive and develop our skills, sharing experiences and collaborating with everyone. In this way we create relationships based on trust, competence, and loyalty. In this way we create value.

**Purpose Led:** We always look for the best balance between present and future. We believe in projects that are not limited to the short term, and that always have a powerful sense of environmental, cultural, and social responsibility. Only in this way we can work concretely to improve our planet and contribute to the development of a truly inclusive and sustainable economy. In this way we look forward.

**Innovation Driven:** We always look in one direction: beyond. Always starting from our roots entrenched in tradition, we work toward a new concept of innovation that unites beauty and functionality, that evolves based on a digital model, and that approaches the world in a clear and responsible way. Innovation that allows our never-ending passion to go beyond the ordinary. In this way we create the future.



## 1.2 THE PRODUCT AT THE HEART OF OUR HISTORY

1878



First Italian manufacturing site in Calalzo di Cadore for lenses and frames

1934



Safilo is born

1970



Safilo opens sales offices in many European countries, patents the Elasta hinge and introduces the successful UFO model of sunglasses

1980



Acquisition of US eyewear company Starline Optical Corp (then Safilo USA)

1989



Industrial development with the new production facility in Longarone (Belluno), the largest Italian unit in the Group

1994



Opening of the first Safilo Far East legal entity

1996



Acquisition of Carrera and American Smith Sports Optics

2005



The shares of Safilo Group S.p.A. were listed on the Milan Stock Exchange

2012



Polaroid Acquisition

2015-2017



New license partnerships and commercial expansion through direct subsidiaries in emergin markets (Dubai and Turkey)

2018



2023 Strategic Business Plan, Share Capital Increase and New Refinancing Agreement, Launch of ChromaPop Lens Technology Made in Italy for Smith Goggles

2019



Launch of ECONYL® regenerated nylon in eyewear collections, Recyclable, recycled and FSC certified marketing materials

2020



Acquisition of Privè Goods LLC and Blenders Eyewear LLC  
New license partnerships  
First sunglasses made with ocean waste plastic  
Polaroid Staysafe PPE products  
Certification ISO 45001 and ISO 50001

2021



New license partnerships and commercial expansion through a direct subsidiary in Poland  
Share Capital increase  
Launch of Smith "IMPRINT 3D" technology  
Recycled and bio-based materials in eyewear collections  
Certifications ISCC Plus and GRS

## 2022

TENITE™ RENEW  
tritan™ RENEW



THE  
FASHION  
PACT

First player to adopt all Eastman Renew materials included Tenite™ Renew and Tritan™ Renew.

FSC® certificate assures that products come from responsibly managed forests and provide environmental, social and economic benefits  
Safilo signs The Fashion Pact: a global coalition of companies in the fashion and textile industry all committed to stop global warming, restoring biodiversity and protecting the oceans

## 2023



A partnership with Amazon for the launch of new **Carrera Smart Glasses with Alexa**, blending Safilo's Italian design with Alexa technology into two iconic frames.  
Safilo ranked first in the Fashion sector-related ranking of the Integrated Governance Index 2023.  
Safilo completed the CDP questionnaire and committed to Science Based Targets initiative

## 1.3 WE ARE A KEY LEADER IN THE WHOLESALE EYEWEAR MARKET

Organic 2023 revenues were close to those of 2022 and grew net of the business in the former GrandVision chains, there was a significant improvement in gross margin reinvested in the marketing, IT and digital projects envisaged in the Group's Business Plan and instrumental to the growth and solidity of the Group in the long term.

Safilo Group is one of the eyewear industry's principal players which is active in the manufacturing of eyewear sector<sup>5</sup>. With an extensive global presence, our business model enables us to monitor the entire production and distribution chain: from research and development, with prestigious design studios in Padua, Milan, Secaucus New York, Hong Kong and Portland, to production, with our own company-owned production facilities and network of qualified manufacturing partners, thanks to which the Group is able to ensure that every product can offer the right value proposition for the consumer and meets the highest quality standards, and distribution. Safilo is deeply committed to its Italian roots – from world-class design and product creation and its highly automated distribution centre in Padova, to its manufacturing sites in Santa Maria di Sala and Bergamo – which represent a competitive advantage.

The creation of shared value for all stakeholders is at the heart of Safilo's strategy and, thanks to its own brands and licensed brands, **Safilo covers all market segments**, from fashion luxury to more dynamic products for customers with a contemporary style and a focus on value for money, or for customers interested in sustainable and technological innovation. Furthermore, the business is highly diversified, offering different product categories: optical frames, sunglasses, goggles, bike and snow helmets.

Safilo designs and manufactures collections of optical frames, sunglasses, sports eyewear, goggles and helmets that combine research with innovation and style **to meet the expectations and needs of different brands, opticians and the end consumer**.

We are firmly convinced that the eyewear sector makes a positive contribution to people's quality of life by providing better eyesight.

<sup>5</sup> Safilo operates in the industry defined by NACE code 32.50 - Manufacture of medical and dental instruments and supplies.

## Our Brands

The Group's portfolio includes own core brands and licensed brands.

Own core brands are strategically crucial to the Group's development goals which is why alongside those already part of its portfolio - Carrera, Polaroid and Smith among the main ones – in 2020 there were two great new additions through direct acquisitions, Blenders Eyewear and Privé Revaux.

The Group's licensed brands are among the leading and most diversified in the eyewear sector. A multitude of fashion houses trust to Safilo for their eyewear collections, recognizing the great expertise and knowledge that it has built over the years, its ability to best interpret and enhance every single brand's DNA, and the unique *savoir-faire* that enables it to create success stories in the eyewear industry. In 2023 Safilo Group announced a global and exclusive licensing agreement for the design, manufacturing, and distribution of Etro branded eyewear collections and a new licensing agreement with Stuart Weitzman brand. Furthermore, Safilo renewed in advance important licenses as Tommy Hilfiger, Kate Spade, Fossil, Juicy Couture and Havaianas.

## Own Core Brands

Safilo's Own Core Brands are of high strategic importance for the Group's future development and objectives, each playing a key role in the respective market segment.

**CARRERA**  
E Y E W E A R S I N C E 1 9 5 6

**Polaroid**  
eyewear

**SMITH**

  
**B L E N D E R S**  
E Y E W E A R

**PRIVÉ REVAUX**  
E Y E W E A R

**SEVENTH STREET**  
by *Safilo*

## Licensed Brands<sup>6</sup>

Safilo’s portfolio of licensed brands is one of the most significant and diversified in the eyewear market. Each of the licensed brands is designed and positioned for a specific market segment and target consumer, and they are governed by exclusive contracts that provide for royalties and marketing contributions to the licensors.



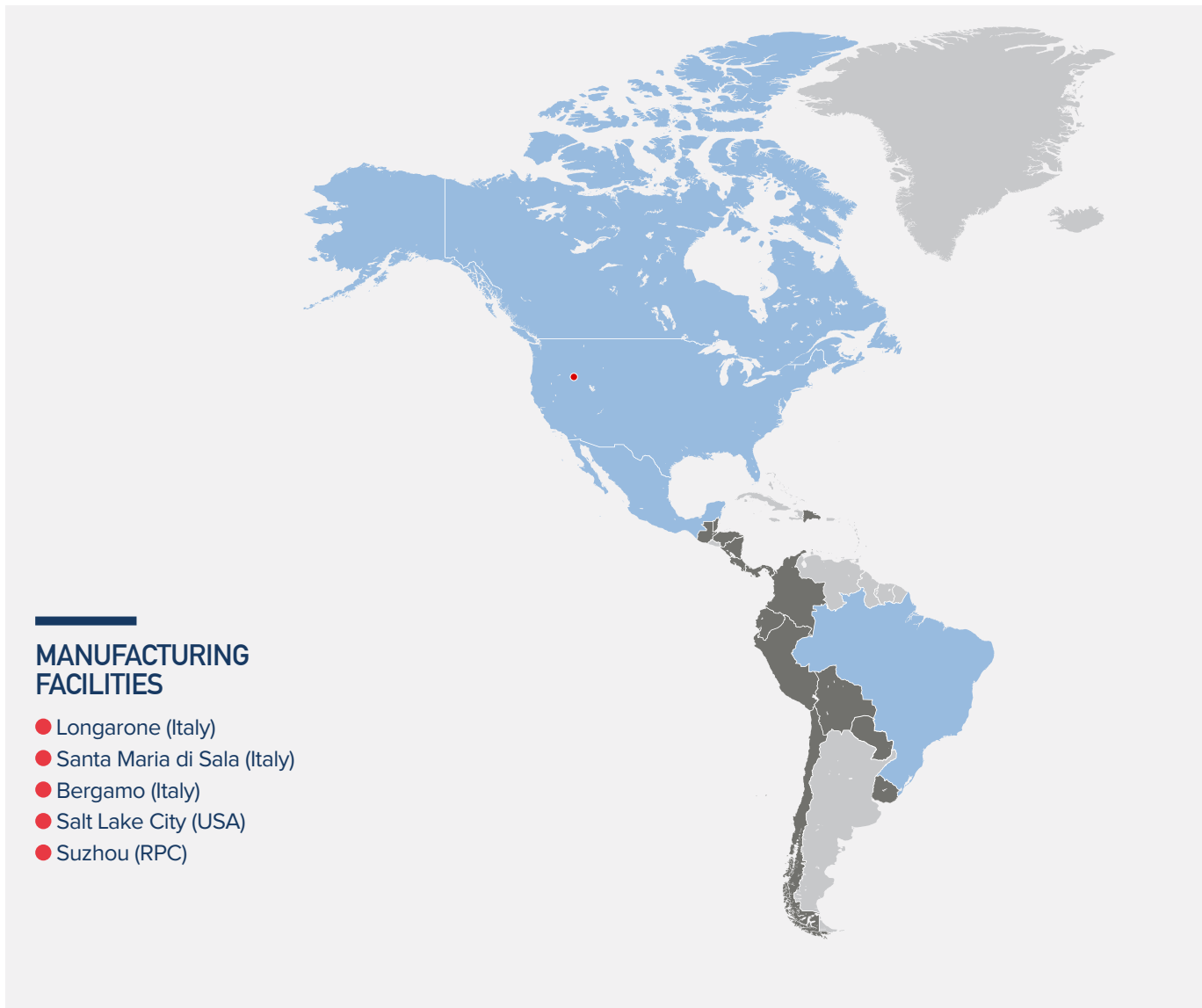
### 1.4 Global reach in the Eyewear Market

With an extensive wholly owned network of subsidiaries in around 40 countries – in North and Latin America, Europe, Middle East and Africa, Asia Pacific and China – and about 50 distribution partners in key markets, Safilo is committed to quality distribution of its products in nearly 100,000 selected points of sale all over the world, including opticians, optometrists, ophthalmologists, distribution chains, department stores, specialised retailers, licensors’ own stores, duty free shops and sports shops.

Safilo’s well-established wholesale distribution model is complemented by Direct-to-Consumer e-commerce platforms and Internet pure player customers, in line with the Group’s development strategies.

6 Safilo Group communicates: (i) the interruption of the licensing agreement for the design, production, and distribution of the Chiara Ferragni branded eyewear collection following the violation of contractual commitments undertaken by the brand owner; (ii) the expiration of the licensing agreement with Jimmy Choo brand on 31st of December 2023 (agreement not renewed); (iii) the distribution of products from the Etro and Stuart Weitzman licenses will start from 2024 and (iv) in January 2024 the early renewal of the global licensing agreement for the BOSS and HUGO eyewear collections.

# SAFILO IN THE WORLD



## MANUFACTURING FACILITIES

- Longarone (Italy)
- Santa Maria di Sala (Italy)
- Bergamo (Italy)
- Salt Lake City (USA)
- Suzhou (RPC)

## Commercial Network

### THE AMERICAS

Brasil  
Canada  
Mexico  
USA

### EUROPE

Austria  
Belgium  
Czech Rep.  
Denmark  
Estonia  
Finland  
France  
Germany  
Greece

Hungary  
Ireland  
Italy  
Latvia  
Lithuania  
Netherlands  
Norway  
Poland  
Portugal

Russia  
Slovenija  
Slovenska Rep.  
Spain  
Sweden  
Switzerland  
Turkey  
UK

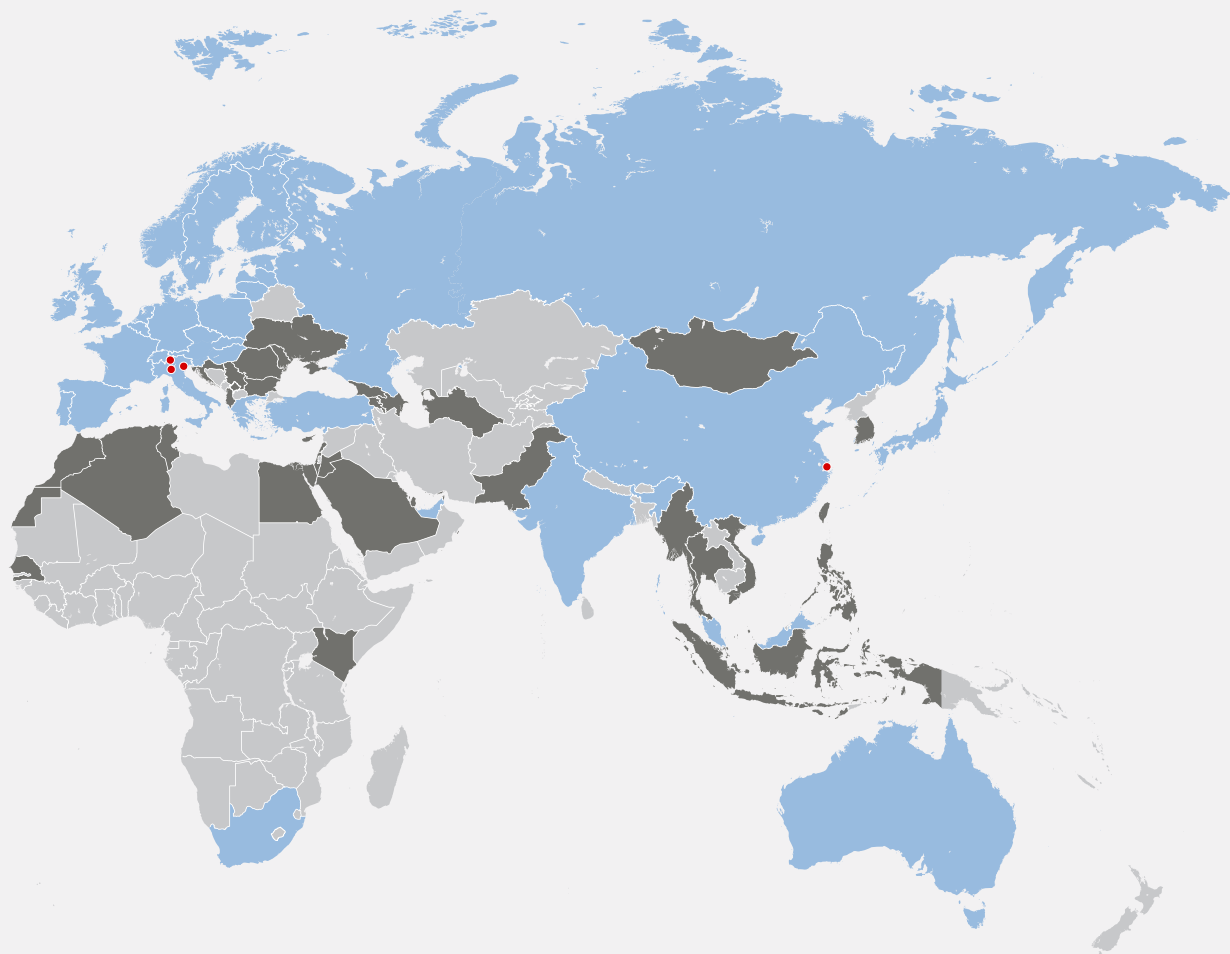
### ASIA

Australia  
China  
Hong Kong  
India  
Japan  
Malaysia  
Singapore

### REST OF THE WORLD

South Africa  
United Arab Emirates





**Independent distribution partners**

**THE AMERICAS**

Bolivia  
Chile  
Colombia  
Costa Rica  
Dominican Rep.  
Ecuador  
Guatemala  
Honduras  
Nicaragua  
Panama  
Paraguay  
Peru  
Uruguay

**EUROPE**

Albania  
Armenia  
Bulgaria  
Croatia  
Georgia  
Kosovo  
Malta  
Moldova  
Romania  
Serbia  
Ukraine

**ASIA**

Indonesia  
Mongolia  
Myanmar  
Pakistan  
Philippines  
South Korea  
Taiwan  
Thailand  
Turkmenistan  
Vietnam

**REST OF THE WORLD**

Algeria  
Azerbaijan  
Caribbean Dist  
Cyprus  
Egypt  
Israel  
Jordan  
Kenya  
Lebanon  
Morocco  
Saudi Arabia  
Senegal  
Tunisia

## 1.5 KEY FIGURES AND DISTRIBUTION OF 2023 ECONOMIC VALUE

### People and management

- **3,828** employees all over the world;
- 17 Executives, 4 nationalities;
- 71 Directors, 13 nationalities.

### Structure and distribution

- **5 plants:** three in Italy (Longarone<sup>7</sup> (BL), Santa Maria di Sala (VE), Bergamo (BG)), Salt Lake City in the USA, and Suzhou in China;
- **3 main distribution centres:** Padua, Denver (Colorado, USA), Hong Kong;
- **nearly 100,000** selected points of sale all over the world;
- **Direct-to-Consumer e-commerce platforms and Internet pure player customers.**

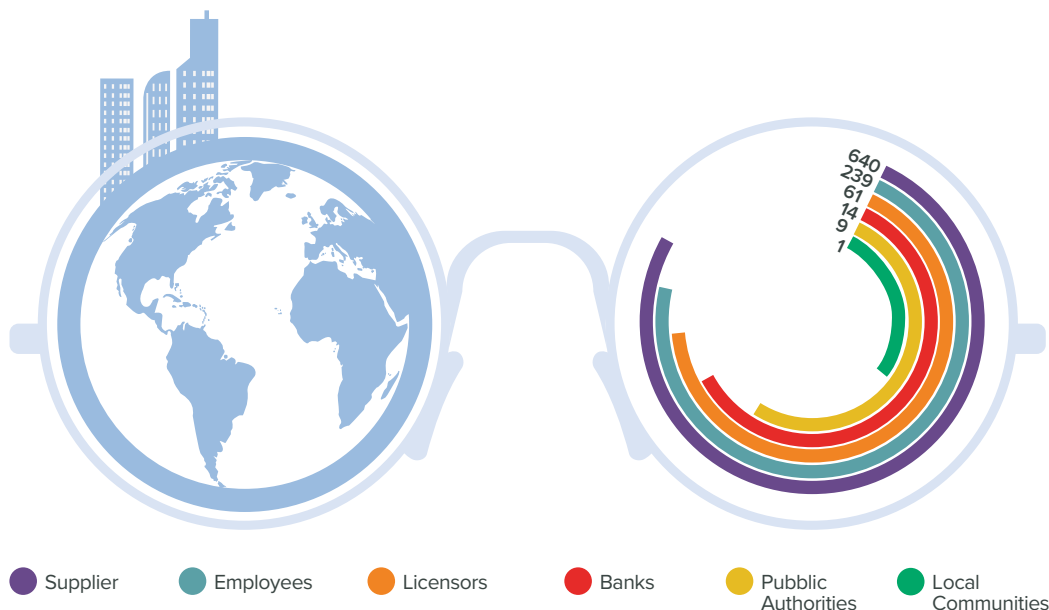
### Financials results

- Direct economic value generated (net sales) of **1,025** million euros;
- EBITDA pre non-recurring items of **92** million euros;
- Group net result pre non-recurring items of **14** million euros.

As a consequence of its activities, Safilo contributes to the growth of the social, economic and environmental context it operates in. The economic value distributed by Safilo in 2023 was 963.5 million euros while the economic value generated was 938.9 million euros. The difference between the value generated and distributed is the group's profit or loss.

The economic value generated by Safilo, as shown in the chart below, is distributed to employees (salaries), suppliers (operating costs), licensors (royalties paid), government (taxes), banks (interest and fees), and local communities (donations).

### DISTRIBUTION OF ECONOMIC VALUE (MILIONS EURO)



<sup>7</sup> Manufacturing plant of Longarone has been transferred to Thélios S.p.A. and Innovatek S.r.l. respectively on October 31, 2023. Safilo in the agreement has guaranteed the full employment of all the workers in Longarone plant.

Economic value generation and distribution have been calculated on the basis of the financial and economic results for the year ending on December 31, 2023.

The Group's economic and financial aspects are described in more depth in the Group's 2023 Annual Report.

## 1.6 TAX TRANSPARENCY

### Approach to tax, tax governance, control, and risk management, stakeholder engagement

Safilo considers taxes as an integral part of its economic contribution in the countries in which it operates, and of the Group's social responsibility towards its stakeholders.

Safilo's approach to taxation is based on being compliant with the relevant tax laws and regulations in the different countries in which the Group has its presence, adopting interpretations consistent with a responsible management of tax risk. In addition, the Group establishes relationships of collaboration and transparency with local tax authorities and does not hinder their verification and control activities.

The ethical principles and enterprise values of the Group are deployed also in the tax area in the correct fulfilment of tax obligations. The goals that Safilo sets forth in the tax area can be summarised as follows:

- ensure the prompt fulfilment of all tax obligations;
- safeguard the Group's proper taxation worldwide;
- monitor and mitigate tax risk.

On August 3, 2023, the Safilo Group S.p.A. Board of Directors sets and approves the Safilo Group **Tax Strategy**<sup>8</sup>, defined by Group CEO, supported by Global Tax Director and the Group CFO. The Tax Strategy defines the objectives and the approach adopted by the Group and by Safilo Group S.p.A. in the management of Taxes, in order to safeguard the assets and transparency of the Group and its shareholders' interests.

The document "Tax Strategy" released and approved by the Board of Directors of Safilo Group S.p.A. is made available to all stakeholders in compliance with corporate regulations. It is promptly updated whenever strategic and/or operative changes occur. It is also published on the Group's corporate website, in the Corporate Governance Section under the Business Ethics subsection.

In compliance with its independent management decisions and in line with its sustainability policy and the values set forth by its Worldwide Business Conduct Manual, the Group intends to pursue a tax strategy grounded on the principles of honesty, fairness and compliance with applicable tax law, ensuring relationships with Tax Authorities and third parties based on a co-operative and transparent conduct, in order to minimize any substantial impact in terms of both tax and reputational risk.

The Governance bodies of the legal entities belonging to the Group are required to adopt, with a specific resolution, the Tax Strategy adopted by their parent company Safilo Group S.p.A., thus assuming the responsibility to ensure its knowledge and application throughout their respective organizations.

In order to ensure adequate supervision of tax aspects in the individual countries in which the Group operates, taxes are managed by the local managers of each entity, supported by external consultants.

<sup>8</sup> The document is available at the following link:  
[https://assets.ctfassets.net/cmstik7jzsvm/2bp0dheXrNwp6WM5us4fke/b417f4f871757766cf691b03513a5/Safilo\\_Group\\_Tax\\_Strategy.pdf](https://assets.ctfassets.net/cmstik7jzsvm/2bp0dheXrNwp6WM5us4fke/b417f4f871757766cf691b03513a5/Safilo_Group_Tax_Strategy.pdf)

The governance of the Group's taxation is managed by the Group CFO, who also considers the relative tax matters when defining Safilo's business strategies.

Safilo annually monitors tax risk through specific reporting provided by the Group's companies, which includes the analysis of potential tax risks, the evolution of current regulations, any tax audits in progress or completed during the financial year, and the results of any tax inspections.

The economic contribution of Safilo in the different countries where it operates is also expressed at tax level and is divided into various types of taxes, which can be grouped into the following categories:

- income tax, such as corporation tax, and withholdings applied at source on compensations paid and remitted to the tax authorities;
- property taxes, levied on ownership, sale or lease of property;
- taxes on labour, which include taxes collected and paid to the tax authorities on behalf of employees;
- indirect taxes levied on the production and consumption of goods and services, such as VAT, customs duties, etc.

To ensure the constant application of the above objectives, the Group has an ongoing project for the adoption of a Tax Control Framework (TCF), as a system for detecting, evaluating, managing and monitoring tax risks.

The adoption of this model is initially planned for the Group's Italian companies, Safilo Group S.p.A., Safilo S.p.A. and Safilo Industrial S.r.l.

The Group annually prepares the Country by Country Reporting - CBCR, which is integrated into the reporting filed by the reference shareholder HAL Holding N.V. to the Dutch tax authorities.

## Country by Country Reporting

In the following table the information relating to the Country by Country Reporting for the fiscal year 2022 is reported, for the main tax jurisdictions in which the Group is present, namely Italy and the United States of America, which represent approximately 65% of the Group's revenues from sales to third parties and of tangible assets (other than cash and cash equivalents).

In the non-financial consolidated statements for the next years, the Group will integrate the information with the data of the other tax jurisdictions in which it is present.

The data shown in the following table are expressed on the basis of the IFRS accounting principles adopted by the Group as reported by the entities at a stand-alone level for the purposes of the consolidated financial statements, and subsequently aggregated by tax jurisdiction.

In order to report intercompany transactions, the data are represented according to a logic of aggregation by tax jurisdiction, and not of consolidation.

The values are expressed in euro, the parent company's reference currency. Since the IFRS accounting data are extracted in local currencies, the economic data (such as revenues, profit/loss before tax, accrued taxes and taxes paid) have been converted into euro at the average exchange rate of the currency, while the balance sheet data (tangible assets) were converted into euro at the year-end exchange rate.

Economic data and corporate income tax paid (on a cash basis) are related to the financial year from January 1 to December 31, 2022.

The number of employees refers to the full time equivalent (FTE) data of the fiscal year 2022.

Tangible assets other than cash and cash equivalents refer to December 31, 2022.

With reference to the reconciliation between the theoretical and effective tax rate in relation to the Group's corporate income taxes, please refer to the related disclosure in the "2022 Annual Report".

<b>Tax jurisdiction</b>	<b>Italy</b>	<b>United States of America</b>
<b>Names of the resident entities</b>	Safilo Group S.p.A. Safilo S.p.A. Safilo Industrial S.r.l. Lenti S.r.l.	Safilo America Inc. Safilo USA Inc. Safilo Services LLC Smith Sport Optics Inc. Solstice Marketing Corp. Privè Goods LLC Blenders Eyewear LLC
<b>Primary activities of the organization</b>	Design, manufacturing and distribution of optical frames, sunglasses, sports eyewear, goggles and helmets	
<b>Number of employees</b>	1,751	714
<b>Revenues from third party sales (in thousands of euro)</b>	205,489	493,689
<b>Revenues from intercompany transactions with other tax jurisdictions (in thousands of euro)</b>	306,084	26,108
<b>Profit (Loss) before tax (in thousands of euro)</b>	(11,692)	(31,169)
<b>Tangible assets other than cash and cash equivalents (in thousands of euro)</b>	152,157	182,279
<b>Corporate income tax paid on a cash basis (in thousands of euro)</b>	710	(5,176)
<b>Corporate income tax accrued on profit/loss (in thousands of euro)*</b>	453	2,169

\* Change of reported signs as per OECD "Guidance on the implementation of Country-by-Country-Reporting" (updated October 2022).

## 1.7 EU TAXONOMY (REGULATION EU 2020/852)

On the basis of Article 8 of EU Regulation 2020/852, non-financial companies are required to communicate several KPIs in the Consolidated Non-Financial Information Statement: from the share of turnover from products or services associated with economic activities considered environmentally sustainable, to the share of capital expenditure (Capex) and operating expenses (Opex) relating to assets or processes associated with economic activities considered environmentally sustainable.

In particular, an economic activity is considered environmentally sustainable if it contributes to achieve almost one of the six environmental objectives defined by the Taxonomy, such as mitigation or adaptation to climate change, sustainable use and protection of water and marine resources, or the transition to a circular economy and the prevention and reduction of pollution, up to the protection and restoration of biodiversity and ecosystems. Furthermore, to be considered sustainable, an economic activity must not cause significant damage to any of the environmental objectives, must be carried out in compliance with the minimum safeguards, and must comply with the technical criteria provided.

During 2023, the regulatory framework for the Taxonomy evolved with the publication of the amendment to the Delegated Climate Regulation (EU Regulation 2023/2485) and the Delegated Environment Regulation (EU Regulation 2023/2486), which, together with the previously published Delegated Climate Regulation (EU Delegated Regulation 2021/2139), define the activities that have the potential to contribute to the achievement of the six targets, setting the technical screening criteria for all targets. In detail in November 2023: Delegated Regulation 2023/2486 was published to supplement EU Regulation 2020/852, which establishes technical criteria for determining under which conditions an economic activity is considered to contribute substantially to the use and protection of water and marine resources, the transition to a circular economy, the prevention and control of pollution, or the prevention and restoration of biodiversity and ecosystems. This regulation also prepares criteria according to which an economic activity does not cause significant harm to any other of the 6 environmental objectives, thus amending Delegated Regulation 2021/2178. In addition, in the same month, EU Delegated Regulation 2021/2139 was supplemented through the publication of EU Delegated Regulation 2023/2485, which establishes additional technical criteria for determining whether a given economic activity contributes substantially to the environmental objectives of climate change mitigation and adaptation by not undermining any other of the environmental objectives.

In order to prepare the required information, the Group has considered the applicable legislation as specified above, in addition to the clarifications issued by the European Commission in the form of Q&A adopting an overall prudent approach.

This disclosure may be subject to further development and revision based on additional regulatory interpretations that may occur in the coming months.

Therefore, it should be noted that the legislation is complex, recently implemented and constantly updated, and that therefore it requires interpretation, and its next evolution could give rise to more interpretative clarifications for its application.

The first step envisaged by the methodology adopted was to carry out a screening to identify the economic activities of the Group and verify whether they could be included among those currently eligible for the Taxonomy, based on the descriptions reported in the Annexes to the Delegated Regulation 2021/2139 and 2023/2486, and with reference to the objectives of mitigation and adaptation to climate change.

As a result of these analysis, it has been concluded that **none of Safilo's economic activities is eligible, and therefore the total turnover of the year 2023 has to be considered as "non-eligible"**.

The size of capital expenditures was then analyzed and it was found that specific investments contribute to the economic and sustainable activities of the Group are eligible; however these investments represent a small percentage considered not material. In 2022, Safilo began its program to install photovoltaic panels in its Italian offices, which involved an initial investment in CapEx. In 2023 additional investments in CapEx have been implemented namely: (i) the installation of electric vehicle charging stations in Padua headquarters facility, (ii) the installation of a photovoltaic system in Safilo Australia.

With regard to operating costs, the reconnaissance of the Group’s economic activities did not reveal any eligible amount according to the criteria set out in the Delegated Regulations so **that all OpEx is to be considered as “non-eligible”<sup>9</sup>**.

It is also noted that the limited review of this Consolidated Non-Financial Information Statement, performed by the External Auditors PricewaterhouseCoopers S.p.A does not extend to the information disclosed in this paragraph.

At the same time, the Group will be committed to provide further disclosure according to the indications set out in the **EU regulation 2019/2088** Sustainable Finance Disclosure.



<sup>9</sup> In the Annexes section there is an in-depth discussion of the European Taxonomy with the display of data on turnover, CapEx and OpEx in tabular format as required by EU Delegated Regulation 2020/852.

## 2. A SUSTAINABLE BUSINESS

### 2.1 OUR KEY STRATEGIES

In December 2019, we presented our key strategies which set the foundation for the Group's sustainable growth journey for the future. In July 2022, the Company announced that the economic targets set out in our 2024 business plan had been reached.

On 9 March 2023, the Group approved its medium-term economic and financial targets, which, on the following day, the management presented to the market during the Capital Market Day held in Milan.

The main objectives and strategies underlying Safilo's 2023-2027 business plan are:

- Sales growth through a solid and balanced business portfolio by brand, geographical area and distribution channel, which maximizes customer service and meets the needs of the different consumer segments;
- Margin expansion behind further improvement in the gross margin, and a more flexible operating cost structure;
- Positive cash flow generation that feeds and supports the Group's organic and external growth.

### 2.2 OUR 3 PS APPROACH - PEOPLE, PRODUCT, PLANET

To us, **sustainability means taking a long-term view and making business decisions that are a win-win for all our stakeholders**, contributing to the growth of the social, economic and environmental context in which we operate. Our approach to sustainability is strategically motivated and practically implemented.

**We focus on our 3 Ps - People, Product, Planet - to steer our business responsibly**, ensuring we deliver the best products in ways that protect the environment and enhance people's lives.

Underscoring this approach are fundamental beliefs and behaviours that are vital to achieving our sustainability vision while driving long-term value creation.

**We are driven by our heritage:** a history of longstanding passion, perseverance and reliability and outstanding craftsmanship that started in Cadore (Italy) more than one century ago.

**We look forward in ways that honour our past:** staying true to our origins while investing to modernize our products and processes. Through our Global Innovation Centre, design studios disseminated all over the world, and our supply network, we are able to invest not only in technologies, but also in human capital, as our people are the key to the Group's long-term success.



**We act with integrity:** focused on our product excellence, with great attention to detail and to changing styles and evolving market dynamics, striving to preserve and enhance our expertise and knowledge, we pass down our precious heritage through valuable apprenticeships. We carefully select our business partners to ensure we share long-term goals and can learn and grow together.



## 2.3 OUR STRATEGY

Our sustainability strategy is developed in 4 pillars and their related goals:

### 1) Product Innovation

We are committed to continuous innovation of our products and our industrial process enabling a sustainable economy at every stage of the value chain; to this end we use the following factors:

- use of low-impact raw materials for frames, lenses and cases;
- responsible production - green chemistry; supply chain traceability and monitoring.

As evidence of our focus on product innovation, we are committed, starting in 2025, to realize more than 25 percent of new collections from certified sustainable materials, i.e., recycled or bio-based. We regularly carry out a thorough assessment of the emissions related to the main types of products during their life cycle (Life Cycle Assessment): by understanding what kind of impact on CO<sub>2</sub> emissions the combinations of materials and product production processes have, we are then able to design new collections in an increasingly sustainable way. Indeed, we have the know-how to develop sustainable products with the different types of materials used (metal, acetate, injection plastics). The goal of 25 percent by 2025 is in line with the general guidelines of the Fashion Pact.

## 2) Planet Care

We want to contribute to reducing the impact on natural resources to protect and preserve the planet, in details:

- we contribute to the reduction of carbon and greenhouse gas emissions through (i) the adoption of renewable energy, (ii) the involvement of our suppliers in decarbonisation paths, (iii) the implementation of a sustainable mobility policy and optimization of logistical flows;
- we started adopting sustainable packaging, and we have dematerialized the product information notes through digitalisation.

To support our commitment to safeguarding the planet, we have decided to validate our sustainability targets with “Science Based Target initiative” (SBTi), to which we have submitted our official commitment.

We are committed to reducing Scope 1 and 2 emissions by 70 percent by 2030 and Scope 3 emissions (Category 1 Purchased Goods and Category 4 Upstream Transportation and Distribution) by 25 percent by 2030, compared to the emissions published in our 2022 Consolidated Non-Financial statement.

Our emissions (Scope 1 and 2) and supply chain (Scope 3) emissions are strongly influenced by electricity consumption, which is the main energy source for all business processes (production and non-production).

We are therefore committed to covering 100 percent of our electricity needs with renewable electric energy by 2030.

For what it concerns the logistic packaging, we are committed to eliminate the unnecessary single-use plastic in next years and substituting the remaining plastic with more sustainable alternative materials that contain at least 50 percent of recycled content.

## 3) Empowering People

We are committed to strengthening our vision of excellence and collaboration among people; specifically:

- employees - by adopting a policy of respecting diversity, fair treatment and inclusion, promoting learning and development, ensuring safety and well-being;
- communities - by privileging partnerships that foster positive social impact, education for a “better vision to see better” and thus live better;
- suppliers - favouring responsible partnerships in terms of sustainability.

We continue to engage our employees in defining areas on which focusing our efforts at a global level. In the first semester of 2024 the implementation of a specific Employee Survey has been planned to gather and to assess the feedback of the employees and the organizational environment.

## 4) Partnership (governance)

We want to reinforce our commitment to pursuing our customer satisfaction and maintaining the trust of our licensors.

With the Sustainability Committee support, we aim at granting the adequacy of our organization, of IT processes and systems needed to ensure: i) a transparent reporting, ii) a remuneration policy connected to ESG targets, and iii) the set-up of IT systems to enhance the product traceability, product certifications management and to measure in an automatic manner the supplier Scope 3 emissions.

### OUR SUSTAINABILITY JOURNEY

#### PRODUCT

Sustainable New Collections >25% by 2025

Certified bio-based & recycled sustainable materials

UN SDGs:



#### PLANET

Fashion Pact adherence

Science Based Targets initiative (SBTi):

- Scope 1 & 2 CO<sub>2</sub>e -70% by 2030 vs 2022
  - Scope 3 CO<sub>2</sub>e -25% by 2030 vs 2022
- 100% renewable electric energy by 2030  
Plastic packaging reduced or recycled

UN SDGs:



#### PEOPLE

Employee Survey 2024

Engagement Focus Areas

Meaningful Community Outreach

UN SDGs:



#### PARTNER

Best In Class Customer Satisfaction

Trusted License Partnerships

Orchestrating for Success

- Robust Governance
- System & Processes
- Report & Reward

UN SDGs:



## 2.4 MATERIALITY ASSESSMENT

Through a materiality assessment, the Group identified the environmental, social and governance (ESG) issues most relevant for the organization and our stakeholders. **The issues considered material are those having a substantial impact on Safilo's economic, social and environmental performance** or that may substantially influence stakeholders' decisions. Therefore, as required by the Standards of the Global Reporting Initiative (GRI), we have defined and organised the contents of the Consolidated Non-Financial Information Statement in order to provide a disclosure on how Safilo manages sustainability.

In 2017, Safilo conducted its first materiality assessment through a process involving several representatives of the Group's management, taking into consideration the topics of the Legislative Decree 254/2016 and the European Commission guidelines on non-financial reporting. After an analysis of sustainability trends, sector and Safilo specific items, a set of relevant topics was selected and evaluated through a survey. Considering that this was our first materiality analysis exercise, the process did not involve external stakeholders. However, their views were taken into consideration by the managers involved in the assessment, who were, in turn, asked to evaluate the relevance of each topic from the perspective of Safilo's main stakeholders.

In 2019, Safilo performed a second stakeholder engagement process, involving both external and internal stakeholders, in order to update the materiality assessment analysing the related outcomes in terms of key topics and concerns raised. The survey was conducted using a google webform with a valuation scale from 1 ("not important") to 5 ("highly important"), and each sustainability topic was evaluated from two point of views: the relevance for Safilo and the relevance for stakeholders.

The stakeholder engagement process was performed in two phases:

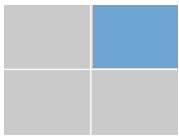
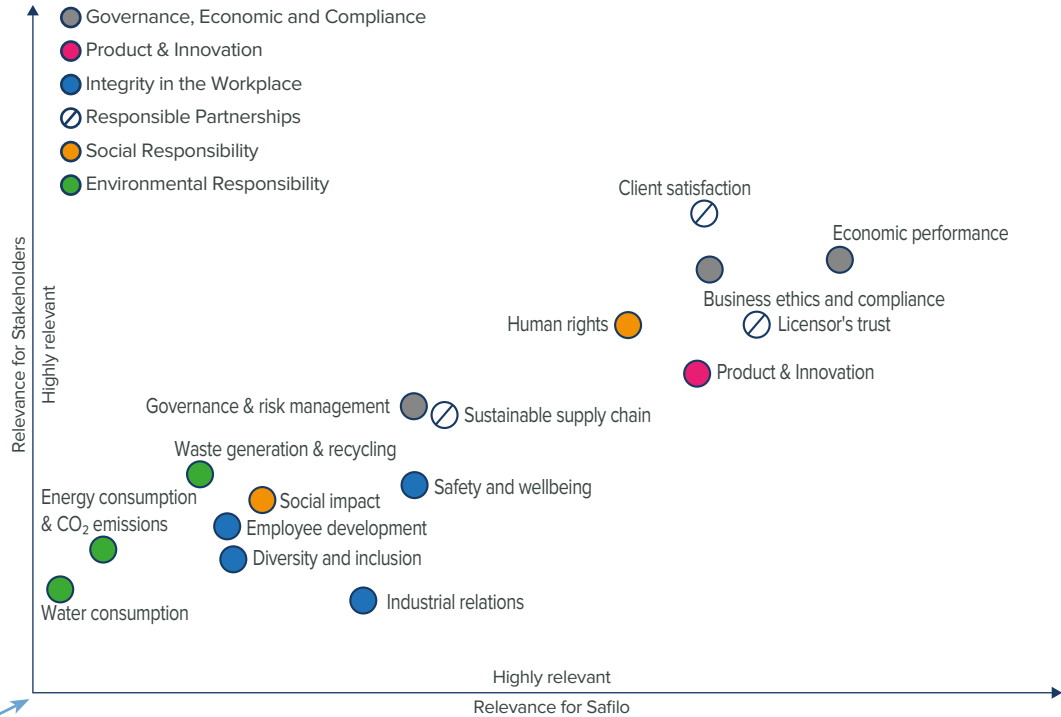
- a) external stakeholders were involved at MIDO in February 2019 in Milan, gathering feedback on sustainability relevant topics from all stakeholder categories, such as customers and consumers, suppliers, licensors, Safilo employees, and shareholders;
- b) in the second half of 2019 the survey involved several representatives of the Group's management.

The feedback gathered confirmed as material and "highly relevant" all the topics already identified in the previous materiality assessment, while no additional relevant topics were highlighted.

Furthermore, the materiality matrix positioning for the sustainability topics was confirmed by the survey, with only a few changes in terms of a slight increase of relevance (mainly client satisfaction and licensor's trust) and a slight decrease of relevance (mainly industrial relations, diversity and inclusion, social impacts, governance & risk management).

Sustainability topics have not been materially impacted during 2023 compared to previous years, therefore Safilo confirms the materiality analysis elaborated in 2019. Further confirmation of the relevance of the material issues identified in 2019 was through the Employee Survey Worldwide held during 2023 in which no deviations were revealed compared to the topics to the materiality analysis presented by the Group in 2019.

The materiality assessment allowed the Group to identify 16 topics across 6 areas: governance economic and compliance, product craftsmanship and innovation, integrity in the workplace, responsible partnerships, social responsibility and environmental responsibility. These are considered highly relevant for Safilo, as illustrated in the materiality matrix below.



During 2022 we reviewed the materiality analysis to adapt to the requirements of the new GRI Standard 2021 and investigated the impact underlying the 16 material topics previously identified. Following this analysis, it should be noted that in 2023 the Group did not deem it necessary to update the process for determining material topics because it still considers them current and in line with the impact identified on the environment, economy, people, including those on human rights. The progress to identify the impact has followed two important steps:

(1) Sustainability context analysis and initial impacts identification

Safilo Group performed an analysis of its activities and commercial relationships relating to the sustainability context in which it operates in order to identify either main actual and potential impacts that could involve governance, social and environmental topics.

Safilo refers to actual impacts as those which are already integrated within the Group's business strategy; while potential impacts are those that could occur, which the Company is trying to prevent and mitigate. Furthermore, these impacts have been divided into positive, those which can promote and make easier the ability of future generations to meet their own needs, and negative, those which can present obstacles to sustainable development. To complete this analysis, the Company has followed a UNEP FI publication which contains primary impacts of the business sector of reference.

(2) Reconciliation of the impacts with the material topics of the Group

Each single identified impact has been linked with a corresponding material topic of Safilo Group. Overall, the Company has identified 75 impacts represented by the 16 material topics<sup>10</sup> taking in consideration the Fashion Pact objectives as well. In conclusion, the prioritization of topics has not changed, in fact the order of priority had already been adequately assigned by the materiality matrix elaborated in 2019.

For Safilo to create value it is important to maintain an active dialogue with all the stakeholders the Group interacts with in the regular course of business and along the value chain, to gain a good understanding of their expectations and, as a consequence, build meaningful partnerships. In particular, our engagement with our main stakeholders – **employees, suppliers, customers, licensors, as well as shareholders, public authorities and local communities** – is vital to Safilo’s long-term success.

Also in 2023, in line with normal practice for a listed company and in compliance with market regulations, Safilo actively interacted with shareholders through conference calls as per the corporate calendar published on the Safilo Group website, various ad hoc one-on-one and some group meetings in core European financial markets, and via conference calls, with the purpose of maintaining a continuous dialogue with investors.

Furthermore, during 2023 Safilo continued to actively interact with employees and customers, as better described in section “6.3 Our Customers”.



<sup>10</sup> More details from page 88 to 91.

## Safilo's Stakeholders and engagement



Stakeholder	Engagement	Goal of the Engagement
Employees	Safilo has been always committed to guarantee the principles of equal opportunity and the wellbeing in the working environment, considering its employees as one of the main assets to which encompass its future. Even after the slowing down of the pandemic situation, the Group has maintained the possibility for headquarter employees to have a flexible work-life balance thanks to the Smart Working project. Historically, Safilo has always been dedicated to its workforce, deploying a multitude of training programs to create personal and professional growth opportunities for its employees.	<ul style="list-style-type: none"> <li>- Safeguard the safety and wellbeing of the workplace environment</li> <li>- Guarantee equal opportunities</li> <li>- Enhance personal and professional growth</li> </ul>
Suppliers	As a Group, we incentivise the transparent behaviour through on-site visits and encouraging the adoption of our Code of Ethics, the Worldwide Business Conduct Manual.	<ul style="list-style-type: none"> <li>- Build long-lasting collaborative relationships</li> <li>- Share value growth</li> <li>- Preliminary engagement in definition of sustainability journey</li> </ul>
Customers	Safilo aims to be a preferred partner for its customers. Through high NPS (Net Promoter Score) and CSAT (Customer overall Satisfaction) KPIs we grant the deployment of an excellent Customer Care service. The Group has pursued its growth of the touch points with customers continuing the implementation of CRM platform and You&Safilo B2B e-commerce website.	<ul style="list-style-type: none"> <li>- Providing innovative and high-quality products</li> <li>- Assure a supportive relationship with its commercial counterparts</li> <li>- Develop new tools that facilitate communication</li> <li>- Grant excellent services</li> </ul>
Licensors	Safilo is focused on conducting its activities with high level of transparency, providing reliable information and delivering on premises.	<ul style="list-style-type: none"> <li>- Respect and enhance license brand values</li> <li>- Being a trusted business partner</li> </ul>
Public Authorities	To maintain a positive working relationship and serve the interests of the community, the Group interacts with governmental and regulatory bodies as well as public administrations with respect, honesty and fairness, in accordance with the principles, roles, and responsibilities identified in applicable law.	<ul style="list-style-type: none"> <li>- Avoiding corruption and bribery actions</li> <li>- Be aligned with the constantly evolving regulatory framework</li> </ul>
Shareholders	Safilo commitment is to achieve an efficient sustainable business growth while securing the creation of added value for its shareholders. In this regard, the Group is actively focused on engaging third parties through the promotion high-frequency meetings and embracing best practices on Investor Relations matters.	<ul style="list-style-type: none"> <li>- Added value creation strategy</li> <li>- Clarity in financial and non-financial information</li> </ul>
Local Communities	The Group support its local communities through collaborations with key partnerships pursuing a positive social impact. Safilo's product design process is focused on attention to the specific needs of people to correct defects in vision and improve quality of life.	<ul style="list-style-type: none"> <li>- Preserve and enhance eyesight to improve quality of life of people</li> </ul>



Safilo’s **Sustainability vision aligns the materiality matrix and stakeholder needs** with the Group’s key strategies and its 3 Ps approach.

The **Safilo governance** structure provides the foundation for the Sustainability vision.



## Product Innovation

“**Excellence and quality**” are Safilo’s core values, which are applied to every aspect of our business and are an essential element of our products. Safilo aims to **provide superior products, constantly seeking out new technologies and leading-edge innovations**, applying rigorous safety standards and sharing accurate information about the origin of our products. Moreover, Safilo is focused on preserving **Italian Eyewear craftsmanship heritage** by equipping future generations with the knowledge and skills needed to carry the traditions forward in innovative and sustainable ways.

## Integrity in the Workplace

**At Safilo**, we are focused on safeguarding the well-being of all employees, by **creating engagement in people management, fostering a climate of mutual trust and respect and valuing the input of each individual, respecting and promoting diversity and inclusion**. We invest in employee development and talent management programmes and ensure healthy employee relations.

## Responsible Partnerships

**Safilo cultivates long-term partnerships built on trust** to create mutual value and consistently exceed expectations, with its employees, customers, licensors and other stakeholders. To this end, Safilo is focused on **acting transparently, delivering on promises and providing reliable information about its activities**. Stewardship of this invaluable trust

starts with our management and employees, who are expected to act openly and responsibly in all endeavours. Towards its business partners, Safilo complies with all the key aspects of its license agreements, protects confidential and proprietary information and operates transparently and fairly in commercial dealings.

## Social Responsibility

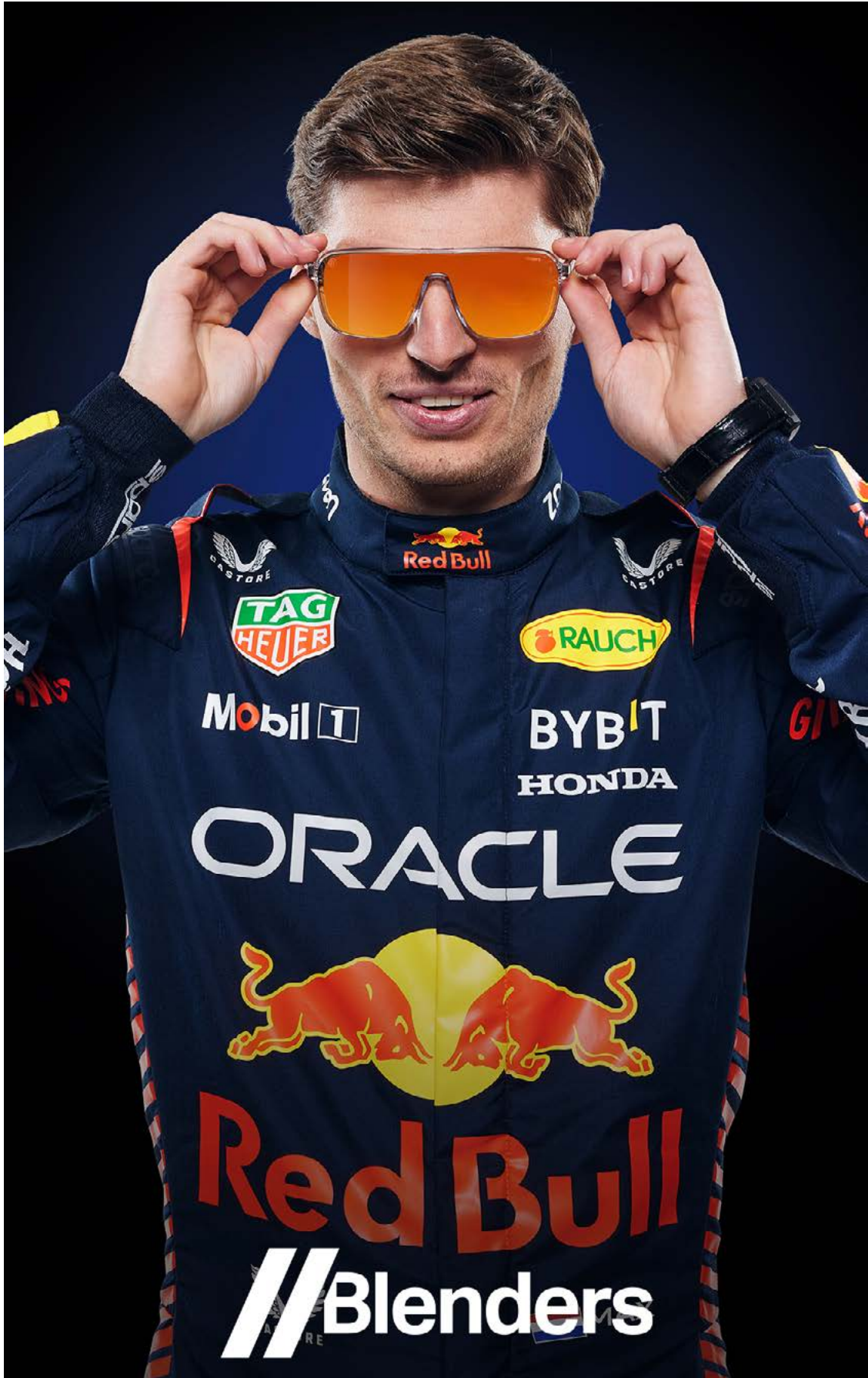
**Safilo is focused on the development of the communities in which we operate**, striving to grow long-term partnerships that create opportunity and make a positive difference.

## Environmental Responsibility

**Safilo is committed to meeting all environmental laws and applicable regulations**, including rules governing the use, control, transportation, storage and disposal of regulated materials that may reach the environment as a part of wastewater, air emissions, solid or hazardous waste.

These pillars will be explored in further detail in subsequent chapters.





# 3. SAFILO GOVERNANCE

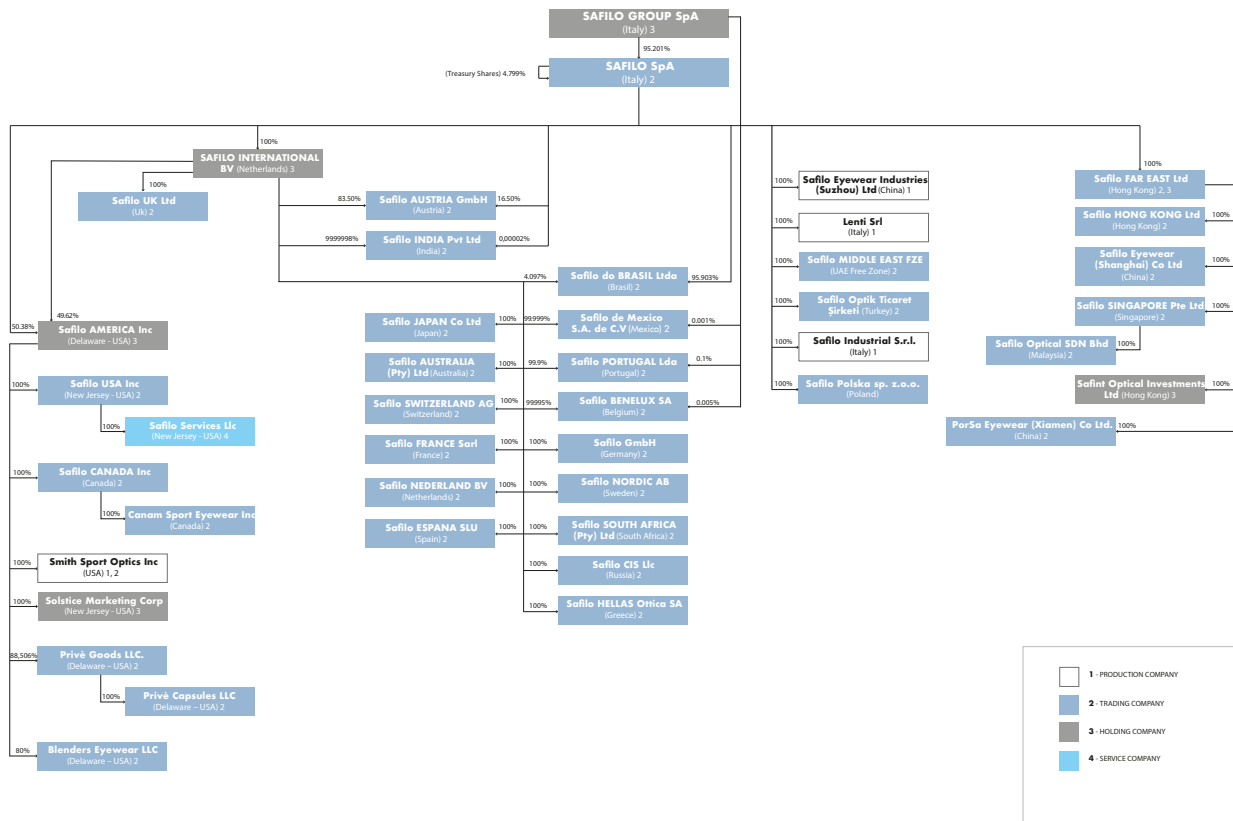
## 3.1 GOVERNANCE AND RISK MANAGEMENT

### Organizational Structure and Ownership

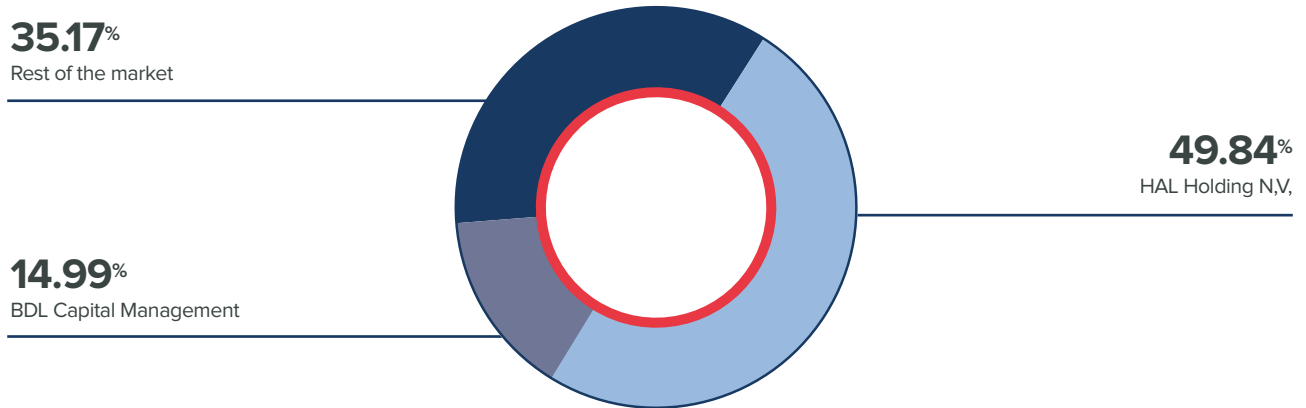
Headquartered in Padua, Safilo Group S.p.A. is listed on Euronext Milan of the Italian Stock Exchange.

The Group structure as of December 31<sup>st</sup>, 2023, was the following:

31.12.2023



The following chart shows owners of Safilo Group S.p.A. ordinary shares with shareholdings exceeding 5% of the share capital as of December 31<sup>st</sup>, 2023.



## Corporate Governance

The Corporate Governance model adopted by Safilo aims to ensure transparent and responsible business operations, significantly contributing to medium and long-term value creation. The Governance system complies with the principles of the Corporate Governance Code for Italian listed companies issued by Borsa Italiana.

The structure of the Corporate Bodies and Committees of Safilo Group S.p.A. on December 31<sup>st</sup>, 2023 is represented below and includes the Board of Directors and four Committees:

- the **Board of Directors** is granted the widest possible powers for the ordinary and extraordinary administration of the Company, excluding only those powers that by law are the prerogative of the Shareholders' Meeting<sup>11</sup>. The Board of Directors is composed of 10 members and four of them are independent members (40%). Executive powers have been assigned just to the CEO while all the other nine are non-executive members. The most relevant members of the BoD have gained experience in the ESG field in their career path having held senior positions;
- the **Remuneration and Nomination Committee** submits to the Board of Directors the policy for the remuneration of the directors and of the managers with strategic responsibilities and periodically evaluates its adequacy, overall consistency and actual application; it also submits proposals or expresses opinions to the Board of Directors on the remuneration of the managing directors and of the other directors provided with special assignments; and expresses opinions to the Board of Directors regarding its size and composition. The Committee also independently assesses the disbursement of any compensation closely related to ESG issues, subject to the proposal of the Sustainability Committee. Specifically, for the CEO was provided a 10 percent of his short-term variable compensation component, while for managers with strategic responsibilities a 5 percent. These fees are paid upon achievement of quantitative and qualitative targets related to the implementation of sustainability initiatives concerning to the Planet (Co<sub>2</sub> reduction) and Product (sustainable models);
- the **Transactions with Related Parties Committee** has a consultative role towards the Board of Directors concerning transactions with related parties;

<sup>11</sup> The current Board of Directors has been appointed by the Shareholders' Meeting held on April 29th, 2021 all the details are reported in Safilo – governance Website <https://www.safilogroup.com/en/governance/shareholders-meeting>

- the **Control and Risk Committee** supports the assessments and decisions of the Board of Directors relating to the internal control and risk management system, and the approval of periodic financial and non-financial reports;
- the **Sustainability Committee** supports the Board of Directors, with proposing and consultative functions, in assessments and decisions relating to sustainability. Please refer to the below “Focus on the Sustainability Committee”.

The Corporate Governance model includes also:

- the **Board of Statutory Auditors** responsible for ensuring compliance with the law, the articles of association and correct administration principles;
- the **Supervisory Committee**: established pursuant to Legislative Decree 231/01, is responsible to supervise the effectiveness, efficiency, maintenance and update of the organization, management and control model under the same Legislative Decree 231/01;
- an **Independent Auditing Company** responsible for the audit on the financial statements.

As of December 31<sup>st</sup>, 2023, the Board of Directors and its Committees included 18 effective members, of which 39% women and 22% in the age group 30-50 years and the remaining 78% in the age group over 50 years.

In 2018 the Board of Directors adopted and approved a “Diversity Policy” for the Board of Directors’ composition and the Board of Statutory Auditors’ composition.



## Focus on the Sustainability Committee

Effective starting January 1<sup>st</sup>, 2021, the Board of Directors appointed the Sustainability Committee, composed of members of the Board of Directors of the Company and managers of the Group, taking into account the role held and the functions performed with regard to sustainability issues.

In particular, the Committee, which meets every 3/4 months, is in charge of these following activities:

- express opinions on policies and information related to sustainability;
- express opinions, upon request of the Board of Directors, on any other matter related to sustainability;
- supervises sustainability issues related to the relevant business and to its interaction dynamics with all the stakeholders;
- approves the Group's material sustainability topics in advance, and then proposes and presents them for approval to the Board of Directors;
- monitors the progress of the various sustainability initiatives and verifies their alignment with the budget and strategic plan objectives;
- oversees the adequacy of its organization processes and information systems necessary to ensure: a) transparent reporting in line with taxonomy and GRI 2021 standards; b) a remuneration policy also linked to ESG objectives;
- supports the Board of Directors in the definition and implementation of the sustainability strategy also through:
  - the analysis of matters that are relevant for the long-term value generation and the definition of the materiality matrix;
  - the development of an action plan to address the relevant sustainability items, through the identification of the related actions, necessary resources and the related benefits;
- guard against possible risks connected to sustainability topics.

The Committee advances the collective knowledge, skills, and experience of the highest governance body on sustainable development. The Committee has, therefore, a functional role to integrate both business and sustainability priorities within the Group strategy and to identify emerging opportunities to gain competitive advantages.

The Committee also verifies the general layout of the consolidated non-financial information statement, and the presentation of its contents, as well as the completeness and transparency of the information provided through the same report, reporting the outcome of its assessments, through its Chairman, to the Control and Risks Committee, that assess the suitability of the periodic non-financial information to correctly represent the business model, the Group strategies, the impact of its activities and the performances achieved.

In addition, the Committee is responsible for conducting induction sessions on sustainability matters for new hires and employees that need updating on ESG topics.

To support the Sustainability Committee, a working group with cross-functional knowledge on business and finance has been established. This unit is responsible for overseeing and coordinating all sustainability initiatives and activities, monitoring and ensuring compliance with the commitments made, and verifying the progress of projects and the realization of ESG goals.

For further information regarding the composition of the Group committees and corporate governance in general, please refer to Safilo's "Corporate Governance Report 2023" available on the Corporate Website.

## RISK MANAGEMENT

Safilo takes an integrated and transversal perspective of risks in order to implement effective mitigation actions.

Safilo developed an **Enterprise Risk Management (ERM)** framework, with the aim of identifying and monitoring critical areas of risk (business, operational and compliance). The results of these activities are discussed on a semi-annual basis with the Control and Risk Committee, as part of the assessments under the responsibility of this Committee with regards to the adequacy of the internal control and risk management system.

With reference to sustainability, the Group monitors the main ESG risks generated or incurred, deriving from the business, and is aware of the impacts it has on the environment and society, strives to reduce negative impacts, and implements instruments and actions aimed at mitigating themselves.



### Environment

With regards to environmental topics, the Group aims to protect the environment and preserve natural resources.

The main environmental risks refer to possible cases of non-compliance with the environmental legislation in force in the countries in which Safilo operates.

Environmental responsibility is a goal that permeates all aspects of the Group's daily operations, which is why Safilo has included in the Worldwide Business Conduct Manual a section dedicated to respecting the environment and current regulations promoting a sustainable business model and has in place reporting mechanisms aimed at managing any critical topics arising in the context of environmental responsibility. Environmental risks are also monitored within the organization, management and control model under Legislative Decree 231/01 for Italian entities.

In 2022 Safilo has introduced 'Eastman Tenite™ Renew which is composed of at least 38% bio-based content and at least 20% recycled content. The resulting material offers the same premium feel and outstanding comfort of acetate with the adjustability that opticians need to create a perfect eyewear fit for the consumer.

Safilo has obtained the ISCC Plus certification (International Sustainability & Carbon Certification standard) in 2021 for the Padua distribution centre and for the production plant of Santa Maria di Sala, a sustainability certification which establishes the traceability of bio-based and recycled materials throughout the supply chain.

In addition, Safilo has the GRS certification (Global Recycled Standard) for the Padua distribution centre, an important international standard for sustainable production using recycled materials and in compliance with environmental, social and ethical requirements.

Confirming the commitment to environmental risk prevention, in 2020 the Group obtained the ISO 50001:2018 certification for the Italian plants of Safilo Industrial S.r.l. and Lenti S.r.l., and headquarters of Safilo S.p.A. (valid until December 2026). To further contribute to the reduction of CO<sub>2</sub> emissions and promote a sustainable mobility, the Group started the renewal of its company car fleet with hybrid vehicles. Safilo's sustainable change towards mobility is part of an energy efficiency plan and a progressive reduction of the ecological footprint of all the Group's activities, which has as its objective lower CO<sub>2</sub> emissions, a reduction in polluting consumption and, therefore, also greater protection of the environment and health.



In 2019, Safilo adopted and approved a Group Environmental Policy based on five pillars: compliance with applicable environmental laws and regulations, minimisation of the environmental impact, supply chain awareness, encouraging employee participation and individual accountability for environmental actions, and transparency with stakeholders. The policy applies to all Safilo Group companies and employees worldwide, and to those acting on behalf of such companies.

Furthermore, a significant part of Safilo's marketing materials is **FSC®** certified.

In 2022, Safilo performed an extensive Life Cycle Assessment on a representative set of its products, identifying in a quantitative manner the CO<sub>2</sub> footprint of its eyewear collections along with sources and drivers over the products lifecycle. In 2023 such analysis has been extended to goggles and helmets.

Finally, it should be noted that environmental risk is also monitored along the entire supply chain of the Group, through social audit activities of suppliers aimed at investigating numerous characteristics, including their approach to protect the environment and related certifications.

Any violations of the environmental legislation and principles included in the Worldwide Business Conduct Manual can be reported through the Group's whistleblowing service.



## Climate change

Safilo considers the relevance of the climate change in its management system and monitors the related risks.

The governance of climate change topics, as well as environmental matters, is entrusted to the Board of Directors with the consultative support of the Sustainability Committee in defining the related guidelines, as well as the Control and Risks Committee with reference to the management of related risks.

As illustrated in the previous paragraph regarding actions to mitigate environmental risks, the Group obtained sustainability and energy management system certifications, implemented initiatives aimed at improving the energy efficiency of Italian production plants and headquarters, and started the transition to a sustainable mobility of the company car fleet, with benefits in terms of lower energy consumption and the consequent costs and emission reduction.

During 2023 Safilo signed an agreement **for 100% of energy supply to come from certified renewable sources for the second year in its Italian legal entities while for the first year for the Chinese plant as well;**

Furthermore, during 2023, Safilo has continued to renew its effort in ascertaining climate change risks by monitoring the impact generated by indirect emissions (Scope 3) that occur in an organisation's value chain; so activities that Safilo do not own or control.

With reference to the metrics, the main indicators relating to energy consumption, emissions, use of water resources and the production and management of waste, have been disclosed in the chapter "8 Environmental responsibility" and in the "Annexes". The metrics used refer to the most common practices in line with current GRI standards.

In the next years, the Group will continue to monitor the main parameters for measuring energy, emissions (scope 1, scope 2, scope 3), water resources and waste, and has managed the renewal of the ISO 50001 certification for the Italian production plants and headquarters valid till December 2026.

With regards to the risks related to climate change, in the short to medium term, there are no significant risks related to the production processes or markets in which the Group operates. The Group is focused on the risks related to climate change with regards to the potential impacts in the medium to long term.

The climate change risks identified by the Group are related to the improper management of energy and emission sources, to transitional risks mainly related to regulation changes associated with the fight against climate change, and physical risks, such as risks arising from the progressive change of climate conditions related to long-term variations (chronic risks) and from extreme weather events (acute risks) that expose the Group to damage or destruction of “tangible capital” such as industrial buildings, machinery and infrastructure, potential interruptions of essential supplies, and potential reduction of production capacity.

With reference to physical risks the Group’s plants, located in different countries (Italy, China, and the USA), together with the extensive supplier network, guarantee an excess capacity to mitigate, if necessary, the production volumes of other sites impacted by extreme weather events or natural catastrophes, mitigating the climate change risks and related financial implications.

Regarding environmental responsibility risks and the transitory risks related to regulation changes associated with the fight against climate change, the Group monitors these risks and to mitigate them has implemented the actions described in the previous paragraph.



## **Respect of human rights, social and people aspects**

With regards to human rights, Safilo monitors the risk of non-protection and non-promotion of fundamental human rights, and non-compliance with international human rights regulations and national labour laws. These topics are monitored by the Group both internally and along the supply chain.

As for people management, Safilo believes that respect for people and local communities is an essential pillar of its business model, at the workplace and in carrying out its activities.

Safilo’s commitment to this topic is reflected in the Worldwide Business Conduct Manual, which defines the principles and standards of behaviour that all employees must adhere to, and the Group expects to be equally respected also by suppliers and business partners.

Safilo guarantees respect for diversity, a selection and hiring process in compliance with the principle of equal opportunities and ensuring personal data protection. Furthermore, the Group has always been committed to guaranteeing adequate industrial relations. Confirming the attention dedicated to these topics, in 2012 Safilo S.p.A. obtained the certification of the SA8000 Social Accountability Management System Standard (successively obtained also for Safilo Industrial S.r.l. and Lenti S.r.l.), which certified that Safilo’s business system complies with the principles of social responsibility (freedom of association, human rights, refusal of forced labour, health and safety in the workplace, transparency). In December 2023 the renewal of the SA8000 certification has been successfully completed for the Italian plants of Safilo Industrial S.r.l. and Lenti S.r.l. (Santa Maria di Sala, and Bergamo), and for the Milan showroom and Padua headquarters of Safilo S.p.A. The new certification is valid until January 2027 with the definition of periodic surveillance audits as stipulated in the standard.

In order to assure the full respect of ethics and environment principles in all Safilo’s plants, Safilo Eyewear Industries Ltd (Suzhou) is subject to annual audits by recognized third-party audit companies as well, following the SMETA 4 Pillar standard.

As for diversity and equal opportunities, in 2018 Safilo adopted and approved a “Diversity Policy” for its governance bodies (Board of Directors and Board of Statutory Auditors).

With regards to health and safety, the main risks are related to possible injuries and occupational diseases involving the Group’s employees. On this topic, the Italian plants of Safilo Industrial S.r.l. and Lenti S.r.l. (Longarone, Santa Maria di Sala, and Bergamo), the Chinese plant of Safilo Eyewear Industries Ltd (Suzhou), and the Padua headquarters of Safilo S.p.A., are certified according to the international standard ISO 45001:2018.

The health and safety risks are also covered by the organization, management and control model under the Legislative Decree 231/01 for the Italian entities, as well as by the Worldwide Business Conduct Manual.

As for social aspects along the supply chain, Safilo monitors the risk of non-transparency and integrity in its business relations with suppliers. To prevent these risks, the Group adopted a Corporate Responsible Sourcing Supplier Manual which confirms the principle for the respect of human rights, monitored through social audit activities along the entire supply chain, based on social and environmental criteria. Safilo also guarantees the correct management and protection of business partners’ confidential data, as defined in the Worldwide Business Conduct Manual.

Any violations of the human rights, social or people aspects, can be reported through the Group whistleblowing service.



## Active and passive corruption

Safilo promotes and monitors the responsible management of business activities. The main risks in terms of governance, business ethics and compliance are related to possible errors or fraud, or to non-compliance with laws and regulations at a national and international level.

Topics related to business ethics and compliance with laws and regulations in force, anti-corruption, fair competition, and anti-money laundering, are covered by the adoption of the organization, management and control model under Legislative Decree 231/01 for Italian entities, as well as by the application of the principles stated in the Worldwide Business Conduct Manual and those of the Anti-Bribery and Anti-Corruption Policy adopted by the Company in 2020.



## Cyber security

The main risks related to cyber security refer to possible cases of fraud and cyberattacks, which are generally conducted against companies with increasing frequency and complexity. The protection of the integrity, availability and confidentiality of data and information is a primary objective of the Group ICT function and digital strategy.

In these years, Safilo has accelerated the adoption of new technologies and services that allowed users to work remotely with ease, and new digital services and general enhancements at both the infrastructure and application levels. In addition, Safilo continues the transformation plan of the Group core systems towards the adoption of SAP S/4 HANA as cloud-based, unified and distributed ERP with the disposal of legacy systems in different European subsidiaries.

The Group continued the work undertaken to ensure the best protection of ICT systems and data, to monitor risks associated with cyber threats and to increase security through initiatives involving technology, systems, process and human resources.

In particular, in 2023 the Group has updated the Security Roadmap of technological and countermeasures information aimed to guarantee an efficient organizational setup and protecting and responding capabilities to digital threats in the near future. The new activities mainly consist on the following strategic points:

- Convergence to a single uniform and centralized technological layout for all entities of the group. Regardless of the geography or company to which they belong, all entities in the group will have the same shared services, technology and capabilities, interconnected together. Starting from the introduction of the new next gen Firewalls, the Group is also working to converge to unique identity, detection and response layers.
- Continue to perform the awareness program dedicated to Safilo users which involves the execution of simulated “phishing” campaign aimed at raising awareness among users, and the sending of “safety pills” to provide them with advice, suggestions, recommendations and reminders on security threats, the correct use of company devices, and good practices for the use and management of company data.
- Continue the execution of Attack & Response exercises, aimed to simulate malicious activities and to proactively identifying system vulnerabilities and related mitigation actions (“Vulnerability Assessment & Penetration Test”), or at reducing the risk of possible fraud when using services online.
- Carry out during 2024 a specific analysis on the SAP S4 Cloud Rise infrastructure, to verify the protection techniques, certification of data transit, SOD quantification on ICT processes, and any other relevant aspect from a cyber security perspective for the Cloud ERP.
- Start up a Study Group to investigate new AI-based technologies aimed at protecting new capabilities that have emerged over the last few years and which will become widely used in our operations.



## 3.2 BUSINESS ETHICS AND COMPLIANCE

### Ethics and Integrity

In 2006, Safilo adopted a **Code of Ethics**, confirming the adoption of principles of fairness, loyalty, integrity and transparency.

In 2017 the Code of Ethics was substituted by the **“Worldwide Business Conduct Manual – The Safilo Way”**.

During 2023, following on from the development of the Group’s Manifesto, the update of the Company’s Values and the adjustment of the Competencies, the Group decided to review and update the content of the Worldwide Business Conduct Manual. The revised version was approved by the Board of Directors on December 13, 2023.

**The Safilo Way** represents the transposition of the Group’s governance principles into standards of business conduct and the synthesis of the guidelines that the Group takes inspiration from in daily actions and decisions, defining worldwide reference standards that must be applied in each country where Safilo Group operates; it underlines, furthermore, the importance that the Group places on acting with integrity and responsibility towards employees, shareholders, business partners, governments and, in general, all people.

### Anti-corruption and anti-bribery

Safilo does business in conformity with the highest standards and in compliance with applicable laws and regulations. In 2020 the Group adopted the Anti-Bribery and Anti-Corruption policy to promote a general culture of compliance in the company, in line with the ethical behavioural standards set out in the Worldwide Business Conduct Manual. The policy aims to:

- clearly state Safilo’s commitment to **“zero tolerance” of bribery and corruption**, in compliance with locally applicable anti-bribery laws;
- define principles which serve to detect and prevent potential acts of bribery and corruption; and
- ensure the effective application of Safilo’s “zero tolerance” approach.

In addition, the organization, management and control model under Legislative Decree 231/01, which applies to the Italian companies of the Group, includes general rules of conduct as well as more specific protocols, including control activities that must be respected when performing related activities, that have been defined to prevent the commission of crimes, inter alia, related to bribery and corruption.

Employees of the Italian Group’s companies participate on a regular basis in training sessions on the organization, management and control model under Legislative Decree 231/01.

### Whistleblowing

In 2017, following the launch of the Worldwide Business Conduct Manual a whistleblowing process was implemented with the definition of the “WBCM Compliance Reporting Procedure”, published on the Group website. All Group Companies must adopt the Procedure, in compliance with applicable local laws.

In July 2023 Safilo updated the WBCM Compliance Reporting Procedure following the entry into force in Italy of Legislative Decree 24/2023 implementing EU Directive 2019/1937.

The aim of the whistleblowing process is to provide a dedicated channel for employees, customers, suppliers and other business partners to communicate concerns of possible violations of the Worldwide Business Conduct Manual, company policies and procedures, the organization, management and control model under Legislative Decree 231/01, or the law, while protecting the identity of the reporter.

Any misconduct reports received are managed by the Internal Audit function<sup>12</sup> and evaluated by the Assessment Committee as defined in the abovementioned Procedure.

Reports can be transmitted through the following internal channels:

- EthicsPoint web and telephone reporting system available in some countries;
- at the request of the reporter, through an in-person meeting with the Head of Global Internal Audit, to be requested through EthicsPoint;
- dedicated email address available for Group companies other than the Italian or French ones.

The Company values the help of employees who report potential problems. The Company will not retaliate or permit retaliation against an employee who has reported in good faith an alleged or actual violation of the Values, the Manual, policies and/or procedures or the law or who has cooperated in an investigation and it expressly commits to intervene and punish with disciplinary action any cases of retaliation or attempted retaliation.<sup>13</sup>

Safilo is committed to spreading awareness of the code of ethics and of the whistleblowing process through the internal and external publication of the WBCM and the relative Compliance Reporting Procedure and through training initiatives.

No corruption cases were reported during 2023.

## EthicsPoint

**Safilo EthicsPoint website** represents a comprehensive and confidential reporting tool and supports the Safilo Way, providing a mean for employees, customers, suppliers and other business partners to communicate possible misconducts.

The Safilo EthicsPoint is run by an independent company and is available through a 24/7 multilingual webbased service. The Company does not tolerate retaliation of any kind for reports made in good faith. Anonymous reporting is allowed where permitted by local law. The website even allows follow-up on reports, even if anonymous.

The EthicsPoint system is active in Italy, France, USA, UK, Spain, Germany and Portugal.

The Worldwide Business Conduct Manual, the Anti-bribery and Anti-corruption Policy, organization, management and control model (231) and Tax Strategy are detailed in the Business Ethics section of Safilo's web site. Here below the details.

Policy	Link	Level of approval
Worldwide Business Conduct Manual	<a href="https://www.safilogroup.com/en/governance/business-ethics/WBCM-Whistleblowing">https://www.safilogroup.com/en/governance/business-ethics/WBCM-Whistleblowing</a>	Board of Directors
Organizational, Management and Control 231 Model	<a href="https://www.safilogroup.com/en/governance/business-ethics/administrative-responsibility">https://www.safilogroup.com/en/governance/business-ethics/administrative-responsibility</a>	Board of Directors
WBCM Compliance Reporting Procedure	<a href="https://www.safilogroup.com/en/governance/business-ethics/WBCM-Whistleblowing">https://www.safilogroup.com/en/governance/business-ethics/WBCM-Whistleblowing</a>	CEO
Anti-Bribery & Anti-Corruption	<a href="https://www.safilogroup.com/en/governance/business-ethics/antibribery-anticorruption">https://www.safilogroup.com/en/governance/business-ethics/antibribery-anticorruption</a>	CEO
Tax Strategy	<a href="https://www.safilogroup.com/en/governance/business-ethics/governance-maggiore-di-etica-di-impresa-maggiore-di-safilo-group-tax">https://www.safilogroup.com/en/governance/business-ethics/governance-maggiore-di-etica-di-impresa-maggiore-di-safilo-group-tax</a>	Board of Directors

<sup>12</sup> In no event a function may manage the investigation related to allegations about itself and, for such a purpose, the EthicsPoint Hotline and Website is structured so as to send Reports involving the Global Internal Audit staff directly to the Legal & Corporate Affairs Department which will inform the OdV of Safilo Group S.p.A.

<sup>13</sup> The topic of non-retaliation is covered extensively in section 8.2 of the WBCM Compliance Reporting Procedure.



## 4. PRODUCT & INNOVATION

### 4.1 HERITAGE OF OUR PRODUCTS

Safilo's products are an expression of the Group's identity, each of them representing, on the one hand, our connection to the past, tradition and craftsmanship, and, on the other hand, our vision for an innovative and sustainable future.

Calalzo di Cadore, in the Belluno District, is an area in the Northeast of Italy where the Italian eyewear industry was born. There, between 1877 and 1878, Angelo Frescura founded the artisan workshop that later became the first Italian industrial complex producing lenses and frames, making the start of Safilo's history.

This heritage provides the foundation for each product, providing a legacy of proven ideas, methods and innovations and offering inspiration as to how to adapt to the present and anticipate the future.





## 4.2 MADE IN SAFILO

As part of its key strategies, Safilo has planned to maintain a percentage of glasses and components produced within Safilo's plants, behind a modernization of facilities and improvements in production lead-time, product quality, inventory, and cost management. Furthermore, Safilo is focused on tracking and providing accurate information about the origin of its products and on complying with related applicable laws.



## 4.3 SAFILO CREATION PROCESS: A PRODUCT-MINDED PROCESS

A consistent integrated process, which starts with the study of the relevant macro-trends and ends with the creation of sunglasses and optical frames.

Each and every pair of glasses is characterized by an attentive and detailed development process, in which a relevant part of the working process is handmade manufacturing.



**From the first drawings...**

Everything starts in Safilo's **Product Design and Creation Department**: designers express their creativity to develop new collections, based on the style concepts discussed with the Brands for the creation of each collection.



**... to hand-made prototypes**

The results are 2D drawings, that are used to create renderings and then **prototypes**, which perfectly represent each detail of the original sketch. These handmade samples are finally selected and approved by the Brands.



**Towards industrialization**

Once the design aspects have been defined, a careful strategic analysis guarantees the **industrialisation of the product**. This is the start of a development process able to merge creative intuition and production requirements, through the definition of all technical aspects to finally launch the production.



**Research for the best materials**

Even if with different technologies and materials, Safilo applies to each and every product the same criteria of aesthetic and qualitative excellence, that starts with a careful examination of **the raw materials and semi-finished products**. The technical certification of materials, machinery and processes gives the green light to production.



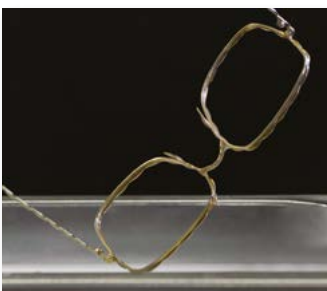
**The supply chain**

Safilo's production facilities are specialized in the four different production materials: **metal, acetate, injection moulded plastic, and Optyl**.



**The first steps of production**

The production cycle starts with the manufacture of the frontal sections and **temples**. The **tumbling process** then finishes the various elements of the glasses. Any flaw in the metal, acetate, injection moulded plastic and Optyl is eliminated.



**Galvanic and coloring process**

Glasses and metal accessories are first **galvanised** and the meticulous attention to quality continues with the **colouring process**. It is in this delicate phase that **Safilo** obtains the stylish finishes that make its products unique: shades, transparency, contrasts and exclusive treatments.



**Shaping the lenses**

Different materials are used for sunglass lenses - **glass, polycarbonate, nylon** - all of the highest mechanical, physical and optical quality. The **cutting phase** entails a series of operations, such as shaping and engraving the lens. All these operations call for great expertise in the design phase, skill during processing and experience in the control phase.



**The final steps**

The production cycle ends up in the **assembly phase**. The frontal section, temples and lenses are finally merged to complete the glasses. The process ends with the **finishing phase**: lenses and frames are examined, mechanics of the temples are checked and hinges are adjusted/oiled.

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≈ 1,790

NEW MODELS DEVELOPED IN 2023 of which about 300 are sustainable representing approximately the 17%

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The markets and industries where the Group operates are continuously changing. To maintain excellence, quality and heritage, Safilo created a **Trends Observatory** to select and analyse what is on trend and why, allowing for the combination of **brilliant design and innovative ideas with a solid market-based approach, all without losing the connection to our roots**. Similarly, in order to succeed as a global leader, Safilo has opened **design studios around the world** (Padua, Portland, Milan, NYC, and Hong Kong) to bring to life a **network of designers of different origins and styles**. This variety infuses diversity and eclectic inspirations into the process of creating different lines and styles of eyewear, allowing the Group to stay ahead of evolving consumer and market trends.

The Group's designers combine intelligence from the Trends Observatory together with market analysis and potential specific brand innovations and then **create model prototypes**. The Safilo Atelier produces prototypes leveraging on 3D Computer-aided Designs (CAD) and 3D printing, bridging craftsmanship and front-end technology.

A creative team of more than 170 designers and eyewear technicians give a fundamental contribution to develop about 1,790 new models in 2023 that will be put on the market in 2024.

## 4.4 QUALITY OF RAW MATERIALS AND COMPLIANCE WITH BEST STANDARDS

Safilo leverages **quality as a competitive advantage by constantly and carefully checking that its products comply with national and international regulations**.

In order to ensure the quality of raw materials and semi-finished goods, the Group selects suppliers and evaluates them on an ongoing basis against their ability to ensure certain quality and sustainability standards, as well as on their available production capacity and delivery times.

The Group applies the industry's highest standards, in compliance with the Essential Health and Safety Requirements (EHSRs) set in the EU Regulation 2016/425 (sunglasses) and with the general safety and performance requirements laid down in the EU regulation 2017/745 on medical devices (spectacle frames, ready-to-wear and ophthalmic lenses). Thanks to Safilo's decades-long experience in the eyewear industry, we have developed our own internal standards that result in a final product that is often superior to its legal obligations. To guarantee the excellence of its eyewear, Safilo has invested in a Corporate Lab, as central point of reference in a quality system that takes advantage of controls both on raw materials and on finished products referring to the same standards and using the same equipment to ensure uniformity and consistency of data. Every year, more than 40,000 optical, mechanical and chemical tests are carried out to evaluate performance, functionality, comfort and durability of the glasses.

The quality system is a service to support all Safilo departments: from design to verification of materials, to mass production, and across supplier relations. In addition, as a member of the national association (ANFAO), and through it of the EU association EUROM 1, Safilo actively works to anticipate future technical developments in order to implement them as soon as possible in own products. Through control gates during design and production processes and through audits of suppliers, the company ensures adherence to the defined specifications. By collecting and analysing market feedback and reviewing auditing activities required by the Public Authorities, Safilo confirms its decisions and processes, and initiates improvement actions where needed.

To guarantee a safe product, in terms of physiological compatibility and environmental impact, Safilo has developed a Restricted Substance List (RSL) which outlines the acceptable limits of potentially toxic or harmful substances which can be present in finished products.

Moreover, in order to efficiently guide consumers in their Eyewear choices, Safilo strives to always provide clear and accurate information about its products. Product information is accessible within the product packaging and available in Safilo's technical documentation.

To ensure our products are safe for consumers and the environment, when used as intended, all employees involved at any level of developing, manufacturing, handling, packing or storing products are expected to know applicable product safety and quality standards, policies and procedures and follow our defined related standards. This is true both for products manufactured in-house and those created by suppliers, whether they supply components, semi-finished goods or finished products.

**Safilo's Quality System is ISO 9001:2015 certified.** In 1996, Safilo obtained its first certification UNI EN ISO9001 standard "Quality Management Systems", an independent confirmation of the Group's ability to meet the needs of customers and other stakeholders while meeting statutory and regulatory requirements related to our products. In 2021 an integration process of the Quality Management System was carried out, involving the legal entities Safilo S.p.A., Safilo Industrial S.r.l., Safilo Eyewear Industries Suzhou Ltd and Smith Sport Optics Inc., who led to the release of a new certificate issued in December 2021 and valid until December 2024.



## 4.5 FORWARD LOOKING VISION

### Product and process innovation

**Innovation has always been a strategic value for Safilo:** the Group puts the product at the centre of the development process in order to exceed consumer and market expectations and to ensure we deliver value and sustainability with each product we make. We look for innovations that will improve the technical characteristics and speed to market of our products, as well as increase the effectiveness, efficiency and quality of our processes. Safilo uses more sustainable solutions for its products' materials, such as recycled and bio-based polymers. Key pillars for Safilo's approach to innovation are:

- **Global Innovation Centre** which focuses on **Product Innovation** to analyse trends, research new materials and develop new concepts and technologies, and on **Industrial Engineering** for testing specific solutions to create "best quality" products;
- **Research and development of new solutions** on ground-breaking lenses and treatments that will help protect eyes from solar or artificial rays;
- **Product Certification Lab** working together with certification centres for new products and materials.

The Group focuses on **proactive and collaborative research** activities to develop innovative solutions in partnership with stakeholders, such as universities, research centres, qualified suppliers, customers, sector experts, and associations. These partnerships ensure a more robust and efficient innovation process that considers and integrates diverse ideas and competencies.

### Innovative materials

The research for innovative materials has particularly focused on sustainability, to more and more meet the needs of consumers who are careful and aware of the product life cycle, by introducing the following new materials in its eyewear collection, asserting the Safilo's commitment to sustainability and its efforts to bring more recycled and bio-based materials to the eyewear industry:

- Eastman Acetate Renew, Eastman Tritan™ Renew and Eastman Tenite™ Renew, part of a broad portfolio of sustainable resins offered at scale by Eastman (a global specialty materials provider and pioneer in molecular recycling), have been introduced starting from January 2022 in Polaroid collections and then progressively rolled out across Safilo's brand portfolio. Safilo announced that starting with the January 2023 collections it has also used Eastman Tenite™ Renew in its sunglass and prescription collections. Through this commitment, Safilo became the first player in the market to use all Eastman Renew materials for Eyewear in its portfolio, across all types of applications and production processes.

**Eastman Tritan™ Renew** is a high performance copolyester made of 50% certified recycled content. Crystal clear, durable and BPA-free, it offers sustainability without compromise, ensuring performance and safety. Safilo is the first eyewear player to introduce this renewable material in its product offer.

**Eastman Acetate Renew** is composed of 43% bio-based and 27% certified recycled content: makes it possible to maintain the technical and aesthetic qualities of traditional acetates but with the advantage of environmental sustainability.

**Eastman Tenite™ Renew** is composed of 38% bio-based content and 20% recycled content. The resulting material offers the same premium feel and outstanding comfort of acetate with the additional unmatched fit adjustability that opticians need to create personalized eyewear fit.

The recycled content is achieved by allocating the recycled waste plastic to Eastman Renew materials using a mass balance process certified by ISCC (International Sustainability & Carbon Certification).

Produced via Eastman's innovative Advanced Circular Recycling technologies – carbon renewal technology (CRT) and polyester renewal technology (PRT) – these new products are made from plastic waste and, as such, reduce consumption of fossil resources, and have significantly lower greenhouse gas footprints than traditional eyewear materials;

- a unique plastic material, ECONYL®, thanks to a pioneering partnership with Aquafil (a globally recognized player with over half a century of expertise in creating synthetic fibres): a regenerated nylon obtained through the regeneration and purification process of plastic waste, such as fishing nets, and fabric scraps. ECONYL®, obtained through a process of depolymerization and re-polymerisation, has the same characteristics of nylon made from virgin sources or from petroleum, without any differences in quality or performance and it can be recycled, recreated and remoulded again and again, with no loss of quality. The choice of this material, never used before in the mass production of eyewear, is a tangible sign of Safilo's further progression in its sustainability strategy and its commitment in bringing innovation as a driver of growth and development. This sustainable material allows Safilo to make its contribution in reducing its environmental impact by creating products without using new resources, with the aim to expand the use of ECONYL® as much as possible in order to decrease the carbon footprint, and progressively introduce this material into all brands' collections;
- bio-based plastic materials: partially deriving from renewable sources, with consequent less dependence on oil. Materials from renewable sources differ by type of processing (numerical control milling, or injection moulding), and touch (rigid or softer). Safilo counts numerous solutions including polyamides and different types of rubber in its portfolio. Evonik's (a world leader in specialty chemicals) innovative TROGAMID® myCX eCO material for premium sunglass lenses is a transparent polyamide introduced from January 2022 in sunglass lenses with the BOSS Spring Summer collection. TROGAMID® myCX eCO is a sustainable, high-performance, perfectly transparent polymer composed of 40% biomass allocated by mass balance and produced entirely from renewable energy, with a 50% reduction in carbon emissions. This polymer offers more than 90 percent transparency, excellent mechanical properties, stress cracking and breakage resistance, so as to ensure good durability and safety for premium sunglass lenses, visors and goggles for skiing and snowboarding, while providing excellent comfort and fit due to low weight;
- As of the January 2023 collections, Safilo has introduced certified recycled metal. The use of recycled metal allows for the removal of metal waste from the environment, while limiting air pollution from the extraction of new virgin metal. Our recycled metal contains at least 70% certified recycled content.

## **ISCC Certification (International Sustainability & Carbon Certification) and GRS (Global Recycled Standard)**

With the aim of achieving ambitious sustainability objectives, in 2021 a certification process has been undertaken, which led to the ISCC Plus certification for Padua distribution centre (certificate issued in July 2021), for the Chinese production plant of Safilo Eyewear (Suzhou) Industries Ltd (certificate released in March 2022) and for Safilo Industrial S.r.l and Lenti S.r.l. Italian production plants with certificates released in January 2022 and September 2022 respectively.

During 2023, in order to keep the certificates active, the recertification process was started for the logistics center in Padua and the sites of Safilo Industrial S.r.l. and Lenti S.r.l.

The ISCC (International Sustainability & Carbon Certification standard) is a system certification strictly related to United Nations 2030 Sustainable Development Goals, in particular to the number 12 "Responsible Consumption and Production".

The main objective of the scheme is to ensure a supply chain that manages resources sustainably and for which there is full traceability.

In addition to the ISCC Plus certification, Safilo also obtained the GRS (Global Recycled Standard) and RCS (Recycled Claim Standard) certification for Padua distribution centre and for Safilo Eyewear (Suzhou) plant which certificate has been renewed in December 2023. GRS and RCS are recognized as among the most important international standards for sustainable production using recycled materials based on a system of traceability of recycled material throughout the value chain that must be certified as well. In addition to the chain of custody, the GRS verifies compliance with health and safety, environmental, social and ethical requirements.

The management of ISCC Plus, GRS and RCS certified products represents an important milestone for Safilo. All stakeholders have a fundamental role by issuing sustainability declarations or transaction certificates verified by independent and reliable certification bodies as required by the related Standards.

The goal is to play a crucial role in the development of sustainable and circular economy models for plastics, according to the “Reduce, Reuse, Recycle” approach.

## Launch of Smith Zero Plastic waste

Starting in Fall 2022, Smith announced the discontinuation of single use plastic packaging across new packaging of winter sports & eyewear products, including the removal of plastic windows on goggle boxes and plastic polybags previously used for lens and goggle protection.

True to its legacy of design & innovation, Smith continues its efforts in sustainability in partnering with gogglesoc™. This partnership offers a sustainable solution to keeping lenses scratch-free. All goggles in our MAG family will now ship with a gogglesoc™, a 2-in-1 lens protector + cleaning cloth made from post-consumer recycled water bottles. In summary: more protection, less waste, no added cost.



## Launch of Smith “IMPRINT 3D” technology

In December 2021, Safilo announced the debut of Imprint 3D Technology, developed and launched through Safilo’s proprietary brand, Smith.

Smith created the patent-pending Imprint 3D Technology to perfectly fit the vast range of face shapes and features while eliminating the one-size fits all approach of sports gear. Continuing the brand’s legacy of disrupting design and innovation, the initial launch of Smith’s Imprint 3D Technology debuts with a first-to-market custom crafted 3D printed snow goggle delivering increased all-day comfort, elimination of light leak due to improper fit, removal of pressure points or hot spots, and an expanded field of view.

The new Smith I/O MAG Imprint 3D goggle is the first custom goggle built to match the individual features of a person’s face. Utilizing Smith’s custom app, users scan their face to capture their unique details and contours, allowing an individualized frame to be automatically generated, 3D printed – using HP’s industrial Multi Jet Fusion platform – and, finally, hand assembled into the best-selling Smith I/O MAG goggle in Smith’s production plant.

The Smith I/O MAG Imprint 3D goggle features Smith’s proprietary ChromaPop™ branded lenses, uniquely tuned to deliver the ultimate in visibility and clarity beyond normal capabilities by amplifying natural colour and enhancing definition.

The innovative Smith I/O MAG Imprint 3D goggle is currently available exclusively in North America through the website [www.smithoptics.com](http://www.smithoptics.com).

## Carrera smart glasses launched in partnership with Amazon

In September 2023, Safilo announced its collaboration with Amazon.com to offer exclusively in the U.S. market, a solution that would combine the great build quality and design of Carrera Eyewear with the high-tech content of Alexa AI. To this end, two different iconic and innovative models were produced by Amazon: equipped with open-ear audio technology, Carrera’s new smart glasses direct sound to the ear without covering surrounding noise while minimizing what people around can hear.

In addition, both models, provide up to six hours of continuous talk or media playback on a single battery charge.





## 4.6 LIFE CYCLE ASSESSMENT AND PRODUCTION PROCESSES

### Life Cycle Assessment

In 2018 Safilo performed for the first time a Life Cycle Assessment (LCA) study, an assessment of the environmental impact of a product or set of products throughout their entire life cycle. In 2022, Safilo performed a further extensive Life Cycle Assessment on a representative set of its products, identifying in a quantitative manner the CO<sub>2</sub> footprint of its eyewear collections along with sources and drivers over the product-s lifecycle.

LCA analyses the environmental impact of the product at all stages, from pre-production (raw materials extraction and processing), manufacturing of the product and its components, packaging, transport and distribution, and subsequent re-use, recycling or disposal.

The assessment also includes a careful examination of materials used, the type of waste released as a result of the production and at the end-life of the product, emissions and the type and quantity of resources used.

For the analysis Safilo has applied the International Standards ISO 14040 and ISO 14044 that define the criteria to be observed for the LCA. The study has been performed with the support of an independent consulting company to guarantee the correctness and objectivity of the results.

This first LCA was focused on 5 different product models produced in the Italian facilities and foreign plants. These models were representative of the most common processes and with significant production volumes.

A new LCA study has been performed considering the updated Group industrial footprint, the most representative eyewear products in portfolio and the new materials used in the production processes. In 2023 the LCA assessment has been extended to goggles and helmets.-



# 5. INTEGRITY IN THE WORKPLACE

## 5.1 SAFILO PEOPLE AND THE SAFILO WAY

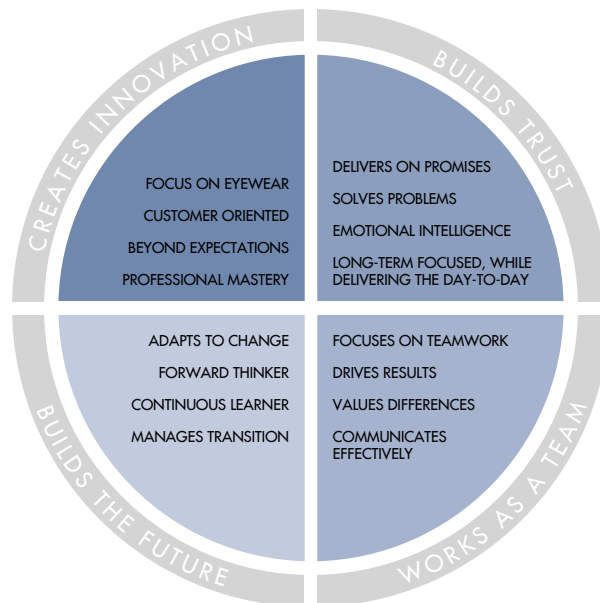
**3,828** EMPLOYEES WORLDWIDE  
IN 2023<sup>14</sup>

**15%** RATE OF NEW EMPLOYEES  
HIRED IN 2023

### Safilo people

Our 3,828 employees, are at the heart of our culture and success.

We believe that **people play a key role for the Group's long-term success and sustainable growth**. Essential to our organization is the integrity of our employees, clarified and supported by the **Manifesto, the Values and Competencies**, the primary compass for our employees in all their activities.



In 2016, the Group defined and shared a modern leadership approach to deliver results in a globally integrated and multifunction interconnected business such as ours. The profile spells out leadership skills and personal grounding to orchestrate the delivery of results and to inspire high performance.

<sup>14</sup> The headcount data is reported at December 31st, 2023 therefore it excludes all the Longarone plant' people that has been transferred to Thélios S.p.A. and Innovatek S.r.l on October 31st, 2023, granting the full employment of the related employees.

In 2017, Safilo introduced the **Worldwide Business Conduct Manual**. On December 2023 the Board of Directors approved an updated versions of the WBCM that is the natural evolution of PVPC (Purpose, Values, Principles and Competencies) launched in the first edition of the Manual and sets the Manifesto as the foundational basis of the Group's governance architecture and articulates the Values and Competencies as respectively what we believe in as a Company and what each person at Safilo must excel in achieving the company's goals. These business ethics standards lead Group's daily actions and decisions internally and, on the market, with consumers, suppliers, licensors, public authorities and other stakeholders.

## Talent acquisition

The talent acquisition strategy is set in accordance with Safilo's values, and it aims at developing and nurturing a talent pipeline with a long-term view, to identify, attract, integrate and build loyalty among the best candidates who can contribute to the Group's growth and long-term success.

At Safilo, the talent selection process aims at guaranteeing the principle of equal opportunity, fostering diversity and inclusion. Discrimination is not tolerated. This process aims also at attracting and recruiting people from diverse backgrounds, capable of offering a high degree of expertise and international experience and who are highly motivated and leadership oriented.

## Talent management

In Safilo, talent management strategy is designed to ensure the right people, with the right skills and experiences, occupy the right jobs to deliver the expected business goals and help drive long-term sustainable growth.

Safilo encourages career paths mainly from the inside, with the support of HR business partners dedicated to individual functions. An integrated system of activities aims at guaranteeing to the organization, with a perspective vision, attractiveness, permanence of key figures, widespread motivation and skills' development to ensure an adequate flow of competent, motivated and interested people to operate in an integrated manner.

The Safilo career development key principles are:

- Equity and meritocracy;
- Satisfaction of both the needs of the company and the individual;
- Employees co-responsibility with respect to their own development path;
- Encourage internal career development (for this purpose, Safilo set up an open job posting).

In Safilo, each career path is as unique as the individual. There is no simple, one-size-fits-all formula for success. People grow professionally through different roles/levels within each function based on:

- Performance (results and contributions);
- Professional experiences to build strong functions, contribute effectively to business objectives, leadership capabilities and skills that enable the employee to meet business challenges;
- Business needs (availability of positions and fit for the role).

## Performance management

Managers, as role models, are responsible for both their own development and that of their employees, by effectively overseeing the performance management process, by assigning clear objectives, monitoring their achievement, recognising the strengths and areas for improvement of their colleagues, defining consequent development plans, and providing coaching. Throughout the process, transparency and respect are the guiding principles.

## Learning and development

**MORE THAN 7**  
**26,400** HOURS OF TRAINING  
IN 2023

**AVERAGE HOURS OF  
TRAINING PER  
EMPLOYEE IN 2023**

Our approach to **learning and development** is based on the following key drivers:

- training and development are an important part of professional growth;
- each employee is responsible for his/her own learning;
- teaching is an essential part of leadership;
- centrality of on-the-job training;
- building in-house capability is preferred to relying on external trainers.

Guidelines are shared globally to ensure that training programmes are carried out with traceability of training delivered, learnings' verification, and the effectiveness of trainings perceived by participants.

Our core training team at our headquarters is responsible for coordinating the tracking of training activities delivered globally, and for the end-to-end management of the corporate trainings designed and managed centrally. At a local level, each HR department is responsible for implementing both the corporate trainings and a local specific training plan that meets local business needs.

In 2023, Safilo delivered more than 26,400 hours of training, equal to 7 average hours of training per employee, continuing to use teaching methodologies that favoured the use of e-learning, virtual classes and webinars alongside in-person training. The main corporate training activities fall into the following categories:

**Safilo way training:** for all new hirings, both at the headquarters and locally, Safilo continued to conduct training initiatives for an effective induction into the company, aimed at spreading awareness of Safilo's values, and competencies as well as the knowledge of Safilo's leadership profile, and the Worldwide Business Conduct Manual.

**Compliance training:** Safilo guarantees the compliance trainings as required by local regulations and guidelines. In particular, at the headquarters, Safilo trains employees on the administrative liability of companies pursuant to Legislative Decree 231/01, corporate social responsibility – SA8000, privacy policy and the processing of personal data, health and safety "Accordo Stato-Regioni", and other regulations, in line with the agreement between the central government and regional authorities. Training on privacy regulations and the processing of personal data was provided to the entire European population to ensure adequate awareness of the principles, obligations, rights and sanctions regulated by the European Data Protection Regulation.

**Antitrust policy training:** Safilo trains employees on antitrust issues to guarantee the Group's alignment with the national and international competition law principles and with the Safilo antitrust policy. Through this training, employees are guided on how to behave when dealing with internal and external parties, especially when it comes to material issues. The training involves all Safilo employees who work in the following functions: corporate and legal affairs, communication, media and PR, finance and accounting, commercial (including independent sales force, in this case the course is not mandatory), sourcing, marketing, HR business partners, and all Executives and Directors.

**Training on the International Trade Compliance policy:** the course, intended for all employees and non-employees who have business-type contacts with customers and suppliers, aims to create a growing awareness of the requirements that counterparties should have, not only at the financial level, but also with regard to the sanctions and reputational profile, and the consequences generated by violating sanctions in international trade.

Both at a headquarter and local level, **linguistic, IT and technical training** initiatives have been carried out, also remotely.

Other significant training projects conducted in 2023 have been:

**Training on generative artificial intelligence:** a course dedicated to colleagues in the design and product area during which the world of artificial intelligence and its applications to eyewear design were focused on. The course aims to explain how to take advantage of generative artificial intelligence to draw inspiration, generate new creative ideas, break the mould, and discover how to integrate new technologies into our daily work, including how to streamline processes and continue to be protagonists of innovation.

**Training course on teamworking and communication issues:** a program based on an alternation of classroom moments, group and individual coaching. It was created to provide the Plant Leadership Team of the Italian plant in Santa Maria di Sala and its reporters with concrete tools to develop the ability to communicate in an effective, clear and organized way, and to give and receive sincere and direct feedback in a constructive way.

At the local level, training initiatives were implemented to improve leadership and project management skills and to consolidate technical skills in sales and product supply areas.

## Smart working

Safilo's smart working policy is a further step towards building together an agile and flexible organization and is an important development that has prompted us to transform our corporate culture. The initiative also stems from carefully listening to the needs of our people, an essential element in our formula for success.

With this approach, we operate through a combination of office presence and agile remote working of up to a certain amount of time, accompanied by a location-free policy and flexible working hours to encourage accountability, empowerment and planning. Daily task planning is done together with managers, with a goal-driven approach.

Our approach is based on the trust that the company and its people place in each other. It also aims at promoting people's wellbeing by enabling a better balance between work and personal time. We are confident that we can all work together to make our work environment more dynamic, productive and innovative.

## 5.2 DIVERSITY AND INCLUSION

**58%**

WOMEN IN THE TOTAL WORKFORCE IN 2023

**46%**

FEMALE IN EXECUTIVES, DIRECTORS AND MANAGEMENT CATEGORIES IN 2023

**10%**

OF THE TOTAL WORKFORCE UNDER 30 IN 2023

**13**

NATIONALITIES AT EXECUTIVE AND DIRECTOR LEVEL IN 2023

**Safilo considers diversity and the value placed on diversity as essential to our culture.** We seek to foster an inclusive working environment in which the unique strengths of each individual are leveraged for the benefit of the Group.

**Safilo values differences** and strives to attract, hire and retain a workforce that reflects, represents and is able to connect with the globally diverse market and consumers we serve.

In accordance with our focus on corporate responsibility and respect of human rights, **Safilo protects and promotes the value of our human capital** and rejects any discrimination based on religion, sex, race, political or union opinion, gender, age, national origin, religion, marital status, citizenship, disability, political views, sexual orientation or any other legally protected status. Each employee is evaluated on his or her own professional qualifications and capabilities alone.

**Safilo is focused on providing equal opportunities in employment** and to offering qualified individuals the opportunity to reach their full potential and contribute to the Group's success.

Safilo's **global remuneration policy** is designed to develop and reward in a fair and meritocratic way. This is ensured by constant monitoring of the total compensation provided by the markets and by aligning it to our professional model, used to uniformly weigh all typical positions: technical, professional and managerial.

The Group pays individuals based on their performance, steered by a transparent performance assessment process that includes numerous criteria, such as managerial and technical skills, adherence to Group's values, and the achievement of specific KPIs.

Safilo is focused on providing a work environment that is free from physical, verbal, and sexual harassment, where all employees are respected and have the opportunity to reach their potential in contributing to the success of the company. The Group respects the right to freedom of association, the right of employees to choose to join a trade union, or to have recognized representation in accordance with local law. The use of child labour or any form of forced or compulsory labour is prohibited. Unacceptable treatment of workers is not tolerated in any of Safilo's global operation or facilities. The Group respects all applicable laws relating to the minimum age of employment.



## 5.3 ENSURING WORKPLACE HEALTH AND SAFETY<sup>15</sup>



Safilo is focused on safeguarding the health and safety of its employees, temporary workers, visitors, clients and communities. Our health and safety procedures are designed to enable employees to work safely wherever they are, whether in the office, plant or warehouse.

The companies of the Group are committed to complying with the requirements of national regulations (in Italy, the Legislative Decree 81/2008) by adopting specific management systems that cover all employees, internal and external collaborators working in the Group's workplaces.

Safilo started the certification process of its "health and safety" management system in 2011.

The Italian plants of Safilo Industrial S.r.l. and Lenti S.r.l. (Longarone, Santa Maria di Sala, and Bergamo), the Chinese plant of Safilo Eyewear Industries Ltd (Suzhou), and the Padua headquarters of Safilo S.p.a., are certified according to the international standard **ISO 45001:2018**.

This certification is proof of the company's goals to properly and carefully implement the requirements of the organization, management and control model under Legislative Decree 231/01, with specific regard to the Special Part "C" – occupational health and safety offences in the workplaces.

The Group is committed to safeguarding the health and safety of employees in the workplace through constant analysis, research and training. The goal is the creation of a safe and healthy working environment through the adoption of appropriate measures and procedures aimed at preventing accidents and damage to health, mitigating and reducing potential risks.

Group companies periodically carry out an analysis of their work activities, identifying the risks associated with them and the corrective actions to be implemented. The output of the analysis is a risk assessment document, updated at least every three years and in case of the introduction of new activities, processes, substances, organisational changes and stakeholder observations. This document is drawn up by the employer in collaboration with the members of the Prevention and Protection Service, the competent doctor and the workers' safety representatives.

The management models are revised whenever necessary due to significant changes in business processes and related regulations updates.

To improve the health and safety of workers, the necessary human, technical and economic resources are made available.

<sup>15</sup> These KPIs are related to the Italian, Chinese manufacturing plants, Padua headquarters, and for the first year are included also Denver distribution Center, Clearfield plant, Secaucus and Portland offices. The KPI does not include external collaborators' data (the Group has no direct control on data from the employers of workers who are not employees), nor in-transit injuries.

<sup>16</sup> The scope 2022 included the Italian and Chinese plants while in 2023 the data was also integrated with the American plants (Denver and Clearfield) and the offices in Secaucus and Portland. Further information is reported in the "About this Report" section. In 2023, two injuries were reported in Clearfield manufacturing plant.

In order to prevent accidents, special attention is dedicated to the training and awareness of employees on health and safety matters. Safilo provides trainings for directors, supervisors, workers and specific ones, which are provided annually based on the role and job of the employee. In particular, trainings are provided for the handling of loads, repetitive movements of the upper limbs, chemical risks, the use of machinery (forklift trucks), emergency and fire-fighting plans, and the training of first aid personnel.

In order to identify possible hazards at work and check the risks, an assessment is carried out for each type of activity. On this basis, the technical, organizational and procedural prevention and protection measures are defined, to be implemented in order to reduce the risk as much as possible and always bring it back to an acceptable level. The prevention and protection plan and its implementation are periodically verified in specific internal committees which see the involvement of the workers' safety representatives, the competent doctors, and the company's prevention and protection service. Safilo also provides personal protective equipment (PPE) to employees for workstations where they are foreseen, and, on an annual basis, performs emergency simulations.

The companies of the Group encourage their employees to report dangers and dangerous situations related to work, mainly through formalized and structured procedures that include the ways to provide the notifications and their evaluation, analysis and closure process. Each worker has the right/duty to report dangers and dangerous situations: the notifications are evaluated in order to proceed with the suspension of any activity and the immediate removal of the risk. Workers can make notifications through their supervisors, trade union representatives, workers' safety representatives, or anonymously.

Injuries at the workplace, accidents and potentially dangerous situations are also carefully monitored and analysed. Employees and their representatives are an active part of this analysis process.

In addition to the training, monitoring and any mandatory updates, each new employee and each external contractor are trained on specific company risks. Occasional external visitors are accompanied by an employee when they are in the company workplaces, while relationships with maintenance workers and contractor third party companies are managed with regular contracts in compliance with the law.

Group companies are committed to involve and consult workers in the development, implementation and evaluation of the occupational health and safety management system.

The relevant information on health and safety in the workplace (the personnel assigned to fire-fighting emergencies and first aid, the procedures relating to safety, the emergency numbers, the internal evacuation plan) are available for consultation by all workers on the company noticeboards and the company intranet.

Workplace health and safety training is planned annually and delivered based on legislative requirements, and on the specific working activities conducted by each individual worker. In addition to the mandatory training, specific training is provided based on the tasks of each individual worker.

All employees are trained, in particular directors, supervisors, emergency teams, workers' safety representatives, and employees with specific tasks (forklift drivers).

In order to facilitate the access of employees to medical and health care services, some Group companies have developed specific welfare programs and health insurance that include various agreements with third party private medical entities.

Furthermore, in compliance with Legislative Decree 81/2008, in all Italian companies, periodic mandatory employee medical visits are completed by the qualified doctor to assess the employee's fitness for work.



The Group is committed to avoiding and mitigating the negative impacts on health and safety in the workplace directly connected to its activities and products, through product and component safety tests, the certification of its products and the selection of its suppliers also on the basis of environmental and social requirements, which include matters relating to the health and safety of workers.

In 2023, 14 work-related injuries were recorded at the Group level (11 injuries in 2022), none were fatal but two of them caused high consequences for the employee, with a work-related injuries rate of 1.98 (compared to 1.73 of 2022).

The most frequent type of injury is accidental, such as trauma, bruises, muscle tears, joint pain, and fractures, mainly linked to the activities of handling loads, repeated movements of the upper limbs, and the use of manual equipment in the mechanical processing, assembly and storage areas.

## 5.4 INDUSTRIAL RELATIONS

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65%

OF THE TOTAL WORKFORCE WAS COVERED BY COLLECTIVE BARGAINING AGREEMENTS IN 2023

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Safilo sees its relationship with trade unions as an important means of collaboration to improve working conditions and support employee needs.

In Italy, the relationships with trade unions take place:

- on a **national level**, with the negotiation of the collective national contract in the eyewear industry, in which Safilo plays a key role as a leading company in this sector;
- on a **corporate level**, with a Group company agreement that involves both the production sites and Safilo's headquarters. The relationship with trade unions involves a continuous and open dialogue based on the specific performance of the considered site and on the Group's total performance in the wider international economic environment.

Safilo acknowledges the fundamental role of trade unions and is committed to maintaining stable and strong relationships with all the unions.

Each employee is free to exercise his/her rights to freedom of association and collective bargaining thanks to specific company agreements and according to the law and/or local practices.

The company and the trade unions negotiate specific KPIs and related targets aiming to improve the performance of each different site, with related annual rewards when performance targets are achieved.

In 2023, 65% of the Group workforce was covered by collective bargaining agreements. For employees not covered by collective bargaining agreements, the individual employment contract is drafted in such a way as to ensure clear identification and full compliance with all the rules provided for the protection of workers, both in terms of personal rights and remuneration.

# 6. RESPONSIBLE PARTNERSHIPS

## 6.1 OUR LICENSED BRANDS

Safilo is **focused on being a trusted business partner**. We earn the trust of licensors, suppliers, marketing agencies, distributors, and customers by **acting transparently, delivering on promises and providing reliable information about our activities**. Stewardship of this invaluable trust is requested of all our partners, who are expected to act openly and responsibly in their dealings with us.

**26** LICENSED BRANDS IN 2023

**2** NEW LICENSED BRANDS  
**5** ANTICIPATED RENEWALS AND  
**1** NEW PARTNERSHIP

Licensors are integral to Safilo's success, as they share our business objectives and contribute to our growth and performance.

The Group manages a portfolio of brand names, focusing on long-term brand partnerships as a licensee to leading fashion houses.

During 2023 Safilo has announced **new agreements** and 5 anticipated renewals<sup>17</sup>:

- In June a global and exclusive licensing agreement for the design, manufacturing, and distribution of **Etro** Italian luxury brand with a historical heritage of excellence and quality. The first collection, both sunglasses and optical, will be presented for the Spring-Summer 2024 season;
- In September a new agreement for the design, manufacturing and distribution of **Stuart Weitzman** branded sunglasses and optical eyewear collections. The first eyewear collection, which includes both sunglasses and optical, will be presented in North America for the Fall/Winter 2024 season;
- In June the early renewal of **Kate Spade New York** eyewear licensing agreement for the exclusive design, manufacturing and distribution of optical frames, readers and sunglasses for women as well as optical frames for girls;
- In June early renewal of global licensing agreement with **Tommy Hilfiger** for the design, manufacturing and distribution of sunglasses and optical eyewear collections;
- In July the renewal of global eyewear licensing agreement that include design, manufacturing and distribution of **Fossil** optical frames and sunglasses for men and women;
- In July the renewal of the licensing agreement for the design, manufacturing and distribution of **Havaianas** branded optical frames and sunglasses;
- In September the renewal of a global licensing agreement for the design, manufacturing and distribution of **Juicy Couture** branded optical frames and sunglasses for women and optical frames for girls and teens;
- In July presented with Amazon the launch of **new Carrera Smart Glasses with Alexa**, blending Safilo's Italian design with **Alexa** technology into two iconic frames. With open-ear audio technology, the new Carrera Smart Glasses direct sound to the ears without covering them, while minimizing what others around can hear. Customers can get up to six hours of continuous media playback or continuous talk time on a full battery charge.

<sup>17</sup> Safilo Group communicates the early renewal of the global licensing agreement for the BOSS and HUGO eyewear collections in January 2024.

## 6.2 OUR RESPONSIBLE SUPPLY CHAIN

≈245 SUPPLIERS OF DIRECT MATERIALS

114 SOCIAL AUDITS ON SUPPLIERS IN 2023 (OF ≈245 SUPPLIERS OF DIRECT MATERIALS)

The Group buys finished products, components, and raw materials for use in its own production (direct materials). In addition, it purchases products, logistic, marketing, ICT, and general services to support the business in all areas (indirect spending).

Raw materials consist of **metal sheets, acetate sheets and plastics for injection mould production**. Components consist mostly of **metal components (hinges, screws, small parts) and lenses** while finished products consist of **sunglasses and optical frames, sports helmets, ski goggles and cases**. To find those resources, the Group relies on approximately 245 active suppliers in 2023, located mainly in China, in Italy and in the United States.

Even today, eyewear is a “handcrafted” product and, as such, it is very **labour intensive**. Therefore, Safilo works together with its suppliers to **ensure fair, ethical and sustainable working conditions throughout the supply chain**. The Group manufacturing partners and suppliers are carefully selected based on rigorous criteria to ensure reliability and sustainability along the entire production process. The Group respects the terms and conditions of agreements with suppliers who are required to observe the following principles:

- Prohibition of forced labour;
- Freedom to join trade unions and right to collective bargaining;
- Prohibition of child labour and exploitation;
- Prohibition of employment discrimination;
- Obligation to guarantee and maintain a safe and healthy working environment.

These standards are covered extensively in the two reference manuals: the *Worldwide Business Conduct Manual* and the *Corporate Responsible Sourcing Supplier Manual*.

Starting in 2017, in line with its principles and values, Safilo decided to adopt a **Corporate Responsible Sourcing Supplier Manual** to formally regulate its relationships with suppliers. The manual describes the principles and minimum non-negotiable standards that the Group requires its suppliers to adopt in order to establish a collaborative relationship. Safilo expects adherence to and compliance with these standards throughout their supply chain.

During 2023, a new revision of the CRS Manual was launched and is estimated to be completed in the latter part of 2024. The revision of the CRS Manual is aimed at aligning the supplier assessment process with respect to (i) the requirements of major licensors, (ii) the requirements of the entry into force of new European directives, (iii) specific environmental sustainability assessments, and (iv) the introduction of new policies related to Conflict Minerals.

## Conflict Minerals

Safilo buys **gold** and **palladium** from an Italian supplier that is a certified and audited member of the **Responsible Jewellery Council RJC**. The RJC is a not-for-profit standards-setting and certification body, whose members commit to and are independently audited against the RJC Code of Practices – an international standard on responsible business practices for diamonds, gold and platinum group metals.

Safilo's supplier only accepts **conflict-free gold** traceable from refiners or banks on the current London Bullion Market (LBMA) good delivery list, and only accepts **conflict-free palladium** traceable from RJC Chain of Custody, standard for the precious metals supply chain, applicable to gold and platinum group metals (platinum, palladium and rhodium) certified companies.

During 2023, a process was undertaken to collect information about the sourcing of “conflict materials” namely, **tin, tantalum, tungsten and gold** as well as the identification of smelters and refineries. To date, the survey has involved part of the major finished product suppliers in Asia and in Italy; the goal is to increase the administration of the CMRT to all finished product suppliers by 2024.

In 2012, in order to increase the improvement of ethical and social performance, Safilo Achieved SA8000 certification.

The SA8000 Social Accountability Management System Standard is a globally recognized social certification standard; it is based on international human rights standards and measures the performance of companies in eight areas important to social accountability in the workplace: child labor, forced labor, health and safety, free association and collective bargaining, discrimination, disciplinary practices, working hours and compensation. The requirements of SA8000 extend to the entire chain of suppliers and sub-suppliers.

December 2023 saw the successful completion of the renewal of SA8000 certification for the Italian plant of Safilo Industrial S.r.l. and Lenti S.r.l. (Santa Maria di Sala and Bergamo), the Milan show room and the Padua headquarters of Safilo S.p.A. The new certification is valid until January 2027 with the definition of periodic surveillance audits as required by the standard.

Periodic value chain audits are planned annually to verify compliance of SA8000 requirements in line with Safilo Group's principles. This compliance audit thus proves to be a milestone in Safilo's procurement program, as it provides effective monitoring and a better understanding of potential problems that the supply chain may present, enabling the identification of areas for improvement and, if necessary, corrective action.

To ensure compliance with all standards promoted by the Group, a total of 114 social audits were conducted during 2023 (3 in Europe, 111 in Asia), including 104 full on-site audits and 10 follow up audits, except for one, all of which were conducted by an external, independent audit firm. The majority of these audits included the review of social and environmental aspects mainly according to SMETA 4 Pillar, SLCP and FEM standards. Safilo, in 2023, established procurement relationships with 6 new direct material suppliers, and all of them have been evaluated through social audits (100%). An on-site assessment was conducted for 4 of the 6 suppliers and a self-assessment for only 2 suppliers.

Aiming to cover an ever-expanding area of the supply chain, starting in 2023, Safilo has increased its auditing activities to include Tier 2 suppliers as well. Between 2022 and 2023, 40 percent of Tier 1 suppliers of direct materials and Tier 2 suppliers of logo components located in Asia received at least one ethical-social audit.

### Supplier Assessment and Selection

- **Assessment:** each supplier of direct material might be required to undergo an audit. Scope, timing and extension of the audit is determined annually based on a risk grade assigned to each supplier based on evaluation elements such as the country, activities done, purchased volume, contract size and, where applicable, the compliance level identified in any prior audit. The scope of assessment is grounded in applicable laws and regulations (including but not limited to laws related to labour practice, human rights, health and safety, environmental responsibility, anti-corruption, safety and quality of goods and services) in the countries where the supplier is located.  
The assessment process consists of an initial **full on-site audit** and, where necessary, of a **follow-up audit**, which is a re-assessment carried out as a shortened version of the full audit process. The follow-up audit aims to identify whether the concerns of the initial assessment have been overcome or have become more serious. Timing of the follow-up audit is determined by the types of issues found and is carried out in line with the due dates agreed for implementing corrective actions.
- In case the supplier has a low level of criticality related to the country in which it operates, activities, business volume etc. Safilo might consider requesting the completion of a Self- Assessment Questionnaire (SAQ) instead of proceeding with an on-site audit.

The Group involved its key actors of supply chain to achieve closer collaboration in order to raise awareness of practices that can help in the transition towards a green economy. For this reason, during 2023 we have:

- met the main suppliers of finished products to begin a process of reducing their emissions by switching to renewable electric energy;
- began moving part of the Group's international transport from air mode of transportation to ship.

## 6.3 OUR CUSTOMERS

**Safilo treats customers with respect and transparency, never engaging in unfair, deceptive or misleading practices.** We want to be a preferred partner for our customers, offering differentiation, agility, adaptability and passion to bring our strategic business plans to life.

**Our main customers** are independent opticians and key accounts, global partners that distribute our own core and licensed brands in their territories, and global travel retail accounts.

The Group is focused on supporting our customers' business models with long-term partnerships based on trust and mutual advantage. Our relationships with customers are managed in an equitable manner, not giving unfair advantage to one customer over another competing customer.

Safilo follows specific principles for customer relations:

- company products are presented to customers in a transparent and straightforward way;
- customers are eligible to purchase our products, unless selective distribution criteria or similar are in place;
- customers can qualify for our trade investments in return for specific performance;
- trade policies are fair and transparent, all customers easily understand what they need to deliver.

## Customer Care

**Safilo customer care** is devoted to excellence, promoting outstanding service to our customers including:

- pre-sales activities: supplying product information, details on promotions and commercial conditions;
- sales: supporting its commercial counterparts through punctual order entry for finished products, spare parts and in store material, and taking part in dedicated sales events;
- after-sales service: providing assistance on product and supply solutions to technical issues and managing returns and warranties.

**Its main goals** are measured with internal KPIs, which are in line with commonly established ones in other sectors in the field of customer care, and are tracked on a very regular basis:

- 80% of calls answered within 20 seconds;
- at least 95% of customers' enquiries are managed within one working day.

**We track customer calls** in order to understand customer needs and provide the right expertise. Customers often enquire about materials, products, promotions, returns, spare parts and warranties.

The customer care function also takes care of the **relationships with end-user consumers**, through different channels, such as the e-commerce websites of the proprietary brands Carrera, Polaroid and Smith, and email.

Through dedicated quality monitoring tools, the quality of our customer care is then assessed through side-by-side supervision and dedicated tutoring of customer care representatives.

## Customer satisfaction survey

Safilo has launched its latest annual Customer satisfaction survey in October 2023.

The aim of our Customer satisfaction survey is to understand Customers' 360° perspective on Safilo's principal areas and services: product, commercial team, Customer Care, after sales service, service levels, trade marketing and B2B-website.

The scope was: independent opticians of EMEA countries (Italy, Spain, Portugal, France, Benelux, Netherlands, Germany, Austria, Switzerland, Nordic, UK, Greece, Hungary, Czech Republic, Slovakia, South Africa, Turkey, Slovenia and Poland).

Main KPIs evaluated were:

- **NPS** (Net Promoter Score): on a scale from 0 to 10;
- **CSAT** (Customer overall Satisfaction): on a scale from 1 to 5.

**Europe** overall results have been:

- **NPS: 88%** of customers responded with a ranking between 9 and 10 to the question if they would recommend Safilo as a business partner and this allowed Safilo to reach an **NPS Index of 82** (81 in 2022);
- **Overall satisfaction:** the result has been equal to **4.6** on a scale of 1 to 5 (4.5 in 2022).

In North America, the survey scheduled for the fourth quarter of 2023 was postponed to the first half of 2024. This decision was made due to the migration to SAP, which occurred during the October/November period. It was reasoned that conducting the survey during this time could potentially impact the accuracy of the results.

## EMEA Customer Care team

Our EMEA Customer Care team is composed of 125 people, speaking 21 languages and covering more than 25 markets and global channels. In 2023, the EMEA Customer Care team managed around 340,000 contacts - inbound calls, emails, webforms, chats, WhatsApp – and answered, on average, **97%** of calls within 20 seconds.

Specific customer care KPIs were also measured through the **customer satisfaction survey**, which highlighted on a scale from 1 to 5, a satisfaction rating in relation to customer care equal to **4.6** (confirming the same result of 2022).

Furthermore, Customer Care proves to be one of the areas that most influenced the growth of overall satisfaction and NPS results, together with the after-sales service and the sales force.

## North America Customer Care team

During 2023, the Customer Care North America team provided support to more than 15 markets, and to our major sales channels such as independent 3Os, Key Accounts, Strategic Accounts, E-Commerce, Sports, Internet Pure Player Customers, and Retail.

Customers were able to get in touch with support service through the telephone channel, emails, and also the chat channel, which was very appreciated. There were more than 150 thousand incoming calls handled, and more than 7,000 chats.

The last quarter of the year was focused on the preparation of the new ERP to the independent optical channel. Our Customer Care operators have participated at dedicated trainings to the new system to better prepare themselves to support our Customers in the transition phase. Thanks to this, Customers found a team ready to assist them. There were about 7,000 requests for assistance.

With the continuing goal of bringing the voice of the Customer within our organization and across business functions, 2023 saw the activation of a new tool that allows immediate visibility of our Customers' requests, prioritizing them correctly, and receiving immediate guidance on how to effectively support our Customers and our sales force. With its user-friendly interface and advanced workflow automation, the tool provides efficient communication channels between Customer Care, Customers and the sales force.

# 7. SOCIAL RESPONSIBILITY

## 7.1 SHARED VALUE

**Safilo's sustainability strategy is driven by our intent to create shared value and contribute to the UN 2030 Agenda for Sustainable Development.**

The eyewear sector plays a vital role for society, and, therefore, we understand how central shared value is to our business and to our employees and partners. We start first with our own core business and expertise in the protection and care of good eyesight. Then we build a sustainability approach that serves to help more and more people correct their eyesight defects and improve their vision. We are proud that we are able to serve so many diverse types of consumers and their needs with our product range, encompassing brands across all customer segments. Additionally, we meet the needs of athletes and sport practitioners through our range of safe, reliable products for children and adults, enabling them to stay active without risk to their eyes, as well as practicing their favourite sports in security and safety thanks to our glasses, goggles and helmets, designed with the most advanced technologies.

Eyesight is not only the main human sensory system, fundamental for discovering the world around us, but it also allows each of us to define our own perception of the world, its beauty and colours. Healthy eyesight is an essential part of our wellness and can contribute to a higher quality of life.

Safilo seeks to help protect and preserve eyesight for people around the world, not only through our eyewear, but also through the promotion of positive lifestyle and behaviour changes in society. We champion many initiatives that will make a real difference for people of all ages and their eyes through our broad vision that progress is for everyone:

- the prevention of potential eye damage through access to high quality frames and sun lenses;
- the usage of sustainable materials and processes to help protect the environment;
- awareness campaigns targeting the populations most at risk and most in need of eye care help and solutions.





## 7.2 SOCIAL INITIATIVES

### Special Olympics

Since 2003, Safilo has been actively supporting Special Olympics, a global non-profit organization, dedicated to transforming the life of people with intellectual disabilities.

In December 2022, Safilo re-committed its support of the Special Olympics by announcing a three-year partnership renewal. Thanks to this renewal, Safilo and Special Olympics have further strengthened their relationship, now celebrating its 20th anniversary. It is an important milestone especially considering that over the years more than 1.3 million frames and sunglasses have been donated to Special Olympics athletes all over the world, as part of the Special Olympics Lions Clubs International Foundation Opening Eyes® programme.

Safilo's commitment is not only represented by the donation of optical frames, but also by the personal involvement of the Group's employees who, in recent years, have participated, as volunteers, in concrete initiatives linked to the organisation of Opening Eyes events for the benefit of athletes with intellectual disabilities.

In addition to donations of frames and sunglasses, the partnership also provides Special Olympics athletes with the opportunity to benefit from eye examinations and referrals for follow-up checks through Opening Eyes services supported by Safilo and other cooperate sponsors in the eye care community.

### Solidarity for territorially relevant initiatives

Starting from 2022, Smith Optics have been partnering with the High Fives Foundation, a non-profit organization supporting the dreams of mountain action sports athletes by raising injury prevention awareness and providing resources and inspiration to those who suffer life-altering injuries. Another important initiative supported by Smith is related to Boarding for Breast Cancer, a non-profit foundation that advocates early detection and a healthy, active lifestyle as the best means for breast cancer prevention. For these two initiatives Smith Optics has created dedicated capsule collections.

Furthermore, Blenders Eyewear partnered for the fifth year with Keep a Breast, a non-profit organization based in California focused on breast awareness cancer.

In consideration of the many natural disasters and unanticipated events that can affect our local communities, Safilo provides support in various forms either directly or indirectly through corporate channels and in partnership with aid organizations.

### Safilo with Umberto Veronesi Foundation

Safilo with the Polaroid Eyewear has supported scientific research and popularization of eye care through a partnership with Umberto Veronesi Foundation.

This new support for scientific research and popularization in oncology made by Polaroid Eyewear through Fondazione Umberto Veronesi is part of the purpose lead strategy of Safilo Group, to which Polaroid Eyewear has belonged since 2012, which is developed through 3 P's: Product, People and Planet.

Safilo in collaboration with Veronesi Foundation has written the document dedicated to eyesight titled **“Eye health: for the wellbeing of the person”** that includes the types of examinations and an ideal calendar, physical and dietary interventions to prevent certain eye conditions, pathologies, and an in-depth analysis also of the types of glasses and lenses that would be best to use when preventing and correcting these conditions. The brand is also involved in funding a research project, the goal of which is to evaluate a pharmacological approach that blocks communication between malignant cells and the tumour microenvironment in the treatment of uveal melanoma.

## Health Weekend and Eye Room

In October and December, two new initiatives were launched through Polaroid brand to raise awareness about eye health and offer more than 1,000 people a free eye check.

The first initiative called “**Weekend of Health**” held in conjunction with World Sight Day and in collaboration with the City of Padua involved multiple people in the city, offering workshops for children and free consultations dedicated to health, prevention, and wellness. Through this activity, more than 400 people had the opportunity to take advantage of a free vision check.

The second initiative, “**Eye Room,**” took place at the Santa Maria di Sala headquarter and plant on December 4-11. During this initiative the focus was on providing all employees who participated with notions on health and prevention of eye diseases through the distribution of the “**Eye Health Booklet**” developed in collaboration with the Umberto Veronesi Foundation as well as the opportunity to undergo a free eye examination. The response was more than positive and recorded more than 700 examinations.





# 8. ENVIRONMENTAL RESPONSIBILITY

## 8.1 ENERGY CONSUMPTION & CO<sub>2</sub> EMISSIONS



Safilo acknowledges that respect for the environment is key both to protecting and preserving the areas in which it operates and for medium-long term business sustainability.

Safilo’s long term aim is to create an **environmentally sustainable business model**, achieved by incorporating environmental considerations into its products, processes and operational decisions. In fact, in 2022 the Group announced that it has joined The Fashion Pact, a global coalition of companies in the fashion and textile industry (ready-to-wear, sport, lifestyle and luxury) including their suppliers and distributors, all committed to a common core of key environmental goals in three areas: stopping global warming, restoring biodiversity and protecting the oceans. Being a signatory of The Fashion Pact is part of Safilo’s purpose-led strategy based on three sustainability pillars: Planet, Product, and People, and it represents a further step confirming the Group’s commitment to develop projects and initiatives that address the global challenges of tomorrow in the areas of Climate, Oceans and Biodiversity, as per The Fashion Pact mission and priorities.

In addition, the Group has signed agreements for the second consecutive year in Italian legal entities and for the first time in Chinese plant to supply 100% of their **electric energy** needs **from renewable sources**.

Safilo is committed to **continuously improving** its environmental performance by progressively **reducing the environmental impact** of its plants and facilities (offices, warehouses, showrooms), as well as that of its activities, services, products, and logistics. In 2023, headquarters activated the corporate carpooling service. Through an app, it is possible, in a quick and easy way, to share the home-work journey with colleagues while having fun, saving money and helping to reduce CO<sub>2</sub> emissions. Those who will use this service will be able to participate in a contest that will reward the drivers who make the most shared trips. Furthermore, 5 new electric bicycles have been available to all employees in the Padua office, allowing them to travel to their workplace in a sustainable and healthy way. The bicycles can be used not only for home-work trips, but also during leisure time on weekends.

Confirming the commitment to environmental risk prevention, Safilo has adopted a **Group Environmental Policy** based on five pillars:

- compliance with applicable environmental laws and regulations;
- minimisation of the environmental impact;

<sup>18</sup> In Scope 1 are not included fugitive emissions.

- supply chain awareness;
- encouraging employee participation and individual accountability for environmental actions;
- transparency with stakeholders.

The policy applies to all Safilo Group companies and employees worldwide, and to those acting on behalf of such companies.

The Group is committed to taking all measures necessary to meet the requirements of environmental laws and applicable regulations, including rules governing the use, control, transportation, storage and disposal of regulated materials that may be dispersed in the environment as a part of wastewater, air emissions, solid or hazardous waste.

Safilo aims to minimize its environmental impact and address climate change by reducing:

- energy and water consumption;
- the use of raw materials and potentially hazardous substances;
- waste generation;
- the emissions of greenhouse gases and other pollutants;
- through the implementation of technical innovations, the adoption of more efficient solutions, the promotion of the use of renewable energy sources, and the use of eco-friendly materials.

Environmental responsibility is a goal that permeates many aspects of Safilo's daily operations. The Group expects the same from its business partners, in order to source products that were manufactured in an environmentally responsible way, while maintaining our commitment to quality.

To this end, Safilo monitors environmental risks also along the entire supply chain, through social audit activities on suppliers aimed at investigating numerous characteristics, including their ability to reduce environmental impacts, and related certifications. When evaluating business relationships with potential strategic partners, Safilo takes environmental issues into account.

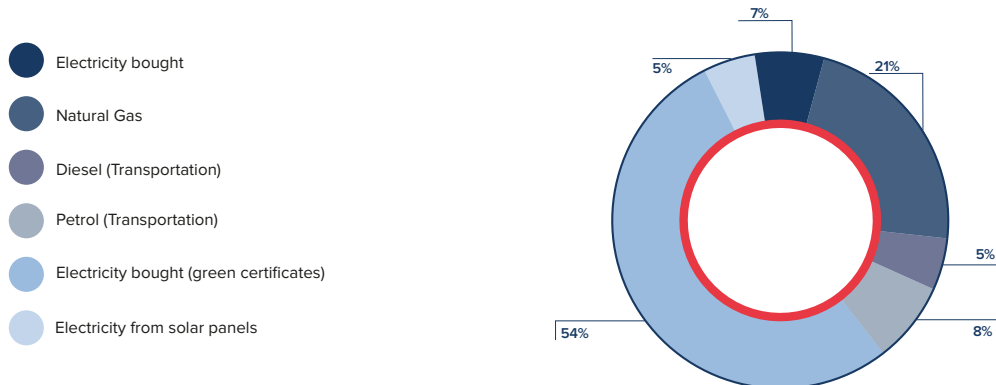
The Group believes that encouraging employee participation and individual accountability for environmental actions is crucial to its success. Therefore, Safilo aims to invite employees to take an active part in the process by providing training and sharing information on sustainability and environmental matters. The Worldwide Business Conduct Manual includes a section dedicated to respecting the environment and current regulations.

Finally, the Group monitors and reports its overall environmental performance to all Stakeholders in a transparent way, through the annual publication of this Consolidated Non-Financial Information Statement in which it discloses environmental measures implemented and results achieved.

Safilo's energy drivers are electricity, natural gas, petrol and diesel fuel, heating. The main energy source used within the Group is electricity, which accounts for 65.8% of its total energy consumption.

Starting from this year, 59% of Group's energy comes from renewable sources.

**2023 ENERGY CONSUMPTION BY TYPE OF FUEL**



**TOTAL 195,504 GJ**

Starting from 2015, Safilo has implemented several energy saving projects. In order to decrease energy consumption and CO<sub>2</sub> emissions the Group installed **photovoltaic systems** which led to **electricity energy savings**, in particular:

- **7,422 GJ** with a GHG emissions **avoided of 1,255 tons** in the Chinese plant;
- **1,441 GJ** with a GHG emissions **avoided of 126 tons** in the Padua headquarters;
- **100 GJ** with a GHG emissions **avoided of 17 tons** in Safilo Australia.

Energy savings have been achieved through investments in energy efficiency solutions and through the implementation of energy efficiency practices aimed at a low energy consumption. Some of the implemented projects include:

- Installation of photovoltaic panels at the Padua headquarters which has produced in 2023 about 400 MWh;
- Light system revamping thanks to the implementation of LED instead of neon;
- Gradual replacement of obsolete compressors with new and more efficient ones, variable-speed drive air compressors with lower energy consumption;
- Ongoing replacement of the current heating systems and DHW (Domestic Hot Water) with natural gas boiler and heat pump;
- Installation of motion sensor and light automatic ignitions in low frequented areas;
- Adjustment of ignition and shutdown of air systems: the systems' ignition has been moved to be closer to the working day starting hour whereas the shutting down has been anticipated in order to exploit the thermic inertia of the working environment;
- Modification of the set point temperatures of the working place air system, in line with the DPR 74/13 (during working hours, in winter max temperature of 20°C and in summer minimum temperature of 26°C, for non-working hours, no limits to the temperature);
- Reduction of the ignition hours of the production facilities, by reducing work shifts and optimizing the industrial calendar;
- Placement of vending machines in standby mode during nighttime and holidays.

Other important energy saving projects implemented during recent years in Italian plants and headquarters have been:

- general replacement of light bulbs with more energy efficient ones;
- revamping, chiller replacement, and new air conditioning systems in specific areas;

- other management interventions (daily absorptions control through a software monitoring platform, punctual management of the mechanical systems' software with related optimization and monitoring of operating hours, implementation of procedures for daily preventive control of temperatures in relevant areas, and introduction of a register for the control of mechanical systems in the main technological areas).

In addition, to contribute to the reduction of CO<sub>2</sub> emissions and promote sustainable mobility, Safilo began in 2020 to **renew its company car fleet with** Toyota and Lexus **hybrid vehicles**, progressively converting the vehicle fleet towards sustainable mobility such that by December 2023 around **74% of the Italian entities' company cars were hybrids**.

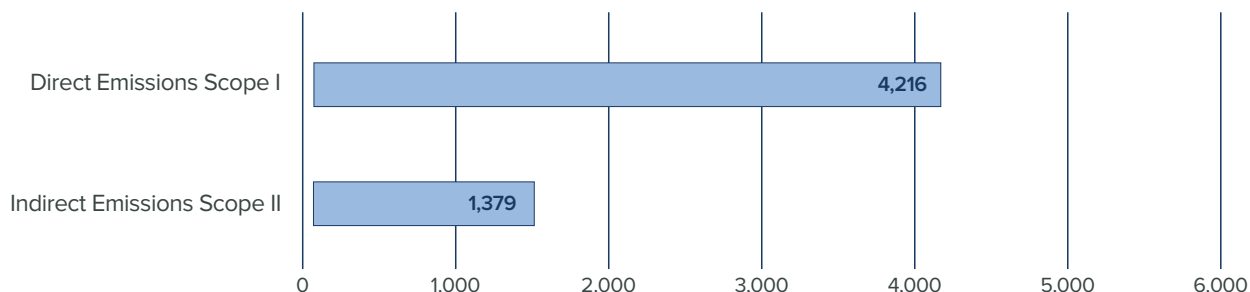
Thanks to these energy efficiency practices and investments, the use of sustainable, lower-environmental impact materials and the reduction of carbon emissions, which are constantly monitored by external parties on all the production methods and technologies used, in 2020 the Group obtained the **ISO 50001:2018 energy management system certification** for the Italian plants of Safilo Industrial S.r.l. and Lenti S.r.l., and the headquarters of Safilo S.p.A. The certification will expire in December 2026.

Through the restructuring initiatives implemented since 2020 within its industrial footprint, **in 2023 Safilo reduced its total energy consumption by 12.2%, while CO<sub>2</sub> emissions were decreased by 65.8% compared to 2022** using the market-based approach, considering also a manufacturing activity increase based on worked hours).



An important factor of this reduction is driven also by the agreements for Italian companies and Chinese production plant that all of the energy supplied will be 100% from renewable sources.

## 2023 CO<sub>2</sub> EMISSIONS



**TOTAL 5,595 tCO<sub>2</sub>**

The Group looks to the future with particular attention paid to the development of a modern and successful business model, implemented thanks to a new digital transformation strategy. To this end, Safilo is investing in automation and digitalization processes which, among the various benefits, also allow for the reduction of the use of paper and primary resources, both in offices and factories.

An example is the introduction in the Padua headquarters of RPA (Robot Process Automation) technology, which allows the automation of part of the Group accounts payable processes, and an App dedicated to factory reporting, currently active in the Italian production sites, and that will be extended to the whole Group in the coming years.

Safilo monitors Scope 3, which includes all the indirect emissions (not included in Scope 2) that occur in the organisation's value chain – so activities not under direct ownership or control. These are usually the greatest share of an organisation's carbon footprint, covering emissions defined by GHG Protocol.

In the following table we have depicted indirect emission figures for the two main categories relevant for the Group that are:

- category 1 related to Purchased raw materials, goods and services;
- category 4 related to upstream transport and distribution.

SCOPE 3 - CARBON FOOTPRINT <sup>19</sup>			
	2023	2022	2022*
Indirect emission attributable to raw materials, purchased goods and services (tCO <sub>2</sub> e) <sup>20</sup>	97,178	103,655	103,655
Indirect emission attributable to upstream transport and distribution (tCO <sub>2</sub> e) <sup>21</sup>	12,174	12,503	11,092

\* this column reports data published in NFD 2022. Category 4 data were calculated using Tank-to-wheel methodology and have been actualized in the adjacent column on the left adopting the Well-to-wheel methodology as prescribed by GHG protocol. This specification to assure the comparability year-on-year.

19 Indirect emissions have been calculated using emission factors extracted from database GaBi 2022.2 GaBi 10. The respective data is evaluated with the impact measurement category GWP100 (according to IPCC AR5), excluding biogenic carbon, including climate carbon feedback. More information here: <https://ghgprotocol.org/sites/default/files/2022-12/Global%20Warming%20Potential.pdf>

20 Category 1 emissions have been calculated for Italian legal entities, Safilo USA, Smith Optics, Safilo Eyewear (Suzhou) Industries, Blenders and Privé Revaux which depict Group's purchases.

21 Category 4 emissions have been calculated on Safilo S.p.A., Safilo USA, Smith optics, Blenders and Privé Revaux which represent the greatest part of the Group's inbound and outbound upstream transport and distribution.



## **FSC® certified marketing materials**

Since 2019, a part of show cards supplied by Safilo are FSC®. The FSC (the Forest Stewardship Council) is an independent non-profit organization which safeguards forests for future generations.

During 2023, Safilo has renewed an FSC® certification to market cases and promotional items made from materials sourced from responsibly managed forests in accordance with environmental, ethical and economic principles. The FSC® Chain of Custody certification provides a guarantee that products sold with an FSC declaration come from well-managed forests, controlled sources or reclaimed materials. Safilo is working with its vendors to identify additional opportunities in this space.

## **8.2 WASTE GENERATION & RECYCLING, AND WATER CONSUMPTION**

Safilo wants to purposefully leverage its leadership position in the eyewear industry to initiate changes across the value chain that help to systematically reduce waste. Such reduction of waste will significantly and measurably impact the Group's own environmental footprint, as well as that of the industry as a whole. Examples of chosen areas of intervention are inventory, returns, sku simplification, lean manufacturing, and logistics flow management, as well as driving towards a healthy balance between digitization and the actual need for prototypes and samples.

With an industrial footprint of 5 production plants<sup>22</sup> and 2 distribution centres, the Group generated about 4,593 tonnes of industrial waste in 2023.

In its Group environmental policy, one specific objective is also the reduction of waste generated. To this end, the Group is active in the identification of more efficient solutions and the use of materials with a lower impact on the environment.

Whenever possible, waste is sent to recycling, if recycling or reuse is not possible, it is sent for disposal based on the type of waste. The responsible management of hazardous and non-hazardous waste represents one of the most important topics of the Group environmental policy. Hazardous waste presents a greater risk to the environment and human health as well as higher operating costs to ensure compliance with regulations than any other type of waste.

The waste generated by the Group is mainly composed of:

- washing waters, sludge and residues deriving from production processes, galvanic and painting, and product washing;
- packaging of various materials (paper and cardboard, plastic, wood, mixed) used to cover the pallets that contain the products, or to divide the products within the pallets;
- plastic materials and mixed metals deriving from processing waste, disposal of materials, or products no longer usable;
- exhausted filters and filter materials;
- liquids deriving from oily emulsions for machine tools, and exhausted oil.

<sup>22</sup> Longarone manufacturing plant has generated waste till October 31st, 2023.

Most of the waste comes from the production processes in the Group plants, with the exception of packaging, plastic materials and mixed metals, which largely come from the supply chain. In all the Group’s production plants, particular attention is paid to the reuse of materials, in order to reduce the quantity of waste generated.

A continuous review of supply chain processes is intended to optimise the incoming flow of raw materials and the reduction of waste materials, through solutions such as resizing the formats of raw materials and packaging materials used.

With reference to washing waters, the Group applies advanced management practices, respecting the environment. Where purification systems are in place, Safilo ensures continuous maintenance of the systems and periodic analyses, both internal and external, to control the quality of the wastewater which therefore does not present a risk to the environment. In 2020 the implementation of a new water evaporation system has been completed at the Chinese plant in Suzhou.

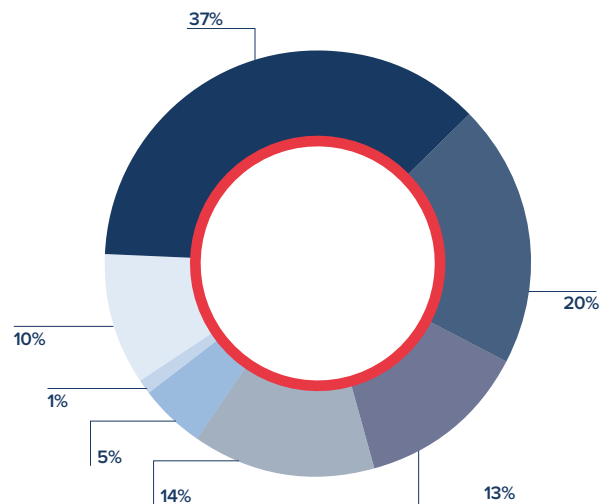
The waste management process involves collection and storage in defined areas and specific containers according to the type of waste. The volumes managed are controlled by measuring the mass transferred to the recovery and disposal plants; the related data are stored in a specific database for each plant and shared at the Group level to allow central monitoring, and all copies of the related documents (digital or paper) are filed according to legal requirements.

All the waste generated by the Group is sent for recovery or disposal to external plants, and therefore to qualified and certified third parties who operate in compliance with the contractual or legal requirements.

The following chart reports the main types of waste generated by the Group in 2023.

**WASTE GENERATED IN 2023 BY TYPE**

- Washing water
- Processing sludge and residues
- Plastic materials
- Paper and cardboard
- Mixed packaging
- Mixed metals
- Other



The item “Other” mainly includes discarded equipment, exhausted batteries and toner, oily emulsions for machine tools, organic waste and other bulky waste.

In 2023, the waste generated by the Group has been equal to 4,593 tonnes<sup>23</sup>, compared to 4,760 tonnes in 2022, with a decrease around 3.5% mainly related to an improved process efficiency and consequent lower waste generation.

Out of the waste generated in 2023, 46% was sent to landfill, 45% was recycled or recovered, and 9% was disposed of by incineration.

In 2023, non-hazardous waste was equal to 2,823 tonnes (61% of the total waste generated in 2023), compared to 2,975 tonnes in 2022 (61% of the total waste generated in 2022); of these, 1,603 tonnes were related to waste diverted from disposal, and 1,220 tonnes were related to waste directed to disposal.

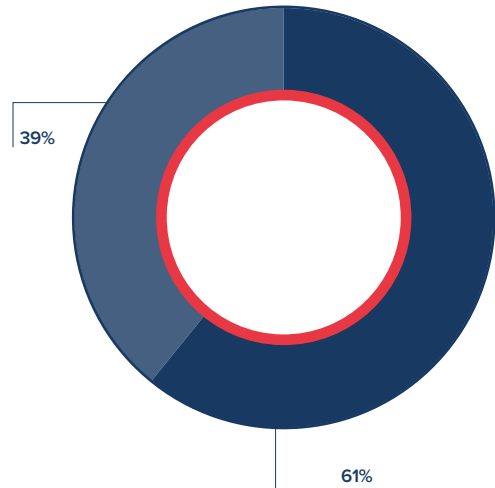


23 2023 waste figures are related to the Italian, Chinese and American manufacturing plants, the US distribution centre and the Padua headquarters.

On the other hand, hazardous waste was equal to 1,770 tonnes (39% of the total waste generated in 2023), compared to 1,785 tonnes in 2022 (39% of the total waste generated in 2021); of these, 483 tonnes were related to waste diverted from disposal, and 1,286.5 tonnes were related to waste directed to disposal.

**2023 WASTE (HAZARDOUS & NON-HAZARDOUS)**

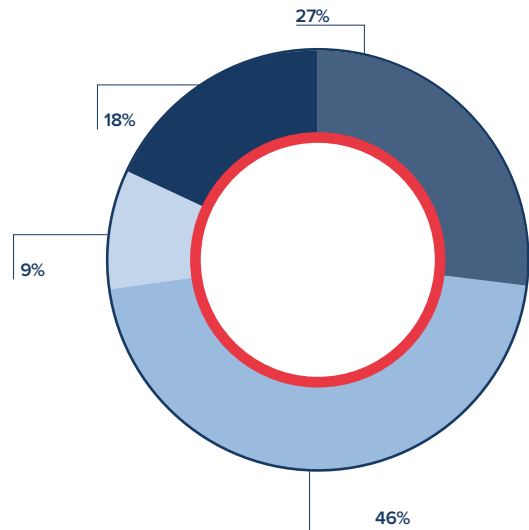
- Hazardous
- Non-hazardous



**TOTAL 4,593 t**

**2023 WASTE BY DISPOSAL METHOD**

- Recycling
- Recovery
- Landfill
- Incineration



**TOTAL 4,593 t**

## Water consumption

Safilo promotes a sensible and responsible use of water resources, and implements actions aimed at reducing and limiting its consumption in the medium-long term, also through constant monitoring. Water can be used both for sanitary purposes and production, where it is mainly used in galvanic and related processes.

The primary source of withdrawal is the public network, while the Italian Longarone plant also uses groundwater for production purposes. Water for sanitary use is usually discharged into the sewer system, while the wastewater generated by the production plants is disposed of as waste by specialized operators. The Italian production plants periodically conduct water analyses, through qualified external bodies, in order to verify that the water quality complies with the sector regulations.

In order to assess its impact in sensitive areas, the Group has identified companies that are in water stress areas based on the water stress indicator provided by the Aqueduct Water Risk Atlas of the World Resources Institute. The only production plant of the Group located in an area with high water stress is the plant of Safilo Eyewear Industries Ltd in Suzhou (China), which exclusively uses water resources from the public network, coming from the Yangcheng and Taihu lakes near the factory.

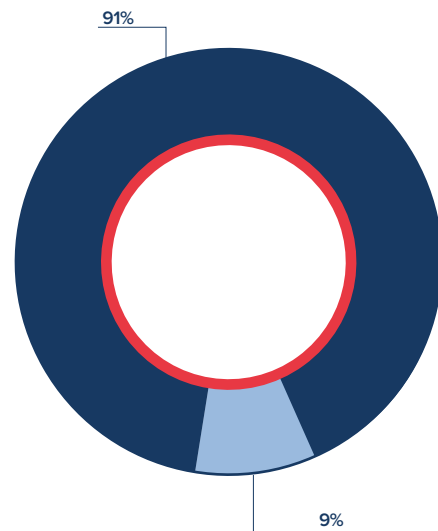
In 2023, water withdrawal has been equal to 110.9 megalitres (of which 91% from third party municipal water and 9% from groundwater) with a decrease of 10,1% compared to 123.4 megalitres in 2022.<sup>24</sup>

The water withdrawal of the Group is only related to freshwater, including water withdrawal in areas with high water stress, which, in 2023, has been equal to 70.7 megalitres (81.2 megalitres in 2022) related to the plant of Safilo Eyewear Industries Ltd in Suzhou (China).

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### 2023 - WATER WITHDRAWAL BY SOURCE

- Third-party water
- Groundwater



**TOTAL 110.9 megalitres**

<sup>24</sup> Water withdrawal figures are related to the Italian, Chinese and USA manufacturing plants, and Padua headquarters. In 2023, they include 10 months of Longarone plant equal to 15.1 megaliters.

# ABOUT THIS REPORT

The Safilo Group, as a public interest entity (pursuant to Article 16, paragraph 1, of Legislative Decree 27 January 2010 no. 39) with size limits of employees, balance sheet and net revenues above the thresholds set in Article 2, paragraph 1, is subject to the application of the Legislative Decree 30 December 2016 no. 254 (hereinafter Decree 254) “Implementation of Directive 2014/95/EU of the European Parliament and of the Council of 22 October 2014, amending Directive 2013/34/EU and subsequent updates Law no.145 published on December 30, 2018 as regards disclosure of non-financial and diversity information by certain large undertakings and groups”.

This document is the seventh “Consolidated Non-Financial Information Statement” of the Safilo Group (hereinafter “NFS” or “Sustainability Report”) and refers to the period January 1 - December 31, 2023, which is the same period as the Consolidated Financial Statement.

This Consolidated Non-Financial Information Statement has been drawn up to the extent necessary to ensure the understanding of the Safilo Group’s business, its performance, its results and the impacts from the same produced, and includes the data of the parent company and its subsidiaries consolidated at December 31, 2023 on a line-by-line basis, and covers the topics deemed relevant and provided for by the Article 3 of Decree 254. There does not exist any discrepancy from the Legal Entities included in the Consolidated Financial Statement and the Consolidated Non-Financial Information Statement. For the complete list of all entities included in the sustainability report, please refer to Consolidated Financial Statement 2023.

However, it should be noted that:

- 2023 employee figures include all the Group Companies, except for Longarone plant which has been transferred to Thélios S.p.A. and Innovatek S.r.l. respectively on October 31, 2023 and in the agreement, Safilo has guaranteed the full employment of all the workers in Longarone plant. These data are reported in headcount at the end of the reporting period;
- 2023 health and safety rates and injury figures are related to the Italian, Chinese and Clearfield manufacturing plants, to Denver and Padua distribution centres and American offices (Portland and Secaucus). In 2022 these figures included the Italian and Chinese manufacturing plants and Padua headquarters;
- Italian legal entities and Chinese plant have signed an agreement that 100% of electric energy supply will be from certified renewable sources. For this reason, Scope 2 emissions reported in the table have been calculated with the market-based method using AIB-2022 European Residual Mix;
- 2023 Scope 3 figures include category 1 and category 4 CO<sub>2</sub> emissions. Category 1’s emissions have been calculated on Italian legal entities, Safilo USA, Smith Optics, Safilo Eyewear (Suzhou) Industries, Blenders and Privé Revaux which depict Group’s purchases while for category 4’s emissions the perimeter considered is Safilo S.p.A., Safilo USA, Smith Optics, Blenders and Privé Revaux which are the greatest part of the Group’s inbound and outbound upstream transport and distribution;
- water withdrawal figures are related to the Italian, Chinese and USA manufacturing plants, and Padua headquarters. For Longarone plant has been taken into account the total amount of withdrawal till the date of transfer to Thélios S.p.A. and Innovatek S.r.l. (October 31, 2023);
- 2023 waste figures are related to the Italian, Chinese and USA manufacturing plants, the US distribution centre and the Padua headquarters. All disposals are outsourced to third-party suppliers, and data on the type of incineration refer to Italian production plants;
- 2023 training figures include all the companies of the Group.

This report has been prepared in accordance with the Global Reporting Initiative Sustainability Reporting Standards defined in 2021 from the Global Reporting Initiative (GRI) as for the detection of fundamental key performance indicators. With reference to GRI not disclosed, more information is available in GRI Content Index at the end of the Report.

A dedicated information system for detecting fundamental performance indicators has been adopted in order to collect and consolidate quantitative and qualitative data and all the results that will be achieved thanks to the policies adopted in the various areas of sustainability.

This report has been prepared following the Regulators' recommendations and in particular the ESMA guidelines published on 25 October 2023.

A GRI Content Index is included at the end of the Report to provide an overview of indicators disclosed and pages references.

The key performance indicators used are those required by the reporting standard adopted and are representative of the various areas, as well as consistent with the business and the impacts produced by the same. The choice of the key performance indicators to be reported has taken into consideration the first materiality assessment conducted in 2017 and the outcomes of the stakeholder engagement process performed in 2019 and approved by the Control Risk and Sustainability Committee in December 2019, which considered the topics defined by the Decree 254 and by the European Commission guidelines about the non-financial information reports.

For 2023 Safilo has confirmed the materiality analysis elaborated in 2019 through the formal approval of the Board of Directors. No significant changes in the organization's sectors, value chain, and other business relationships compared to the previous reporting period.

The Group's economic and financial aspects and the Group's Corporate Governance are described further in the Group documents: "2023 Annual Report", "2023 Report on Corporate Governance", "2023 Report on the Remuneration", all available on the Safilo Group website along with the present NFS ([www.safilogroup.com](http://www.safilogroup.com)).

Any disclosure methods of quantitative data that should differ from the foregoing, are expressly indicated through specific notes. Moreover, for the purposes of a correct performance representation and to guarantee the reliability of the data, the use of estimates has been limited as much as possible and, if present, is based on the best available methodologies and clearly marked. Where possible, data and information within the NFS related to the fiscal year 2022 are provided for comparison purposes. In addition, any restatements of information made from previous reporting periods, if any, are specifically indicated in related footnote.

The Consolidated Non-Financial Information Statement is prepared on an annual basis, in compliance with the requirements of the Decree 254.

The document has been approved by the Board of Directors of Safilo Group S.p.A. on March 14, 2024. The publication data will be consequently considering legal requirements.

This Report is subject to a limited assurance engagement according to the criteria of the Standard "ISAE 3000 Revised". The Dirigente Preposto of Corporate Accounting Document and the CEO, also in the behalf of BoD prepares the Attestation Letter as a prerequisite for the limited audit activity about Safilo Group NFS by an independent third-party auditing company, which expresses, with a separate report, a certification regarding the compliance of information provided pursuant to Article 3, paragraph 10, of Legislative Decree 254/2016 and the GRI Standards. The audit is carried out according to the procedures disclosed in the "Independent auditor's report", included in this document. The limited assurance engagement did not cover the information required by Article 8 of the European Regulation 2020/852.

During 2023, the Safilo Group continued its path of continuous improvement within the topics and procedures applied with respect to the reduction of environmental impacts, the development of social and personnel procedures, respect for human rights along the supply chain, acting against active and passive corruption, in order to adhere more and more virtuously to what is required by legislation and industry best practices.

In this regard, a detailed project overview is shown below.

## ENVIRONMENT

Considering the materiality matrix applied and the nature of the eyewear industry, the environmental topic has not resulted as being highly relevant for the Group.

Safilo has worked to structure a reporting system on the environmental KPIs, according to the GRI Standards.

In 2023, the Group continued with the analysis of the main risks generated or suffered deriving from the business, a significant number of materials and solutions with reduced environmental impact have been introduced in its collections and production processes, the ISCC Plus certification and the GRS certification have been obtained.

Furthermore, in 2020 the Group obtained the ISO 50001:2018 certification for the Italian plants and headquarters, started to renew its company car fleet in favour of hybrid vehicles, and announced the first sunglasses made with ocean waste plastic.

In 2019, Safilo adopted and approved a Group Environmental Policy, which applies to all Group companies and employees worldwide, and to those acting on behalf of such companies.

In addition, Safilo has adopted a part of **FSC**<sup>®</sup> certified marketing materials and performed a Life Cycle Assessment project in relation to a selected panel of frames and components. During 2023 the analysis has been extended to googles and helmets.

For further information on Climate Change risks, please refer to the paragraph “3.1 Governance and Risk management”.

## SOCIAL AND PEOPLE ASPECTS

Safilo operates with an extensive subsidiary network in around 40 countries, and production plants located in 3 countries. The Group has already developed several initiatives related to the enhancement of its human capital, with particular reference to the talent acquisition and development, diversity and inclusion, health and safety and industrial relations.

This topic is reflected in the Worldwide Business Conduct Manual, which defines the principles and standards of behaviour that all employees must adhere to. Furthermore, in 2018 Safilo adopted and approved a “Diversity Policy” for the governance bodies (Board of Directors and Board of Statutory Auditors).

With regards to the workplace health and safety, the adoption of safeguards to mitigate this risk through the adoption of the ISO 45001:2018 management system certification (obtained for the Italian and Chinese production plants and Italian headquarters), and the application of the organization, management and control model under Legislative Decree 231/01 for the Italian entities should be noted.

The Group has also always been committed to guaranteeing adequate industrial relations.

For further information on the Group’s strategy and the reorganization of the production footprint, please refer to the “Annual Report 2023” and the Group Business Plan 2023-2027. The Group the 9 March 2023 approved its medium-term economic and financial targets, which the management presented to the market during the Capital Market Day held in Milan.

## HUMAN RIGHTS RESPECT

With reference to the human rights respect, the topic is monitored by the Group both internally and along the supply chain. These are defined within the Worldwide Business Conduct Manual and the Corporate Responsible Sourcing Supplier Manual.



Furthermore, the Italian plants of Safilo Industrial S.r.l., Lenti S.r.l., the Milan showroom and Padua headquarters of Safilo S.p.A, obtained the certification SA8000 Social Accountability Management System Standard, which certified that Safilo's business system complies with the principles of social responsibility (freedom of association, human rights, refusal of forced labour, health and safety in the workplace, transparency).

#### **ACTIVE AND PASSIVE CORRUPTION**

The Group has already adopted the organization, management and control model under Legislative Decree 231/01, and corruption topics are already covered within the Italian context.

Furthermore, the Group takes a zero-tolerance approach towards forms of bribery and corruption, as defined in the Worldwide Business Conduct Manual, and in the Anti-Bribery and Anti-Corruption Policy adopted by the Company in 2020.



# ANNEXES

## Perimeter and type of Safilo’s impacts

Each single identified impact has been linked with a correspondent material topic of Safilo Group. The prioritization of topics has not changed, in fact the order of priority has been already assigned through the materiality matrix elaborated in 2019. Hereunder the list:

Material Topics <sup>25</sup>
Business Ethics and Compliance
Economic performance
Governance & Risk Management
Product & Innovation
Diversity and Inclusion
Safety and Wellbeing
Industrial Relations
Employee Development
Licensor’s Trust
Sustainable Supply Chain
Client Satisfaction
Human Rights
Social Impact
Energy Consumption & CO <sub>2</sub> emissions
Water Consumption
Waste Generation & Recycling

Moreover, to each of 16 material topics has been associated at least other two impacts: overall the Company has identified 75 impacts represented by the 16 material topics. In the following table, impacts are classified into E=environment, S=social and G=governance pillars and their related nature that could be either positive or negative.

<sup>25</sup> All of these topics have been considered as material for the Group

Pillar	Nature of Impact	Impact <sup>26</sup>	Safilo Group Material Topic
E	Negative	High intensity of use of the water resource	Water consumption
E	Negative	Contribution to climate change through direct/indirect greenhouse gas emissions	Energy consumption and CO <sub>2</sub> emissions
E	Negative	Generation of plastic waste	Waste production and management
E	Negative	Environmental impact of the product	Product & innovation
E	Negative	Environmental pollution due to the production of hazardous and non-dangerous waste	Waste production and management
E	Negative	Less consumption raw materials	Product & innovation
E	Positive	Prevention on waste consumption	Waste production and management
E	Positive	Promotion of the efficiency of water withdrawals and control over water discharges	Water consumption
E	Positive	Promotion of initiatives related to energy efficiency	Energy consumption and CO <sub>2</sub> emissions
E	Positive	Promotion of new technologies to reduce GHG emissions	Energy consumption and CO <sub>2</sub> emissions
E	Positive	Promotion of recovery operations that deviate waste from sending to disposal, such as preparation for reuse, recycling and other recovery operations	Waste production and management
E	Positive	Promotion of ecological practices	Energy consumption and CO <sub>2</sub> emissions
E	Negative	Water discharges/soil contamination and underground water	Water consumption
E	Negative	Processing waste deriving from the use of dated machinery	Product & innovation
E	Positive	Use of recycled input materials	Product & innovation
E	Positive	Use of regenerated packaging products and materials (collection, reuse or recycling of products and related packaging materials at the end of their useful life)	Product & innovation
G	Negative	Anti-compliance, anti-trust and monopolistic practices with negative impacts on the economy and markets	Company ethics and compliance
G	Negative	Internal/external communication not aligned with the values of the group	Company ethics and compliance
G	Positive	Contribution to the growth of the national economy through compliance with applicable tax legislation	Economics and financial results
G	Positive	Creation of a sustainable supply chain	Sustainable supply chain
G	Negative	Deterioration of relations with unions and associations (for example, working conditions, freedom of association)	Social impacts
G	Negative	Erosion of the value of the organization and failure to redistribution of the value to the stakeholders	Economics and financial results
G	Positive	Direct generation of economic value and distribution related to the interested parties (e.g., employees, suppliers)	Economics and financial results
G	Negative	Negative social and environmental impacts generated along the supply chain, with indirect disadvantages for workers and related communities	Sustainable supply chain
G	Negative	Corruption accidents	Company ethics and compliance

<sup>26</sup> For more information relating to impacts management please refer to individual chapters of this Non-Financial Disclosure.

Pillar	Nature of Impact	Impact	Safilo Group Material Topic
G	Negative	Investments and financial support to projects and companies that have violations in the environmental, social or governance fields (including violations of the Human Rights)	Governance and risk management
G	Positive	Improvement of ESG performance of suppliers	Sustainable supply chain
G	Positive	Non-compliance with laws, regulations, internal and external standards applicable with related social impacts/ environmental/economic negative	Company ethics and compliance
G	Positive	Promotion of Made in Italy and Italian excellence in fashion, technologies and crafts	Customer satisfaction
G	Negative	Roles and unclear responsibilities	Governance e risk management
G	Positive	Development of fair, transparent and constructive relationships with business partners, with direct effects on the continuous improvements of ESG performance	Trust of licensor
G	Negative	Violation of human rights along the value chain with repercussions on human dignity and on the development of the community	Human rights
S	Negative	High turnover of staff and loss of key knowledge with indirect impacts on stakeholders	Health and safety
S	Positive	Ethical, impartial and inclusive work environment	Diversity and inclusion
S	Positive	Increase in the number of customers and interactions with these	Customer satisfaction
S	Positive	Increase in the well-being of employees thanks to the implementation of benefits	Employee training and development
S	Negative	Bad management of complaints and the relationship with customers	Customer satisfaction
S	Negative	Conflicts with unions and failure to comply with the right to free association at the organization or along its value chain	Industrial relationships
S	Positive	Compliance with applicable legislation and optimal data management procedures for the benefit of stakeholder privacy	Governance and risk management
S	Positive	Awareness of the gangs about their rights	Industrial relationships
S	Positive	Contribution to the well-being of people	Employee training and development
S	Positive	Creation of jobs	Employee training and development
S	Positive	Growth of young people	Employee training and development
S	Negative	Dissemination of inaccurate, misleading or misunderstood information relating to the organization or its products	Customer satisfaction
S	Negative	Discrimination in remuneration between men and women	Diversity and inclusion
S	Positive	Diversity in government bodies and among employees with direct and indirect impacts on the affirmation of equality	Diversity and inclusion
S	Negative	Cases of child or forced work within the organization and its value chain	Human rights
S	Negative	Episodes of discrimination/abuse within corporate operations	Human rights
S	Positive	Guarantee of the right to free association of employees of the organization	Industrial relationships
S	Positive	Indirect economic impacts generated on local communities	Social impacts

Pillar	Nature of Impact	Impact	Safilo Group Material Topic
S	Negative	Discrimination/abuse accidents	Human rights
S	Positive	Inclusion of the most vulnerable social bands	Diversity and inclusion
S	Negative	Accidents in the workplace	Health and safety
S	Positive	Investments in infrastructure and services supported locally, as well as in events and initiatives in the social and cultural fields	Social impacts
S	Positive	Greater awareness and culture on ethics and the humans of managers, employees, commercial partners and other subjects	Company ethics and compliance
S	Negative	Diseases in the workplace	Health and safety
S	Negative	Failure to monitor and apply management systems in the Health and Safety field	Health and safety
S	Positive	Improvement of customer satisfaction	Customer satisfaction
S	Positive	Improvement of workers' skills through training activities	Employee training and development
S	Positive	Better dialogue with customers and consequent better reputation	Customer satisfaction
S	Positive	Safe and high-quality product	Product & innovation
S	Negative	Operations or projects and activities with actual and/or potential negative impacts on the development of local communities (e.g., environmental, social)	Social impacts
S	Positive	Promotion of employees and Well-Being activities, also through dedicated formations	Employee training and development
S	Positive	Promotion of customers' Health and Safety	Product & innovation
S	Positive	Promotion of R&D activities for industrial development	Product & innovation
S	Positive	Support of the local community	Social impacts
S	Positive	Competitive remuneration of workers	Employee training and development
S	Negative	Reduction of brand awareness	Trust of licensor
S	Negative	Risk for the health of consumers given by scarce controls on the quality of the product	Product & innovation
S	Positive	Support to development and innovation programs	Product & innovation
S	Positive	Local development support through contributions and donations	Social impacts
S	Positive	Development of employees' careers	Employee training and development
S	Negative	Direct violation of human rights within the group	Human rights
S	Negative	Security violations regarding customer privacy and customer data loss	Governance and risk management
S	Negative	Voluntary and/or involuntary security violations relating to reserved corporate information, to the detriment of the group and related indirect impacts on the internal and external context	Governance and risk management

## Safilo People

### Workforce breakdown by gender and employee category [GRI 405-1b]

Employees by gender and employee category	31/12/2023						31/12/2022					
	Men	%	Women	%	Total	% on total	Men	%	Women	%	Total	% on total
Executives	14	82%	3	18%	17	0.4%	14	82%	3	18%	17	0.4%
Directors	52	73%	19	27%	71	2%	57	75%	19	25%	76	2%
Management	208	50%	207	50%	415	11%	207	50%	203	50%	410	9%
Employees	663	40%	985	60%	1,648	43%	717	41%	1,032	59%	1,749	39%
Workers	674	40%	1,003	60%	1,677	44%	801	37%	1,389	63%	2,190	49%
<b>Total</b>	<b>1,611</b>	<b>42%</b>	<b>2,217</b>	<b>58%</b>	<b>3,828</b>	<b>100%</b>	<b>1,796</b>	<b>40%</b>	<b>2,646</b>	<b>60%</b>	<b>4,442</b>	<b>100%</b>

### Workforce breakdown by age group and employee category [GRI 405-1b]

Employees by age group and employee category	31/12/2023							
	< 30	%	30-50	%	> 50	%	Total	% on total
Executives	-	0%	9	53%	8	47%	17	0.4%
Directors	-	0%	50	70%	21	30%	71	2%
Management	14	3%	295	71%	106	26%	415	11%
Employees	243	15%	1,034	63%	371	22%	1,648	43%
Workers	140	8%	1,180	70%	357	21%	1,677	44%
<b>Total</b>	<b>397</b>	<b>10%</b>	<b>2,568</b>	<b>67%</b>	<b>863</b>	<b>23%</b>	<b>3,828</b>	<b>100%</b>

Employees by age group and employee category	31/12/2022							
	< 30	%	30-50	%	> 50	%	Total	% on total
Executives	-	0%	10	59%	7	41%	17	0.4%
Directors	-	0%	55	72%	21	28%	76	2%
Management	13	3%	297	72%	100	24%	410	9%
Employees	228	13%	1,124	64%	397	23%	1,749	39%
Workers	203	9%	1,445	66%	542	25%	2,190	49%
<b>Total</b>	<b>444</b>	<b>10%</b>	<b>2,931</b>	<b>66%</b>	<b>1,067</b>	<b>24%</b>	<b>4,442</b>	<b>100%</b>

**Workforce breakdown by gender and region [GRI 2-7a]**

Employees by gender and region	31/12/2023					31/12/2022				
	Europe	North America	Asia Pacific	Rest of the world	Total	Europe	North America	Asia Pacific	Rest of the world	Total
Men	626	305	568	112	1,611	747	277	661	111	1,796
Women	1,142	476	521	78	2,217	1,506	478	593	69	2,646
<b>Total</b>	<b>1,768</b>	<b>781</b>	<b>1,089</b>	<b>190</b>	<b>3,828</b>	<b>2,253</b>	<b>755</b>	<b>1,254</b>	<b>180</b>	<b>4,442</b>

**Workforce breakdown by gender and employment contract [GRI 2-7b.i and GRI 2-7b.ii] <sup>27</sup>**

Employees by gender and employment contract	31/12/2023						31/12/2022					
	Men	%	Women	%	Total	%	Men	%	Women	%	Total	%
Permanent	1,522	94%	2,131	96%	3,653	95%	1,731	96%	2,576	97%	4,307	97%
Temporary	89	6%	86	4%	175	5%	65	4%	70	3%	135	3%
<b>Total</b>	<b>1,611</b>	<b>100%</b>	<b>2,217</b>	<b>100%</b>	<b>3,828</b>	<b>100%</b>	<b>1,796</b>	<b>100%</b>	<b>2,646</b>	<b>100%</b>	<b>4,442</b>	<b>100%</b>

**Workforce breakdown by employment contract and region [GRI 2-7b.i and GRI 2-7b.ii]**

Employees by employment contract and region	31/12/2023				
	Europe	North America	Asia Pacific	Rest of the world	Total
Permanent	1,727	778	958	190	3,653
Temporary	41	3	131	-	175
<b>Total</b>	<b>1,768</b>	<b>781</b>	<b>1,089</b>	<b>190</b>	<b>3,828</b>

Employees by employment contract and region	31/12/2022				
	Europe	North America	Asia Pacific	Rest of the world	Total
Permanent	2,223	753	1,151	180	4,307
Temporary	30	2	103	-	135
<b>Total</b>	<b>2,253</b>	<b>755</b>	<b>1,254</b>	<b>180</b>	<b>4,442</b>

**Workforce breakdown by gender and employment type [GRI 2-7b.iv and GRI 2-7b.v]**

Employees by gender and employment type	31/12/2023						31/12/2022					
	Men	%	Women	%	Total	%	Men	%	Women	%	Total	%
Full time	1,591	99%	1,942	88%	3,533	92%	1,777	99%	2,291	87%	4,068	92%
Part time	20	1%	275	12%	295	8%	19	1%	355	13%	374	8%
<b>Total</b>	<b>1,611</b>	<b>100%</b>	<b>2,217</b>	<b>100%</b>	<b>3,828</b>	<b>100%</b>	<b>1,796</b>	<b>100%</b>	<b>2,646</b>	<b>100%</b>	<b>4,442</b>	<b>100%</b>

<sup>27</sup> Not-guaranteed hours employees are not a relevant category for the Group.

**Workforce breakdown by employment type and region [GRI 2-7b.iv and GRI 2-7b.v]**

Employees by employment type and region	31/12/2023				
	Europe	North America	Asia Pacific	Rest of the world	Total
Full Time	1,502	755	1,086	190	3,533
Part Time	266	26	3	-	295
<b>Total</b>	<b>1,768</b>	<b>781</b>	<b>1,089</b>	<b>190</b>	<b>3,828</b>

Employees by employment type and region	31/12/2022				
	Europe	North America	Asia Pacific	Rest of the world	Total
Full Time	1,906	729	1,253	180	4,068
Part Time	347	26	1	-	374
<b>Total</b>	<b>2,253</b>	<b>755</b>	<b>1,254</b>	<b>180</b>	<b>4,442</b>

**New employee hires & employee turnover [GRI 401-1]**

Incoming employees by age and gender	31/12/2023						31/12/2022					
	Men	%	Women	%	Total	%	Men	%	Women	%	Total	%
< 30	108	61%	117	53%	225	57%	119	64%	162	63%	281	63%
30 - 50	153	14%	143	10%	296	12%	230	19%	223	13%	453	15%
> 50	35	10%	29	6%	64	7%	20	5%	37	5%	57	5%
<b>Total</b>	<b>296</b>	<b>18%</b>	<b>289</b>	<b>13%</b>	<b>585</b>	<b>15%</b>	<b>369</b>	<b>21%</b>	<b>422</b>	<b>16%</b>	<b>791</b>	<b>18%</b>

Incoming employees by gender and region	31/12/2023				
	Europe	North America	Asia Pacific	Rest of the world	Total
Men	65	125	79	27	296
%	10%	41%	14%	24%	18%
Women	64	135	66	24	289
%	6%	28%	13%	31%	13%
<b>Total</b>	<b>129</b>	<b>260</b>	<b>145</b>	<b>51</b>	<b>585</b>
<b>%</b>	<b>7%</b>	<b>33%</b>	<b>13%</b>	<b>27%</b>	<b>15%</b>



Incoming employees by gender and region	31/12/2022				
	Europe	North America	Asia Pacific	Rest of the world	Total
Men	61	108	167	33	369
%	8%	39%	25%	30%	21%
Women	76	171	151	24	422
%	5%	36%	25%	35%	16%
<b>Total</b>	<b>137</b>	<b>279</b>	<b>318</b>	<b>57</b>	<b>791</b>
%	<b>6%</b>	<b>37%</b>	<b>25%</b>	<b>32%</b>	<b>18%</b>

Outgoing employees by age and gender	31/12/2023						31/12/2022					
	Men	%	Women	%	Total	%	Men	%	Women	%	Total	%
< 30	90	51%	104	47%	194	49%	106	57%	100	39%	206	46%
30 - 50	270	25%	334	23%	604	24%	243	20%	253	15%	496	17%
> 50	122	35%	279	54%	401	46%	70	18%	122	18%	192	18%
<b>Total</b>	<b>482</b>	<b>30%</b>	<b>717</b>	<b>32%</b>	<b>1,199</b>	<b>31%</b>	<b>419</b>	<b>23%</b>	<b>475</b>	<b>18%</b>	<b>894</b>	<b>20%</b>

Outgoing employees by gender and region	31/12/2023				
	Europe	North America	Asia Pacific	Rest of the world	Total
Men	185	101	170	26	482
%	30%	33%	30%	23%	31%
Women	426	138	138	15	717
%	37%	29%	26%	19%	32%
<b>Total</b>	<b>611</b>	<b>239</b>	<b>308</b>	<b>41</b>	<b>1,199</b>
%	<b>35%</b>	<b>31%</b>	<b>28%</b>	<b>22%</b>	<b>31%</b>

Outgoing employees by gender and region	31/12/2022				
	Europe	North America	Asia Pacific	Rest of the world	Total
Men	126	93	166	34	419
%	17%	34%	25%	31%	23%
Women	200	128	130	17	475
%	13%	27%	22%	25%	18%
<b>Total</b>	<b>326</b>	<b>221</b>	<b>296</b>	<b>51</b>	<b>894</b>
%	<b>14%</b>	<b>29%</b>	<b>24%</b>	<b>28%</b>	<b>20%</b>

**Employees covered by collective bargaining agreements [GRI 2-30]**

	31/12/2023	31/12/2022
Employees covered by collective bargaining agreements	2,489	3,128
<b>Total workforce</b>	<b>3,828</b>	<b>4,442</b>
%	<b>65%</b>	<b>70%</b>

**Work-related injuries [GRI 403-9] <sup>28</sup>**

Occupational Health & Safety Rates and Injuries	31/12/2023			31/12/2022		
	Men	Women	Total	Men	Women	Total
Number of recordable work-related injuries	5	9	14	4	7	11
Number of high-consequence work-related injuries (excluding fatalities)	1	1	2	-	-	-
Number of fatalities as a result of work-related injury	-	-	-	-	-	-
Number of hours worked	3,001,352	4,071,364	7,072,716	2,844,450	3,528,295	6,372,744
Rate of recordable work-related injuries	1.67	2.21	1.98	1.41	1.98	1.73
Rate of high-consequence work-related injuries (excluding fatalities)	0.33	0.25	0.28	-	-	-
Rate of fatalities as a result of work-related injury	-	-	-	-	-	-

**Average hours of training per year per employee [GRI 404-1]**

Average hours of training by gender and employee category	31/12/2023					
	Men	Average hours of training	Women	Average hours of training	Total	Average hours of training
Executives	157	11	16	5	173	10
Directors	405	8	206	11	611	9
Management	1,408	7	1,826	9	3,234	8
Employees	5,639	9	7,619	8	13,257	8
Workers	4,524	7	4,686	5	9,211	5
<b>Total</b>	<b>12,133</b>	<b>8</b>	<b>14,353</b>	<b>6</b>	<b>26,486</b>	<b>7</b>

28 "High-consequence work-related injuries" are work-related injuries that results in an injury from which the worker cannot, does not, or is not expected to recover fully to pre-injury health status within 6 months.

"Rate of recordable work-related injuries" is calculated as number of recordable work-related injuries divided by the number of hours worked, multiplied per 1,000,000.

"Rate of high-consequence work-related injuries" is calculated as number of high-consequence work-related injuries divided by the number of hours worked, multiplied per 1,000,000.

"Rate of fatalities as a result of work-related injury" is calculated as number of fatalities as a result of work-related injury divided by the number of hours worked, multiplied per 1,000,000.

These KPIs are related to the Italian, Chinese manufacturing plants, Padua headquarters, and for the first year is included also Denver distribution Center, Clearfield plant and Secaucus and Portland offices. The KPIs do not include external collaborators' data (the Group has no direct control on data from the employers of workers who are not employees), nor in-transit injuries.

Average hours of training by gender and employee category	31/12/2022					
	Men	Average hours of training	Women	Average hours of training	Total	Average hours of training
Executives	78	6	67	22	145	9
Directors	1,083	19	254	13	1,337	18
Management	2,525	12	2,492	12	5,017	12
Employees	6,671	9	7,727	7	14,398	8
Workers	4,877	6	5,797	4	10,674	5
<b>Total</b>	<b>15,234</b>	<b>52</b>	<b>16,335</b>	<b>59</b>	<b>31,569</b>	<b>7</b>

Training hours provided by type of training	2023	2022
Health & Safety	8,107	9,703
Compliance	4,933	4,322
Professional	5,777	7,519
ICT	313	1,247
WBCM & Onboarding	1,867	2,281
Managerial	3,388	5,776
Linguistic	1,670	697
Other	433	24
<b>Total</b>	<b>26,486</b>	<b>31,569</b>

## Environment

### Energy Consumption [GRI 302-1]<sup>29</sup>

Energy Consumption (GJ)	2023	%	2022	%	change %
From non-renewable sources	80,045	41%	150,855	68%	-46.9%
Electricity bought	13,220	7%	72,732	33%	-81.8%
Natural Gas	40,835	21%	52,090	23%	-21.6%
Diesel (Transportation)	9,708	5%	10,593	5%	-8.4%
District heating	-	0%	-	0%	0,0%
Petrol (Transportation)	15,958	8%	15,225	7%	4.8%
Diesel (Heating)	324	0.2%	215	0.1%	50.5%
From renewable sources	115,459	59%	71,799	32%	60.8%
Electricity bought (green certificates)	106,554	55%	64,131	29%	100%
Electricity from solar panels	8,963	5%	7,668	3%	16.9%
Electricity sold	-58	0%	-	0%	-100.0%
<b>Total</b>	<b>195,504</b>	<b>100%</b>	<b>222,655</b>	<b>100%</b>	<b>-12.2%</b>

### Emissions<sup>30</sup> [GRI 305-1 and GRI 305-2] – Location-based

Total Emissions (t CO <sub>2</sub> )	2023	%	2022	%	change %
Direct Emissions - Scope 1	4,216	22%	4,846	22%	-13.0%
- Natural Gas	2,308	12%	2,934	13%	-21.3%
- Diesel (Transportation)	718	4%	783	4%	-8.4%
- Petrol (Transportation)	1,166	6%	1,113	5%	4.8%
- Diesel (Heating)	24	0.1%	16	0.1%	50.5%
Indirect Emissions - Scope 2	14,760	78%	17,090	78%	-13.6%
- Electricity bought	14,760	78%	17,090	78%	-13.6%
<b>Total</b>	<b>18,976</b>	<b>100%</b>	<b>21,936</b>	<b>100%</b>	<b>-13.5%</b>

29 For electricity and heating consumption 1 kWh = 0.0036 GJ; for natural gas consumption 1 mc = 0.035457 GJ; for diesel (transportation and heating) consumption 1 litre = 0.03601332 GJ; for petrol (transportation) consumption 1 litre = 0.03191472 GJ.

The 3 branches (included in Safilo SpA), Safilo Middle East FZCO, Safilo Singapore Pte Ltd are not included because the data are not material.

30 These figures have been calculated using TERNA 2019 and Minambiente 2023 emissions factors, according to the GHG Protocol methodology. The consolidation approach for the Group's emissions is the operational control. Figures refer to CO<sub>2</sub> equivalent when available. 2023 CO<sub>2</sub> emission figures include the data of the Longarone manufacturing plant till its transfer date to Thélios S.p.A. and Innovatek S.r.l.

**Emissions [GRI 305-1 and GRI 305-2] – Market-based**

Total Emissions (t CO <sub>2</sub> )	2023	%	2022	%	change %
Direct Emissions - Scope 1 <sup>31</sup>	4,216	75%	4,846	30%	-13.0%
- Natural Gas	2,308	41%	2,934	18%	-21.3%
- Diesel (Transportation)	718	13%	783	5%	-8.4%
- Petrol (Transportation)	1,166	21%	1,113	7%	4.8%
- Diesel (Heating)	24	0.4%	16	0.1%	50.7%
Indirect Emissions - Scope 2 <sup>32</sup>	1,379	25%	11,491	70%	-88.0%
- Electricity bought	1,379	25%	11,491	70%	-88.0%
<b>Total</b>	<b>5,595</b>	<b>100%</b>	<b>16,337</b>	<b>100%</b>	<b>-65.8%</b>

**Waste [GRI 306-3, 306-4, 306-5]<sup>33</sup>**

Waste by disposal method (t)	2023						Total waste generated
	Waste diverted from disposal			Waste directed to disposal			
	Total	Recycling	Recovery	Total	Landfill	Incineration <sup>34</sup>	
Non-Hazardous	1,603	711	892	1,220	870	350	2,823
Hazardous	483	108	376	1,286	1,237	49	1,770
<b>Total</b>	<b>2,086</b>	<b>818</b>	<b>1,268</b>	<b>2,507</b>	<b>2,108</b>	<b>399</b>	<b>4,593</b>
<b>%</b>	<b>45%</b>	<b>18%</b>	<b>27%</b>	<b>55%</b>	<b>46%</b>	<b>9%</b>	<b>100%</b>

Waste by disposal method (t)	2022						Total waste generated
	Waste diverted from disposal			Waste directed to disposal			
	Total	Recycling	Recovery	Total	Landfill	Incineration	
Non-Hazardous	1,323	540	784	1,652	1,222	429	2,975
Hazardous	531	120	411	1,254	1,222	32	1,785
<b>Total</b>	<b>1,854</b>	<b>659</b>	<b>1,195</b>	<b>2,906</b>	<b>2,445</b>	<b>461</b>	<b>4,760</b>
<b>%</b>	<b>39%</b>	<b>14%</b>	<b>25%</b>	<b>61%</b>	<b>51%</b>	<b>10%</b>	<b>100%</b>

31 Scope 1 fugitive emissions not included.

32 Scope 2 CO<sub>2</sub> emissions reported in the table have been calculated with the market-based method using AIB-2022 European Residual mix emission factors and TERNA 2019 and Minambiente 2023 factors when "Residual mix" emission factors were not available. Some data may have been estimated or calculated.

33 These figures are related to the Italian, Chinese and USA manufacturing plants, Padua headquarters and US Distribution Centre. All disposals are outsourced to third-party suppliers, and data on the type of incineration are for Italian plants.

34 In 2023, 32.5 tons of waste was disposed of by incineration with energy recovery related to the distribution center in Padua.

Composition of waste generated in 2023 (t)	Waste generated	Waste diverted from disposal	Waste directed to disposal
Washing water	1,688	325	1,364
Other	450	152	298
Paper and cardboard	662	647	15
Processing sludge and residues	909	134	775
Mixed packaging	243	243	0
Plastic materials	574	520	54
Mixed metals	66	65	1
<b>Total Waste</b>	<b>4,593</b>	<b>2,086</b>	<b>2,506</b>

Composition of waste generated in 2022 (t)	Waste generated	Waste diverted from disposal	Waste directed to disposal
Washing waters	1,691	371	1,320
Processing sludge and residues	464	147	317
Plastic materials	406	390	16
Paper and cardboard	1,321	136	1,185
Mixed packaging	150	150	0
Mixed metals	615	548	67
Other	113	112	1
<b>Total waste</b>	<b>4,760</b>	<b>1,854</b>	<b>2,906</b>

**Water withdrawal [GRI 303-3]<sup>35</sup>**

	Water withdrawal (in megalitres)	2023		2022	
		All areas	Areas with water stress	All areas	Areas with water stress
<b>Water withdrawal by source</b>	<b>Surface water (total)</b>	-	-	-	-
	Freshwater (≤1,000 mg/L Total Dissolved Solids)	-	-	-	-
	Other water (>1,000 mg/L Total Dissolved Solids)	-	-	-	-
	<b>Groundwater (total)</b>	<b>9.7</b>	-	<b>8.7</b>	-
	Freshwater (≤1,000 mg/L Total Dissolved Solids)	9.7	-	8.7	-
	Other water (>1,000 mg/L Total Dissolved Solids)	-	-	-	-
	<b>Seawater (total)</b>	-	-	-	-
	Freshwater (≤1,000 mg/L Total Dissolved Solids)	-	-	-	-
	Other water (>1,000 mg/L Total Dissolved Solids)	-	-	-	-
	<b>Produced water (total)</b>	-	-	-	-
	Freshwater (≤1,000 mg/L Total Dissolved Solids)	-	-	-	-
	Other water (>1,000 mg/L Total Dissolved Solids)	-	-	-	-
	<b>Third-party water (total)</b>	<b>101.2</b>	<b>70.7</b>	<b>114.7</b>	<b>81.2</b>
	Freshwater (≤1,000 mg/L Total Dissolved Solids)	101.2	70.7	114.7	81.2
Other water (>1,000 mg/L Total Dissolved Solids)	-	-	-	-	
<b>Total third-party water withdrawal by withdrawal source</b>	Surface water		70.7		81.2
	Groundwater		-		-
	Seawater		-		-
	Produced water		-		-
<b>Total water withdrawal</b>	<b>Surface water (total) + groundwater (total) + seawater (total) + produced water (total) + third-party water (total)</b>	<b>110.9</b>	<b>70.7</b>	<b>123.4</b>	<b>81.2</b>

35 In order to assess and identify companies in water stress areas, the water stress indicator has been used provided by the Aqueduct Water Risk Atlas of the World Resources Institute (WRI). For the analysis, the results from the "baseline water stress" column have been considered. These figures are related to the Italian, Chinese and USA manufacturing plants, and Padua headquarters, and data have been consolidated starting from the information of the resource providers. 2023 figures include the data Longarone manufacturing plant up to its transfer date to Thélíos S.p.A and Innovatek S.r.l.

## European Taxonomy (EU 2020/852)

EU Delegated Regulation 2020/852 introduced the Taxonomy into the regulatory system in order to ensure and stimulate transparency in green finance transactions by setting criteria according to which an activity can be deemed eligible and in case aligned according to whether it can contribute to six different environmental and climate objectives:

- 1) climate change mitigation;
- 2) climate change adaptation;
- 3) sustainable use and protection of water and marine resources;
- 4) transition to circular economy, including reference to waste reduction and recycling;
- 5) pollution prevention and control;
- 6) protection of biodiversity and the health of eco-systems.

In order to be recognized as environmentally sustainable, economic activities must meet four main criteria: 1) contribute substantially to one of the six environmental and climate objectives; 2) do no harm on any of the other objectives; 3) complying with minimum safeguards; and, 4) complying with the technical screening criteria set out in the Taxonomy delegated acts.

With the publication of EU Delegated Regulation 2021/2178, the regulations were supplemented by providing guidelines for non-financing companies to present the share of taxonomy-eligible and non-taxonomy-eligible economic activities within their turnover, capital expenditures, and total operating expenses.

Safilo Group, in order to comply with this request, carried out a recognition of its economic activities in order to recognize if and which were eligible and/or aligned to art. 8 of the taxonomy within the scope of turnover, CapEx and OpEx obtaining the following results:

- For Turnover no revenue was recognized as coming from environmentally sustainable activities therefore the entirety of the turnover is to be considered as “not eligible”.
- For Capital Expenditure (CapEx), three different activities were recognized as eligible, albeit “non-material,” and contributing to the first two environmental and climate goals:
  - In 2022, the installation of photovoltaic panels at the Padua plant;
  - In 2023, the installation of charging stations in the parking lot owned adjacent to the Padua headquarter facility
  - In 2023, the installation of photovoltaic panels in the Safilo Australia subsidiary building.
- For Operating Expenses (OpEx), no economic activity detects as eligible.

As required by Article 8 of Delegated Regulation 2020/852, the calculation methodologies and indicator values provided by the Taxonomy are given below.



## Calculation methodology and turnover value

For the calculation of the turnover indicator, the denominator is the consolidated net turnover while, as explained above, as of the date of publication of this Document, no eco-sustainable economic activity has been identified and therefore no share of turnover obtained from the sale of eco-sustainable products or services. Therefore, the numerator will be zero.

Financial year 2023	Year		Substantial contribution criteria							DNSH criteria ( Does Not Significantly Harm)(h)							Proportion of Taxonomy aligned (A.1) or eligible (A.2) turnover, year 2022 (18)	Category (enabling activity or) (19)	Category (transitional activity) ( 20)
	Code (a) (2)	Turnover (3)	Proportion of Turnover, year 2023 (4)	Climate change mitigation (5)	Climate change adaptation (6)	Water (7)	Pollution (8)	Circular Economy (9)	Biodiversity (10)	Climate change mitigation (11)	Climate change adaptation (12)	Water (13)	Pollution (14)	Circular Economy (15)	Biodiversity and ecosystems (16)	Minimum safeguards (17)			
	MLN €	%	S; N; N/EL; (b) (c)	S; N; N/EL; (b) (c)	S; N; N/EL; (b) (c)	S; N; N/EL; (b) (c)	S; N; N/EL; (b) (c)	S; N; N/EL; (b) (c)	S; N; N/EL; (b) (c)	S/N	S/N	S/N	S/N	S/N	S/N	S/N	%	E	T
<b>A. TAXONOMY-ELIGIBLE ACTIVITIES</b>																			
<b>A.1 Environmental sustainable activities (Taxonomy-aligned)</b>																			
Turnover of environmentally sustainable activities (Taxonomyaligned) (A.1)	-	0,00%	N/EL	N/EL	N/EL	N/EL	N/EL	N/EL	N/EL	N	N	N	N	N	N	N	0,00%		
Of which enabling	-	%																	
Of which transitional	-	%																	
<b>A.2 Taxonomy-Eligible but not environmental sustainable activities (not Taxonomy-aligned activities) (g)</b>																			
			EL; N/EL (f)	EL; N/EL (f)	EL; N/EL (f)	EL; N/EL (f)	EL; N/EL (f)	EL; N/EL (f)	EL; N/EL (f)										
Turnover of Taxonomy-eligible but not environmentally sustainable activities (not Taxonomy-aligned activities) (A.2)	-	0,00%	N/EL	N/EL	N/EL	N/EL	N/EL	N/EL	N/EL								0,00%		
A. Turnover of Taxonomy eligible activities (A.1+A.2)	-	0,00%	N/EL	N/EL	N/EL	N/EL	N/EL	N/EL	N/EL								0,00%		
<b>B. TAXONOMY-NON-ELIGIBLE ACTIVITIES</b>																			
Turnover of Taxonomy-non-eligible activities (B)	1024,7	100%																	
TOTAL	1024,7	100%																	

## Calculation methodology and CapEx value

For the calculation of the Capital Expenditure indicator, the denominator was constructed by considering the additions to tangible and intangible fixed assets that occurred during the year, before depreciation and any revaluations, including those resulting from restatements and reductions in value, for the year in question, and excluding changes in fair value. The denominator includes, in particular, any acquisitions of tangible fixed assets (IAS 16), intangible fixed assets (IAS 38) and excludes assets for rights of use (IFRS 16). With regard to the numerator, increases related to the installation of the photovoltaic plant in Padua in 2022 and the photovoltaic plant in Safilo Australia's subsidiary in 2023 connected to the economic activity "7.6 Installation, maintenance and repair of renewable energy technologies" and the installation of charging stations for electric vehicles in the parking lot of the Padua plant connected to the economic category "7.4 Installation, maintenance and repair of charging stations for electric vehicles in buildings (and parking lots adjacent to buildings)" were considered eligible. These investments contribute to the first two objectives of the Taxonomy i) climate change mitigation and ii) climate change adaptation.

Financial year 2023	Year			Substantial contribution criteria							DNSH criteria ( Does Not Significantly Harm)(h)							Proportion of Taxonomy aligned (A.1) or eligible (A.2) CapEx, year 2022 (18)	Category (enabling activity or) (19)	Category (transitional activity) (20)
	Code (a) (2)	CapEx (3)	Proportion of CapEx, year N (4)	Climate change mitigation (5)	Climate change adaptation (6)	Water (7)	Pollution (8)	Circular Economy (9)	Biodiversity (10)	Climate change mitigation (11)	Climate change adaptation (12)	Water (13)	Pollution (14)	Circular Economy (15)	Biodiversity (16)	Minimum safeguards (17)				
	MLN €	%	S; N; N/EL; (b) (c)	S; N; N/EL; (b) (c)	S; N; N/EL; (b) (c)	S; N; N/EL; (b) (c)	S; N; N/EL; (b) (c)	S; N; N/EL; (b) (c)	S; N; N/EL; (b) (c)	S/N	S/N	S/N	S/N	S/N	S/N	S/N	%	E	T	
<b>A. TAXONOMY-ELIGIBLE ACTIVITIES</b>																				
<b>A.1 Environmental sustainable activities (Taxonomy-aligned)</b>																				
Installation, maintenance and repair of charging stations for electric vehicles in buildings (and parking spaces attached to buildings)	CCM 7.4 CCA 7.4	0,057	0,43%	Y	Y	N	N	N	N	Y	Y	Y	Y	Y	Y	Y	0,00%			
Installation, maintenance and repair of renewable energy technologies	CCM 7.6 CCA 7.6	0,014	0,10%	Y	Y	N	N	N	N	Y	Y	Y	Y	Y	Y	Y	2,22%			
CapEx of environmentally sustainable activities (Taxonomyaligned) (A.1)		0,071	0,53%	Y	Y	N	N	N	N	Y	Y	Y	Y	Y	Y	Y	2,22%			
Of which enabling		-	0,00%																	
Of which transitional		-	0,00%																	
<b>A.2 Taxonomy-Eligible but not environmental sustainable activities (not Taxonomy-aligned activities) (g)</b>																				
CapEx of Taxonomy-eligible but not environmentally sustainable activities (not Taxonomy-aligned activities) (A.2)		-	0,00%														0,00%			
A. CapEx of Taxonomy eligible activities (A.1+A.2)		0,07	0,00%														2,22%			
<b>B. TAXONOMY-NON-ELIGIBLE ACTIVITIES</b>																				
CapEx of Taxonomy-non-eligible activities (B)		13,28	%																	
TOTAL		13,35	100%																	

### Calculation methodology and OpEx value

For the calculation related to Operating Expenses, the denominator incorporates overhead non-capitalized expenses except payroll and social contributions, agent commissions and royalties of licensing agreements. As indicated above, no operating expenses could be recognized as eligible therefore this indicator is nil.

Financial year 2023	Year		Substantial contribution criteria							DNSH criteria ( Does Not Significantly Harm)(h)									
	Code (a) (2)	OpEc (3)	Proportion of OpEx, year N (4)	Climate change mitigation (5)	Climate change adaptation (6)	Water (7)	Pollution (8)	Circular Economy (9)	Biodiversity (10)	Climate change mitigation (11)	Climate change adaptation (12)	Water (13)	Pollution (14)	Circular Economy (15)	Biodiversity (16)	Minimum safeguards (17)	Proportion of Taxonomy aligned (A.1.) or eligible (A.2.) OpEx, year 2022 (18)	Category (enabling activity or) (19)	Category (transitional activity) (20)
	MLN €	%		S; N; N/EL; (b) (c)	S; N; N/EL; (b) (c)	S; N; N/EL; (b) (c)	S; N; N/EL; (b) (c)	S; N; N/EL; (b) (c)	S; N; N/EL; (b) (c)	S/N	S/N	S/N	S/N	S/N	S/N	S/N	%	E	T
<b>A. TAXONOMY-ELIGIBLE ACTIVITIES</b>																			
<b>A.1 Environmental sustainable activities (Taxonomy-aligned)</b>																			
OpEx of environmentally sustainable activities (Taxonomy-aligned) (A.1)	-	0,00%	N/EL	N/EL	N/EL	N/EL	N/EL	N/EL	N/EL								0,00%		
Of which enabling	-	0,00%																	
Of which transitional	-	0,00%																	
<b>A.2 Taxonomy-Eligible but not environmental sustainable activities (not Taxonomy-aligned activities) (g)</b>																			
OpEx of Taxonomy-eligible but not environmentally sustainable activities (not Taxonomy-aligned activities) (A.2)	-	0,00%															0,00%		
A. OpEx of Taxonomy eligible activities (A.1+A.2)	-	0,00%																	
<b>B. TAXONOMY-NON-ELIGIBLE ACTIVITIES</b>																			
CapEx of Taxonomy-non-eligible activities (B)	253,16	%																	
TOTALE	253,16	100%																	

# GRI CONTENT INDEX

Safilo 2023 Consolidated Non-Financial Information Statement has been prepared in accordance with the GRI Standards 2021. The following index provides the qualitative and quantitative information disclosed during the materiality assessment, with related references to the document's chapters.

<b>Statement of use</b>	Safilo Group has reported in accordance with the GRI Standards for the period 01/01/2023 - 31/12/2023.
<b>GRI 1 used</b>	GRI 1: Foundation 2021
<b>Applicable GRI Sector Standard(s)</b>	Not available

GRI STANDARD/ OTHER SOURCE	DISCLOSURE	LOCATION	PAGES	OMISSION		
				REQUIREMENT(S) OMITTED	REASON	EXPLANATION
<b>General disclosures</b>						
<b>GRI 2: General Disclosures 2021</b>	2-1 Organizational details	Safilo - 1.4 Safilo Governance - 3.1 About this Report	13 34 84			
	2-2 Entities included in the organization's sustainability reporting	Safilo Governance - 3.1 About this Report	34 84			
	2-3 Reporting period, frequency and contact point	About this Report Contacts	84 116			
	2-4 Restatements of information	About this Report For any information restated from previous reporting period, additional information is reported in the foot notes. No restatements in 2023.	84			
	2-5 External assurance	About this Report Independent Auditors' Report	84 118			
	2-6 Activities, value chain and other business relationships	Highlights Safilo - 1.3 Safilo - 1.4 Safilo - 1.5 Safilo - 6.2 About this Report	6 11 13 16 65 84			
	2-7 Employees	Safilo - 1.5 Integrity in the Workplace - 5.1 Annexes	16 56 92-97			
	2-8 Workers who are not employees			2-8	Information unavailable/incomplete	At the moment, the Group do not have the control on workers who are not employees. For the next financial years, the Group will be committed to integrate this informative.

GRI STANDARD/ OTHER SOURCE	DISCLOSURE	LOCATION	PAGES	OMISSION		
				REQUIREMENT(S) OMITTED	REASON	EXPLANATION
	2-9 Governance structure and composition	Safilo Governance - 3.1  Website: Governance/system/articles-association/2023/Report on Corporate Governance	34			
	2-10 Nomination and selection of the highest governance body	Website: Governance/system/articles-association/Article of Associations as at May 3, 2023 with amendments  Governance/system/Diversity Policy of the Board of Directors				
	2-11 Chair of the highest governance body	Website: Governance/board-directors  Governance/system/articles-association/2023/Report on Corporate Governance				
	2-12 Role of the highest governance body in overseeing the management of impacts	Safilo Governance - 3.1  Website: Governance/system/articles-association/Report on Corporate Governance  Governance/system/articles-association/Policy for the management of the dialogue with the generality of investors  Governance/board-directors/Regulations of the Board of Directors  Governance/committee/sustainability/Regulations of the Sustainability Committee	34			
	2-13 Delegation of responsibility for managing impacts	The Board of Directors has appointed one senior executive, member of the Sustainability Committee, as delegated responsible for managing the organization's impacts.  Website: Governance/committee/sustainability/Regulations of the Sustainability Committee				
	2-14 Role of the highest governance body in sustainability reporting	Safilo Governance - 3.1  Website: Governance/board-directors/Regulations of the Board of Directors  Governance/committee/sustainability/Regulations of the Sustainability Committee	34			

GRI STANDARD/ OTHER SOURCE	DISCLOSURE	LOCATION	PAGES	OMISSION		
				REQUIREMENT(S) OMITTED	REASON	EXPLANATION
	2-15 Conflicts of interest	Website: Governance/board-directors/ Regulations of the Board of Directors  Governance/system/articles-association Regulation for transactions with Related Parties  Governance/committee/ related-parties/Regulations Transactions with Related Parties Committee  Governance/other-documents				
	2-16 Communication of critical concerns	Safilo Governance - 3.1  Website: Governance/committee/ sustainability/Regulations of the Sustainability Committee  No case of critical concerns has occurred in 2023.	34  108			
	2-17 Collective knowledge of the highest governance body	Safilo Governance - 3.1	34			
	2-18 Evaluation of the performance of the highest governance body	Website: Governance/shareholders-meeting/2021/Illustrative Report of the Directors for the Ordinary Shareholders' Meeting on Item 3				
	2-19 Remuneration policies	Website: Governance/shareholders-meeting/2023/Report on Remuneration and on the Remuneration Paid				
	2-20 Process to determine remuneration					
	2-21 Annual total compensation ratio	The ratio of the annual total compensation for the organization's highest-paid individual to the median annual total compensation for all employees is 94. The data refers to 2023 fiscal year and includes within its perimeter all Italian legal entities (Lenti excluded). The highest-paid individual is the CEO. Payroll considers: base salary, una tantum, bonus/incentive payout, stock option, employee director compensation, car benefits.	108	2-21a 2-21b	Information unavailable/incomplete	Information has been provided for Italian legal entities (Lenti excluded), it means that the analysis is performed on about 37% of Group headcounts.

GRI STANDARD/ OTHER SOURCE	DISCLOSURE	LOCATION	PAGES	OMISSION		
				REQUIREMENT(S) OMITTED	REASON	EXPLANATION
	2-22 Statement on sustainable development strategy	Safilo, 90 years of excellence to continue looking to the Future together and embracing Digital Transformation and Sustainability	4-5			
	2-23 Policy commitments	Safilo Governance - 3.2 Our responsible supply chain - 6.2  Website: Governance/business-ethics	43-44 65			
	2-24 Embedding policy commitments	Safilo Governance - 3.2 Our responsible supply chain - 6.2  Website: Governance/business-ethics	43-44 65			
	2-25 Processes to remediate negative impacts	A Sustainable Business - 2.4 Safilo Governance - 3.1 Annexes	26 34 89-91			
	2-26 Mechanisms for seeking advice and raising concerns	Safilo Governance - 3.2	43-44			
	2-27 Compliance with laws and regulations	No significant instances of non-compliance with laws and regulations or no fines were paid during the reporting period	109			
	2-28 Membership associations	Product & Innovation - 4.4 Social Responsibility - 7.2	49 71-72			
	2-29 Approach to stakeholder engagement	A Sustainable Business - 2.4	26-30			
	2-30 Collective bargaining agreements	Integrity in the Workplace - 5.4 Annexes	63 95			
<b>Material topics:</b>						
<b>GRI 3: Material Topics 2021</b>	3-1 Process to determine material topics	A Sustainable Business - 2.4 Annexes	26 88			
	3-2 List of material topics	A Sustainable Business - 2.4 Annexes	26 88			
<b>Material Topic : Economic performance</b>						
<b>Economic performance</b>						
<b>GRI 3: Material Topics 2021</b>	3-3 Management of material topics	Safilo - 1.1, 1.2, 1.3, 1.5	8-17			

GRI STANDARD/ OTHER SOURCE	DISCLOSURE	LOCATION	PAGES	OMISSION		
				REQUIREMENT(S) OMITTED	REASON	EXPLANATION
<b>GRI 201: Economic Performance 2016</b>	201-1 Direct economic value generated and distributed	Safilo - 1.5	16			
		In 2023, direct economic value generated was equal to 938.9 million euro, the economic value distributed was equal to 963.5 million euro, and the economic value released was -24.6 million euro.	110			
<b>Material Topic : Business Ethics and Compliance</b>						
<b>Anti-corruption</b>						
<b>GRI 3: Material Topics 2021</b>	3-3 Management of material topics	A Sustainable Business - 2.4 Safilo Governance - 3.1, 3.2 Annexes	26 41-43 88			
<b>GRI 205: Anti-corruption 2016</b>	205-3 Confirmed incidents of corruption and actions taken	In 2023 and 2022, no incidents of corruption have been registered	110			
<b>Material Topic : Economic performance</b>						
<b>Tax</b>						
<b>GRI 3: Material Topics 2021</b>	3-3 Management of material topics	Safilo - 1.6	17-19			
<b>GRI 207: Tax 2019</b>	207-1 Approach to tax					
	207-2 Tax governance, control, and risk management					
	207-3 Stakeholder engagement and management of concerns related to tax					
	207-4 Country-by-country reporting					
<b>Material Topic : Energy Consumption &amp; CO<sub>2</sub> emissions</b>						
<b>Energy</b>						
<b>GRI 3: Material Topics 2021</b>	3-3 Management of material topics	A Sustainable Business - 2.4 Environmental Responsibility - 8.1 Annexes	26 74 88			
<b>GRI 302: Energy 2016</b>	302-1 Energy consumption within the organization	Environmental Responsibility - 8.1 Annexes	74 98			
<b>Material Topic : Water Consumption</b>						
<b>Water and effluents</b>						
<b>GRI 3: Material Topics 2021</b>	3-3 Management of material topics	A Sustainable Business - 2.4 Environmental Responsibility - 8.2 Annexes	26 83 88			
<b>GRI 303: Water and Effluents 2018</b>	303-1 Interactions with water as a shared resource	Environmental Responsibility- 8.2 Annexes	83 101			



GRI STANDARD/ OTHER SOURCE	DISCLOSURE	LOCATION	PAGES	OMISSION		
				REQUIREMENT(S) OMITTED	REASON	EXPLANATION
<b>GRI 303: Water and Effluents 2018</b>	303-2 Management of water discharge-related impacts	Environmental Responsibility- 8.2 Annexes	83 101			
	303-3 Water withdrawal					
<b>Material Topic : Energy Consumption &amp; CO<sub>2</sub> emissions</b>						
<b>Emissions</b>						
<b>GRI 3: Material Topics 2021</b>	3-3 Management of material topics	A Sustainable Business - 2.4 Environmental Responsibility - 8.1 Annexes	26 77 88			
		305-1 Direct (Scope 1) GHG emissions	Environmental Responsibility - 8.1 Annexes	77-78 98-99		
		305-2 Energy indirect (Scope 2) GHG emissions				
<b>GRI 305: Emissions 2016</b>	305-3 Other indirect (Scope 3) GHG emissions	Environmental Responsibility- 8.1	79			
<b>Material Topic : Waste Generation &amp; Recycling</b>						
<b>Waste</b>						
<b>GRI 3: Material Topics 2021</b>	3-3 Management of material topics	A Sustainable Business - 2.4 Environmental Responsibility - 8.2 About this report Annexes	26 79 84 88			
		306-1 Waste generation and significant waste-related impacts	Environmental Responsibility- 8.2 Annexes	79 99-100		
		306-2 Management of significant waste-related impacts				
<b>GRI 306: Waste 2020</b>	306-3 Waste generated					
	306-4 Waste diverted from disposal					
	306-5 Waste directed to disposal					
<b>Material Topic : Social Impact</b>						
<b>Employment</b>						
<b>GRI 3: Material Topics 2021</b>	3-3 Management of material topics	A Sustainable Business - 2.4 Integrity in the Workplace - 5.1 Annexes	26 56 88			
		401-1 New employee hires and employee turnover	Annexes	94-95		
<b>GRI 401: Employment 2016</b>						

GRI STANDARD/ OTHER SOURCE	DISCLOSURE	LOCATION	PAGES	OMISSION		
				REQUIREMENT(S) OMITTED	REASON	EXPLANATION
<b>Material Topic : Industrial Relations</b>						
<b>Labour/management relations</b>						
<b>GRI 3: Material Topics 2021</b>	3-3 Management of material topics	A Sustainable Business - 2.4 Integrity in the Workplace - 5.4 Annexes	26 63 88			
<b>GRI 402: Labour/Management Relations 2016</b>	402-1 Minimum notice periods regarding operational changes	Regulatory issued and salary packages vary based on Italian national collective labour agreements and law. In the following fiscal years the Group will extend the scope of the analysis covering the main countries in which it operates.	112			
<b>Material Topic : Safety and Wellbeing</b>						
<b>Occupational health and safety</b>						
<b>GRI 3: Material Topics 2021</b>	3-3 Management of material topics	A Sustainable Business - 2.4 Integrity in the Workplace - 5.3 Annexes	26 61 88			
<b>GRI 403: Occupational Health and Safety 2018</b>	403-1 Occupational health and safety management system	Integrity in the Workplace - 5.3 Annexes	61 96-97			
	403-2 Hazard identification, risk assessment, and incident investigation					
	403-3 Occupational health services					
	403-4 Worker participation, consultation, and communication on occupational health and safety					
	403-5 Worker training on occupational health and safety					
	403-6 Promotion of worker health					
	403-7 Prevention and mitigation of occupational health and safety impacts directly linked by business relationships					
	403-9 Work-related injuries					
<b>Material Topic : Employee Development</b>						
<b>Training and education</b>						
<b>GRI 3: Material Topics 2021</b>	3-3 Management of material topics	A Sustainable Business - 2.4 Integrity in the Workplace - 5.1 Annexes	26 58 88			

GRI STANDARD/ OTHER SOURCE	DISCLOSURE	LOCATION	PAGES	OMISSION		
				REQUIREMENT(S) OMITTED	REASON	EXPLANATION
<b>GRI 404: Training and Education 2016</b>	404-1 Average hours of training per year per employee	Highlights Integrity in the Workplace - 5.1 Annexes	6 58 96-97			
<b>Material Topic : Diversity and Inclusion</b>						
<b>Diversity and equal opportunity</b>						
<b>GRI 3: Material Topics 2021</b>	3-3 Management of material topics	A Sustainable Business - 2.4 Safilo Governance - 3.1 Integrity in the Workplace - 5.2 About this Report Annexes	26 35 59 86 88			
<b>GRI 405: Diversity and Equal Opportunity 2016</b>	405-1 Diversity of governance bodies and employees	Safilo Governance - 3.1 Integrity in the Workplace - 5.2 Annexes	31 59 92			
<b>Material Topic : Human Rights</b>						
<b>Non-discrimination</b>						
<b>GRI 3: Material Topics 2021</b>	3-3 Management of material topics	A Sustainable Business - 2.4 Safilo Governance - 3.1 Integrity in the Workplace - 5.2 Responsible Partnership - 6.2 Annexes	26 35 59 65 88			
<b>GRI 406: Non- discrimination 2016</b>	406-1 Incidents of discrimination and corrective actions taken	In 2023 no discrimination events were occurred	113			
<b>Material Topic : Social Impact</b>						
<b>Local communities</b>						
<b>GRI 3: Material Topics 2021</b>	3-3 Management of material topics	A Sustainable Business - 2.4 Social Responsibility - 7.1 and 7.2 Annexes	26 70-73 88			
<b>GRI 413: Local Communities 2016</b>	413-2 Operations with significant actual and potential negative impacts on local communities	In 2023 and 2022 no significant actual or potential negative impacts on local communities have been registered	114			
<b>Material Topic : Sustainable Supply Chain</b>						
<b>Supplier social assessment</b>						
<b>GRI 3: Material Topics 2021</b>	3-3 Management of material topics	A Sustainable Business - 2.4 Responsible Partnership - 6.2 Annexes	26 65 88			
<b>GRI 414: Supplier Social Assessment 2016</b>	414-1 New suppliers that were screened using social criteria	Responsible Partnership - 6.2	66			
<b>Material Topic : Product &amp; Innovation</b>						
<b>Customer health and safety</b>						
<b>GRI 3: Material Topics 2021</b>	3-3 Management of material topics	A Sustainable Business - 2.4 Product & Innovation - 4.4 Annexes	26 49 88			

GRI STANDARD/ OTHER SOURCE	DISCLOSURE	LOCATION	PAGES	OMISSION		
				REQUIREMENT(S) OMITTED	REASON	EXPLANATION
<b>GRI 416: Customer Health and Safety 2016</b>	416-2 Incidents of non-compliance concerning the health and safety impacts of products and services	In 2023 and 2022, no incidents of non-compliance have been registered	114			
<b>Material Topic : Governance &amp; Risk Management</b>						
<b>GRI 3: Material Topics 2021</b>	3-3 Management of material topics	A Sustainable Business - 2.4 Safilo Governance - 3.1 Annexes	26 34 88			
<b>Material Topic : Licensor's Trust</b>						
<b>GRI 3: Material Topics 2021</b>	3-3 Management of material topics	A Sustainable Business - 2.4 Responsible Partnership - 6.1 Annexes	26 64 88			
<b>Material Topic : Client Satisfaction</b>						
<b>GRI 3: Material Topics 2021</b>	3-3 Management of material topics	A Sustainable Business - 2.4 Our Customers - 6.3 Annexes	26 67-69 88			



## **Contacts**

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### **Safilo Group Investor Relations**

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# INDEPENDENT AUDITOR'S REPORT



**INDEPENDENT AUDITOR'S REPORT ON THE CONSOLIDATED NON-FINANCIAL STATEMENT PURSUANT TO ARTICLE 3, PARAGRAPH 10, OF LEGISLATIVE DECREE No. 254/2016 AND ARTICLE 5 OF CONSOB REGULATION ADOPTED WITH RESOLUTION No. 20267 OF JANUARY 2018**

To the board of directors of Safilo Group SpA

Pursuant to article 3, paragraph 10, of Legislative Decree No. 254 of 30 December 2016 (the "Decree") and article 5, paragraph 1 g), of CONSOB Regulation No. 20267/2018, we have undertaken a limited assurance engagement on the consolidated non-financial statement of Safilo Group SpA and its subsidiaries (hereinafter the "Group" or "Safilo Group") for the year ended 31 December 2023 prepared in accordance with article 4 of the Decree and approved by the board of directors on 14 March 2024 (the "NFS").

Our review does not extend to the information set out in the section titled "1.7 EU Taxonomy (Regulation EU 2020/852)" of the Group's NFS, required by article 8 of Regulation (EU) 2020/852.

#### **Responsibilities of the directors and the board of statutory auditors for the NFS**

The directors are responsible for the preparation of the NFS in accordance with articles 3 and 4 of the Decree and with the "Global Reporting Initiative Sustainability Reporting Standards" defined in 2016, and updated in 2021, by GRI – Global Reporting Initiative ("GRI Standards"), which they identified as the reporting standard.

The directors are also responsible, in the terms prescribed by law, for such internal control as they determine is necessary to enable the preparation of a NFS that is free from material misstatement, whether due to fraud or error.

Moreover, the directors are responsible for identifying the content of the NFS, within the matters mentioned in article 3, paragraph 1, of the Decree, considering the activities and characteristics of the Group and to the extent necessary for an understanding of the Group's activities, development, performance and related impacts.

Finally, the directors are responsible for defining the business and organisational model of the Group and, with reference to the matters identified and reported in the NFS, for the policies adopted by the Group and for identifying and managing the risks generated and/or faced by the latter.

The board of statutory auditors is responsible for overseeing, in the terms prescribed by law, compliance with the Decree.

#### **PricewaterhouseCoopers SpA**

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#### **Auditor's independence and quality control**

We are independent in accordance with the principles of ethics and independence set out in the Code of Ethics for Professional Accountants (including International Independence Standards) (IESBA Code) issued by the International Ethics Standards Board for Accountants, which is founded on fundamental principles of integrity, objectivity, professional competence and due care, confidentiality and professional behaviour. In the period this engagement refers to our firm applied International Standard on Quality Control 1 (ISQC Italia 1) and, accordingly, maintained a comprehensive system of quality control including policies and procedures regarding compliance with ethical requirements, professional standards and applicable legal and regulatory requirements.

#### **Auditor's responsibilities**

Our responsibility is to express a limited assurance conclusion, based on the procedures we have performed, regarding the compliance of the NFS with the Decree and with the GRI Standards. We conducted our engagement in accordance with *International Standard on Assurance Engagements ISAE 3000 (Revised) - Assurance Engagements Other than Audits or Reviews of Historical Financial Information* (hereinafter "ISAE 3000 Revised"), issued by the International Auditing and Assurance Standards Board (IAASB) for limited assurance engagements. That standard requires that we plan and perform procedures to obtain limited assurance about whether the NFS is free from material misstatement. Therefore, the procedures performed were less in extent than for a reasonable assurance engagement conducted in accordance with ISAE 3000 Revised and, consequently, do not provide us with a sufficient level of assurance that we have become aware of all significant facts and circumstances that might be identified in a reasonable assurance engagement.

The procedures performed on the NFS were based on our professional judgement and included inquiries, mainly of personnel of the Company responsible for the preparation of the information presented in the NFS, inspection of documents, recalculations and other procedures designed to obtain evidence considered useful.

In detail, we performed the following procedures:

- 1 analysis of the relevant matters reported in the NFS in relation to the activities and characteristics of the Group, in order to assess the reasonableness of the selection process used, in accordance with article 3 of the Decree and with the reporting standard adopted;
- 2 analysis and assessment of the criteria used to identify the consolidation perimeter, in order to assess their compliance with the Decree;
- 3 comparison of the financial information reported in the NFS with the information reported in the Group's consolidated financial statements;
- 4 understanding of the following matters:
  - Business and organisational model of the Group with reference to the management of the matters specified in article 3 of the Decree;
  - Policies adopted by the Group with reference to the matters specified in article 3 of the Decree, actual results and related key performance indicators;
  - Key risks generated and/or faced by the Group with reference to the matters specified in article 3 of the Decree.



- 5 With reference to those matters, we compared the information obtained with the information presented in the NFS and carried out the procedures described under item 5 a) below; understanding of the processes underlying the preparation, collection and management of the significant qualitative and quantitative information included in the NFS.

In detail, we held meetings and interviews with the management of Safilo Group SpA and with the personnel of Safilo Industrial Srl, Lenti Srl, Safilo USA Inc. and we performed limited analyses of documentary evidence, to gather information about the processes and procedures for the collection, consolidation, processing and submission of the non-financial information to the function responsible for the preparation of the NFS.

Moreover, for material information, considering the activities and characteristics of the Group:

- at a group level,
  - a) with reference to the qualitative information included in the NFS, and in particular to the business model, the policies adopted and the main risks, we carried out interviews and acquired supporting documentation to verify its consistency with available evidences,
  - b) with reference to quantitative information, we performed analytical procedures as well as limited tests, in order to assess, on a sample basis, the accuracy of consolidation of the information;
- for the following companies, Safilo Industrial Srl, Lenti Srl, Safilo USA Inc, which we selected on the basis of their activities, their contribution to the key performance indicators at a consolidated level and their location, we carried out interviews and obtained documentary evidence, on a sample basis, about the correct application of the procedures and calculation methods applied for the indicators.

**Limited assurance conclusion**

Based on the procedures performed, nothing has come to our attention that causes us to believe that the NFS of Safilo Group for the year ended 31 December 2023 is not prepared, in all significant respects, in accordance with articles 3 and 4 of the Decree and with the GRI Standards.

Our conclusion above does not extend to the information set out in the paragraph titled “1.7 EU Taxonomy (Regulation EU 2020/852)” of the Group’s NFS required by article 8 of Regulation (EU) 2020/852.



**Other matters**

The NFS for the year ended 31 December 2022, the information in which is presented as comparatives, was the subject of a limited assurance engagement by another auditor, who expressed an unqualified conclusion thereon on 15 March 2023

Padova, 22 March 2024

PricewaterhouseCoopers SpA

*Signed by*

Filippo Zagagnin  
(Partner)

*Signed by*

Paolo Bersani  
(Authorised signatory)

*This report has been translated from the Italian original solely for the convenience of international readers.*



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