

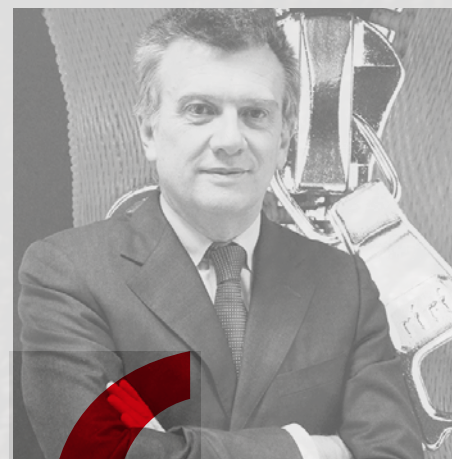


OERLIKON LUXURY'S
COMMITMENT
TO SUSTAINABILITY
2023

oerlikon
riri

oerlikon
fineparts

RESPONSIBLE TODAY
FOR A SUSTAINABLE
TOMORROW



The year 2023 marked a milestone in the history of Riri Group: in March we officially became part of Oerlikon, a high-tech global company with Swiss roots, and we launched an important integration project that led to the creation of Oerlikon Luxury. This new business sector, which operates within the Surface Solutions division of Oerlikon, combines the leading role of Riri in the world of high-end accessories with the expertise of Coeurdor in metal components as well as Oerlikon Balzers' deep know how in Physical Vapour Deposition (PVD). By working in synergy as a united and motivated team oriented towards a common goal, we have achieved numerous milestones in terms of integration. Among them, I am particularly proud to share the first "Oerlikon Luxury's commitment to sustainability", which shows the economic, environmental and social results reached through the joint efforts of Riri, Coeurdor and Oerlikon. For us, all these accomplishments represent only a starting point in our journey towards the continuous improvement that has always been part of Riri DNA.

RENATO USONI
President Oerlikon Luxury



HISTORY



RIRI GROUP

COEURDOR



oerlikon



2023
CREATION
OF THE BUSINESS
SECTOR OERLIKON
LUXURY

OERLIKON LUXURY

Oerlikon is a global innovation powerhouse, with its headquarters in Pfäffikon, Schwyz, and listed on the SIX Swiss Exchange.

Its **Surface Solutions Division** is a market leader with a broad portfolio of advanced materials, surface technologies and additive manufacturing solutions, operating in several end-markets including:



AUTOMOTIVE



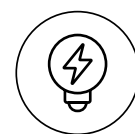
AEROSPACE



GENERAL INDUSTRY



LUXURY

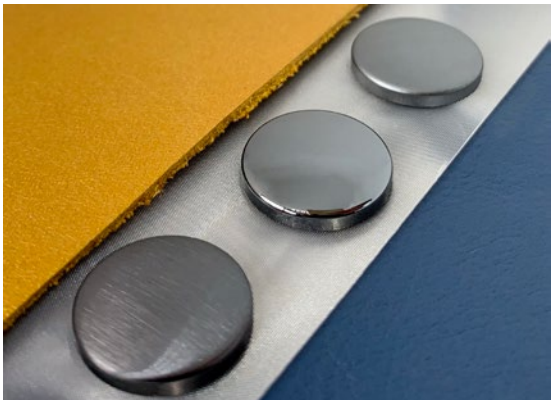


ENERGY



With the acquisition of Riri Group and Coeurdor, Oerlikon entered the high fashion sector and created **Oerlikon Luxury**, which combines the expertise of Riri and Coeurdor in the world of accessories with the deep know how of Oerlikon Balzer in PVD surface treatments.

Oerlikon Luxury is currently the only integrated provider with a complete offering of metalware for high-end fashion brands.





OERLIKON LUXURY

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01

OERLIKON LUXURY: OUR NUMBERS



Position in
the buttons
market

1st



Position in the
luxury zippers
market

1st



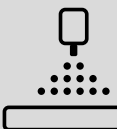
One-stop shop
supplier of
accessories in the
luxury segment

1st



Production
facilities based
in Switzerland,
Italy, France
and Portugal

12



Sites highly
specialized
in PVD
treatments

2



Full time
employees
in 4 countries
around the
world

1400



Years of combined
experience in the
luxury sector

>85



High-end luxury
& premium
customers

~150



Sales
in 2023*

€ 210M



Dedicated specialists
in R&D and Industrial
Engineering dept

~100

*This figure represents 12-months sales for luxury. As part of Oerlikon, sales of Riri (consolidated as of March 1, 2023 after the closing of the acquisition) and sales of Coeurdor were ~ EUR 172 million.

OUR BRANDS

Oerlikon Luxury is an expression of cutting-edge technologies and hand-crafted expertise through the specificities of its two brands:

oerlikon
riri

Oerlikon Riri, a center of excellence that guarantees the reliability and attention to details demanded by the luxury sector. It includes the iconic zippers and buttons branded **Riri** and **Cobrax** respectively.

riri

COBRAX

oerlikon
fineparts

Oerlikon Fineparts brings together the combined experience and know how of the companies DMC, Amom and CMH, acquired by Riri, and Coeurdor, part of Oerlikon Group since 2021. It offers a complete range of customized fashion jewels and metal accessories for the leather goods, footwear and apparel markets.

SALES NETWORK OVERVIEW

Commercial branches

- CHINA** Shanghai
- FRANCE** Paris, Mamirolle
- ITALY** Arezzo, Florence, Padua
- SWITZERLAND** Mendrisio
- USA** New York, Los Angeles

Apart from these business offices, Oerlikon Luxury has an established network of agents covering its most strategic markets.

The plant in Pergine Valsugana and the commercial offices in China, USA and Paris are not included in the reporting data presented in chapter 3.

PRODUCTION SITES

**RIRI Sa**
Mendrisio – CH

- Oerlikon Luxury Headquarters
- Production of Metal zippers and surface treatments
- Zip R&D center
- 398 employees
- 7000 m²

**RIRI Sa**
Tirano (SO) – IT

- Production of plastic zippers, tapes weaving and dyeing
- 166 employees
- 7000 m²

**RIRI Sa**
Padua (PD) – IT

- Production of press and jeans buttons, rivets and surface treatments
- Buttons R&D center
- 198 employees
- 6400 m²

**S.P.M. Pressofusione Srl**
Palazzolo Sull'Oglio (BS) – IT

- Zamak die-casting
- 56 employees
- 3550 m²



S.P.M. Pressofusione Srl
Pergine Valsugana (TN) – IT

- Powder metallurgy and MIM unit of the Group
- 1 employee
- 400 m²

**Cobrax Metal Hub**
Poggio a Caiano (PO) – IT

- Production of metal components for leathersgoods
- R&D center for metal hardware
- 13 employees
- 700 m²

**DMC Srl**
Scarperia e San Piero a Sieve (FI) – IT

- Production of metal components for leathersgoods
- R&D center for metal hardware
- 131 employees
- 3500 m²

**FCM Spa**
Campi Bisenzio (FI) – IT

- Hot stamping, zamak injection and moulds construction
- 22 employees
- 1500 m²

**AMOM Srl**
Badia al Pino (AR) – IT

- Production of metal components for footwear, apparel and fashion jewels
- R&D center for metal hardware and fashion jewels
- 112 employees
- 7000 m²

**Coeurdor Galva**
Maîche – FR

- Galvanic treatments for components
- 114 employees
- 4500 m²

**Coeurdor Fabrication & PVD**
Mamirolle – FR

- Prototypes, pre-series and PVD treatments for components
- 52 employees
- 1200 m²

**Cubimateria**
Fundão – PT

- Galvanic treatments, PVD, polishing, assembly of components
- 137 employees
- 5700 m²

PRODUCT CATEGORIES



ZIP

An indisputable leader with renowned heritage in the production of zippers for the luxury market, carefully selecting the most innovative materials to make exclusive accessories that are a true concentration of advanced techniques and passion for design, always mindful of environmental protection.

riri



BUTTONS

A continuous focus on experimentation and innovation creating original and high-tech elements that have become a must-have in the luxury industry.

A stunning variety of materials, performance and aesthetics, including game changing patents, to radically innovate the world of fastenings and accessories. A reference point for press, jeans buttons and rivets.

COBRAX





FASHION JEWELS

The most state-of-the-art technologies meet artisan creativity and manufacturing meticulousness, typical of the Tuscan tradition, to create what will become – literally – small jewels: from choosing the type of product and the most appropriate material, to defining the best shape, decoration and finishing, every piece is unique because it is created and tailored to the client's specific needs.



METAL COMPONENTS

Precision, manual skill and decades-long tradition combine to create unique metal components, customized in every details. Accessories that are designed, developed and manufactured to meet customer requests and suitable for every sector, from leathergoods to footwear and ready to wear.



OUR GOVERNANCE

From sales and marketing activities to sustainability-oriented actions to management of operations, HR, IT and quality, every process at Oerlikon Luxury is carried with an integrated vision and strategic mission in mind. At the helm of this framework, there is a management team with extensive experience in the sector.

**Renato
Usoni**



President Oerlikon Luxury

14 years at Riri; previously as General Manager and Group CEO

**Andrea
Moretta**



**Chief Financial Officer
Oerlikon Luxury**

25 years at Riri as Group CFO

**Nantas
Montonati**



**Head of Sales and Marketing
Oerlikon Luxury**

11 years at Riri as Sales and Marketing Director

**Ralph
Balmer**



Head of HR Oerlikon Luxury

4 years at Oerlikon; previously as HR Area Head Europe South and HR Project Manager

**Katharina
Rick**



Directrice Générale Coeurdor

3 years at Oerlikon as Chief Strategy Officer (OSS) and Chief Transformation Officer (OSS)

**Paolo
Lazzarin**



**Head of Operations Oerlikon Luxury
Italy and Switzerland**

15 years at Riri; previously as Industrial Engineering Manager, Operations Manager (Buttons division) and Group Manufacturing Manager

**Andrea
Luschi**



**Head of Procurement,
Logistics and Supply Chain
Oerlikon Luxury**

15 years at Riri; previously as Group Procurement and Logistics Manager and Group Supply Chain Manager

**Marco
Bruno**



**Head of ESG Compliance
& Health and Safety
Oerlikon Luxury**

12 years at Riri as Group HSE and Sustainability Manager

**Francesco
Milanesi**



Head of IT Oerlikon Luxury

24 years at Riri as Group IT Manager

**Olivier
Bertoldi**



Head of Quality Oerlikon Luxury

7 years at Riri as Group Quality Manager

OUR SUSTAINABILITY TEAM

For Oerlikon Luxury, sustainability is a fundamental pillar that leads every strategic and operational decision. As evidence of this commitment, there is a **team dedicated to Sustainability, Health, Safety and Environment** issues: it is composed of three experts at group level and at least one field operative at each plant. Their task is to guarantee compliance with evolving protocols and norms, spread eco-sustainable initiatives, organize awareness campaigns and develop specific projects such as **product Life Cycle Assessments (LCA)** and **Corporate Footprint** analysis. Oerlikon Luxury is also committed to continue providing a **fair and people-friendly workplace** for all employees, where Diversity, Equity and Inclusion are respected and practiced. Furthermore, every year, two committees are organized with the dual goal to share the main achievements of the team and encourage participation and training of all staff.





ETHICS AND SUSTAINABILITY

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Materiality analysis_page 32

Our commitment to Science Based
Targets initiative (SBTi)_page 38

02

RESPONSIBLE TODAY FOR A SUSTAINABLE TOMORROW

A JOURNEY OF IMPROVEMENT

For Oerlikon Luxury a real commitment to sustainability means being aware of the responsibility towards the environment, people and society. To achieve the corporate sustainable goals, there are three main pillars that guide the actions of the company:

/ PROTECT NATURAL RESOURCES

/ INNOVATE FOR THE FUTURE

/ ENHANCE TRACEABILITY AND TRANSPARENCY

This approach has led to a concrete plan, aimed at upgrading sustainability performance, structured in a scientific and quantitative way.

Protect natural resources



**ENERGY
MANAGEMENT
SYSTEM**

Management and optimization of the **energy consumption** in all the Oerlikon Luxury plants to improve efficiency and sustainability.
Specific focus on page 62.



**RENEWABLE
ELECTRICITY**

From 2019, gradual **switch to certified renewable electricity**.
More information on pages 60-61.



PACKAGING

Elimination of unnecessary and **single use plastic** and use of **recycled and recyclable materials** in all the Oerlikon Luxury plants.
Specific focus on page 59.



TRANSPORT

Where possible, Oerlikon Luxury companies implement customer awareness projects to encourage transport by **road instead of by air**.

Innovate for the future

Sustainable Materials

More information on pages 53-54-55



**GLOBAL
RECYCLED
STANDARD
(GRS)**

From 2021, use of **GRS certified recycled polyester** as production standard for zip tapes.



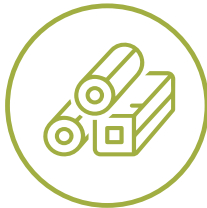
**GLOBAL
ORGANIC
TEXTILE
STANDARD
(GOTS)**

From 2020, use of **GOTS certified organic cotton** as production standard for zip tapes.



**RESPONSIBLE
JEWELLERY
COUNCIL
(RJC)**

Adoption of **responsible extraction and processing procedures** through the entire production and distribution chain.



**RECYCLED
BRASS AND
STEEL**

Use of **brass and steel** composed of at least **80% and 50% recycled materials** respectively.

Processes



**PHYSICAL
VAPOUR
DEPOSITION
(PVD)**

After the acquisition by Oerlikon in 2023 **gradual transition to** more environmentally friendly technologies, such as **PVD**.
Specific focus on pages 56-57.



**METAL
INJECTION
MOULDING
(MIM)**

With the acquisition in 2022 of a company in Trento specialized in powder metallurgy, the **MIM Unit of the Group** was established.
Specific focus on page 58.



**ZERO
DISCHARGE OF
HAZARDOUS
CHEMICALS
(ZDHC)**

The dyeing process in Tirano plant adheres to the ZDHC Manufacturing Restricted Substances List (ZDHC MRSL), ensuring that no **hazardous chemicals** are used in the dyeing process chain.



**LIFE CYCLE
ASSESSMENT
(LCA)**

Analysis of the environmental impact of the Oerlikon Luxury products to identify opportunities for **improvement and reduction of their carbon footprint**.
Specific focus on page 69.

Enhance traceability and transparency

Certifications



MANAGEMENT SYSTEM CERTIFICATIONS

From November 2023, all the Oerlikon Riri plants (Palazzolo, Padua, Mendrisio and Tirano) obtained the **ISO 9001, 14001 and 45001 certifications**.
The DMC plant (Oerlikon Fineparts) is **ISO 9001 and SA 8000** certified.
Specific focus on page 79.



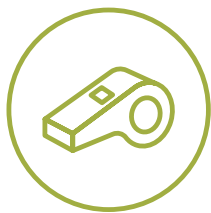
PRODUCT CERTIFICATIONS

Riri zippers and Cobrax buttons have been certified according to **Oeko-Tex Standard 100** since 2010. This ensures the compliance of raw materials, semi-finished and finished products in the textile industry at every level of the supply chain.



MOG 231

Since 2019, a complex system of **internal controls and procedures**, the purpose of which is to prevent offences under Legislative Decree 231/01 from being committed during the work activities, has been adopted. A **Supervisory Board** has also been appointed to oversee the functioning and compliance with the Model.
More information on page 80.



WHISTLE BLOWING

To ensure the highest levels of ethics and integrity, several internal systems for **reporting violations of rules and regulations of the Oerlikon Code of Conduct** have been adopted. In addition to the more traditional reporting methods, a compliance hotline has been set up to report information to the appropriate people.

Policies



CODE OF ETHICS

Since 2018, Riri Group **social practices and commitment to environmental protection** are formalized within a Code of Ethics.
With the acquisition in 2023, Oerlikon Luxury is entering into an even more structured and defined system of policies and directives.



CONFLICT MINERALS

Riri Group signed the 'Policy on Minerals from Conflict Zones' in 2018. Following the acquisition, the Oerlikon policy was adopted with the aim of **discouraging the use of minerals whose commercialization could finance violent conflicts**.



SUPPLIERS QUALIFICATION

With the aim of further enhancing **traceability and transparency**, a project of qualification of the company supply chain has been implemented since 2022.
Focus about supplier qualification on page 49.

MATERIALITY ANALYSIS

Materiality analysis represents a fundamental process for organizations aiming to **identify and prioritize sustainability issues** considered as priorities for both the business and its stakeholders.

This process not only helps focus efforts on key issues but also **ensures that sustainability strategies are aligned with external expectations and market trends**.

During the year 2023, Oerlikon Luxury has committed to drawing up and updating its Materiality analysis.

The key updates concern adding the Oerlikon Group to the list of stakeholders and broadening the analysis to encompass the recently defined scope of Oerlikon Luxury.



Steps carried out

1. IDENTIFICATION AND UPDATING OF MATERIAL TOPICS

Conduct an **update of the mapping of economic, environmental, social & governance topics**, considering international benchmarks (*), Oerlikon Group communications, key trends and results of internal studies and stakeholder engagement (for the stakeholders list see the table on page 37).

2. STAKEHOLDER INVOLVEMENT AND EVALUATION OF MATERIAL TOPICS

Conduct an **evaluation of each theme, assessing the commitment** dedicated to each theme by internal and external stakeholders and **analyzing how they are evolving**. Extend the evaluation of each topic to the Oerlikon Luxury perimeter.

3. ANALYSIS AND CONSOLIDATION OF RESULTS

Refine and consolidate the analysis with data and information obtained thanks to the strategic involvement methods identified for each stakeholder and for each area of interest.

(*) Global Reporting Initiative (GRI), Sustainability Accounting Standards Board (SASB), CLIMATE WEF, The Fashion Pact, Task Force on Climate Related Financial Disclosure (TCFD), S&P Global, Climate Disclosure Standards Board, Carbon Disclosure Project (CDP).

Material topics

The table shows the **topics identified as materials** for Oerlikon Luxury, accompanied by a description, which outlines the objectives of Group's efforts in that area. For each theme, the **alignment with the United Nations Sustainable Development Goals (SDGs)** is indicated.

	MATERIAL TOPIC	DESCRIPTION	3	4	6	7	8	9	10	11	12	13	14	15	16	17
			GOOD HEALTH AND WELL-BEING	QUALITY EDUCATION	CLEAN WATER AND SANITATION	AFFORDABLE AND CLEAN ENERGY	DECENT WORK AND ECONOMIC GROWTH	INDUSTRY, INNOVATION AND INFRASTRUCTURE	REDUCED INEQUALITIES	SUSTAINABLE CITIES AND COMMUNITIES	RESPONSIBLE CONSUMPTION AND PRODUCTION	CLIMATE ACTION	LIFE BELOW WATER	LIFE ON LAND	PEACE, JUSTICE AND STRONG INSTITUTIONS	PARTNERSHIPS FOR THE GOALS
ECONOMIC	Innovation of Products and Services	Significantly develop or improve goods, services, or processes that create value for business, customers, and society.														
ENVIRONMENTAL	Climate Change and Responsible Sourcing	Address the impacts of climate change and ensure that materials and products come from ethical and sustainable sources.														
	Resource Availability	Ensure the long-term availability of essential resources through sustainable management and use.														
	Material Recyclability	Design products and packaging with materials that can be recycled or reused, reducing waste and environmental impact.														
	Reducing Energy Use and Increasing Efficiency	Minimizing energy consumption and maximizing the efficiency of operations and products.														
	Biodiversity	Preserve and enhance the variety of life in the ecosystem, including species ecosystem and genetic diversity.														
SOCIAL & GOVERNANCE	Health and Wellbeing	Ensure the mental and physical health and general well-being of individuals and communities.														
	Ethical Behavior and Human Rights	Conduct business ethically and respect human rights in all operations and supply chains.														
	Governance	Implement effective, transparent, and accountable leadership and management practices that ensure the long-term success and sustainability of an organization.														
	Community Engagement	Building and maintaining positive relationships with the communities in which a company operates.														
	Employment Practices and Education	Ensure fair labour practices, promote diversity and inclusion, and support employee development and education														



Stakeholders involvement

The following table lists the identified **methods of engaging various stakeholders** in Oerlikon Luxury organizational operations and sustainability efforts. It outlines the methods by which the Group has chosen to **align its communication and engagement with each cluster of stakeholder**, based on economic, environmental and social & governance aspects. This alignment ensures that the interaction with each group is tailored to foster collaboration, dialogue, consultation or information exchange, thus promoting a cohesive and effective approach to sustainability.

	ECONOMIC	ENVIRONMENTAL	SOCIAL & GOVERNANCE
STAKEHOLDERS	INVOLVEMENT		
TOP MANAGEMENT	Partnership	Partnership	Partnership
COUNTRY MANAGERS	Partnership	Partnership	Partnership
EMPLOYEES	Dialogue	Dialogue	Dialogue
CUSTOMERS	Partnership	Partnership	Partnership
SUPPLIERS	Consultation	Consultation	–
ADVISORS & CONSULTANTS	Consultation	Consultation	–
GOVERNMENT BODY	Communication	Communication	Communication
OWNERS	Partnership	Partnership	Partnership
TRADE UNIONS	–	–	Dialogue
ASSOCIATIONS & NO-PROFIT ORGANISATIONS	Information	Information	Information
DIRECTLY NEIGHBOURING AND LOCAL COMMUNITIES	–	Information	–
SUPERVISORY BODY	–	Communication	Communication
BANKS	Communication	Information	Information

Partnership Shared sustainable development projects	Dialogue Organizing committees	Consultation Meetings for specific stakeholders Focus Groups	Communication Information sharing Training	Information External publications Website
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OUR COMMITMENT TO SCIENCE BASED TARGETS INITIATIVE (SBTi)

Oerlikon Luxury is committed to reducing its environmental impact and aligning its sustainability journey with the latest climate science. For this reason, it worked with the consulting firm **Quantis**, following the guidelines of the SBTi, **to identify reduction targets (to 2030) and areas (baseline 2022*) that will be included in the action plan:**

OWN OPERATIONS

SCOPE 1 & SCOPE 2 / Ambition: 1.5°C
ABSOLUTE REDUCTION = 42%

Actions:

SCOPE 1 (direct emissions)



- Optimization of company vehicles use in terms of km travelled/year
- Efficiency measures of heat systems
- Biogas sourcing
- Implementation of electric vehicles

SCOPE 2 (indirect emissions)



- Gradual replacement of conventional lighting systems with LED lamps
- Electricity from renewable sources combining self-production and Guarantees of Origin
- Optimization of compressors and heat recovery
- Other energy efficiency measures (e.g., sensors that adapt light to presence and external lighting)
- Increase share of PVD vs electroplating

SUPPLY CHAIN

SCOPE 3 / Ambition: well below 2°C
ABSOLUTE REDUCTION = 25%

Actions:

SCOPE 3 (other indirect emissions)



Purchased goods

- Gradually shift from brass to stainless steel production
- Increase sourcing of precious metals from certified, recycled sources



Employees commuting

- Increase share of employees travelling to work by train, carpooling and bike
- Encourage smartworking



Logistics

- Replace air shipments with alternative means of transportation
- Consolidate orders per client/destination, thus reducing shipping frequency

*The calculation, having been done with baseline 2022 (before the acquisition by Oerlikon), refers only to the plants of the former Riri Group and do not include the companies of Coeurdor (FR), Cubimateria (PT) and FCM (IT).

Where possible, the actions identified will be applied to all the Oerlikon Luxury sites.

A close-up photograph of a zipper. The zipper teeth are gold-colored and are set against a dark blue fabric with a subtle pattern. A rose-shaped pull, also in a gold color, is attached to the zipper. Below the zipper, there is a circular metal piece with a radial pattern. The zipper is partially open, revealing a light-colored fabric underneath.

OUR ACHIEVEMENTS

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03

OUR ACHIEVEMENTS

ECONOMIC

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OUR ACHIEVEMENTS

ENVIRONMENTAL

MATERIALS | page 53

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OUR ACHIEVEMENTS

SOCIAL & GOVERNANCE

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OERLIKON LUXURY COMMITMENT TO DIVERSITY,
EQUITY AND INCLUSION (DEI) | page 77

WELFARE AND TRAINING | page 77

ORGANIZATIONAL AND MANAGEMENT
MODEL (MOG 231) | page 80

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Oerlikon Luxury supply chain

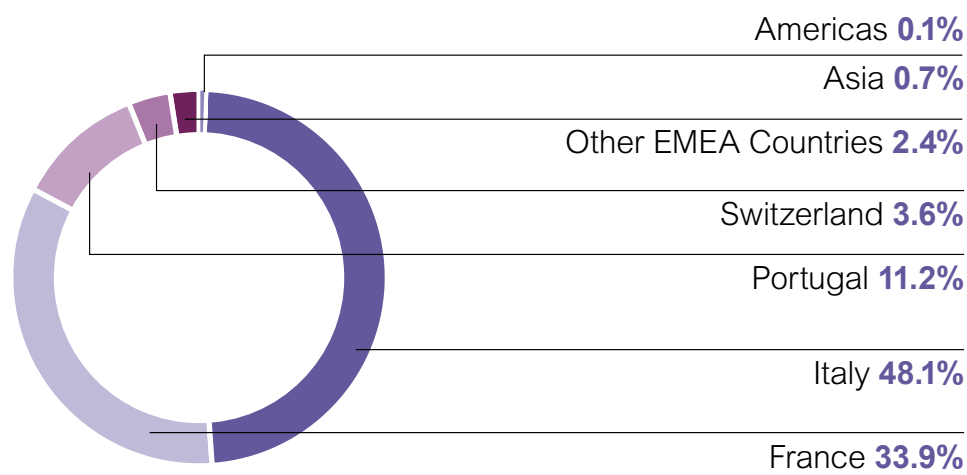
Oerlikon Luxury analyzed and classified its supply chain based on three well-defined criteria:

- geographical area
- distributed economic value
- product category.

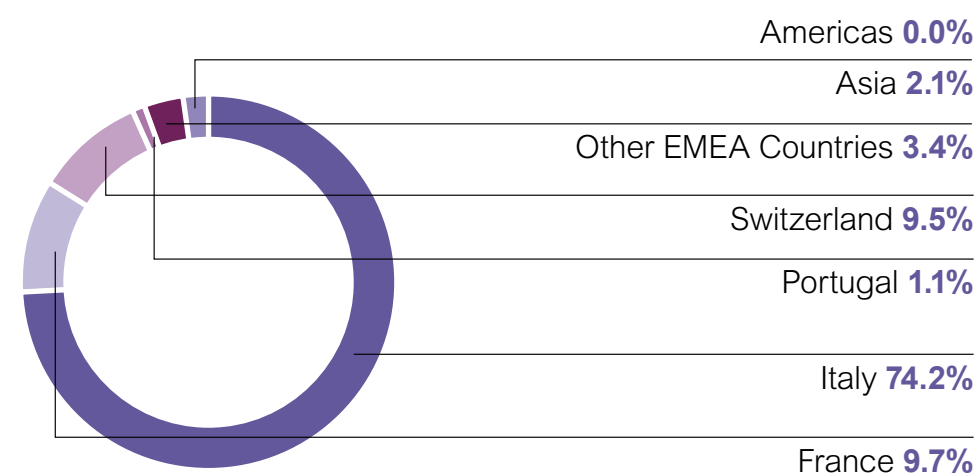
As far as the first two aspects are concerned, the general strategy of the Group was to source from a **supply chain** mainly based in the **areas surrounding the production sites**.

This is confirmed by numbers and graphics presented in this section:

SUPPLIERS BY GEOGRAPHICAL AREA



ECONOMIC DISTRIBUTION OF SUPPLIERS BY GEOGRAPHICAL AREA



Around 97% of the total number of suppliers is based in Italy, France, Switzerland and Portugal and the distributed economic value in the same areas is equal to 95% of the total expenditure for the procurement of goods and services.

Such a choice undoubtedly encourages the reduction of the transport distances by promoting environmental sustainability, enhancing local economy and transparent business practices. Furthermore, relations between companies are more direct and can be monitored more easily. In this regard, the number of suppliers from Asiatic region weigh less than 1%, mitigating the risk of inefficiencies or difficulties in the procurement of key materials in short time.

Taking into account the categories, suppliers have been broken down as follows:

Suppliers of raw materials

This group includes the supply of metals, plastic materials, yarns, chemicals, varnishes and packaging. In this area, more than 38% of the entire expenditure was used for the procurement of goods and services, although the number of suppliers is quite small compared to other categories (11% of the total).

Suppliers of semifinished products

This class covers all those companies that deal with the manufacturing of incoming semifinished products; this includes small metal and non metal components used for the finished products. Almost a quarter of all suppliers belongs to this category, demonstrating the great attention to provide highly specialized and tailor-made solutions to each customer.

Suppliers of machinery and equipment

This group includes all suppliers of machinery and equipment necessary for the Group routine manufacturing activities. Given the relevance of this category, almost all supply comes from areas close to Oerlikon Luxury plants. Expenditure on investment in new machinery also falls within this class and its high value demonstrates the commitment of the Group to innovate in production processes with a lower environmental impact.

Subcontractors

This category includes all the suppliers of processing, such as galvanic treatments, varnishing, PVD and assembling services outsourced to external suppliers. This choice is a consequence of the need to carry out complex and distinctive processing works which require support from highly specialized companies. These services are outsourced to local suppliers, thus making it possible to achieve the best results in a comparatively short time.

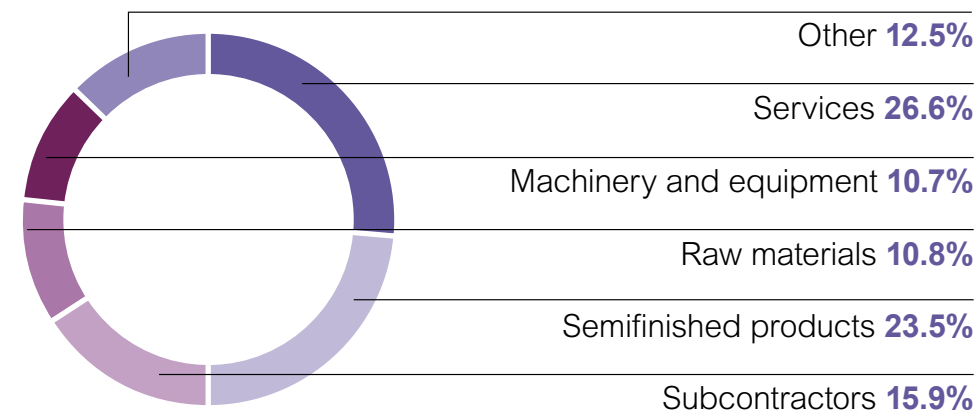
Suppliers of services

This group includes all the partners supporting the organization in its daily routine business, thus making sure that the high performances and targets set by the company are achieved. Also in the case of this group, most of the suppliers are based close to the company offices.

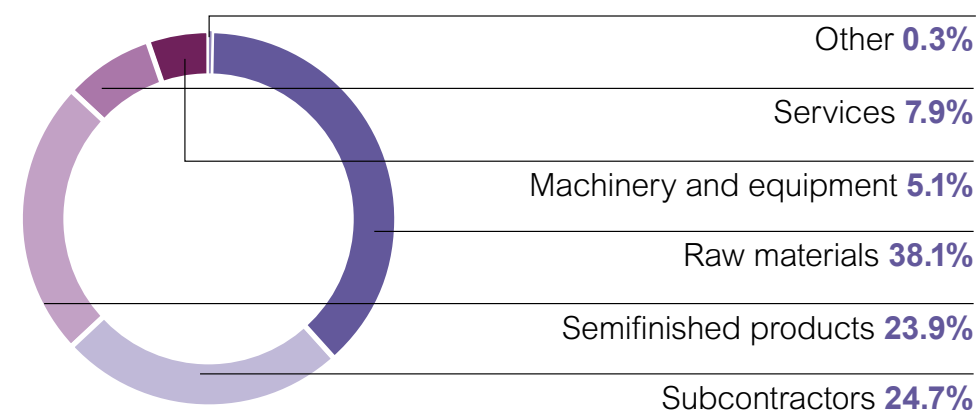
Other

In this class are all the groups of suppliers not mentioned above who do not contribute directly to manufacturing products; the latter include, for example, financial institutions, universities and vehicle suppliers.

NUMBER OF SUPPLIERS BY CATEGORIES



ECONOMIC DISTRIBUTION OF SUPPLIERS BY CATEGORIES



FOCUS

Suppliers qualification process



After the integration with Oerlikon, the suppliers qualification process, aimed at qualifying the supply chain of the Group, has been **extended to all the Oerlikon Luxury plants**. This allowed to share the best practices implemented in the different establishments and to add value to the procedures already in place. This project involved several business functions, including Purchasing, HSE & Sustainability, IT, Quality and R&D. The process, structured on three different levels, is mainly based on the request of a specific set of documents, associated on the basis of the product category of each supplier. Depending on the analysis of some critical aspects, such as the obtained certifications and the turnover, a different level of qualification is assigned:

LEVEL 1
Documentation
delivery



LEVEL 2
Documentation
delivery + self-
assessment



LEVEL 3
Documentation
delivery + audit

After having received and analyzed the documentation and, if requested, conducted audits, the company will decide whether to qualify its suppliers or not.

At the end of 2023, the **percentage of qualified suppliers is about 31%**, while the number of them who have not passed the evaluation process is 16. For all new suppliers, the qualification process is triggered by default.

The tools used by Oerlikon for the suppliers qualification process, such as Ecovadis, will also be extended to the Luxury segment.

Oerlikon Luxury sales

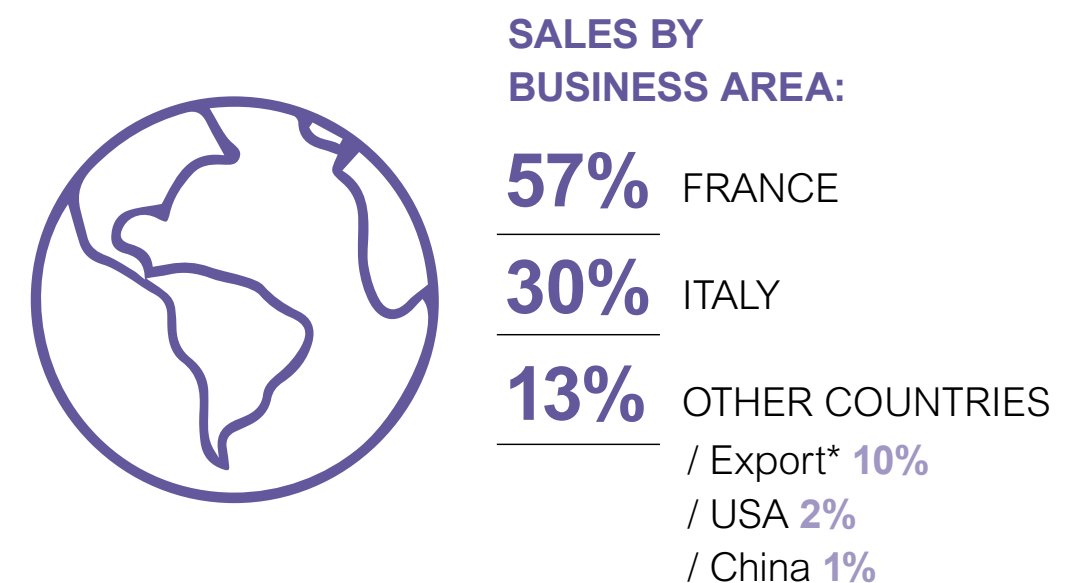
Oerlikon Luxury is **one of the world leading suppliers of accessories for the luxury sector**, where it operates.

With a complete product range which includes zippers, buttons, metal components and fashion jewels, it represents the first one-stop shop supplier in the high-end fashion market.

Oerlikon, with its deep know how in PVD technologies, expanded the Riri portfolio with the addition of Coeurdor, a French manufacturer of metal components.

The organic sales of the former Riri portfolio **remained in line with the previous year**, since the luxury sector was adversely affected by geopolitical tensions and the low performance of China, the main outlet market for the products of Oerlikon Luxury customers.

French brands operating in the high-end segment represent the main market for Oerlikon Luxury, constituting the largest percentage within the graph (**57%**). **The Italian market** confirms its highly strategic role (**30%**), followed by **Export** (**10%**), **United States** (**2%**) and **China** (**1%**), all of them involved in the expansion of the corporate sales network.



* The Export area includes the following markets: UK, Germany, Austria, Switzerland, Holland, Sweden, Norway, Spain, Turkey, Saudi Arabia, Korea, Japan and Australia.

ENVIRONMENTAL

Materials

Oerlikon Luxury is constantly striving to improve its environmental performance by investing in the search for low-impact solutions. This includes the continuous identification of alternative materials and production methods that contribute to reducing emissions and achieving increasingly ambitious goals.

Oerlikon Luxury annually reports and analyzes the quantities of different materials used in its products, with the aim of ensuring **high quality and respect for the environment**. In 2023, the reporting scope was extended to include the new production sites. Despite this expansion, Oerlikon Luxury has continued to maintain a strong focus on sustainability and quality, which remain central priorities.

The data for 2023 indicate an overall reduction in the use of raw materials, which can be attributed to the general difficulties of the luxury market throughout the year.

The metals mainly used are zamak, **brass and steel**; the latter have a **recycled composition of at least 80% and 50%** respectively, allowing a high rate of circularity and the maintenance of high quality standards.



BRASS: 80%
STEEL: 50%

Recycled composition

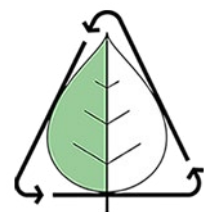
In 2023, there were several significant changes in the type of materials used: **the purchase of steel has increased** while the quantities of brass and zamak have both decreased.

Steel is a material with a relatively moderate environmental impact, when compared to other metals, due to its high recyclability and efficient production processes.

The increase in its use, especially in the companies of Oerlikon Fineparts, indicates an ongoing commitment to sustainability, fulfilling one of the strategic objectives defined **in accordance with the Science Based Targets initiative methodology, that is the gradual transition to steel.**

For the full Oerlikon Luxury decarbonization plan, see page 38.

RECYCLED INPUT MATERIALS:



48%

even after the extension of the reporting boundary in 2023.

With reference to the yarns used for the production of textile components:



GLOBAL RECYCLED STANDARD (GRS) POLYESTER

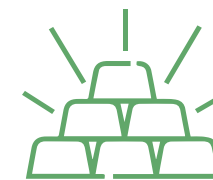
With a percentage exceeding 85%, the most widely used material is GRS certified polyester, composed **entirely of post-consumer material.**

GLOBAL ORGANIC TEXTILE STANDARD (GOTS) COTTON

The organic cotton GOTS certified guarantees the use of natural fibers from socially responsible and environmentally friendly supply chain.



The precious metals used by Oerlikon Luxury come from



RESPONSIBLE JEWELLERY COUNCIL - CHAIN OF CUSTODY (RJC - COC) CERTIFIED SUPPLIERS

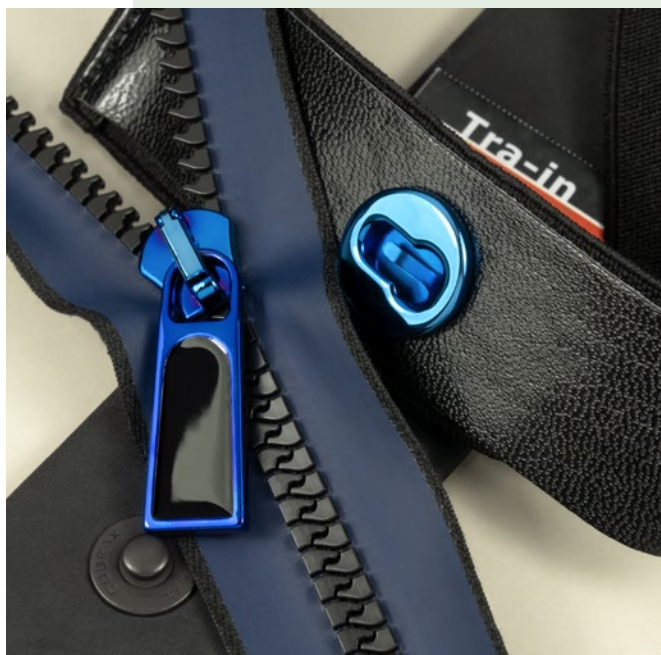
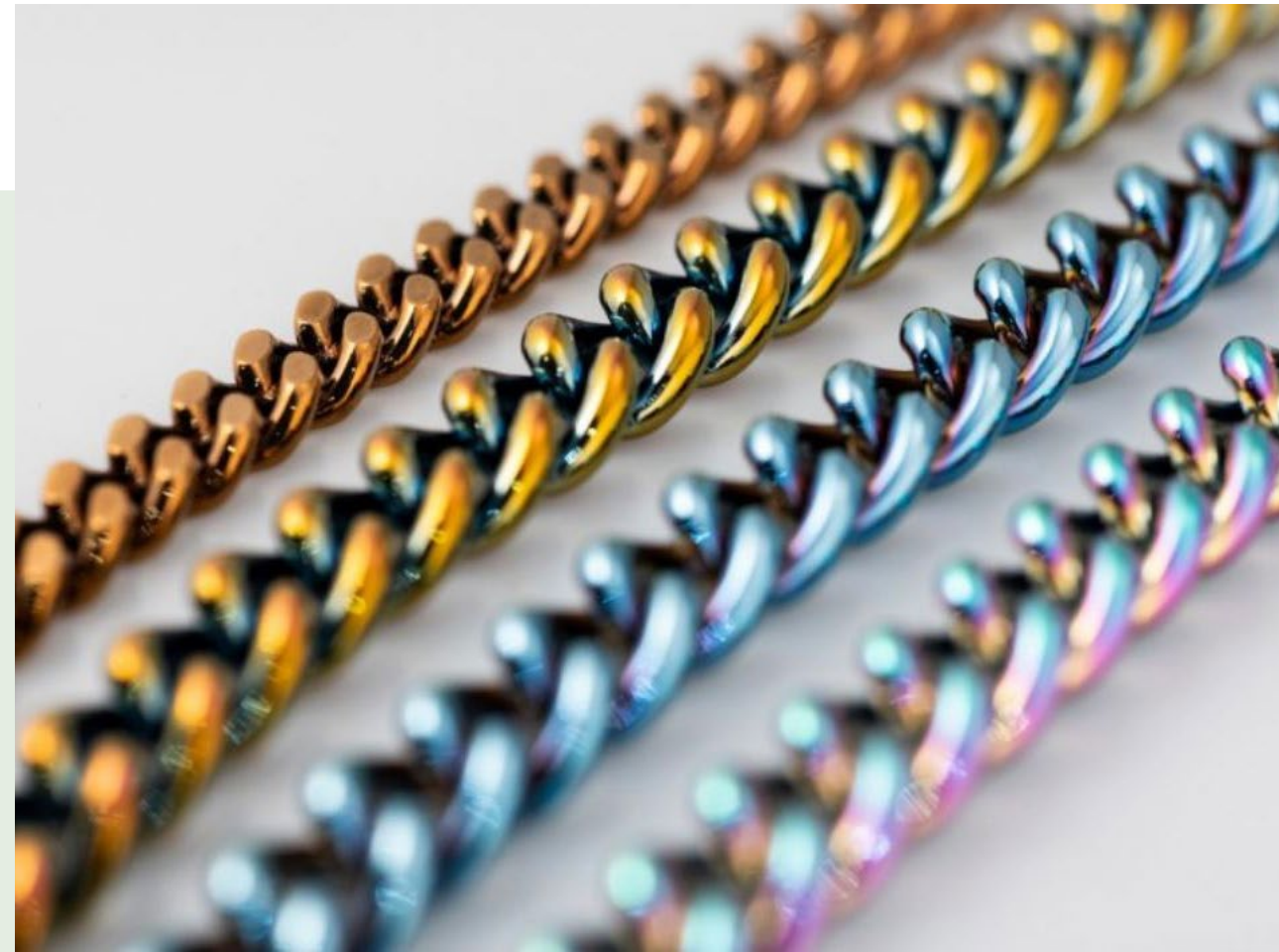
ensuring responsible mining and processing practices throughout the production and distribution chain.

For further information about the range of sustainable materials [click here](#).

FOCUS

Physical Vapour Deposition (PVD)

The acquisition of Riri Group and Coeurdor by Oerlikon is accelerating the transition of the Luxury sector to more ecological processes related to surface treatments and materials. As explained by the President of Oerlikon Luxury Renato Usoni, interviewed by Arsutoria Magazine, "We are very close to a revolution in our market that will involve materials and technologies: PVD is one of the key future solutions for coating".



Physical Vapour Deposition is a process in which a solid material is vaporized in a vacuum and deposited on the surface of a part. Compared to traditional electroplating, PVD coating, while only a few thousandths of a millimeter thick, significantly reduces the impacts on the environment: first of all, it guarantees **greater longevity, functionality, and resistance to oxidation**; if, for example, on a stainless steel slider, button or component, a PVD coating is combined, the life of the product increases significantly.



In addition, with the use of PVD technologies, **almost all the material** that does not affect the item **is recovered and reused** and no chemical processes take place. Finally, there is a **significant reduction in water consumption, greenhouse gas emissions, waste generation** and there is no presence of heavy metals in the wastewater.

"It is more sustainable – says Katharina Rick, Directrice Générale de Coeurdor – because a material that spoils less, ensures better performance, allows the finished product to live longer and, therefore, reduce consumption". The use of PVD treatment is particularly suitable for application on leather goods products.

[Click here](#) to watch the interview by Arsutoria Magazine.

FOCUS

Metal Injection Moulding and stainless steel

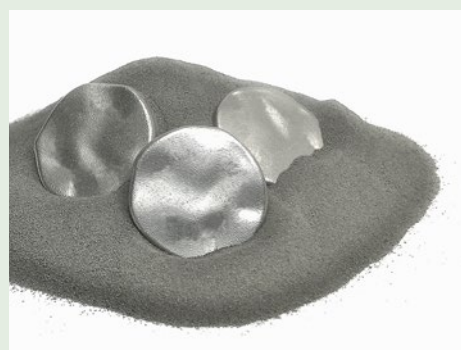


The Group is implementing a series of actions aimed at accelerating its transition to stainless steel such as the acquisition of a center based in Trento, specialized in powder metallurgy that became the **Metal Injection Moulding (MIM) Unit of the Group**.

In MIM process finely powdered metal is mixed with binder material to create a «feedstock» that is then shaped and solidified using injection moulding.



This process presents some advantages related to the reduction of the environmental impact and of the hazardous chemicals usage. Furthermore no scraps are generated.



FOCUS

Rethinking our packaging



As required by "The Fashion Pact", the Group is working to **eliminate single-use or non essential plastic from its packaging** and, when this is not a viable option, solutions involving **the use of recycled plastic** are adopted:



- replacement of cellophane wrapping with a **reusable roll-up net** for intercompany transport;
- use of **thinner cellophane** (20 µm instead of 50) leading to a decrease of volumes used and CO₂ emissions equal to 42% compared to the previous scenario;
- since 2018, **usage of Forest Stewardship Council (FSC)** certified cardboard boxes;
- introduction of **recycled plastic bags and trays** to wrap and ship materials;
- **100% recycled plastic sample folders**;
- **adhesive tape** made from **recycled paper**;
- use of **recycled paper** to fill, if necessary, empty spaces inside cardboard boxes.

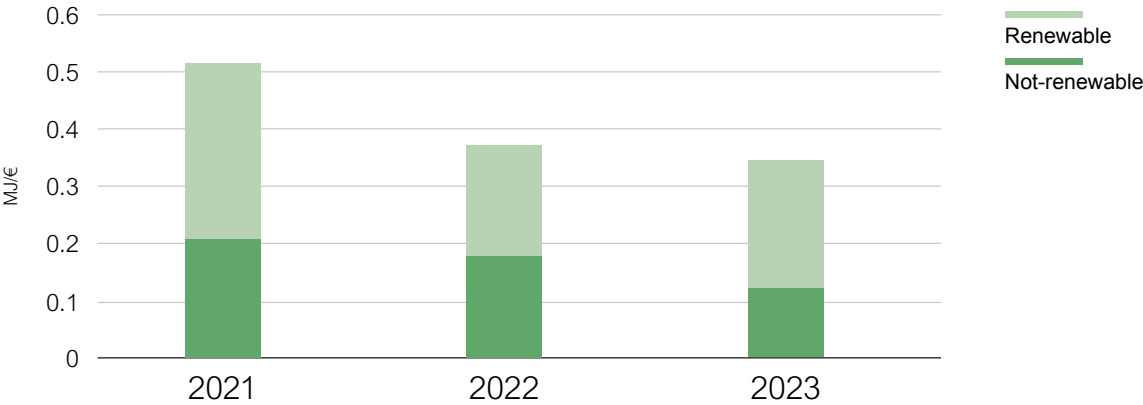
All employees are involved in awareness campaigns on **recycling, reducing and optimizing waste**.

Energy

The energy consumption of Oerlikon Luxury is mainly due to the production activities and, to a lesser extent, heating, air conditioning and lighting of the sites.

Following the acquisition by Oerlikon, four new plants were added to the previous reporting boundary and, as a result, the consumption of energy resources has increased compared to 2022. However, despite the extension of the perimeter, **the energy consumption in relation to turnover**, amounting to 0.34 MJ/€, **remained almost unchanged** in relation to the previous year.

ENERGY CONSUMPTION RELATED TO TURNOVER



Oerlikon Luxury is committed to extending its best practices in terms of optimization of resources through an **Energy Management System** that includes specific policies and targets for energy consumption and the use of data to drive decisions and improve energy performance (for more information see the focus on page 62).



SUPPLY OF ELECTRICAL ENERGY FROM RENEWABLE SOURCES: 91%

significantly supporting the Oerlikon goal of reaching 100% renewable electricity by 2030.

The shift towards renewable electricity at Amom and DMC sites, as well as the inclusion of new plants that purchase electricity from renewable sources (Coeurdor 100% and Cubimateria 50%), highlights the dedication of the company to minimizing its environmental footprint.

All the activities aimed at improving consumptions will contribute to decrease the Group emissions and achieve the reduction targets set by the plan drawn up according to the Science Based Targets initiative guidelines.

FOCUS

Energy Management System



The Oerlikon Energy Management System (EnMS) is based on ISO 50001 Standard, making it more straightforward whilst adhering to high standards of energy management. This highlights the Group commitment towards the environment and its operational excellence in pursuing goals of continuous improvement.

The adoption of the EnMS in the Oerlikon Luxury sites involves the formulation of policies for energy consumption, the demarcation of specific targets and the use of data analysis to lead decisions and promote improvement initiatives, contributing to Oerlikon sustainability goals.

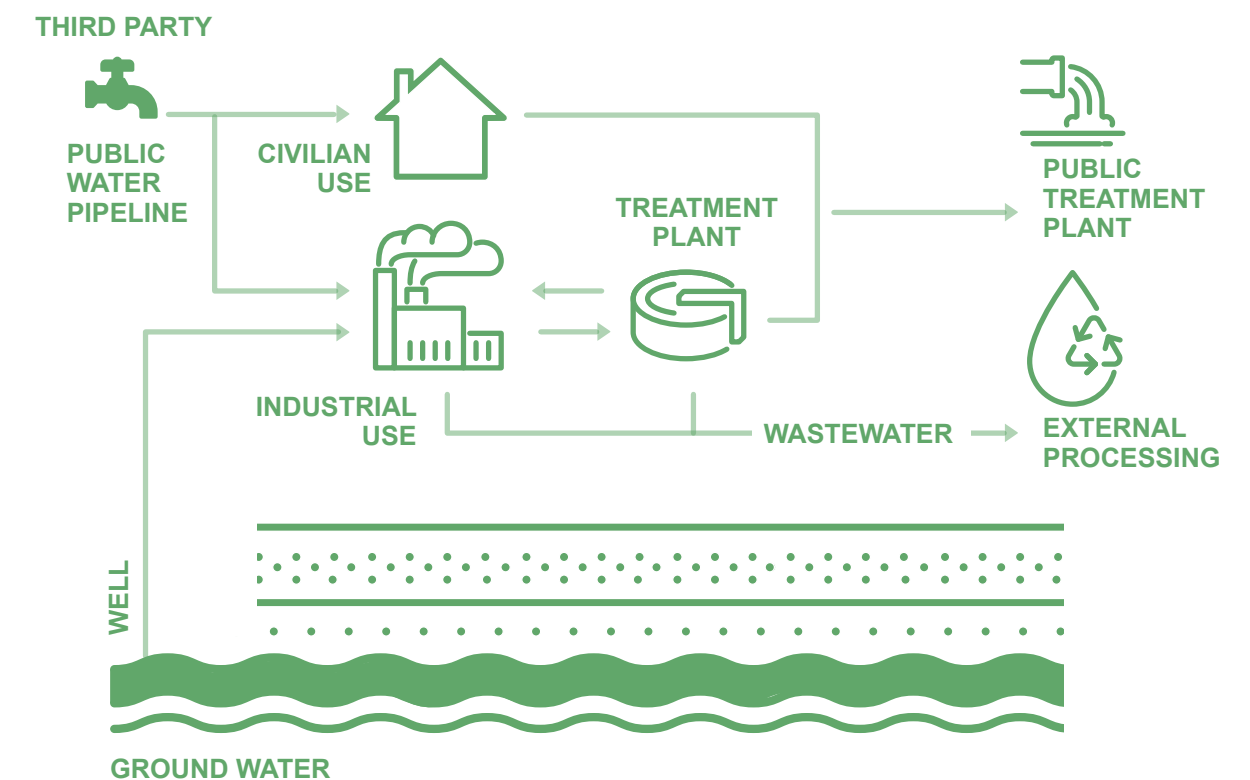
An EnMS defines a set of criteria for each site in order to:

- **create policies** for a more efficient use of energy;
- **establish scopes** in line with these policies;
- **analyze the data** for a better understanding of consumption and guide decisions;
- **evaluate progresses**;
- **monitor the effectiveness** of the implemented policies;
- **promote continuous improvement** in the energy management.

The Oerlikon EnMS is a concrete tool for monitoring and reporting the energy use, which will enable implementation of optimization strategies.

Water and effluents

The water consumption of the Oerlikon Luxury sites is mainly due to manufacturing activities, with withdrawal both from the public water pipeline and private wells. All water discharges are managed in compliance with the specific authorizations of each plant and **no incidents of non-compliance** regarding water discharge limits have ever occurred. The water cycle of the Group plants is represented in the flow chart below:



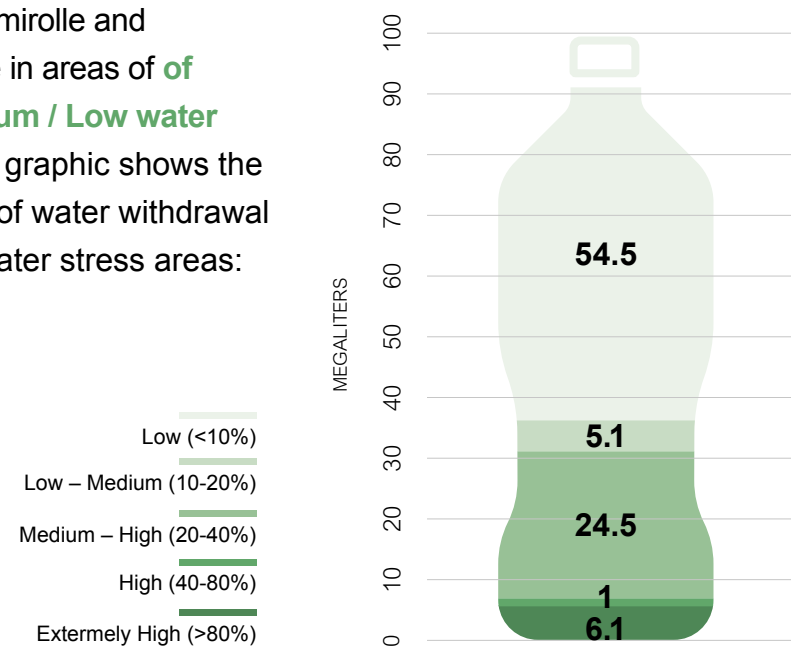
The year 2023 is characterized by an increase in water withdrawals due to the enlargement of the reporting area compared to the previous year: in the four plants added to the perimeter there is a significant water withdrawal due to the nature of the production processes carried out.

Water withdrawal

Oerlikon Luxury plants are located in different water stress areas, according to the Water Risk Atlas tool of the World Resources Institute, a comprehensive tool that maps and analyzes water stress globally. Water stress is an index that expresses the percentage quantity of water resources used compared to those available in a given area.

The water stress areas distribution of Oerlikon Luxury plants is classified as follows:

- **5 plants** (all the Tuscany plants and Palazzolo sull'Oglio), which account for 35% of total water consumption, are located in areas of **Extremely High / High water stress**;
- **1 plant** (Padua) is in an area of **Medium - High water stress**;
- **5* plants** (Mendrisio, Tirano, Maïche, Mamirolle and Fundão) are in areas of **Low - Medium / Low water stress**. The graphic shows the distribution of water withdrawal based on water stress areas:



*The total number is 11 because the plant in Pergine Valsugana is not included in the reporting data.

Oerlikon Luxury is committed to sharing and implementing best practices to ensure efficiency improvements in the use of water resources within its factories, optimizing processes and promoting water recycling:

- **closed-loop galvanic systems**, such as in the Maïche plant (more information in the focus below);
- development of **Physical Vapour Deposition (PVD)** processes;
- conformity with **Zero Discharge of Hazardous Chemicals (ZDHC)** protocol in all plants with wet textile processes and wherever it is applicable;
- involving the staff with regard to the **efficient use of resources**.

FOCUS

Reduction of water consumption in Maïche plant



At Oerlikon Luxury the protection of natural resources is one of the pillar on which the sustainable commitment and strategy of the entire business sector is focused. The constant monitoring of water use has led to remarkable improvements in terms of lower environmental impact. An example is the project, started in 2018, aimed at limiting the consumption of water in the **galvanic plant of Maïche**: **by reusing some rinsing water and implementing general good practices, a reduction of approximately 30% in 5 years was achieved.**

Emissions

The estimation of the environmental impact through the Corporate Footprint calculation has become a consolidated activity since 2015. Each time there is an acquisition or organizational change, the calculation is updated to reflect the new scope. This process ensures that all the activities are included in the environmental impact assessment, keeping the analysis accurate and relevant to the current structure of the Group.

This calculation is carried out according to the "**Greenhouse Gas Protocol Corporate Accounting and Reporting Standard**", published by the World Resource Institute (WRI) and the World Business Council on Sustainable Development (WBCSD). Thanks to this standard, it is possible to estimate and break down the Group emissions as follows:



SCOPE 1
DIRECT
EMISSIONS



SCOPE 2
INDIRECT
EMISSIONS



SCOPE 3
OTHER INDIRECT
EMISSIONS

The integration of the new plants of Coeurdor, Cubimateria and FCM led to a slight increase in overall emissions, which was however mitigated by the effects of the not particularly positive situation in the luxury sector during 2023.

The analysis of the data reveals that the emission hotspots remained in line with those of the previous years.

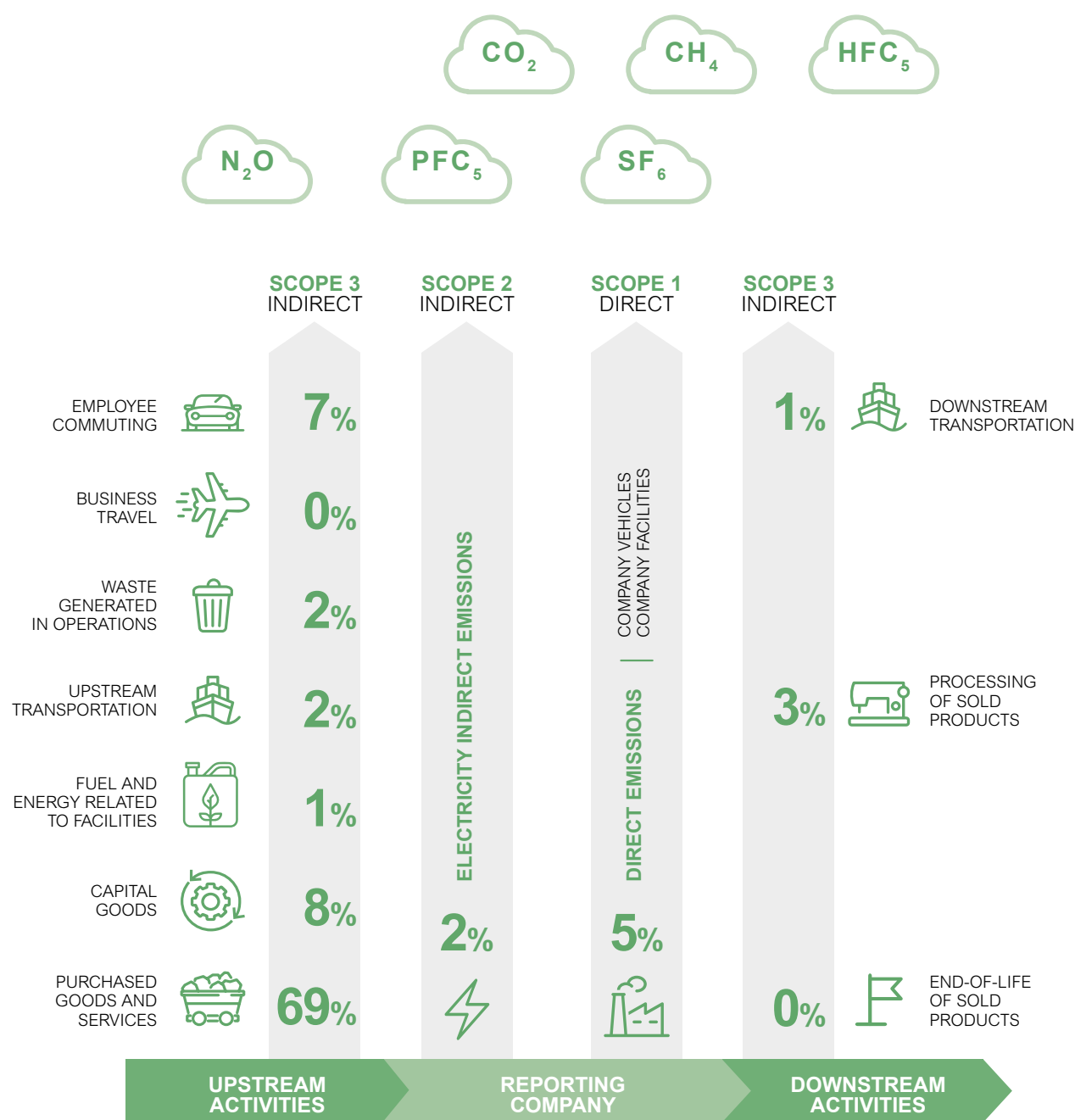
All the Luxury plants, with the exception of CMH, FCM and Cubimateria, purchase only electricity from renewable sources. In particular, the sites of **Amom and DMC switched to 100% renewable electricity in 2023** and the new plants added to the reporting boundary also purchase electricity from renewable sources (100% Coeurdor and 50% Cubimateria).

The project to implement an Energy Management System (EnMS) and the various energy efficiency activities are a key lever in the strategy to counter climate change and align with Oerlikon goals of extending the EnMS to all relevant plants by 2030.

The highest environmental impact, corresponding to about **92%** of total emissions, is generated along the value chain by indirect activities (**Scope 3**), including the purchase of raw materials and services, the transport of finished products, the commuting of employees and the use of finished products by customers. Since 2021, there has been a marked increase in Scope 3 emissions, mainly due to the expansion of the perimeter of calculation.

The procurement of raw materials and services accounts for 69% of the overall impact, clearly showing that the choice of materials and eco-design are the aspects to focus on to reduce environmental impact. Other relevant areas are related to the transport of goods and employees and the application by customers of the products sold. In order to reduce emissions, a **Decarbonization Plan with targets 2030** has been defined, which, in accordance with the Science Based Targets initiative, involves several improvement actions, such as the use of recycled and more sustainable materials than the traditional ones already in use, the extension of car pooling for employees and the efficiency of transport.

For more information on Oerlikon Luxury's decarbonization plan, see page 38.

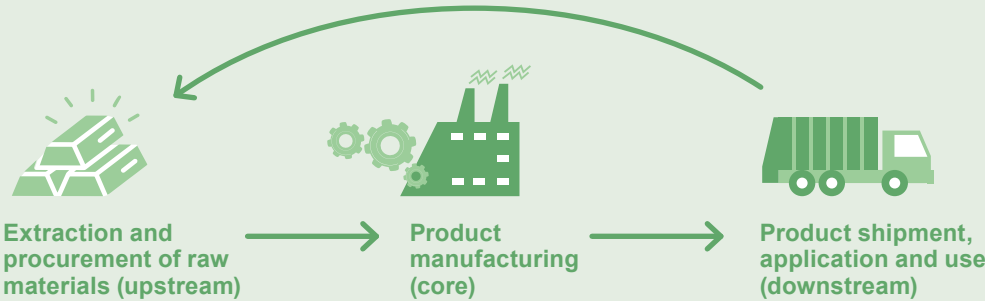


In 2023, there was a clear reduction in the quantity of Volatile Organic Compounds (VOCs) emitted. This is mainly due to the installation of a **Regenerative Thermal Oxidizer (RTO)** at the Mendrisio site. This plant destroys pollutants generated by the painting process through high-temperature thermal oxidation, thereby reducing VOCs emissions by more than 77% (~10 VOCs tons/year) compared to 2022.

FOCUS
Life Cycle Assessment (LCA)



The Corporate Footprint calculation allows the evaluation of the company impacts on a macro level, while, to estimate the **impacts related to its products**, Oerlikon Luxury decided to carry out the Life Cycle Assessment (LCA) analysis. It is an internationally acknowledged procedure aimed at a quantitative evaluation of the potential impact of any product, service or process on the environment throughout its entire life cycle, from raw material extraction to downstream. By comparing the results of the LCA study, it is possible to identify the phases and respective processes that contribute most to environmental impact and, consequently, to implement improvement actions at both product and process level. The analysis takes into account the following macro-phases:



In 2023, the LCA was extended to the entire range of products, including zippers, buttons, metal components and fashion jewels. Through the integration with Oerlikon, **it will be possible to include in the analysis also the Physical Vapour Deposition (PVD) process**. Through concrete actions, such as LCA analysis, Oerlikon Luxury is committed to demonstrating that even the smallest components can have a significant impact in the fashion industry, playing a crucial role towards a sustainable future. This process will not only improve the environmental performance of the Group companies but also enable consumers to make more environmentally conscious choices.

Waste

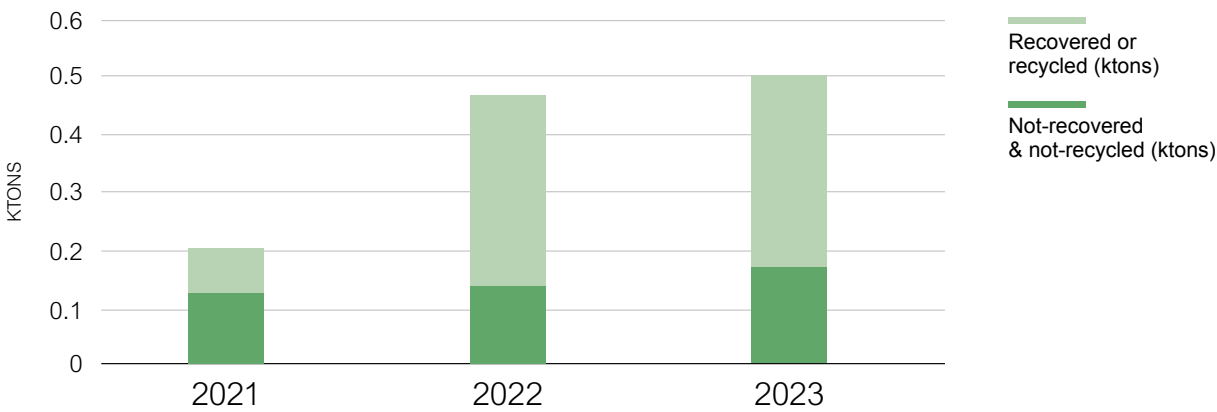
Over the past three years, the amount of waste generated by the different manufacturing activities has increased, due to the acquisitions carried out in 2021 and the integration with the plants of Coeurdor, Cubimateria and FCM in 2023.

In spite of this, the Luxury business sector is committed, where possible, to sending its waste for recovery or recycling: in 2023, 65% of the waste generated was disposed of in this way.



RECOVERED OR
RECYCLED WASTE:
65%

WASTE



A best practice introduced within the Group is the **recovery of all** metal (brass, zamak, steel), plastic and textile **wastes and scraps**, in order to further increase the circularity of the various materials.

Furthermore, measures will continue to be identified to help achieve the goal of the parent company of **reducing the amount of waste sent to landfill to 21% by 2030**.

In addition, Oerlikon Luxury constantly strives to spread among its employees the importance and awareness of reducing and optimizing the waste generated in everyday life.

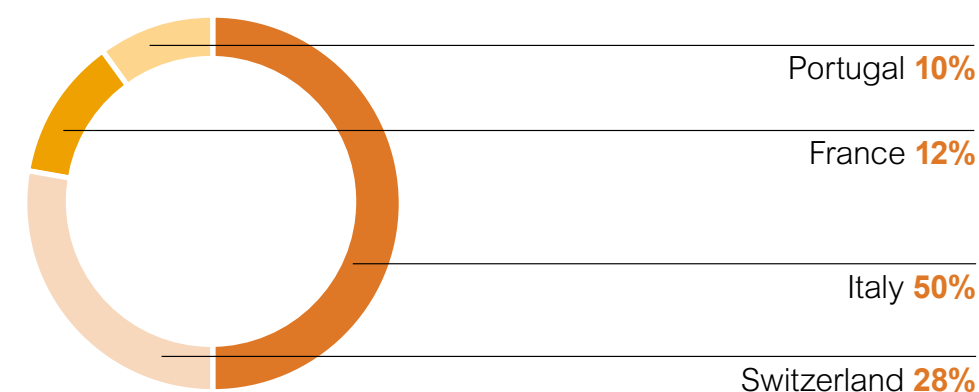
SOCIAL & GOVERNANCE

Oerlikon Luxury people

The new Oerlikon Luxury business sector, which was created in 2023 following the integration of Riri and Coeurdor within the Oerlikon Group, employs **1400 people**.

They are distributed between the French (166), Portuguese (137), Italian (699) and Swiss (398) plants. Of these, **women represent 58% and men 42%**.

EMPLOYEES BY GEOGRAPHICAL DISTRIBUTION



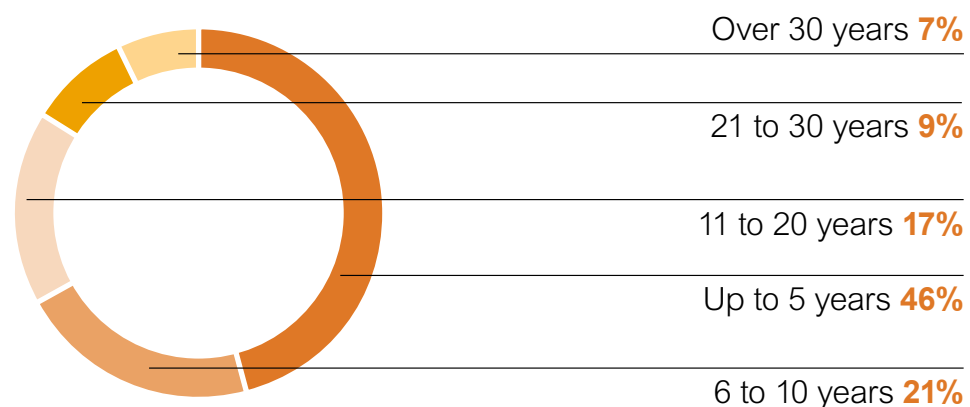
As in previous years, these numbers do not include employees from sales offices in Paris, New York, Los Angeles and Shanghai (9 people in total).

Compared to the total figure of Oerlikon Group (13,638 people) the **Luxury business sector represents about 10%.**

During the integration phase different workstreams in all functions were staffed with Riri Group and Oerlikon experts. The project teams were following an **integration plan** and, after one year, the integration was **successfully closed**.

More than half of the employees (752 people) have been working at Riri Group and Coeurdor (now part of Oerlikon Luxury) **for over five years**, which has allowed for strong professional growth and skills consolidation. Of these, 60% are women.

EMPLOYEES BY COMPANY SENIORITY



Despite a not particularly positive economic situation for the luxury market, that in 2023 was adversely affected by geopolitical tensions and the low performance of China, the Luxury business sector recorded a positive figure: the 2023 **delta between new hires and contract terminations is 38 people**.

Of these, almost 30% are located in the Fundão factory (Portugal), mainly due to the internalization of temporary workers.

Within Oerlikon Luxury, the balance between management functions and other professional categories has remained essentially unvaried: executive, managers and office workers account for 29% (412 people), of which 51% are women.

The rest includes direct production workers (69%) and trainees (2%).

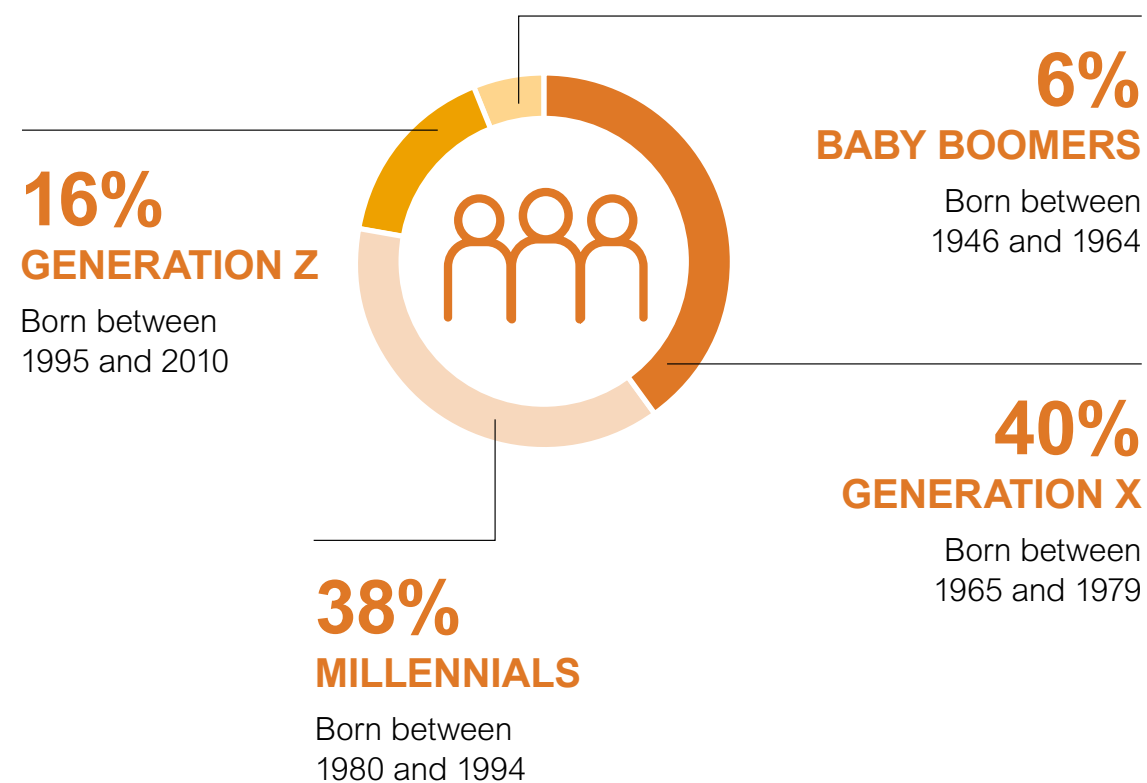
Taking into account the type of employment agreement, **more than 96%** of employees, either office workers or production staff, **is hired with a permanent contract**.

Furthermore, 93% of parents who have taken parental leave regularly resumed their activity, the remaining 7% no longer work due to personal choice.

This confirms the lack of discriminatory attitudes by the organization.

OERLIKON LUXURY GENERATIONS

In 2023, within Oerlikon Luxury, there are four generations:
78% of the company human resources are from Millennials and Generation X:



Oerlikon Luxury commitment to Diversity, Equity and Inclusion (DEI)

For the company the wellbeing of its employees has always been a priority. In 2021 Riri Group, in partnership with Mercer, started a project aimed at supporting **Diversity, Equity and Inclusion on the work place**.

In 2023 Oerlikon Luxury joined the **Oerlikon DEI program**, dedicated to cultivating a work environment where every person can genuinely be themselves.

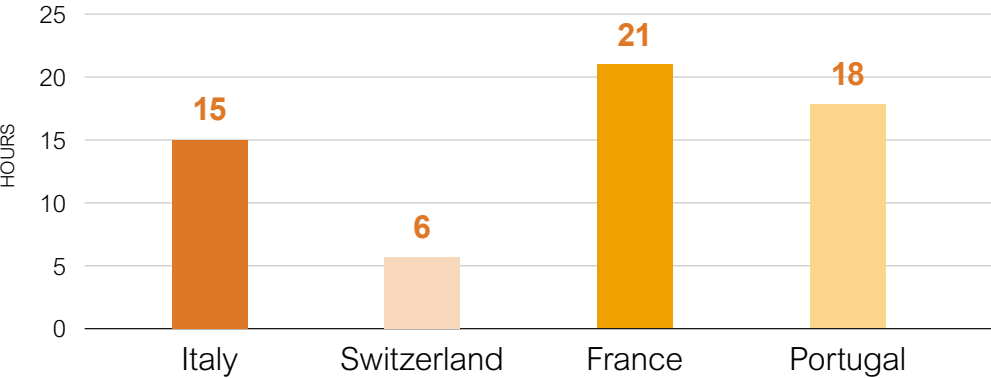
For more information on the initiatives carried out [click here](#).

Welfare and training

Welfare and training topics are very important to the Group; in 2023, an average of **15 hours of training per employee** was provided.

The graph below shows the average of training hours for each employee in the different locations. The delta between the European and Swiss sites is due to the different legal provisions in force and the collective bargaining of the sector.

AVERAGE TRAINING HOURS
BY GEOGRAPHICAL AREA



The main topics covered were: safety in the workplace, environment and sustainability, technical training and improvement of soft skills. Regarding the latter point, at Mendrisio and Padua plants, **training courses and teambuilding events** were organized to strengthen relations and communication between the various company functions.



Additionally, in all the sites of Oerlikon Luxury, training sessions were held to reiterate that **health, safety and environment are the main priority** not only **for operators**, but also **for top management**, who must help to spread this culture among all employees.

FOCUS

Oerlikon Riri plants obtained
ISO certifications



In November 2023, Oerlikon Riri, in conjunction with the consulting company Marsh Advisory, implemented its own integrated Quality, Environment, Health and Safety Management System. This process, which began in January 2022, allowed to **extend the ISO 9001** (Quality Management System), **14001** (Environmental Management System) **and 45001** (Occupational Health and Safety Assessment Series) **certifications**, already previously achieved in the Padua plant, to the sites of Mendrisio, Tirano and Palazzolo sull’Oglio.

The audit, conducted by the Third Party Certification Body TÜV Rheinland, took place between October and November and was successfully completed at all sites. Strengths of the Group that were highlighted were: LCA process and the effective use of the management software for HSE topics.

MARCO BRUNO, Head of ESG Compliance & Health and Safety Oerlikon Luxury, commented: “This certification is fully part of this continuous growth in awareness of our responsibility towards the environment, people and community. With this additional and important aspect, we contribute to the broader ESG framework of the entire Oerlikon Luxury business sector.”

FEDERICO BOLLATI, Quality System Manager of Oerlikon Luxury, continues as follows: “I am very proud of the achieved result, which is the outcome of the teamwork carried out in recent months, with enthusiasm and perseverance, by all the company functions.”

Organizational and Management Model (MOG 231)

MOG 231, already adopted in Padua, Tirano, Palazzolo sull'Oglio and Poggio a Caiano plants, is currently being updated according to the control systems of the parent company and to the new legislative requirements.

The sites in Badia al Pino (Amom) and Scarperia (DMC) are implementing the new system, while for the ones based in France and Portugal, the adoption of the Model is not required by the local legislation.

Over the past four years, **no anonymous report of violation of the Code of Ethics or MOG has been received.**

Health and safety in the workplace

Oerlikon Luxury operates in full compliance with the specific regulations applicable in the countries where it is present, with a focus on continuous improvement.

In fact, in addition to the extension of the ISO 45001 certification, with the integration process, the Oerlikon slogan '**Zero Harm to People**' was adopted in all the plants. With this objective, the company is committed to creating and maintaining a safe workplace for all employees.



In this regard, several improvement initiatives have been implemented, among these:

- **monitoring of accident rates**, including potential accidents, dangerous situations, reports and suggestions;
- **training for all staff** on the Oerlikon main guidelines and the importance of promptly reporting dangerous situations;
- an entire day dedicated to promoting employee health and safety (**HSE Day**);
- **legislative compliance audit in each plant**, carried out by an accredited third party;
- continuous monitoring and **reduction of hazardous chemicals** in the different plants and in each process with the implementation of best management, storage and disposal practices.

In terms of accident index targets, Oerlikon Luxury fully integrated with the parent company by assessing its performance through the Lost Time Accident Severity Rate (LTASR) and the Total Accident Frequency Rate (TAFR).
These indices represent, respectively: the total number of working days lost due to accidents per 200,000 hours worked and the total number of occupational accidents that occurred per 200,000 hours worked.

	LTASR	TAFR
OERLIKON LUXURY	81.88	2.60
OERLIKON SURFACE SOLUTIONS	16.50	0.73

Oerlikon Luxury has started to align with the Oerlikon target of achieving a TAFR of less than 0.50 by 2030.

To achieve this ambitious goal, in addition to the commitment of the management team, a dual objective has been set:

- report and analyze the reasons of at least one unsafe behaviour for every two employees;
- close at least 80% of the corrective actions following the alerts within the year.

FOCUS

Oerlikon ‘HSE Day’



On September 2023, Oerlikon organized an ‘Health, Safety & Environment Day’ at all the sites of the Group.
The day was dedicated to the importance of safety in the workplace with the aim of achieving a single goal: **reduce the number of accidents to zero.**



All the employees of Oerlikon Luxury, from the Italian, Swiss, French and Portuguese plants, simultaneously took part in the event. They were trained **to recognize potential risks and hazards in the work environment**, with the aim of informing colleagues by identifying appropriate solutions to reduce and eliminate the number of accidents.



Participants were also involved in dynamic questions and interactive activities, in order to be engaged on the various topics.



DATA IN DETAILS

Methodology note_page 86

04

METHODOLOGY NOTE

This document, at its first edition, presents the annual report of Oerlikon Luxury about its sustainability commitment. Former Riri Group, now part of the Luxury business sector, published its Report since 2021.

The data included in this report covers the year 2023, from 1 January to 31 December, and refers to 11 sites of Oerlikon Luxury (the plant based in Pergine Valsugana is not counted in the reporting data).

As in previous editions, the indicators reported include aspects related to the three key points of sustainability: environmental, social and economic.

This report and the data presented have not been verified by third parties.

For further information on the contents, please send an e-mail to: sustainability.lux.oss@oerlikon.com

PROCUREMENT PRACTICES

NUMBER OF SUPPLIERS BY GEOGRAPHICAL AREA

	2023
ITALY	48.1%
FRANCE	33.9%
PORTUGAL	11.2%
SWITZERLAND	3.6%
OTHER EMEA COUNTRIES	2.4%
ASIA	0.7%
AMERICAS	0.1%

ECONOMIC DISTRIBUTION OF SUPPLIERS BY GEOGRAPHICAL AREA

	2023
ITALY	74.2%
FRANCE	9.7%
SWITZERLAND	9.5%
PORTUGAL	1.1%
OTHER EMEA COUNTRIES	3.4%
ASIA	2.1%
AMERICAS	0.0%

NUMBER OF SUPPLIERS
BY CATEGORIES

	2023
SERVICES	26.6%
SEMIFINISHED PRODUCTS	23.5%
SUBCONTRACTORS	15.9%
RAW MATERIALS	10.8%
MACHINERY AND EQUIPMENT	10.7%
OTHER	12.5%

ECONOMIC DISTRIBUTION OF SUPPLIERS
BY CATEGORIES

	2023
SERVICES	7.9%
SEMIFINISHED PRODUCTS	23.9%
SUBCONTRACTORS	24.7%
RAW MATERIALS	38.1%
MACHINERY AND EQUIPMENT	5.1%
OTHER	0.3%

MATERIALS

MATERIALS USED
BY WEIGHT

	2021	2022	2023
CORE MATERIALS - RENEWABLE [TONS]*	1,803	1,979	1,659
STEEL	69	91	149
BRASS	1,025	1,216	919
ZAMAK	708	666	589
CORE MATERIALS - NON-RENEWABLE [TONS]*	151	227	153
POLYESTER	20	2	1
RECYCLED POLYESTER	65	132	52
COTTON	1	2	1
POLYOXYMETHYLENE (POM) AND POLYAMIDE (PA66)	65	91	18
OTHER RAW MATERIALS NON-RENEWABLE [TONS]*	479	721	702
PRECIOUS METALS - RENEWABLE [KG]*	196	429	510

* Data refers to quantities ordered throughout the year

ENERGY

ENERGY CONSUMPTION
WITHIN THE ORGANIZATION

	2021	2022	2023
DIRECT ENERGY CONSUMPTION FROM NON-RENEWABLE SOURCES [MJ]	21,351,683	20,634,622	21,671,881
HEATING OIL [MJ]	0	0	1,295,748
DIESEL [MJ]	8,021,215	7,572,929	6,515,653
METHANE [MJ]	12,635,586	12,438,056	13,149,579
LIQUEFIED PETROLEUM GAS (LPG) [MJ]	694,883	623,636	710,901
INDIRECT ENERGY CONSUMPTION [MJ]	33,615,180	42,227,637	50,849,314
ELECTRICITY FROM RENEWABLE SOURCES [MJ]	33,214,543	33,060,586	46,348,709
ELECTRICITY FROM NON-RENEWABLE SOURCES [MJ]	400,637	9,167,051	4,500,605
TOTAL ENERGY CONSUMPTION [MJ]	54,966,863	62,862,258	72,521,195

ENERGY INTENSITY

	2021	2022	2023
ENERGY CONSUMPTION RELATED TO EMPLOYEE [MJ/FTE]	67,115	55,483	50,573
ENERGY CONSUMPTION RELATED TO TURNOVER [MJ/€]	0.51	0.37	0.34
ENERGY CONSUMPTION RELATED TO SOLD PRODUCTS [MJ/KG]	91.25	63.27	88.27
NON-RENEWABLE ENERGY CONSUMPTION RELATED TO TURNOVER [MJ/€]	0.20	0.18	0.12
RENEWABLE ENERGY CONSUMPTION RELATED TO TURNOVER [MJ/€]	0.31	0.20	0.22

WATER AND EFFLUENTS

WATER WITHDRAWAL

	2021	2022	2023
WATER WITHDRAWAL BY SOURCE GROUNDWATER - FRESHWATER (≤ 1000 MG/L TOTAL DISSOLVED SOLIDS) [MEGALITERS]	11.3	16.4	13.6
WATER WITHDRAWAL BY SOURCE THIRD-PARTY WATER - FRESHWATER (≤ 1000 MG/L TOTAL DISSOLVED SOLIDS) [MEGALITERS]	69.4	71.1	77.5
TOTAL WATER WITHDRAWAL [MEGALITERS]	80.7	87.6	91.2
TOTAL WATER WITHDRAWAL FROM WATER STRESS AREAS [MEGALITERS]	23.9	30.8	31.6

WATER DISCHARGE

	2021	2022	2023
WATER DISCHARGE BY DESTINATION - THIRD-PARTY WATER [MEGALITERS]	80.3	68.4	64.7
TOTAL WATER DISCHARGE [MEGALITERS]	80.3	68.4	64.7

KPI WATER WITHDRAWAL

	2021	2022	2023
WATER WITHDRAWAL PER KG OF SOLD PRODUCTS [M³/KG]	0.13	0.08	0.11

PRIORITY SUBSTANCES OF CONCERN
FOR WHICH DISCHARGES ARE TREATED

Mendrisio	Tirano	Palazzolo sull'Oglio	Padua	Poggio a Caiano	Badia al Pino	Scarperia e San Piero a Sieve	Campi Bisenzio	Fundão	Maiche & Mamirolle
- Chrome (VI) - Chrome (III) - Lead - Copper - Nickel - Zinc - Cyanides	- Chemical Oxygen Demand (C.O.D) - BOD5 - Total suspended solids - Total surfactants - Mineral oils - Chlorides - Total phosphorus - Ammoniacal nitrogen - Nitric nitrogen - Total nitrogen	- C12 Hydrocarbon - Zinc - Chrome (VI) - Nickel - Lead - Cadmium - Copper - Cyanides - Phenols - Solvents	- Surfactants - Sulphites - Total cyanides - Chlorides - Fluorides - Sulphates - Chrome (VI) - Aluminium - Cadmium - Total chrome - Iron - Manganese - Cadmium - Lead - Iron - Manganes - Nickel - Lead - Copper - Selenium - Tin - Zinc - Total phosphorus - Boron		- Ph - Electrical conductivity - Total suspended solids - Chemical Oxygen Demand (C.O.D) - Aluminium - Antimony - Arsenic - Barium - Boron - Cadmium - Total chrome - Iron - Manganese - Mercury (Hg) - Nickel - Lead - Copper - Zinc - Animal and vegetal oils and fats - Cyanides (CN) - Sulphates (SO4) - Chlorides (Cl) - Ammoniacal nitrogen (NH4+) - Nitric nitrogen - Nitrous nitrogen - Total nitrogen - Total phosphor - Cationic surfactants - Anionic surfactants (MBAS) - Non-ionic surfactants (TRITON X-100) - Total surfactants			- Nickel - Copper - Ph - Chemical Oxygen Demand (C.O.D) - Iron - Cyanides	- Total suspended solid - Ph - Chemical Oxygen Demand (C.O.D) - Total nitrogen - Total phosphor - Total chlorides - Total metals - Iron - Copper - Nickel - Zinc - Cyanides - Halogenated organic compounds - Chrome (IV) - Tribute phosphates

HOW PRIORITY SUBSTANCES
OF CONCERN ARE DEFINED

Mendrisio	Tirano	Palazzolo sull'Oglio	Padua	Poggio a Caiano	Badia al Pino	Scarperia e San Piero a Sieve	Campi Bisenzio	Fundão	Maiche & Mamirolle
Compliance with water protection laws (OPAc) defined in the Annex 3.2, paragraph 2, column 2	Compliance with the Italian Legislative Decree no. 152/06 and subsequent amendments Table 3, annex 5 to the third part for discharge into the sewer system. AUA 252/23 and Convention with the integrated water service management company (S.EC.AM)	Water characterisation carried out to classify the waste typology	Compliance with the Italian Legislative Decree no. 152/06 and subsequent amendments Table 3, annex 5 to the third part for discharge into the sewer system AUA 1414/2020	Compliance with the Italian Legislative Decree no. 152/06 and subsequent amendments Table 3, annex 5 to the third part, Surface waters column for hazardous substances (copper, zinc and nickel); Table 3, annex 5 for discharge into the sewer system for the other parameters. AUA 20911/2020				Compliance with the Portuguese Legislative Decree no.,178/98 annex XVIII	Article 33 of the Legislative Decree of 9 April 2019 on the general requirements applicable to installations subject to the registration regime under section no. 2564 or section no. 2565 (metal coating or electrolytic or chemical surface treatment) of the nomenclature of classified installations for the protection of the environment - additional prefectural decree of 2016 - wastewater authorisation 2021

NUMBER OF INCIDENTS OF NON-COMPLIANCE
WITH DISCHARGE LIMITS

	2021	2022	2023
NUMBER OF INCIDENTS OF NON-COMPLIANCE WITH DISCHARGE LIMITS	0	0	0

EMISSIONS

	2021	2022	2023
DIRECT (SCOPE 1) GHG EMISSIONS [TON CO ₂ EQ]	1,854	1,541	1,713
ENERGY INDIRECT (SCOPE 2) GHG EMISSIONS [TON CO ₂ EQ]	293	1,156	567
OTHER INDIRECT (SCOPE 3) GHG EMISSIONS [TON CO ₂ EQ]	18,500	27,483	30,352
GHG EMISSION INTENSITY [KG CO ₂ EQ/TURNOVER (€)]	0.19	0.18	0.16
GHG EMISSION INTENSITY (SCOPE 1 & SCOPE 2) [TON CO ₂ EQ/FTE]	2.62	2.38	1.56

NITROGEN OXIDES (NO_x), SULFUR OXIDES (SO_x),
AND OTHER SIGNIFICANT AIR EMISSIONS

	2021	2022	2023
NO _x [KG/YEAR]	2,116	2,104	2,116
SO _x [KG/YEAR]	1,085	1,183	1,085
VOLATILE ORGANIC COMPOUNDS PURCHASED (VOCs) [KG/YEAR]	37,974	50,211	18,425
DISPOSED VOCs WITHIN WASTE [KG/YEAR]	20,264	18,425	8,176
TREATED VOCs [KG/YEAR]	4,283	8,176	21,661
EMITTED VOCs [KG/YEAR]	11,970	21,661	14,889

WASTE

MANAGEMENT OF SIGNIFICANT
WASTE-RELATED IMPACTS

	2021	2022	2023
OTHER [KG]			
HAZARDOUS WASTE	350,794	378,034	433,924
NON-HAZARDOUS WASTE	48,578	29,000	187,048
RECOVERY [KG]			
HAZARDOUS WASTE	53,711	1,210,133	1,084,067
NON-HAZARDOUS WASTE	246,917	368,259	382,654
RECYCLING [KG]			
HAZARDOUS WASTE	2,094	1,574	23,925
NON-HAZARDOUS WASTE	85,510	83,624	143,337
LANDFILL [KG]			
HAZARDOUS WASTE	39,183	49,482	36,126
NON-HAZARDOUS WASTE	193,662	246,826	222,872
TOTAL [KG]	1,020,449	2,366,931	2,513,952

EMPLOYMENT

EMPLOYMENT
BY AGE AND GENDER

			2021		2022		2023			
			Age	Total	Men	Women	Total	Men	Women	Total
NUMBER OF EMPLOYEES HIRED	<30	65	22%	78%	103	36%	64%	58	50%	50%
	30 - 50	44	30%	70%	123	28%	72%	77	44%	56%
	> 50	3	33%	67%	5	40%	60%	15	67%	33%
NUMBER OF EMPLOYEES WHO LEFT THE COMPANY	<30	34	24%	76%	40	12%	88%	38	42%	58%
	30 - 50	36	31%	69%	50	28%	72%	43	47%	53%
	> 50	22	23%	77%	30	50%	50%	31	55%	45%

PARENTAL LEAVE
BY GENDER

		2022		2023			
		Total	Men	Women	Total	Men	Women
TOTAL NUMBER OF EMPLOYEES THAT TOOK PARENTAL LEAVE		65	31%	69%	90	38%	62%
TOTAL NUMBER OF EMPLOYEES THAT RETURNED TO WORK IN THE REPORTING PERIOD AFTER PARENTAL LEAVE ENDED		65	31%	69%	84	39%	61%
RETURN TO WORK RATE		100%	100%	100%	93%	97%	91%

OCCUPATIONAL HEALTH & SAFETY

WORK-RELATED
INJURIES

	2021	2022	2023
NUMBER OF FATALITIES AS A RESULT OF WORK RELATED INJURY	0	0	0
NUMBER OF HIGH-CONSEQUENCE WORK-RELATED INJURIES	0	0	1
NUMBER OF RECORDABLE WORK-RELATED INJURIES	20	26	29
NUMBER OF LOST TIME ACCIDENTS	20	26	23
NUMBER OF MEDICAL TREATMENT ACCIDENTS	0	0	6
NUMBER OF WORKED HOURS	1,257,941	1,787,051	2,231,616
TOTAL ACCIDENT FREQUENCY RATE (TAFR)	3.18	2.91	2.60
LOST TIME ACCIDENT SEVERITY RATE (LTASR)	50.00	36.00	81.88

TRAINING

TRAINING AND EDUCATION

AVERAGE HOURS OF TRAINING	2021				2022			
	ITALY		SWITZERLAND		ITALY		SWITZERLAND	
	Men	Women	Men	Women	Men	Women	Men	Women
DIRECTORS/ MANAGERS	13.5	26.3	3.0	2.0	14.7	15.3	0.0	0.0
EMPLOYEES	12.3	12.1	3.0	5.0	15.5	15.5	2.6	6.1
DIRECT WORKERS	12.0	4.6	3.0	3.0	13.5	6.8	4.0	7.1
APPRENTICES	28.8	11.5	0.0	0.0	29.7	29.1	0.0	8.0

AVERAGE HOURS OF TRAINING	2023							
	ITALY		SWITZERLAND		FRANCE		PORTUGAL	
	Men	Women	Men	Women	Men	Women	Men	Women
DIRECTORS/ MANAGERS	18.0	20.0	17.8	5.5	7.0	3.0	26.0	29.0
EMPLOYEES	16.0	15.0	6.6	7.4	15.0	25.0	22.0	35.0
DIRECT WORKERS	14.0	6.0	2.7	2.2	10.0	20.0	14.0	14.0
APPRENTICES	16.0	29.0	0.0	0.0	4.0	2.0	0.0	0.0

DIVERSITY AND EQUAL OPPORTUNITY

DIVERSITY OF GOVERNANCE BODIES AND EMPLOYEES

EMPLOYEES BY AGE AND GENDER	2021			2022			2023		
	Total	Men	Women	Total	Men	Women	Total	Men	Women
<30	120	37%	63%	184	46%	54%	242	49%	51%
30 - 50	414	40%	60%	608	39%	61%	783	41%	59%
> 50	246	47%	53%	282	46%	54%	375	42%	58%
TOTAL	780	42%	58%	1,074	42%	58%	1,400	42%	58%

EMPLOYEES BY CATEGORIES AND GENDER	2021			2022			2023		
	Total	Men	Women	Total	Men	Women	Total	Men	Women
DIRECTORS/MANAGERS	15	87%	13%	18	83%	17%	47	74%	26%
EMPLOYEES	228	51%	49%	293	48%	52%	365	45%	55%
DIRECT WORKERS	527	36%	64%	745	38%	62%	964	39%	61%
APPRENTICES	10	70%	30%	18	67%	33%	24	33%	67%
TOTAL	780	42%	58%	1,074	42%	58%	1,400	42%	58%

GENERAL DISCLOSURES

EMPLOYEES BY CONTRACT TYPE AND GENDER

	2022			2023		
	Total	Men	Women	Total	Men	Women
END-TERM CONTRACTS	31	26%	74%	115	48%	52%
PERMANENT CONTRACTS	1,043	43%	57%	1,285	42%	58%
TOTAL	1,074	42%	58%	1,400	42%	58%

EMPLOYEES BY EMPLOYMENT
TYPE AND GENDER

	2022			2023		
	Total	Men	Women	Total	Men	Women
PART-TIME	53	15%	85%	61	11%	89%
FULL-TIME	1,021	44%	56%	1,339	44%	56%
TOTAL	1,074	42%	58%	1,400	42%	58%

EMPLOYEES BY COMPANY
SENIORITY AND GENDER

	2022			2023		
	Total	Men	Women	Total	Men	Women
UP TO 5 YEARS	490	44%	56%	648	45%	55%
FROM 6 TO 10 YEARS	199	44%	56%	300	46%	54%
FROM 11 TO 20 YEARS	225	47%	53%	240	45%	55%
FROM 21 TO 30 YEARS	84	40%	60%	121	37%	63%
OVER 30 YEARS	76	18%	82%	91	15%	85%
TOTAL	1,074	42%	58%	1,400	42%	58%

EMPLOYEES BY COMPANY
SENIORITY AND AGE

	2022				2023			
	Total	<30	30 - 50	> 50	Total	<30	30 - 50	> 50
UP TO 5 YEARS	490	33%	58%	9%	648	32%	58%	10%
FROM 6 TO 10 YEARS	199	12%	66%	22%	300	9%	63%	28%
FROM 11 TO 20 YEARS	225	0%	60%	40%	240	0%	64%	36%
FROM 21 TO 30 YEARS	84	0%	48%	52%	121	0%	41%	59%
OVER 30 YEARS	76	0%	22%	78%	91	0%	14%	86%
TOTAL	1,074	17%	57%	26%	1,400	17%	56%	27%

OERLIKON LUXURY’S
COMMITMENT
TO SUSTAINABILITY
2023

