ARCHA SUSTAINABILITY PROTOCOL

FASHION compartment

PREPARE FOR CHANGE…

Begin to approach SUSTAINABILITY in a PROACTIVE way

- **Late adaptation to regulations that have come into force**

- **Respond to market demands**

- **Evaluate your own sustainability performance without setting clear goals**

- **Anticipate the new outgoing regulations**

- **Strategic planning**

- **Plan preventive and continuous improvement actions with a view to sustainability**

ARCHA

EVOLVING AND COMING SOON REGULATIONS…

1   *Ecodesign Regulation*

2   *Directive on the Protection from Unfair Practices and Consumer Information and Directive on Green Claims*

3   *Corporate Sustainability Reporting Directive (CSRD)*

ARCHA

1

Eco-friendly design
(Regulation 2022/0095/COD)

WHAT DOES THE STANDARD SAY?

*Any product placed on the market or put into service, including its components and intermediate products, must comply with the relevant performance specifications and equipped with an **Electronic Passport***

WHAT TO DO?

- Revolutionizing the way we design, manufacture, use and dispose of products
- Improve the environmental sustainability of the products placed on the market by **reducing the environmental impact from the design phase** and throughout the rest of the life cycle
- Make **information** relating to products available, complete, transparent and reliable

WHICH TOOLS TO ADOPT?

ECO-FRIENDLY DESIGN (ECO-DESIGN)

Model for the design and production of **products with a reduced environmental impact, closely linked to the ELECTRONIC PASSPORT which will have to communicate the following information in a transparent and measured way:**

- ➢ **Use of dangerous substances (subject to REACH and CLP)**
- ➢ **Energy consumption**
- ➢ **Environmental and carbon footprint**
- ➢ **Waste generation**

ARCHA
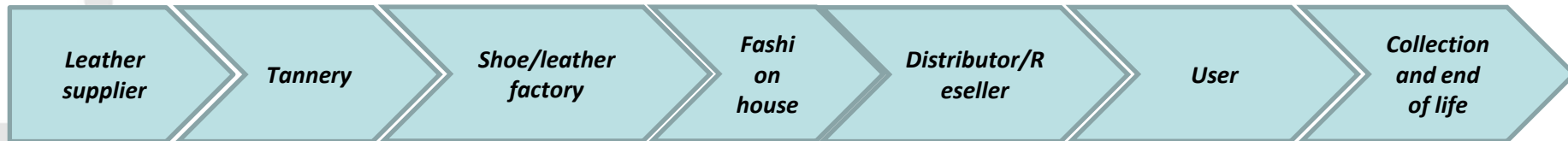
WHO ARE THE INTERESTED PARTIES?

<u>VALUE CHAIN</u> : *All activities and processes that are part of the life cycle of a product*

The regulation concerns **ALL** individuals/companies operating within the value chain of the specific product

Example: FASHION CHAIN VALUE CHAIN

| Leather supplier | Tannery | Shoe/leather factory | Fashion house | Distributor/Reseller | User | Collection and end of life |

Chemicals manufacturer

The **PRODUCT PASSPORT** must contain information necessarily connected to the entire supply chain: **each of the interested parties must provide their own passport/integrate the existing one**

ARCHA

2

Protection from unfair practices and consumer information
(Directive 2022/0092/COD)
Foundation and communication of environmental declarations
Green Claims Directive
(Directive 2023/0085/COD)

WHAT DOES THE STANDARD SAY?

Unfair Practices are commercial practices implemented by an economic operator which can induce the average consumer to take a commercial decision that he otherwise would not have taken.

From an environmental point of view, the standards define:

- *Introduction of **information obligations** on environmental characteristics and **rules** to avoid misleading the communication of environmental performance derived from impact assessment*

- ***Prohibition** of generic, vague or unfounded environmental claims*

- *Definition of **criteria** to evaluate the transparency and credibility of environmental declarations and sustainability labels with reference to recognized scientific approaches, the "life cycle " perspective and the evaluation of associated environmental impacts*

- ***Guidelines** to combat the proliferation of environmental labels (over 200 across Europe) through the introduction of mandatory certification and control over the creation of new labeling schemes*

ARCHA

WHAT TO DO?

- Inform in a measured way on the environmental characteristics of its products and processes (for example through LCA), guaranteeing transparency and credibility to its product information, blocking " greenwashing " practices

- Be careful not to make general, vague, or unsubstantiated environmental claims

- Do not use sustainability labels that are not certified or recognized by the EU

WHICH TOOLS TO ADOPT?

Quantifying the environmental performance of your products and relying on certified brands

❌ **"Sustainable Product"**

"Product with reduced environmental impact" ⇨ Generic declaration, not based on a recognized certification system and with non-demonstrable performance ! ⚠️

✅ **"90% biodegradable product under industrial composting conditions within 60 days"** ➕ **Certified brand**

"Product with carbon footprint reduced by 30% compared to other X product of the same category" ➕ **Certified LCA study**

ANALISI LCA
VALUTAZIONE IMPATTI AMBIENTALI
DI PRODOTTI E PROCESSI

WHO ARE THE INTERESTED PARTIES?

All activities that are part of the life cycle of a product that want to demonstrate their commitment to sustainability and guarantee the environmental performance of their products

ARCHA

3 **Sustainability Reporting (CSRD)**
(Directive 2022/2464/EU)

WHAT DOES THE STANDARD SAY?

Amends the old Directive 2014/95/EU (Non-Financial Reporting Directive) extending the obligation of non-financial reporting and introducing new aspects related to sustainability as an essential requirement of a business

Differences between the old Directive (NFRD) and the new Directive (CSRD)

	Attuale direttiva Europea 2014/95/EU	Corporate Sustainability Reporting Directive
Quando sarà applicata la norma?	2018	2023 (per le PMI nel 2026) •Il primo set di standard sarà obbligatorio dal 2023 (con bozza pubblicata entro il 2022) •Il secondo set di standard sarà disponibile dal 2024
Chi sarà il soggetto alla norma?	Enti di interesse pubblico (EIP) >500 dipendenti. Tra cui: società quotate, nonché banche e assicurazioni	Tutte le organizzazioni di grandi dimensioni, ovvero •>250 dipendenti e/o •>40 milioni di turnover e/o •>20 milioni di asset totali
Qual è il perimetro di rendicontazione?	✓ Protezione ambientale ✓ Responsabilità sociale e trattamento dei dipendenti ✓ Rispetto dei diritti umani ✓ Anticorruzione ✓ Diversità	✓ Concetto di doppia materialità: rischi di sostenibilità e impatto ✓ Processo di selezione manageriale dei temi per gli stakeholder ✓ Informazioni impostate in un'ottica «forward-looking», inclusi target e progressi futuri ✓ Informazioni intangibili aumentano (capitale, sociale, umano e intellettuale) ✓ Reporting in linea con SFDR e Tassonomia
È obbligatorio avere l'assurance da un ente terzo?	NO	SI •Integrazione nel Report dell'Audit •Includere il processo tassonomico utilizzato per identificare le informazioni chiave
Dove dovrà essere fatta la rendicontazione?	Incluso nel Report Annuale	Incluso nel Report di gestione della società
In che formato dovrà essere pubblicato il report?	Online o PDF	Da inviare in formato elettronico (XHTML o seguendo l'ESEF - European Single Electronic Format)

ARCHA

WHAT TO DO?

- Start an accounting and reporting process to evaluate and communicate one's environmental and social sustainability performance through a **sustainability report** , in view of the 17 sustainable development goals.
- Prepare actions aimed at continuous improvement, also linked to obtaining environmental, safety and social sustainability certifications

WHICH TOOLS TO ADOPT?

- Measure own performance (e.g. Benefit Impact Assessment)
- Draw up the sustainability report (GRI standard)
- Monitor and identify improvement actions in view of the 17 sustainable development goals (SDGs)
- Adopt certification systems in the field of sustainability (e.g. ISO14001)

WHO ARE THE INTERESTED PARTIES?

ALL companies that want to adequately communicate ALL aspects of sustainability (environmental, economic and social).

The obligations are:

- From 1/1/2024 large companies of public interest
- From 1/1/2025 large companies
- From 1/1/2026 for SMEs and other listed companies
- From 01/01/2028 for third country companies with at least one branch or subsidiary within the EU and turnover greater than 150 million euros

ADOPT AND COMMUNICATE SUSTAINABILITY

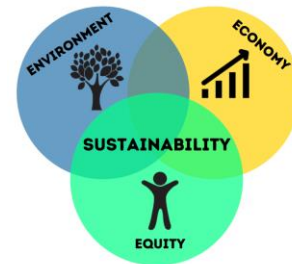It means

NG SUSTAINABILITY

No one would dream of drawing up an economic balance sheet without "measuring" the euros invoiced and the euros spent.

But for this there have always been standardized and unambiguous methods

Similarly, to measure **Environmental Sustainability** it is necessary

<u>**MEASURE**</u> various impacts

ARCHA

What needs to be measured ?

- Waste produced

- Quantity of pollutants emitted into the

- Quantity of pollutants "s poured " into the w

- Resource consumpt
  - ✓ fuels
  - ✓ waters

- Consumption of chemi

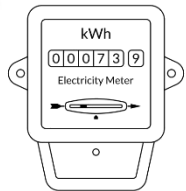- Indirect impacts (e.g. transport, waste disposal, etc.)

ARCHA

What are the measurements done with?

- Automatic counters

- Various instruments (e.g. scales, detectors)

- Real - time sensors

- Sampling campaigns carried out by specialized technicians

# How often should the measurements be taken?

✓ As much as possible

- Energy consumption is **measured** constantly because the supplier will then have to be paid based on this **measurement**

- Why should the measurement of pollutants emitted into the air or water be done "one-off" instead?

The more accurate we are, the more truthful and robust our sustainability performance will be
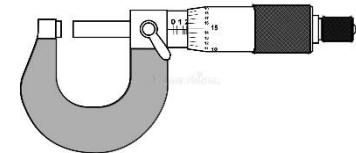
ARCHA SUSTAINABILITY PROTOCOL

ARCHA has developed a handbook of specific services to measure and communicate sustainability in an appropriate and consistent manner with the reference standards

What are these services provided by ARCHA?

1) **Real-time monitoring systems for gaseous (Syrio -A) and aqueous (Syrio - W) matrix emissions**

MULTI-PURPOSE:

✓ *Process control*

✓ *Monitoring emissions and water discharges*

✓ *Environmental performance monitoring (LCA in "real time")*

Possibility of transmitting and accessing such data via a dedicated module on the Elabora software, developed by ARCHA as a 4.0 system for the integrated management of multiple data and processes

ELABORANET
TECHNICAL SOLUTIONS

ARCHA

2) Emissions test ⟶ *Sampling and analysis in gaseous flows conveyed for determination:*

- *Physical Parameters (Temperature, Humidity)*
- *Concentration of gaseous pollutants (CO_2, NO_x , SO_x , NH_3, VOC)*
- *Total or fractionated particulate*

3) Tests on water discharges and wa ⟶ *Sampling and subsequent analysis for determination:*

- *Discharged physical parameters (temperature, pH , conductivity)*
- *Polluting load discharges (COD, BOD, SST, metals, micropollutants)*
- *Type of waste (hazardous/non-hazardous)*
- *Conferability to landfill/waste recovery (leasing test)*

4) Laboratory analysis ⟶

- *Chemical tests on water, waste, sludge*
- *Biodegradability test (leather/skins, plastic materials)*

Measurements obtained from the analyzes that can be used for:

- ➤ *LCA analysis*
- ➤ *Obtaining environmental labeling*
- ➤ *Obtaining the " **Biodegradable Leather** " label*
- ➤ *Sustainability report*
- ➤ *Eco-design products*
- ➤ *Characterization of wastewater/emissions*

Created by ARCHA to certify effective biodegradability in water and compost

ARCHA

5) Evaluation of the environmental impacts of the product/organisation using LCA or similar methods (Carbon/Water Footprint, PEF/OEF)

LCA COMPLIANCE

ANALISI LCA
VALUTAZIONE IMPATTI AMBIENTALI
DI PRODOTTI E PROCESSI

+

Review and certification by an accredited body

6) Safe and Sustainable by Design (In silico modeling and analysis) ⟶

Methodology for designing and manufacturing safe and sustainable products and processes right from the embryonic stage, aimed at reducing the impact of chemicals and materials on the environment and health
(European Strategic Plan for Research and Innovation, SRIP)

Safe and sustainable chemicals

Minimise and control

Eliminate and remediate

ANALISI PREDITTIVE:
MODELLIZZAZIONE PER SAFE AND
SUSTAINABLE BY DESIGN

Analyzes carried out by ARCHA through:
- *Modeling using dedicated software*
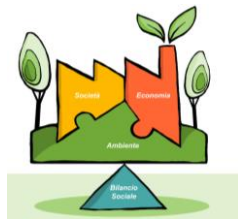- *Accredited laboratory analyses*

Possible methodology applications:
➢ *Design of new functional molecules*
➢ *Prediction of chemical-physical and toxicological properties*
➢ *Assessment of impacts on sustainability and safety*
➢ *Obtain rewards in European tenders*
➢ *Reduce time to market*

ARCHA

7) **Consultancy for obtaining certified environmental labels based on scientific foundations (such as EPD or EcoLabel)**

EPD®

EU **Ecolabel**

8) **Sustainability report drafting** ⟶
- *Reporting according to GRI standards*
- *Impact assessment using the Benefit Impact Assessment (BIA) methodology*
- *Evaluation of commitment against 17 SDGs via SDG Action Manager*

9) **Consultancy for certification of quality management systems (ISO9001), environment (ISO14001, EMAS), health and safety (ISO45001) and social responsibility (SA8000, Legislative Decree 231)**

ISO 14001
ISO 45001
231 MODELLO ORGANIZZATIVO AI SENSI DEL D.LGS 231/2001
ISO 9001
EMAS
SA 8000

10) **Consultancy for correct communication of sustainability to avoid "greenwashing"** ⟶
- *Brochure editing*
- *Writing specific texts*

ARCHA