

SUSTAINABILITY REPORT 2020

**CALZEDONIA
GROUP**

Sustainability
Report

2020



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LETTER FROM THE CHAIRMAN

Since the very beginning, here at Calzedonia we have always sought not only product quality and making sure they are a pleasure to wear, but also a quality of life in the environments in which we work and, more generally, in the environment that surrounds us.

This belief translates into us continuously striving to assure a positive impact of our work on personal relations, our customers and suppliers and the social and physical environment in which we work. In practical terms, it means seeking to continuously improve our production processes, both in terms of energy and emissions and to enhance product design right from the outset, to achieve a lesser environmental impact. It means, for example, working to eliminate disposable plastic as much as possible and continuing to foster the practice of recycling. It means satisfying, as far as possible, the needs of the people and businesses that in some way cross paths with us. It means doing our bit in the event of emergency or need.

All this is not part of a strategic plan but rather Calzedonia's very DNA.

We all spend a lot of time at the workplace, whether this be in an office, a factory or a store. It is important that relations with people are positive and constructive and that the working environment is well thought-out, healthy and appealing. That everyone feels that they are doing something useful and important. That work is not only a means of support but also a tool for personal growth and development.

We seek to achieve these objectives by encouraging very direct relations under the scope of a more horizontal organisation with the simplest hierarchical structure possible. We believe that the company's interest must be in developing its collaborators and helping them grow. We hire young men and women who have successfully completed a trial period and encourage them to aim to quickly take on roles of great responsibility.

At times with changes in sector and activities within the company. The choice to directly oversee the whole of the value creation cycle in-house, from design to production and sales made in stores or on-line, leads us to value all the departments of our company. Everyone's contribution is essential in order to achieve our multiple goals.

2020 was a very demanding year but we rose to every challenge with great energy and professionalism. Even during the most difficult times of this pandemic, we never stopped; we teamed up to pool our strengths and continued to believe and invest, also thanks to the strong identity of our Brands. The people, a value in which we have always believed, were essential in embarking on the new challenges of 2020 with prompt reactions, flexibility and a spirit of collaboration, looking to the future optimistically.

Being owners of the production chain also means being responsible for the people who work there and the communities around it. In practical terms, this responsibility means remaining a concrete point of reference for the businesses and people who work with and for the Group and in continuing, particularly during times of crisis, to be a source of certainty amidst the doubt. This year, one of our priorities has been to guarantee a monthly income for all our collaborators in countries without social safety nets, to guarantee the possibility of working in complete health and safety, from home and at the office, to preserve and improve the quality of our people's work, even at a time of crisis as is that which we have experienced and continue to experience today.

Despite the adversities, through our C-Evolution project, we have continued to expand our business sustainability milestones. We have continued to increase the number of countries in which we purchase renewable energy, resolved new structural investments for the production of renewable electricity, started a process for the definition of cutting-edge sustainability standards, continued to raise awareness amongst our employees as to reducing waste and optimising use of resources, continued to reduce the use of packaging, and plastic in particular, increased the incidence of low environmental impact raw materials and much, much more besides. To put it briefly, we have continued to improve.

THE CALZEDONIA GROUP

It was founded in Verona in 1986.

Its founder, Sandro Veronesi, is still the Chairman and major shareholder today.

For more than thirty years, the Calzedonia Group has experienced both commercial growth and an according increase in turnover, gaining international standing in retail fashion. The product life cycle, from its design through to manufacture in the owned factories and worldwide distribution, all takes place within the Group.

The collections are only available from the direct or franchised¹ flagship stores branded Calzedonia, Intimissimi, Tezenis, Falconeri, Intimissimi Uomo, Atelier Emé across the globe.

Signorvino, a chain of stores specialised in the sale of Italian wines, is also a member of the Calzedonia Group.

International growth is one of the Group's priorities: expansion and consolidation of the European market and commercial development towards the far east and United States, always with a firm eye on the challenges offered by emerging markets. The major development of the e-commerce channel also makes for a clear focus on an omnichannel business model.

¹Franchise stores are included in this chapter to provide a complete overview of the Calzedonia Group. However, for these stores, the following chapters provide no disclosure regarding environmental, social and staff-related topics and respect for human rights insofar as the Group does not control them directly.

THE CALZEDONIA GROUP IN NUMBERS

1.940
MLN€
2020 turnover


 **57**
countries
in which we operate

 **4.900**
stores
in the world

 **24**
production plants
in the world

 **5**
logistic hubs
in the world

 **7**
brands

 **77%**
of garments
produced internally

OUR HISTORY



Establishment
of Calzedonia
S.p.A.

1986



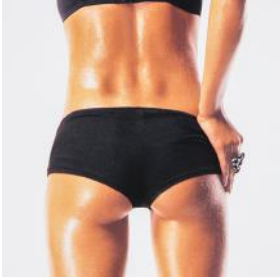
Creation of the
Intimissimi
brand

1996



Creation of
the San Zeno
Foundation

1999



Creation of
the Tezenis
brand

2003



Opening of the first
commercial branch in
South America

2011



Opening of the first
commercial branch in
Asia

2013



Acquisition of
the Atelier Emé
brand

Foundation of the
first production plant
in Africa

2015



Adhesion to the
Fashion Pact

2019

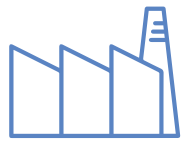
1992

Opening of the
first commercial
branch abroad



1998

Foundation of
the production
plant in Sri Lanka



2001

Foundation of the
first production
plant

Opening of the company
daycare centre



2009

Acquisition of
the Falconeri
brand



2012

Creation of the
Intimissimi
e-commerce channel

Creation of the
Signorvino brand



2014

Creation of the
Intimissimi Uomo
brand



2016

Opening of the
commercial branch
in the USA



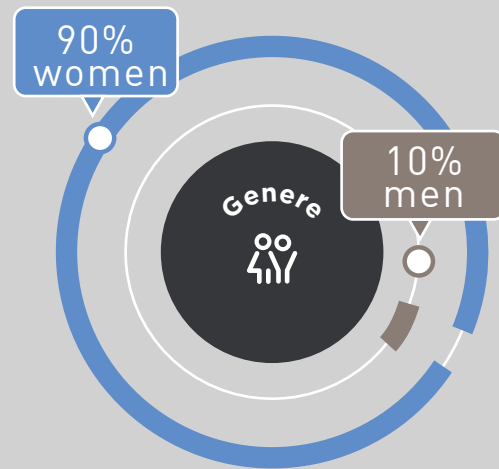
2020

Acquisition of the
factory for combing
cashmere

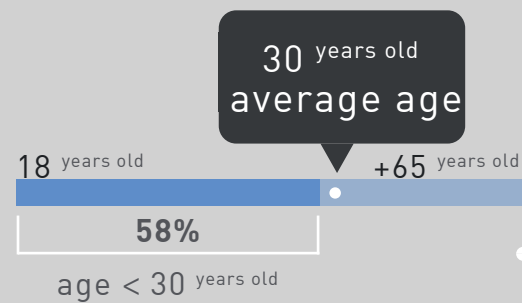


GROUP PROFILE

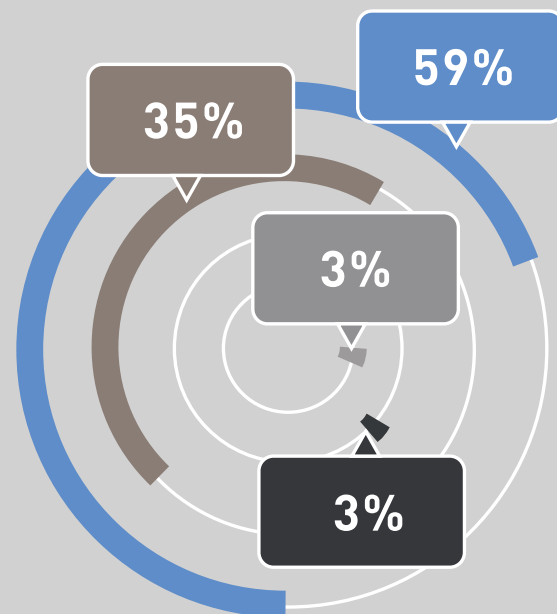
Distribution by genre (%)



Distribution by age (%)



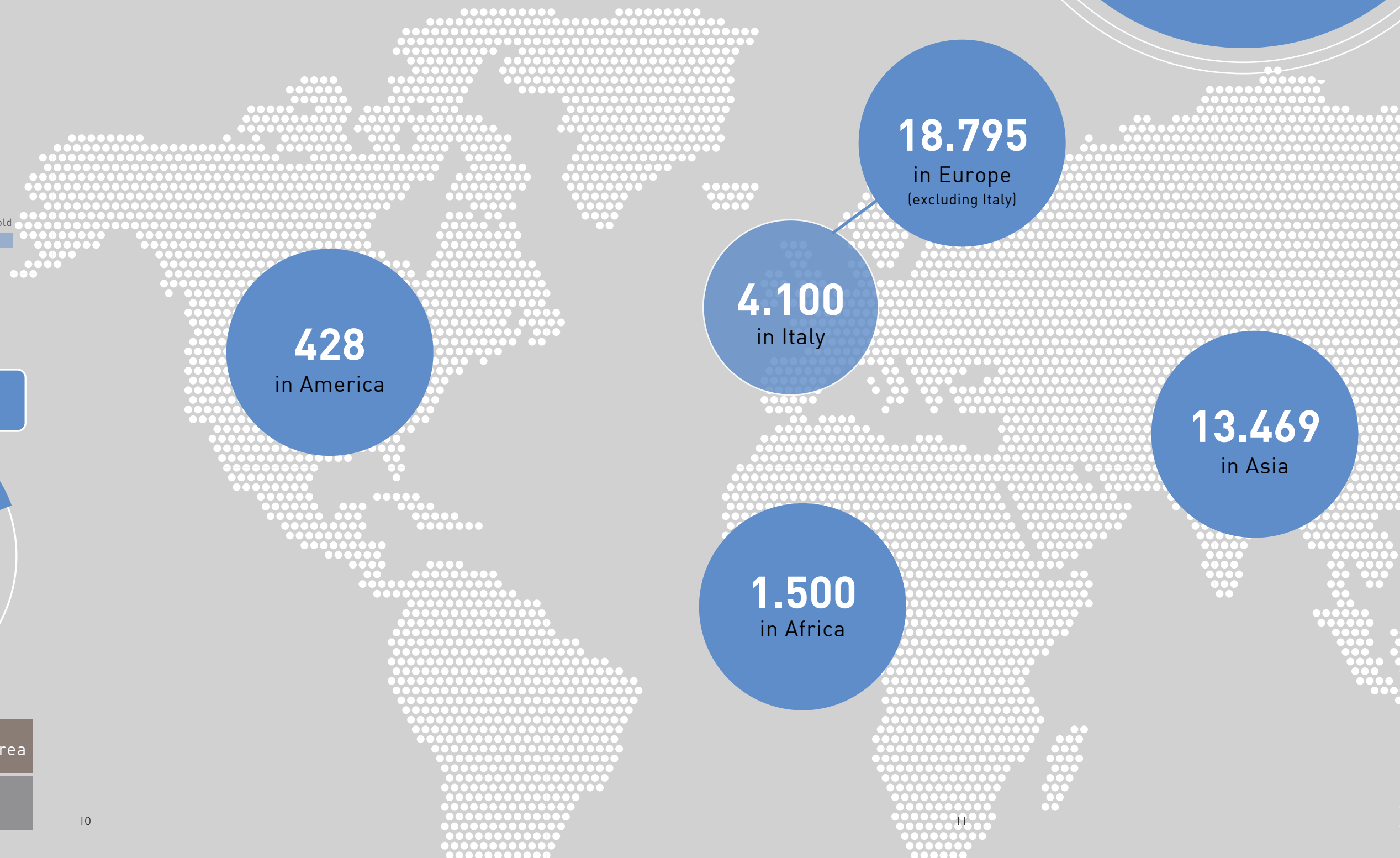
Distribution by activity (%)



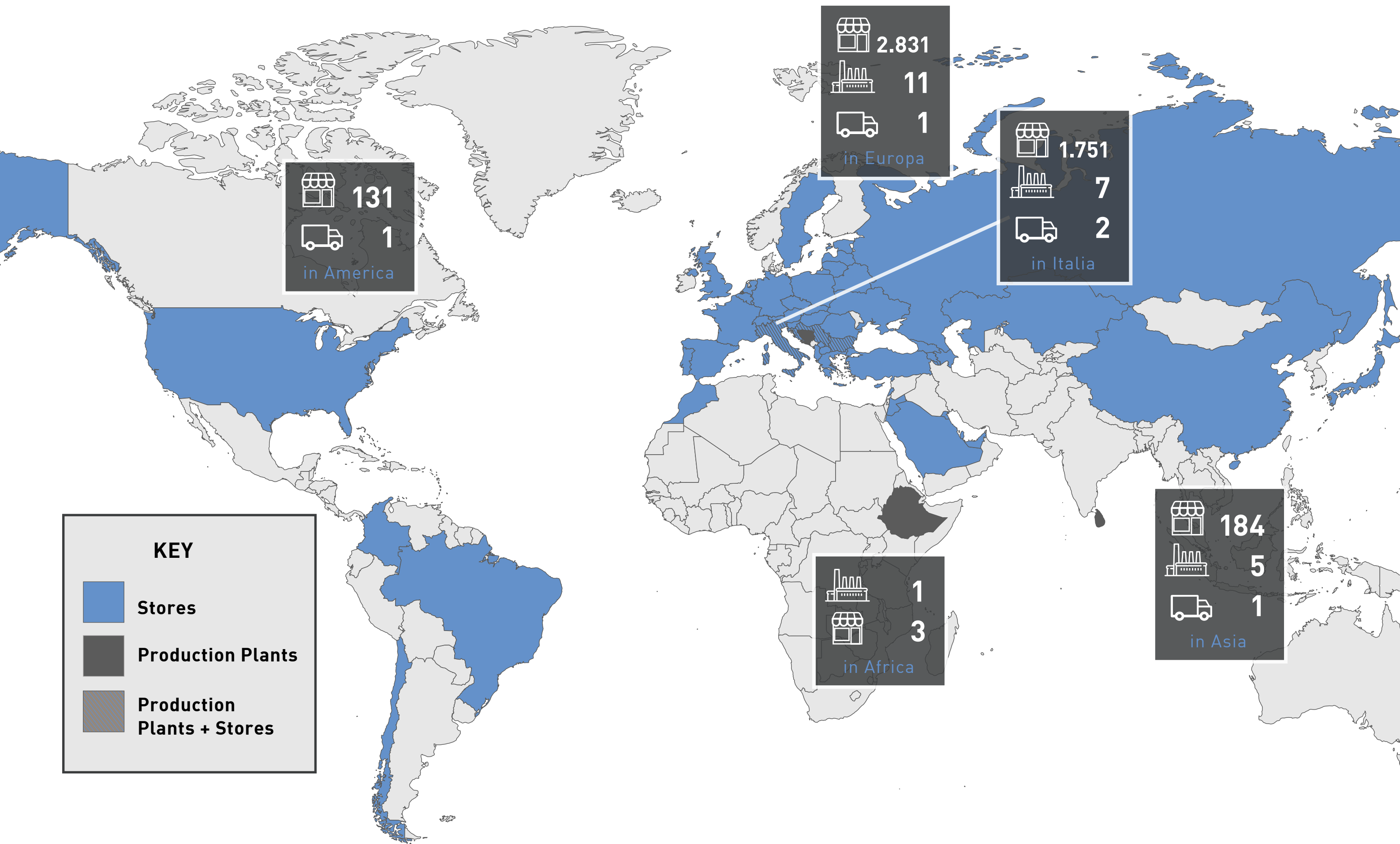
Production Area	Commercial Area
Service Area	HQ Area

Distribution by geographic area

38.292
Employees worldwide



PRESENCE ON THE MARKET



CALZEDONIA

Calzedonia is the long-standing brand that gives the Group its name and represents the very essence of the business heritage. Since 1986, it has successfully expressed the most innovative trends in each and every hosiery and beachwear collection, combining quality of manufacture with style and accessible prices.

OUR BRANDS

From heritage fashion to experimenting in new fields,
from Italy to worldwide.



Birth
1986
Website
calzedonia.com

54
Countries Worldwide
2.145
Stores

31
On-line Shop
574
Italy Stores

78% Of the garments
produced internally
3,6mil
Followers on Instagram

intimissimi

Italian lingerie

Intimissimi has conquered the lingerie and underwear market thanks to its particular specialisation and unmistakeable Italian style, very quickly becoming a source of inspiration and brand leader in the industry. In addition to its lingerie and underwear ranges, it also offers a large selection of knitwear and nightwear.



Birth

1996

Website

intimissimi.com

48

Countries Worldwide

1.548

Stores

31

On-line Shop

490

Italy Stores

94%

Of the garments produced internally

3,3mil

Followers on Instagram



Birth

2014

Website

intimissimi.com/uomo

11

Countries Worldwide

223

Stores

31

On-line Shop

167

Italy Stores

94%

Of the garments produced internally

84,6mila

Followers on Instagram

TEZENIS

underwear

Tezenis is an innovative brand that is constantly evolving. Collections renew every four months in a bid to keep up with changing styles and intercept industry trends.



Birth
2003
Website
tezenis.com

32
Countries Worldwide

735
Stores

25
On-line Shop

353
Italy Stores

73% Of the garments
produced internally

2,1mil
Followers on Instagram

FALCONERI

SUPERIOR CASHMERE

The combination of valuable natural fibres, of Italian artisan workmanship and innovative production methods are what makes Falconeri unique. The Brand is specialised in the creation of extremely high quality cashmere items. From the pastures of Mongolia to the stores: Falconeri selects the very best raw materials, taking care of every detail, without intermediaries, in respect for the environment and people.



Birth
2009
Website
falconeri.com

18
Countries Worldwide

131
Stores

22
On-line Shop

74
Italy Stores

92% Of the garments
produced internally

215mila
Followers on Instagram

ATELIER EMÉ

Atelier Emé creates and manufactures wedding dresses and clothes for ceremonies. An example of tailored excellence in sought-after fabrics, hand embroidery and delicate lace, the brand uses the very best materials to create unique, valuable items for the most important day of all.



Birth
2015
Website
atelier-eme.it

1
Countries Worldwide
47
Stores

75% Of the garments
produced internally
380mila
Followers on Instagram

SIGNORVINO

Signorvino was created with the aim of optimising the excellence of Italian wines, particularly those perhaps less well-known, through modern marketing and a distribution chain that is as direct as possible between the manufacturer and the consumer. Stores have an internal catering service based on dishes from Italian regional traditions.



Birth
2012
Website
signorvino.com

1.550
Labels
19
Stores

100%
Made in Italy
74,8mila
Followers on Instagram

Q		X
	<div>BUSINESS STRATEGY</div>	

Calzedonia is a vertically integrated group. The Group deals with all phases of the chain, from design and manufacture through to the sale to the end consumer.

The Group has always opted for the direct distribution of its products in dedicated shops. This choice is hinged on the desire to shorten the distribution chain, reducing the number of steps that end up increasing the final cost of the products and aiming to offer the end customer a specialised stores, with a clear image and product category, boasting excellent value for money.

Able to rely on cutting-edge technical production plants and a wealth of experience, Calzedonia not only cuts costs but can also offer high quality, consistent items in its stores.

The ownership and control of the factories entails both responsibility and opportunity.

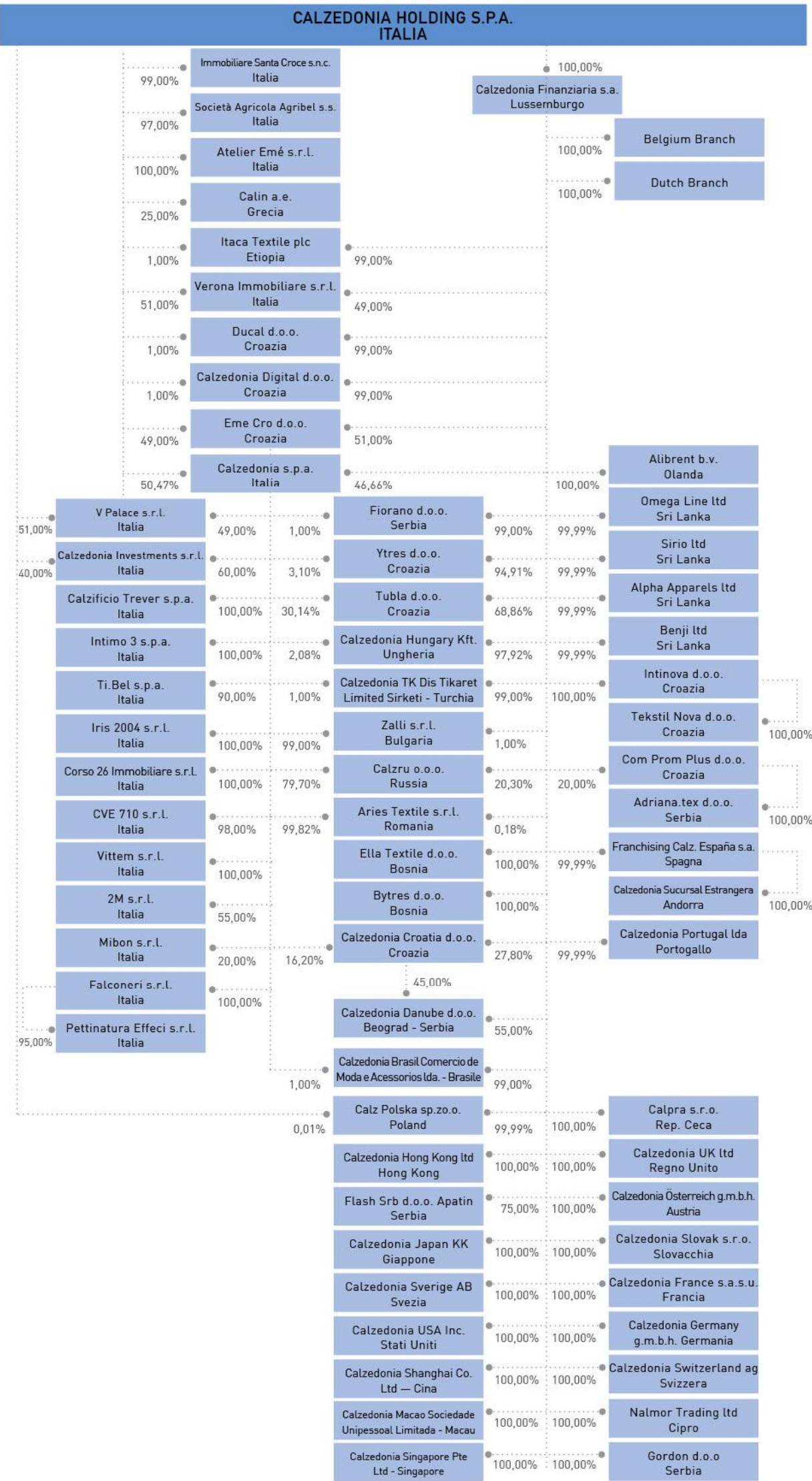
Responsibility because the investments are considerable and permanent, generally employing a large workforce. Differently to many other groups in the industry, the Calzedonia Group manages the conditions of employment and services supplied to employees and collaborators directly, as well as taking full responsibility for compliance with environmental and safety standards, the control of energy sources and the use of raw materials.

Opportunity because ownership of the plants makes it possible to coordinate manufacture with other phases of the chain ensuring total devotion to the Group's needs and a more in-depth knowledge of the social fabric in which the companies operate and any possible critical issues.

Corporate governance

The Calzedonia Group is headed by Sandro Veronesi, the Group's founder and Chairman, flanked by his family. None of the group companies is to date listed on a regulated market.

The Calzedonia Group is organised as follows:



Calzedonia Holding SpA manages and coordinates the Group companies, to which it also supplies miscellaneous services. Amongst others, it controls Calzedonia Finanziaria s.a., a company incorporated under the laws of Luxembourg, which in turn controls and coordinates most of the equity investments held in non-Italian companies.

The controlling shareholder of Calzedonia Holding SpA is the single-member company De la Costa S.r.l. owned by Sandro Veronesi, the Group's founder and Chairman.

Calzedonia Holding SpA has adopted a traditional governance system comprising the following corporate bodies: the Shareholders' Meeting, the Board of Directors, the Board of Auditors and the Supervisory Body.

The **Shareholders' Meeting** resolves on the matters submitted to it by the law or the Articles of Association.

The **Board of Directors** has full powers for the ordinary and extraordinary management of the company, with the faculty to resolve on all deeds considered appropriate to achieve the corporate object, with the exclusion of those assigned mandatorily to the Shareholders' Meeting, by the Law and Articles of Association. The Board of Directors of Calzedonia Holding SpA in office numbers two directors: Sandro Veronesi - Chairman and Marco Carletto - Managing Director.

The **Board of Auditors** has the legal task of monitoring compliance with the law and articles of association, standards of correct administration and the adequacy of the Company's organisational structure. The Board of Auditors in office numbers three auditors: Marco Bronzato - Chairman, Alessandro Lai and Gianluca Cristofori - Regular Auditors.

The **Supervisory Body** has the task of monitoring application of the control protocols envisaged by the Organisation, Management and Control Model pursuant to Italian Legislative Decree no. 231/2001. It is appointed by the Board of Directors and has operating autonomy in terms of controls and initiatives. The SB currently numbers two members external to the company and one internal member: Riccardo Borsari - independent director and Chairman, Alessandra Cerreta - independent director and Rita Civarelli, internal director, member of the Group's Legal Office. The independent auditing firm is appointed by the Shareholders' Meeting. For the three-year period 2019 - 2021, the appointment has been conferred upon EY SpA.

Internal Control and Risk Management System

The Calzedonia Group risk management model considers the main risks that may lead to failure to achieve the strategic objectives and prejudice the value of the corporate brands.

The directors periodically assess the adequacy of the structure and monitor the risks according to the analyses ensuing from information flows relative to the inside and outside environment. The creation of an adequate Internal Control and Risk Management System allows for the identification, measurement, management and monitoring of the main risks with appropriate instruments, as well as the management of business in line with the corporate objectives, the safeguarding of corporate assets, the efficiency and effectiveness of the business processes, the reliability and timeliness of the financial disclosure and compliance with laws and regulations and with the Articles of Association and the internal procedures.

In order to ensure the monitoring of conduct within the company, extensive periodic reports are prepared on the risks (operational, injury, environmental, insurance, privacy and IT) to monitor the general corporate performance, the identification of areas for improvement and the correlated interventions, with the involvement of the controlling players, namely the Board of Auditors, the Independent Auditors, the members of the Board of Directors with delegation and specific competences and the Supervisory Body pursuant to Italian Legislative Decree no. 231/2001 for companies with Organisational Models.

Under the scope of the adjustments required to comply with specific regulations (e.g. Italian Legislative Decree 231/01), carried out according to a risk-based logic, the Calzedonia Group has identified specific risks and the related control measures, including where non-financial in nature (environmental, social, staff-related, respect for human rights and diversity, concerning the fight against corruption, etc.). These include: risks relating to active and passive corruption, environmental risks, health and safety risks, etc. For some risks considered to be significant, such as, for example, those relating to worker health and safety, customer health and safety and product safety, reference is made to the subsequent chapters of this document for more details.

For information on the additional financial and other risks to which the Group is exposed, reference is made to the 2020 Consolidated Financial Statements and the Report on Operations.

Economic performance: creation of value for stakeholders

The economic value generated and distributed represents the capacity of the organisation to create wealth and divide it up amongst its stakeholders. In 2020, the Calzedonia Group generated economic value of 1,918,126 thousand euros. The economic value distributed by the Group came to 1,506,646 thousand euros. More than 78% of the economic value produced by the Group was distributed to internal and external stakeholders.

THE ECONOMIC VALUE GENERATED AND DISTRIBUTED (euros)

Economic value generated by the Group	1,918,126,031
Revenue	1,940,981,588
Other income	26,854,036
Net financial income	6,273,414
Financial asset write-backs	451,238
Impairment of receivables	(2,489,703)
Exchange differences	(43,657,072)
Income/expenses from the sale of tangible and intangible assets	(510,422)
Value adjustments of tangible and intangible assets	(9,777,048)
Economic value distributed by the Group	(1,506,645,962)
Operating costs	(969,374,594)
Remuneration of employees and collaborators	(446,856,831)
Remuneration of lenders	(23,429,420)
Remuneration of investors	-
Remuneration of the public administration	(64,442,391)
External donations	(2,542,726)
Economic value withheld by the Group	411,480,069
Amortisation/Depreciation	(410,837,209)
Prepaid and deferred tax	186,262,509
Allocations	(1,104,185)
Other reserves	(185,801,184)

For more information about the Group's economic performance and its statement of financial position, please refer to the 2020 Consolidated Financial Statements and Report on Operations.



THE C-EVOLUTION PROJECT

SDG

Calzedonia's contribution



On 25th October 2019, the Calzedonia Group joined the Fashion Pact, a coalition of 65 major fashion companies, with the aim of guiding the sector towards a reduction of the environmental impact, a restoration of the biodiversity and the protection of the oceans.

Why Evolution

The commitment made by the Group to sustainability topics is the result of a path that has been pursued since the company was first established.

The attention paid to people, whether collaborators, customers or suppliers, and to the environment that surrounds us, is part of the Group's very DNA, right since it took its first steps. In the long-term, the interests coincide. This is the principle that guides our activities, always focussed on the medium/long-term.

This approach has been borne out by the great many decisions made over the last thirty years: the construction of companies hinged on personal well-being, the services supplied to collaborators for a better quality of life, the installation of modern, environmentally-friendly plants, the installation of energy saving plants, the financing of the San Zeno Foundation (which has supported more than 1,300 study, training and work projects worldwide since 1999), attention to the local communities, the creation of the first nursery schools in 2001 and the recycling campaigns launched in the stores starting 2009, to mention just a few.

In the Evolution project, which translates into continuous improvement, evolution and growth in respect of the founding values and ethics of the Group, this route finds new energy and awareness.

The project aims to assure consistency, continuity and visibility of the choices that the Group has always made.

Evolution represents a development in the pragmatic definition of sustainable objectives, such as attention to our people's growth, support of the communities with which we work, rationalisation of the consumption of energy and materials, the elimination of waste and technological innovation and the strategic and operative structuring of a route that will lead to their achievement.

Our values

The Values characterising the Calzedonia Group represent not only the very essence of the philosophy that drives the business but also the shared identity of the people who work for Calzedonia and the modus operandi conveyed to and demanded of all employees.

These values are:

Vision

Intended as the capacity to interpret future challenges, including and considering how the evolution of the work of their department will impact corporate dynamics

Passion

Expressed in the enthusiasm, participation and involvement towards the activities required of their role.

Concreteness

This is considered as the pragmatic attitude adopted in the approach to everyday work and the solving of practical and strategic problems

Collaboration

Intended as the capacity to interact actively and positively with colleagues, in order to improve the Group's results

Focus on results

Attention to achieving individual, team and corporate objectives with the awareness that they must involve the optimisation and realisation of each and every person's full potential

Ethics and integrity in business management

The values in which the Group believes are set out in the Code of Ethics and guarantee that all corporate business is conducted in compliance with laws, with integrity, honesty and correctness of business management; indeed, these are essential conditions for the creation of long-term value and to pursue sustainable success.

The Group's Code of Ethics, in fact, is the main guideline to the ethical aspect and doing business for all Group companies and constitutes the assumption of guarantees and responsibilities in regard to consumers and the market, along with the rules of conduct that are binding on all Company bodies, on all employees/collaborators, suppliers and business partners and, more generally, all Group stakeholders.

The Group's Code of Ethics is inspired by national and international best practices, rules, regulations and guidelines governing corporate social responsibility, corporate governance, human rights and the environment, such as the United Nations Universal Declaration of Human Rights, the European Union Charter of Fundamental Rights, the International Labour Organisation (ILO) Declaration on Fundamental Principles and Rights at Work, the Ten Principles of the United Nations Global

Compact and the Organisation for Economic Cooperation and Development (OECD) Guidelines for Multinational Enterprises.

The Group uses various communication tools to spread awareness of the Code of Ethics. More specifically, the Code of Ethics is suitably disclosed with training delivered and awareness-raising assured, to make sure that it is properly understood and implemented within the whole organisation. This is why it has been published on all the Calzedonia Group websites, so as to make it available to employees in their language. The Calzedonia Group also demands that the main Group suppliers adhere to the Code of Ethics.

The Code of Ethics is an integral part of the Organisation, Management and Control Model pursuant to Italian Legislative Decree no. 231/2001 (hereinafter the "Model pursuant to Italian Legislative Decree no. 231/01") adopted by the Parent Company and the Group's main Italian companies, in order to:

- make all stakeholders aware of the principles inspiring the Group;
- assure transparency and correctness in the management of its business;
- provide a guide to conduct for the Group's employees and collaborators;
- prevent the risk of the perpetration of the offences considered under Italian Legislative Decree no. 231/2001 as subsequently supplemented.

The Model pursuant to Italian Legislative Decree no. 231/01 and the Code of Ethics are revised and updated periodically, where specific circumstances so require, involving the organisation or new legislation.

Control of the observance and function of the Model pursuant to Italian Legislative Decree no. 231/01 and the Code of Ethics is assured by the Supervisory Body, which verifies its effectiveness and efficiency. In the Calzedonia Group, the Supervisory Body is a board with three members: two independent professionals who are experts in criminal law and corporate risk and an internal member from the Legal Area. The members of the Supervisory Body meet the necessary requirements of integrity, professionalism, autonomy and independence and perform the duties assigned, guaranteeing the necessary continuity of action.

The Group promotes the prevention and verification of all unlawful conduct or, in any case, conduct that is in conflict with the Code of Ethics and encourages its employees and third parties to promptly report any episodes of which they may become aware as a result of their relations with the Group. To this end, a whistleblowing system has been established, with the aim of managing and ascertaining any reports of irregularities or breaches of current legislation, regulations and internal procedures and taking all appropriate steps, at the same time guaranteeing the confidentiality and anonymity of the whistleblower.

The Model pursuant to Italian Legislative Decree no. 231/01 is distributed and integrated into the organisation through information and training interventions aimed at increasing the level of sensitivity amongst employees and raising internal awareness, developing the capacity to recognise and manage any episodes of suspected corruption. Also as regards the external players - collaborators and suppliers - the approach involves the sharing of the general principles inspiring the Group, with the explicit request to observe them and behave accordingly, pursuing business to the highest standards, as called for first and foremost by the Code of Ethics.

The Model pursuant to Italian Legislative Decree no. 231/01 and the Code of Ethics are also the main tools through which the Group prevents and fights corruption. The Code of Ethics in fact envisages that, in order to ensure compliance with principles of integrity, transparency and observance of fair competition in business management, the Group undertakes to fight direct and indirect corruption, including extortion, concussion and corruption in regard to the public administration, as well as between private individuals, in compliance with Principle 10 of the United Nations Global Compact, in all countries in which it operates.

In 2020, no episodes of corruption were documented in the Group. As regards social and economic laws and/or regulations, fines were received for a total amount of 32 thousand euros, mainly relating to store management in foreign branches.

Our priorities

In 2017, with a view to identifying the social, economic and environmental aspects relative to the Group and that significantly influence, or may influence, its stakeholders' decisions, the Calzedonia Group embarked on a process to define the materiality aimed at identifying the priority aspects on which to focus its efforts as part of the sustainability efforts, comparing its performance with the best practices of the most important industry companies nationally and internationally. This process has also made it possible to define the contents of this Report in line with the Global Reporting Initiative (GRI) Standards Guidelines. The process is structured into three phases:

Phase 1

Research and identification of the relevant topics, i.e. those of potential interest to the Group and its stakeholders. This work was supported by the examination of the Code of Ethics and a benchmark analysis and media search on international multi-stakeholder standards, including the Global Compact, and on the non-financial reporting carried out by the main listed companies in the textile, clothing and retail industry.

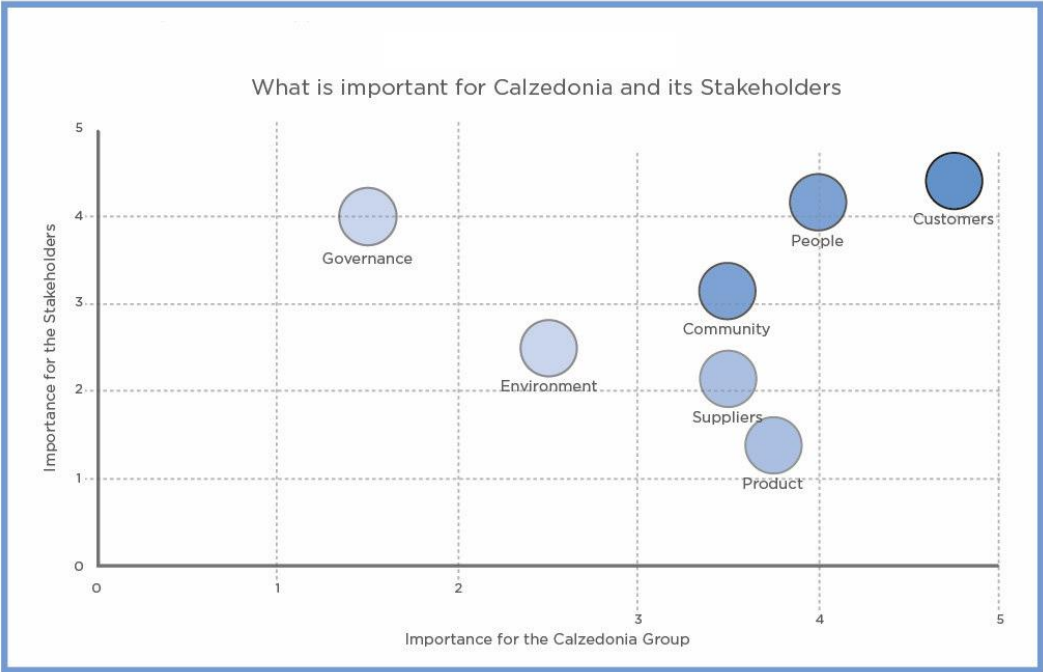
Phase 2

Assessment of the topics identified by the management of the Group's main Italian companies, who checked, analysed and attributed relevance and priorities to the individual topics. The reference persons who interface on a daily basis with the various stakeholders also gave their perspective in terms of their needs and expectations.

Phase 3

On the basis of the assessments gathered together, the following materiality matrix was defined, showing 7 material topics, i.e. the topics on which the Group can exert significant influence in terms of impacts and opportunities.

Matrix of materiality



The Group aims to renew the matrix in order to keep the priorities aligned with all stakeholders.

The material topics have been further outlined into more specific areas, on which this Report and the related contents were then developed.

Material issues	Reporting areas
People	<ul style="list-style-type: none"> • Attraction and developing talent • Staff training and development • Quality of the workplace and respect for human rights • Worker health and safety • Corporate welfare and incentive systems
Customer	<ul style="list-style-type: none"> • Customer satisfaction and excellence of service • Nearness to the customer, an omnichannel approach and digitisation • Data security and protection • Marketing and communication
Suppliers	<ul style="list-style-type: none"> • Responsible supply chain management • Traceability of the chain and labelling
Environment	<ul style="list-style-type: none"> • Efficient use of resources and fight against climate change • Responsible packaging and waste management • Respect for the environment in the stores and factories • Responsible procurement and consumption of materials
Product	<ul style="list-style-type: none"> • Product quality and safety • Product and process sustainability
Community	<ul style="list-style-type: none"> • Contribution towards social well-being and the community
Governance	<ul style="list-style-type: none"> • Ethics and integrity in business management • Corporate governance

2020 sustainability initiatives

In 2020, functional round tables were organised for the first time, which represent operative committees investigating the topics of the **environment, energy, suppliers, materials, people, transport and society**.

These comparison tables have made it possible to direct the company's efforts towards the topics considered to be most urgent and important.

Some of the initiatives resolved in 2020 concern:

- **Environment and Energy:** in compliance with the objectives defined by the Fashion Pact¹, the Group has invested 1.1 million euros in increasing the efficiency of the lighting systems, implementing LED technology in warehouses and production plants and thereby reducing energy consumed for lighting by around 50%. 175 thousand euros were invested to improve energy efficiency. In addition to this, in respect of a five-year plan, 6 million euros have been invested in photovoltaic plants, which will be used to zero non-renewable electricity consumption by 2030.
- **Suppliers and Materials:** Calzedonia has approved a new "Supplier Code of Conduct" setting out the ethical and environmental conduct the supplier

is called to undertake to respect in order to start or continue collaboration with the Group. In addition, all Group brands have begun updating their sustainability guidelines for the creation of products with a lesser environmental impact. These guidelines involve both the transparency and traceability and composition of the item.

- **Transport:** the Group is implementing a sustainable mobility project amongst its Italian sites, which involves the purchase of electric cars for the company fleet and the installation of charging stations in the central office of Verona and another 5 sites spread throughout the territory.
- **People:** a project has been launched to promote car sharing between Group employees, even if it has had to be temporarily put on hold due to the health restrictions. The initiative will involve all sixteen Italian sites, with the aim of raising awareness amongst employees as to the emissions produced through daily commutes and thereby offer them an effective, inexpensive way by which to reduce their footprint.
- **Environment and Society:** reforestation has been promoted in the areas surrounding our production and logistics facilities. In 2020, more than 18 thousand trees were planted; the aim is to cover another 140,000 square metres of territory. The project guarantees both green areas that can be used by employees on their breaks and a safeguarding of biodiversity and absorption of carbon dioxide from the atmosphere.

These initiatives follow a path that began back in 2017 with the Group's Board of Directors resolving to work in two ways: on the one hand, optimising and spreading awareness of the virtuous practices already in place in the Group in regard to sustainability, and on the other, identifying any critical issues, areas for improvement and possible solutions.

During 2020, the Group invested EUR 6,628,000 in projects, collaborations and activities related to sustainability topics. Given the contingency of 2020, the main expenses are related to various types of support to employees and communities for the covid-19 emergency, other expenses are related to commercial collaborations, operational activities and internal staff.

The Group is clearly aware that to work concretely towards the sustainable evolution of the business, this topic must permeate all the company's decision-making processes, thus becoming an essential part of corporate strategy.

¹ <https://thefashionpact.org/?lang=en>

The Fashion Pact

The Fashion Pact is a coalition that was created back in 2019 with the aim of bringing together some of the most important fashion and textile companies, sharing the aim of reducing the industry's negative impact on the environment. The Fashion Pact has identified three macro areas of reference on which it focusses its efforts: stopping global warming, restoring biodiversity and protecting the oceans. It immediately set itself quantifiable, ambitious objectives in each of these areas.

In just over a year, the coalition has gathered 70 industry groups, representing approximately one third of the global market and has implemented a whole series of activities aimed at speeding up the efforts of the individual companies and sharing best practices.

Climate

The coalition objectives

- We are committed to implementing the 16 principles of the UN Fashion Industry Charter for Climate with the aim of implementing the SBTs.
- We support adaptation and climate resilience through the sustainable procurement of key raw materials. Therefore, by 2025, we undertake to make sure that 25% of our key raw materials have low climate impact.
- We undertake to implement 50% renewable energy in our business by 2025 and 100% by 2030. In addition, we will encourage the implementation of renewable energy in all production processes of high energy impact throughout the entire procurement chain.

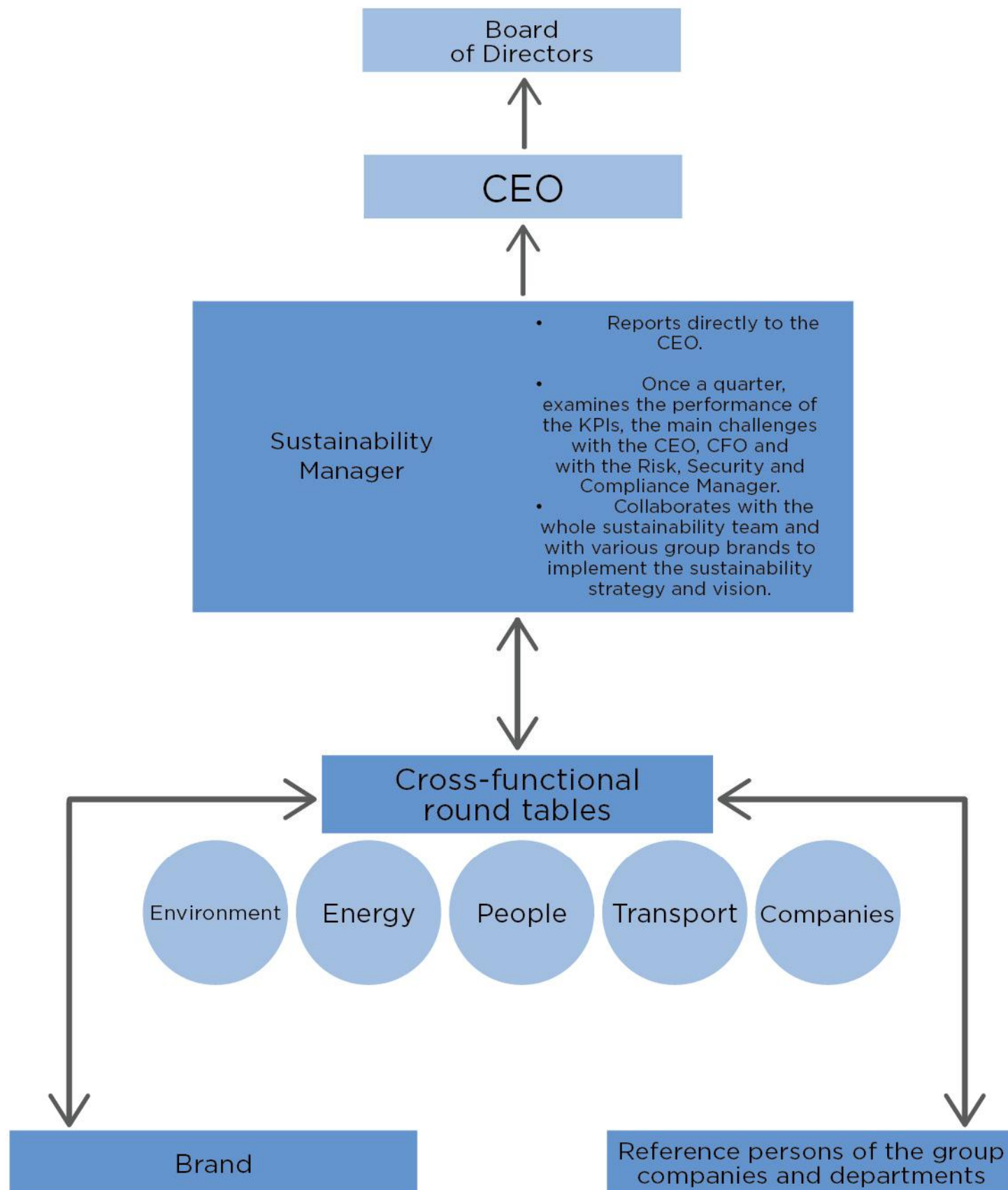
The coalition's actions

A platform has been created for the sharing of information and procedures that can help all adhering companies achieve the objectives set. The creation is also being planned of a Collective Virtual Power Purchasing Agreement, an investment that aims to release new zero emission energy on the electricity grid to offset that used by the brand's activities on the European market.

The Calzedonia milestones:

The Group has avoided approximately 17,010 tonnes CO_{2e} through the purchase of renewable energy and 925 tonnes CO_{2e} thanks to the production of electricity by its photovoltaic panels. In all, therefore, 2020 saw the Group consume 48% of electricity from renewable sources and it has set itself the target of making this 65% by 2022.

Numerous items of clothing have been designed that use lower environmental impact raw materials. In 2020, low environmental impact raw materials account for 5% of the total, but their incidence is set to increase in 2021, with a view to reaching 20%.



Biodiversity

The coalition objectives

- We undertake to develop biodiversity strategies by end 2020 that highlight where the priority interventions need to be in our procurement and supply chain to prevent any loss of species, prevent the loss or deterioration of the natural ecosystems and support the restoration of the services that nature supplies to the company.
- We undertake to zero deforestation and act to protect and assure the sustainable management of natural forests by 2025.

The coalition's actions

For a globalised, heterogeneous segment as is the fashion and textile industry, understanding impact on biodiversity calls for highly specific and very technical competences. Therefore, the coalition has supported the adhering companies by organising theoretical webinars to increase understanding of the topic. In addition to this, the Fashion Pact is creating the tools to map the Supply Chain and create an intervention strategy that can eliminate or limit the action that harms biodiversity, or at the very least help restore it.

The Calzedonia milestones

The Group is acting in two different ways on biodiversity. On the one hand, it has collaborated with Treedom to create its very own forest, which numbers almost 50,000 trees in different countries across the globe, yielding biodiversity benefits, supporting local communities and helping absorb CO₂ from the atmosphere. In addition to this, almost 19,000 trees have been planted on the coedmpany's premises.

The second approach was to replace 75% of the paper and cardboard with FSC certified materials.

Oceans

The coalition objectives

- We undertake to eliminate “unnecessary plastic” in B2C packaging by 2025 and in B2B packaging by 2030.
- We undertake to guarantee that at least 50% of all plastic packaging we use in B2C and B2B packaging is 100% recycled by 2025 and 2030 respectively.

The coalition's actions

The Fashion Pact is helping the coalition companies by putting them in contact with the very best innovators on the market in a bid to reduce the environmental impact of packaging dispersed in nature and, consequently, also in the Oceans. The strategy seeks to replace virgin plastic packaging with paper packaging or new technology plastic with a guaranteed end-of-life, or alternatively to create closed loops in which to recycle the packaging.

The Calzedonia milestones

In 2020, the Calzedonia Group reduced the use of disposable plastic in its industrial processes, in the packaging of the finished product and in the materials featured in stores for an estimated quantity of 201,000 kg plastic.

We are also carrying out analyses of the limitation to the dispersion of microfibres of our items of clothing when washed.

Relations with our stakeholders

Calzedonia is firmly convinced that a collaborative, respectful approach in regard to all stakeholders is the basis on which to assure long-term sustainable economic success. Understanding the expectations of internal and external stakeholders in order to anticipate their interests is a key part of the Group's strategy.






The Group's focus on the quality of relations with its stakeholders is also expressed in the Code of Ethics. This approach takes concrete form during interaction with the various interlocutors, which is also functional to the dissemination of the principles of the Code of Ethics and which allows for reciprocal growth as well as the adjustment of the parties' business model.

The table below shows the stakeholders held to be most significant to the definition of the Group's strategy and the related method defined, by which each is involved.

Considering the importance of stakeholder engagement for the Group in the process of defining the material topics, the Group has set itself the aim of guaranteeing ever increasing stakeholder involvement in the materiality analysis processes over the years. More specifically, starting FY 2020, the managers of all Group companies and the main suppliers, are expected to be involved.


The Calzedonia Group adheres to and takes part in multiple tables and organisations on both a national and international level. Below are the main entities/associations in which the Group takes part:

- The Fashion Pact
- ILO
- Industrial Associations (Confindustria)
- Sistema Moda Italia
- Sustainable Fibre Alliance (SFA)
- Cashmere & Camel Hair Manufacturers Institute (CCMI)
- Sri Lanka Apparel

Tools and methods of interaction with the main stakeholders					
STAKEHOLDER	EXAMPLES OF STAKEHOLDERS	MEANS OF COMMUNICATION	FREQUENCY	OBJECTIVES	COMMITMENT
 OUR PEOPLE	Store staff	Training	Constant	Motivation	Respect for rights and equal opportunities
	Factory staff	Internal communication	Constant	Sharing of principles and strategies	Adequate remuneration
	Office staff	Meetings	Constant	Training	Services to improve life
 OUR COSTUMERS	Store customers	Customer service	Constant	Loyalty satisfaction	Customer satisfaction
	On-line customers	Physical and on-line stores	Constant	Understanding requests and assistance	Switch to a fully integrated omnichannel system
	Potential customers	Social networks	Constant	Rapid response to market demands	
 SUPPLIERS	Companies in contact with the Group supply chain	Meetings	Constant	Supplies of adequate products at fair prices	Promotion of advanced quality and environmental standards
	Supplier employees	Visits to suppliers	Occasional		Respect for human rights and international standards in terms of quality of work
	Third party manufacturers	Accreditation	On request	Sharing of the Code of Ethics	
 COMMUNITY	Non-profit entities or foundations	Meetings with the heads of local communities	Constant	Optimise the capacity to intervene	Contribute towards promoting social and economic development
	Public administrations	San Zeno Foundation	Constant		Support activities for the young
	Universities	Meetings for sponsorships or contributions	On request		
	Civil society				
 ENVIRONMENT	Ecosystems of the areas in which we operate	Technical engineering offices	Constant	Constantly improve environmental practices	Quality in respect for the environment
	Government				Reduction of the impact of our business
	Environmental protection organisations	Board of Directors	Periodic	Identify adequate KPIs	Recycling
					Waste reduction



OUR ATTENTION TO CUSTOMERS

SDG	Calzedonia's contribution
	<p>Our sustainability process can only be effective if it is implemented by the company as a whole. This is why the Calzedonia Group has for years taken a forefront role in the organisation and implementation of initiatives in its stores, like the recycling campaigns, that encourage consumers to adopt sustainable, ethical behaviour.</p>

Customer satisfaction and excellence of service

The customers are at the very heart of the Calzedonia Group activities, as final users of our work. Indeed, customers are taken into account in all decisions, so as to anticipate the relevant needs and provide a rapid response to their requests and expectations.

In Calzedonia, we are committed to offering our customers a high standard of excellence and quality, guaranteeing excellent value for money, which has always been a hallmark of the company.

In relations with our customers, we work hard to comply with criteria of respect, dignity and justice, taking into account the different cultural baggage of each and every individual, without admitting any form of discrimination due to race, religion, age, nationality, gender or any other personal or social condition, paying particularly close attention to the integration of people with disabilities or handicaps. In going about their professional activities, the sales team communicates clearly and transparently with customers, to ensure a gratifying purchasing experience. The group's products are promoted on the basis of objective standards, without distorting their description or characteristics.

We are firmly focussed on offering a pleasant, easy and comfortable purchasing experience and this is also made possible thanks to the Group's choice of integrating the physical and on-line sales channels so as to ensure they are not competing with each other, but rather complement each other in the shared aim of improving the buying experience for customers. By uniting these channels, we can not only optimise the customer's and company's resources, but also reduce the environmental impact of transport and the creation of new waste.

At present, e-commerce services are available in 31 countries for the Intimissimi and Calzedonia brands, 26 for Tezenis, 22 for Falconeri and 1 for Signorvino.

Impact of Covid-19

The Covid-19 pandemic and the consequent lock-downs imposed in many countries have speeded up the on-line business in all geographic areas and led to three-figure growth (+204%) in revenues generated by more than 6 million orders worldwide. All the main performance indicators have grown, from the Conversion Rate (+ 69%) to on-line visits (+ 66%, 270 million).

On the other hand, customer services has seen an increase of 113% in the total number of contacts as compared with 2019 and, therefore, it has been very much impacted and put to the test by these exceptional changes. In order to maintain a high level of service, major corrective action have been implemented, including: all department employees have been reorganised to work from home, as well as their training and mentoring; the number of employees on fixed-term contracts has increased; some employees have temporarily been reallocated from the sales team in countries whose physical stores were closed.

Customer satisfaction

In order to continuously improve our service, we monitor customer satisfaction and examine their feedback given during the various opportunities we have to interact with them.

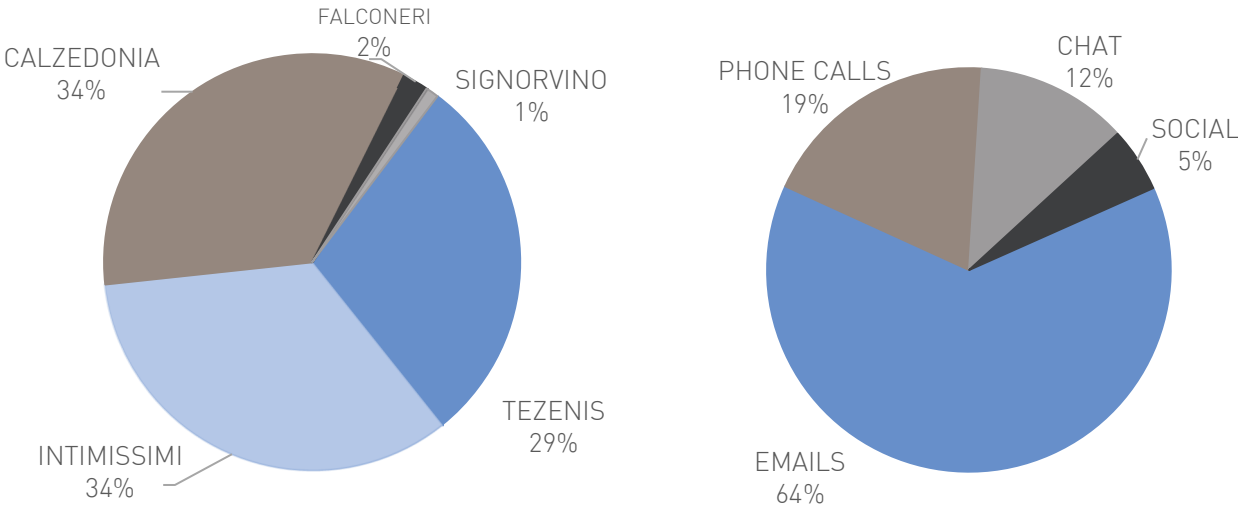
The Calzedonia Group Customer Service, which operates 24 hours a day, 6 days out of 7, helps its customers over the telephone, by e-mail, via web forms and on-line chat and can interact directly with them on the Group's Facebook, Instagram and Twitter pages.

Starting June 2020, a new method has been introduced to assess interaction with customers: this latter, in fact, assesses our customer service from 0 to 10 after each contact. The table below shows the objectives set by the Group and the assessments effectively achieved

	Objective	2020 result
Chat	8	7.7
Webmail	8	6.0
Chatbot	6	3.7

Considering the exceptional nature of 2020, our performance should be considered extremely positive. Despite the fact that we have suffered a huge setback as a result of the lock-down and a major increase in e-commerce orders, we have in any case successfully handled all requests received with a reasonable degree of efficiency.

Below is a breakdown of customer service interactions by brand and channel.



With the aim of bringing our customers closer to us and improving, thanks to their input, the Group has decided to use multiple methods by which to come into contact with them. The reference metrics used is the Net Promoter Score, namely the percentage difference of feedback collected from those promoting the brand and those that do not. The minimum and maximum values of the indicator are respectively -100 and +100; market studies suggest that our brand's aim is to have an NPS of above +50.

In 2020, the Calzedonia, Intimissimi and Tezenis websites added three forms for giving and collecting feedback: the first, which is available to the customer at all times, is for providing spontaneous feedback on satisfaction levels (Always-on on-line); the second requests feedback randomly during website browsing (General intercept); and the third, again randomly, requests feedback after making an on-line purchase, from the thank you page (On-line thank you page).

Always-on/General intercept/Thank you page		
Brand	# Feedbacks	NPS
Calzedonia	90,424	57.2
Intimissimi	69,197	60
Tezenis	57,102	51.1

Clearly, the Group has achieved its objective of an NPS more than +50 in all three brands in which it has implemented these feedback forms.

A survey (loyalty post purchase) has remained active in Italy, and been activated in all other countries in which the loyalty system operates, for the Intimissimi brand, to obtain the opinion of customers holding our loyalty cards and who had made purchases from physical stores, on the service level received in-store.

Loyalty post purchase
feedbacks: 66,700
NPS: 75.7

The result denotes an improvement on last year, in line with the Group's objectives. An NPS of 75.7 denotes a high level of customer loyalty and reflects the customers associated with those registered for our loyalty programmes. The Calzedonia Group believes it to be very important to measure the satisfaction of customers who visit us more often, as a measure of quality of work.

To protect the Brand reputation and effectively and efficiently respond to customer demands on multiple matters relating to corporate social responsibility, to which the Group pays close attention, in 2019 we launched an internal flow dedicated to managing reports regarding: discriminatory comments made on social media or other channels, body-shaming, sexism, discrimination against the LGBT community or

racism, animal products (furs, leather, cashmere, etc.), environmental responsibility and working conditions.

In 2020, 281 complaints were lodged regarding: safety procedures implemented in warehouses and stores to fight the spread of Covid-19, the origin of the fabrics used in the items, the Group's sustainability policies, social topics such as inclusivity/diversity and working conditions, as well as matters relating to the use of furs and testing on animals.

The Group's customers are clearly paying increasing attention to social and environmental sustainability topics. Other complaints regarded promotions and the spread of fake news.

All complaints were solved during the year, specifically: for 6 complaints, specific measures were taken, while the other 275 were settled through interventions involving the individual customers or communication on social channels. These communications were intended to refute any fake news and stress the commitment towards responsible communication of the corporate business, in line with the provisions of our Code of Ethics.

Nearness to the customer, an omnichannel approach and digitisation

Nearness to the customer

Nearness to the customer has always been a close focus of the Calzedonia Group. It was initially delegated to physical stores, both through a capillary presence on the territory and thanks to the capacity to supply products of excellent value for money and which are therefore accessible to an extremely large section of the public.

Today, this same accessibility is being transformed, re-thought thanks to 24-hour digital windows, 365 days a year, with the aim of proposing and conveying the value of the products and business culture, not only in the more than 4,900 physical stores but also on all the virtual ones, conveying emotions in a mediated web-based experience.

In order to enjoy direct relations with our customers, we have adopted an integrated development strategy of our physical and digital channels.

An omnichannel approach

At present, e-commerce services are available in 31 countries for the Intimissimi and Calzedonia brands, 26 for Tezenis and 22 for Falconeri. In addition, starting May 2020, Signorvino has also started an e-commerce service, currently only available in Italy. The Calzedonia Group websites are reached by a total of more than 5.5 million visitors a day, who on average download 1.4 million product sheets per day, thereby confirming the desire to stay in contact with the looks that the company proposes and renews each week.

Calzedonia Group has always interpreted e-commerce and digital not as a channel in competition with the stores but as a manner by which to improve our Customer Experience with an omnichannel approach that allows the customer to examine

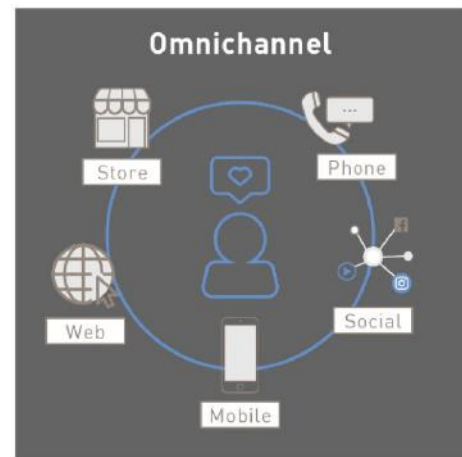
and assess our products, regardless of the channel through which they intend to buy.

Therefore, the Calzedonia e-commerce project is hinged on the one hand on the desire to insource, wherever possible, the entire value chain linked to the on-line sales processes and, on the other, the desire to integrate the chain of physical stores into this strategy.

One clear example of this approach is the “Product locator” function, which makes it possible for the customer to find the nearest physical store with the desired product available for purchase.

Another example is the “Pay on-line and in-store pickup” service through which the customer can choose a store from which to collect their on-line order. It should also be considered that, to dispatch these orders, we use the same logistics corridors as we do for retail, thereby successfully reducing the environmental impact of goods transport. The Group promotes this type of delivery, offering it to its customers free of charge. The same logistics corridor can also be used in a reverse logistics system, through which the customers can return on-line orders to physical stores, without having to send them back to the central warehouse.

Over the next few months, an “Infinite shelving” service will be launched, that can use stocks already present in physical stores to dispatch on-line orders, thereby minimising stock and increasing order dispatch speed.



These tools not only increase the system efficiency, and with it customer satisfaction, but also reduce the environmental impact of goods transport for deliveries and potential returns, as well as optimising stocks held of goods, limiting overproduction and failed sales or obsolescence of articles.

It is important to stress that in sales where e-commerce interacts with physical stores, the franchisee is also involved in the profit.

Digitisation

We are firmly convinced that the presence of an advanced technological structure is the key pillar for correct information management and thereby to best face up to the future challenges linked to the omnichannel approach.

In this context, the digital business, which is transversal to the whole company, plays an important role. Sales made via the e-commerce channel are constantly on the rise and, during the year, the Group has invested in technological and

digital infrastructures in order to offer customers a wide range of alternative purchases to fit with the various local contexts.

The Group is aiming to achieve real loyalty, through dedicated loyalty programmes that enable it to reach millions of people with personalised messages.

We are also extending the loyalty and gift card range, with interactions between on- and off-line, making it possible to finalise the cards on-line or in-store. There is no longer any need to fill in a paper form, because the process has been entirely digitised, just like loyalty vouchers and coupons, including recycling vouchers.

Data security and protection

Modern purchasing methods necessarily require the reciprocal exchange of personal data and information.

In going about its business, Calzedonia is aware that it processes a significant quantity of confidential information and personal data and shares, implementing them, the objectives deriving from the coming into force of the General Data Protection Regulation (GDPR).

Respecting our customers' right to privacy is essential for us and this is why we try to protect and make appropriate use of their personal data. We therefore strive to guarantee the highest security standards in selecting and using information technology systems to process confidential information and personal data.

In processing customers' personal data, we request informed consent each time this is necessary and only for the purposes of data processing involved. Our employees are also required to notify any case of which they may become aware regarding the confidentiality of information or protection of personal data.

In 2020, the effort made by the data protection and cybersecurity department focussed mainly on the protection of personal data pertaining to customers and on strengthening the cybersecurity measures adopted by the company.

More specifically, in terms of improving the company's cybersecurity, four project streams were launched:

- 1) security baseline
- 2) access and identity management
- 3) incident detection and response
- 4) business continuity

As regards data protection:

1. a privacy training plan has been implemented, involving certain HQ departments (which, more than the others, process personal data, e.g. CRM) and, above all, Customer Services;
2. close attention was paid to the processing of employee personal data: during the go-live of the internal HR management platform, the Privacy Policy governing employment was revised, with the involvement of the foreign branches;
3. personal data processing mapping was completed. A cloud-based platform ("One Trust") has been adopted to fulfil the obligations required under Article 30 of the GDPR (register of processing).

In 2020, the CCPA came into force in California: an assessment began to fulfil the obligations of the CCPA in respect of the on-line processing of Californian consumers.

In 2020, no privacy breaches or customer data losses were recorded. However, two formal complaints were received about the processing of personal data, for which the organisation has drafted a specific report in the manner recommended by ENISA.

Marketing and communication strategy

The idea behind our marketing strategy is that a more informed customer can interact more simply, transparently and frequently with the brand, through all the various contact points.

This is why communication with customers is always in line with our business values and products are promoted responsibly, on the basis of objective standards.

Starting 2017, the Group launched a communication campaign marked by storytelling dedicated to engaging and inspiring female personalities. Successful women like Sarah Jessica Parker, Irina Shayk, Gisele Bündchen and Chiara Ferragni have become the faces of important multimedia campaigns.

The Group also confirms its close attention paid to the digital work and millennials by increasing its presence on the main social media, like Instagram, Facebook and YouTube, offering ever new digital contents that can make the most of the full potential offered up by this new media and involve customers.

In particular, the Tezenis brand has opted to use the language of music, playing an active part in digital projects in the main music festivals worldwide, like Coachella, Sonar and Nos Alive.

Atelier Emé has also chosen to opt for digital communication, with a major presence on the main social networks, putting itself forward as the favourite brand of Italian “it-girls” and celebrity brides.

Another aspect of major interest to the promotion of our brands is that linked to sport and athletes. This topic concerns a considerable portion of the promotional activities and sponsorships for both Intimissimi Uomo and Falconeri. This latter in particular has always stayed close to sports with a close link to nature, supporting international talent mainly in skiing, golf and sailing.

INTIMISSIMI AND TREEDOM

2020 saw Intimissimi begin its collaboration with Treedom. The Italian start-up offers the opportunity to plant a selection of different endemic tree types in a great many countries across the world. The aim is to both absorb CO₂ and offer economic support to farmers, while protecting biodiversity in the area in which it is grown. The project was launched in 2020 together with the Intimissimi Green collection and today numbers more than 48 thousand trees planted, absorbing approximately 5,156 tonnes CO₂ over the next 10 years.

Intimissimi customers that had spent over a specified amount were able to take part in this initiative, receiving a unique code that allowed them to choose the type of tree to plant and the country in which to do so, from Tanzania, Kenya, Italy, Ecuador, Madagascar, Cameroon and Haiti. Once the choice is made, the tree is added to the Intimissimi forest, joining the almost 50 thousand other trees. The chain is completely traceable, hence each customer can continue to monitor their tree's growth, verify its health and the benefits it is yielding to the local community.



Signorvino instead combines a multichannel strategy, seeking to make best use of both on- and off-line options. From early 2018 to date, a strategic social communication plan has been finalised and implemented, which has successfully improved its visibility. With the aim of promoting the format generically, as well as activities and promotions, collaborations have been launched with important influencers in both the industry and other segments (such as lifestyle, travel and fashion). The industry press is an inevitable point of reference for the food & wine industry: prestigious collaborations have been sought with Gambero Rosso

and La Cucina Italiana, key partners and interlocutors for focussed communication with a target of sector experts.

In 2020, the Group received three reports of non-conformities relating to communications and marketing. The disputes related to the T&Cs of the Czech Republic returns policy and two regarded reports by the IAP for unfair commercial practices on social contents. In both cases, a reply was given respectively by updating the T&Cs and modifying the social contents as envisaged by the contractual commitments.

GIRO D'ITALIA

In 2020, Intimissimi Uomo was once again the official sponsor of the Giro d'Italia cycling race. True Italianness, passion and innovation are the values shared by the two brands that collaborated, for the first time in 2019, in the history of the Giro, adding a sponsor for the pink jersey.



Customer engagement and responsible marketing initiatives

Customer loyalty is assured through involvement in a loyalty programme that allows those subscribing to cards to benefit from numerous discounts, promotional operations, premium operations and dedicated special initiatives, which are adequately publicised and communicated each time.

These promotional initiatives implemented by the Calzedonia, Intimissimi and Falconeri brands are loyalty programmes whereby points are collected on a card, whose holders enjoy exclusive advantages.

2020 new registrations			
Calzedonia Lover	Falconeri Club	My Intimissimi	Signorvino Wine Lover
2,136,120	92,195	1,381,836	17,151



Italian customers holding loyalty cards can also collect points through purchases made from the stores in certain selected foreign countries; additionally, they can also benefit from discounts reserved to the fact of being a customer in the relevant country.

Holding a loyalty card is in some cases a requirement to adhere to some of our campaigns where we seek to foster recycling and saving resources.

Recycling has, in fact, always been a part of our culture. Throwing things away has always been in conflict with our philosophy and wastage goes against our every fibre, as well as improving business results.

Since 2011, recycling has also been encouraged in stores, pursued with greatest continuity in the Intimissimi brand stores, where, for approximately 6 months of the year, the recycling campaign is offered called **“Riciclare conviene”** (“Recycling pays”), which envisages the delivery to a store of at least 5 second-hand items of clothing of any brand (tops, pyjamas, briefs and bras) for recycling. In exchange, for each second-hand item delivered, they are given a voucher to spend on in-store purchases. In respect of the sustainable intent behind the initiative, the voucher will not be printed at the cash desk but rather e-mailed to the customer or sent by SMS.

In 2020, the Intimissimi recycling campaigns were suspended due to the Covid-19 pandemic. This interruption led to a change in strategy. The partner with which we have decided to collaborate is the NGO “HUMANA People to People Italia”,

to which we will donate the items collected, also adding a donation for their women empowerment project in Brazil.

INTIMISSIONI AND HUMANA

Humana is the NGO involved in development projects in 45 different countries in the south of the world. Humana initiatives are possible thanks to the collection and resale of second-hand clothes.

Intimissimi has decided to collaborate with Humana to make a concrete contribution towards the world's social and environmental well-being. On the one hand, in fact, the women empowerment project promoted aims to develop economic security and help populations in need, while on the other, it guarantees a new life for clothes that would otherwise become waste.

In addition to being committed to the collection and donation of items of clothing, we have also decided to fund the “La forza delle donne Quilombola” (“The strength of the Quilombola women”) project.

At the heart of the project are 50 Quilombola women from Bahia, a country in which 75% of its inhabitants live in conditions of extreme poverty. It is above all the women who fight, day in, day out, against the scarcity of food in the area and the lack of information to start small income-generating activities. Humana and Intimissimi have decided to help these women through the creation of small agricultural cooperative companies by which to improve their access to food and economic stability.



The campaign is dedicated exclusively to our loyalty cardholders and, therefore, offers the opportunity to encourage customers who have not yet taken out a card, to join the “My Intimissimi” world.

The other Group brands have also launched initiatives to recycle used clothing, like Falconeri.

The “**Re Generation Cashmere**” Falconeri campaign was conceived to give a second life to Cashmere, one of the best-loved and most valuable yarns there is; accordingly, it is a campaign for the regeneration of cashmere in support of ethics and sustainability, with a view to a circular economy and the revaluation of used cashmere.

The initiative envisaged the possibility of receiving a voucher that could be spent on in-store purchases for anyone handing in a 100% or mixed cashmere jersey. The recovered jerseys (almost 12,000 items) were conferred one of our yarn suppliers, who reused the raw material to produce new yarn.

An additional step was then added to the regeneration project for the collection of items: the realisation of a special Cashmere Blanket, to symbolise welcome and inclusion.

In addition to the activities common to all Group companies, in 2020, Intimissimi Austria took an initiative together with the magazine Woman. In Austria, 2020 saw a great many women experiencing crisis situations linked to the loss of jobs, working from home and domestic violence cases that increased as a result of the closures. Intimissimi Austria has decided to create more than 600 gift boxes to be donated to women at the Frauenhäuser shelter, a charity. Each box contained an Intimissimi pyjama set, cashmere Calzedonia socks and an Intimissimi perfume.

PINK OCTOBER - BRAZIL

Intimissimi has always chosen to stay close to its customers. In October 2020, our Brazil branch decided to renew its collaboration with Americas Amigas for the second year running. This year's project, called "Women friends truck", consisted of a mobile laboratory offering medical check-ups and diagnoses throughout Brazil for breast cancer prevention. Offering a high quality service to women who cannot afford a hospital check-up is essential, because the earlier the cancer is diagnosed, the higher the chances of successful treatment. In addition to the figure raised and donated, Intimissimi has managed to raise awareness of this delicate topic in more than 9 million people, thanks to the help of influencers and a brand media channel operation. The campaign also gave voice to four cancer survivors, who led a webinar in which they shared their experience.



NATAL A MEIAS

For the fourth year running, the Calzedonia has chosen to promote a social solidarity campaign in November and December, linked to the Christmas period: "Natal a Meias". The campaign's name is a play on words in Portuguese, where the word "Meias" has the double meaning of "stockings" and "halfway" and therefore: "Christmas with stockings" and "Half-way Christmas".

In 2020 saw the Christmas solidarity campaign achieving donations of the highest value in Portugal.

For this campaign, 100 thousand pairs of socks were produced in 4 different versions (men, women, girls and boys). In exchange for the sale of almost all the socks produced, more than 250,000 euros were donated to the national fire-fighters association with which to purchase 3 fire-fighting vehicles, 3 ambulances and more than 300 personal protection uniforms.

In this campaign, the Calzedonia Group collaborated with the TVI television channel and the actress Ana Sofia Martins.





OUR PEOPLE

SDG

Calzedonia's contribution



The physical and mental health of our people is at the heart of our attention. Calzedonia ensures that all its employees, from whatever their geographic origin and social extraction, have access to basic healthcare. In the poorest countries in which we operate, this is supplied directly by the Group through the presence of the healthcare staff in our offices and the creation of agreements stipulated with local hospitals and clinics.



Calzedonia recognises the social and economic value of education and continuous training and, to do so, actively invested in training courses dedicated to the professional and human growth of its people.



Calzedonia is a firm believer of female potential and works to enable its professional and economic growth and development in the company. Special attention is paid to the empowerment and emancipation of our employees in the countries where women are most discriminated against.



Each production pole becomes a centre of competence making an active contribution towards the Group's innovation and growth. In this sense, the Group has always paid particularly close attention to the quality of the workplace present in our commercial and production chains and has always striven to respect maximum health and safety levels in the workplace, offering optimal conditions and paying adequate salaries.



The Calzedonia Group works hard to reduce social inequalities: we are aware that a fairer, longer-lasting social and economic development also involves the sharing of operative and technological know-how and this is why we work to make sure that it becomes the heritage of our people and the communities in which we live.

Breakdown of staff

The Calzedonia Group's most important resource are the people who work with us.

The Group's business values, open mind, authenticity, passion, teamwork, dynamism and pragmatism, are an expression of our work ethic and govern the activities and relations within the company.

As at 31/12/2020, the number of workers employed in Group companies totalled 38,010² people, down 1.6% on 2019. This reduction is mainly due to the closure of the Romania production plant, the first company to be closed by the Group since its foundation. The reason for the choice lies in the difficulty in finding local staff willing to work in a textile plant.

Instead, no contracts of employment were terminated following the widespread closures of production plants and stores as a result of the Covid-19 pandemic.

The most represented professional category is blue-collar labourers (approximately 60%) followed by store staff (30%).

We have always appreciated the contribution made by women in our Group. Indeed, women account for 92% of our workforce.

Employees by employee category and gender (no.)

	2019			2020		
	Men	Women	Total	Men	Women	Total
Top-level managers	67	43	110	75	44	119
Managers reporting to the top level	205	303	508	210	306	516
White-collar	472	1,365	1,837	676	1,516	2,192
Sales staff	130	885	1,015	106	857	963
Store staff	375	11,702	12,077	376	11,011	11,387
Blue-collar	2,439	20,675	23,114	2,370	20,463	22,833
Total	3,688	34,973	38,661	3,813	34,197	38,010

In the Calzedonia Group, the term "top-level managers" is used to mean the managers answering to owners, the Managing Director, the production plant managers and the country commercial managers.

The average age of our collaborators is approximately 30 years old (33 for men and 29 for women). As regards the distribution of employees by professional category and age bracket, in 2020 most store staff and blue-collar labourers were aged under 30, whilst management employees were mainly in the higher age bracket.

² The figures given in this chapter differ from those presented on the Consolidated Financial Statements (and at the start of this report) insofar as the reporting scope differs. Please refer to the methodological note for more information.

Employees by employee category and age bracket (%)

	2019			2020		
	< 30	≥ 30	Total	< 30	≥ 30	Total
Top-level managers	-	0.3%	0.3%	-	0.3%	0.3%
Managers reporting to the top level	0.1%	1.2%	1.3%	0.1%	1.3%	1.4%
White-collar	1.8%	3.0%	4.8%	2.3%	3.5%	5.8%
Sales staff	1.3%	1.3%	2.6%	1.1%	1.5%	2.5%
Store staff	23.5%	7.8%	31.2%	21.3%	8.6%	30.0%
Blue-collar	32.0%	27.8%	59.8%	33.7%	26.3%	60.1%
Total	58.7%	41.3%	100%	58%	42%	100%

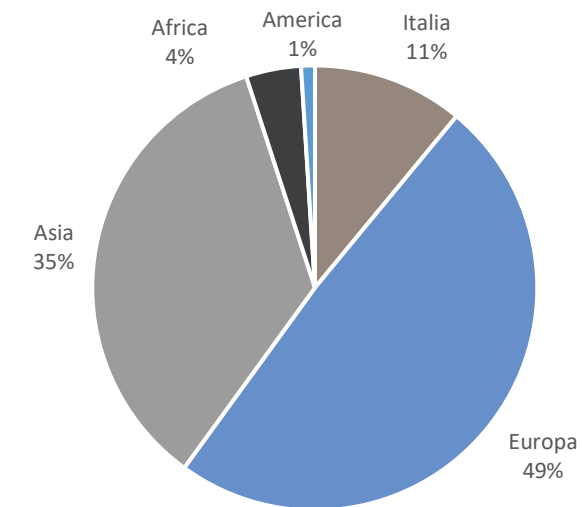
For Calzedonia, it is important to establish lasting, stable contracts of employment and this is confirmed by the percentage of employees with permanent contracts (86%); this percentage is in line with 2019. Instead, there is only a small portion of trainees and temporary workers. More specifically, in 2020, the Calzedonia Group employed 192 trainees. As at 31/12/2020, the number of Group employees with disabilities was 2,424.

2020 employees by contract type and gender (no.)

	Permanent contract (PERM.)			Fixed-term contract (F-T)			Total
	M	F	Tot.	M	F	Tot.	Tot.
Italy	918	2,504	3,422	118	483	601	4,023
Europe	1032	13,254	14,286	306	4,140	4,446	18,732
America	42	389	431	2	5	7	438
Asia	1,234	11,743	12,977	15	432	447	13,424
Africa	146	1,246	1,392	-	1	1	1,393
Total	3,372	29,136	32,508	441	5,061	5,502	38,010

As instead regards geographical distribution, most Calzedonia Group employees (49%) are in Europe (excluding Italy), followed by Asia (35%) and Italy (11%), while the other employees are in Africa (4%) and America (1%).

2020 employees by geographical area



In 2020, more than 18,881 new employees were hired, of whom 76% fall within the under-30s age bracket, as further evidence of the Group's commitment to investing in the younger generation.

At the same time, 19,405 employees left the Group during the year, most of whom fall within the under-30s age bracket (approximately 74% of the total). The search for profiles is carried out both through external searches and, for preference, internal job rotation or vertical growth.

Despite the fact that the Group turnover remains considerable, in 2020 it dropped by more than 10% on the previous year's figure. The main reasons for this change are the closure of a great many activities brought about by the Covid-19 pandemic, which in turn has limited the total number of new hires and terminations. This value was then further impacted by the lack of data from the factory established in Ethiopia, due to the civil war currently in progress there since late last year. This anomaly can also be seen in the geographical distribution of the hiring and termination rate.

It should be stressed that for some business areas, turnover is physiological, but it is in any case periodically checked by the HR Department, so as to monitor any significant changes. The analysis is not limited to KPIs only, but rather is accompanied by a monitoring of reasons for such, through the administration, for example, of exit surveys and interviews. The result of this type of survey, translates into the implementation of projects and activities aimed at encouraging and adopting an effective leadership style, in line with the key values (e.g. training courses, coaching, etc.) and actions that seek to increase staff loyalty. By way of engagement tools, we have introduced corporate aggregation and team-building activities, contests and premiums.

Turnover by gender and age bracket (%)

	Gender		Age brackets		
	M	F	Tot.	<30	≥ 30
2019					
Employment rate	29.9%	72.9%	68.8%	98.3%	26.9%
Resignation rate	23.6%	66.1%	62.1%	88.3%	24.8%
2020					
Employment rate	21.1%	52.9%	49.7%	64.2%	29.2%
Resignation rate	19.2%	54.6%	51.1%	64.3%	32.4%

Turnover by geographic area (%)

	Geographic area				
	Italy	Europe	America	Asia	Africa
2019					
Employment rate	39.1%	78.6%	96.9%	64.1%	61.3%
Resignation rate	34.9%	70.8%	91.7%	59.9%	36.7%
2020					
Employment rate	25.2%	59.3%	79.2%	47.8%	0.1%
Resignation rate	27.2%	59.8%	75.6%	50.5%	0.1%

An important role on work-life balance and staff turnover is played by the social inclusion, expatriate staff integration, remuneration and professional classification policies, as well as the organisation of work, the protection of maternity and the promotion, in general, of family support policies, aiming to guarantee its employees solutions that can best satisfy their personal needs.

In 2020, part-time was paid to approximately 12% of the total workforce, used in 96% of cases by women; these figures are in line with 2019.

Employees by type of employment (no.)

	2019			2020		
	Men	Women	Total	Men	Women	Total
Full-time	3,526	29,805	33,331	3,634	29,943	33,577
Part-time	162	5,168	5,330	179	4,254	4,433
Total	3,688	34,973	38,661	3,813	34,197	38,010

The Calzedonia Group acknowledges the right of its employees to establish, take part in or adhere to trade unions and/or organisations aiming to protect and promote their interests, regardless of the environment in which they work. The Group also takes an open, collaborative approach toward trade union activities, where they operate within the Calzedonia Group. In 2020, the percentage of Group employees covered by collective bargaining agreements was 23%³. This percentage takes into account the employees operating in the owned factories, which alone are responsible for the production of 78% of the garments sent to the shops.

The attraction of talent and career development in the Calzedonia Group

The HR Area includes the human resources, staff administration and training departments. It is organised into teams dedicated to the individual business areas with specifically-designed structures for the specific needs. The foreign branches have different structures depending on their size. In commercial branches, there is a Regional HR, which, in dividing up the countries in which the Group operates, supervises the work of the local branch HR. In production branches, there is a Local HR, which is essential in fostering the cultural integration of the plant with the colleagues of different countries and cultures. Central management directly supervises and coordinates with a view to assuring a common leadership style and corporate values system, recognised in all countries of operation.

Talent attraction

Investing in the younger generation and making room for new talents is an essential part of Calzedonia's strategy. This is why we hold young resources accountable from day one, promoting internal growth through merit-based, agile career moves with an international reach.

The corporate branding strategy has the aim of constructing a solid corporate reputation to attract new talent - employer branding - and engaging its community of employees - internal branding. Corporate branding communications and programmes are agreed between the HR area and the Communication and Image Office. Corporate branding activities began starting to take shape in 2019 and are still under development and being structured. The main channels used for communication both externally and toward the internal population are: the corporate website, LinkedIn, Fashionjobs, Almalaurea and the corporate newsletter.

In particular, in each country in which the Group is present, the branch is given the chance of collaborating and linking to the local recruitment web channels. For those wishing to join Calzedonia, applications can be submitted for a position advertised via the brand's e-commerce pages, on the careers website, which gives an overview of the company, the business areas and the related positions available in the various geographic regions.

Staff are selected and managed under the careful eye of the various HR offices with specific geographic competence and aligned on business values, method, approach and leadership style. Recruiting is managed in respect of current privacy

³ Some of the countries in which the Calzedonia Group operates make no provision for national collective bargaining agreements.

legislation and with a view to assuring transparency, pragmatism and professional respect of the applicant.

The Calzedonia Group recruitment policies are mainly intended for young men and women looking for their first work experience and new graduates; they are constantly supported by specific market surveys in respect of the fixed and variable remuneration offered and the contractual solutions adopted, in line with the reference segment. Remuneration packages are also supported and completed by benefits, initiatives and reductions that can vary from country to country.

Contact with possible new colleagues is also made in academic circles. Indeed, we collaborate with universities, schools and further education institutes, where we present the Group's professional opportunities in all its functional areas, both in Italy and in the numerous countries where the branches are based. For areas of particular corporate interest, special projects are run with a view to identifying the best talents. The "Vision to come" initiative, for example, has been promoted in Italy by Calzedonia to identify and support tomorrow's creative fashion talents. The "Call for ideas" initiative, on the other hand, has involved the management engineers of three Italian universities, stimulating creativity in topics that link production and sustainability.

Career development

The Calzedonia Group fosters and encourages internal growth and this is why internal career paths are designed to allow the deserving to access positions of greater responsibility.

Thanks to its presence in more than 50 countries worldwide, deserving resources can embark on international career growth in the commercial, production and service branches.

The employee performance assessment system is in line with the objectives for personal growth and development, meritocratic and unprejudiced. This is also made possible thanks to the use of dedicated instruments for assessing the results, managed by the Group's HR area. The meritocracy process is operative in some of the Group companies and provides for an individual assessment, also obtained through two formal meetings held during the year between the collaborator and their manager. During these feedback meetings, the employees can establish, by agreement with their managers, the objectives for the next six months.

In order to improve the internal meritocracy processes, starting 2020, the company uses HCM software (SAP SuccessFactors), which is perfectly suited to the specific needs of the performance & goals and compensation modules.

No changes are reported in the incidence of employees receiving a periodic performance assessment as compared with 2019. The meritocracy process described is not used with store staff, but sales team employees work closely with them, providing frequent feedback with a view to providing the tools by which to foster professional growth and performance.

Employees receiving periodic assessment of their performance and professional development (%)

	2019		2020	
	Men	Women	Men	Women
Top-level managers	100%	100%	97%	97%
Managers reporting to the top level	100%	100%	100%	100%
White-collar	100%	99%	97%	96%
Sales staff	100%	100%	100%	97%
Store staff	-	-	-	-
Blue-collar	76%	69%	76%	64%

Staff training

Calzedonia believes it necessary, in order to achieve its objectives, for the potential of each collaborator to be realised to the full.

Training therefore plays an essential, strategic role for the development not only of people but of the business itself. This is why a culture of continuous learning is encouraged and promoted and staff are supported in their professional growth.

In 2020, the lock-downs applied in various countries worldwide had a severe impact on employee training processes and forced the company to digitise training that had previously been delivered in person. The technological influence on the training process has modified not only the means by which it is delivered, but also called for an adjustment of the contents and frequency of delivery.

Alongside institutional training, regulated by current laws and delivered at certain points in the employee's corporate life (for example, for new employees, safety at work training and risk prevention and in relation to Italian Legislative Decree no. 231/01), the Group develops its training over three areas.

The first area is represented by technical training, which is divided up into technical and commercial, for retail staff, and business, for corporate area employees.

As regards commercial training, the company has brand-dedicated training offices, which aim to train and prepare store staff on matters relating to products and customer management.

Technical training for corporate employees involves the delivery of language courses as well as specific courses aimed at improving the competences necessary to cover strategic roles (for example, courses on the use of particular technical instruments).

The second area, on the other hand, is dedicated to basic training on organisational conduct, intended for employees of the central office. Specific training projects are also envisaged during the initiation period in the company, such as "welcome on

board” and “kick off retail”, designed to increase knowledge of the bases of the core business.

These training periods also offer opportunities for shadowing, both of retail staff and colleagues of other business areas, with a view to improving the overall understanding of the corporate operations and internal communication.

The third training area consists of a process improving leadership style, intended for the main branch, retail, product and production managers.

The foreign branches also organise specific technical courses (technical-commercial, language, etc.) as well as more general ones.

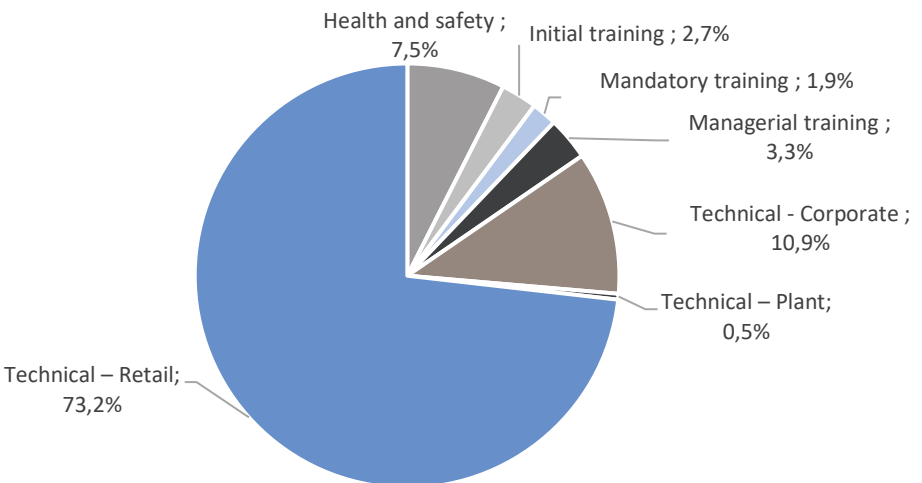
In 2020, for example staff of the commercial branches and Italian companies benefited from more than 246,500 hours of training for retail, health and safety, mandatory training⁴ linked to recruitment contracts, business corporate and managerial training, technical-specialised training and language courses through classroom teaching or smart methods, divided up as shown below. Continuous on-the-job training is in addition to this, both for new employees and job changes or production process updates.

We should also specify that for management engineers set to hold responsible positions in production abroad, a one-year Talent Programme is in place, giving all-round training on the various areas for the management of a production plant and including a visit to at least three different plants.

For new economics, computing and engineering graduates, on the other hand, a full-time training path is offered called “SAP Consultant Academy”, prior to **training** profiles for the SAP teams of the IT Area.

The Group did not consider it necessary to develop programmes to assist employees with the management of the final stage of the career, insofar as 58% of Group employees are aged under 30.

2020 hours of training by type



⁴For Italy staff only.

The Sri Lanka branches, confirmed as our important hub of knowledge and excellence, each year guarantee specialisation courses paid for by the company. The technicians study at the Sri Lanka Institute of Textile and Apparel for an advanced diploma in Apparel Technology and Management (NVQ Level 5). HR staff are sent to the Chartered Institute of Personal Management for a professional qualification in HR management and to the Employers Federation of Ceylon for a diploma in employment law. The same attention is also guaranteed for employees working in warehouses, who are guaranteed courses and diplomas at the Institute of Supply & Material Management, and for mechanics, who instead monitor developments on machinery and take part in training that can guarantee they are able to advance in their careers.

Training programmes in fact enable all employees to develop new skills that can impact their professional development within the company and which are taken into account during their annual appraisals.

Attention to salaries and incentives

The Calzedonia Group treats its employees with respect and undertakes to guarantee fair, correct working conditions. Employee remuneration respects applicable provisions of law in terms of minimum salaries, overtime and benefits.

We believe that remuneration should reflect not only the position held by the collaborator, but also their experience, standard remuneration levels in the country and, to a significant extent, results obtained, both personally and on a corporate level.

This is why, over time, in most companies, incentive and remuneration systems have been developed that reward the quality of work carried out and involve employees in the company’s results or, in certain cases, those recorded by the Group. These systems are based on the meritocracy process that envisages a performance review in a formal meeting between the collaborator and their manager.

For employees of the central office and offices located in Italy, premiums can be received that are connected both to the Group consolidated results and the results obtained during the year under the scope of their activities. Additionally, premiums are paid for seniority in the company every 10 - 20 - 25 years, also with a view to stimulating employee retention.

Employees involved in the commercial side of business can be due bonuses in connection with the achievement of commercial objectives, the maintenance of the results achieved during previous years or other premiums if budgets are surpassed.

Finally, employees of production companies may earn bonuses on the basis of the assiduous presence at work, results obtained and, partly, in connection with the Group consolidated results or corporate results.

In order to review its business model and with a view to promoting diversity, eliminating sexual discrimination and supporting equal opportunities, the Group has calculated the ratio of remuneration of basic salary and remuneration of women with respect to that of men, for each category of employees. On average, women receive a salary that is approximately 5.5% lower than that of men.

Gender gap salary indicators⁵

	2019		2020	
	Remuneration	Salary	Remuneration	Salary
Executives	121%	121%	93%	123%
Top-level managers (without managers above them)	115%	103%	79%	83%
Managers reporting to the top level	85%	91%	81%	85%
Other employees - office employees	73%	85%	77%	87%
Other employees - sales staff	87%	100%	90%	98%
In-store employees	82%	99%	88%	102%
Blue-collar	80%	86%	76%	83%

The Calzedonia Group has always sought to hold its resources accountability and this translates into a “light” hierarchical structure. The Group pursues a policy of equal opportunities and remuneration. The differences shown in the table mainly depend on contingent situations.

The table shows that the average salary of managers is higher for women, confirming last year’s figure, whilst the greater gaps in the men’s favour are recorded in the categories of “Top-level managers”, “Managers reporting to the top level”, “Office employees” and “blue-collar workers”.

The category of “Top-level managers” has lost the balance seen in 2019 following the promotion of some women who were previously part of this category, to executive positions.

“Office employees” and “Managers reporting to top level” include very heterogeneous roles and the difference is above all due to the greater presence of men than women at the higher hierarchical levels.

In the “Blue-collar” category, the difference stems from the different representation of gender in duties. For example, specialised industrial labour is strongly represented by men (like maintenance, mechanics), whilst tailoring tasks tend to be carried out by women. The change in the value recorded in 2020 as compared with 2019 is not significant.

The ratio of the salary of employees working in stores remains balanced and constant as compared with 2019.

The Group continues to strive to bridge the gender differences seen in all its structures.

⁵ All employees of the Group’s Italian companies are included, excluding expatriates. In order to calculate the ratio, the basic salary gives the theoretical remuneration considering FT equivalent for PT, whereas for remuneration only FTs are considered (and not PTs) and the remuneration effectively received during the year is reported.

WOMEN’S EMPOWERMENT

The Calzedonia Group has always been considered a female business with 91% of its employees being women, a percentage that is also confirmed in production.

This is not a “given” in the social and cultural fabric of the countries in which our business is developed and this is what has led the Group to organise its first “Women’s Empowerment event” for production.

Ten colleagues from Sri Lank, chosen for their corporate history, thresholds and above all the link and passion towards the Group, were sent to Italy for a unique, motivational experience.

The journey

During this journey, the colleagues visited Venice, Milan and Verona and took part in their very first Intimissimi Fashion Show.

They also spent two days in the central office of Verona, receiving training on the Group’s history and thresholds, discovering the headquarters and getting to know the offices with which they dialogue constantly, more closely.

The project’s main focus was the “Women’s Empowerment” meeting organised with the aim of strengthening the role of the woman in everyday life. During this event, various different contexts intervened connected with the Group, from the San Zeno Foundation to the Progetto Quid and the office departments, inspiring and motivating colleagues through their speeches.

The objective underlying this initiative is not only to reinforce the sense of belonging to the Group, but also the sharing of a single, strong message:

“across the globe, the Calzedonia Group believes in women and reinforces their value”.



Benefits and corporate welfare initiatives

We want to make our employees' life easier and safer. It is in these terms that a corporate welfare plan has been implemented, allowing them to make use of a series of goods and services supplied at special conditions.

Calzedonia offers its employees a corporate remuneration package that includes an extensive series of benefits, which differ in connection with the role held, as a rule without drawing any distinction between full-time and part-time employees.

Staff of the central office enjoy a series of advantages like economic benefits and initiatives relative to health, the family or free time. More specifically, central office staff benefits include:

- company nursery and play schools with means-tested prices;
- counselling services;
- free flu vaccines;
- additional insurance cover for permanent invalidity or death;
- supplementary insurance cover for business travel abroad in the event of injury, illness, medical emergency and luggage theft or damage;
- beneficial rates for free time activities (Falconeri Ski Team, Calzedonia Volley, etc.) or purchases on all Calzedonia Group brands;
- language courses outside working hours;
- personal on-line purchases collection and distribution service.

With a view to improving the work-personal life balance, Group employees are given the chance to make the most of flexible working conditions in terms of starting time the morning and lunch breaks, making up the hours in the evening if so preferred. Additionally, a test has been started on smart-working, an option that allows the employee to work with greater flexibility.

The "Calzedonia Group For You" welfare programme offers Calzedonia employees an annual amount of 500 euros for medical check-ups at authorised facilities, reimbursements to families for nurseries and schools fees, books, summer schools and public transport subscriptions, additional payments to the welfare provision, wellness (gymnasium voucher, swimming pool, wellness centre), free time and travel (weekend vouchers, cinema tickets, theme parks).

Those travelling for work, in particular if spending a long time abroad, are guaranteed an assistance package that includes, for example, indemnities for the cost of living and environmental difficulties of the country of destination, housing, travel and transfer of the expatriated worker and their family and supplementary medical insurance for the expatriated worker and their family.

As the Group operates in a great many different countries, it is called to face up to a great many different needs of its workforce and always seeks to make a concrete contribution, in line with the needs of our employees' community, to improve the quality of life. In almost all production units situated abroad, a series of services is guaranteed, including, in particular, a canteen, free of charge or which charges only a symbolic amount, healthcare in the company, sports facilities available to employees and social and team-building events. In some cases, the Group finances technical schools for youth training. In others, the Group undertakes to pay school fees of children of single-parent employees working in the company.

In a country as unusual as Sri Lanka, the Group has decided to implement an additional series of actions for staff. Since 2006, in fact, the "Dialogue Team" project has been running whereby staff representatives (one per department) collect the main work-related requests from colleagues and share them in the presence of an HR representative, in order to identify collective solutions in agreement with the company. Since 2010, the company has also been guaranteeing one in every 15 collaborators training in IBPS (interest-based problem-solving) and mediation.

Quality of the workplace and respect for human rights and diversity

Respect for human rights and diversity

We want to create the best possible conditions in the workplace. In order to guarantee a healthy, stimulating and fair workplace, Calzedonia promotes and protects its staff's dignity and psychological and physical well-being, where the problem is sensitive, through social and political diversity inclusion initiatives, seeking to develop growth opportunities for everyone.

As defined in the Code of Ethics, we work to prevent and fight all types of discrimination, whether based on gender, age, race, ethnic origin or nationality, political, religious or sexual orientation, language, health and disability, pregnancy, maternity or paternity, including through adoption, trade union membership or any other form of diversity.

In our production plants in Sri Lanka, Ethiopia, Serbia, Bulgaria, Croatia, Bosnia and Italy, we interact with and constantly listen to our employees through the HR office, to identify their needs and every two months, we monitor the trend of the main KPIs intending to assess staff satisfaction levels and the corporate climate.

As further evidence of the major commitment made to optimising and appreciating the people who work in the Group, in 2020 no complaints were received regarding respect for human rights.

In Italy, these reports reach the legal office after having been filtered by the HR office. The foreign commercial and production chains manage these practices independently, according to their internal organisation.

When a report arrives, we proceed with an initial analysis and documented study of the case. This is then followed by a meeting involving the departments concerned and liaising with them for the decision regarding how to behave/act. It is also noted that in 2020, 17 complaints were investigated and solved in the workplace and 1 case of discrimination involving a few Group employees, was flagged up and solved. Following the reports, the Legal Office involves the Board and HR office and, together with the managers of the companies involved, agrees on how to answer and what action to take.

Quality of the workplace and health and safety of our staff

The Calzedonia Group is committed to making sure that workers' human rights are protected, not just legislation but also ensuring that best practices in force in respect to working conditions and health and safety at work, are implemented. In regard to the values of our Code of Ethics, we undertake to guarantee a healthy, safe workplace for our employees through respect for occupational safety and

health procedures and regulations, satisfying all obligations laid down in regard to the laws and national regulations of the countries in which we operate.

In this context, the adequacy of the workplace, equipment, teaching and training of employees on the matter, is essential. Aware of this, in 2014, the “Franchisee Project” was created, with the aim of applying the same safety standards and the same know-how of the direct stores to franchised stores so requesting.

In the factories in Italy, Croatia and Ethiopia, a safety at work monitoring system has been developed, integrated by software for system management and maintenance. In the other countries where our plants operate, implementation is currently in progress of the INFOR safety and maintenance system.

Considering the wide range of activities carried out, worker health and safety risk management and assessment is a particularly complex task. There are multiple potential risk factors that can compromise worker health and safety, such as, for example, mechanical/electrical/thermal risks connected with the use/presence of machines and equipment and chemical and environmental risks linked to travel in countries at risk. As regards the plants, we are aware of the critical issues linked to repetitive manual worker and in all phases of work, we carry out constant research on an industrialisation and mechanisation level, with the aim of improving quality of work and production efficiency.

In all the Group’s Italian companies, a safety management system has been implemented on the basis of national and international regulations, like the UNI INAIL Guidelines or the BS OHSAS 18001 standard.

Management of the Prevention and Protection Service in Italy is divided up into two areas: the first is devoted to stores and the second to logistics, administrative and industrial sites, for the management of all areas connected with health and safety at work.

Abroad, the individual branches (industrial, logistics or commercial) manage themselves. More specifically, each site and each store is concerned by a specific assessment of the risks present on the basis of an analysis connected with the workplace, the tasks carried out and the organisation itself.

The Prevention and Protection Service also carries out periodic site inspections in all branches to control and improve processes and if any critical issues should be found, these are handled by the Service in collaboration with any other offices involved.

In line with the provisions on Health and Safety at Work standards, controls are carried out on suppliers and contract workers when they go about their activities in the company’s premises. To ensure proper governance of the risks of interference, an assessment document is prepared by the Group companies and the supplier/contractor.

The Group continuously monitors activities that can impact worker health and safety through analyses carried out periodically by means of employer site inspections, the Prevention and Protection Service Manager (“RSPP”), the Workers’ Safety Representative (“RLS”) and the Appointed Physician, as well as assessments certified by external consultants.

In this context, awareness-raising and sharing meetings are organised and materials supplied to our employees (including through the corporate intranets), describing how they can report any danger situations, contacting various figures, such as the RSPP, the competent RLS and the Supervisory Body, also in anonymous form.

Each Group company also prepares a training plan that covers both general training and more specific in connection with work-related risks and risks intrinsic to the activities carried out and potentially dangerous situations.

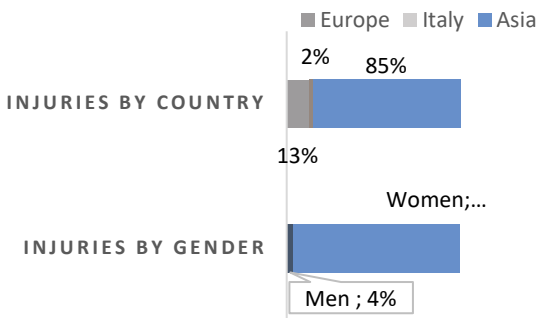
The table below shows the injuries recorded in all Group sites. It should be noted that, as a natural consequence of the type of work, 90% of injuries take place in production plants and are minor, such as needle pricks, etc.

In 2020, a total of 2,319 injuries occurred at work (99%) and while commuting (1%); these cases involve 6.1% of our employees. There are 26 cases of injury with serious consequences recorded during the year. The number of hours worked by employees in 2020 dropped by 18% on 2019, in line with the restrictions imposed by the Covid-19 pandemic. The number of injuries dropped less than proportionally, thereby slightly increasing the injury index.

Each time injuries, incidents, near-misses and non-conformities occur, the Safety Management System prepares a procedure regulating how to manage the investigations to be carried out, involving the drafting of a specific report also indicating possible improvements to be made.

Injuries and employee indices

	2019		2020	
	No.	Index ⁶ (%)	No.	Index ⁷ (%)
Injuries recorded at work ⁷	2615	39.15	2319	42.33
Deaths caused by injury at work	0	0	0	0
Injuries with serious consequences (excluding death)	31	0.46	26	0.47



⁶ The rate calculates how many injuries occurred as per the GRI standard. The indicator is calculated by dividing the number of injuries by the number of hours worked during the year (if not available, the hours worked are estimated) and multiplied by 1,000,000 hours.

⁷ These include injuries in the workplace and while travelling to and from work, both where transport is organised by the organisation and for autonomous transport.



OUR CONTRIBUTION TO SOCIAL WELL-BEING AND COMMUNITIES

Our contribution to the local communities

The Calzedonia Group has always made a contribution to the communities in which it works, driven by the commitment to improve the quality of life of those who have had fewer opportunities and the desire to strengthen relations outside the company.

Through the use of corporate resources, the Group offers its contribution towards the support of social, sports, cultural and welfare activities, as well as minor public works, always guaranteeing complete transparency.

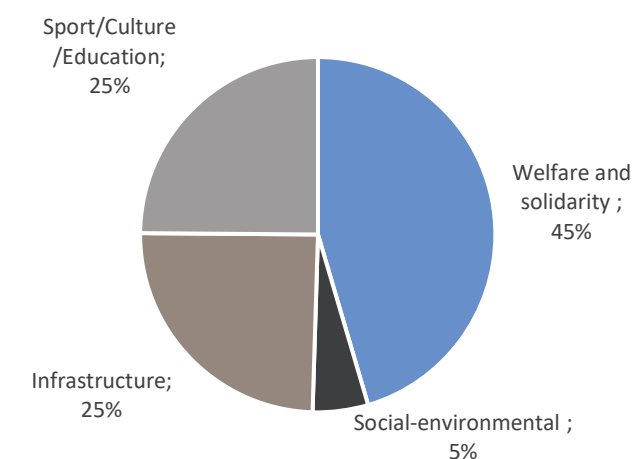
Socially, Calzedonia has always, since its establishment, supported the San Zeno Foundation, which allocates funds to entities and associations for educational and work projects in Italy and worldwide. Since 1999, the San Zeno Foundation has supported almost 1,300 initiatives, collaborating with more than 500 entities for a total amount in excess of 66 million euros.

To support the Foundation, in October and November, all Calzedonia and Intimissimi stores in Italy organise a fund-raising campaign whereby, if the customer adheres, 3% of what they spend is transferred to the San Zeno Foundation.

In addition to this, in 2020, the various Group companies donated more than 2.15 million euros to the territory in the form of contributions and sponsorships for social-welfare, training, cultural and sports initiatives and events to promote the local production fabric.

As can be seen from the graph below, most of the interventions involved welfare and solidarity. As regards the geographical distribution of the interventions, on the other hand, most of the economic donations were disbursed in Italy, followed by the Group companies in Asia. More specifically, the companies operating in the territory of Sri Lanka made donations and interventions during the year for a total more than 700,000 euros.

2020 donations by area of intervention



Welfare and solidarity

The Group has promoted various welfare and solidarity interventions, supporting projects in favour of the protection of personal health, such as, for example, the open hospitals initiatives, support for research for the fight against breast cancer and support to associations assisting young boys and girls in difficulty and protecting women.

Below are some of the most important welfare and solidarity initiatives pursued in 2020.

Beneficiary	Description of initiative
Stella Maris Onlus Foundation	Projects for young men and women in difficulty (€500,000)
Don Bosco Association	Hospital in Ecuador (€140,000)
UNHCR	Support for Syrian refugees (€100,000)

In addition, a great many Group sites have taken action, becoming involved in initiatives aiming to support the communities since the onset of the Covid-19 pandemic.

Social-environmental

As regards social initiatives, both in Italy and abroad, the Calzedonia Group supports entities and associations operating in social and environmental areas in the favour of the communities.

Some of the most significant donations made in the social area include:

Beneficiary	Description of initiative
Municipality of Padenghe	Social purposes (€30,000)
Parish of Dossobuono	Social purposes (€25,000)

Sport, culture and education

Sport, culture and education are topics of great importance for the Group and this is why in 2020, various interventions were implemented in these areas.

The Group sponsors sports teams and events as promoters of ethical principles of sharing and social aggregation that create value for the territory and local communities.

The Falconeri brand is committed to supporting sailing and skiing associations and a golf competition. The Tezenis brand has supported Scaligera Basket, Verona's main basketball team, and the Calzedonia brand has sponsored Bluevolley, the Verona volleyball team.

The Calzedonia Group invests in education and promotes culture in the communities in which it works, supporting universities, foundations and secondary schools, also with a view to facilitating the entrance of young men and women into the world of work.

Beneficiary	Description of initiative
Don Bosco Salesian Institute	Business 5.0 Laboratory (€200,000)
Arena Foundation	Support of artistic activities (€100,000)

Infrastructure

The Group has taken part in various infrastructural projects intended to enhance the territory, such as the construction of infrastructures to fight water shortages, identified as one of the greatest risks to be faced by society over the next few years, the improvement of a paediatric structure and donations for restoring certain churches and other places of high historical value.

Beneficiary	Description of initiative
Community of Negombo	Construction of a new academic institute (€277,000)

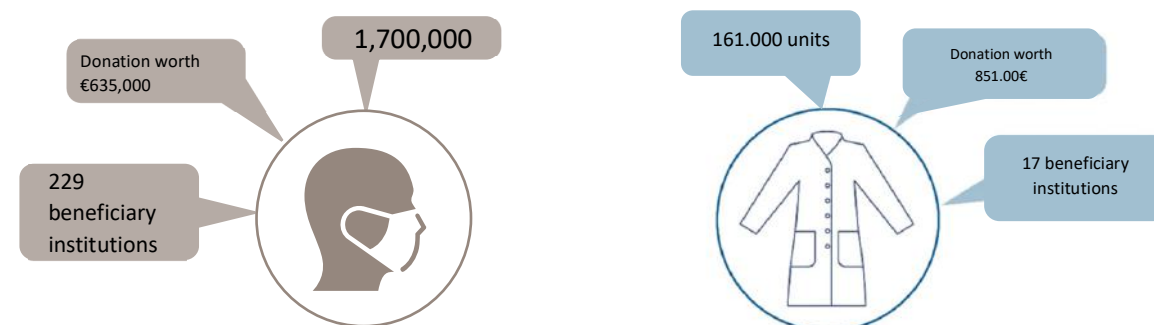
The Calzedonia Group and the Covid-19 pandemic

In 2020, Calzedonia worked to help the communities in which it operates fight the Covid-19 emergency.

In March 2020, the Group made the decision to close its stores in Italy even before the national restriction came into place, to protect the health of its customers and employees, taking immediate action to contribute as it could to handling the pandemic.

This decision did not, however, in any way limit our customers or employees. Indeed, we immediately sought to assure the first an efficient e-commerce service, while for the second, particularly in countries lacking social safety nets, salaries were guaranteed despite the various closures, confirming the clear aim of being a solid point of reference for the communities with which it collaborates.

Considering the scarcity of the personal protection equipment available when the health emergency first struck, in just a few weeks, the Calzedonia Group purchased specific fabrics and machinery and converted its installations in some of its Italian and Croatian plants to produce and donate health products as masks and gowns. In Italy, an on-line service was opened, which is still operative, for the request of such products. Each request is analysed by a board on which the group's CEO also sits. A year on, more than three hundred hospitals, civil protection services and charities have been helped with donations of more than 1.7 million masks and 160 thousand gowns worth a total more than 1.4 million euros. The health of all employees and their families is essential to the Group and this is why Calzedonia has sought to help the community near its plants, particularly in the countries less prepared to cope with the crisis, such as Sri Lanka and Ethiopia, to which more than 600,000 masks were donated.



The Group's concern during these times of uncertainty also extended to include the stores affiliated to the Group's sales networks, the entrepreneurs who suffered the crisis and closures most of all. This entrepreneurial network is crucial to the business strategy, whose primary interest is to protect its financial health.

To this end, following the lock-downs seen both in Italy and in various countries across the globe, payment due dates on goods received by stores that could not be sold due to the closures have been extended and the goods return policy from the store to the Group revised to eliminate the risk of unsold goods for stores.

More than 1,200 affiliates were thus helped in order to guarantee them a better recovery, the possibility of privileging payments of salaries rather than clothing items and in the name of mutual trust.

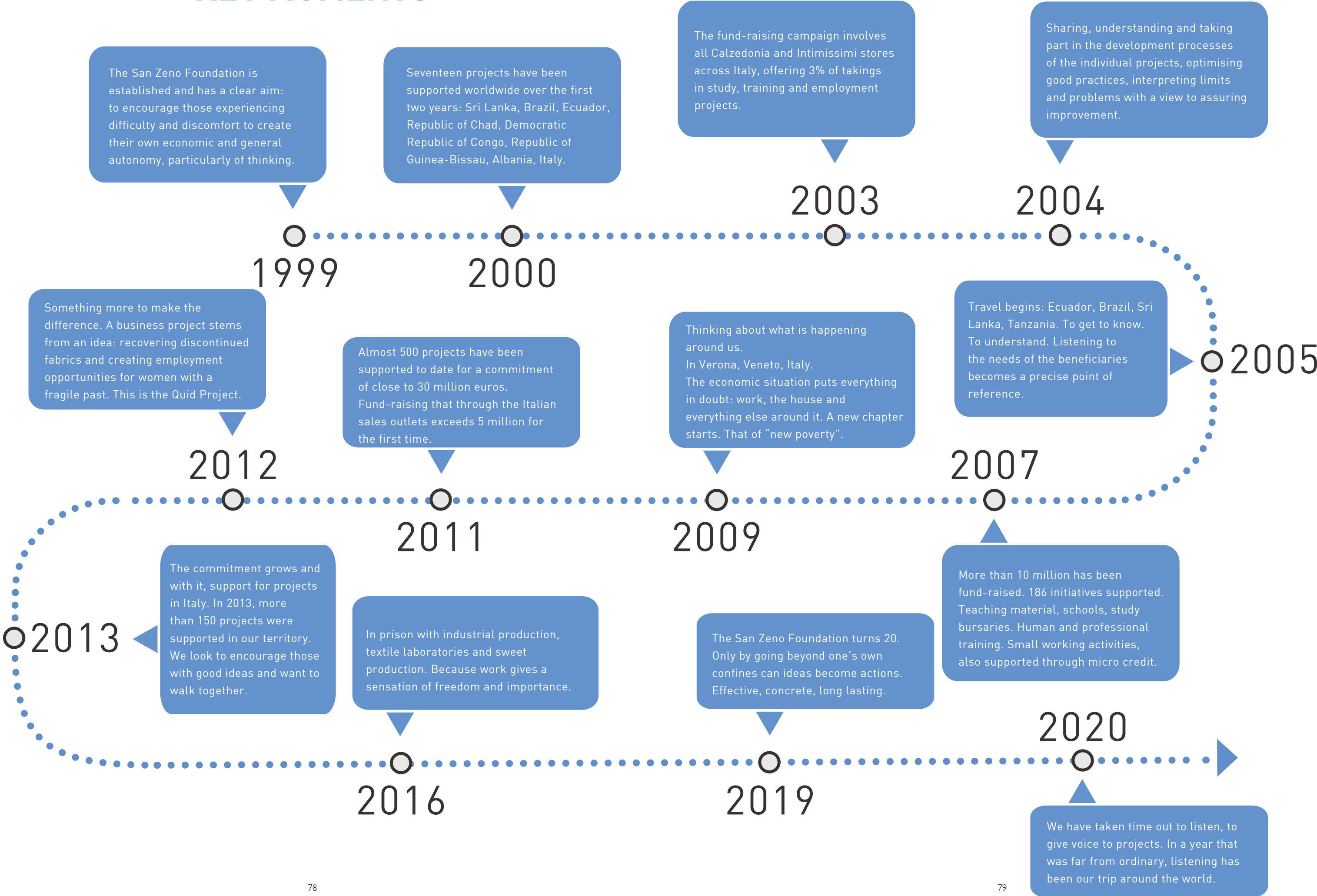
Fondazione San Zeno

SDG	Calzedonia's contribution
	Through the San Zeno Foundation, we support projects aimed at supporting and developing educational activities in Italy and in countries in difficulty and dedicated to the more disadvantaged brackets of the population.
	Through the work of the San Zeno Foundation, through the financing of projects with a direct impact on the social-economic prospects of the female component of the communities in which they develop, we act to foster the integration of women into the employment market. Major projects financed aim to allow the growth of training possibilities and basic economic independence of girls, teenage girls and young women.
 	Professional development is the main way by which to achieve economic stability and a dignified life. This is why through Fondazione San Zeno, Calzedonia Group supports projects dedicated to training and employment inclusion, to actively helping improve living and working conditions amongst the poorest, most excluded sections of society, helping to give social and economic dignity to their work by decreasing the scourge of poverty in these societies.
	Work is not only a source of income but it also becomes a tool for social inclusion, by which to overcome the obstacles to integration and affirm one's identity. The projects supported by the San Zeno Foundation, through work development, have the ultimate aim of fostering social inclusion and reducing inequalities.

Established in 1999 on the wishes of Sandro Veronesi, the Chairman of the Calzedonia Group, San Zeno Foundation, allocates funds to entities and associations that embark on projects and initiatives in the area of education and employment, facilitating social development and creating change.

The main aim is to offer concrete possibilities to people in situations of difficulty, uncertainty and discomfort, helping them achieve economic autonomy and independent thinking. The San Zeno Foundation is a firm believer in people as the real protagonists of change and of growth towards freedom. It focusses on tailored inclusion in employment, people with fragilities, young boys and girls who have "lost their way" at school and in-mates. It believes in a school as a place of well-being for teachers and students, a nursery growing passion and talent and training the citizens of tomorrow.

KEY MOMENTS



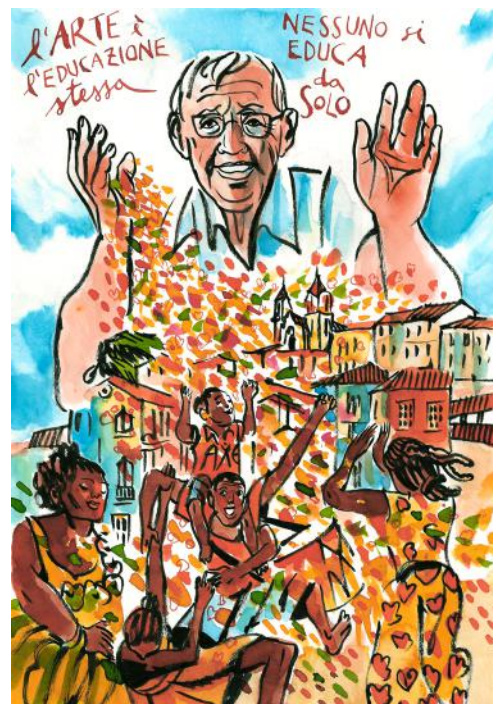
SIGNIFICANT STORIES

EDUCATION PROJECTS

Teaching, literacy, improvement in teaching and scholastic inclusion.

Progetto Axé Italia Onlus
Salvador de Bahia - Brazil

Social recovery path founded on Pedagogy of Desire and on Arts Education for children, teenagers and young adults abandoned to living in difficult conditions. The project aims to give them the chance and possibility to embark on a transformation that will lead them to leave life on the street behind them, instead returning to their families and school.



The words of Cesare de Florio La Rocca,
founder and chairman of Projeto Axé Brasil:

"From when it was founded 30 years ago, Projeto Axé has always stayed true to the essential teachings of the Philosopher of Education, Paulo Freire: education is always a political act. This adjective has, however, nothing to do with political parties, but rather should be conceived in its broader sense, the original meaning, which refers to the construction of a new polis, a new society and a new planet. In addition to this, there is also the firm belief that drives Axé: it is simply impossible to educate without involving Art, Culture and Aesthetics. [...] This is why we talk about [...] arts education and pursue it every day. Another cornerstone of Axé's educational action is "Pedagogy of Desire" [...] Desire is what makes man human, whether educator or scholar. The action of the educator must constantly seek to stimulate the desire and capacity of the scholar. [...] In Axé, the child is both the bearer of memory and the announcer of innovation. No child is a blank slate: each and every one is strongly marked by their ancestry but, at the same time, a being that is undergoing constant transformation, a great announcer of the unprecedented. If the educator is not always aware of these characteristics of childhood, his educational action will fail".

EMPLOYMENT PROJECTS

Support to employment with work placements and professional training courses.

Good Food
Vale un sogno Foundation - Verona

Social business project to increase autonomy and the employment options of young adults with intellectual disabilities. The intervention envisages the development of a professional kitchen offering home delivery only. The preparation of single-portion meals, to order, for local businesses and private customers, is carried out by a team of cooks, young men and women with intellectual disabilities and educators.

In the word of Marco Ottocento
Chairman of Vale un sogno, "We have seen that we can generate new business adventures, whether social undertakings or projects in collaboration with other friends who share our dreams. Thus, last year, the Good Food project was created, a new business unit tailored for these young men and women. It was created from the bottom up, by the collaborators who observe and listen to our children's needs, day in, day out. [...] What we need is a global acceptance of the person, a constant dialogue with families and territorial networks, customised projects created on the individual person, to

guarantee economic sustainability for the projects, to create real production processes open towards the outside, in which even people who would never have imagined finding themselves in a business, can take part. Simple? In words, yes, but in reality it is extremely hard work for all types of resources. It means investing in staff and staff training, making room for intuition and allowing this to then sprout and grow; it means having faith. Good Food is precisely this. Never stop believing that within the intrinsic fragility of every man and every woman, every boy and every girl, lies the route to create a better world".



COMMUNITY DEVELOPMENT PROJECTS

Participatory processes involving communities in developments and social change.

India Comprehensive Community Development Programme

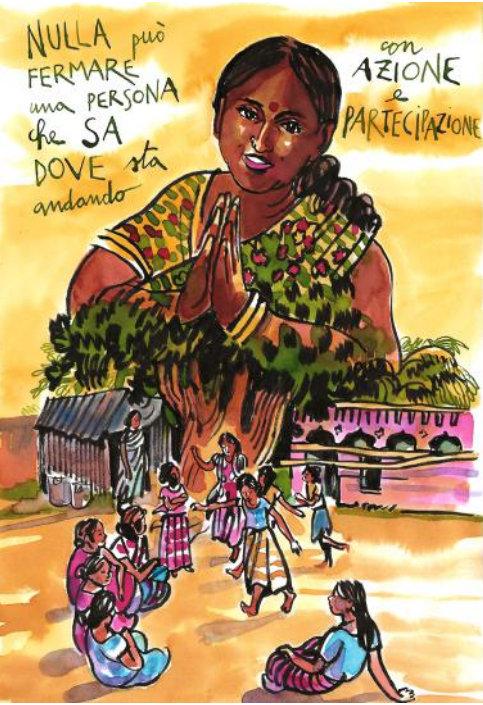
Andhra Pradesh, India, ASSIST Ngo

ASSIST has constructed an intervention process that aims to break the cycle of poverty working on three main components: social-educational, infrastructural and economic development. In addressing the main causes of poverty, child labour, early marriage, the search for a secure,

dignified form of employment, people are systematically and completely provided with the tools they need to become the masters of their own destiny.

The words of Vianney Katakam Associate Director ASSIST Ngo

«What a single person cannot do, a community can do. When they stand united, the community can achieve wonders and make themselves a tribe apart. Realising this, ASSIST has been striving for community organisations and through them community development. Just as ASSIST believes in community strength, it wants its target community too to have the same belief and for that reason, the organisation starts its work in any village by bringing people together and forming an association. [...] An individual is nothing without a community and similarly, a community is nothing without individuals. For the sake of everyone's benefits, sometimes individual may have to make little sacrifice, but that they do here in our target community when he is convinced of the context. Common interests are given priority without at the same time putting individual at risk».

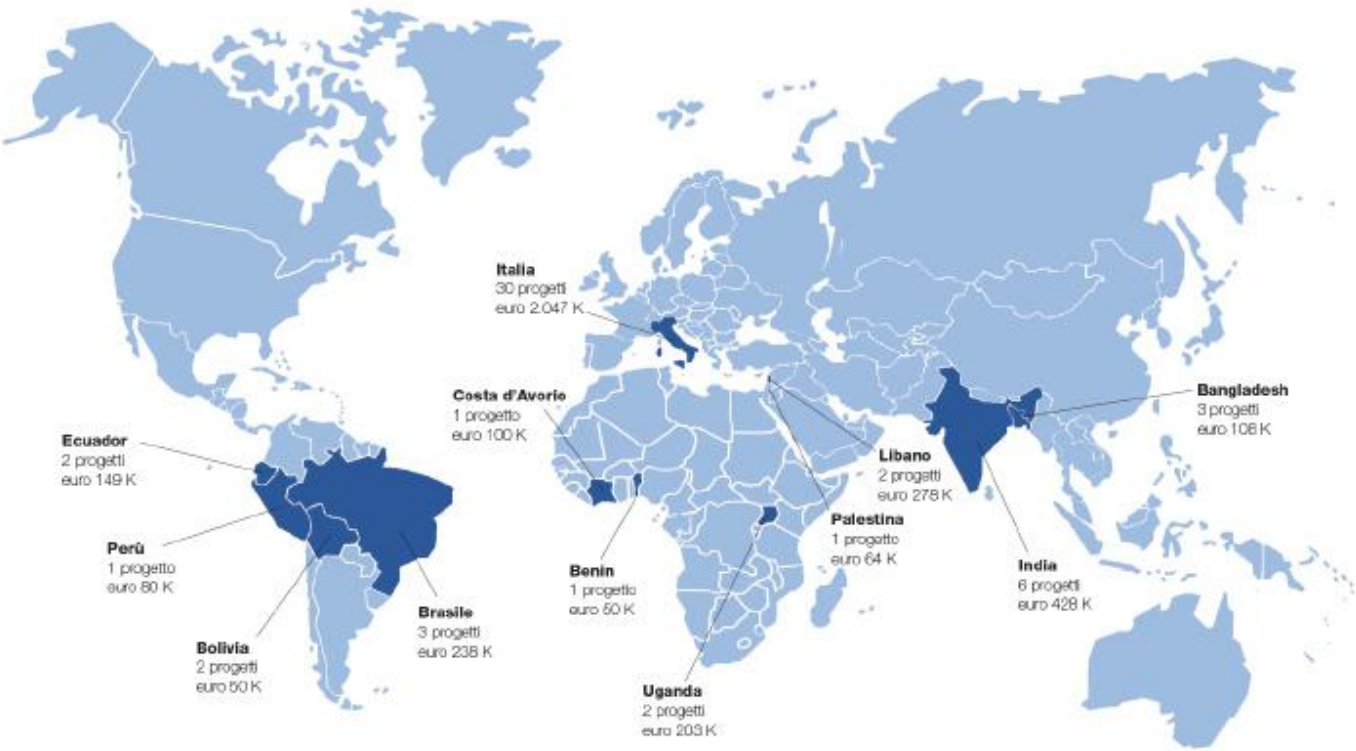


The contribution in figures

Report 1999- 2020				
	ECONOMIC COMMITMENT	PROJECTS	NO. COUNTRIES	ENTITIES
Total	€ 70,393,563	1,342	74	522

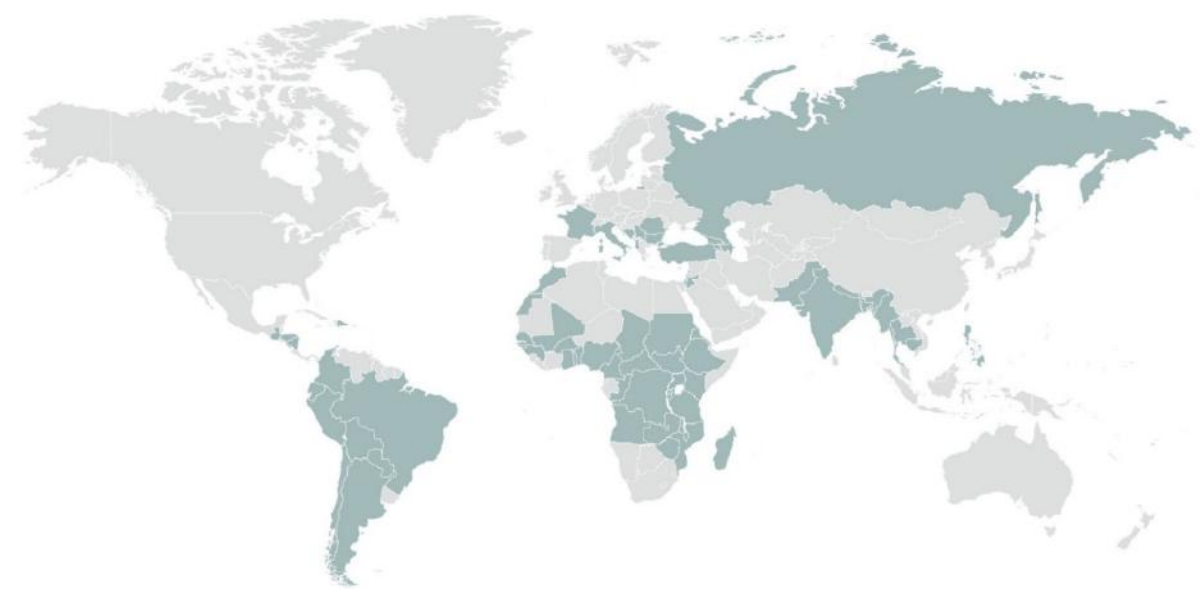
PROJECTS APPROVED 2020

AFRICA 0.4 mln 4 projects 3 countries	LATIN AMERICA 0.5 mln 8 projects 4 countries	ASIA 0.9 mln 12 projects 4 countries	EUROPE 2 mln 30 projects 1 country
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PROJECTS APPROVED 1999-2020

AFRICA	LATIN AMERICA	ASIA	EUROPE
14.9 mln	14.6 mln	9.4 mln	31.4 mln
260 projects	313 projects	179 projects	589 projects
35 countries	14 countries	17 countries	8 countries



COVID

The San Zeno Foundation has taken extraordinary action, supporting the entities in the resilience and search for innovative strategies by which to respond to new needs, offering food and emotional support, helping social businesses re-invent their action and allowing entities to continue to pursue the paths undertaken where other support was not envisaged.





Extraordinary intervention projects

Actions to fight the effects of Covid-19			
	ECONOMIC COMMITMENT	PROJECTS	NO. COUNTRIES
TOTAL	€494,000	15	6





OUR RESPONSABLE MANAGEMENT OF THE PRODUCTION CHAIN

SDG	Calzedonia's contribution
	We know just how vital a resource water is; for years, the company has been implementing practices to limit the impact of production activities on it as far as possible and developed systems by which to distribute it to employees as drinking water, free of charge, in particular in the geographic areas where access to water is impacted by situations of water scarcity or infrastructural deficiencies.
	The direct management of the production chain assures the dissemination of ethical practices typical of our culture, encouraging a safe, orderly environment and complete respect of the rights of all our workers. The Calzedonia Group works hard to reduce social inequalities: we are aware that a fairer, longer-lasting social and economic development also involves the sharing of operative and technological know-how and this is why we work to make sure that it becomes the heritage of our people and the communities in which they live.
 	Calzedonia's investments in production plants aim to have them evolve technologically, so as to make it possible to develop more sustainable production models: all plants are characterised by cutting-edge machinery, which guarantees safer working conditions, reducing waste, obtaining high productivity and conferring greater value on the raw materials.

Our factories

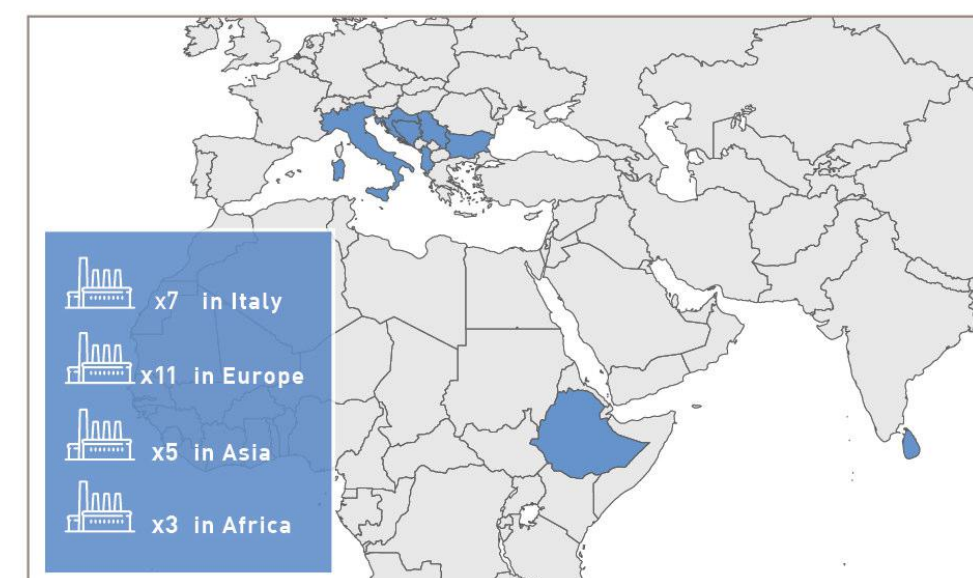
The Calzedonia Group Integrated Management Model calls for energy, investment and knowledge. On the other hand, it enables careful quality control, maximising synergies and scale economies. It also allows for the control of respect for the human and social rights of those working with us. We adopt the strictest standards in environmental, health and safety matters, in respect for principles of transparency and continuous dialogue with the Group stakeholders. Our production involves thousands of people in countries where the textile industry is one of the main local growth drivers, offering employment opportunities.

The Calzedonia Group operates with the awareness that the supply chain in the textile and clothing sector has risks relating to the lack of visibility of the supply chain as a whole. This is why the commitment is required of all players of the production and distribution chain towards a responsible route of cooperation, aimed at creating a business model that is sustainable in the long-term.

During 2020 the Calzedonia group produced, internally and through third parties, 328,574,161 garments. Specifically, Calzedonia produced 40.5%, Intimissimi 23%, Tezenis 36% and Falconeri 0.5%⁸.

We have chosen to put our reputation on the line, building our own plants, which today produce around 78% of the goods offered in the stores with close control of the supply chain.

Much of the Calzedonia supply chain consists of businesses belonging to the Group, for whose management we are exclusively responsible. The Group's factories are located in: Italy (Avio, Brentino Belluno, Biella, Castiglione delle Stiviere, Castel Goffredo, Gissi, Grole), Croatia, Serbia, Bulgaria, Sri Lanka, Bosnia and Ethiopia.



For the Calzedonia Group, **production** means construction and production standards aligned with Italian and European requirements for all plants, regardless of their

⁸ The number of garments produced by Atelier Emé accounts for less than 0.1% of the total.

location. We always try to align our plants with the best technologies available to guarantee optimal working conditions for our employees, choosing the most cutting-edge machines and plants that allow for the minimisation of repetitive, manual work, in respect of the highest standards of quality, health and safety.

Although aware of our room for improvement, we are proud of the objectives achieved on a daily basis as part of the sustainable development route undertaken. They offer concrete examples of our social responsibility actions, the empowerment of women in the reference community, the energy efficiency of plants and the sharing of an industrial model that limits waste and fosters respect.

A programme is in progress for the study and monitoring of possible ways to perfect the maintenance and update of the safety procedures of some of our plants, to ensure that our activities are in line with industry best practices.

A WELL FOR ASHEGODA

The region of Tigray, in the far north of Ethiopia, has, in its recent past, suffered periods of extreme drought and famine, which brought about the death of a great many people in the area.

The climate change in progress has contributed to making rainfall even more unforeseeable, year after year impacting the area's rain levels. The great concern of the local community is that, in the near future, further intense droughts may occur, which could destabilise a country numbering more than 110 million inhabitants.

Our factory in Ethiopia is located at the city of Mekelle, opposite the community of Ashegoda, in the region of Tigray.

Aware of the importance of integrating into the local community, creating a bond of mutual utility, we immediately started a dialogue with our employees, their families and the community surrounding the factory, to understand how we could concretely support local development and significantly improve the quality of their lives.

It became immediately clear that WATER was considered the most important resource of all. Indeed, it was a valuable resource and a scarce one: the only well available to the population in a radius of 7 km had been excavated in an artisan manner, to a depth of approximately 60 metres, and was dry for much of the year.

In using local partners for geological analyses and digs, we financed the construction of a well 145 metres deep that, crossing through a thick, hard layer of rocks, reaches a water table guaranteeing drinking water all year round.

The well was donated to the community of Ashegoda on 18 October 2018, during the factory's opening ceremony, by the Chairman of the Calzedonia Group, Mr Veronesi. The well has a capacity of 24 litres per second and supplies drinking water to the more than 3,000 people who live in the area.



Civil war in Ethiopia

The Calzedonia Group's decision to verticalise its business model by investing in production structures gives rise to a whole series of responsibilities that the Group has decided to shoulder, including respect for its employees and reciprocal help with the communities surrounding the plants.

2020 was not difficult only in respect of the Covid-19 pandemic that struck the whole world, but for our Ethiopian colleagues it was made yet more complicated by the outbreak of a violent civil war, which, unfortunately, is still in progress in 2021. The epicentre of the clash is the region of Tigray, where Itaca Textile is located, one of our factories.

Faced with this terrible crisis, the Group has once again shown that it does not shy away from its responsibilities, flanking its employees in the hope to offer some form of stability at such difficult times. Indeed, Calzedonia has chosen to help its employees by continuing to pay out monthly salaries, despite the plant closure, and keeping active contact with the international organisations present in the territory.

All those expatriated have managed to make it back to their home countries thanks to efforts combined with the United Nations.

Supply chain management

In balancing its make-or-buy strategy, Calzedonia has chosen, as a general rule, to maintain production of its products within the Group, mainly using external suppliers for the purchase of raw materials.

The Group seeks a lasting, loyal collaboration with its suppliers, in order to enjoy a profitable relationship, sharing quality policies and ethical choices.

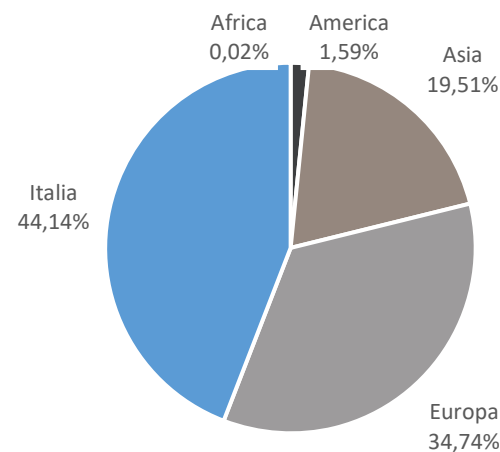
The selection of new suppliers is based on a careful control that envisages compliance with specific quality standards and competitiveness of pricing of products

offered. It is also mandatory, in order to be able to collaborate, for all suppliers to accept the Code of Ethics and Supplier Code of Conduct, both of which can be downloaded from the Group's corporate website and which clarify our principles and conditions in terms of respect for human rights and worker health/safety, as well as safeguarding the environment.

Where possible, Calzedonia opts for the procurement from local suppliers in the various contexts in which it works, in order to benefit from logistics advantages, generate income and create employment opportunities in the communities in which it works.

The Calzedonia Group splits its purchasing turnover from the suppliers of the various countries in which the Group operates, also in order to avoid any dependency of procurement that could constitute a business risk. As regards concentration, 20% of suppliers account for 97% of the value ordered; these suppliers are mainly in Italy and Europe, as shown below⁹.

2020 value of orders by geographic area



In making its purchasing choices from third party suppliers, the Group distinguishes between raw materials and finished products, on the one hand, and non-core materials, i.e. materials not directly related to the production of clothing sold in the stores, on the other.

Raw materials and finished products

Suppliers of raw materials mainly supply fabrics, yarns and accessories (elastic, buttons, zips, etc.). The fabrics mainly come from Italy, China, Serbia and Sri Lanka. In general, the Group focusses on leading companies for the reference sector, equipped with the main quality certifications for weaving and dyeing, as well as environmental certificates, as the matter of sustainability has for some time now been one of the crucial aspects of the fabric dyeing and production market.

A careful selection of suppliers is assured, taking into account the following requirements:

- **Technical Specifications of Conformity**, containing the requirements laid down by Calzedonia regarding mechanical, chemical and physical aspects; these are normally prepared in aligning to the strictest regulations of those in force in the countries in which the Group operates;
- **the Group Code of Ethics and Supplier Code of Conduct**, suppliers are generally asked to expressly approve both codes, through which they undertake to guarantee observance of the principles and standards they encompass. In addition to recalling the need to respect current laws and regulations, the Codes also describe the standards regarding the areas relative to people, the environment and transparency, being inspired by reference international standards, such as ILO conventions, and paying close attention in particular to respect for human rights under the scope of the United Nations Guiding Principles on Business and Human Rights, as well as other industry best practices. The Group set itself the aim of extending the obligation to accept the Code of Ethics and the Supplier Code of Conduct as a condition for being able to work with Calzedonia, to all suppliers.

Following the choice of the collection and definition of volumes, the Logistics and Procurement Office proceeds with the procurement of the materials defined during development.

The supply of processes is therefore entrusted to the production plants of the Calzedonia Group.

Suppliers of finished products are instead only selected once the Materials Research & Development Office has verified. More specifically, the Materials Research & Development Office agrees with the new supplier on a "get-to-know-you" visit to assess reliability, production capacity and technical requirements. Only if feedback is positive will the supplier be asked to accept our Technical Specifications of Conformity, the Code of Ethics, the Supplier Code of Conduct and the operating procedures. In this introductory phase, suppliers also provide evidence and any certifications of their responsible, traced production.

Supplier monitoring is a continuous process that involves constant dialogue with them, also with a view to periodically verifying compliance with the Codes throughout the supply chain. We presently try to visit suppliers with which we process considerable volumes or particular projects.

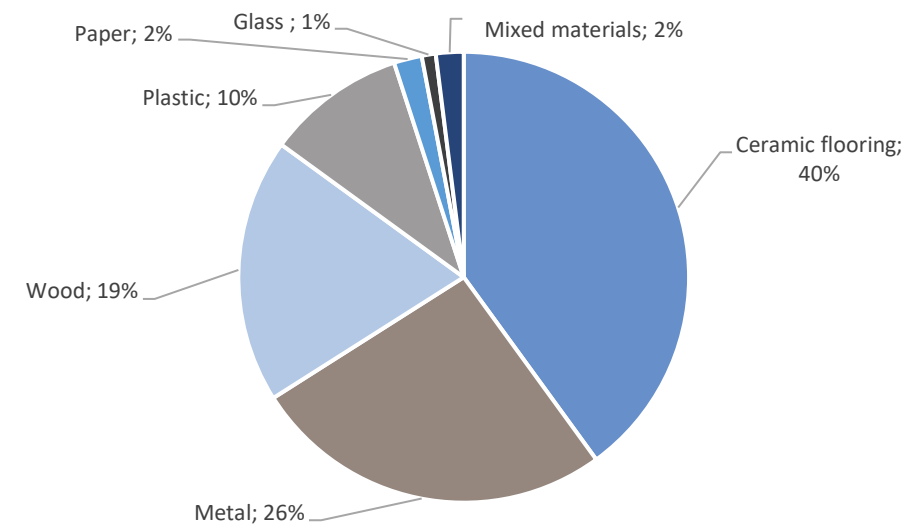
Although visits to suppliers' plants are frequent in the above terms, to date, no structured sustainability audit process has been launched at our suppliers' premises. We believe that we need to act by starting out with a sensitisation and communication phase of the Calzedonia Group's essential values, starting with our suppliers and sub-suppliers in the countries of the far east. The Group's desire to establish long-term cooperation is confirmed by this supplier involvement in sustainability matters, which aims to spread awareness of the importance of creating sustainability production environments, assuring the protection of the environment and health and safety at work, as well as conformity with the standards and requirements laid down by applicable local and international regulations.

⁹The Group's main operating offices are in Italy, Europe, America, Asia and Africa, areas to which reference is also made for the definition of local supplier.

Non-core materials

Suppliers of non-core materials mainly supply furnishings and lighting systems for Group stores. More specifically, below are the main product categories:

2020 type of furnishing materials



The choice of materials used in the Calzedonia Group stores, and consequently the related supplier selection, is an informed choice that also takes into account eco-compatibility aspects of products (for more details, see the chapter on “Responsible procurement and consumption of materials”).

Stores are designed to guarantee customer and employee safety, with quality elements that last over time, made possible thanks to a vast use of certified suppliers.

METAL FURNISHINGS
Many of the suppliers are certified EN1090 to guarantee the release to the market of safe, structural carpentries and compliant with standard UNI ENISO 3834, which governs welding metal materials.
FLOORS
All floor suppliers are certified ISO14001/14021/9001 with Ecolabel certification, the European regulation that establishes environmental and industrial policy criteria. They are also members of the Green Building Council Italia, a voluntary system for adhesion by companies that can implement a precise sustainable development corporate policy.
TECHNICAL LIGHTING AND TECHNOLOGICAL MATERIALS
We have been using LED lighting in our stores for some time now, with controlled processes and high energy efficiency materials, in respect of the EC “Ecodesign” Directive 2009/125/EC for energy saving.

Starting 2016, the Group has embarked on a route for perfecting its selection of the suppliers involved in the production process, through the approval of partners, assigning them a dynamic rating that can vary over time according to their positioning in respect of standards.

Towards the close of the year, the Group launched a sustainability certification project in certain stores, with the aim of comparing notes and adopting the very best global standards for the design and management of stores, as well as choosing materials with less environmental impact.

Product quality and safety

Clothing textile products are articles with which the consumer comes into direct contact every day.

The selection of materials is defined during collection development. During this phase, the style and product offices choose the materials to be used in the collection on the basis of style, quality, cost strategy and production capacity considerations.

The procurement process in a group producing fast-moving consumer goods and seeking to limit the costs to the end customer, entails various risks. Indeed, informed choices need to be made in procuring raw materials and products that meet the technical demands and satisfy the taste of consumers; these products must not only be beautiful, they must be safe for those wearing them and come from transparent chains.

The Calzedonia Group has chosen to be transparent and respectful in regard to the health and safety of its customers, equipping itself with rigorous Technical Specifications of Conformity. The document was created as a point of reference in assuring the main health and safety requirements agreed and subscribed to by all parties involved in the design, the supply of the raw materials and product development.

Health and safety requirements refer to the fact that all products distributed on the market must be safe. On this assumption and taking a pragmatic approach, the Group proposes starting out from the most significant risk categories for the sector and considering them in connection with the related technical standards in place in the countries in which it operates or where it could operate in the near future. Exporting to more than 50 countries, in fact, the products must comply with specific quality and safety standards that customs and national regulations of the country to which exports are made, require.

Technical Specifications of Conformity

The Technical Specifications of Conformity take into account three main risk types: **chemical, mechanical and physical** - laid out into additional specific risks and referring to two classes of application:

- the first concerns children age under 36 months (with a few exceptions for some EU and non-EU regulations, in which the category is extended to 12 years old);
- the second concerns all end users of the product.

Within said classes, the three risk types are structured differently, according to the specific needs for protection taken into account. Additionally, in risk management, it is specified which of the relative obligations are laid down by applicable regulations and which are instead more severely regulated on a voluntary level.

The assessment criteria applied to the individual risks are based on the real probability of a claim in connection with the various materials used. Fabrics, clearly, but also leather, plastic and metal.

Chemical analysis	Physical analysis	Mechanical analysis
Each fashion article that contains new raw materials or accessories is sent, before entering production, to an external laboratory for testing for safety and the presence of chemical substances that may be harmful or hazardous for humans and the environment. Industrial production is only started upon successful completion of the analyses.	In some countries where very close attention is paid to consumer safety, there are regulations in force governing product flammability; this is why articles are also analysed in connection with their physical risk. All fabric materials, with only rare exceptions, are flammable. Flammability depends on their chemical (nature of the constituent fibres) and physical (e.g. ratio of mass/surface area) characteristics.	Mechanical analyses aim to prevent any dangers to the physical safety of the user. During normal conditions of article use, we check that the article does not cause puncture wounds, scratches or suffocation. These problems are, in fact, limited to children's clothing, for which the problem mainly stems from the presence of parts that can detach (buttons as well as sequins or decorative elements) that could cause suffocation or other injury.

With regards to chemical safety, the Group has set itself the aim of constantly expanding upon the list of harmful or potentially harmful substances not to be used on its items. Chemical science, in fact, should be considered as a tool to help pursue sustainability routes that include the selection of safe chemical substances and the design of new environmentally-friendly products and processes. In this context, the Group looks to the REACH Regulation to achieve these objectives.

Quality and process controls

In order to prevent and mitigate physical, chemical or mechanical risks and to guarantee compliance with the Technical Specifications of Conformity, all technical parameters are tested like the stability of fabrics, tenacity, smoothness and yarn titre, as well as solidity of colour, just like assessments are also run with quality tests, like reaction to sweat.

More specifically, before dispatching production materials, representative samples are sent. These samples are examined in the laboratory at the Group's central office and the production plants. In order to carry out more complex analyses, in which specific tools are required, certified independent laboratories are used (e.g. routine

tests envisaged by standard GB 18401, flammability tests envisaged for clothing by the standards 16 CFR 1610 and ASTM D1230, etc.).

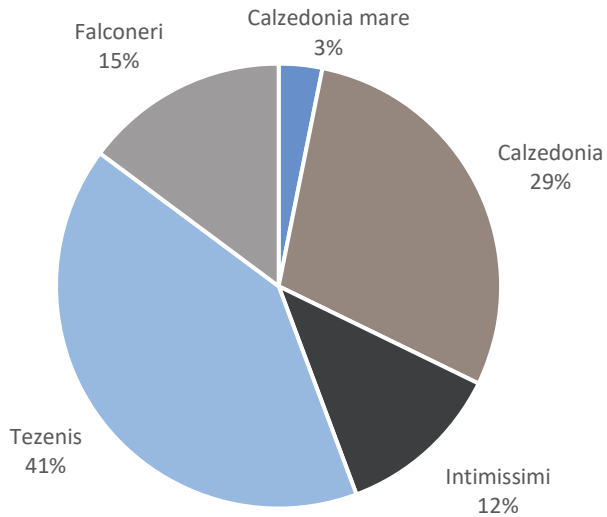
The test reports issued are catalogued for subsequent analyses in view of further improvements and kept available. This can happen if there should be disputes involving the finished product.

Tests can be carried out, as applicable, on the raw materials indicated as samples and/or advances thereafter repeated subsequently during production. Additionally, during production, quality and process controls are carried out to monitor operation performance, which in addition to optimising resources, also aim to reduce second choices and, consequently, material wastage.

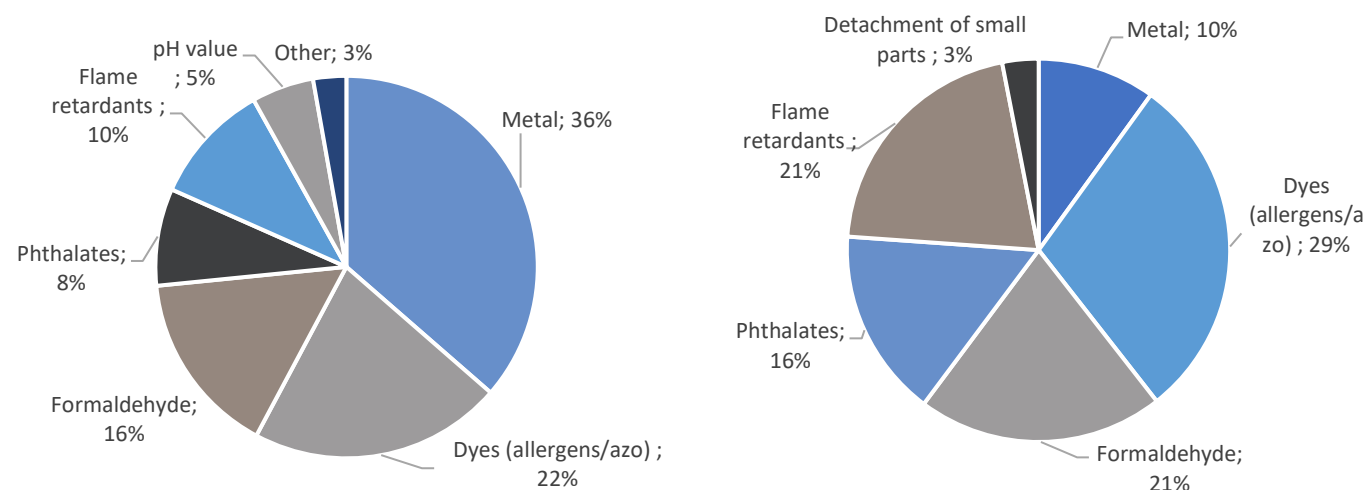
The selection of products to be tested with respect to the potential effects on customer health and safety, is made taking into account the critical nature of the materials and accessories comprising the articles, as well as the age bracket for which they are intended.

In 2020, more than 2,300 tests were run on the different products of the various Group brands, of which 76% on adult items and 24% on articles for children. The number of tests is proportional to the new materials introduced in the various brands, as shown in the graph below.

2020 tests by brand



The graphs below show the main tests relating to product health and safety run in 2020.



In 2020, no cases of non-conformities occurred with impacts on health and safety; however, 38 reports were received in relation to articles that caused allergic reactions, skin abrasions or sensitivity to silicone. Reports of non-conformities received from customers go through the Customer Care Office. The disputed products are brought back in, so as to assess whether or not they need to be sent to specialised laboratories to look for the presence of the allergenic substances that caused the rash. In all cases, the test results showed that the substances analysed were within the limits permitted by all international requirements included in our Technical Specifications of Conformity.

Traceability of the chain and labelling

As part of our responsible communication and consumer protection, the **product label** is extremely important in terms of conveying clear, transparent, accurate information through a structured process aimed at guaranteeing the traceability of the product and its chain.

When the Group opens a physical or virtual store under one of our brands in a new country where, at that point, we are not yet operative, the Quality Control Office obtains full information as necessary to check that our products are compliant with the safety requirements and to verify how the labels should be applied to the finished product and any other related demands.

In regard to this latter aspect, the relevant office finds out if there are any linguistic needs or specific instructions that must be included on the label. For some countries, in fact, labels are tailored to include specific information.

To satisfy the regulatory needs and information requirements of the countries in which we operate with our brands, 100% of labels applied to our articles include the following information: size, collection, factory code, order, article, colour, “made in”, Ginetex/ASTM maintenance symbols, manufacturer, EAC marking, product description, date of production, product composition and distributor. For Falconeri brand products, if items are made up of multiple materials, the composition is

declared, broken down according to the part of the item (e.g. sleeves 100% cotton; body 100% silk, etc.).

For articles made up of valuable materials or materials that have undergone particular processes or items requiring specific care in use and maintenance, in addition to the label, tags are applied giving the most appropriate warnings and notices for taking care of the item so as to keep its characteristics unchanged over time (e.g. domestic maintenance, reaction to detergents during washing, etc.).

The labels used by the Calzedonia Group are, to a large extent, certified Oeko Tex: an independent system of textile product tests and certifications for all production types through the textile control chain. The fabric label that follows the Oeko-Tex Standard 100 indicates that the manufacturer is certified as environmentally-friendly in both its processes and plants, as well as tested to verify for the absence of harmful substances.

As regards the printing of variable information on the back of the tags, alternative technologies to thermal transfer are currently being studied and tested to eliminate use of the printing foils in the tape.

In 2020, no complaints were recorded regarding clothing labelling.

Product and process sustainability

The Calzedonia Group is constantly committed to the research and development of fashion collections. The whole process of designing the collections takes place within the Company. The choice of materials is defined during the collection development by the Style and Product Offices, on the basis of stylistic, quality, cost strategy and production capacity considerations.

The Group is focussed on the selection and use of more natural fabrics from sustainable chains. This is why raw materials are selected carefully, where possible preferring those with a lesser environmental impact. The aim set is to use 25% of raw materials with a low environmental impact by 2025; this target has been interpreted differently by the different Brands.

In 2020, Calzedonia continued to offer a collection of tights, developed using the Q-NOVA fibre, a recycled yarn according to a system that is traced and certified by the Global Recycle Standard (GRS)¹⁰, which successfully reduces waste and resources used. The tights, which are available in three different dens (40, 60 and 80 den) are obtained starting from waste scrap, which is re-blended through a mechanical regeneration process at 0 km, which allows for the reduction of CO₂ emissions by up to 80%, lesser water consumption (-90%) and use of energy from renewable sources. The same yarn was introduced in 2020 to produce other items of the fashion collection.

In 2020, the Intimissimi brand implemented a new fashion collection called the “Green Collection”, offering a range of lingerie, pyjamas and knitwear created using fibres certified as having reduced environmental impact. The fibres used include Q-NOVA pre-consumer recycled polyamide from the company Fulgar, silk certified

¹⁰ The Global Recycle Standard (GRS) certifies products obtained from recycled materials and manufacturing activities in respect of social and environmental criteria extended to all phases of the production chain.

Bluesign¹¹, attesting to the lesser impact of the chemical substances used in the dyes, and the Tencel modal¹² of the company Lenzing, which guarantees not only sustainable management of the wood from which the cellulose is extracted, but also a closed cycle management of the chemical agents used to extract the fibre from the cellulose.

Tezenis has instead adopted a different strategy, seeking to renew the fibres used in the basic collections of its clothing and setting the ambitious objective of achieving, by 2021, 50% of items present in the store made up of low environmental impact fibres. The fibres used to achieve this objective are the certified organic cotton (GOTS and OCS), which guarantees reduced use of water, the absence of pesticides that are damaging to man and the environment and the fair treatment of all workers, the recycled polyamide Econyl¹³ supplied by Aquafil and the viscose Ecovero¹⁴ by Lenzing, which guarantees a sustainable procurement of the wood from which the cellulose is obtained, reduced use of water and fewer emissions of greenhouse gases into the atmosphere.

Falconeri seeks to prioritise the use of natural fibres in preparing its clothing, compatibly with the technical limits for their development. There are, however, specific productions focussed on sustainability and regenerated materials; in these cases, suppliers are sought out according to criteria based on sustainability certifications.

Again in 2020, padding has been used for 3 items of clothing, created from cashmere regenerated from post-consumption, again GRS certified. In addition, all the down used in jackets is purchased from a supplier certified according to DOWNPASS¹⁵ quality and traceability standards.

Starting 2019, Falconeri - in order to contribute towards the sustainable cashmere chain used for an average annual purchasing volume of approximately 120 tonnes of staple per year - joined the Sustainable Fibre Alliance (SFA), an international non-profit organisation whose objective is to guarantee that the cashmere marketed internationally is produced using sustainable practices, with a consequent reduction of the environmental footprint and guarantee of the adequacy of the economic return for participants throughout the supply chain.

Falconeri is also a member of the Cashmere and Camel hair Manufacturers Institute (CCMI), founded in 1984 to protect the integrity of cashmere and camel fleece products.

The Group expects to increase the percentage of materials with a lesser environmental impact in the collections, so as to reach 20% of the total as early as end 2021.

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¹¹ [bluesign® - solutions and services for a sustainable textile industry](#)

¹² [TENCEL™ - Lenzing - innovative by nature](#)

¹³ [Aquafil - Il filo ECONYL®](#)

¹⁴ [LENZING™ ECOVERO™: Sustainable Viscose... | LENZING™ ECOVERO™](#)

¹⁵ The DOWNPASS mark guarantees that the down used as padding material, is produced ethically and comes from a controlled, traceable chain.





¹⁶ [Aquafil - Il filo ECONYL®](#)

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OUR COMMITMENT TO ENVIRONMENTAL PROTECTION

SDG	Calzedonia's contribution
 	Calzedonia controls its production activities directly as these, coupled with logistics, are the main aspects responsible for the Group's environmental impact. Therefore the Group is committed to an attentive management of its material footprint, which goes from the proactive management of the water resources in our processes to an efficient management of waste, implemented through its prevention, reduction and recycling, also involving the sensitisation of employees towards such matters.
	In a bid to reduce the impact of its business on the earth's resources, the Calzedonia Group is acting on various fronts: self-production of energy, procurement from renewable sources and enhancing the efficiency of its civil and industrial plants.
	Calzedonia Group has integrated climate change measures into its policies, strategies and planning in order to minimize its environmental impact.

Everyday commitment to sustainability

The Calzedonia Group is committed to going about its business in the most environmentally-sustainable manner possible, through a responsible management of natural resources. In the Code of Ethics, the Group has clarified how, in that context, its efforts are focussed on minimising the environmental impact through the entire life cycle of its products, from the purchase of the raw materials through to the end of the life cycle, implementing, in each phase of design, production, distribution, retail sale and final use, a series of measures aimed at reducing and compensating for that impact.

The principles regulating the Group's environmental procedures are as follows:

- observance of applicable environmental laws and regulations and any other relevant obligations, paying particularly close attention to the prevention of pollution and, where possible, minimising the potential environmental impact generated by its production line, both in regards to natural resources and people;
- environmental protection and implementation of measures for the continuous improvement in terms of lessening direct and/or indirect emissions, greenhouse gases, reduction of the consumption of natural resources, control of leakages of potentially harmful chemical substances and implementation of our environmental management system as a whole;
- consideration of the consequences of climate change, water management and the protection of biodiversity in the planning and implementation of activities and those of its business partners, manufacturers and suppliers, encouraging sensitisation towards environmental matters.

Since 2019, these commitments have received a new boost following the definition of the Fashion Pact objectives under the scope of which the Group is working to put a stop to global warming, restore biodiversity and protect the oceans.

In view of the main environmental risks generated by the Group - which can be traced to emissions of combustion fumes by heaters used to generate hot water and steam for industrial purposes, to emissions of coolant gases (greenhouse gases) by direct expansion climate control systems (e.g. stores), to the purchase of raw materials produced with over-consumption of water and over-use of pesticides, to territorial pollution for uncontrolled drains and pollution from the exhaust fumes of the company and logistics vehicles - strategic choices have been made, defining the relevant guidelines for use.

These guidelines set out the intent of being an environmentally-sustainable industry. The objectives identified are, in fact, based on increasing plant efficiency, using low environmental impact technologies and making an informed, controlled use of water resources and a plan to implement low environmental impact raw materials. Additionally, some Group companies have also adopted management systems that allow them to achieve voluntary energy and environmental certificates, such as, for example, ISO 50001 and ISO 14001.

In the firm belief that the sustainability process can only be effective if implemented by the company as a whole, when planning and implementing its business and that of its business partners, the Group promotes responsible environmental behaviour amongst its staff, suppliers and the company in general.

In these terms, the Group's employees are encouraged to report and propose any initiative that may prove useful to reducing consumption, limiting waste, reducing the environmental impact of our activities and help assure the well-being of the communities in which we work.

Employees are sensitised to the importance of behaving responsibly and minimising waste. In Calzedonia, in order to minimise consumption of disposable plastic bottles, free filtered water dispensers have been installed and carbon neutral flasks distributed to employees. During meetings, jugs are used instead of bottles and all plastic cups and stirrers have been replaced with paper and wood. In 2020, electric mobility was very much encouraged thanks to the implementation of a plan to adopt company electric cars, the installation of additional columns for charging electric cars free of charge in the company car park and the approval of a plan to extend this practice to another six sites in Italy. Our sites also have ecological areas for separate waste collection, so as to reduce the quantity of waste to be disposed of and foster recycling/recovery.

The Group has a plan in place to raise awareness in suppliers as to the need to guarantee products and processes in line with good practices regarding traceability, transparency, the environment, working conditions and social relations. In observance and in respect of the collaborations pursued over the years, the company does not usually suddenly interrupt relations with suppliers that do not immediately adjust to requests, but rather choose to accompany them and assist them in continuous improvement with the aim of maintaining a healthy collaboration. This approach is measured according to the type of request that the supplier cannot respect.

Multiple initiatives have also been taken at our stores. The transition towards the digital and new technologies in fact favours energy efficiency in stores. In this sense, we have: the programme to replace traditional lighting systems with LED technology and raising awareness on careful use of heat barriers, the progressive installation of thermal cut fixtures with double glazing for both new openings and replacements and the installation of movement sensors in warehouses and staff rooms.

The Group is drastically reducing its use of paper documents through video wall communication. Catalogues will also be gradually eliminated, in favour of digital systems that are accessible to customers.

Starting 2014, audio and video contents disseminated within stores take place exclusively using digital data transmission, with the consequent elimination of physical supports. To date, approximately 47% of our stores use digital video supports.

We intend to develop an operative manual for the design and management of stores. This manual will aim to set sustainability criteria that must be respected in the design of new stores and in the management of existing ones. Starting 2021, some of our stores will be certified externally for sustainability so as to make them a point of reference for all new openings.

A digital portal has been launched, through which all requests for technical material and maintenance services will be conveyed, thereby streamlining and simplifying the work of offices and staff on the territory.

Calzedonia's constant commitment and attention towards the environment is borne out by the absence, for 2020, of significant fines and non-monetary sanctions due

to failure to comply with environmental laws and regulations. In 2020, the company received a total of 5 environmental complaints, all of which were solved during the year and none of which was relevant.

Responsible procurement and consumption of materials

Responsibility towards the environment starts with the choice of suppliers who are as closely as possible aligned with the highest standards of quality and efficiency and the minimisation of environmental impacts, focussed on innovation and able to optimise, on a par with Group factories, the use of raw materials, reducing production waste, simplifying processing and perfecting packaging.

Raw materials

The main raw materials used by the Calzedonia Group are: fabrics, yarns and laces, as well as various types of accessories (such as hooks, laces, belts, elastic, etc.). To date, the percentage of natural/renewable fibres used to manufacture the items stands at 39%, both for unprocessed materials, and for finished materials. Below is information on the consumptions of unprocessed and finished materials purchased by the Group in 2020, compared with the data collected in 2019.

Raw materials (t)

Unprocessed materials	2019	2020
Raw yarn	10,949	8,190
Natural yarn ¹⁹	3,927	3,710
Artificial yarn ²⁰	1,877	1,440
Synthetic yarn ²¹	4,886	3,040
Other	259	-
Unprocessed fabric	4,067	1,360
Natural fabric/lace ¹⁶	1,966	43
Artificial fabric/lace ¹⁷	929	79
Synthetic fabric/lace ¹⁸	1,172	1,238
Total	15,016	9,551
Finished materials	2019	2020
Natural fabric/lace ¹⁶	3,872	4,427
Artificial fabric/lace ¹⁷	1,162	1,219
Synthetic fabric/lace ¹⁸	6,423	5,568
Other	31	-
Total	11,488	11,213

¹⁹ Natural yarns/fabrics include materials made from, for example, cotton, linen, wool, cashmere, silk, etc.

²⁰ Artificial yarns/fabrics include materials made from, for example, modal/micromodal, viscose, etc.

²¹ Synthetic yarns/fabrics include materials made from, for example, polyester, polyamide, polyurethane, acrylic, etc.

2020 saw a decrease in the total weight of raw materials purchased (unprocessed and finished) of 22% on 2019 (5,740 tonnes). This change is entirely due to the store closures as a result of the spread of Covid-19, which led to a reduction in production orders.

These numbers, which to a certain extent relate to the very nature of the products offered by the Group, will be an increasing focus point for Calzedonia, which, also in response to customer demands, is already directing its efforts towards the use of recycled materials of lesser environmental impact, which come from traceable chains and meet the highest ethical standards.

In 2020, a breakdown was introduced of raw materials into conventional, recycled and low environmental impact (fibres with a lesser consumption of resources than conventional equivalents, or with a guaranteed end-of-life) with the aim of simplifying the Group's efforts in the transition towards raw materials that reduce the environmental impact of the finished products on the environment.

At present, 5% of the total weighting of yarns and fabric used by the Group is made up of recycled/sustainable materials. Specifically, the categories with the highest incidences of recycled/sustainable fabrics are the raw synthetic fabric, in which 11% is made up of recycled fibres, and artificial finished fabrics, in which 25% is made up of low environmental impact fibres (fibres obtained from FSC certified wood cellulose managed using closed cycle chemical processes).

The global incidence of recycled/sustainable fibres has been slowed by the reduction in sales volumes brought about by the Covid-19 pandemic and the consequent slowing of the plan to renew finished items, but this value is set to increase considerably over the next few years, with the aim of achieving 20% by 2021 and 25% by 2025, as required by the Fashion Pact targets.

As part of the production process, for the processing of fabrics and yarns purchased, dyes and inks are also used (350 t in 2020), along with various chemical products (3,261 t) and rolls/strips of plastic (12 t).

SEGUENDOUNFILO

The UN 2030 agenda for sustainable development goals cannot be achieved without the major commitment and collaboration of the new generations. Tomorrow's adults will be those on whom, realistically, climate change will have its most significant impacts in terms of modifying our lifestyles and habits.

It is therefore important to invest in the education of children, to create a profound awareness in them of the need to protect the earth and the environment in which they live, making them, in the future, responsible adults, who are attentive to and aware of environmental topics.

It is with this spirit that the "Seguendounfilo" project has been imagined, created by the association "What if" and financed by the San Zeno Foundation.

The challenge is to drive a generation that has everything, to do "everything" with just one material available, perhaps recovered, moreover, giving free rein to their creativity and imagination.

The aim is to educate children to reuse poor materials, having them experiment with the beauty of a game constructed using only their own imagination and helping them understand the real value hidden in "waste" materials.

The project also seeks to develop scientific and emotional ties with the environment, so that all children can create memories of intense experiences in contact with nature.

In the firm belief that we protect what we love and to love, we need to share time, emotions and adventures...

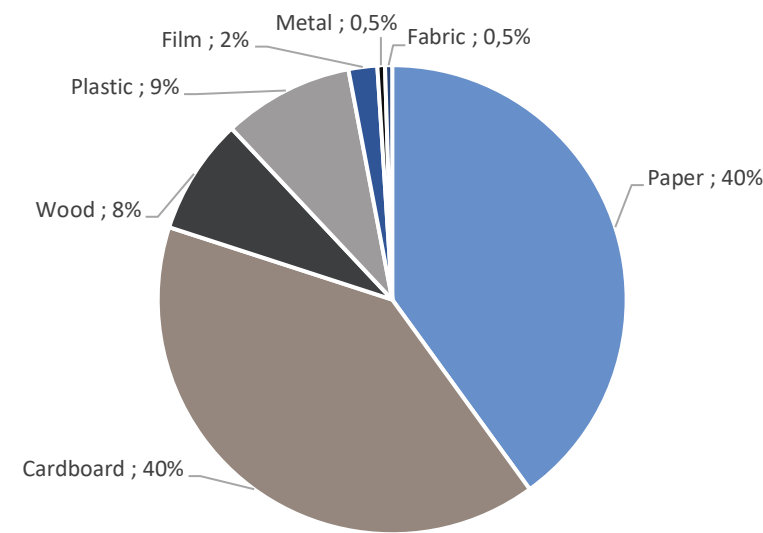
The Calzedonia Group supports this project, supplying the materials necessary to developing the work in preschools, donating part of their leftover materials (fabrics and accessories) and production cuts. The 26 preschools that adhere to the project (including the Group's own nurseries) have committed to using the material donated to create games and activities for children without buying others, externally.



Packaging

In choosing its packaging, the Group strives to optimise the use of paper and cardboard and maximise the recycling of tags, shopping bags and technical paper. It has also focussed attention on reducing the quantity of packaging used, for example through reducing the thickness of the various components. Below is a representation of the packing and packaging by material type.

Type of materials used for packaging 2020



Most of the paper used to make the tags, technical paper and shopping bags is certified by FSC (Forest Stewardship Council, an entity that seeks to guarantee compliance with rigorous environmental, social and economic standards in forest management). Since 2018, only paper shopping bags have been purchased, eliminating the plastic options.

Where possible, technical paper does not have plastic accessories (such as hangars), thereby simplifying recycling.

The Group uses water-based paints for printing some of the technical paper and some processes (such as paper coupling) are carried out using bio-based materials, like glue deriving from maize or potato starch.

Additionally, on some new projects, Calzedonia has successfully reduced the weight of tags by 35%, with a consequent reduction in the quantity of paper used.

Thanks to the analyses performed on paper quality (a large amount of which is recycled) and its composition, for some specific intercompany transport activities, boxes are employed that can be reused up to 10 times before recycling, which has allowed us to avoid the purchase of 332 tonnes of cardboard in 2020, not to mention the related waste production.

The Group is also working on the gradual reduction of the use of plastic, in the favour of the environment. This is why in 2020 we examined solutions for shopping bags the prioritised reusable cotton bags as an alternative to the shoppers produced using FSC paper.

In 2020, the packaging materials used in our stores and our e-commerce channels totalled 3,493 tonnes, of which 90% paper coming approximately 75% from FSC certified sources or recycled materials.

Packaging (t)

	2019	2020
Paper	4,128	3,135
of which FSC/recycled	3,005	2,346
Plastic	274	171
Metal	170	58
Fabric	120	23
Wood	62	54
Other	38	53
Total	4,792	3,493

For some time now, the company has reduced the thickness of the plastic bags used to carry the items of clothing by 35% and by 20% those of film used to protect packs during delivery, as well as the gram weight of the paper for printing. The Group has also adopted new solutions, such as:

- replacement of PVC with PET for some packaging types, insofar as this is easier to recycle;
- gradual elimination of plastic cup-protectors from lingerie, replaced by tissue paper made from recycled paper;
- replacement of adhesive tapes used to package multipack tights with cardboard tags, thereby eliminating the use of silicone papers and related adhesives;
- replacement of the plastic hook on invisible socks packaging with a cardboard one to simplify recycling;
- reduction of plastic - polybags - in the pack for the dispatch of Tezenis brand tights (e.g. bi-packs of tights with inserts are bagged into a single bag rather than in two, multi-pack stockings and tights with inserts, previously placed into a polybag containing three pieces, now arrive without the plastic bag).
- introduction of a symbolic sales price for gift wrapping, so as to discourage excessive consumption by consumers. The initiative will also be extended to include disposable paper shoppers, which, however, will always be flanked by reusable bags produced using low environmental impact materials.

Starting 2020, some sock products were delivered to the warehouse without a transparent plastic bag and in the future, the aim is to expand this practice to also include other products. Additional projects are also currently being explored to further reduce plastic packing and packaging.

In 2020, the Group used approximately 1,300 tonnes less packaging (equating to a reduction of 27%), particularly following a lesser production of finished products but also thanks to the initiatives described above.

Most of the intercompany logistics transport by road, except for that using specific boxes, is carried out on high quality plastic pallets that last, used on a closed cycle, for several years. We have also introduced a procedure by which to recondition broken wooden pallets and ensure the recovery and recycling of “disposable” pallets.

In 2020, the Group’s packaging materials came to more than 8.5 thousand tonnes, of which 86% renewable, such as paper and cardboard (approximately 2.1 thousand tonnes are FSC certified) and the wood used in pallets. The Calzedonia Group aims to maximise the use of renewable materials and to foster recycling of those that are not. Below are the quantities of packaging broken down by type, used in the Group during the reporting period.

Packaging (t)

	2019	2020
Paper	2,143	1,694
Cardboard	6,385	4,856
Wood	1,024	908
Plastic	1,207	888
Film	282	269
Other	47	103
Total	11,088	8,717

2020 saw a 21% decline in the use of packaging due to the reduction in production volumes caused by the Covid-19 pandemic.

It should be noted that all cardboard packaging, emptied in our warehouses, is recycled by specialised operators. In 2020 alone, in the logistics poles in Italy, we recycled almost 1,800 tonnes of cardboard.

The consumption of paper and cardboard for packing and packaging is flanked by that of paper used for normal office activities, in the offices, factories and stores²², which is carefully monitored by the Group particularly as regards origin and composition. Total paper consumption exceeded 410 tonnes, of which 10% consisted of recycled/FSC certified materials.

Furniture and accessories

As part of the process for the design and development of the furnishing formats, the Group, for preference, opts for furnishing accessories that minimise the environmental impact.

²² The figures on paper consumption given in this paragraph refer to the Group’s foreign companies, apart from the foreign commercial branches present in Japan, Holland, Portugal and Sweden. This data is not material. Office paper consumption for Italian companies is included in the quantities of paper specified in the tables on packing and packaging.

More specifically, during the design phase, Calzedonia considers the entire life cycle of the various accessories - from manufacture to disposal - seeking to foster virtuous processes. Moreover, the Group pays increasing attention to looking for materials that can be sourced near its stores, thereby supporting the local community and also minimising the environmental impact connected with the transport of the components used. For example, starting 2018, stores on the Asian market, previously procured from European suppliers, are now for preference furnished using furniture made in China, thereby reducing the emissions linked to transport.

Supplies are developed in such a way as to avoid irreversible gluing and assembly of different materials, instead encouraging differentiation and recycling at the end of their useful life.

For furniture and furnishings, the Group is making increasing use of FSC certified panels, adhesives that are both formaldehyde-free and contain no heavy metals and varnishes that are almost exclusively water-based. Additionally, non-toxic, water-based paints are preferred, which do not contain lead and powder recovery systems.

All production waste linked to the furnishings is disposed of by entities specialised in separate waste treatment or, in cases such as solid wood with no glue, used to heat production warehouses during the winter.

In some cases, furniture and furnishings can also be reused to renew some stores or handed over to entities and associations. This is what happens, for example, to QUID brand store furniture, the association for social promotion that aims to re-include into the world of work people with a difficult past or who are in a “fragile” situation, with which the Group has been collaborating for several years now, also offering some excellent quality fabrics, but in limited quantities, which had been left in the warehouses after production.

The production of metal components is mainly handled by suppliers certified EN1090 and ISO9001 and raw materials are procured through distributors certified ISO14001, which guarantee sourcing of a high percentage of recycled materials. Process waste materials can thus in turn be assigned to complete recycling.

The materials used to develop the architectonic parts are also handled in respect of the highest safety and environmental compatibility standards, as well as disposed of in accordance with the same sustainability principles, at adequate structures. To provide an example, wall paints are exclusively water-based.

All flooring suppliers are certified ISO14001/14021/9001 with the Ecolabel ecological quality mark - the European Regulation that establishes the environmental and industrial policy criteria - and are members of the Green Building Council Italia, a voluntary adhesion system for businesses that enables a precise corporate policy of sustainable development to be implemented, such as, for example self-generation of energy. As can be seen from the table below, the furnishing materials used in 2020 for store furnishings consist of ceramic flooring (37%), metal (27%), wood (20%) and plastic (10%). The global Covid-19 pandemic laid down strict restrictions to travel, bringing about reductions in modernisation processes and the redoing of stores, except for maintenance that was classed as strictly necessary. This impediment led to a reduction of 53% in the weight of furnishing materials used in 2020 as compared with 2019 and as can be seen in the table here.

Type of furnishing materials (t)

	2019	2020
Ceramic flooring	1,942	853
Metal	1,246	630
Wood	950	454
Plastic	500	236
Paper	115	60
Mixed materials	71	45
Glass	68	24
Total	4,892	2,302

Respect for the environment in the stores and factories²³

Calzedonia stores need to be attractive, welcoming and functional to guarantee the well-being of those working there and the customers.

This is why the Group is particularly sensitive towards the study, development and continuous update of the stores, according to characteristics focussed on sustainability, acting in all areas where improvements can be made.

The stores are designed in-house, through processes that integrate energy, architectonic, systems and administrative needs, as well as taking into account a correct distribution of space, distinguishing between the sales area, the warehouse and the staff room. Stores are also designed with the help of qualified self-employed professionals to best comply with regulations in force in the various countries on town planning, energy and health and safety in the workplace.

For our factories, regardless of location, we have always sought to identify the best construction technology available on the market, to guarantee optimal working conditions, choosing the most efficient machines and plants in terms of energy efficiency and performance.

For the Calzedonia Group, production means construction standards that are aligned with Italian and European requirements for all plants, including those outside Italy. The more dated establishments are currently having updates planned, along with energy efficiency improvements.

We are aware that dye factories are amongst those with the highest environmental impact and we are therefore committed to minimising their negative effects. More specifically:

- we use recovery systems, reusing the heat of waste water from the dye cycle for subsequent production processes;

- we recover the heater fumes containing CO₂ to regulate the pH of the water in the purifier, without using chemical acids;
- the sludge from the biological purifier is dried and reused in the cement production cycle, instead of ending up in a landfill. This device allows us to avoid disposing of approximately 186 tonnes of sludge a year;
- all our waste, both liquid and gas, is analysed in-house every day and periodically also by independent certified laboratories, to verify compliance with applicable regulations.

Water consumption

For the Calzedonia Group, production also means water management: for years, we have assured the rational use of water within our production processes and everywhere we operate with stores.

As regards water consumption, we can define two site types: those where water is used for industrial processes (such as dyeing and washing) and those where water is used only for sanitary purposes.

In most of our plants, where there is not huge water consumption for production and where local water systems are available, water is taken from the aqueducts, mainly used for hygienic-sanitary purposes, and disposed of in the drains.

Instead, where plants consume large amounts of water for industrial processes, i.e. dye sites and production sites with washing and ironing, the water is obtained from underground wells, used mainly for the industrial processes, purified in treatment plants (if necessary) and then disposed of in the drains.

In any case, the waste water is released in compliance with the chemical and physical parameters envisaged by local laws. More specifically, in plants where water treatment systems are present, every day our specialised employees analyse the main chemical and physical parameters of the waste water using specific tools.

Additionally, once every three months we send waste water samples to independent certified laboratories for analysis.

In 2020, the Group collected a total of 1,648 megalitres. Factories account for 91% of collections with the remainder for offices and commercial branches.

²³ The environmental data reported in this chapter does not include that relating to the production plant in Ethiopia, which, due to the current geopolitical instability, is temporarily closed and it has therefore not been possible to organise data collection.

Water collection by source (megalitres)²⁴

Source	2019		2020	
	All areas	Areas under water stress	All areas	Areas under water stress
Surface water	173	2	3	-
Freshwater	173	2	-	-
Other water	-	-	3	-
Underground water	1,892	2	1,329	77
Freshwater	1,051	2	558	-
Other water	842	-	771	76
Water produced	140	1	48	1
Freshwater	140	1	-	1
Other water	-	-	48	-
Water from aqueduct	381	-	268	9
Freshwater	381	-	233	9
Other water	-	-	35	-
Other sources	33	-	-	-
Freshwater	0	-	-	-
Other water	33	-	-	-
Total	2,620.00	4	1,648	86

Aware that the dye factories are those with the highest impact on water resources, in order to guarantee a responsible use, the Group promotes water recycling practices and new water recovery plant systems at the largest sites, so as to reuse a larger quantity of water for processes, wherever possible. Indeed, a study is in progress aimed at identifying possible systems for the reuse of process water after purification that enable the reuse of up to 90% of incoming water volumes.

Additionally, we collaborate with various suppliers of machines, dyes and chemical products to research new technologies and products by which to reduce water consumption. In the Brentino Belluno (VR) dye factory, for example, we have gone from consumption of 210 litres of water per kg dyed to today's 50 l/kg. In the

²⁴ The term "freshwater" is used to mean water with a concentration of total suspended solids (TSS) ≤ 1.000 mg/L; other water (TSS > 1.000 mg/L). To identify the structures in areas of water stress, the World Resources Institute "Aqueduct Water Risk Atlas" tool was used. Store water is excluded for which no consumption data is available because billing takes place indirectly through the rental charges or if the sales outlet is managed, by the host shopping centres.

Croatia plants, we have more than halved consumption of disposable dyes, modifying the work cycle and products used to significantly reduce the quantity of water to be treated in the purifier.

Despite the effort described above, the change in water collection in 2020 is mainly due to the reduction in production volumes of certain production plants that use a great deal of water.

Responsible waste management

Calzedonia manages its waste in compliance with industry standards.

Each production unit has specific containers (containers, pre-containers, bins, etc.) and is committed to separating out the collection of waste produced as far as possible, dividing it up into type and distinguishing between industrial and domestic and ordinary and that deriving from work/maintenance.

This allows for a more precise classification of waste, according to the EWC codes, which is then entrusted to the various specialised suppliers able to guarantee its correct processing. In most cases, waste is sent for recovery/recycling and, when this is not possible, it is disposed of in a landfill.

In the production unit where biological sludge is produced from purification, along with waste created during the treatment of fumes, in 2019, two plants were installed, one to dry the sludge, which aims to confer a more dehydrated waste to be disposed of, thereby drastically reducing quantity; the other to purify used oil, with the aim of separating out the part containing the oily residues from the water, thereby sending only the oily part for disposal.

Total waste generated by the Group's business consists mainly of sludge and waste water, fabric waste and packaging materials, 72% of which is from the production chains.

Total waste produced in 2020 came to approximately 16.6 thousand tonnes, and can be classified almost entirely as non-hazardous waste.

Waste produced (t)²⁵

	2019	2020
Hazardous waste	620	108
Waste water and sludge	106	7
Textile waste	439	12
Waste from fume treatment	79	-
Chemical product containers	20	8

²⁵ The data does not include waste managed directly by the local municipal companies. "Other" includes special hazardous and non-hazardous waste not directly able to be classified under the other categories of the table insofar as encoded with a different EWC code. The waste categories "Waste water and sludge", following the change in GRI standards, should no longer be counted in the category, but have in any case been included in the table to allow for comparison with the 2019 data.

Oil	18	27
Waste electric material	13	17
Toner and cartridges	4	4
Other	47	40
Non-hazardous waste	18,853	16,517
Waste water and sludge	1,335	1,977
Paper and cardboard	9,046	8,032
Textile waste	4,919	4,432
Plastic	1,423	616
Packaging	794	689
Waste from fume treatment	317,	140
Metal	168	105
Organic waste	131	685
Demolition and construction waste	300	88
Multi-material waste	23	686
Other	2,002	1,044
Total	19,471.00	16,623.52

As regards the disposal methods, 45% of waste produced was sent for recycling and reuse, while 49% flowed to the landfill; the remainder was assigned to authorised suppliers whose final disposal methods are not known to us.

The table below shows the method by which waste not sent for disposal, is recovered²⁶. The table below shows that 51% is recycled, 14% is reworked for new use and 35% is handled otherwise. Calzedonia is implementing various collaborations with universities and specialised businesses with the aim of increasing the incidence of waste for recycling.

Waste not sent for disposal by means of recovery (t)

	2020		
	In situ	At an external site	Total
Hazardous waste	-	27	27
Preparation for reuse	-	7	7

²⁶ The difference between total waste not disposed of in the table on "Waste produced" and the total of the table on "Waste not sent for disposal by means of recovery (t)" is due to the fact that recovery is carried out mainly at external sites for which the organisation is not always able to obtain data.

Recycling	-	7	7
Other operations	-	13	13
Non-hazardous waste	90	7,910	8,001
Preparation for reuse	-	1,123	1,123
Recycling	90	3,954	4,044
Other operations	-	2,833	2,834
Total	90	7,937	8,028
Waste prevention	332	-	332

The table below shows the method by which waste sent for disposal, is managed²⁷. For this category of waste, the group uses a landfill for 30% of the weight and incineration for 15%.

Waste sent for disposal by means of disposal (t)

	2020		
	In situ	At an external site	Total
Hazardous waste	-	69	69
Incineration (with energy recovery)	-	-	-
Incineration (without energy recovery)	-	-	-
Conferral to landfill	-	40	40
Other operations	-	29	29
Non-hazardous waste	107	5,494	5,601
Incineration (with energy recovery)	50	628	678
Incineration (without energy recovery)	47	137	184
Conferral to landfill	-	1,688	1,688
Other operations	10	3,041	3,051
Total	107.25	5,563	5,670

²⁷ The difference between total waste sent for disposal in the table on "Waste produced" and the total of the table on "Waste sent for disposal by means of disposal" is due to the fact that disposal is carried out mainly at external sites for which the organisation is not always able to obtain data.

We recycle 96% of the paper and cardboard used in our factories. Of which, 48% is recycled at external sites to create new cardboard for packaging and 52% is reused to transport finished products between factories and logistic hubs up to 10 times. Fifty per cent of textile waste is kept out of landfills, mainly due to activities at our production plants in Sri Lanka where materials are recycled to produce carpets and cleaning materials. We recycle around 50% of the plastic that we use, 58% by weight is used to generate secondary raw materials and the remaining 42% is recycled. 98% of organic waste, which comes mainly from canteens, is reused to produce compost and biogas.

The following initiatives are taken to reduce waste in virtually all Group sites:

- introduction of water dispensers to reduce the consumption of disposable plastic bottles, providing employees with flasks for their personal use;
- elimination of paper towels for drying hands with the exclusive use of electric dryers;
- in the canteens that previously used plastic plates, these have been eliminated and replaced with environmentally-sustainable composite material plates;
- elimination of plastic bottles, cups and stirrers in the break areas, replacing them with environmentally-sustainable materials;
- attempt to reduce packing and packaging wherever not strictly necessary;
- sensitisation of employees on the use of printers.

CALL FOR IDEAS

The Calzedonia Group is always on the lookout for bright, motivated young minds to bring into our production segment. In particular, new colleagues are sought for routes in Italy and, above all, abroad, where we continue to grow both in terms of size and technological innovation.

In order to combine university collaboration with the search for young talent and the spirit of sustainability of the Group, in 2019, the university contest “Call for Ideas” was conceived.

Managerial engineering students from the Tor Vergata Rome, Florence and Padua universities were involved with the aim of proposing ideas on how to manage the waste fabric produced in the Calzedonia Group factories. It is a subject that is not only of major business value, but also huge environmental impact.

Upon delivery of the projects, 3 finalist groups were chosen, who were given the opportunity to converse with the recruiters, present their project to a panel within the company and receive a discount voucher for one of the Calzedonia Group brands. Tours to the central headquarters and the visit to a production plant in Italy have been temporarily put on hold.

The winning group will also have the chance to visit a cutting-edge technology production plant of the Group in Serbia, accompanied by the company’s top management.



Energy consumption and emissions

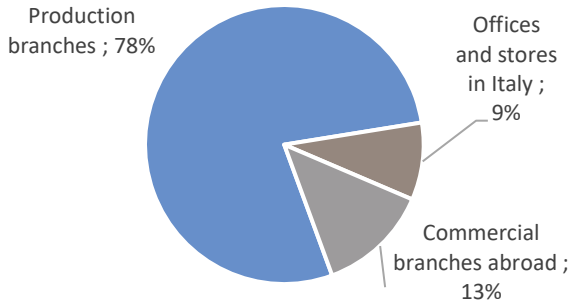
The Group’s energy consumptions mainly derive from the production plants, lighting, heating and cooling the workplace. In addition to these consumptions, we also consume fuel on the company cars and owned logistics vehicles for transport within and between the various Group plants.

With reference to energy consumption only, whether electricity or thermal energy, for all plants, remote management and monitoring systems are operative. In this way, the Group monitors the operating procedures and plans interventions if anomalies are noted.

The history of consumption from the energy monitoring systems is also functional to the periodic analyses to assess possible interventions to increase the efficiency of plants and new plants for the production of electricity from renewable sources through specific feasibility studies.

Most direct energy consumption (78%) is due to production, which uses 59% of Group employees.

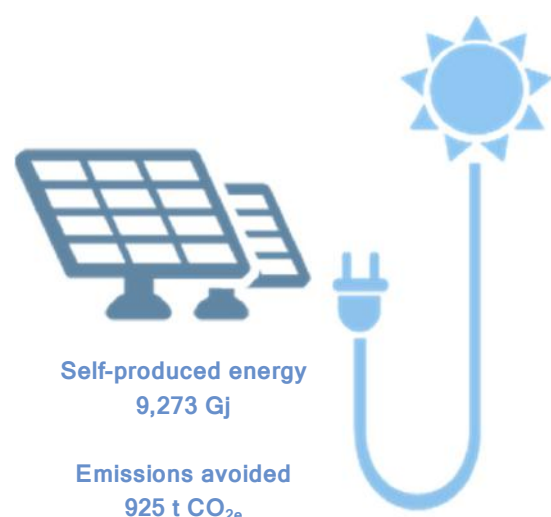
Direct energy consumption 2020



According to the operative needs and the various different geographic areas in which the Group's production sites are located, the energy sources available also vary. The Group tries to direct its choices towards procurement from renewable sources, wherever possible. In 2020, in fact, the Group decided to procure electricity from renewable sources by purchasing certificates of guaranteed origin in all countries in which it operates. To date, this is the case for a total of 13 countries²⁸ worldwide, in some of which a complete transition has been made. In general, the Group's electricity consumption comes approximately 48% from renewable sources.

In 2020, more than 7 million euros in investments were confirmed in connection with the installation of photovoltaic plants in 10 production and logistics plants, the replacement of gas heaters with heat pumps in 3 plants and other initiatives taken to improve efficiency and which will reduce energy consumption.

In 2020, self-consumption from photovoltaic power came to 9,273 GJ, which made it possible to avoid approximately 925 tonnes of CO_{2e}. Projects are being studied aimed at extending the portion of self-produced energy from renewable sources, in particular in countries where access to energy is compromised by infrastructural deficiencies (e.g. Sri Lanka, Ethiopia).



In 2020, the Group's total energy consumption came to 1,287,585 GJ and the related emissions were 80,794 t CO_{2e} (scope 1 and scope 2 - market based).

Direct and indirect energy consumption (Gj)

	2019	2020
Direct energy consumption	832,594	704,024
From non-renewable sources²⁹:	580,616	498,141
Natural gas	550,431	470,175
Diesel	24,837	14,447
LPG	5,366	13,519
From company vehicles	243,265	196,610
Petrol-driven cars	9,072	13,051
Diesel cars	61,343	47,136
Methane-powered cars	86	10
Petrol-driven vans	115	33
Diesel vans	91,586	79,512
Diesel buses	57,688	49,806
Aircraft	23,374 ³⁰	7,062
From renewable sources:	8,713	9,273
Photovoltaic	8,713	9,273
Indirect energy consumption²³	662,300	583,561
Electricity	660,242	581,008
of which from non-renewable sources	346,077	301,036
of which from renewable sources	314,165	279,972
Thermal energy	2,058	2,553
of which from non-renewable sources	-	2,265
of which from renewable sources	-	288
Total consumption	1,494,894	1,287,585

²⁸ Italy, Croatia, Bulgaria, Belgium, the Czech Republic, Ethiopia, Germany, Holland, Poland, Portugal, the United Kingdom, Sweden and Switzerland.

²⁹ Store electricity and natural gas for heating is excluded, for which no consumption data is available because billing takes place indirectly through the rental charges or if the sales outlet is managed, by the host shopping centres.

³⁰The 2019 data relative to the energy consumption of the aircraft fleet has been restated.

Direct and indirect energy consumption has dropped by 14% in 2020 on 2019. During this year, two production plants began operating in Bosnia, which use LPG for production; indeed, an increase can be seen in this consumption as compared with 2019.

The Group has taken several actions to increase the use of electricity from renewable sources, such as the purchase of certificates of guaranteed origin and the installation of photovoltaic plants. The table shown, however, does not allow us to see the results of these policies as yet, due to the lack of consumption from the Ethiopian production pole, which uses electricity from 100% renewable sources and the increased consumption in Bosnia, a country in which it is not possible to purchase certificates of guaranteed origin for electricity.

The table below shows the Group's direct and indirect (scope 1 and 2) emissions and we can see an 11% reduction on 2019; this reduction is almost entirely due to the slowing of the Group's operations as a result of the Covid-19 pandemic.

Direct and indirect emissions – Scope 1 and 2 (t CO_{2e})

	2019	2020
Direct emissions³¹ (Scope 1)	46,650	37,451
From non-renewable sources:	30,119	24,758
Natural gas	28,110	22,969
Diesel	1,689	965
LPG	320	823
From company vehicles	16,531	12,694
Petrol-driven cars	590	831
Diesel cars	4,171	3,147
Methane-powered cars	4	1
Petrol-driven vans	7	2
Diesel vans	6,228	5,313
Diesel buses	3,923	2,888
Aircraft	1,608 ³²	512
Indirect emissions³³ (Scope 2)	44,446	43,343

³¹ The factors used to calculate the emissions in 2020 and 2019 were published by the Department for Environment, Food & Rural Affairs (DEFRA), respectively, in 2020 and 2019.

³²The 2019 data relative to the emissions of the aircraft fleet has been restated.

³³ The conversion factors used to calculate the emissions are:

- electricity - 2020: Location-based Terna 2018; Market-based, European residual mix 2019 (AIB 2020), where available, otherwise Terna 2018;
- electricity - 2019: Location-based Terna 2017; Market-based: AIB 2018, where available, otherwise Terna 2017;
- thermal energy - 2020: Location based and Market based District heat and steam - DEFRA 2020;
- thermal energy - 2019: District heat and steam - DEFRA 2019.

Electricity - Location based	71,702	60,231
Electricity - Market based	44,360	43,234
Thermal energy - Location based	-	122
Thermal energy - Market based	86	109
Total emissions (Scope 1 and 2)	91,096	80,794

In addition to emissions due to the movement of the company vehicle fleet, which are 34% of the Group's direct emissions, most of the other direct emissions come from thermal plants used to produce industrial steam and hot water for heating (66%).

In plants where thermal systems are in place using fossil fuels, maintenance is carried out regularly to make sure that they are operating correctly and, in accordance with local regulations or preventive controls, measurements taken on the burner combustion characteristics.

To calculate the indirect emissions, the Group used the location-based and market-based methods. The first considers the contribution made by average emission factors of the distribution network used by the organisation for its electricity consumption. The market-based method instead considers the contribution made by emission factors that an organisation has deliberately chosen by contractual form for its electricity consumption.

A comparison of the two gives us the emissions avoided by the Group thanks to its energy choices. More specifically, in 2020, more than 17 thousand tonnes of CO_{2e} were avoided, accounting for 65% of total indirect emissions.

Finally, in order to calculate its energy and carbon footprint, the Group has compared its consumption and emissions with the number of items produced. The values recorded are in line with last year.

Energy intensity (KWh/pc)		Emissions intensity ³⁴ (KgCO _{2e} /pc)	
2019	2020	2019	2020
1.39	1.41	0.31	0.32

The Group has also calculated the environmental impacts deriving from employees' business travel. The emissions deriving from business travel in 2020 come to approximately 3.7 thousand tonnes CO_{2e}, of which 77% deriving from air travel.

³⁴ The emissions intensity considers market-based direct and indirect emissions.

Emissions deriving from employee travel - Scope 3 (t of CO_{2e})

	2019	2020
Emissions deriving from air travel	11,206	2,882
Short-haul	776	384
Medium-haul	2,694	805
Long-haul	7,736	1,693
Emissions deriving from the use of hire cars	806	270
Large size	-	8
Medium size	-	174
Small size	-	88
Emissions deriving from travel with car rental with driver	-	486
Emissions deriving from train travel	260	81
National railway line	259	81
International railway line	1	-
Total emissions ³⁵	12,272	3,719

This table shows how the emissions caused by employee travel have reduced by 70% as compared with 2019: this decline too is once again due to the restrictions imposed by the Covid-19 pandemic.

In order to reduce the emissions caused by employee travel, in 2020 the Calzedonia Group drafted a new travel policy called the “Green Travel Policy”. The main aspects of this new corporate policy are:

- sensitisation of employees in regard to the emissions caused by air travel when choosing flights;
- precedence assigned to the booking of direct flights, which cause less emissions than those with stopovers;
- use of trains instead of aeroplanes for national travels;
- hire of electric cars for business trips;
- booking of hotels attentive to sustainability practices and the reduction in consumptions;
- sensitisation of employees as to the practices to be preferred when travelling.

³⁵ The factors used to calculate the emissions in 2020 and 2019 were published by the DEFRA respectively, in 2020 and 2019. In some cases, emissions deriving from rental cars were supplied directly from the transport service provider.

Energy efficiency

Every year, the Calzedonia Group makes major investments in modernising its plants, focussing the choice on cutting-edge technology able to optimise performance and reduce energy consumption.

For some time now, it has been using LED lighting, with controlled processes and high energy efficiency materials, in respect of the EC “Ecodesign” Directive 2009/125/EC for energy saving. Growing use of low consumption, high performance LED technology in stores, offices and plants, successfully rationalises the inclusion of light sources, making for concrete energy savings and lesser dispersion of heat into the environment. All this results in reduced use of air conditioning systems and reduced technical lighting maintenance, guaranteeing optimal visual comfort for customers and employees alike. To date, around 62% of our stores only use LED technology lighting.

By end 2023, we expect all the Group’s production plants to have low energy consumption LED lights. Where possible, we are also implementing DALI smart lighting systems to control luminosity.

	Commercial Area	Production Area
Goal	100% LED by 2024	100% LED by 2023

We are directing our technical choices to a limited use of air barriers installed near entrances, privileging door closure in periods of the greatest temperature difference, so as to guarantee a stable temperature in the store and consequently lesser energy consumption.

All technically obsolete air conditioning systems have been replaced by high energy efficiency systems, the use of low environmental impact coolant gases and lesser acoustic impact. Water-powered air-conditioning systems, installed in just a few cases, have been further reduced with the aim of eliminating them entirely over the next few years.

In order to assess the most energy-intensive sectors and the efficiency of the relevant systems, we have begun an energy monitoring process, which will involve all the Group’s plants.

The main efficiency drives implemented by the Group were focussed on reducing electricity consumption used for lighting store areas worldwide, with estimated savings of 6,406 GJ, thanks to the LED installations in 2020. In examining the production plants, the renewal of all lighting plants towards low consumption systems is at an advanced stage; in 2020, the main investments were made in Italy, Croatia, Serbia and Sri Lanka.

2018 also saw the launch of a monitoring campaign of all thermal plants in all production sites to replace obsolete machines with new, low-consumption plants. In 2020, these interventions resulted in savings in excess of 9 thousand GJ, making for more than 60 tonnes CO_{2e} emissions avoided.

Reduction of energy consumption and emissions

Type of intervention	2019 ³⁶		2020	
	Estimated savings (GJ)	Emissions avoided (tCO _{2e})	Estimated savings (GJ)	Emissions avoided (tCO _{2e})
Replacement of lighting systems with LED technology	24,466	2,344	6,406	141
Renewal of thermal plants	273	27	9,427	64
Installation of photovoltaic plants	774	77	324	0
Total	25,513	2,448	16,157	206

Thanks to the interventions described, the Group has benefited from multiple advantages, not only in terms of energy savings but also emissions avoided in relation to such consumption if we assume that the consumption comes from electricity produced from fossil fuels.

Responsible logistics management

Logistics has always been a strategic part of the Calzedonia Group’s activities. Our distribution centres prepare basic and fashion products every day to replenish the stocks of the stores in Italy and abroad, and send out new articles every week.

Most of the Group’s stores can, if necessary, receive goods every day.

The store restocking process is supported by the close integration of the various computer systems involved in the different phases of the flow: from the issue of an order on the store to the verification of goods availability in distribution centres and the physical movement in the warehouse.

We try to locate our distribution platforms strategically for distribution to the stores and, where possible, near the production plants, which are also owned by the Group. This choice allows us to reduce the time and energy necessary for transfer, as well as to recycle packaging and return it to factories, which can reuse it up to ten times. Additionally, the items are sent out without hangers, thereby reducing the annual consumption of plastic and optimising transport.

36 The reference data includes the action taken to increase efficiency and reduce consumption in 2018 and 2019 (known as at 2019)

All our logistics structures have been built in compliance with recent earthquake protection standards.

Our distribution centres

- Vallese di Oppeano (VR)
- Castagnaro (VR)
- Varazdin (CROATIA)
- San Paolo (BRAZIL)
- Shanghai (CHINA)



Transport is entrusted to external companies, connected by computer to the Calzedonia Group companies. Our customer service constantly controls the service level of transporters, verifying return time and disservices through the relationship with the stores.

In collaboration with the suppliers of logistics services, the Calzedonia Group has started to monitor CO₂ emissions deriving from the transport of its products and raw materials.

In 2020, it was estimated that these emissions totalled approximately 1.6 million tonnes CO_{2e}. The highest impact transport types are by road (46%) and by air (44%). The reduction in emissions from logistics is mainly due to the lesser movement of raw materials and finished products as a result of the decline in production and sales volumes seen in 2020.

Indirect transport emissions - Scope 3³⁷

Type of transport	2019	2020
Road	1,999,032	747,573
Air	670,577	719,387
Sea	74,298	159,714
Combined	77,872	-
Total	2,821,779	1,626,674

The Group's logistics adheres to guidelines that help ensure the efficiency of the system, through simplifying and standardising warehouse activities as much as possible and assuring the constant collaboration with our partners in order to always guarantee a high level of plant quality/efficiency.

Packaging sizes for the finished product are designed in such a way as to optimise space within the vehicles, thereby minimising partial loads.

For on-line customers, we have activated the collect and return service at our stores, which allows logistics corridors used for stores to also be used for e-commerce sales. In 2020, this saved around 527,000 deliveries.

At the end of the season, we collect all unsold stock for the fashion collection from our stores. The items are then sorted, checked and re-packaged to be returned for sale in our outlets and factory outlets. Together with unsold stock, we also collect articles with minor flaws. These items, which are considered “seconds”, are checked carefully and duly noted, before being put up for sale in our factory outlets or donated to charity.

THE CALZEDONIA GROUP AND SUSTAINABILITY: RAIL TRANSPORT.

Continuous improvement has always been one of the Calzedonia Group's objectives in all its activities. And it is here that logistics includes the new project launched in August 2019: rail transport of goods to the Calzedonia Group stores in Campania.

This solution makes it possible to reduce CO₂ emissions - approximately 80% less for the stretch travelled by train as compared with that travelled by road - guaranteeing the timely arrival of the goods at the stores yet without penalising the service offered to the consumer.

The project was conceived at the meeting with Mercitalia in Confindustria Verona, 2018, thanks to the possibility of immediately offering a tailored service to suit the Group's needs in terms of both speed and flexibility.

To date, the service is up and running for all Calzedonia, Intimissimi, Tezenis, Falconeri stores and factory outlets present in the region, as well as for e-commerce orders placed with collection from the store.

The efficiency and effectiveness of the project, in terms of sustainability and customer service, have today led the Calzedonia Group to consider extending it to also include e-commerce deliveries to private customers, as well as to expand territorially into other regions, if Mercitalia should extend service coverage.

³⁷ The estimate of CO₂e emissions relative to air, sea and road transport (excluding km relative to “combined” transport, i.e. carried out using different means of transport, for which it is not possible to distinguish the km travelled on road from the other types), has been prepared using an average emission factor published by the DEFRA in 2020 and by the BEIS in 2019 (Department for Business, Energy & Industrial Strategy), respectively for 2020 and 2019, or, where available, on the basis of certified reports supplied by the logistics partners.

Annexes

Collaborators by professional category and gender (%)

	2019			2020		
	Men	Women	Total	Men	Women	Total
Country Managers/Plant Managers	0.2%	0.1%	0.3%	0.2%	0.1%	0.3%
Managers reporting to Country Managers/Plant Managers	0.5%	0.8%	1.3%	0.6%	0.8%	1.4%
White-collar	1.2%	3.5%	4.8%	1.8%	4.0%	5.8%
Sales staff	0.3%	2.3%	2.6%	0.3%	2.3%	2.5%
Store staff	1.0%	30.3%	31.2%	1.0%	29.0%	30.0%
Blue-collar	6.3%	53.5%	59.8%	6.2%	53.8%	60.1%
Total	9.5%	90.5%	100%	10.0%	90.0%	100%

Turnover by gender and age bracket (no.)

	Gender			Age brackets	
	M	F	Tot.	<30	≥ 30
2019					
Employees hired	1,104	25,491	26,595	22,347	4,248
Employees left	870	23,130	24,000	20,037	3,963
2020					
Employees hired	804	18,077	18,881	14,272	4,609
Employees left	732	18,673	19,405	14,298	5,107

Turnover by geographic area (no.)

2019						
	Italy	Europe	America	Asia	Africa	
Employees hired	1,593	14,851	406	8,848	897	
Employees left	1,420	13,386	384	8,273	537	
2020						
Employees hired	1,015	11,105	347	6,412	2	
Employees left	1,093	11,196	331	6,783	2	

Injuries involving collaborators (no.)

	2019			2020			
	Men	Women	Total	Men	Women	Unknown	Total
Injuries recorded at work	67	2,548	2,615	89	2,214	16	2,319
In the workplace	60	2,466	2,526	85	2,190	10	2,285
Italy	12	33	45	13	21	-	34
Europe	22	207	229	26	259	10	295
America	-	1	1	-	4	-	4
Asia	26	2,225	2,251	46	1,906	-	1,952
Africa	-	-	-	-	-	-	0
During commute	7	82	89	4	24	6	34
Italy	3	23	26	4	22	-	26
Europe	4	59	63	0	2	6	8
America	-	-	-	-	-	-	0
Asia	-	-	-	-	-	-	0
Africa	-	-	-	-	-	-	0
Injuries with severe consequences that occurred at work (excluding deaths)	4	27	31	8	18	0	26

Waste by composition (t)

	2020			
	2019	Waste generated	Waste not sent for disposal	Waste sent for disposal
Hazardous waste	620	108	35	73
Waste water and sludge	106	7	-	7
Textile waste	439	12	-	12
Waste from fume treatment	79	-	-	-
Chemical product containers	20	8	1	7
Oil	18	27	9	18
Waste electric material	13	17	12	5
Toner and cartridges	4	4	3	1
Other	47	40	10	30
Non-hazardous waste	18,853	16,517	8,187	7,156
Waste water and sludge	1,335	1,977	67	1,910
Paper and cardboard	9,046	8,032	4,257	3,139
Textile waste	4,919	4,432	2,234	2,193
Plastic	1,423	616	167	152
Packaging	794	689	305	335
Waste from fume treatment	317,	140	-	140
Metals	168	105	75,	30
Organic waste	131	685	673	11
Demolition and construction waste	300	88	32	1
Multi-material waste	23	686	315	243
Other	2,002	1,044	129	912
Total	19,471.00	16,623.52	8,220.99	7,230.02

Employees/workers paid above or equal to the minimum wage (%)

2020		
	Above	Equal
Italy	77%	23%
Europe	85%	15%
America	100%	-
Asia	100%	-
Africa	-	-
Total	90%	10%

Employees/workers paid digitally (%)

2020	
Italy	100%
Europe	100%
America	98%
Asia	94%
Africa	-
Total	98%

Methodological note

Reporting standards applied

The Calzedonia Group Sustainability Report contains information about environmental, social and staff-related topics, as well as respect for human rights and the fight against corruption, useful to ensuring a proper understanding of the activities carried out and their impact, as well as the Group performance and results.

This Report, which is published once a year, has been prepared in compliance with the GRI Standards: core option, published in 2016 by the Global Reporting Initiative (GRI) and integrated with any amendments published by the entity thereafter and in force over time. The GRI is an independent international organisation whose standards are today the most widespread and best recognised worldwide in terms of reporting on economic, environmental and social impacts. In order to facilitate the reader in finding information within the document, pages 136-141 give the GRI-Index, namely the index of the contents reported.

The Report has been prepared according to the principle of materiality, which characterises the GRI Standards. The topics covered in the Report are those that, following a materiality analysis and assessment described in pages 34-35 of this document, are considered relevant insofar as able to reflect the social and environmental impacts of the Group's business or influence the decisions of its stakeholders. To facilitate the comparison of data over time, where possible, trends have also been provided with respect to the previous year.

Reporting scope

The qualitative and quantitative information and data given in the 2020 Sustainability Report refers to the Calzedonia Group performance (hereinafter the "Group" or "Calzedonia") for the financial year ended 31 December 2020. The Report includes the data of the parent company (Calzedonia Holding SpA) and its subsidiaries consolidated on a line-by-line basis, with the exception of Società Aries Textile s.r.l. in liquidation, the agricultural and real estate companies³⁸ and other service companies³⁹. These companies have, however, non-material impacts.

Any further limits to this scope have been duly indicated in the document.

Reporting process

The preparation of the Sustainability Report is based on a structured reporting process that involves the various corporate departments that contributed towards the identification and assessment of the material topics, projects and significant initiatives to be described in the document and data collection, analysis and consolidation phase, with the role of verifying and validating all the information given in the Report, each insofar as under their remit.

The Sustainability Report will be published on the corporate website so as to make it available transparently to all stakeholders.

Reporting principles

The identification and reporting of the contents of this Sustainability Report took into account the GRI principles of relevance, inclusivity, sustainability context and completeness. In order to define the information quality criteria and reporting scope, the GRI principles of balance of positive and negative aspects were also applied, with comparability, accuracy, timeliness, clarity and reliability.

³⁸ Cep s.r.l., Tekstil Nova d.o.o., Iris 2004 s.r.l., Nalmor Trading Ltd, Corso 26 Immobiliare s.r.l., Cve 710 s.r.l., Immobiliare Santa Croce s.n.c., Vittem s.r.l., Verona Immobiliare s.r.l., VPalace srl and Società Agricola Agribel s.s.

³⁹ Enosocial s.r.l., Calzedonia Investments s.r.l.

Table linking the material topics and the GRI standards

MATERI AL TOPICS	REPORTING AREAS	TOPIC-SPECIFIC GRI STANDARDS OF REFERENCE	SCOPE OF IMPACTS	
			IMPACTS WITHIN THE GROUP	IMPACTS EXTERNAL TO THE GROUP
People	Attraction and developing talent	Employment (GRI 401)	Whole Group	Community
	Staff training and development	Training and Education (GRI 404)	Whole Group	Customers
	Quality of the workplace and respect for human rights	Diversity and Equal Opportunity (GRI 405)	Whole Group	Community
		Non-discrimination (GRI 406)		Customers, Suppliers
	Worker health and safety	Occupational Health and Safety (GRI 403)	Whole Group	Community, Customers, Suppliers
	Corporate welfare and incentive systems	Training and Education (GRI 404)	Whole Group	Customers
Customer	Customer satisfaction and excellence of service	General Disclosures (GRI 102-43)	Whole Group	Customers
	Nearness to the customer, an omnichannel approach and digitisation	With regards to the topic in question (not directly related to a Topic-Specific GRI Standard), Calzedonia reports the management approach taken and the related indicators in the document.	Whole Group	Customers
	Data security and protection	Customer Privacy (GRI 418)	Whole Group	Customers

	Marketing and communication	Materials (GRI 301)	Whole Group	Customers, Community
Suppliers	Responsible supply chain management	Procurement Practices (GRI 204)	Whole Group	Suppliers, Community
	Traceability of the chain and labelling	Marketing and Labelling (GRI 417)	Whole Group	Suppliers, Customers
Environment	Efficient use of resources and fight against climate change	Energy (GRI 302)	Whole Group	Environment, Suppliers
		Water and Effluents (GRI 303)		
		Emissions (GRI 305)		
	Responsible procurement and consumption of materials	Materials (GRI 301)	Whole Group	Environment, Suppliers
	Responsible packaging and waste management	Effluents and Waste (GRI 306)	Whole Group	Environment, Suppliers
Product	Respect for the environment in the stores and factories	Environmental Compliance (GRI 307)	Whole Group	Environment, Suppliers, Customers
	Product quality and safety	Customer Health and Safety (GRI 416)	Whole Group	Customers, Suppliers
	Product and process sustainability	With regards to the topic in question (not directly related to a Topic-Specific GRI Standard), Calzedonia reports the management approach taken and the related indicators in the document.	Whole Group	Environment Customers, Suppliers
Governance	Ethics and integrity in business management	General Disclosures (GRI 102)	Whole Group	Community, Customers, Suppliers, Environment

		Anti-corruption (GRI 205)		
		Environmental Compliance (GRI 307)		
		Socioeconomic Compliance (GRI 419)		
	Corporate governance	General Disclosures (GRI 102)	Whole Group	Community
		Diversity and Equal Opportunity (GRI 405)		
Community	Contribution towards social well-being and the community	Economic Performance (GRI 201)	Whole Group	Community
		Indirect Economic Impacts (GRI 203)		

GRI Content Index

Disclosure	Description of indicator	Page number/Notes	Omissions
GRI 102: GENERAL INFORMATION 2016			
ORGANISATIONAL PROFILE			
102-1	Name of the organisation	Page 6	
102-2	Activities, main brands, products and/or services	Page 7, 14-21	
102-3	Location of headquarters	Back cover	
102-4	Number of countries in which the organisation operates	Page 12-13	
102-5	Ownership and legal form	Page 23-26	
102-6	Markets served	Page 12-13	
102-7	Scale of the organisation	Page 7-13	
102-8	Information on employees and other workers	Page 57-58	
102-9	Supply Chain	Page 87-88, 89-92	
102-10	Significant changes to the organisation and its Supply Chain	No significant changes have been made	
102-11	Precautionary Principle or approach	Page 25-26	
102-12	Adoption of external codes and principles in the economic, social and environmental spheres	Page 39	
102-13	Membership of national or international support organisations or associations	Page 39	
STRATEGY			
102-14	Declaration by the Chairman and Managing Director	Page 4-5	
ETHICS AND INTEGRITY			
102-16	Values, principles, standards and norms of behaviour	Page 29-31	
GOVERNANCE			
102-18	Governance structure	Page 24-26	
STAKEHOLDER ENGAGEMENT			
102-40	List of stakeholders involved	Page 39	
102-41	Percentage of employees covered by collective bargaining agreements	Page 61	

102-42	Identification process and selection of stakeholders to be involved	Page 40
102-43	Approach to stakeholder engagement	Page 39-40
102-44	Key topics and critical concerns emerged from stakeholder engagement and related actions (stakeholder engagement)	Page 39-40
REPORTING PRACTICE		
102-45	List of companies included in the organisation's consolidated annual financial statements not included in the report	Page 132
102-46	Defining report content and topic boundaries	Page 132-136
102-47	List of material topics	Page 32
102-48	Restatements of information	Page 132
102-49	Changes in reporting	Page 132
102-50	Reporting period	Page 132
102-51	Date of publication of most recent report	2020
102-52	Reporting cycle	Annual
102-53	Contact point for questions regarding the report	Back cover
102-54 / 102-55	GRI content index and choice of the "in accordance" option	Page 134 and present GRI Content Index
102-56	External assurance	No external assurance has been conducted on this Sustainability Report.
ECONOMIC: TOPIC-SPECIFIC STANDARDS		
GRI 201: 2016 ECONOMIC PERFORMANCE		
GRI 103	2016 management methods	Page 26
201-1	Direct economic value generated and distributed	Page 27
GRI 203: 2016 INDIRECT ECONOMIC IMPACTS		
GRI 103	2016 management methods	Page 73-75
203-1	Infrastructure investments and services supported	Page 73- 75, 83-84

GRI 204: 2016 PROCUREMENT PRACTICES		
GRI 103	2016 management methods	Page 89
204-1	Proportion of spending on local suppliers for the largest operating sites	Page 89-90
GRI 205: 2016 ANTI-CORRUPTION		
GRI 103	2016 management methods	Page 30-31
205-3	Confirmed incidents of corruption and actions taken	Page 31
ENVIRONMENTAL: TOPIC-SPECIFIC STANDARDS		
GRI 301: 2016 MATERIALS		
GRI 103	2016 management methods	Page 51, 90-82, 103-110
301-1	Materials used by weight and volume	Page 107-108, 114
301-2	Percentage of recycled input materials used	Page 98, 109
GRI 302: 2016 ENERGY		
GRI 103	2016 management methods	Page 101-103, 110, 117, 122-124
302-1	Energy consumption within the organization	Page 117-119
302-2	Energy consumption outside the organisation	Page 117-124
302-3	Energy intensity	Page 121
302-4	Reduction of energy consumption	Page 123
GRI 303: 2018 WATER AND EFFLUENTS		
GRI 103	2016 management methods	Page 101, 105-106
303-1	Interaction with water as a shared resource	Page 111-113
303-2	Management of impacts related to the drainage of water	Page 111
303-3	Water extraction	Page 111-113
GRI 305: 2016 EMISSIONS		
GRI 103	2016 management methods	Page 101-103, 110, 119-124, 125-126
305-1	Direct (Scope 1) GHG emissions	Page 120
305-2	Energy indirect (Scope 2) GHG emissions	Page 120
305-3	Other indirect /Scope 3) GHG emissions	Page 122, 125
305-4	GHG emissions intensity	Page 114

305-5	Reduction of GHG emissions	Page 121
GRI 306: 2020 WASTE		
GRI 103	2016 management methods	Page 101-103, 109, 113-116
306-1	Waste generation and significant waste-related impacts	Page 113-114
306-2	Management of significant waste-related impacts	Page 51-52, 101-103, 106, 116
306-3	Waste generated	Page 113-114
306-4	Waste diverted from disposal	Page 114-115
306-5	Waste directed to disposal	Page 114-115
GRI 307: 2016 ENVIRONMENTAL COMPLIANCE		
GRI 103	2016 management methods	Page 101-103
307-1	Monetary value of the significant fines and number of non-monetary sanctions for non-compliance with environmental laws and regulations	Page 102
SOCIAL: TOPIC-SPECIFIC STANDARDS		
GRI 401: 2016 EMPLOYMENT		
GRI 103	2016 management methods	Page 59-61
401-1	New employee hires and employee turnover	Page 60, 128
GRI 403: 2018 OCCUPATIONAL HEALTH AND SAFETY		
GRI 103	2016 management methods	Page 69-71
403-1	Occupational health and safety management system	Page 69-71
403-2	Hazard identification, risk assessment, and incident investigation	Page 69-71
403-3	Occupational health services	Page 68
403-4	Worker participation, consultation and communication on occupational health safety	Page 68
403-5	Worker training on occupational health and safety	Page 69-71
403-6	Promotion of worker health	Page 69-71

403-7	Prevention and mitigation of occupational health and safety impacts directly linked by business relationships	Page 69-71
403-9	Work-related injuries	The Group makes reduced use of temporary workers; therefore, statistics relative to injuries for all non-employed workers are not given, even if their work and/or workplace is under the organisation's control
GRI 404: 2016 TEACHING AND EDUCATION		
GRI 103	2016 management methods	Page 63-65
404-2	Programmes for updating employee skills and transition assistance programmes	Page 63-65
404-3	Percentage of employees receiving regular performance and carrier development reviews	Page 63
GRI 405: 2016 DIVERSITY AND EQUAL OPPORTUNITY		
GRI 103	2016 management methods	Page 65-67, 69
405-1	Composition of the governing bodies and breakdown of employees by category, gender, age, belonging to protected categories and other indicators of diversity	Page 57-58, 54-55
405-2	Ratio of basic salary and remuneration of women to men	Page 66
GRI 406: 2016 NON-DISCRIMINATION		
GRI 103	2016 management methods	Page 66, 69-70
406-1	Incidents of discrimination and corrective actions taken	Page 70
GRI 416: 2016 CUSTOMER HEALTH AND SAFETY		
GRI 103	2016 management methods	Page 93-96
416-1	Percentage product and service categories for which the impacts on health and safety are assessed	Page 94

416-2	Total number of cases of non-compliance with voluntary regulations and codes regarding the health and safety impacts of products and services during their life cycle	Page 95
GRI 417: 2016 MARKETING AND LABELLING		
GRI 103	2016 management methods	Page 96-97
417-1	Type of information related to the products and services required by the procedures and percentage of significant products and services subject to these information requirements	Page 96-97
417-2	Total number of cases of non-compliance with regulations or voluntary codes relating to information and labelling of products/services	Page 97
GRI 418: 2016 CUSTOMER PRIVACY		
GRI 103	2016 management methods	Page 47-48
418-1	Number of substantiated complaints concerning breaches of consumer privacy and data loss	Page 48
GRI 419: 2016 SOCIECONOMIC COMPLIANCE		
GRI 103	2016 management methods	Page 30-31
419-1	Non-compliance with laws and regulations in the social and economic area	Page 31

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SUSTAINABILITY REPORT 2020



**CALZEDONIA
GROUP**