

2021

Sustainability Report

**CALZEDONIA
GROUP**

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Letter from the Chairman

Throughout its history, our Group has always paid close attention to its founding principles. These can be summed up as the desire to build a relationship based on trust with its customers, hinged on high quality products offered at accessible prices and in the firm belief that the economic objective cannot fail to include close attention paid to the ethical and environmental impacts of our work. Indeed, our production and commercial choices relate to care and attention for our customers, for the communities in which they live, for the people working in our companies and, last but by no means least, for the environment that surrounds us.

This is the spirit with which, back in 2019, we decided to start putting even more effort into pursuing transparency, opening up our communication to also include aspects of care and attention that have always been a part of our DNA, giving visibility to activities, choices and processes of improvement that we had implemented some time previous.

We have chosen to optimise our approach towards building lasting projects; a long-term view that not only benefits the company's investments but also the social and environmental system around us. This is the attitude we want to promote: doing things well pays off. And for us, doing things well means putting attention, respect, an innovative spirit and passion into all our actions.

This approach then takes concrete form in the constant bid to improve our production processes, both in terms of energy and emissions; in the commitment to design products more and more carefully to ensure they have a

low environmental impact; in the search for raw materials of controlled origin and suppliers who work according to our same ethical objectives. We are actively committed to satisfying the needs of the people and businesses that cross our paths, always striving to be an added value for the communities in which we operate, also doing our bit, as much as we can, when emergencies and disasters strike: in 2021 and unfortunately, early 2022, the wars and pandemic created huge difficulties for the communities in some of the countries in which we work. With our hallmark sense of responsibility, we seek to support our employees first and foremost, along with the societies struck by these misfortunes.

A key role in our context is played by the people who are a part of it: we are aware of just how important work is in the lives of our employees and how it is not merely a means of support but also a tool for growth and personal development. This is why we seek to promote the construction of strong, positive human relations, hinged on the optimisation of the competences and diversities of each, so as to ensure they feel a true part of the company, knowing that they are doing something useful and important. 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 just completed their training and encourage them to aim to quickly take on roles of great responsibility.

2021 was a year of recovery, during which our people's faith and the desire to continue to invest repaid our efforts. The investments made in new stores, sites and logistics poles

as well as in the growth of our brands have given a new boost to our desire to improve, despite the difficulties.

Through our C-Evolution project, we have continued to expand business sustainability milestones. We have extended the number of countries in which we use renewable energy and built new plants to self-produce electricity; our brands continue to increase the use of low environmental impact fabrics, which are now increasingly present in our collections; and we are reducing the volume of our packaging, whilst maintaining function.

Finally, aware of just how important our influence on the supply chain is in feeding into virtuous circles, we have worked hard to drive our suppliers to improve their social and environmental performance.

These projects and many more besides will be explored in the following report, the common thread that binds us remains one and it is simple: every day, we work to improve in our own interests, in the interests of those with whom we work, in those of the communities that welcome us and of the environment that surrounds us.

Sandro Veronesi - Chairman of the Calzedonia Group

The Calzedonia Group

It was founded in Verona in 1986. Its founder, Sandro Veronesi, is still the Chairman and major shareholder of the Group 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 franchised 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.

1 - Franchise 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

2.505
MLN €
turnover in 2021

29%
GROWTH
on 2021 turnover

55
COUNTRIES
in which we operate

5.076
STORES
in the world

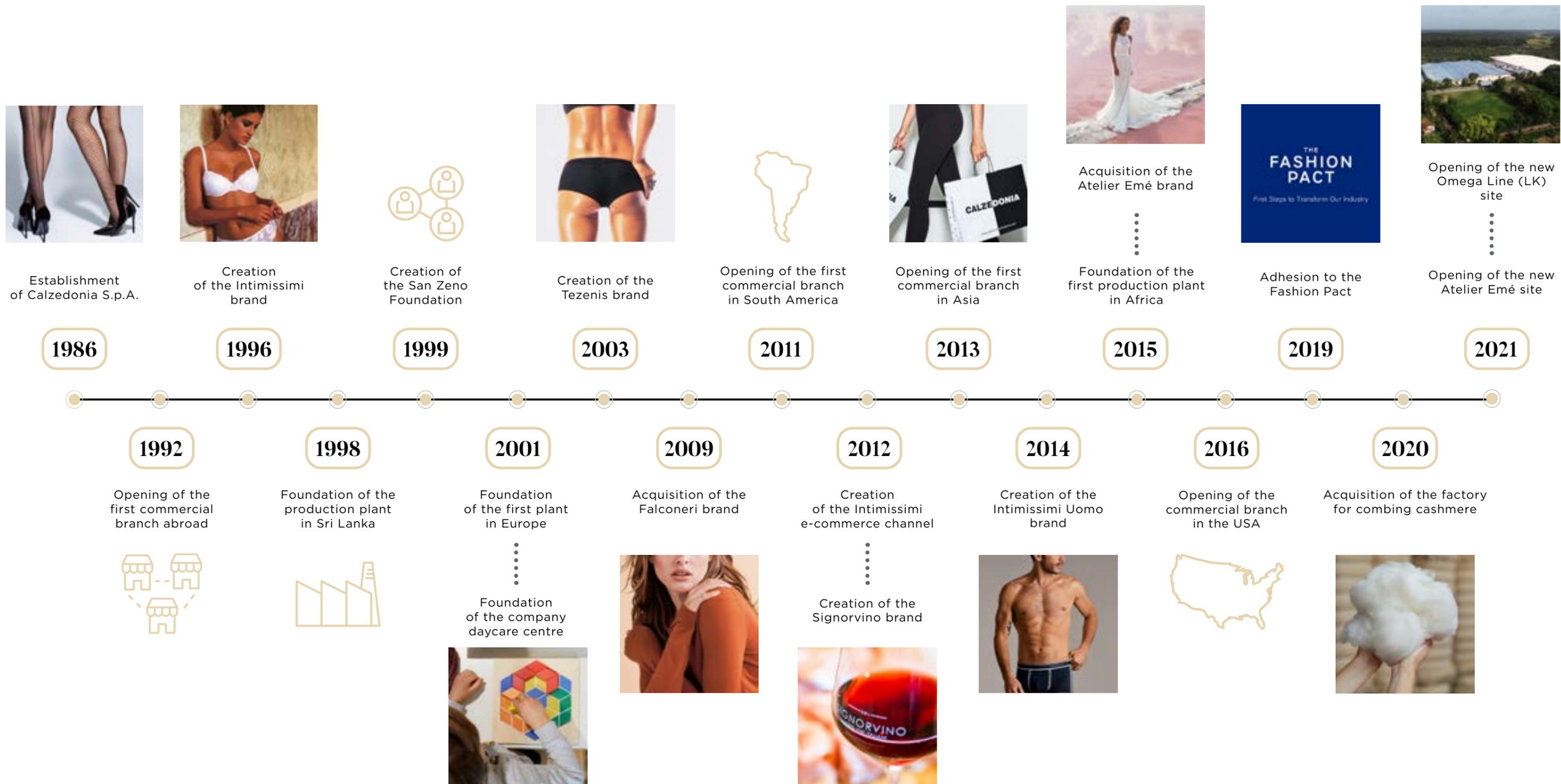
24
PRODUCTION
PLANTS
in the world

7
LOGISTICS
HUBS
in the world

7
GROUP
BRANDS

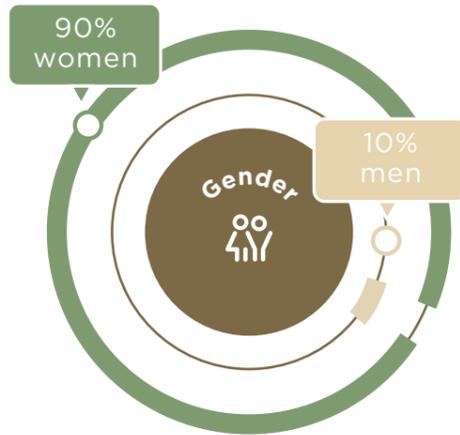
82%
OF CLOTHING
ITEMS
produced internally

Our history

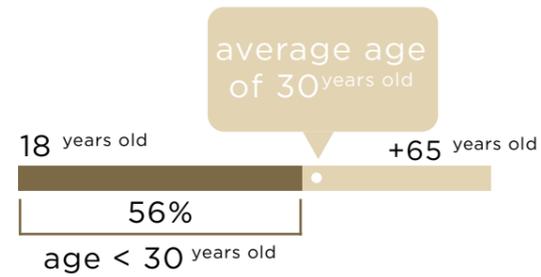


Group profile

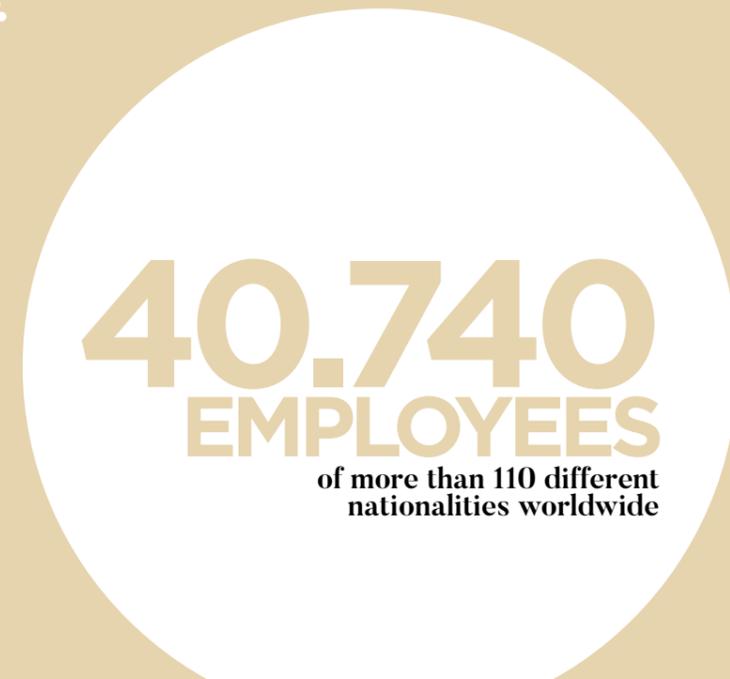
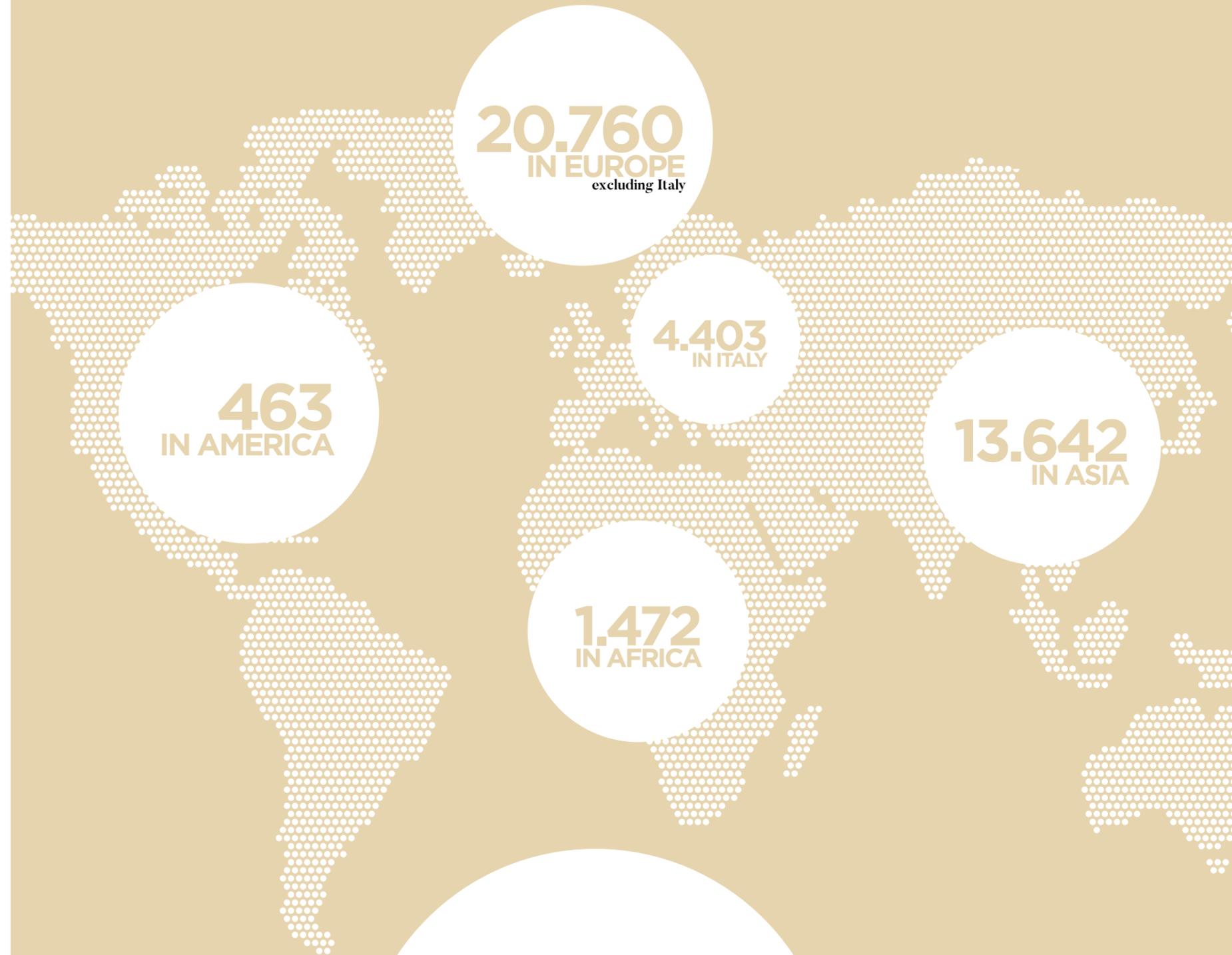
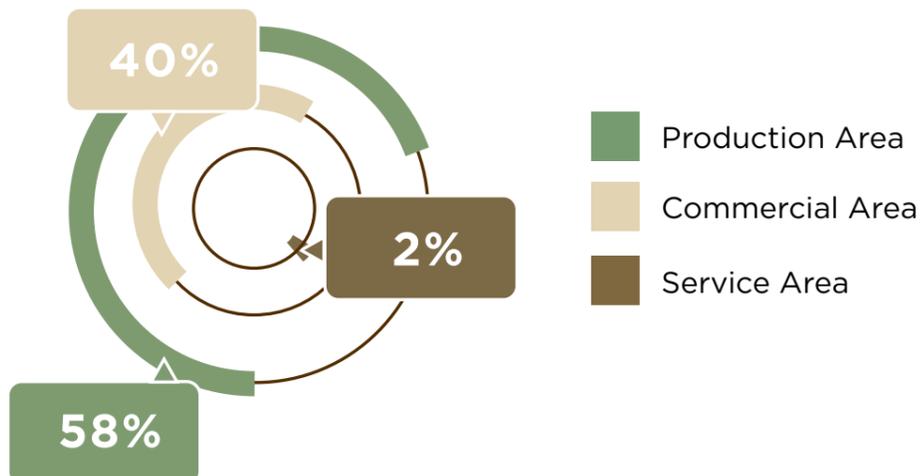
Distribution by gender (%)



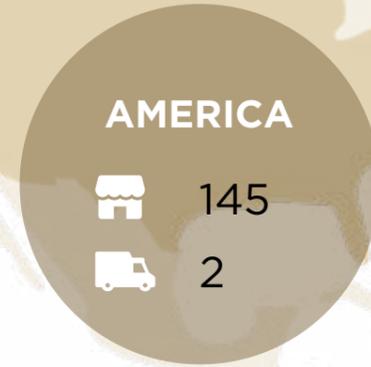
Distribution by age (%)



Distribution by activity (%)



Presence on the market



KEY:

-  Stores
-  Production Poles
-  Production Poles + Sales Outlets

Our brands

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

1986

Date of birth

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.

CALZEDONIA



53

Countries Worldwide

2.149

Stores

571

Italy Stores

35

On-line Shop

75%

Items of clothing produced internally

3,9 mln

Followers on instagram

calzedonia.com

Our brands

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

1996

Date of birth

Intimissimi has conquered the lingerie and underwear market thanks to its particular specialisation and unmistakable 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.

intimissimi

Italian lingerie



49

Countries Worldwide

1.586

Stores

487

Italy Stores

33

On-line Shop

98%

Items of clothing produced internally

3,6 mln

Followers on instagram

intimissimi.com

Our brands

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

2014

Date of birth

Intimissimi Uomo, a new underwear brand created specifically for our male customers.



13

Countries Worldwide

270

Stores

184

Italy Stores

33

On-line Shop

98%

Items of clothing produced internally

100 k

Followers on instagram

intimissimi.com/uomo

Our brands

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

2003

Date of birth

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.

TEZENIS

underwear



35

Countries Worldwide

781

Stores

365

Italy Stores

29

On-line Shop

79%

Items of clothing produced internally

2,2 mln

Followers on instagram

tezenis.com

Our brands

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

2009

Date of acquisition

The combination of valuable natural fibres, of Italian artisan workmanship and innovative production methods are what makes Falconeri unique as a brand specialised in the creation of extremely high quality cashmere knitwear. 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.

FALCONERI

SUPERIOR CASHMERE



20
Countries Worldwide

152
Stores

72
Italy Stores

22
On-line Shop

90%
Items of clothing
produced internally

254 k
Followers on instagram

falconeri.com

Our brands

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

2015

Date of acquisition

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.

ATELIER EMÉ



1

Countries Worldwide

51

Stores

91%

Items of clothing produced internally

443 k

Followers on instagram

atelier-eme.com

Our brands

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

2012

Date of birth

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.

SIGNORVINO



100%
Made in Italy

25
Stores

1
On-line Shop

87,5 k
Followers on instagram

signorvino.com

Business strategy

The Calzedonia Group is vertically integrated and 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 flagship stores. 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 store, 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, the Calzedonia Group 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

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.

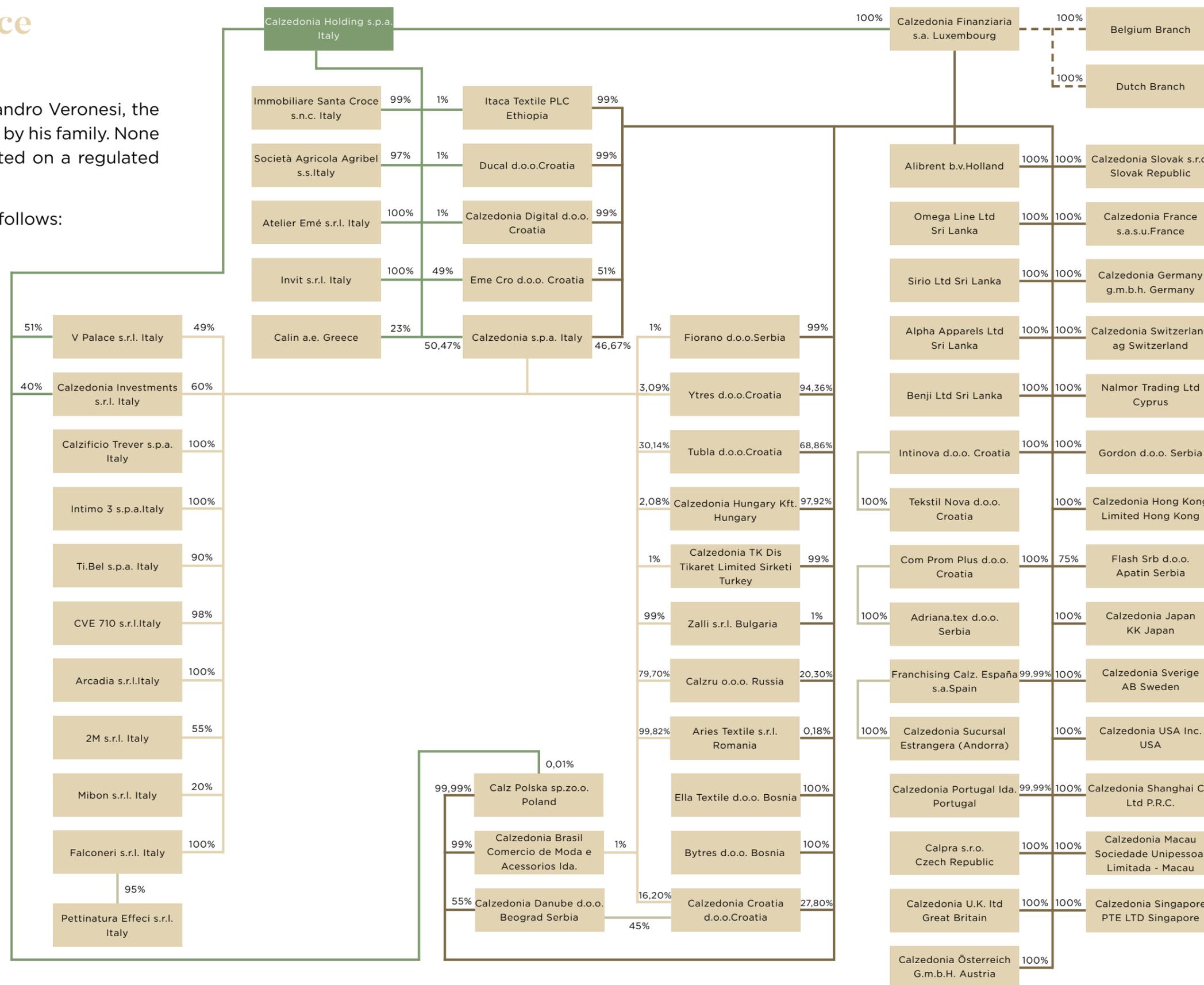
OPPORTUNITY

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 years 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 2021 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 2021, the Calzedonia Group generated economic value of 2,580,823 thousand euros. The economic value distributed by the Group came to 1,910,021 thousand euros. More than 74% of the economic value produced by the Group was distributed to internal and external stakeholders.

For more information about the Group's economic performance and its statement of financial position, please refer to the 2021 Consolidated Financial Statements and Report on Operations.

Economic value generated by the Group (€)	2.580.822.924
Revenue	2.505.431.607
Other income	79.627.300
Net financial income	8.525.838
Financial asset write-backs	951.061
Impairment of receivables	(2.879.632)
Exchange differences	(4.132.860)
Income/expenses from the sale of tangible and intangible assets	1.234.431
Value adjustments of tangible and intangible assets	(7.934.821)
Economic value distributed by the Group	(1.910.020.837)
Operating costs	(1.304.001.381)
Remuneration of employees and collaborators	(497.895.397)
Remuneration of lenders	(25.221.828)
Remuneration of investors	-
Remuneration of the public administration	(81.153.037)
External donations	(1.749.194)
Economic value withheld by the Group	670.802.087
Amortisation / Depreciation	(400.902.817)
Prepaid and deferred tax	(13.237.648)
Allocations	(2.014.563)
Other reserves	(254.647.059)

C-Evolution Project

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 structures, the installation of energy saving plants, the financing of the San Zeno Foundation (which has financed more than 1300 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.

Today, 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 design of products with a lesser environmental impact and technological innovation and the strategic and operative structuring of a route that will lead to their achievement.

SDG - the Calzedonia Group's contribution



On 25 October 2019, the Calzedonia Group joined the Fashion Pact, a coalition of 75 major fashion companies, with the aim of guiding the sector towards a reduction of the environmental impact, the restoration of biodiversity and the protection of the oceans.

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 the Group and the modus operandi conveyed to and demanded of all employees.

_OPEN MIND

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.

_PRAGMATISM

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

_TEAM WORK

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

_GOAL ORIENTATION

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 the Calzedonia Group website (www.calzedoniagroup.com), so as to make it available to employees. 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 by the Supplier Code of Conduct.

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 and 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 2021, no episodes of corruption were documented within the Group. As regards social and economic laws and/or regulations, fines were received for a total amount of 34

thousand euros, mainly relating to store management in foreign branches, due largely to improper advertising practices and failure to comply with Covid-19 limitation measures.

The ethical values required to the management are in line with the principles of sustainability, but to date no manager or executive receives bonus linked to environmental and social targets (0%).



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.

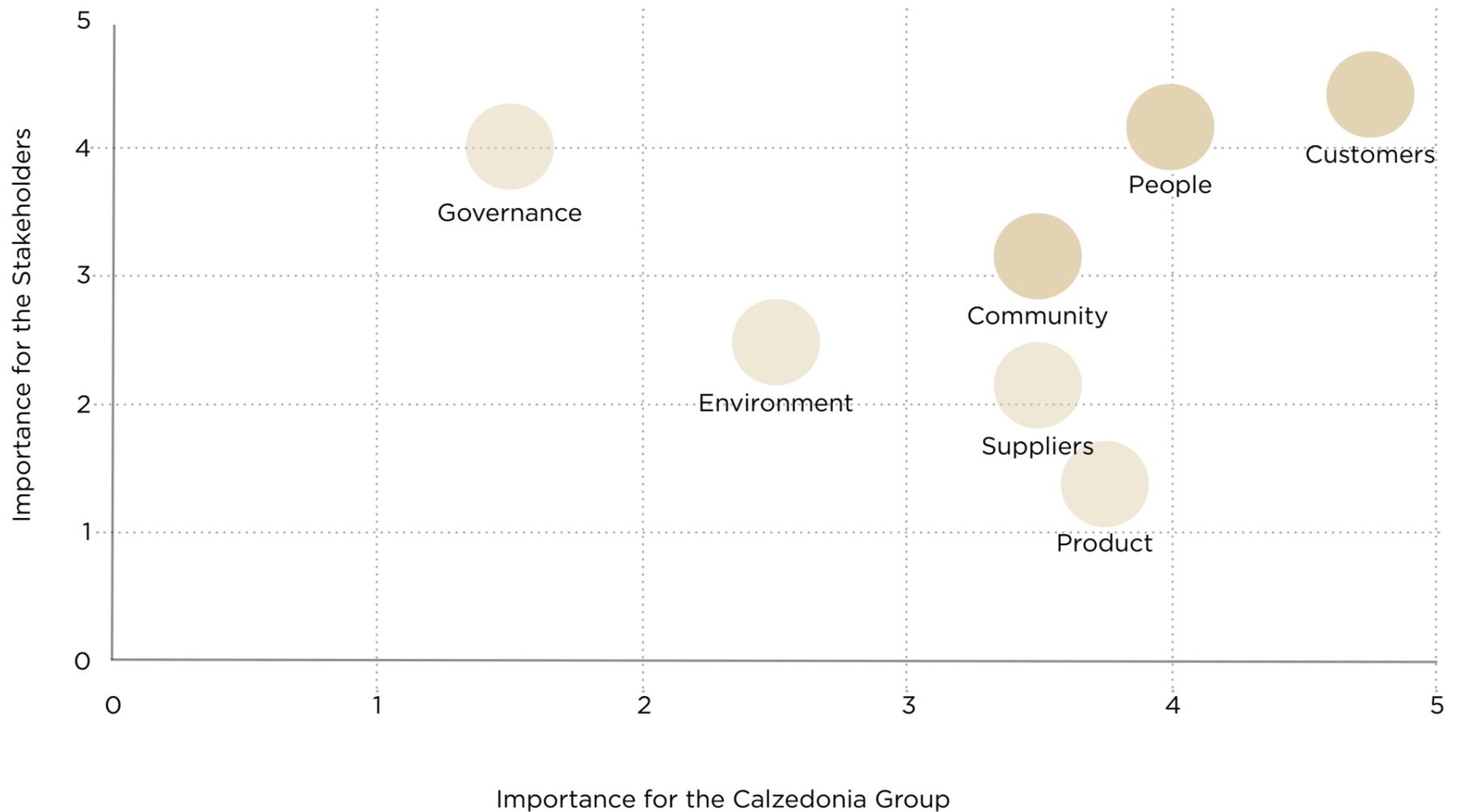
Phase 2

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



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

2021 sustainability initiatives

In 2021, the Group invested €6,628,000 in projects, collaborations and activities linked to sustainability topics. The main expenses regarded investments in increasing energy efficiency in the owned factories, collaborations aimed at involving customers and employees, donations to charity, operative activities and in-house staff.

The Group is clearly aware that in order 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.

Our milestones

ENVIRONMENT AND ENERGY

60% of the electricity we use comes from renewable sources.

30,000 tonnes of CO_{2e} saved thanks to interventions to increase energy efficiency and the use of renewable energy.

PEOPLE AND THE ENVIRONMENT

Approximately **1,000 trees** planted by employees in team building projects in the areas around our sites.

More than **100 days spent cleaning beaches** with employees and volunteers.

OUR STORES

81 tonnes of used clothes collected and donated in **6 different countries** by Intimissimi and Tezenis.

First BREEAM certified Falconeri stores with “very good” result recorded in the design sustainability assessment.

TRACEABILITY AND TRANSPARENCY

15 of our factories can be visited in **5 different countries** through the product sheets of our e-commerce sites. Customers can find out where their items were manufactured, who worked on them, the benefits and the commitment to the environment.

TRANSPORT AND PEOPLE

Installation of the first **16 charging stations** for electric cars in **3 different Italian sites**.

Activation of the car sharing project in the Italian offices, to sensitise employees to the emissions caused by travel and offer an effective, inexpensive solution by which to reduce them.

PRODUCTS

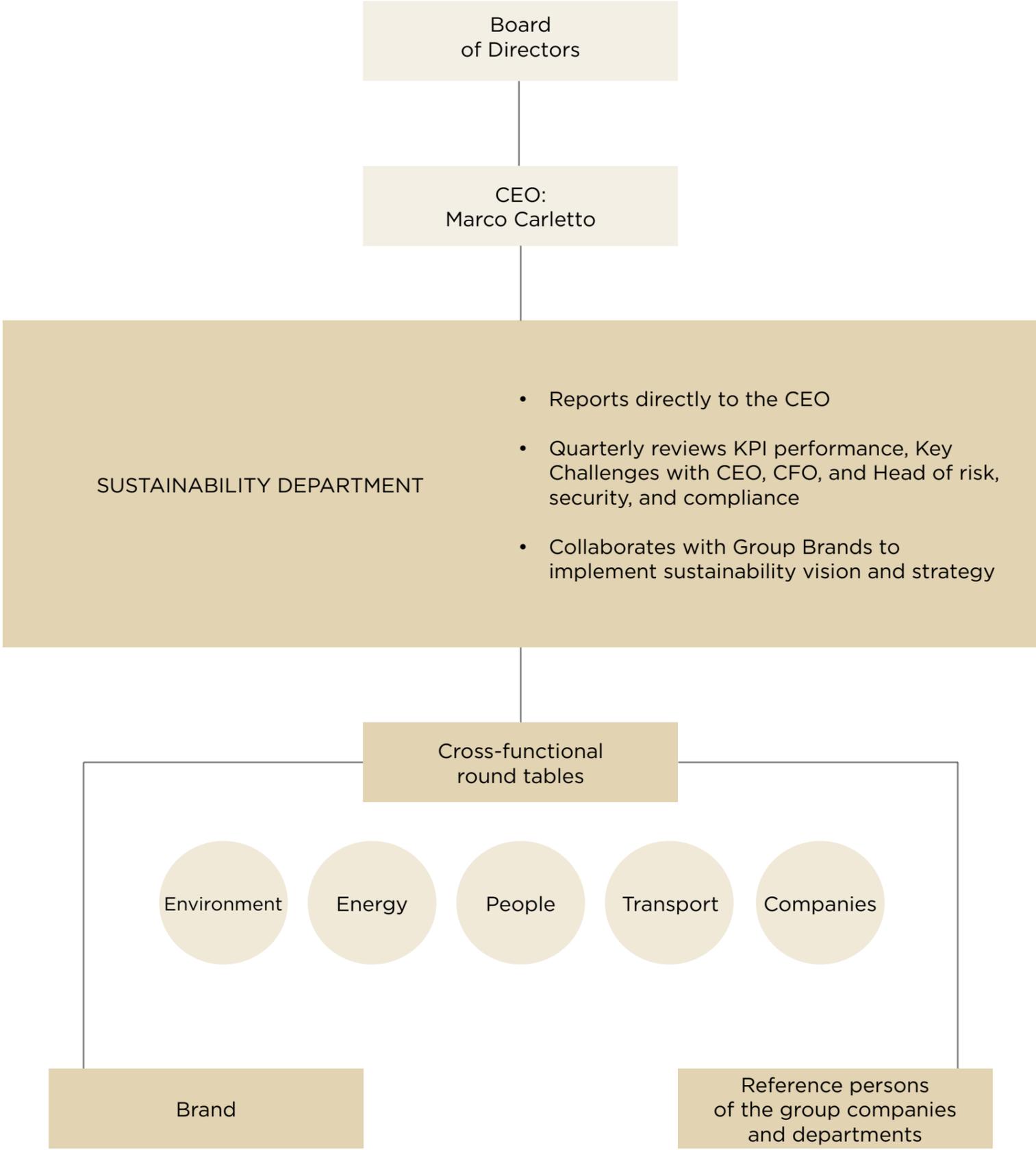
16% of our collections' products contain reduced environmental impact materials. The quantity of products with these characteristics has increased **14-fold as compared with 2020**.

The Sustainability Department

The Sustainability Department answers directly to the Managing Director, who supervises and assesses projects in respect of human rights, social and environmental interventions.

In general, the department is responsible for promoting the commitment to the Sustainable Development Goals and relations with stakeholders in the sustainability area.

In 2021 too, functional round tables were organised, which represent operative committees investigating the main topics of sustainability for the Group: the environment, energy, people, transport and society. These opportunities for dialogue involved the department and production plant managers, with a view to guiding and aligning the company's efforts in respect of the matters considered most urgent and important.



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 together 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 Action 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 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 Group milestones

The Group has avoided approximately 29,984 tonnes of CO_{2e} through the purchase of renewable energy and 776 tonnes of CO_{2e} thanks to the production of electricity by its photovoltaic panels. In all, therefore, 2021 saw the Group consume 60% of electricity from renewable sources and it has set itself the target of making this 100% by 2025.

Our clothing collections increasingly use low environmental impact fabrics. In 2021, low environmental impact fabrics account for 17% of the total, a rise of 12% on 2020. The incidence is set to increase in order to achieve the goal of 25% by 2025.

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 in order 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. This is why the coalition has supported the adhering companies by organising theoretical webinars to increase understanding of the topic. In addition to this, the Fashion Pact has created 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 Group milestones

The Group is acting in two different ways on biodiversity. On the one hand, it has collaborated with various associations on reforestation projects, planting more than 300,000 trees across the globe and on the lands owned by the Group, yielding biodiversity benefits, supporting local communities and helping absorb CO₂ from the atmosphere. The second direction taken is that of using paper and cardboard obtained from controlled chains, so as to discourage deforestation. In 2021, 92% of these materials used in packing and packaging came from FSC certified chains, of which at least 18% was completely recycled.

OCEANS

The coalition objectives

- We undertake to eliminate “disposable 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 Group milestones

In 2021, 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 423,210 kg plastic.

Analyses are also in progress of the limitation to the dispersion of microfibres when dyeing synthetic fabrics and using and washing items of clothing.

Relations with our stakeholders

The Calzedonia Group 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 allow 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 Fiber Alliance (SFA)
- Cashmere & Camel Hair Manufacturers Institute (CCMI)
- Sri Lanka Apparel
- Cluster Made in Italy

2021 marked an important new participation: the Group’s adhesion to Cluster Made in Italy, an association that promotes research in design and circularity.

Tool and methods of interaction with the main stakeholders					
STAKEHOLDER	EXAMPLES OF STAKEHOLDERS	MEANS OF COMMUNICATION	FREQUENCY	OBJECTIVES	COMMITMENT
OUR PEOPLE	<ul style="list-style-type: none"> • Store staff • Factory staff • Office staff 	<ul style="list-style-type: none"> • Training • Internal communication • Meetings 	<ul style="list-style-type: none"> • Constant • Constant • Constant 	<ul style="list-style-type: none"> • Motivation • Sharing of principles and strategies • Training 	<ul style="list-style-type: none"> • Respect for rights and equal opportunities • Adequate remuneration • Services to improve life
OUR CUSTOMERS	<ul style="list-style-type: none"> • Store customers • On-line customers • Potential customers 	<ul style="list-style-type: none"> • Customer service • Physical and on-line stores • Social networks 	<ul style="list-style-type: none"> • Constant • Constant • Constant 	<ul style="list-style-type: none"> • Loyalty satisfaction • Understanding requests and assistance • Rapid response to market demands 	<ul style="list-style-type: none"> • Customer satisfaction • Switch to a fully integrated omnichannel system
SUPPLIERS	<ul style="list-style-type: none"> • Companies in contact with the Group supply chain • Supplier employees • Third party manufacturers 	<ul style="list-style-type: none"> • Meetings • Visits to suppliers • Accreditation 	<ul style="list-style-type: none"> • Constant • Occasional • On request 	<ul style="list-style-type: none"> • Supplies of adequate products at fair prices • Sharing of the Code of Ethics 	<ul style="list-style-type: none"> • Promotion of advanced quality and environmental standards • Respect for human rights and international standards in terms of quality of work
COMMUNITY	<ul style="list-style-type: none"> • Non-profit entities or foundations • Public administrations • Universities • Civil society 	<ul style="list-style-type: none"> • Meetings with the heads of local communities • San Zeno Foundation • Meetings for sponsorships or contributions 	<ul style="list-style-type: none"> • Constant • Constant • On request 	<ul style="list-style-type: none"> • Optimise the capacity to intervene 	<ul style="list-style-type: none"> • Contribute towards promoting social and economic development • Support activities for the young
ENVIRONMENT	<ul style="list-style-type: none"> • Ecosystems of the areas in which we operate • Government • Environmental protection organisations 	<ul style="list-style-type: none"> • Technical engineering offices • Board of Directors 	<ul style="list-style-type: none"> • Constant • Periodic 	<ul style="list-style-type: none"> • Constantly improve environmental practices • Identify adequate KPIs 	<ul style="list-style-type: none"> • Quality in respect for the environment • Reduction of the impact of our business • Recycling • Waste reduction

Our attention to customers

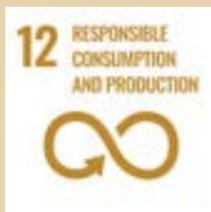
Customer satisfaction and excellence of service

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 the Group, 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.

SDG - the Calzedonia Group's contribution



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.

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 35 countries for the Intimissimi and Calzedonia brands, 29 for Tezenis, 22 for Falconeri and 1 for Signorvino.

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.

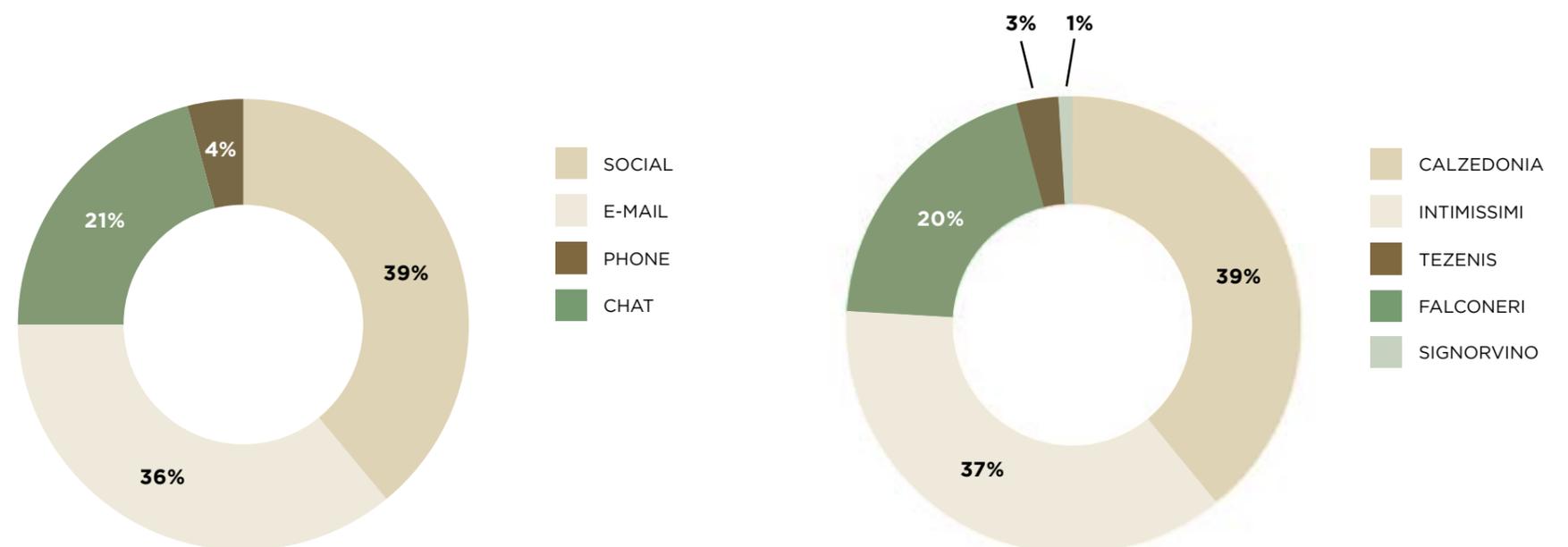
Starting June 2020, a new method has been introduced to assess interaction with customers: this latter, in fact, assesses our customer service from 0 to 10 after each contact. The table below shows the objectives set by the Group and the assessments effectively achieved.

	Objective	2020 Result	2021 Result
Chat	8	7,7	8,5
Webmail	8	6	6,7
Chatbot	6	3,7	4,1

An improvement is seen on last year’s results in all manners of interaction analysed, which reflects a constant effort to improve the services offered. The discrepancy in the score of the chat and that of webmail is due to the response time to customers; immediate for chat and a few hours for webmail. As regards the chatbot system, on the other hand, 60% of dissatisfied customers do not appreciate the conversation with the bot. In addition to this, following research carried out on all markets and a sample of 1000 dissatisfied customers, only 30 had criticised the assistance service. The remainder criticised the delivery service and return and refund practices.

The graphs below show 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.



ALWAYS ON/GENERAL INTERCEPT/THANK YOU PAGE			
BRAND	# FEEDBACKS 2021	NPS 2020	NPS 2021
Calzedonia	166.964	57.2	63.3
Intimissimi	127.767	60	62.3
Tezenis	92.657	51.1	54.6
Falconeri	12.869	-	58.5

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

For the Intimissimi brand, a survey (Loyalty post purchase) has remained active in Italy, and been activated in all other countries in which the loyalty system operates, 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	
2020	2021
# feedbacks: 66.700 NPS: 75.7	# feedbacks: 213.680 NPS: 71

The result denotes a worsening of 4.7 points on last year. As can be seen, compared with 2020, the number of feedback entries received has increased considerably. This growth causes the score to stabilise that, although below that of last year, is still a very good result. An NPS of 71 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 our most regular customers, as a gauge 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 2021, 443 complaints were made regarding: product quality, social topics such as inclusivity and diversity, working conditions of employees, 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 allegedly fake news.

All 443 complaints were solved during the year with 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 the company 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, rethought 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 5,000 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 35 countries for the Intimissimi and Calzedonia brands, 29 for Tezenis, 22 for Falconeri and 1 for Signorvino.

The Calzedonia Group websites are reached by a total of approximately 1 million visitors a day, who on average download 1.8 million product sheets per day, thereby

confirming the desire to stay in contact with the looks that the company proposes and renews each week. In 2021, a new application was introduced for the Tezenis brand in 7 different countries. This solution allows for interaction with customers through gamification processes, which at the same time make the purchasing process simpler and more interactive.

The Calzedonia Group has always interpreted e-commerce not as a channel in competition with the stores but as a manner by which to improve the customer experience with an all-inclusive approach that allows the customer to examine and assess our products, regardless of the manner by which they intend to buy.

The e-commerce channels are 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 pick-up” service available in 26 different countries, through which the customer can choose a store from which to collect their on-line order. In order 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. In order to optimise CO_{2e} emissions, the Group has analysed the most virtuous delivery method. The aim is to suggest to the customer which service is best according to the distance from the

nearest store. The analysis performed has revealed that in-store collection is the solution with the least environmental impact if the customer is within a 15-minute walk of the store or if the trip to the store is not the only purpose of travel.

For the second half of 2022, 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.

CALZEDONIA AND THE “CLEAN BEACHES” MISSION

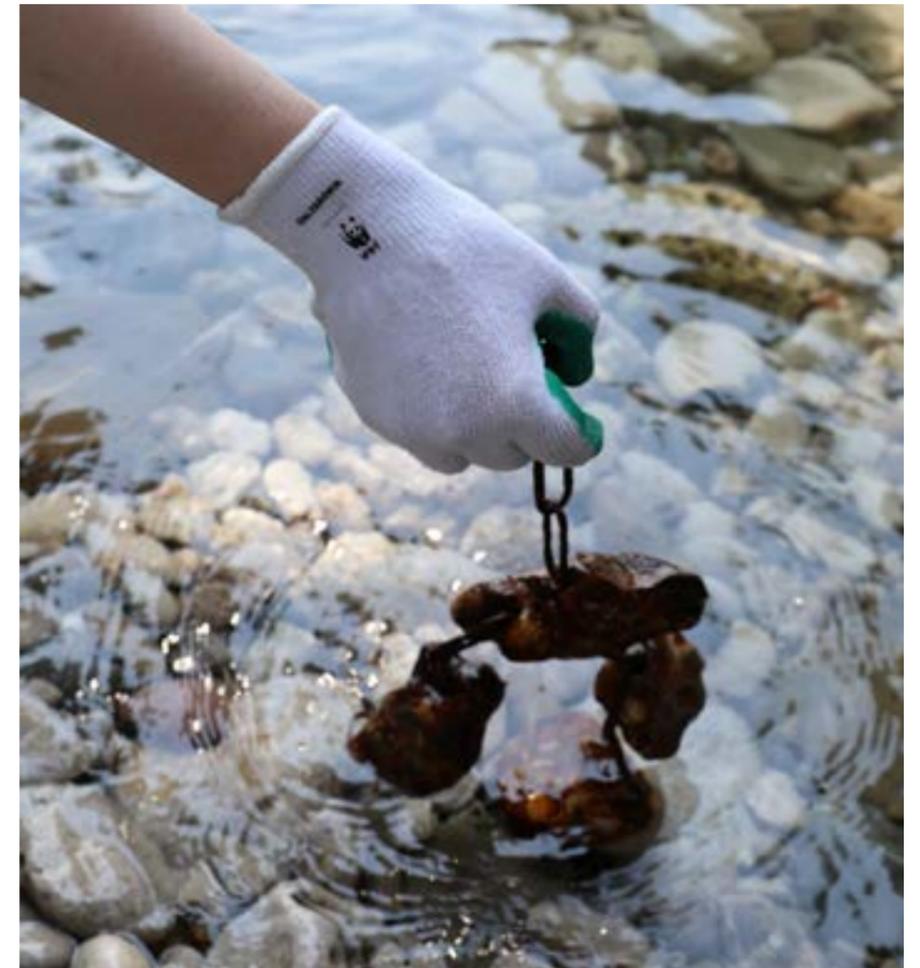
The shared commitment of Calzedonia and WWF gave rise in summer 2021 to the #missionespiaggepulite (#together4thecoasts). The initiative involved hundreds of WWF volunteers and Calzedonia employees, and many others besides. The brand’s customers also took part in the activities, choosing from more than seventy different locations throughout Italy, giving rise to more than 100 cleaning activities following the incredibly enthusiastic response. By consulting a map visible from the Calzedonia e-commerce website, customers were able to find out all about the events organised and sign up, choosing from days spent cleaning the beaches - as well as shores of rivers and natural areas for those further away from the sea - and days where professional scuba divers were used to clean the sea beds. The project was officially opened in the natural park of Miramare in Trieste and ended up by cleaning more than a million and a half square metres of beaches.

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 aims to improve its relations with customers by activating services to monitor customer satisfaction on- and off-line after purchase. We have also extended 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, coupons and recycling vouchers.

Data security and protection

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

In going about its business, the Calzedonia Group 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.

Going hand-in-hand with the digital development of the Group's brands, the cybersecurity aspects are becoming increasingly important. The efforts made by the Data Protection and Cybersecurity Department come under four areas:

- security baseline
- access and identity management
- incident detection and response
- business continuity

More specifically, in 2021, in regard to data protection matters, the effectiveness of data protection rights has been strengthened on the basis of the GDPR. To this end, within the Group's customer services, a dedicated team has been established to process consumer data protection requests. This team is coordinated by the Data Protection Department of the Group's central site and, in 2021, handled a total of 2,764 requests.

A project is also in progress aiming to improve the capacity to detect and respond to cybersecurity incidents, thanks to preventive analyses and training services.

In 2021, one privacy breach and customer data loss was recorded. Following the report, considering the type and quantity of data involved in the data breach, the Italian Data Protection Authority was notified, in accordance with the provisions of the GDPR.



NATAL A MEIAS

For the fifth year running, the Calzedonia brand in Portugal 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".

For each Christmas-themed sock sold, half of the price was donated to buy fire-fighting vehicles, ambulances and personal protection uniforms. An approximate total of 307,000 euros was donated.

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.

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, YouTube and Tik Tok, offering ever new digital contents that can make the most of the full potential offered up by these new media and involve customers.

Thanks to the involvement of internationally-famous influencers, including our brand ambassador Chiara Ferragni, Calzedonia and Intimissimi ensure the constant engagement of their communities.

The Tezenis brand, on the other hand, has upheld the world of music, digital and talent, communicating through representatives of the calibre of Rita Ora, taking part in the most important musical festivals worldwide, like Coachella, and actively overseeing the world of social networks and the most important influencers.

Atelier Emé has chosen to focus on digital communication with a major presence on the main social networks, creating involving, dynamic contents that describe the unique nature of the collections, also thanks to the support of it girls and celebrity wives, cultivating an increasingly emotional engagement with users through the tales of the real wives.

Another aspect of major interest to the promotion of

2021 NEW REGISTRATIONS				
CALZEDONIA LOVER	MY INTIMISSIMI	TEZENIS TALENT	FALCONERI CLUB	SIGNORVINO WINE LOVER
3.389.866	2.370.030	489.807	167.129	48.028

our brands is that linked to sport and athletes. This topic concerns a considerable portion of the promotional activities and sponsorships for Falconeri. The brand, in fact, has always stayed close to sports with a close link to nature, supporting international talent mainly in skiing, golf and sailing.

Intimissimi Uomo, the Group's latest challenge, gained immediate standing on the communication scene with a multi-channel approach. An area of major interest for the male target and new generations, sport is another key point in the Intimissimi Uomo marketing strategy, which since 2019 has been Official Sponsor of the Giro d'Italia.

Signorvino combines a multi-channel strategy, seeking to make best use of both on- and off-line, including social networks and the press, an inevitable point of reference in the food & wine world. With the aim of promoting the format generically, besides activities and promotions, collaborations have been launched with important influencers in both the industry and other segments (such as lifestyle, travel and fashion).

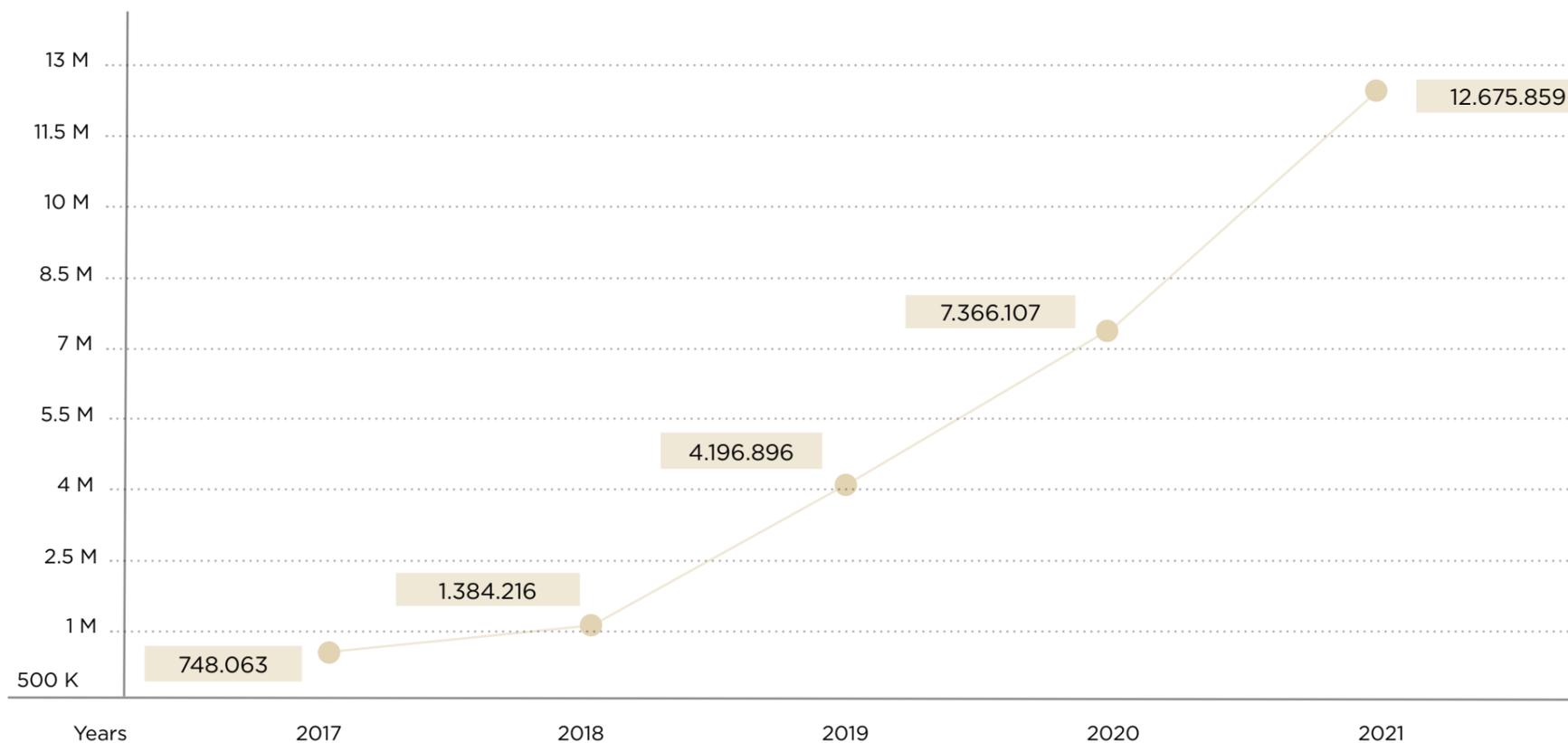
In 2021, the Group received five reports of non-conformities relating to communications and marketing. Three disputes resulted in the payment of a fine or sanction and mainly regarded disputes for the breach of intellectual property rights and problems tied to advertising. In the other two cases, a reply was given respectively by updating the T&Cs and modifying the social contents as envisaged by the contractual commitments.

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. In 2021, the Tezenis loyalty programme was launched, baptised "Tezenis Talent".

Total registration with the loyalty channels



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 depending on the status the customers have achieved 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 of clothing.

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 been encouraged in Group stores, pursued with greatest continuity in the Intimissimi brand stores but also promoted by Falconeri and Calzedonia.

The project envisages the delivery to a store of at least 5 items of clothing of any brand (tops, pyjamas, briefs and bras) for recycling or reuse. In exchange, for each item delivered, a voucher is given to be spent on in-store purchases.

After the break imposed by Covid-19, in spring 2021, Intimissimi resumed its collaboration with the NGO "HUMANA People to People Italia", to which the items collected were donated in order to finance charitable projects. In autumn 2021, the clothing collection campaign also involved the Tezenis brand.



CLOTHING DONATIONS 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 and Tezenis have 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 state 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 in order 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.

SDG - the Calzedonia Group's contribution



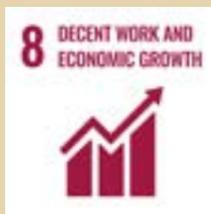
The physical and mental health of our people is at the heart of our attention. The Calzedonia Group strives to ensure that all its employees, from whatever their geographic origin and social extraction, have access to basic healthcare. In the poorest countries in which we operate, this is supplied directly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



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



The Calzedonia Group 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 sites 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 they live, not only of our companies.

Breakdown of staff

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

The Group's business values, namely vision, passion, concreteness, collaboration and a focus on results, are an expression of our work ethic and govern the activities and relations within the company.

As at 31.12.2021, the number of workers employed in Group companies totalled 40,740 people, up 7.1% on 2020. This increase is mainly due to the resumed activity after the health emergency and the constant investments made by the Group.

Employees by employee category and gender (no.)

	2019			2020			2021		
	Men	Women	Total	Men	Women	Total	Men	Women	Total
Top-level managers	67	43	110	75	44	119	75	56	131
Managers reporting to the top level	205	303	508	210	306	516	196	290	486
White-collar	472	1.365	1.837	676	1.516	2.192	557	1.736	2.293
Sales staff	130	885	1.015	106	857	963	136	945	1.081
Store staff	375	11.702	12.077	376	11.011	11.387	540	12.312	12.852
Blue-collar	2.439	20.675	23.114	2.370	20.463	22.833	2.372	20.021	22.393
Total	3.688	34.973	38.661	3.813	34.197	38.010	3.876	35.360	39.236

The most represented professional category is blue-collar labourers (57%) followed by store staff (33%).

We have always appreciated the contribution made by women in our Group. Indeed, women account for 90% of our workforce.

It should be noted that a total of 39,236 employees are analysed in the following tables; the difference is due to the temporary closure of the production plant in Ethiopia, which in 2021 was inoperative as a result of the current civil war.

It should be noted that the table also refers to factory employees, who make up the majority of the Group's supply chain.

Employees by employee category and age bracket (%)

	2019			2020			2021		
	<30	≥30	Total	<30	≥30	Total	<30	≥30	Total
Top-level managers	-	0,3%	0,3%	-	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%	0,1%	1,2%	1,3%
White-collar	1,8%	3,0%	4,8%	2,3%	3,5%	5,8%	2,0%	3,8%	5,8%
Sales staff	1,3%	1,3%	2,6%	1,1%	1,5%	2,5%	1,0%	1,8%	2,8%
Store staff	23,5%	7,8%	31,2%	21,3%	8,6%	30,0%	22,7%	10,0%	32,7%
Blue-collar	32,0%	27,8%	59,8%	33,7%	26,3%	60,1%	29,8%	27,3%	57,1%
Total	58,7%	41,3%	100%	58%	42%	100%	55,6%	44,4%	100%

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 30 for women). As regards the distribution of employees by professional category and age bracket, in 2021 most store staff and blue-collar labourers were aged under 30, whilst management employees were mainly in the higher age bracket.



2021 employees by contract type and gender (no.)

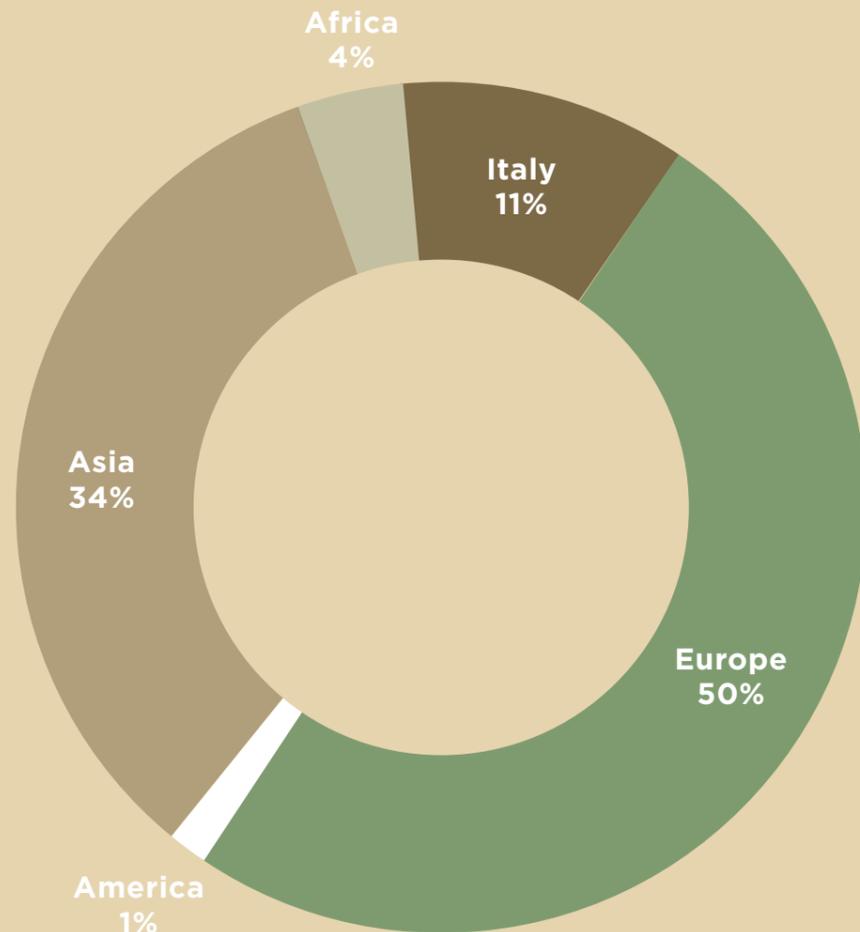
	Permanent contract (PERM.)			Fixed-term contract (F-T)			Total
	Men	Women	Total	Men	Women	Total	Total
Italy	876	2.618	3.494	218	774	992	4.486
Europe	1.148	14.604	15.752	229	4.355	4.584	20.336
America	52	475	527	3	28	31	558
Asia	1.298	12.373	13.671	28	76	104	13.775
Africa	18	42	60	6	15	21	81
Total	3.392	30.112	33.504	484	5.248	5.732	39.236

At the time of signing the contract, each employee is informed of all the conditions relating to his or her employment relationship with the group (duration, grounds for dismissal, notice period and internal regulations) and is given a copy of the contract in a language he or she can easily understand.

For the Calzedonia Group, it is important to establish lasting, stable contracts of employment and this is confirmed by the percentage of employees with permanent contracts (85%); this percentage is in line with 2020. Instead, there is only a small portion of trainees and temporary workers. More specifically, in 2021, the Calzedonia Group used 160 trainees. As at 31.12.2021, the number of Group employees with disabilities was 2,876.

As instead regards geographical distribution, most Calzedonia Group employees are in Europe (50%, excluding Italy), followed by Asia (34%) and Italy (11%), while the other employees are in Africa (4%) and America (1%).

2021 employees by geographical area



Ethnic breakdown by number of employees

	Italy	Europe	America	Asia	Africa
Top-level managers	100	26	2	3	-
Managers reporting to the top level	193	221	22	50	-
White-collar	1.017	944	69	262	1
Sales staff	351	643	37	48	2
Store staff	1.776	9.931	406	682	57
Blue-collar	1.049	8.571	22	12.730	21

The breakdown of work by nationality of our employees reveals how the number of employees, sales teams and sales staff is proportional to the number of stores present in the geographic area. Instead, the number of level one and two managers is less diversified. Note there are no employees of the Ethiopian factory.

In 2021, more than 23,750 new employees were hired, of whom 79% 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, 21,951 employees left the Group during the year, most of whom fall within the under-30s age bracket (approximately 80% of the total). The search for profiles is carried out both through external searches and, for preference, internal job rotation or vertical growth.

In 2021, turnover rose by approximately 5% on 2020. The reason for the decrease seen from 2019 to 2020 was mainly due to the Covid-19 pandemic, which called for the closure of many businesses, limiting the number of terminations of employment and new hires. If we therefore compare 2019 with 2021, which were more stable years, a declining trend can in any case be seen. In addition, this

year too the figure is impacted by the lack of data from the factory established in Ethiopia, due to the civil war ongoing there since late 2020. 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	
	Men	Women	Total	<30	≥30
2019					
Employment rate	29,9%	72,9%	68,8%	98,3%	26,9%
Termination rate	23,6%	66,1%	62,1%	88,3%	24,8%
2020					
Employment rate	21,1%	52,9%	49,7%	64,2%	29,2%
Termination rate	19,2%	54,6%	51,1%	64,3%	32,4%
2021					
Employment rate	29,7%	63,9%	60,5%	86,4%	28,1%
Termination rate	26,4%	59,2%	55,9%	80,2%	25,6%

Turnover by geographic area (%)

	Italy	Europe	America	Asia	Africa
2019					
Employment rate	39,1%	78,6%	96,9%	64,1%	61,3%
Termination rate	34,9%	70,8%	91,7%	59,9%	36,7%
2020					
Employment rate	25,2%	59,3%	79,2%	47,8%	0,1%
Termination rate	27,2%	59,8%	75,6%	50,5%	0,1%
2021					
Employment rate	34,2%	67,1%	88,9%	58,1%	86,4%
Termination rate	29,5%	60,4%	86,2%	56,7%	60,5%

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 2021, part-time was paid to approximately 11% of the total workforce, used in 90% of cases by women; these figures are in line with recent years.

Our group is made up of people, and to protect them, we are committed to ensure proper working hours and proper breaks so that our employees can get appropriate physical and mental rest through access to;

- Daily breaks that can be enjoyed in dedicated break corners
- Canteen services
- Access to holidays on the national calendar. To our employees we reserve the possibility of using other vacation days to take advantage of extended rest periods by combining holidays and weekends
- Other days not included in the national holiday calendar may be provided by the different business locations
- Annual leave, daily and hourly leave

We also provide our employees with tools, digital (HR - ERM Portal) in most cases or alternatively analog, that allow the individual worker to monitor entries and exits from the workplace and have access to the history of this information. Through these tools our workers can check the amount of hours and days of leave available, of what they have already used and proceed with new leave/vacation requests to their supervisors. In cases where the employee is in a position for which maternity or parental leave may be required, the employee is given the opportunity to view all information and policies related to this issue and to view the remaining amount of hours, days and weeks and what has already been used.

Employees by type of employment (no.)

	2019			2020			2021		
	Men	Women	Total	Men	Women	Total	Men	Women	Total
Full-time	3.526	29.805	33.331	3.634	29.943	33.577	3.724	31.138	34.862
Part-time	162	5.168	5.330	179	4.254	4.433	152	4.222	4.374
Total	3.688	34.973	38.661	3.813	34.197	38.010	3.876	35.360	39.236

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 2021, the percentage of Group employees covered by collective bargaining agreements was 26% . This percentage considers employees of the owned factories, which alone account for the manufacture of 82% of the items sent to stores.

The number of employees covered by a collective agreement is 20%, which becomes 10% considering only the Group’s supply chain. The figure is influenced by the fact that the company works in many countries where collective agreements do not yet exist.

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

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 sites, there is a Regional HR, which, in dividing up the countries in which the Group operates, supervises the work of the branch Local 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 the Group 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 employer and internal branding strategy has the aim of constructing a solid corporate reputation to attract new talent and, at the same time, engaging its community of employees, consolidating the sense of belonging to the Group. All activities are agreed between the HR Area and the Communication and Image Department and the main institutional channels used are the corporate website, LinkedIn and the corporate newsletter. Internal and external communication are very much interconnected and envisage the involvement of employees as the protagonists of the various productions, for a true presentation of the Group. The newsletter is the main internal communication tool of the Calzedonia Group, designed to provide all employees with periodic updates on the company, its main milestones and news. An increasing number of activities and events organised by the brands aim to directly involve employees, having

them feel a part of their identity and mission and at the same time, strengthening the sense of belonging and relations with the brand. Team building events and opportunities are organised, including locally by the various sites and countries, to increase the bond with the Group and collaboration by all.

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 the Calzedonia Group, 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 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.



TEAM BUILDING WITH ALBERITALIA

The benefit of trees in respect of the environment is now common knowledge, and even more so for the communities, if the trees are planted in urban areas. In addition to absorbing CO₂, in fact, trees improve the quality of the air and limit summer temperatures.

This is why, in 2021, due to the Group's plans to reduce the environmental impact, team building events were organised to connect the desire to strengthen teamwork with attention paid to the environment around us.

During the two events, approximately three hundred employees planted more than 700 trees in the two logistics poles near the head office.

The collaboration with Alberitalia was essential, not only in defining the various tree species best suited to the soil, but also to managing their growth in the years to come.

The event began with a presentation of the benefits of trees in the ecosystem and, above all, in the urban zones. The founder of Alberitalia explained to employees just how reforestation can be an effective way of fighting climate change, but only if flanked by an integration of sustainability practices in personal and working lives.

Following this, each employee was then able to plant various trees, working with their colleagues, covering an area measuring approximately 15 thousand square metres. The areas will become green areas for our employees and the children in the company nursery schools.

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 56 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 (since 2019, the company has been using the HCM SAP Success Factors software, adapted to the specific needs for the performance & goals and compensation modules). 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 his manager. During these feedback meetings, the employees can establish, by agreement with their managers, the objectives for the next six months.

The incidence of employees receiving periodic performance assessment is in line with that seen in 2019 and 2020. We can see, however, a drastic reduction in the “Blue-collar” category, due to a new reporting method, which is now more precise.

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		2021	
	Men	Women	Men	Women	Men	Women
Top-level managers	100%	100%	97%	97%	100%	98%
Managers reporting to the top level	100%	100%	100%	100%	100%	93%
White-collar	100%	99%	97%	96%	90%	99%
Sales staff	100%	100%	100%	97%	87%	91%
Store staff	-	-	-	-	-	-
Blue-collar	76%	69%	76%	64%	48%	18%

Staff training

The Calzedonia Group 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.

Starting 2020, due to the lock-down conditions diffused in many countries worldwide and to limit the spread of Covid-19, employee training courses have been redesigned to take place through the digital channel. The technological

influence in the training processes continued into 2021 too, when, however, the first in-person events resumed, post-pandemic.

Alongside institutional training, regulated by current laws and delivered at certain points in the employee’s corporate life (for example, for new employees, anti-bribery, 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, business, for employees of the corporate area, and production, intended for factory staff.

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 technical training, intended for factories, is organised in a capillary manner, by each plant, and delivered to employees by specialised training professionals. The aim of these courses is to guarantee cover of all skills necessary to maintain excellent quality levels, efficiency and safety in plant operations.

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 basics of the core business and corporate values.

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 activities and internal communication.

The third training area consists of a process improving leadership style, team management, communication techniques and conflict management, intended for the main branch, retail, product and production managers. Being the closest category to the business decisions, it is the most exposed to possible corruption attempts, which is why during the training courses emphasis is placed on attention to the topic of anti-corruption.

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

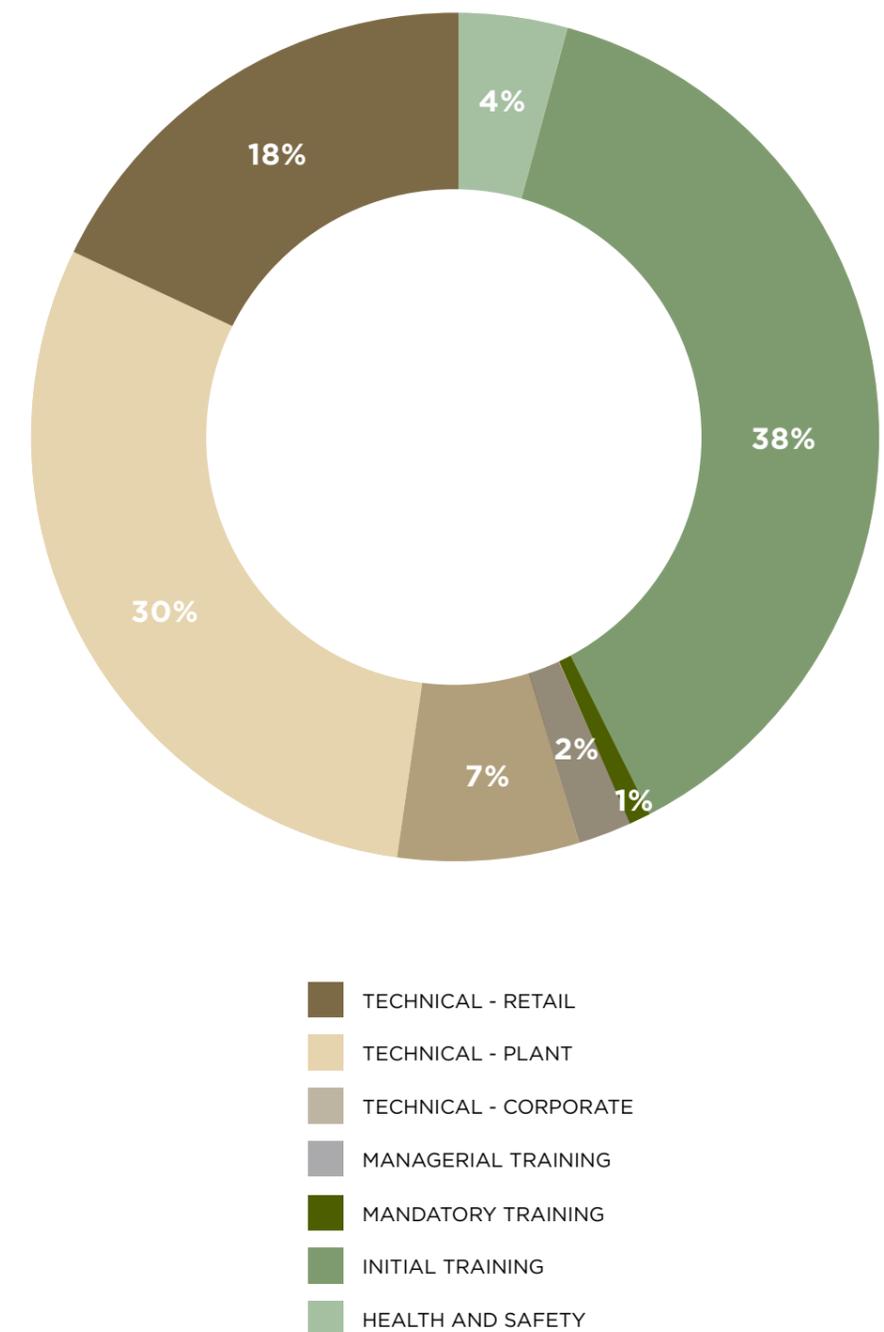
In 2021, staff of the commercial branches, Italian companies and production plants benefited from more than 252,576 hours of training for retail, health and safety, mandatory training linked to recruitment contracts, business corporate and managerial training, technical-specialised training and language courses through classroom teaching or smart methods, divided up as shown below.

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.

Starting 2017, for new economics, computing and engineering graduates, a full-time training path is offered called “SAP Consultant Academy”, prior to training profiles for the SAP teams of the IT Area. In 2021, two new academies were created for communication and style. These training projects aim to connect the academic world with the practical world of work, immersing participants right from the outset in the company atmosphere.

The Group did not consider it necessary to develop programmes to assist employees with the management of the final stage of the career in the near future, insofar as 55% of Group employees are aged under 30.

2021 hours of training by type



The Sri Lanka branches, confirmed as our important hub of knowledge and excellence, each year guarantee specialisation courses, free of charge for employees. 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 head 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 9% lower than that of men.



Gender gap salary indicators³

	2019		2020		2021	
	Remuneration	Salary	Remuneration	Salary	Remuneration	Salary
Managers	121%	121%	93%	123%	118%	122%
Top-level managers (without managers above them)	115%	103%	79%	83%	78%	86%
Managers reporting to the top level	85%	91%	81%	85%	70%	84%
Other employees (office employees)	73%	85%	77%	87%	77%	85%
Other employees (sales staff)	87%	100%	90%	98%	86%	98%
In-store employees	82%	99%	88%	102%	97%	104%
Blue-collar	80%	86%	76%	83%	79%	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 recent years’ figures, 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”.

“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 and unspecialised labour tend to be carried out by women. The change in the value recorded in 2021 as compared with 2020 is not significant.

The ratio of the salary of employees working in stores remains balanced and constant as compared with 2020.

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

³ - 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. The salary is calculated by the ratio of the average salary of men and women; if the average is less than 100%, women receive lower salaries. Instead, analysis by remuneration also takes into account a monetary assessment of employee benefits.

WOMEN'S EMPOWERMENT

The Calzedonia Group has always been considered a female business with 90% 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 Lanka, 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.

The Calzedonia Group 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;
- personal on-line purchases collection and distribution service;
- free charging of electric cars to encourage the transition towards lower emission vehicles.

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 in



the morning and length of lunch breaks, making up the hours in the evening if so preferred. In addition, smart working has been confirmed for one or two days a week (depending on the department), to allow the employee to work with greater flexibility and thus assure a better work-life balance.

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 for children of single-parent employees working in the company.

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, the Group 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 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 2021 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 sites 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 2021, 23 complaints were investigated in the workplace, of which 17 were solved within the year and 6 are still being analysed; 2 cases of discrimination involving a few Group employees, were also 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.

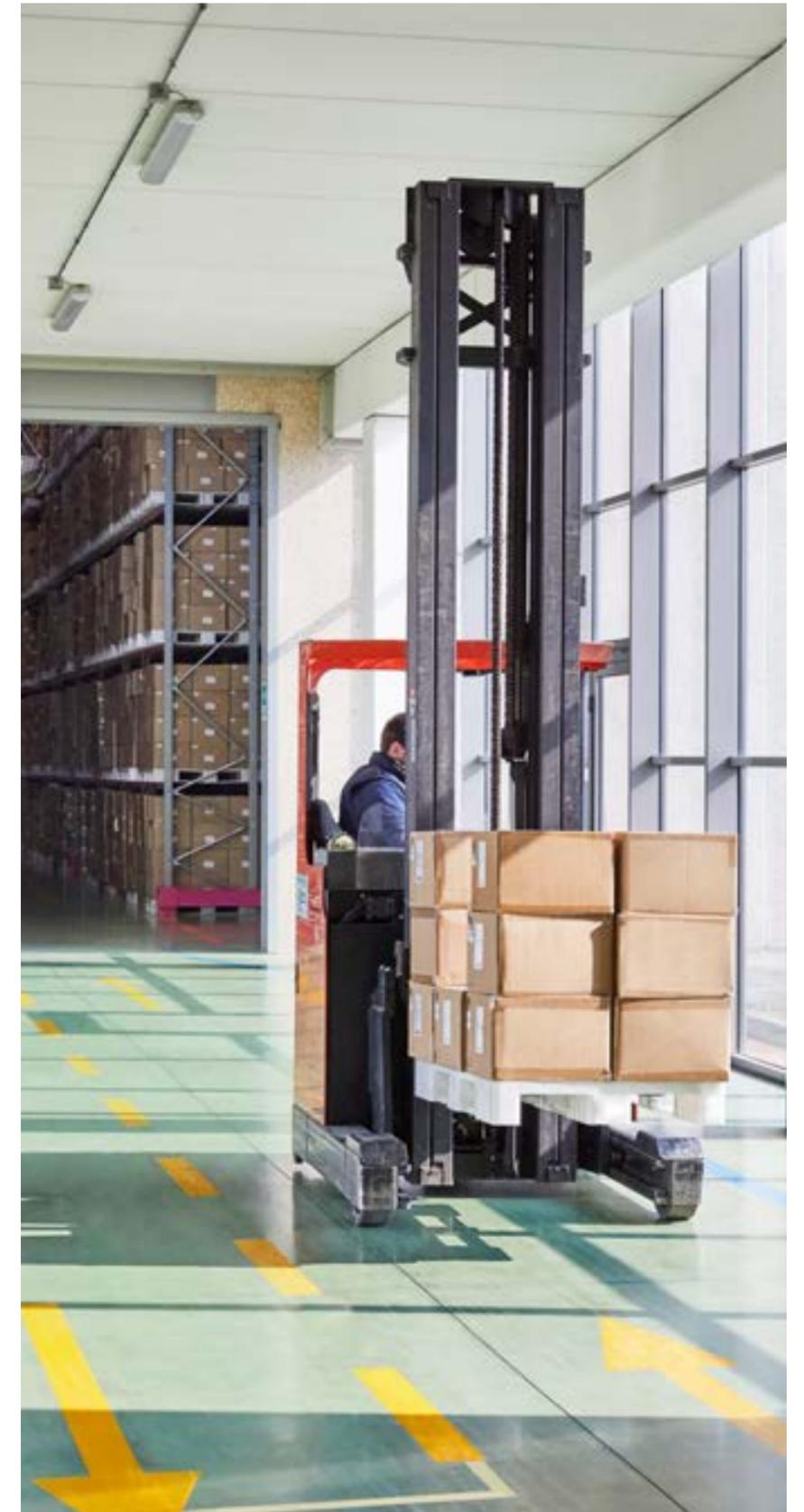
Each Group company also prepares a training plan that covers both general training and more specific in connection with work-related risks and risks intrinsic to the activities carried out and potentially dangerous situations.

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, 92% of injuries take place in production plants and include minor injuries, such as needle pricks, etc.

In 2021, a total of 2,327 injuries occurred at work (98%) and while commuting (2%); these cases involve 6% of our employees. There are 14 cases of injury with serious consequences recorded during the year.

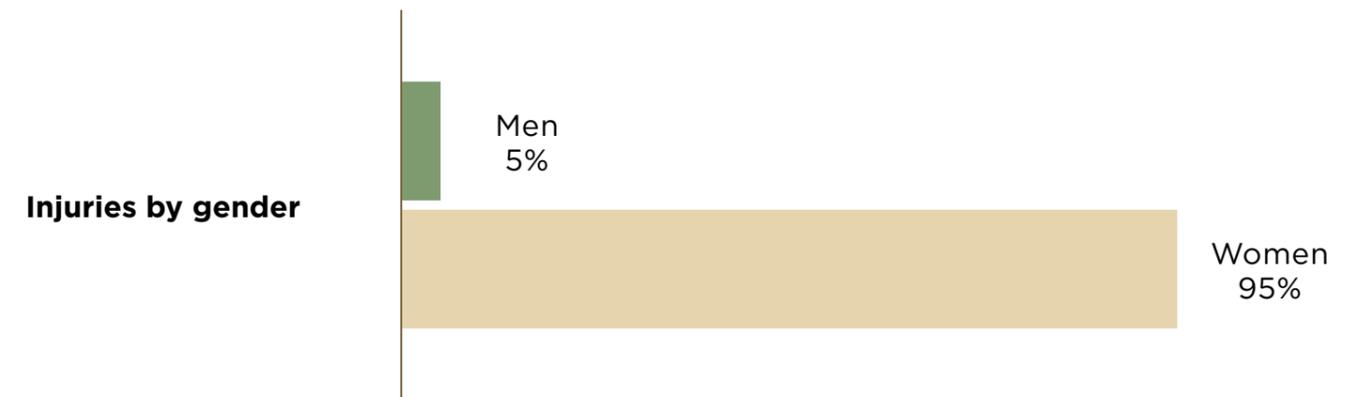
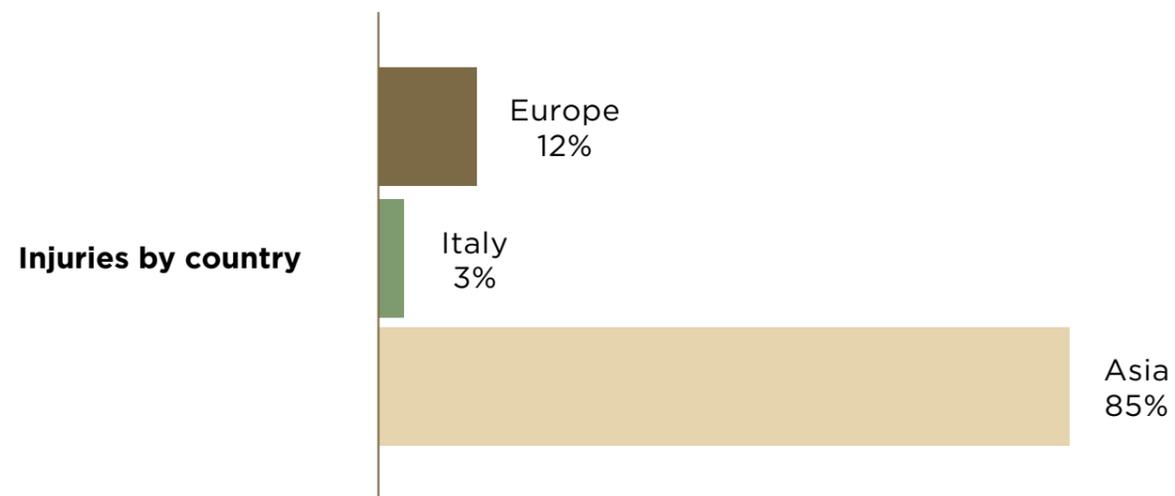
Each time injuries, incidents, near-misses and non-conformities occur, the Safety Management System prepares a procedure regulating how to manage the investigations to be carried out, involving the drafting of a specific report also indicating possible improvements to be made.

The number of injuries in 2021 is similar to that of 2020, however following the greater number of hours worked, the index is lower and records a constant decline, starting 2019, of both injuries and injuries with serious consequences.



Injuries and employee indices

	2019		2020		2021	
	N°	Index ⁴ (%)	N°	Index ⁴ (%)	N°	Index ⁴ (%)
Injuries recorded at work ⁵	2.615	39,15	2.319	42,33	2.327	35,72
Deaths caused by injury at work	0	0	0	0	0	0
Injuries with serious consequences (excluding death)	31	0,46	26	0,47	14	0,21



4 - 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.

5 - 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.

Contribution towards social well-being and the community

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.

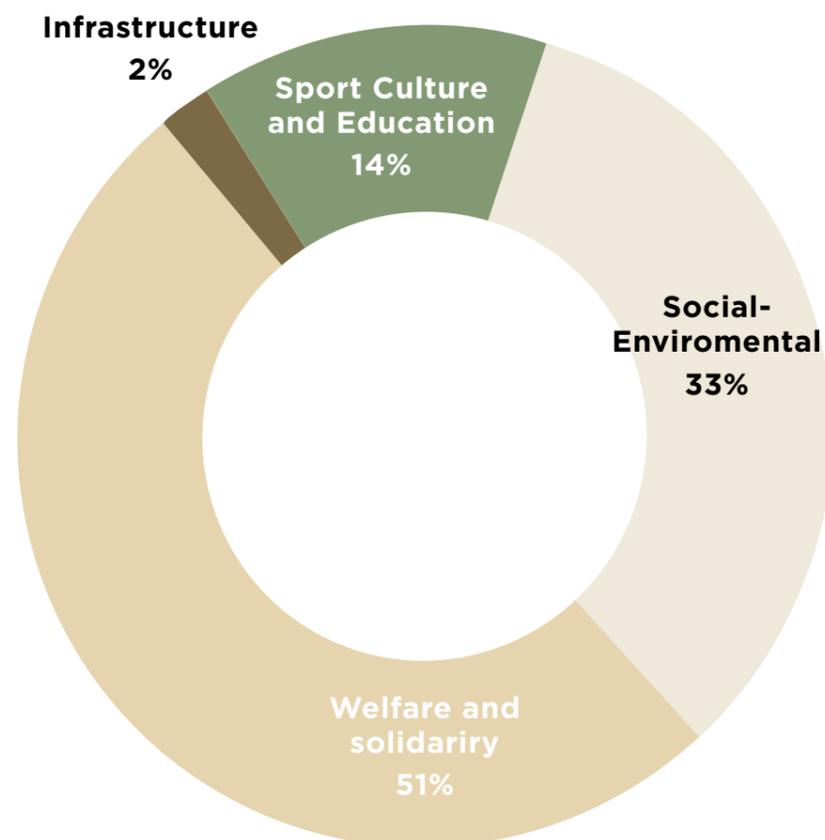
Through the use of corporate resources, the Group offers its contribution towards the support of social, sports, cultural and welfare activities, as well as minor public works, always guaranteeing complete transparency.

Socially, the Calzedonia Group 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 more than 1,400 initiatives, collaborating with more than 500 entities for a total amount in excess of 75 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 2021, the various Group companies donated more than 2.23 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 in excess of 200,000 euros.



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 refugees following tension in Afghanistan and, more generally, support to welfare associations.

Below are some of the most important welfare and solidarity initiatives pursued in 2021.

BENEFICIARY	DESCRIPTION OF INITIATIVE
AVSI FOUNDATION	Open Hospitals Project (€250,000)
OCCHIO DEL RICICLONE-SOC.COOP.	Donation to the “Quimboloa” project for women’s empowerment (35.000€)
UNHCR	Support for refugees in Afghanistan (100.000€)

Social-environmental

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

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

BENEFICIARY	DESCRIPTION OF INITIATIVE
Parley Lanka	Beach cleaning (€42,500)
Parish of Dossobuono	Social purposes (€25,000)

Sport, culture and education

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 the Italian Winter Sports Federation and the Italian Sailing Federation. In addition to the related national teams, Falconeri also supports Fragliavela Malcesine and the Falconeri Ski Team, which respectively promote sailing and skiing in the territory. As regards golf, a sport that is very much tied to nature, the brand has sponsored various golf competitions throughout Italy, which have now become important events on the national golf calendar. The Tezenis brand has supported Scaligera Basket, Verona’s main basketball 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 Nicola Mazza Institute	Support of cultural activities (€150,000)
Arena Foundation	Support of artistic activities (€100,000)

Infrastructure

The Group has taken part in various infrastructural projects intended to enhance the territory, the improvement of hospital structures and donations for restoring certain churches, schools and other places of high historical value.

BENEFICIARY	DESCRIPTION OF INITIATIVE
General Hospital, Vavuniya	Support in the construction of a new hospital (€10,000)



CLEANING OF BEACHES IN SRI LANKA

During the early days of June, off the coasts of Sri Lanka, the cargo ship MV X-Press Pearl sank 14 days after the fire that led to its abandonment. The entity of the emergency was immediately clear: the ship was carrying 28 containers of regranulated plastic chips to be used to manufacture plastic bags, 300 tonnes of fuel oil and 25 tonnes of nitric acid, together with other chemical substances toxic to man and the environment. A state of emergency was declared immediately to fight the biggest environmental disaster of Sri Lanka seen in recent years.

After months of work by the Sri Lanka government and army, various associations also helped in the efforts to clean the beaches of the micro plastics that had spread along 80 kilometres of coastline. These included the Calzedonia Group, which contacted Parley to help a country that involves more than 13 thousand of our employees. In addition to economic aid, aimed at helping assure continuation of the cleaning operations, 50 Sri Lankan Group colleagues also flanked the volunteers in sifting the sand to remove thousands of plastic balls.

San Zeno Foundation



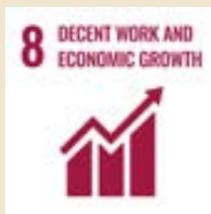
Through the San Zeno Foundation, we support projects aimed at assisting with and developing educational activities in Italy and in countries in difficulty and dedicated to the more disadvantaged brackets of the population.



Thanks to 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 we are committed, including through the work of our Foundation, which supports projects dedicated to training and employment inclusion, to actively helping improve living and working conditions amongst the poorest, most excluded sections of society, contributing towards assuring social dignity and economic solidity for their work, reducing the scourge of poverty in these societies.



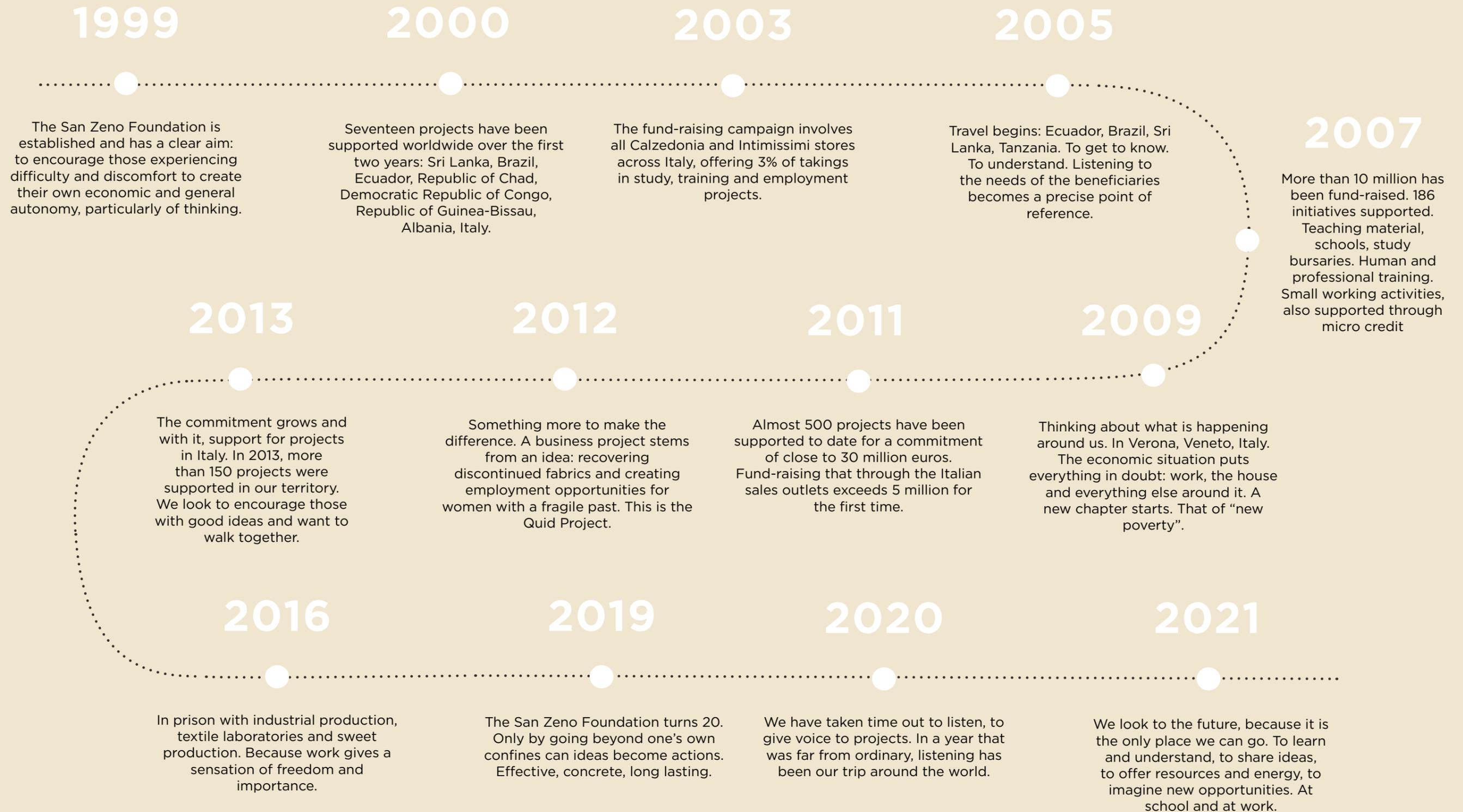
Work is not only a source of income but it also becomes a tool for social inclusion, by which to overcome the obstacles to integration and affirm one's identity. The projects supported by the San Zeno Foundation, through work development, have the ultimate aim of fostering social inclusion and reducing inequalities, helping assure social dignity and economic solidity for their work, reducing the plague of poverty in these societies.



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



EDUCATION PROJECTS

E-VAI

Maestri di Strada

Italy - Naples

Youth social inclusion project based on laboratory teaching, artistic activities, care of relations and activation of communities. Barra, S. Giovanni, Ponticelli are districts of Naples where 3 out of every 10 children fail to complete compulsory schooling. In a bid to contrast this spiral of exclusion, a real educational community made up of educators, psychologists, pedagogues and social parents takes up the challenge of assisting and re-motivating these adults of tomorrow. The expression “maestro di strada” (or “street teacher”) is a short and sweet, metaphorical manner to explain the close interaction with living contexts and the need to build up a relationship with the boys and girls starting from where they are.

The words of Cesare Moreno, Founder and Chairman of Maestri di Strada

“E-VAI - Educazione, Volontà, Accoglienza, Integrazione (Education, Willpower, Welcome, Integration) ... good relations, integration between different learning experiences in the home, on the street and at the school, between formal and informal education, and also, with a play on words in the Italian, a shout of encouragement: EVVAI! (GOOOOOO!) Since 2010, the project has been supporting the boys and girls who in 18 institutes in the outskirts of Naples struggle with a school that is structurally inadequate to the complexity of the deteriorated social context filled with contradictions and multi-problematic families. But also E-VAI where E stands for Electronics, referring to the internet, which has come to the rescue, allowing us to maintain contact with hundreds of students who would otherwise have been entirely imprisoned

and isolated during these two years of pandemic. In this project, theatre, music and visual arts have the task of tearing, with the immediacy of art, the veil of pre-told destinies to show a different life in which an active role can be played. An urban regeneration process hinged on new meaning that people can confer on otherwise insignificant spaces. The most important part of the project is that we term “generative”: it is an entire environment that needs to be reactivated with respect to its destiny. This calls for an educational alliance between the process players - parents, local residents, municipal services and teachers - because paradoxically, it is the young adult in difficulty who, with the help of educators, also helps the adult world take back a role of responsibility. Starting from E-VAI, we have constructed an extensive territorial oversight that covers all schools and educational associations and conveys public and private funding along a single line, constituting a real integrated educational system. Thus the idea was born of regenerating an abandoned school building, undertaking to restore it and restructure it in terms of energy: we have baptised this “CUBO - Cantiere UrBanO delle trasformazioni educative” (urban sites of educational transformation).

FIND OUT MORE
ABOUT THE PROJECT



EMPLOYMENT PROJECTS

ES.MAROC_IVORY COAST

Soleterre

Ivory Coast - Abidjan

Programme for assisting with inclusion in the world of work and the creation of enterprises for young adults in the Ivory Coast, or returning from migration countries, with business and start-up projects. Following on from a similar programme run in Morocco, Soleterre offers training, consultancy through a hub and branch for micro enterprises, development and support of the most deserving projects, to launch them onto the market with a major impact on the local community.

The words of Sonia Drioli, regional representative of Soleterre

“We have been operating in the French-speaking part of Africa for several years now. It is a land we love, understand and for which we have great respect. Our teams are all local. Throughout the area, more than 50 colleagues work holding positions of responsibility and offering specific technical and professional skills. We put passion into each and every project. What we feel as unique in the programme for integration into the world of work that we, as Soleterre, have particularly developed in Morocco and the Ivory Coast, is that we strive to no longer be necessary. Or, at the very least, to be less and less necessary. All our work is hinged on a serious entrepreneurial accompaniment of start-ups, which are monitored by business and social consultants until they are concretely sustainable on the market of each country in which we operate. And, at the same time, we also work with other countries of the area, such as Benin, Burkina Faso and Togo, to strengthen and increase the professional skills of young talents and local associations,

so that, a few years down the line, they can become the development players. Since 2020, we have established a permanent hub in the Ivory Coast, to assist young adults with work in the various forms - from micro enterprises to salaried positions in companies and associations - in Abidjan, and since 2021, also outside the major city, with growth prospects. We work in a network with the main national government-owned and private employment agencies of the Ivory Coast. If we can manage to do what we are doing in Morocco - where the programme began around a decade ago and gave rise to two hubs, used by around 3,000 young men and women every year, and more than 50 collective enterprises operating - we will be happy. We are on our way to doing so”.

FIND OUT MORE
ABOUT THE PROJECT



COMMUNITY DEVELOPMENT PROJECTS

GENERA

Hermete

Italy - Verona

Training courses, employment grants, the promotion of local micro enterprises, the requalification of public spaces and virtuous contamination between people. Genera is delivered in the province of Verona, in the municipalities of Brentino Belluno and Dolcè, with the aim of capitalising on the knowledge and social and cultural resources of the territory to support the development of a resourceful, open, inclusive, generative community.

The words of the Hermete educators

“What causes an adolescent to love his or her birthplace? To choose not to run away from a small border community? The awareness that the relationships cultivated are simply unique. It doesn't matter if you live in Valdadige, you remember it, or you live there through a return from far-off experiences. What matters is acknowledging that it is a territory that lives and breathes, in which people, together, work in pursuit of new dreams. In 2017, the first project was started. The intention was to support young adults in their growth, in acknowledging their place in the community. We quickly saw the need to take action that would involve the entire community, making room for communication and real participation. Extending the gaze and involving families, associations, parishes, administrations, businesses and contexts outside both the local territory and even the country. To acknowledge the value and reveal the resources. Like those of a group of five teenagers, just eighteen years old, passionate about drift trike. Now, they have formed a new association, Drift Valley, and are ready to host national championship races of this sport in Valdadige. Or more, a group of three

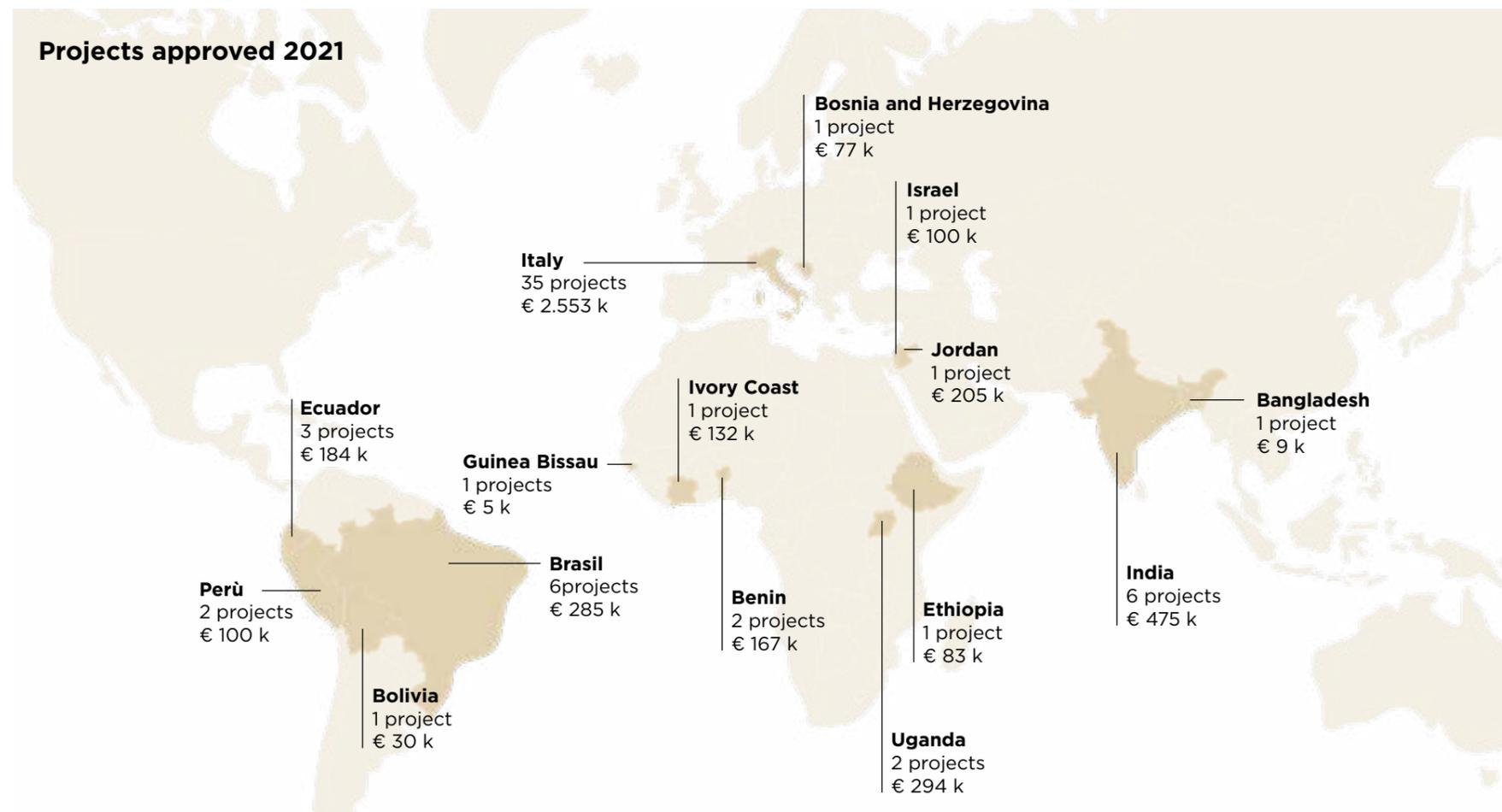
girls who organised an international workcamp, when travel seemed impossible, hosting Russian, French and Spanish guests their same age. Sometimes, it merely takes someone to see the potential, to give credit to ideas, to support training development and light the spark. The young adults have tried out employment and entrepreneurial guidance courses thanks to training, employment grants and meetings with new businesses. In this sense, the educational team has created bridges and networks and acted as social activator of relations and links. It has also involved the local municipal authority, thereby creating some necessary conditions, such as, for example, the possibility given to young adults to join the management committee of certain events or stipulate the contract for the management of a reference space such as the former railway station of Peri. Care for a common good is an act of great value and responsibility. A course that will continue, stimulating the community to be increasingly active, trained, participating in an inclusive, preventive approach. Open to the new and to change, to meet the challenges it will recognise as emerging. What we hope to see remaining will, therefore, be a shared, expanded political vision, in which public administrations are not alone, in which social services are not welfare, but rather in which an increasing number of members of the community play key roles in its very development”.

FIND OUT MORE
ABOUT THE PROJECT

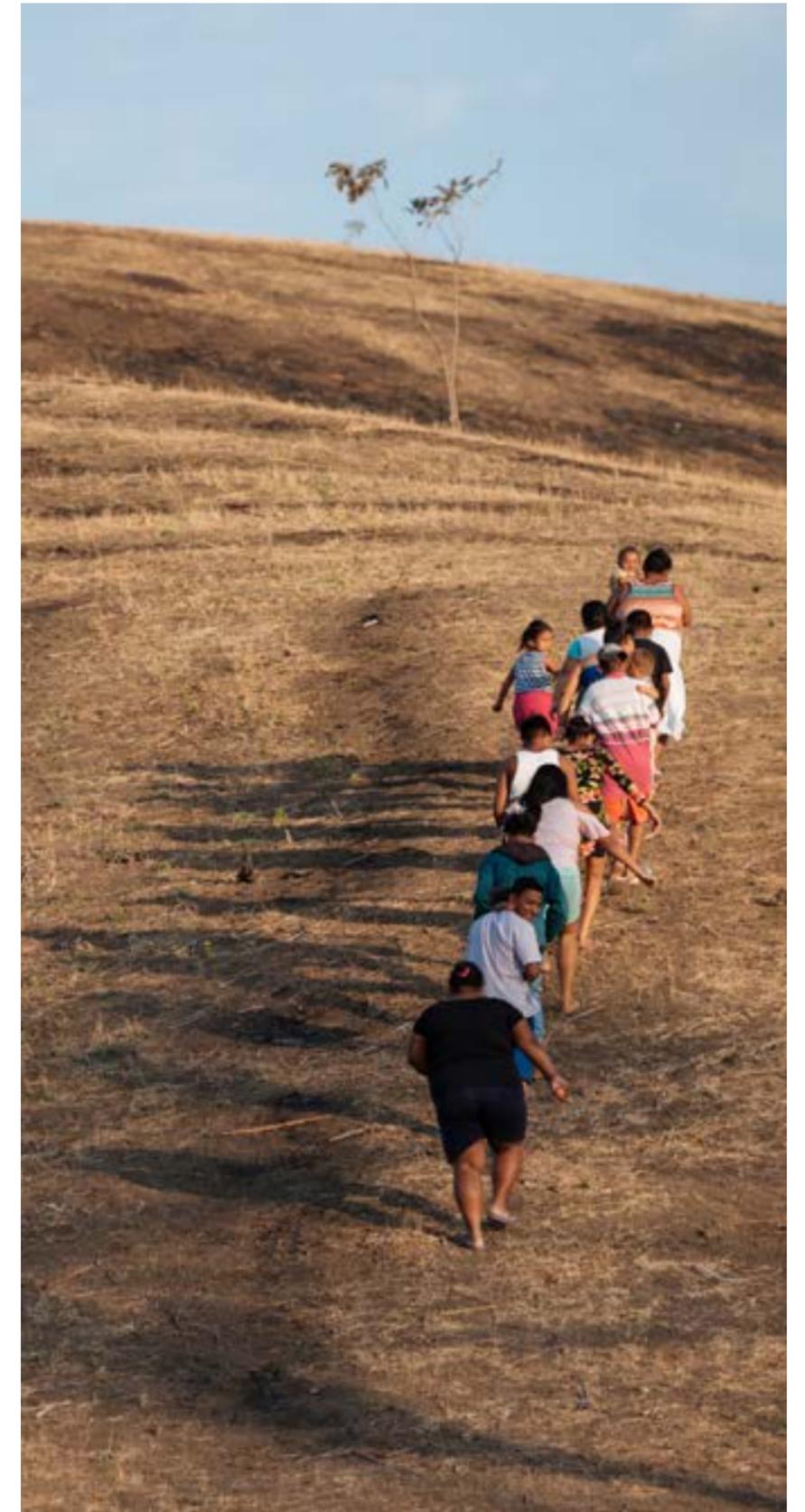


The contribution in figures

REPORT 1999 - 2021				
	ECONOMIC COMMITMENT	PROJECTS	NO. COUNTRIES	ENTITIES
TOTAL	€ 74.945.953	1.407	74	522

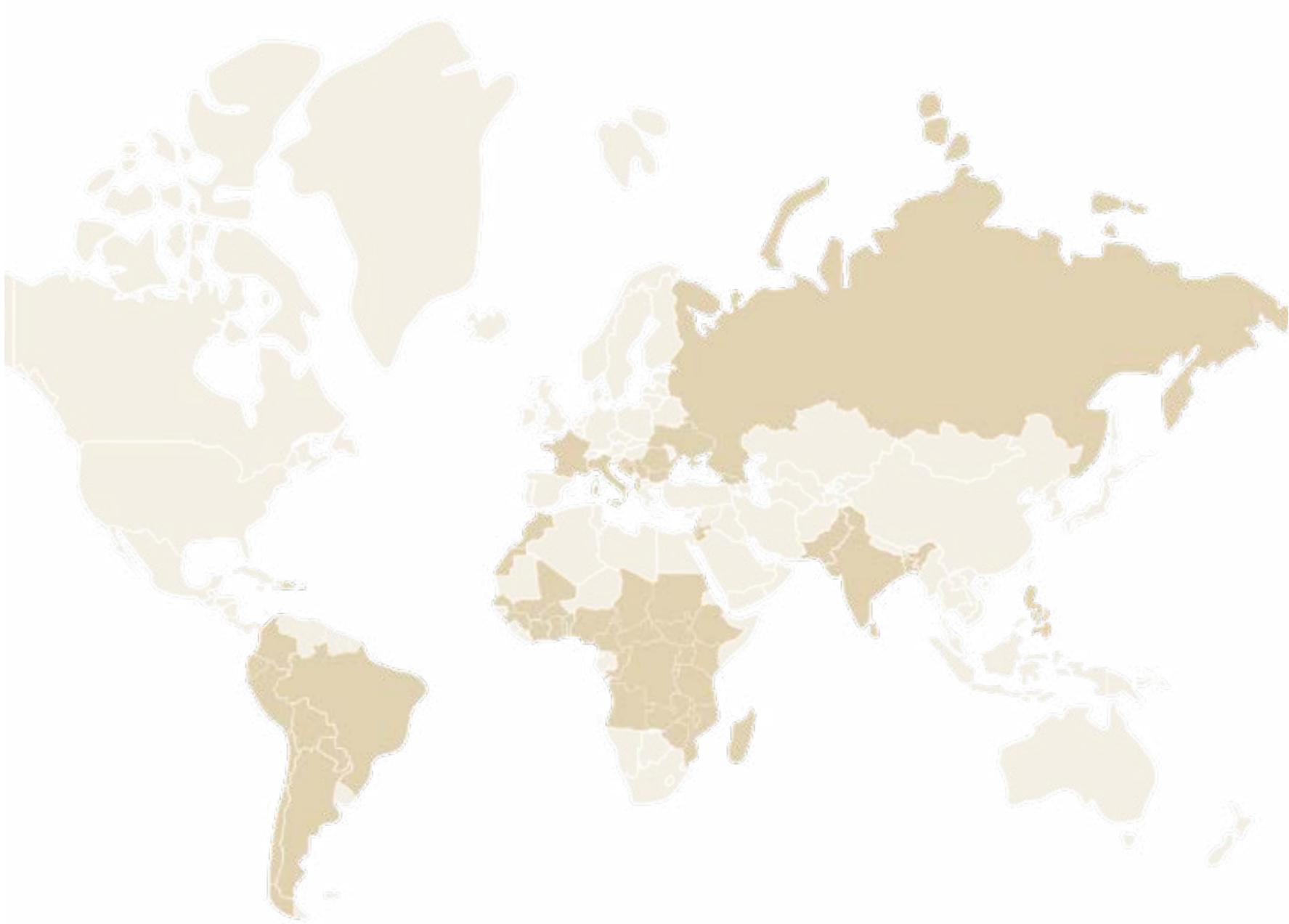


AFRICA	LATIN AMERICA	ASIA	EUROPE	INTERNATIONAL
0.6 MLN	0.5 MLN	0.7 MLN	2.6 MLN	0.1 MLN
7 PROJECTS	12 PROJECTS	9 PROJECTS	36 PROJECTS	1 PROJECT
5 COUNTRIES	4 COUNTRIES	4 COUNTRIES	2 COUNTRIES	





Projects approved 1999 - 2021



AFRICA 15.5 MLN 268 PROJECTS 35 COUNTRIES	LATIN AMERICA 15.1 MLN 325 PROJECTS 14 COUNTRIES	ASIA 10.1 MLN 188 PROJECTS 17 COUNTRIES	EUROPE 33,9 MLN 625 PROJECTS 8 COUNTRIES	INTERNATIONAL 0.1 MLN 1 PROJECT
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Responsible production chain management

SDG - the Calzedonia Group'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.



The Group's investments in production and logistics 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 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.

In 2021, the Calzedonia Group produced 270,739,032 items of clothing in-house and using service providers. More specifically, Calzedonia produced 39%, Intimissimi 22%, Tezenis 38% and Falconeri 0.4%⁶.

6 - The number of items produced by Atelier Emé accounts for less than 0.01% of the total

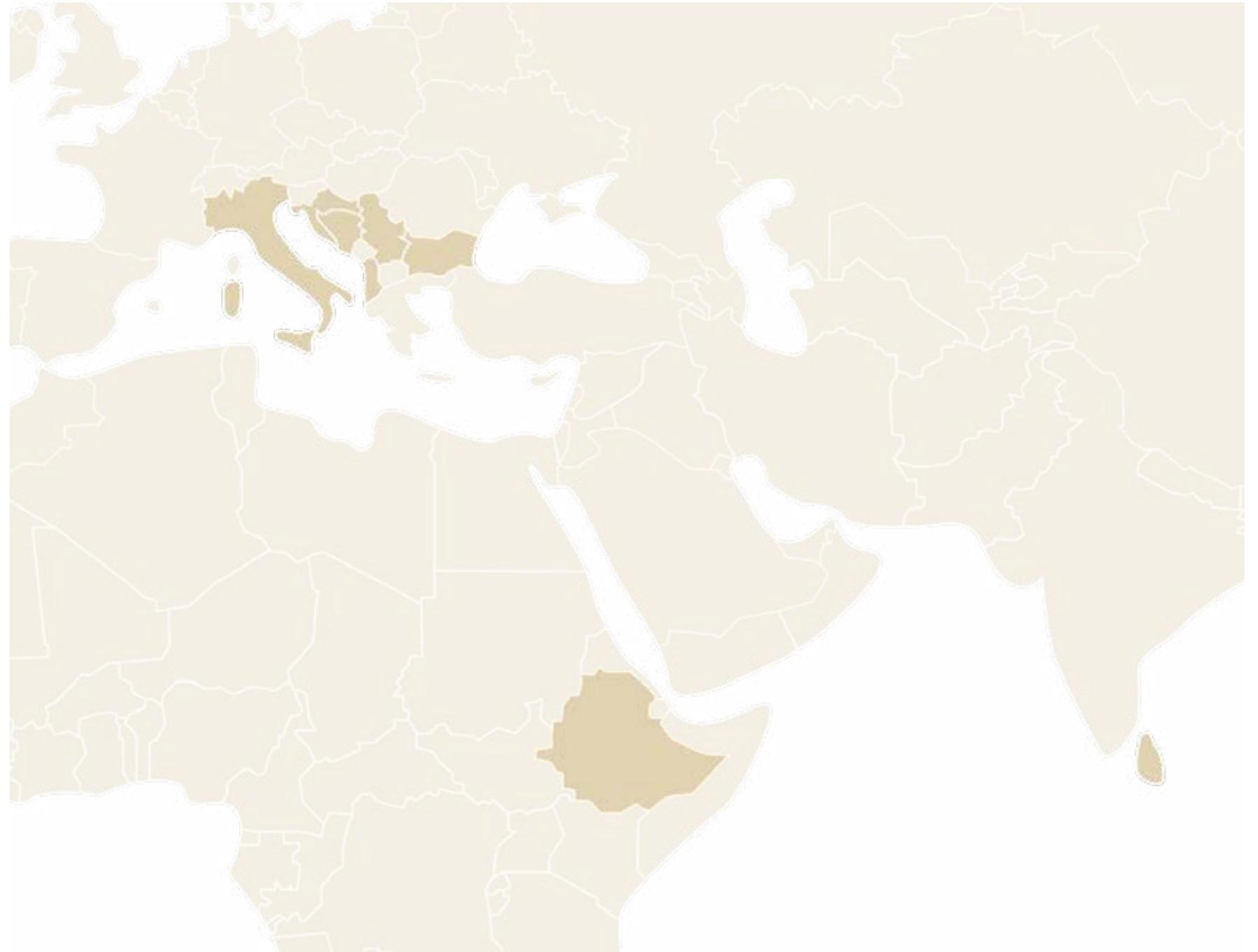
We have chosen to put our reputation on the line, building our own plants, which today produce around 82% of the goods offered in the stores with close control of the supply chain.

Much of the 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, Bosnia, Sri Lanka and Ethiopia.

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

Group's production plants



 x7 IN ITALY

 x11 IN EUROPE

 x3 IN AFRICA

 x5 IN ASIA

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.

In November 2020, a violent civil war broke out in Ethiopia. The epicentre of the clash is the region of Tigray, where Itaca Textile is located, one of our factories. We immediately suspended work in the factory, supporting our employees by both continuing to pay them a monthly salary and keeping active contact with the international organisations present on the territory. And returning all expatriates to their homelands thanks to an intervention pursued jointly with the United Nations.

When in spring 2021, the war seemed to be over, we tried to reopen the factory, which, unfortunately only remained operative in June, before being closed again as the conflict intensified. Once again, we sought to continue to pay salaries to our colleagues, despite difficulties involved in making bank transfers and the scarcity of money held by the banks in the region.

Supply chain management

In balancing its make-or-buy strategy, the Calzedonia Group has chosen, as a general rule, to maintain production of its products in-house, 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.

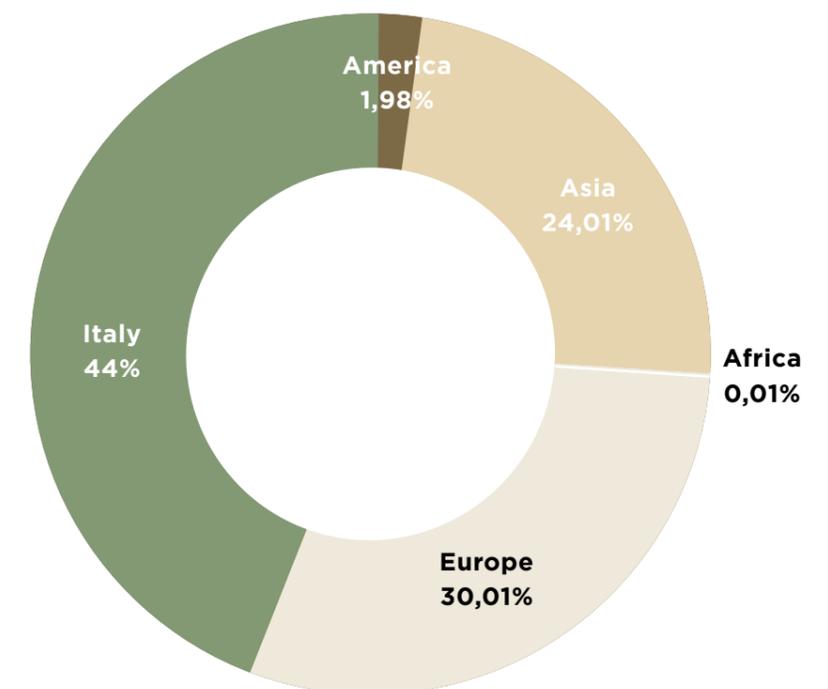
The selection of new suppliers is based on a careful control that envisages compliance with specific quality standards and competitiveness of pricing of products offered. It is also mandatory, in order to be able to collaborate, for all suppliers to accept the Code of Ethics and Supplier Code of Conduct, 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. In line with the above principles, starting 2021, we began to trace the sustainability policies implemented by our suppliers. This data represents a first step towards creating an assessment process not based purely on operating performance. The information collected is available in a specific section of our corporate website or on the Open Apparel Registry.

In order to maintain respectful collaboration relationships, the Group is very careful to comply with supply orders (which are never changed retrospectively) and to always release payments on time with what was agreed. As regards supply orders in 2021, 25% were paid within 30 days from the order, 42% within 60 days, 74% within 90 days, 97% within 120 days and only 3% between 120 and 150.

Where possible, the Group 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 it operates, also in order to avoid any dependency of procurement that could constitute a business risk. The Group's main suppliers are in Italy, Europe and Asia, as per the main areas of operative business interest, as shown in the graph below⁷.

2021 value of orders by geographic area



⁷ - The 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.

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 the Group 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 collaborate. Both documents are constantly updated in a bid to respect the best standards with a view to continuous evolution.

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.

2021 marked the start of the Sustainable Supply Chain management project, whereby the Group sets itself the ambitious goal of assessing the players of its chain from a sustainability point of view and encouraging them to make the transition towards a continuous improvement of the social and environmental impacts.

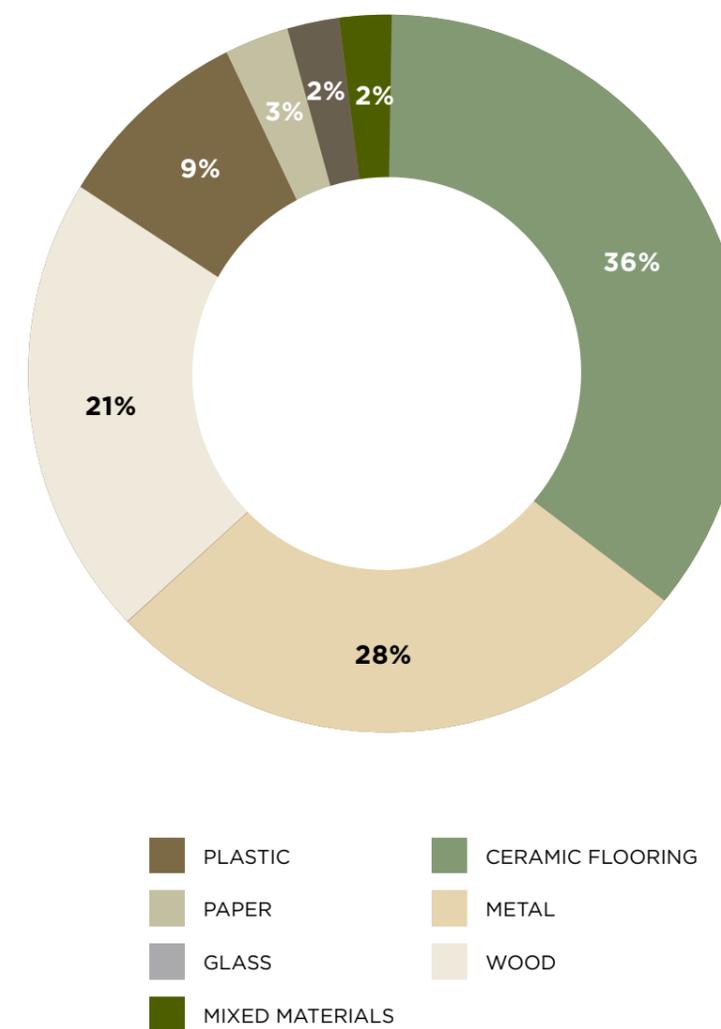
We have therefore started to gather information from our

suppliers about their social and environmental policies, inserting new variables into the dialogue with them. This effort has not yet become a discriminating factor in choosing collaboration, but it is being increasingly important for future business relations.

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:

2021 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, 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 adherence 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.

In 2021, two Falconeri stores were certified BREEAM with “very good” result recorded in the design sustainability assessment. This certification is essential to outline design guidelines for all the forthcoming Group stores.

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 strategies 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, supply of 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 aged 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

In the specific part of the Technical Specifications on chemical materials, the harmful and allergenic substances are listed that are considered by the various safety rules in the countries where the Group operates. The supplier is asked to accept and respect the limits set forth in the Specifications. At our discretion and in certain circumstances, we may choose to verify that the materials effectively meet the safety standards required.

PHYSICAL ANALYSIS

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, to determine their release for consumption, 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 ANALYSIS

Mechanical analyses aim to prevent any dangers to the physical safety of the user. This principle is borne in mind right from when articles are first designed. In normal conditions of use for the article, we verify that the parts making up the article do not cause piercing wounds, lacerations, strangulation or suffocation. Such problems are in fact limited to children's clothing, for which the problem essentially arises from the presence of items (buttons, laces, drawstrings, sequins and other decorative elements) that can cause suffocation, strangulation or skin 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.

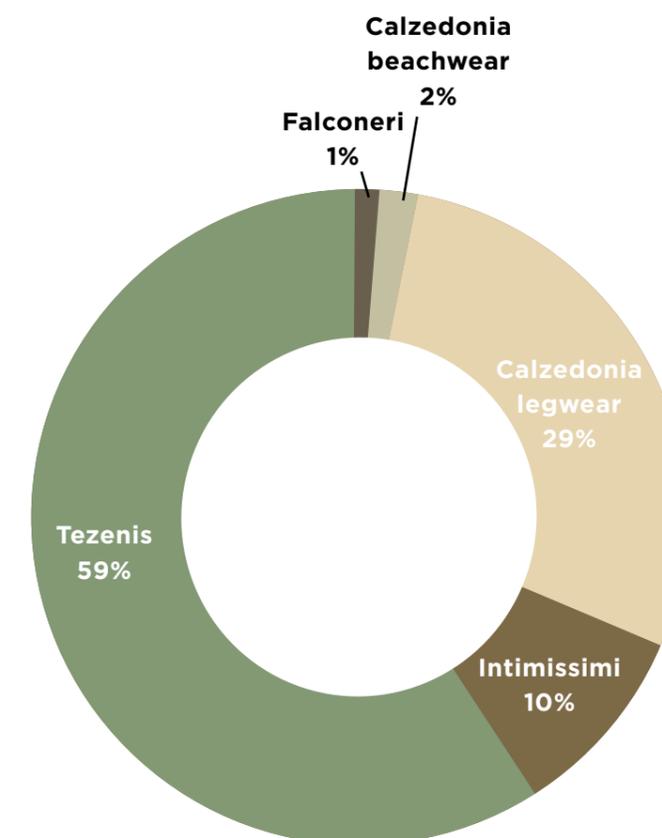
Tests can be carried out, as applicable, on the raw materials indicated as samples and/or advances thereafter repeated subsequently during production. Additionally, during production, quality and process controls are carried out to monitor operation performance, which in addition to optimising resources, 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 making up the articles, as well as the age bracket for which they are intended.

In 2021, 1,399 tests were run on the different products of the Group brands, of which 72% on adult items and 28% on articles for children. The number of tests is proportional to the new materials introduced, as shown in the graph below.

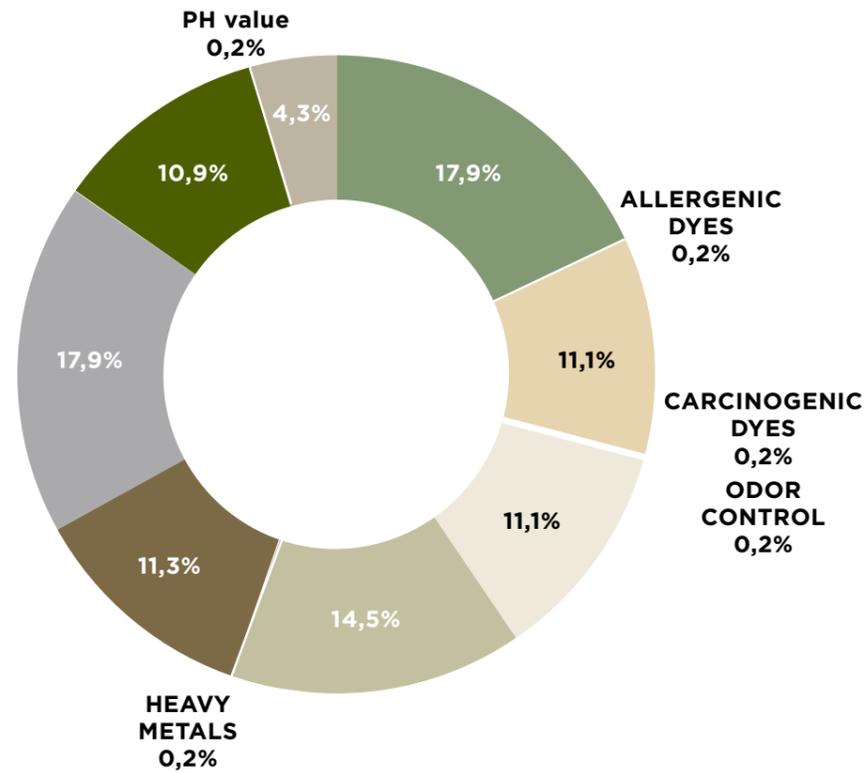
If these tests show values higher than those required by the Group's technical specifications, the Quality office will interrupt the supply, blocking the purchase order and even the relationship with the supplier if it is unwilling or unable to collaborate in resolving the problem.

2021 tests by brand



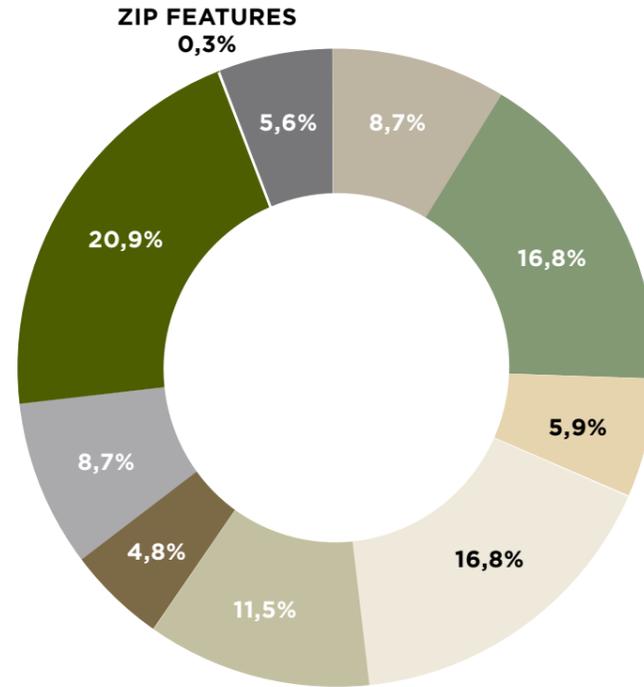
The graphs below show the tests relating to product health and safety carried out in 2021, divided up into those carried out on adult's and children's garments.

Test on adult's garments



- ZIP FEATURES
- CADMIUM
- AZO DYES
- FORMALDEHYDE
- PHthalATES
- NICKEL
- LEAD
- FLAME RETARDANTS

Test on children's garments



- CADMIUM
- AZO DYES
- DETACHMENT OF SMALL PARTS
- FORMALDEHYDE
- PHthalATES
- NICKEL
- LEAD
- FLAME RETARDANTS
- IHYGROSCOPICITY

In 2021, no cases of non-conformities occurred with impacts on health and safety. 69 reports were, however, received from customers relating to allergic reactions or skin abrasion; in no case where the articles were analysed was any evidence found of elements able to cause skin allergies.

Reports of non-conformities made by our customers are forwarded on by the Customer Services Office. In these cases, the item is recalled at the expense of the Calzedonia Group and sent to one of the equipped laboratories to verify the presence of any allergenic substances that exceed permitted limits and could potentially irritate the skin.

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 2021, 2 complaints were made relating to the labelling of items for the Atelier Emé brand, both of which were correctly solved.

TRACEABILITY PROJECT

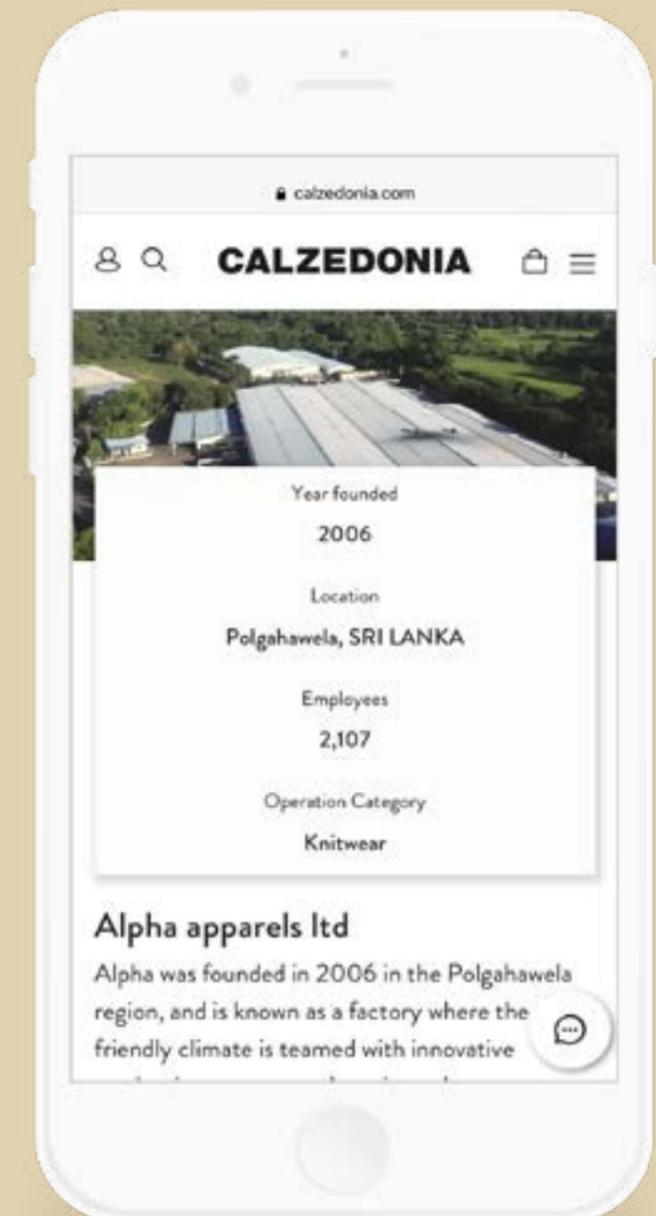
The Calzedonia Group has always stood out for its close control of the production chain. 82% of articles present in the Group stores, in fact, are produced in owned factories in Italy and abroad. This decision makes it possible to coordinate manufacture with other phases of the chain ensuring total devotion to the brands' needs and the elimination of intermediaries. This means that high quality can be maintained at accessible prices. This business model entails major investments and the possibility of offering jobs to a large number of employees, to the benefit of the communities hosting the companies. This guarantees an excellent working environment in the factories and respect for the human rights of the people who work there.



In 2021, we decided to allow our customers to visit our plants too, using the “Traceability” tool. On the product sheets of the shops on-line, users can find out where their article was created, exploring the factories and getting to know the employees who work there. The history and sustainable initiatives are told, together with a gallery of images that show the different production processes. Finally, we made room for our employees' voices to be heard, allowing them to tell their own stories and describe their work themselves.

“I’m proud of my team, proud to be part of it; I’m happy to be appreciated and to know I’m trusted and relied on. This place has become like a second family for me, a part of my life”.

Adriana - seamstress in Gordon, Serbia

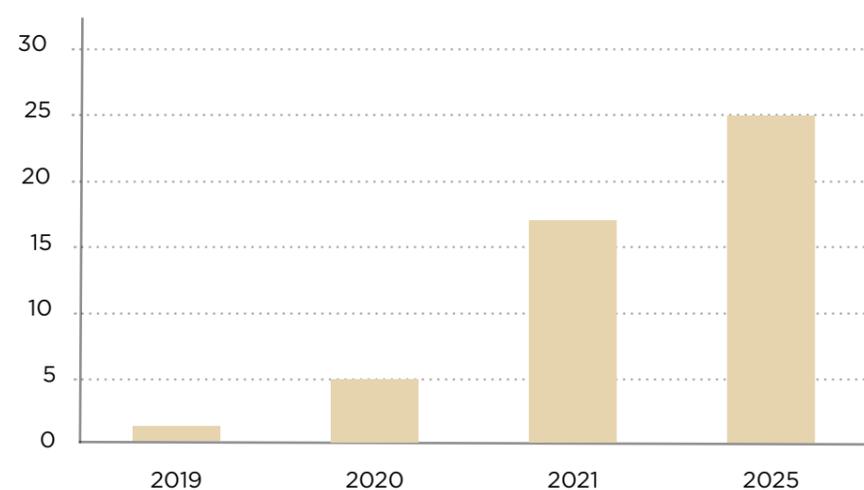


Product and process sustainability

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 strategies 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. As can be seen from the graph, starting 2019, the number of materials of reduced environmental impact has increased constantly, to date reaching 17% of the total. The “preferred materials” defined by the Textile Exchange (<https://textileexchange.org/knowledge-center/reports/preferred-fiber-and-materials/>) are considered materials with low environmental impact.

Graph showing progression over the years of the % of items produced with low environmental impact materials.



This result is in line with the objective, respecting the commitments made in the Fashion Pact, to use at least 25% of raw materials with a low environmental impact by 2025.

To achieve this objective, each Group brand has adopted a different strategy.

In 2021, 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), 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. Starting 2021, the collections have also included tights produced using organic cotton that is traced and certified GOTS. In addition, all Calzedonia branded articles with yarn in Micromodal, Modal and Viscose have been created using Tencel® modal by Lenzing, artificial yarns coming from cellulose of FSC certified trees and with a careful production process that uses closed-cycle chemical elements. For the Beachwear collection, on the other hand, in 2021 the use of fabrics with GRS certified recycled polyester was implemented in the basic and fashion series.

In 2021, the Intimissimi brand developed the fashion collection called “Intimissimicares”, 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 Bluesign, attesting to the lesser impact of the chemical substances used in the dyes, and Tencel modal by 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. New fibres have also been introduced, such as degradable, recyclable polyamide used for lace and Seacell, a material produced using fibre obtained from seaweed.

Tezenis has decided to concentrate on the basic collection, expanding the number of articles that are part of the “Be the change” collection. The fibres used include 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 Econyl supplied by Aquafil and the viscose Ecovero 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. In addition, Carbon Neutral certified Modal has been used, lace obtained from GRS certified recycled polyamide and Ecotech GRS certified recycled cotton and polyester.

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.

In 2021, GRS certified post-consumption regenerated cashmere was used once again to create men’s and women’s coats. The down used in jackets is purchased from a supplier certified according to Responsible Down Standard. In addition, Bluesign certification has been introduced for silk satin of basic and fashion articles.

8 - 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.

9 - bluesign® - solutions and services for a sustainable textile industry

10 - TENCEL™ - Lenzing - innovative by nature

11 - Aquafil - ECONYL® yarn

12 - LENZING™ ECOVERO™ - Sustainable Viscose

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.

In November 2021, Atelier Emé collaborated with Mending for Good, a consultancy firm specialised in design-driven upcycling solutions for the creation of the “Re-Love” collection. The clothes were deconstructed and reconstructed within the brand’s laboratories, whilst Mending for Good was entrusted with the decoration, through painting on fabric, embroidery and hand decoration techniques. The Re-love collection is also the result of training that involved two social cooperative companies of the Mending for Good network: the artisan laboratories of San Patrignano and Manusa, which respectively already use painting on fabric and hand embroidery. The cooperative companies benefited from workshops held directly by the artisans involved in the project, to gain further insight in specific technical aspects.

In 2021, the Group had set itself the aim of using 20% reduced environmental impact fabrics out of all those used. Unfortunately, complications experienced in the supply chain as a result of the Covid-19 pandemic caused us to come to a halt at 17%, however this still shows the major efforts made by all brands towards achieving this challenging objective.

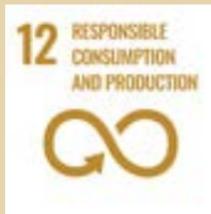


Our commitment to environmental protection

SDG - the Calzedonia Group's contribution



The company 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.



The Group has integrated measures to mitigate climate change into its policies, strategies and planning in order to minimise its impact on the environment.



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 disposal of finished products, 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, strategic choices have been made, defining the relevant guidelines.

We are aware of how much the design of a product influences its environmental impact, both in terms of the materials used and the management of its end-of-life. This is why we pay increasing attention to the materials used in our collections and the in packaging components accompanying them. By 2025, 25% of all materials we use will have a reduced environmental impact. We are also gradually shifting towards the elimination of superfluous packaging so as to reduce the quantity of single-use materials. Where this is not possible, we aim to replace plastic packaging with more degradable products, like paper and cardboard, for example, which already account for 90% of the total.

In addition to the use of materials, we pay close attention to the resources required by our business. Indeed, our factories, in particular, need a large quantity of water and energy resources. As regards energy consumption, in 2020 a five-year investment plan for a total of around 7 million euros, was launched. Expenses will mainly focus on two objectives: to self-produce renewable energy on the one hand, and increase the efficiency of consumption, on the other. In addition, 60% of the electricity we buy worldwide comes from renewable sources and by 2030, we will reach 100%. For water consumption too, the aim is to increase the efficiency of use through the renewal of technologies and the use of materials requiring lesser consumption. In addition to this, we also need to increase purification plants and identify new projects for reusing waste.

Together with resources, it is important to also pay attention to the by-products of our business. Our aim, in fact, is to first reduce waste and optimise the waste produced that cannot be avoided, so that it can become a new resource for another industry. In these terms, it is essential to identify the best options that enable the reuse of materials, like in the case of plastic pallets or boxes for inter-company operations that are reused up to 10 times. Consequently, closer attention must be paid to the separation of materials, so that recycling is simpler and more effective. We are also working on different technologies that enable us to obtain new raw materials starting from recycling of what is presently defined as waste.

The Group's constant commitment and attention towards the environment is borne out by the absence, for 2021 too, of significant fines and non-monetary sanctions due to failure to comply with environmental laws and regulations.

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 46% for unprocessed

materials, and 34% for finished materials. Below is information on the consumptions of unprocessed and finished materials purchased by the Group in 2021, compared with the data collected in the previous years.



Raw materials (t)

Unprocessed materials [tonnes]			
	2019	2020	2021
Natural yarn ¹³	3.927	3.71	4.194
Artificial yarn ¹⁴	1.877	1.44	1.466
Synthetic yarn ¹⁵	4.886	3.04	2.862
Other	259	-	-
Total raw yarn	10.949	8.19	8.522
Natural fabric/lace ¹³	1.966	43	1.169
Artificial fabric/lace ¹⁴	929	79	797
Synthetic fabric/lace ¹⁵	1.172	1.238	1.074
Total unprocessed fabric	4.067	1.360	3.040
Total unprocessed materials	15.016	9.551	11.562

Finished materials [tonnes]			
	2019	2020	2021
Natural fabric/lace ¹³	3.872	4.427	3.849
Artificial fabric/lace ¹⁴	1.162	1.219	864
Synthetic fabric/lace ¹⁵	6.423	5.568	6.76
Other	31	-	-
Total unprocessed materials	11.488	11.213	11.472

2021 saw an almost complete resumption of production activities, hence consumption of materials was considerably higher than in 2020 and approached pre-pandemic levels. In actual fact, we can see that unprocessed materials reached 77% of the 2019 total and finished fabrics 100%.

These numbers, which to a certain extent relate to the very nature of the products offered by the Group, are constantly under examination by the Calzedonia Group, 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.

In 2021, 13% of the total weighting of yarns and fabric used by the Group was made up of low impact materials. Specifically, the categories with the highest incidences of recycled/sustainable fabrics are the raw synthetic fabric, in which 9% is made up of recycled fibres, and artificial finished fabrics, in which 21% is made up of low environmental impact fibres (fibres obtained from FSC certified wood cellulose and managed using closed cycle chemical processes).

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

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

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

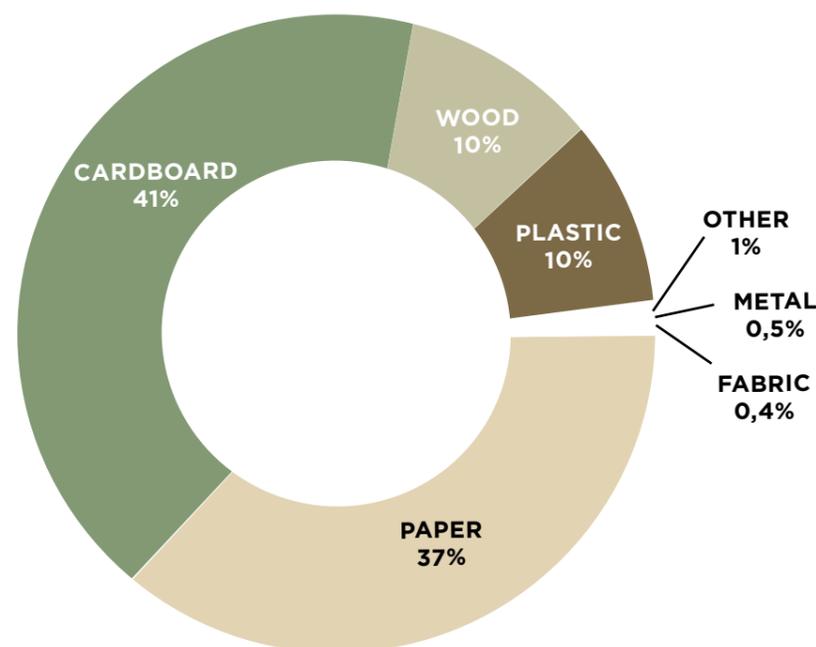
The global incidence of recycled/sustainable fibres has been slowed by the reduction in sales volumes brought about by the Covid-19 pandemic and the consequent slowing of the plan to renew finished items, but this value is set to increase considerably over the next few years, with the aim of achieving 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 (313 t in 2022), along with various chemical products (3,605 t).

Packaging

In choosing its packing and 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 packing and packaging - 2021



Most of the paper used to make tags, technical paper and shopping bags is certified by the FSC (the 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 hangers) to simplify recycling.

The Group favours 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.

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 343 tonnes of cardboard in 2021, not to mention the related waste production.

The Group is also working on the gradual reduction of single-use materials, in the favour of the environment. This is why in 2021 we offered customers reusable cotton bags as an alternative to the shoppers produced using FSC paper.

In 2021, the packaging materials used in our stores and our e-commerce channels totalled 4,282 tonnes, of which 90% paper coming approximately 88% from FSC certified sources or recycled materials.

The packaging materials used by the Group for B2B transport and logistics during the year came to more than 10 thousand tonnes, of which 86% renewable, such as paper and cardboard (approximately 5.6 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.

CALZEDONIA TIGHTS PACKAGING

In 2021, we developed a new solution able to completely remove all plastic from our tights packaging. During the year, the new packaging was tested on more than a million pairs of tights from the fashion collection, making for total savings of more than 3.21 tonnes of plastic. This new packaging in fact enables plastic to be replaced by 100% FSC certified paper. Starting next year, these packs will also be used for certain basic collections for an estimated total of four million new items.



Packaging (t)

	2019	2020	2021
Paper	9.621	4.829	5.339
Of which FSC/recycled	35%	52%	70%
Cardboard	6.360	4.856	5.941
Of which FSC/recycled	0%	39%	87%
Wood	791	962	1.475
Plastic	1.728	1.327	1.528
Of which recycled	0%	0%	1%
Metal	170	58	71
Fabric	119	22	52
Other	186	155	170
Total	18.979	12.209	14.576

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 tag on the packaging of no-show and invisible socks with a cardboard one to simplify recycling;
- reduction of plastic - polybags - in the pack for the dispatch of Tezenis and Calzedonia 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 has also been extended to include disposable paper shoppers, flanked by reusable organic cotton bags;
- renewal of tights packaging, now assembled using only paper and cardboard.

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.

Note that all cardboard packaging, emptied in our warehouses, is recycled by specialised operators. In 2021, in Italy we recycled more than 2,400 tonnes of cardboard.

The consumption of paper and cardboard for packing and packaging is flanked by that of paper used for normal activities in the offices, factories and stores, which is carefully monitored by the Group particularly as regards origin and composition. Total paper consumption came to approximately 356 tonnes, of which 15% consisted of recycled/FSC certified materials.

During 2021, the Calzedonia Group replaced a large part of the plastic in its packaging from virgin to recycled; but due to the long procurement times of the material, in 2021 the total amount of recycled plastic used is equal to 1% (against 0% in previous years), but it is expected to exceed 40% already in 2022.

The quantity of materials used by the Group for packaging is back up again after the reduction in activities in 2020, but settled at lower levels, also thanks to the reduction policies described above. The percentages of FSC certified paper and cardboard have significantly increased since 2019, respectively now accounting for 70% and 87%. In 2021, a huge task of selecting recycled plastic was carried out, which, even if in 2021 it only accounts for 1% of the total, will take concrete form in 2022, with higher proportions.

16 - 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.

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. With particularly close attention paid during the design phase, the company 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.

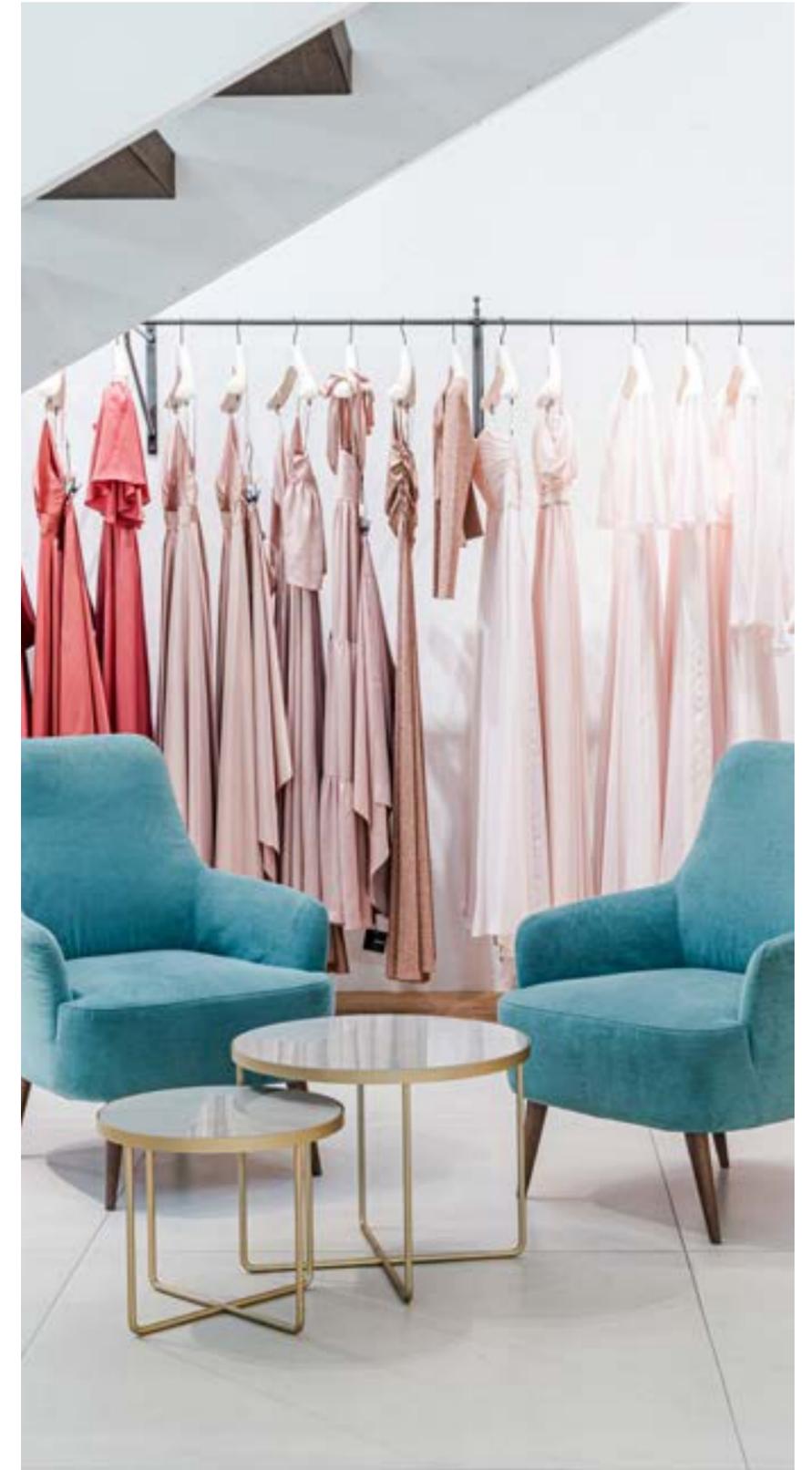
Our ceramic parts suppliers adopt the environmental management system in line with the standard UNI ISO 14001. They are also certified according to the standards LEED, ECOLABEL and ISPM-15 FAO. Only one supplier is excluded, which prefers to self-certify and is working on the reduction of its Co_{2e} emissions.

The production of metal components is mainly handled by suppliers certified ISO14001 and OHSAS 18001 and raw materials are procured through distributors certified ISO14001, which guarantee sourcing of a high percentage of recycled and lead-free 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 2021 for store furnishings consist of ceramic flooring (36%), metal (28%), wood (21%) and plastic (9%). In this case, taking into account the 2019 figures, we can see a decreasing trend in the use of materials of approximately 23%, due to the smaller number of new openings or refurbishments.



Type of furnishing materials (t)

	2019	2020	2021
Ceramic flooring	1.942	853	1.346
Metal	1.246	630	1.054
Wood	950	454	805
Plastic	500	236	328
Paper	115	60	99
Mixed materials	71	45	69
Glass	68	24	59
Total	4.892	2.302	3.760

In 2021, the Group started certifying its stores for sustainability. Two Falconeri brand stores are in fact certified BREEAM¹⁷, with a “very good” assessment. This initial result has allowed us to verify and confirm the good practices adopted by the Group in its store design, but has also given us new ideas for improving both store design and management. In the wake of this experience, the Calzedonia Group has decided to create sustainability manuals for its stores, which can gather together all the best practices on store creation and management in order to share them with managers and franchisees.

Respect for the environment in the stores and factories¹⁸

The Calzedonia Group 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.

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

17 - BREEAM is one of the world's most popular construction design standards for the environmental impact assessment of buildings.

18 - 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.

waste water using specific tools.

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

In 2021, the Group collected a total of 1,725 megalitres. Factories account for 91% of collections with the remainder for offices and commercial branches.

Water collection by source (Megalitres)¹⁹

Source	2019		2020		2021	
	All areas	Areas under water stress	All areas	Areas under water stress	All areas	Areas under water stress
Surface water	173	2	3	-	4	-
Freshwater	173	2	-	-	0,3	-
Other water	-	-	3	-	3,7	-
Underground water	1.892	2	1.329	77	1.425	316
Freshwater	1.051	2	558	-	512	-
Other water	842	-	771	76	913	316
Water produced	140	1	48	1	6	-
Freshwater	140	1	-	1	-	-
Other water	-	-	48	-	6	-
Water from aqueduct	381	-	268	9	289	13
Freshwater	381	-	233	9	235	13
Other water	-	-	35	-	54	-
Other sources	33	-	-	-	1	-
Freshwater	-	-	-	-	-	-
Other water	33	-	-	-	1	-
Total	2.620	4	1.648	86	1.725	329

¹⁹ - 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 store is managed, by the host shopping centres.

The Group strives constantly to limit water consumption in its activities, but the difference seen in consumption between 2019 and 2021 is mainly due to the production mix of our dye factories.

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 involve the key people of the industrial process, starting with the dye designers that develop new dye recipes and programmes to use colours and products that require a smaller quantity of water;
- during the dye process, dyes and chemical substances are used to fix the dyes - often heavy metals - hence the treatment of the waste water becomes essential, before it is released into the environment;
- 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 deriving from the biological purifier is dried and de-oiled to reduce the quantity needing to be disposed of. These procedures allow us to avoid disposing of approximately 259 tonnes of sludge a year. The dried remains are then reused in a specific plant in the asphalt production process;
- all our purified waste, both liquid and gas, is analysed in-house every day and periodically also by independent certified laboratories, to verify compliance with applicable regulations.

Moreover, at one of our plants, 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.

MAREVIVO

In 2021, Tezenis used fabrics made from post-consumer recycled polyester yarn in its beachwear collection for the first time. In addition to this initiative, the brand has also decided to do its part in protecting the Mediterranean Sea. This is why it has chosen to collaborate with Marevivo, an Italian association that has been protecting the marine environment since 1985, with the aim of making the seas ever cleaner. The first step was to organise a fleet of Pelikan boats, whose mechanical arms can collect floating solid and oily waste. Starting May, thanks to these boats, in 120 trips out, 12,306 kilograms of waste floating along the coasts of the Mediterranean

(of which 91% plastic) were collected, cleaning up an area measuring approximately 120 square kilometres. During the clean-up, all waste collected was correctly disposed of at the municipalities, except for a small quantity (over 600 kilograms) which was allocated to develop an innovative project: the "Pyrolyser". This technology can obtain energy by gasifying waste, without releasing gases that are harmful to man and the environment, given that it takes place without oxygen. The pyrolyser can even transform plastic that has been attacked by salt and which would otherwise not be able to be recycled.



Responsible waste management

The Calzedonia Group 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 our Brentino Belluno dye factory, 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. Thanks to these investments, in 2021 sludge production was reduced by 55% and waste due to fume treatment by 78%.

2021 saw the start of various waste reuse projects. The initiatives were pursued thanks to the collaboration between the owned factories, which are the main parties responsible for textile waste, and third party suppliers. Specifically, the most virtuous projects are:

- The “Cimosse” project, which aims to donate waste materials from the trimming of fabrics to create new hand-made textile products in collaboration with the non-profit association “Seguendo un filo”.

- “Scarti di filato” project prepared in collaboration with a local paper factory. This aims to create a new type of paper containing part of the waste cotton fibres of one of our hosiery plants.
- The “Pyrolyser” project, which envisages the adoption of an innovative technology able to produce CO_{2e} emission-free energy, starting from the gasification of waste fabrics, plastic or sludge.

Total waste generated by the Group’s business consists mainly of sludge and waste water, fabric waste and packaging materials, 61% of which is from the production chains.

Total waste produced in 2021 came to approximately 20.9 thousand tonnes, and can be classified almost entirely as non-hazardous waste.



Waste produced (t)²⁰

	2019	2020	2021
Hazardous waste	620	108	189
Waste water and sludge	106	7	8
Textile waste	439	12	10
Waste from fume treatment	79	-	-
Chemical product containers	20	8	7
Oil	18	27	98
Waste electric material	13	17	27
Toner and cartridges	4	4	5
Other	47	40	34
Non-hazardous waste	18.853	16.517	20.723
Waste water and sludge	1.335	1.977	2.203
Paper and cardboard	9.046	8.032	8.126
Textile waste	4.919	4.432	2.059
Plastic	1.423	616	248
Packaging	794	689	585
Waste from fume treatment	317	140	9
Metal	168	105	346
Organic waste	131	685	1.275
Demolition and construction waste	300	88	169
Multi-material waste	23	686	485
Other	2.002	1.044	1.789
Total	19.471	16.623	20.912

As regards the disposal methods, 53% of waste produced was sent for recycling and reuse, while 29% flowed to the landfill; the remainder was assigned to authorised suppliers whose final disposal methods are not known to us. An improvement can be seen in the traceability and reporting of data. As compared with previous years, we can now trace 82% of waste.

20 - 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 not longer be counted in the category, but have in any case been included in the table to allow for comparison with the 2019 data.

The table below shows the method by which waste not sent for disposal, is recovered²¹. The table below shows that 39% is recycled, 28% is reworked for new use and 33% is handled otherwise. Thanks to various collaborations with universities and specialised companies, the aim has been achieved of increasing the incidence of waste assigned for recycling and reuse as compared with 2020 (67% vs 45% last year).

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

	2021		
	In situ	At an external site	Total
Hazardous waste	1	97	98
Preparation for reuse	-	10	10
Recycling	1	21	22
Other operations	-	66	66
Non-hazardous waste	1.596	9.283	10.879
Preparation for reuse	-	3.057	3.057
Recycling	1.596	2.639	4.234
Other operations	-	3.588	3.588
Total	1.597	9.380	10.977
Waste prevention	343	4	347

21 - The difference between total waste not sent for disposal 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.

The table below shows the method by which waste sent for disposal, is managed²². For this category of waste, the Group uses a landfill for 42% of the weight and incineration for 24%.

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;
- elimination of plastic plates in canteens, replacing them 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 reduction of the use of printers.

Waste sent for disposal by means of disposal (t)

	2021		
	In situ	At an external site	Total
Hazardous waste	-	740	740
Incineration (with energy recovery)	-	7	7
Incineration (without energy recovery)	-	10	10
Conferral to landfill	-	682	682
Other operations	-	40	40
Non-hazardous waste	203	5.110	5.314
Incineration (with energy recovery)	8	1.365	1.373
Incineration (without energy recovery)	-	88	88
Conferral to landfill	-	1.874	1.874
Other operations	108	1.870	1.978
Total	203	5.850	6.053

²² - 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.

Energy consumption and emissions

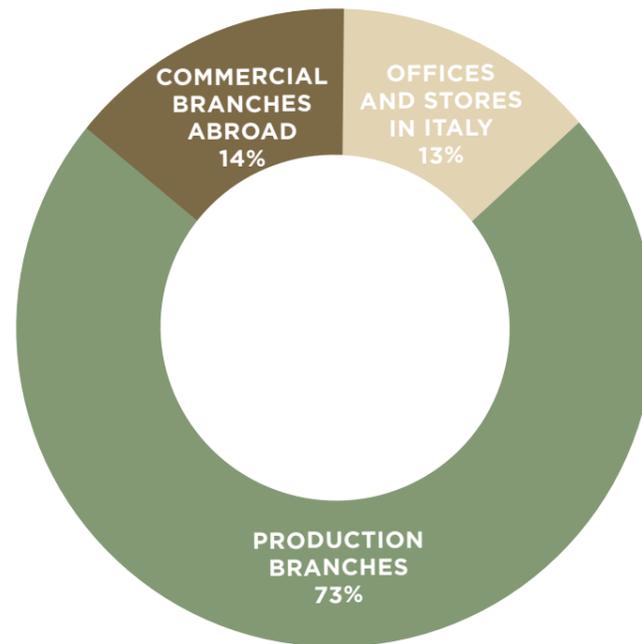
The Group’s energy consumptions mainly derive from the production plants, lighting, heating and cooling the workplace. In addition to these consumptions, we also consume fuel on the company cars and owned logistics vehicles for transport within and between the various Group plants.

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.

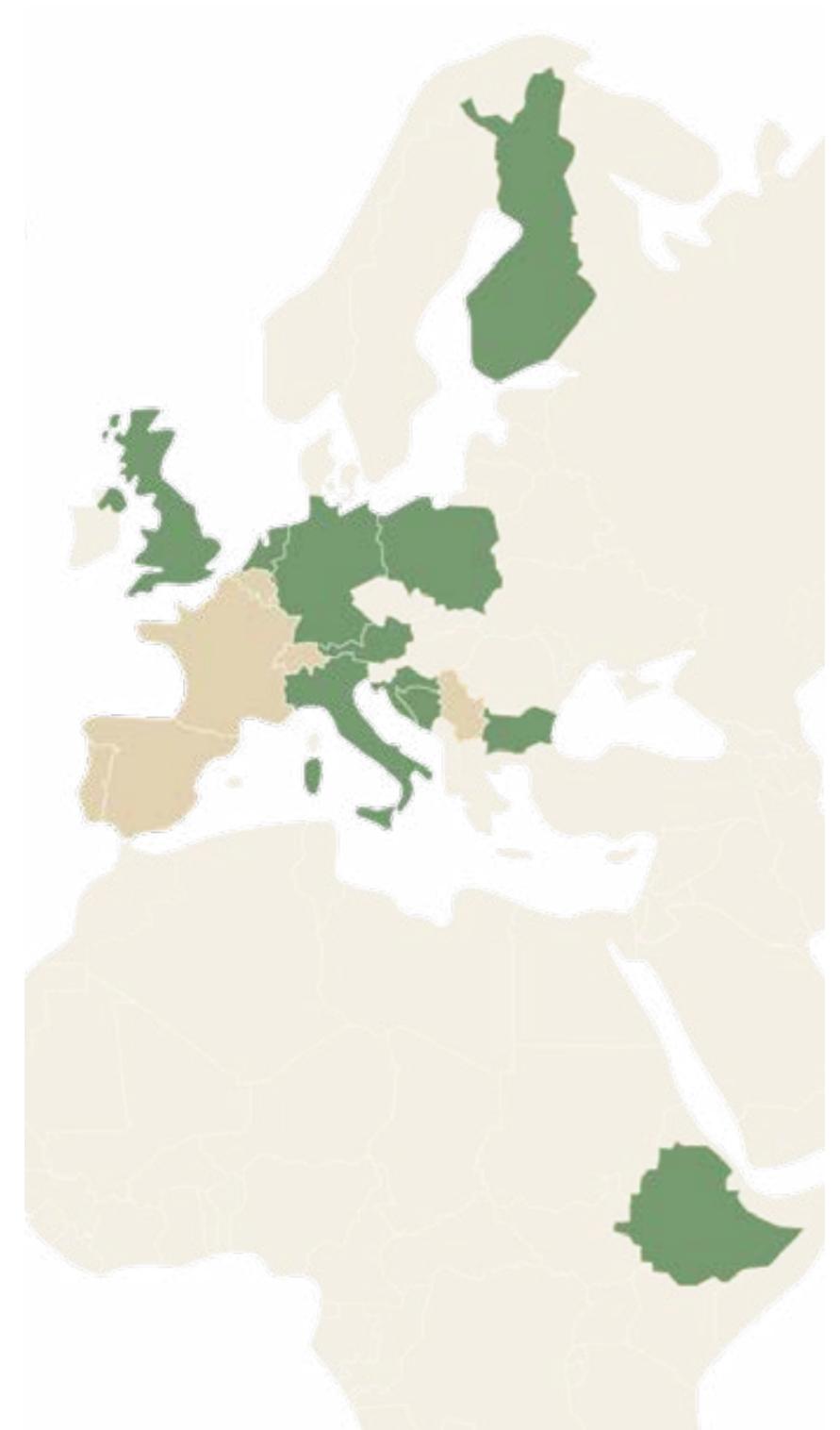
The history of consumption from the energy monitoring systems is also functional to the periodic analyses to assess possible interventions to increase the efficiency of plants and new plants for the production of electricity from renewable sources through specific feasibility studies.

Most direct energy consumption (73%) is due to production, which uses 58% 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, where possible. In 2021, in fact, the Group decided to use 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 18 countries²³ worldwide, in 11²⁴ of which a complete transition has been made. In general, the Group’s electricity consumption comes approximately 60% from renewable sources.



INTEGRAL USE
PARTIAL USE

23- Austria, Belgium, Bosnia Herzegovina, Bulgaria, Croatia, Czech Republic, Ethiopia, France, Germany, United Kingdom, Italy, Holland, Poland, Portugal, Serbia, Spain, Sweden, Switzerland.

24 - Austria, Bosnia Herzegovina, Bulgaria, Croatia, Ethiopia, Germany, United Kingdom, Italy, Holland, Poland, Sweden.

In 2021, self-consumption from photovoltaic power came to 9,315 GJ, which made it possible to avoid approximately 776 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).

SELF-PRODUCED ENERGY
9.315 GJ

EMISSIONS AVOIDED
776 t CO _{2e}

In 2021, the Group's total energy consumption came to 1,469,203 GJ and the related emissions were 79,164t CO_{2e} (Scope 1 and 2 market-based methodology).

In order to reduce its environmental impact, the Calzedonia Group is increasing the percentage of electricity from renewable sources used throughout its supply chain. Specifically, in 2021, 65% of electricity from renewable sources was used in all the Group's production plants (connected with the production of 82% of the garments produced during the year).

25 - 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 store is managed, by the host shopping centres.
 26 - The 2019 data relative to the energy consumption of the aircraft fleet has been restated.

Direct and indirect energy consumption (Gj)

	2019	2020	2021
Direct energy consumption	832.594	704.024	811.702
From non-renewable sources²⁵:	580.616	498.141	571.629
Natural gas	550.431	470.175	535.626
Diesel	24.837	14.447	22.480
LPG	5.366	13.519	13.523
From company vehicles	243.265	196.610	230.758
Petrol-driven cars	9.072	13.051	22.993
Diesel cars	61.343	47.136	44.459
Methane-powered cars	86	10	1.274
Petrol-driven vans	115	33	-
Diesel vans	91.586	79.512	79.258
Diesel buses	57.688	49.806	56.758
Aircraft	23.374 ¹⁴	7.062	26.017
From renewable sources:	8.713	9.273	9.315
Photovoltaic	8.713	9.273	9.315
Indirect energy consumption²⁶	662.300	583.561	657.501
Electricity	660.242	581.008	653.330
of which from non-renewable sources	346.077	301.036	268.617
of which from renewable sources	314.165	279.972	384.713
Thermal energy	2.058	2.553	4.171
of which from non-renewable sources	-	2.265	3.088
of which from renewable sources	-	288	1.083
Total consumption	1.494.894	1.287.585	1.469.203

The table below shows the Group's direct and indirect (Scope 1 and 2) emissions, which in 2021 drop by 11% on 2020; this reduction is due to the purchase of renewable electricity. Indeed, it can be seen that indirect energy consumption in 2021 is comparable with that of 2019 (99%), but the related emissions are down by 22% (market-based indirect emissions).

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

	2019	2020	2021
Direct emissions (Scope 1)²⁷	46.650	37.451	44.424
From non-renewable sources:	30.119	24.758	29.770
Natural gas	28.110	22.969	27.524
Diesel	1.689	965	1.494
LPG	320	823	751
From company vehicles	16.531	12.694	14.654
Petrol-driven cars	590	831	1.538
Diesel cars	4.171	3.147	2.960
Methane-powered cars	4	1	1
Petrol-driven vans	7	2	-
Diesel vans	6.228	5.313	4.478
Diesel buses	3.923	2.888	3.793
Aircraft	1.608 ²⁸	512	1.884
Indirect emissions²⁹ (Scope 2)	44.446	43.343	34.740
Electricity - Location based	71.702	60.231	63.800
Electricity - Market based	44.360	43.234	34.592
Thermal energy - Location based	-	122	200
Thermal energy - Market based	86	109	148
Total emissions (Scope 1 and 2)	91.096	80.794	79.164
Offsetting (reforestation projects)	-	-	10.000
Final emissions (Scope 1 and 2)	-	-	69.164

27 - The factors used to calculate the emissions in 2021, 2020 and 2019 were published by the Department for Environment, Food & Rural Affairs (DEFRA), respectively, in 2021, 2020 and 2019.

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

29 - The conversion factors used to calculate the emissions are:

- electricity - 2020 and 2021: Location-based Terna 2018; market-based, European residual mix 2019 (AIB 2020), where available, otherwise Terna 2018;
- electricity - 2019: Location-based Terna 2019; Market-based: AIB 2018, where available, otherwise Terna 2019;
- thermal energy - 2021 and 2020: Location-based and market-based district heat and steam - respectively DEFRA 2021 and 2020;
- thermal energy - 2019: District heat and steam - DEFRA 2019.

As regards the Group's **direct emissions**, the main component derives from thermal plants for the production of industrial use steam and hot water for heating (67% of the total). This is then followed by emissions due to movement of the company fleet, which accounts for the remaining 33%.

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. In addition, in 2021, a programme was launched to replace the gas heaters used to heat two logistics poles with heat pump systems. We also launched a project to modernise the company fleet, with the aim of replacing petrol-driven cars with hybrid options and, where possible, full-electric vehicles.

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.

Despite the 22% reduction in indirect emissions on last year, they still constitute the main component of emissions. More specifically, in 2021, more than 29 thousand tonnes of CO_{2e} were avoided, accounting for 46% of total indirect emissions thanks to the use of electricity obtained from renewable sources.

REFORESTATION

In 2021, we offset 10,000 tonnes of CO₂ by means of reforestation projects. We have financed the planting of more than 300,000 trees in the Garao region of Uruguay with a project covering 21 thousand hectares of land offering jobs and training for local communities who will take charge of sustainable management of the new forest. This effort is part of a more extensive

project, which in 2022 seeks to offset all Scope 1 and 2 emissions of the whole of the Calzedonia Group. We are aware that this commitment needs to be flanked with an emission reduction process, as can also be seen from the reduction in Group Scope 1 and 2 emissions between 2019 and 2021.



In order to calculate its energy and carbon footprint, the Group has compared its consumption and emissions with the number of items produced in-house.

The energy intensity of each item produced has increased by 9% on 2019, mainly due to the lesser production efficiency caused by the high rate of absenteeism recorded in factories across the globe following the pandemic. On the other hand, emissions intensity has dropped by 6% thanks to the increasing use of renewable electricity in Group operations.

	2019	2020	2021
ENERGY INTENSITY (KWh/pc)	1,39	1,41	1,51
EMISSIONS INTENSITY ³⁰ (KgCO _{2e} /pz)	0,31	0,32	0,29



The Group has also calculated the environmental impacts deriving from employees' business travel. The emissions deriving from business travel in 2021 come to approximately 3.4 thousand tonnes CO_{2e}, of which 79% deriving from air travel.

³⁰ - The emissions intensity considers direct market-based direct and indirect emissions.

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

	2019	2020	2021
Emissions deriving from air travel	11.206	2.882	2.732
Short-haul	776	384	387
Medium-haul	2.694	805	1.144
Long-haul	66,1%	66,1%	66,1%
Emissions deriving from the use of hire cars	806	270	516
Large size	-	8	2
Medium size	-	174	274
Small size	-	88	163
Emissions deriving from travel with car rental with driver	-	486	77
Emissions deriving from train travel	260	81	197
National railway line	259	81	196
International railway line	1	-	1
Total emissions³¹	12.272	3.719	3.446

This table shows how the emissions caused by employee travel have reduced by 72% as compared with 2019. This decline is not only due to the Covid-19 pandemic, but also to the change in travel habits that followed. We note, for example, a significant increase in train travel, as a sign of a renewed sensitivity in respect of short-distance travel.

In order to reduce the emissions caused by employee travel, starting 2020, a travel policy called the “Green Travel Policy” has been drafted. The main aspects of this 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 in the way of emissions than those with stopovers;
- use of trains instead of aeroplanes for national travel;
- 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.

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.

In 2020, more than 7 million euros were confirmed for investments 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 the replacement of obsolete plants with more efficient technologies.

For some time now, we have 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 72% of our stores only use LED technology lighting.

Two years ahead of our target, all the Group’s production and logistics plants have been equipped with low energy consumption LED lights. Where possible, we are also implementing DALI smart lighting systems to control luminosity.

31 - The factors used to calculate the emissions in 2021, 2020 and 2019 were published by the DEFRA respectively, in 2021, 2020 and 2019. In some cases, emissions deriving from rental cars were supplied directly from the transport service provider.

	COMMERCIAL AREA	PRODUCTION AREA
OBJECTIVE	100% LED by 2024	100% LED by 2023
STATUS 2021	72%	100%

In our stores, our technical choices involve 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 action taken in 2021 to increase efficiency has allowed the Group to save a total of 18,066 GJ in energy, as can be seen in the table below.

This energy reduction mainly derives from efficiency improvements in the Group's production plants (both manufacturing and fabric processing), which represent a large part of the entire Supply Chain.

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

Reduction of energy consumption and emissions

Type of intervention	2019 ³²		2020		2021	
	Estimated savings (GJ)	Emissions avoided (tCO _{2e})	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	1.812	109
Renewal of thermal plants	273	27	9.427	64	7.866	30
Installation of photovoltaic plants	774	77	324	0	8.388	4
Total	25.513	2.448	16.157	206	18.066	143

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.

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

Our distribution centres

- Vallese di Oppeano (ITALY)
- Castagnaro (ITALY)
- Varazdin (CROATIA)
- San Paolo (BRAZIL)
- Shanghai (CHINA)
- Varsavia (POLAND)
- New York (USA)

The Calzedonia Group internally manages the organization of the transport of the purchased goods (fabrics, yarns, finished garments), and bears the related transport costs, so as not to penalize suppliers for any cost increases and with the added objective to increase the control over the value chain. In the few situations in which the supplier pays for the transport, we take into consideration the analyzed variations of the transport costs. In the current year we have seen an increase of 7% in the cost of transport by air and by 11% for the average FOB prices by sea.



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 2021, it was estimated that these emissions totalled approximately 2.3 million tonnes CO_{2e}. The highest impact transport types are by road (58%) and by air (39%). 2021 emissions are back to being more regular than in 2020, yet showing a decline of 16% on 2019. We know that it is a technologically very complicated process to reduce the emissions of logistics transport, above all because they are not under the Group's direct control. We are, however, talking to and collaborating with certain transport companies, in order to encourage low greenhouse gas emission transport methods.

For example, with the shipping company CMA-CGM, we carried out a first transport operation in 2021 using biofuel (fuel produced from recycled used oils), which allowed us to avoid more than 30 tonnes of CO_{2e}. The adoption of this fuel has the major advantage of producing 85% less in the way of emissions than traditional fuels and allows us to use the same infrastructures and technologies already used in the industry.

33 - The estimate of CO_{2e} 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 emissions factor published by the DEFRA in 2020, used for 2021 and 2020, and by the BEIS 2019 (Department for Business, Energy & Industrial Strategy) for 2019, or, where available, on the basis of certified reports supplied by the logistics partners in 2020 and by the BEIS 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.

Indirect transport emissions - Scope 3³³

Type of transport	2019	2020	2021
Road	1.999.032	747.573	1.373.374
Air	670.577	719.387	932.141
Sea	74.298	159.714	58.050
Combined	77.872	-	-
Total	2.821.779	1.626.674	2.363.609

Note that indirect transport emissions are the only ones that the Calzedonia Group reports for Scope 3, i.e. emissions not under the company's direct control. This is why they are considerably higher than other emissions reported to date (they exceed 96% of the total declared in this Sustainability Report). The Group expects to also start reporting Scope 3 emissions of production of the supply chain starting 2023, so as to improve understanding of the environmental impact of our activities and choices.

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 2021, this saved around 1 million deliveries. This number has risen sharply on previous years and is proportional to the Group's e-commerce market growth.

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 outlets or donated to charity.

Annexes

Collaborators by professional category and gender (%)

	2019			2020			2021		
	Men	Women	Total	Men	Women	Total	Men	Women	Total
Country Manager/ Plant Manager	0,2%	0,1%	0,3%	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%	0,5%	0,7%	1,2%
White-collar	1,2%	3,5%	4,8%	1,8%	4,0%	5,8%	1,4%	4,4%	5,8%
Sales staff	0,3%	2,3%	2,6%	0,3%	2,3%	2,5%	0,3%	2,4%	2,8%
Store staff	1,0%	30,3%	31,2%	1,0%	29,0%	30,0%	1,4%	31,4%	32,8%
Blue-collar	6,3%	53,5%	59,8%	6,2%	53,8%	60,1%	6,0%	51,0%	57,1%
Total	9,5%	90,5%	100%	10,0%	90,0%	100%	10,0%	90,0%	100%

Turnover by gender and age bracket (no.)

	Gender		Total	Age brackets	
	Men	Women		<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
2021					
Employees hired	1.153	22.596	23.749	18.856	4.894
Employees left	1.014	20.937	21.951	17.498	4.453

Turnover by geographic area (no.)

	Italy	Europe	America	Asia	Africa
	2019				
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
2021					
Employees hired	1.534	13.649	496	8.001	70
Employees left	1.325	12.280	481	7.816	49

Injuries involving collaborators (no.)

	2019			2020				2021			
	Men	Women	Total	Men	Women	Unknown	Total	Men	Women	Unknown	Total
Injuries recorded at work	67	2.548	2.615	89	2214	16	2319	95	2221	11	2327
In the workplace	60	2.466	2.526	85	2190	10	2.285	89	2.186	11	2.286
Italy	12	33	45	13	21	-	34	22	26	-	48
Europe	22	207	229	26	259	10	295	22	231	11	264
America	-	1	1	-	-	4	4	-	7	-	7
Asia	26	2.225	2.251	46	1.906	-	1.952	45	1.922	-	1.967
Africa	-	-	-	-	-	-	-	-	-	-	-
During commute	7	82	89	4	24	6	34	6	35	-	41
Italy	3	23	26	4	22	-	26	4	20	-	24
Europe	4	59	63	-	2	6	8	2	15	-	17
America	-	-	-	-	-	-	-	-	-	-	-
Asia	-	-	-	-	-	-	-	-	-	-	-
Africa	-	-	-	-	-	-	-	-	-	-	-
Injuries with severe consequences that occurred at work (excluding deaths)	4	27	31	8	18	-	26	4	10	-	14

Waste by composition (t)

	2019			2020			2021		
		WASTE GENERATED	WASTE NOT SENT FOR DISPOSAL	WASTE SENT FOR DISPOSAL	WASTE GENERATED	WASTE NOT SENT FOR DISPOSAL	WASTE SENT FOR DISPOSAL		
Hazardous waste	620	108	35	73	189	35	73		
Waste water and sludge	106	7	-	7	8	-	7		
Textile waste	439	12	-	12	10	-	10		
Waste from fume treatment	79	-	-	-	-	-	-		
Chemical product containers	20	8	1	7	7	-	7		
Oil	18	27	9	18	97	69	29		
Waste electric material	13	17	12	5	27	21	5		
Toner and cartridges	4	4	3	1	5	2	1		
Other	47	40	10	30	34	10	30		
Non-hazardous waste	18.853	16.517	8.187	7.156	20.723	9.939	8.829		
Waste water and sludge	1.335	1.977	67	1.910	2.203	1	2.200		
Paper and cardboard	9.046	8.032	4.257	3.139	8.126	5.184	1.568		
Textile waste	4.919	4.432	2.234	2.193	5.392	2.059	3.324		
Plastic	1.423	616	167	152	585	248	78		
Packaging	794	689	305	335	343	91	201		
Waste from fume treatment	317	140	-	140	9	-	9		
Metals	168	105	75	30	346	327	18		
Organic waste	131	685	673	11	1.275	1.273	2		
Demolition and construction waste	300	88	32	1	169	33	1		
Multi-material waste	23	686	315	243	485	228	176		
Other	2.002	1.044	129	912	1.789	496	1.252		
Total	19.471	16.623,52	8.220,99	7.230,02	20.723	9.939	8.829		

Employees/workers³⁴ paid digitally (%)

	2021
Italy	100%
Europe	100%
America	98%
Asia	94%
Africa	-
Total	98%

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

	2021	
	Above	Equal
Italy	85%	23%
Europe	85%	15%
America	100%	-
Asia	100%	-
Africa	-	-
Total	90%	10%

34 - Both tables refer to workers in the supply chain directly controlled by the Calzedonia Group, which is responsible for the production of 82 percent of the garments offered in stores.

Electricity source by country (Calzedonia Group Supply Chain) (kWh)

2021			
	Renewable energy source	Non-renewable energy source	Renewable energy source %
Italy	45.001.314	258.343	99%
Serbia	17.325.207	-	100%
Bosnia-Erzegovina	3.754.00	-	100%
Bulgaria	2.224.263	-	100%
Croatia	25.798.541	-	100%
Sri Lanka	-	39.864.173	0%
Total	94.103.325	40.122.516	70%

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, page 104 gives 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 on page 22 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 2021 Sustainability Report refers to the Calzedonia Group performance (hereinafter the "Group" or "Calzedonia") for the financial year ended 31 December 2021. 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 Itaca Textile PLC, insofar as it has been closed due to the current civil war, the agricultural and real estate companies³⁵ and other service companies³⁶. 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 between positive and negative aspects were also applied, with comparability, accuracy, timeliness, clarity and reliability.

35 - 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.
36 - Enosocial s.r.l., Calzedonia Investments s.r.l.

Table linking the material topics and the GRI standards

MATERIAL 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) Non-discrimination (GRI 406)	Whole Group	Community, 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 omni-channel 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

MATERIAL TOPICS	REPORTING AREAS	TOPIC-SPECIFIC GRI STANDARDS OF REFERENCE	SCOPE OF IMPACTS	
			IMPACTS WITHIN THE GROUP	IMPACTS EXTERNAL TO THE GROUP
ENVIRONMENT	Efficient use of resources and fight against climate change	Energy (GRI 302) Water and Effluents (GRI 303) Emissions (GRI 305)	Whole Group	Environment, Suppliers
	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
	Respect for the environment in the stores and factories	Environmental Compliance (GRI 307)	Whole Group	Environment, Suppliers, Customers
PRODUCT	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, Suppliers, Customers
GOVERNANCE	Ethics and integrity in business management	General Disclosures (GRI 102) Anti-corruption (GRI 205) Environmental Compliance (GRI 307) Socioeconomic Compliance (GRI 419)	Whole Group	Community, Customers, Suppliers, Environment
	Corporate governance	General Disclosures (GRI 102) Diversity and Equal Opportunity (GRI 405)	Whole Group	Community
COMMUNITY	Contribution towards social well-being and the community	Economic Performance (GRI 201) Indirect Economic Impacts (GRI 203)	Whole Group	Community

Content Index

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102-2	Activities, main brands, products and/or services	Pag. 4-14	
102-3	Location of headquarters	Back cover	
102-4	Number of countries in which the organisation operates	Pag. 7	
102-5	Ownership and legal form	Pag. 15-18	
102-6	Markets served	Pag. 7	
102-7	Scale of the organisation	Pag. 6-7	
102-8	Information on employees and other workers	Pag. 35-39	
102-9	Supply Chain	Pag. 61-64	
102-10	Significant changes to the organisation and its Supply Chain	No significant changes have been made	
102-11	Precautionary Principle or approach	Pag. 17	
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102-13	Membership of national or international support organisations or associations	Pag. 26	

DISCLOSURE	DESCRIPTION OF INDICATOR	PAGE NUMBER/NOTES	OMISSIONS
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102-18	Governance structure	Pag. 16-17	
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102-42	Identification process and selection of stakeholders to be involved	Pag. 21, 26	
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REPORTING PRACTICE			
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102-47	List of material topics	Pag. 22	
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DISCLOSURE	DESCRIPTION OF INDICATOR	PAGE NUMBER/NOTES	OMISSIONS
102-50	Reporting period	Pag. 101	
102-51	Date of publication of most recent report	2021	
102-52	Reporting cycle	Annual	
102-53	Contact point for questions regarding the report	Back cover	
102-54 / 102-55	GRI content index and claims of reporting in accordance with the GRI Standards	Pag. 102-103 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			
103	2016 management methods	Pag. 18	
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203-1	Infrastructure investments and services supported	Pag. 51-53, 59-60	
GRI 204: 2016 PROCUREMENT PRACTICES			
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DISCLOSURE	DESCRIPTION OF INDICATOR	PAGE NUMBER/NOTES	OMISSIONS
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GRI 302: 2016 ENERGY			
103	2016 management methods	Pag. 73-74, 79, 86-87, 91-92	
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302-3	Energy intensity	Pag. 90	
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GRI 303: 2018 WATER AND EFFLUENTS			
103	2016 management methods	Pag. 73-74,79	
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GRI 305: 2016 EMISSIONS			
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DISCLOSURE	DESCRIPTION OF INDICATOR	PAGE NUMBER/NOTES	OMISSIONS
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GRI 306: 2020 WASTE			
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306-1	Waste generation and significant waste-related impacts	Pag. 83-85	
306-2	Management of significant waste-related impacts	Pag. 35, 73-74, 82-85, 85	
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GRI 307: 2016 ENVIRONMENTAL COMPLIANCE			
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307-1	Monetary value of the significant fines and number of non-monetary sanctions for non-compliance with environmental laws and regulations	Pag. 74	
SOCIAL: TOPIC-SPECIFIC STANDARDS			
GRI 401: 2016 EMPLOYMENT			
103	2016 management methods	Pag. 39-42	
401-1	New employee hires and employee turnover	Pag. 39-40 - 97	
GRI 403: 2018 OCCUPATIONAL HEALTH AND SAFETY			
103	2016 management methods	Pag. 48-50	

DISCLOSURE	DESCRIPTION OF INDICATOR	PAGE NUMBER/NOTES	OMISSIONS
403-1	Occupational health and safety management system	Pag. 48-50	
403-2	Hazard identification, risk assessment, and incident investigation	Pag. 48-50	
403-3	Occupational health services	Pag. 48-50	
403-4	Worker participation, consultation and communication on occupational health safety	Pag. 48-50	
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403-6	Promotion of worker health	Pag. 48-50	
403-7	Prevention and mitigation of occupational health and safety impacts directly linked by business relationships	Pag. 48-50	
403-7	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			
103	2016 management methods	Pag. 43-45	
404-2	Programmes for updating employee skills and transition assistance programmes	Pag. 43-45	
404-3	Percentage of employees receiving regular performance and career development reviews	Pag. 43	
GRI 405: 2016 DIVERSITY AND EQUAL OPPORTUNITY			
103	2016 management methods	Pag. 45-46, 48-49	

DISCLOSURE	DESCRIPTION OF INDICATOR	PAGE NUMBER/NOTES	OMISSIONS
405-1	Composition of the governing bodies and breakdown of employees by category, gender, age, belonging to protected categories and other indicators of diversity	Pag. 16, 39-42	
405-2	Ratio of basic salary and remuneration of women to men	Pag. 46	
GRI 406: 2016 NON-DISCRIMINATION			
103	2016 management methods	Pag. 46, 48	
406-1	Incidents of discrimination and corrective actions taken	Pag. 48	
GRI 416: 2016 CUSTOMER HEALTH AND SAFETY			
103	2016 management methods	Pag. 66-68	
416-1	Percentage product and service categories for which the impacts on health and safety are assessed	Pag. 67-68	
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	Pag. 68	
GRI 417: 2016 MARKETING AND LABELLING			
103	2016 management methods	Pag. 68-69	
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	Pag. 68-69	
417-2	Total number of cases of non-compliance with regulations or voluntary codes relating to information and labelling of products/services	Pag. 69	

DISCLOSURE	DESCRIPTION OF INDICATOR	PAGE NUMBER/NOTES	OMISSIONS
GRI 418: 2016 CUSTOMER PRIVACY			
103	2016 management methods	Pag. 32	
418-1	Number of substantiated complaints concerning breaches of consumer privacy and data loss	Pag. 32	
GRI 419: 2016 SOCIECONOMIC COMPLIANCE			
103	2016 management methods	Pag. 20-21	
419-1	Non-compliance with laws and regulations in the social and economic area	Pag. 21	

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